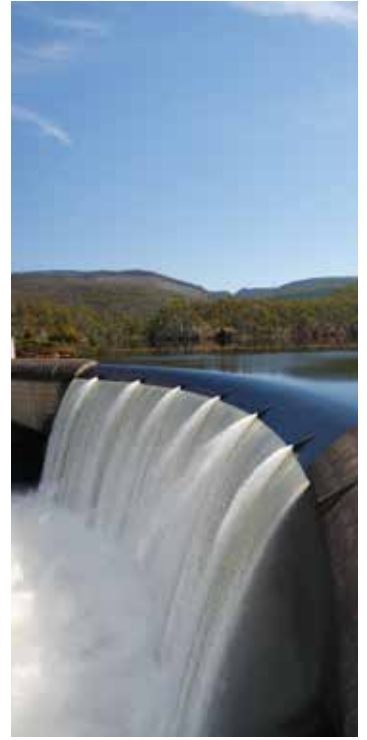


# Annual Report 2016–17



# Submission to Ministers



**Will Hodgman**

Premier  
Minister for Tourism,  
Hospitality and Events



**Michael Ferguson**

Minister for Information  
Technology and Innovation



**Dr Vanessa Goodwin**

Minister for the Arts



**Matthew Groom**

Minister for State Growth  
Minister for Energy



**Guy Barnett**

Minister for Resources



**Rene Hidding**

Minister for Infrastructure

Dear Ministers

In accordance with the requirements of Section 36 of the *State Services Act 2000* and Section 27 of the *Financial Management and Audit Act 1990*, I submit to you, for presentation to Parliament, this report on the affairs and activities of the Department of State Growth for the financial year ended 30 June 2017.

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

Yours sincerely

Kim Evans  
Secretary  
Department of State Growth  
October 2017

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# Message from the Secretary



I am very pleased to present the 2016-17 annual report for the Department of State Growth on our work in supporting economic and cultural development and business and jobs growth in Tasmania.

This year we continued our focus on supporting local industries and businesses, creating real jobs and providing a skilled workforce to support our economy.

We have enhanced Tasmania's position as a tourism, business and investment destination and supported building the Tasmanian brand to a wider audience nationally and internationally.

Our work has continued to strengthen our regions and provide the infrastructure and transport systems needed to keep people and the economy moving.

This work is underpinned by our three-year Corporate Plan which continues to foster an employee-focussed workplace as we progress the government's stated Budget commitments and the Agenda 2016 and Deliverables 2017 plans.

The recovery from the June 2016 floods continued to be a focus for us over the first half of 2016-17 with permanent rectification works across 48 high priority roads and 39 bridges completed by December.

This financial year also saw the continuation of significant works as part of the \$500 million Midland Highway 10 Year Action Plan with work completed on three more sections, taking the total completions to ten with works continuing on another three.

This year also saw the completion of the \$43.2 million North East Freight Roads project delivering eight projects including the replacement of 10 bridges across the region.

For passenger transport services, 2016-17 saw the commencement of Project 2018 to enhance and re-contract all general passenger bus services across the state and in December we facilitated the entry of Uber-X services into the greater Hobart area.

In December we also launched the new 10 year Towards Zero Tasmanian Road Safety Strategy 2017–2026 and secured dedicated road safety funding for a further ten years for evidence-based road safety programs and infrastructure.

This year our support for local business saw strong results with some 850 clients accessing direct assistance from Business Tasmania, more than 540 small businesses receiving free and independent advice through Enterprise Centres Tasmania, and almost 1 600 businesses taking advantage of our Digital Ready for Business program.

We continued the roll-out of the Government's Free Wi-Fi network which saw more than 290 000 users access over 650 000 sessions from 153 hotspots in 60 key tourism locations, and the joint Tasmanian-Australian government Mobile Black Spot program saw regions serviced expanding to 10 during 2016-17.



These programs were part of an agency-wide focus on supporting growth in the visitor economy as we work with industry and other parts of government to increase visitor numbers to 1.5 million by 2020.

In supporting local communities we rolled out the new Community Infrastructure Fund with 126 local projects totalling \$4.73 million funded through the Minor Round, and the Major Round closed for applications to be finalised in the coming period.

We continued Tasmania's international engagement with trade missions to China, India, Sri Lanka, Singapore, Indonesia, Japan and South Korea and provided support for TasInvest 2017 in Japan, generating a significant number of reciprocal delegations and trade missions to Tasmania, and we supported the overseas expansion plans of 17 local Tasmanian businesses through the New Market Expansion Program.

In supporting jobs and skills, in the last year there were some 28 700 working-age Tasmanian students in government subsidised vocational education and Tasmanian apprentices and trainee numbers peaked at 8 200 in June 2017.

Under the Workforce Development Grants program 56 projects worth more than \$3.36 million were either completed, continuing or commenced, and support for apprentices and trainees continues through the User Choice program and Career Start and Skills Fund Jobseeker programs.

Tasmania's cultural and tourism offerings had another big year in 2016-17 with 29 major events supported by Events Tasmania, and Screen Tasmania collaborations continued to promote our state with successes such as *The Kettering Incident*, *Lion*, *Rosehaven*, and animated children's shows *Little J & Big Cuz* and *Fanshaw and Crudnutt*.

The Tasmanian Museum and Gallery had another strong year with record attendance of 403 662 visitors across exhibitions including *kanalaritja: An Unbroken String*, *The Tempest*, and *One Hell of an Inferno: The 1967 Tasmanian Bushfire*.

State Growth continued to support the Energy Security Taskforce in its work following the extraordinary Basslink outage of 2015-16 with the Taskforce releasing its interim report for comment in December 2016 and subsequently providing its final report to the Minister for Energy in June this year.

Within State Growth, and underpinned by our Corporate Plan, this year we launched our new Corporate Values: Courage to make a difference through teamwork, respect, excellence and integrity.

We have also implemented a comprehensive healthy workplace regime, reaffirmed our commitment to the mental health and wellbeing of our people and have proudly commenced White Ribbon accreditation to demonstrate our leadership in addressing family violence and violence against women.

In closing, I commend the staff of State Growth for their commitment and support across the year, and thank the Chairs and members of our respective boards and our Ministers for their support.



**Kim Evans**  
Secretary  
Department of State Growth



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## Who we are

The Department of State Growth's role is to support economic growth and facilitate the creation of jobs and opportunities for Tasmanians.

The department is made up of four business areas each headed by a Deputy Secretary reporting to the Secretary.

We recognise and build on synergies that exist across government and work collaboratively to create opportunities for all Tasmanians.

Our structure includes the following business areas:

- » Industry and Business Development – a client-centric group that focuses on driving the development of industry capability and regional development for growth including small business support, workforce development, trade, resources and energy.
- » Cultural and Tourism Development – developing policy and programs to deliver economic and social outcomes through the cultural and creative sectors, encompassing Arts Tasmania, Tasmanian Museum and Art Gallery, Screen Tasmania, Events Tasmania and Tourism and Hospitality Supply-side Unit.
- » Transport Services – a key enabler for growth and services for the community that includes infrastructure delivery to support growth and an integrated customer service function for delivery and management of the all-important regulatory, road safety education and awareness services that underpins this.
- » Business Services – working with our partners to deliver quality financial, communication, human, information, asset management and portfolio services and leading the development of organisational culture and business improvement.

The Department of State Growth also supports Infrastructure Tasmania and the Office of the Coordinator-General.

These key offices are important in providing a coordinated approach to the planning and delivery of all major economic infrastructure in Tasmania, and in attracting investment to Tasmania, facilitating major projects and cutting red tape.

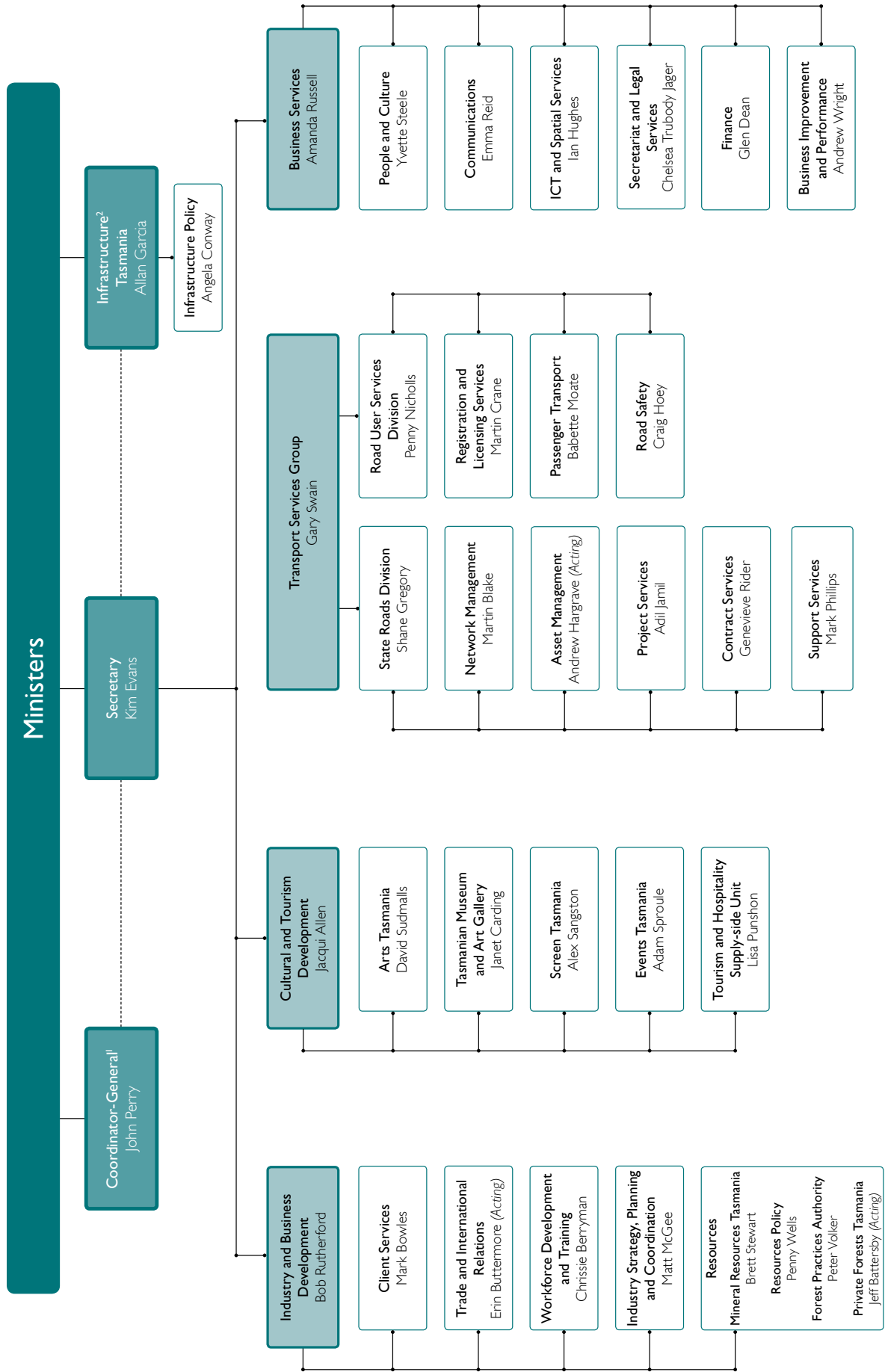
### Our Corporate Plan

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

For each of the following objectives there are also a number of priority actions.

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

# Department of State Growth – Organisational Structure as at 30 June 2017



The Coordinator-General reports directly to the Minister for State Growth and will also report to the State Growth Committee of Cabinet on major projects where appropriate. Chief Executive of Infrastructure Tasmania will also report to the Treasurer.

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# People and Culture

## Organisational development

One of the key priorities in the department's Corporate Plan has been to develop the first set of values for State Growth and to build a collaborative and productive culture that supports the effective delivery of the department's objectives and priorities. A cross-agency working group worked collaboratively to develop a set of values and behaviours for consultation across the department and discussion with State Growth's Executive Committee.

Working group members, together with the Executive Committee, launched the values through a series of events across the state during November and December 2016. A Values Action Plan and a suite of tools has been developed to continue to embed the values within organisational systems, policies and processes, and importantly within teams.

The department held its second leadership forum in October 2016, which brought together State Growth's broader leadership group. The forum focused on growing our leaders and how each leader can individually contribute to developing and promoting a values based workplace and continuing to explore opportunities for collaboration and integration.

The department continues to value the feedback of its employees and actively encouraged participation in the 2016 State Service People Matters Survey. The 2016 results reinforced the success of how our teams work together and the importance of identifying further opportunities for collaboration and teamwork across the department.

A Cultural Development plan for the department has been developed with five focus areas over the next two years, those being to increase agency integration and collaboration; increase leadership and management capability; broadening approach to capability development; and develop and implement succession planning and talent management strategies.

## Capability development

The department continues to invest in its people by providing access to a range of learning and development opportunities including career development and resilience training. Staff also have access to targeted training to meet individual development needs.

A key area for improvement from the 2016 People Matters Survey was the access to timely and relevant learning and development opportunities. As a result, a key focus area over the last six months has been in the investment and development of learning management system platform for our people. The development of the learning management platform has provided an opportunity for cross-agency collaboration and training on how to develop digital learning packages for organisational and business area specific needs. The focus on learning and development continues to broaden to include avenues for learning such as network building, on-the-job learning, cross-agency project and working groups and stretch assignments.

Leadership and management capability continues to be a high priority area for the department and work continues to provide opportunities to develop leaders at all levels, through both whole of government and department specific programs.

## Work health and safety

The department has demonstrated strong leadership and commitment to work health and safety with a focus on embedding sustainable practices into everyday business. The department has continued implementation of its safety management system. Key initiatives to manage risks included safe driving, contractor management, mental health and wellbeing, education around alcohol and other drugs in the workplace, improved work health, safety and wellbeing performance information and a focus on roles and responsibilities and the practical application of work health and safety in the workplace.

Work health and safety learning and development focussed on back care to reduce musculoskeletal injuries, education to support a mentally healthy workplace and due diligence awareness for departmental officers.

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

The Work Health and Safety Management Committee provides authoritative information, advice and recommendations to the Executive Committee on significant matters and emerging issues to facilitate continuous improvement of its work health and safety performance.

## Employee wellbeing

The department has adopted a proactive approach to employee wellbeing, with a range of programs to support positive health outcomes, including:

- » skin cancer screening checks
- » annual influenza vaccinations
- » user-pays Pilates, yoga and massage programs; and
- » health and wellbeing promotions.

## Our volunteers

The department recognises the valuable role that volunteers play. They are integral to the department's activities and have significant benefits to both the community and individuals.

The department engages volunteers either directly or through a third party volunteer organisation across a wide variety of volunteer activities. For example volunteers are used at the Tasmanian Museum and Art Gallery, Arts Tasmania, Events Tasmania and Trade and International Relations relating to high profile events.

Volunteers also assist with research programs for the Forest Practices Authority, working as school crossing patrol officers and helping with Learner Driver Mentor programs. To effectively manage the associated risks, and the legal and ethical responsibilities when managing volunteer activities, the department has developed an Unpaid Work Framework which supports unpaid work opportunities for people with a disability.



## Workplace diversity

The department is committed to providing an inclusive workplace that supports diversity by providing employment practices that are accessible to everyone and by eliminating barriers. All employees are given equal access to the full range of employment options, flexible work arrangements and learning and development opportunities.

The department has supported and implemented a number of initiatives, including creating opportunities for youth through Vocational Education and Training (VET) work placements and the State Service graduate development program; creating opportunities for volunteer activities across the agency; increasing awareness of flexible work practices; and promoting awareness campaigns celebrating events such as Harmony Day.

State Growth re-established its Disability Action Working Group to increase engagement with disability support networks to identify and remove barriers.

An Unpaid Work Framework has been developed which supports volunteers, short-term unpaid work experience placements, internships and work ready opportunities for job seekers which aims to provide unpaid work opportunities for people with a disability, youth, older workers and those trying to re-enter the workforce.

The department supported nine female employees to attend the State Service Women Supporting Women Forum in May 2017, with processes in place to establish further networking opportunities to share experiences and assist with the development of the department's gender action plan.

The department commenced the process to become White Ribbon Accredited on 1 June 2017 which aligns to and further strengthens our positive workplace culture and existing values, and acknowledges our commitment to zero tolerance of violence against women. A Steering Committee has been established to oversee the accreditation process, chaired by the Secretary of the department.

## Performance management

The department is committed to creating a culture of high performing individuals and teams who support each other to work effectively and productively.

While the department undertakes an annual performance and review cycle, approaches to improving outcomes are embedded as part of everyday business practice between managers and teams.

The launch of the department's values and behaviours promotes a positive work environment by aligning performance management systems and process and encourages timely and respectful conversations.

## Workforce demographics as at 30 June 2017

### Employees – full time equivalent and headcount

Number of paid FTE employees	711.03
Total number of employees	829

### Employees – by employment type

Permanent	760
Fixed term	44
Senior Executive	25

### Employees – by work pattern

Full-time	567
Part-time	262

### Employees – by gender

Females	446
Males	383

### Commencements and separations

Commencements	70
Separations	67

### Flexible work options

Number of employees who accessed State Service Accumulated Leave Scheme	6
Number of employees who accessed State Service Purchased Leave Scheme	63
Number of employees who accessed maternity leave	21
Number of employees who accessed leave without pay greater than 20 days	59
Number of part-time employees	262
Number of employees on phased-in retirement plan	0



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# Industry and Business Development

## Client Services

### Key achievements

#### Business Tasmania

The Small Business Unit, including Business Tasmania, provides a broad range of support to grow the state's 36 000 small businesses, which employ more than 100 000 Tasmanians.

Over the period Business Tasmania has provided direct assistance to around 850 clients, with many more assisted through online tools and resources on the Business Tasmania website.

Other initiatives delivered include the very well received Winning Government Business, Retailer Development and Mentoring for Businesses in Growth programs.

Business Tasmania acts as a gateway to the Enterprise Centres Tasmania Program. This consists of seven centres across the state providing free and independent business advice to over 540 small businesses.

#### Information Communications Technology

The Digital Ready for Business program received 1 596 registrations including over 300 one-on-one business coaching sessions; seventy five public events were held to assist businesses to leverage digital technologies.

The Government's Free Wi-Fi network, delivered in partnership with Telstra, now includes 153 hotspots in 60 key tourism locations, and over 290 000 users accessed the service in over 650 000 sessions.

The Tasmanian and Australian Governments are improving mobile coverage, with 37 locations funded through the mobile Black Spot program, 10 of which have been commissioned so far.

#### Advanced Manufacturing

2016–17 was the first year of implementation of the Advanced Manufacturing Action plan. Some initiatives supported this year include:

- » establishment of a state-wide manufacturing industry association and Manufacturing Centre of Excellence in Burnie
- » 21 enterprises supported under the Advanced Manufacturing Market Expansion Program to access new export markets
- » four enterprises supported under the Advanced Manufacturing Innovation and Growth Voucher Program to assist in improving their efficiency and competitiveness
- » establishment of the manufacturing web portal: [www.tasmanianmanufacturing.com.au](http://www.tasmanianmanufacturing.com.au)
- » industry workshops, including doing business with defence.

#### Antarctic Tasmania

Antarctic Tasmania continues to work closely with the Antarctic sector. The *Australian Antarctic Strategy and 20 Year Action Plan* launched in June 2016, included a commitment to enhance Tasmania's status as an Antarctic Gateway.

The plan contains several exciting initiatives to modernise Australia's Antarctic program. These include improvements in shipping, aviation, traverse-capability and station infrastructure.

This year the unit worked with the Tasmanian Polar Network and businesses to respond to tenders including replacing the existing permanent research station on Macquarie Island.

The Government continues to financially support the Integrated Marine Observing System and the Commission for the Conservation of Antarctic Marine Living Resources.

#### Community Infrastructure Fund

The Community Infrastructure Fund was established to support community infrastructure initiatives throughout Tasmania which will enhance the liveability and cohesion of communities.

The Community Infrastructure Fund budget was capped at \$13.9 million over three financial years.

There are two grant division: Minor Grants for amounts between \$10 000 and \$50 000; Major Grants for amounts exceeding \$50 000.

The minor grant division closed on 3 February 2017 with 126 applications totalling \$4.73 million approved for funding. The major grant division closed on 31 March 2017 with announcements of successful applicants made in August 2017.

#### AgriFood

The AgriFood Unit works across government and industry in support of AgriGrowth Tasmania to provide market-focused support for investment attraction, trade promotion and industry transformation.

Key projects this year included the Tasmanian Beer Trail, which involved marketing sponsorship of beer festivals and social media promotion. Since the Trail's inception there has been an increase of 30 per cent in visitors attending Tasmanian breweries.

The department also administers over \$50 million under the AgriGrowth Loan, Pacific Oyster Mortality Syndrome Recovery, Flood Recovery Loan and the Australian Government Concessional Loan schemes.

### Industry Strategy Planning and Coordination

#### Key achievements

##### Land Use Planning

The division has played a key role in representing agency-wide interests during the ongoing planning reform process through the preparation of policy and submissions relating to land use change, and attendance at Tasmanian Planning Commission hearings and inter-agency forums. The focus has been to advocate for the efficient use of transport infrastructure and services and minimise the potential for land use conflict for key industries. The division also provides planning related advice within the department that helps to negotiate complex planning processes.

##### Policy and Coordination

As the department's hub of policy and coordination, the division worked in partnership with internal and external stakeholders to provide client-centric advice that reflects the department's and government's roles, responsibilities and priorities.

This includes: representing the agency on inter-departmental and inter-jurisdictional committees; providing collaborative and coordinated advice, support, issues and project management services to the department's ministers and internal and external clients, and coordinating the implementation of the Population Growth Strategy.

##### Industry and Reform

The division supported other parts of the department with major reform projects. This included supporting the Road User Services Division with the Public Bus Re-procurement Project (Project 2018) and the Taxi and Hire Vehicle Industries Regulatory Review. The division has also been supporting the Cultural and Tourism Division in developing the Tasmania Museum and Art Gallery Bill 2017 and the review of the Arts Advisory Board and Screen Tasmania Advisory Board.

##### Energy Policy

2016–17 was a year of consolidation for Energy Policy. The division continued to provide energy policy advice to the Minister for Energy.

At the state level the government's Energy Strategy continued to provide clear direction and the work of the Energy Security Task Force (chaired by Mr Geoff Willis) was completed.

At the national level, significant energy security events have resulted in an independent review chaired by Dr Alan Finkel. The recommendations of this review have the potential for far reaching implications and the division has been actively engaged in assessing the implications that national changes may have for Tasmanian energy market arrangements.

The division continues to work closely with the government owned energy businesses to ensure optimum outcomes for Tasmania.

### Mineral Resources Tasmania

#### Key achievements

As the statutory authority for the *Mineral Resources Development Act 1995*, Mineral Resources Tasmania (MRT) works to ensure sustainable and fair management of the state's natural mineral resources.

##### Geoscience Initiative program and Mining Sector Innovation initiative

The Tasmanian Government has committed \$1.4 million over four years (2016–20) for a Geoscience Initiative program that will reduce risk for mineral explorers and attract additional investment through the provision of improved geoscience information, including new geological maps, airborne geophysical surveys and the 3D geoscience models that can be produced from these.

A further joint initiative, between MRT, the University of Tasmania and the Tasmanian Minerals and Energy Council was announced in May 2017. The Mining Sector Innovation initiative provides funding of \$1 million over four years (2017–21) to improve environmental outcomes for mining operations, past and present, develop a better understanding of landslip risk and develop innovative techniques to use and present the geoscience data that MRT curates.

##### Mineral Exploration Investment Attraction Plan

MRT continues to directly market opportunities for mineral exploration and mining in Tasmania at a state, national and international level, and has joined with industry stakeholders on promotional opportunities including the International Mining and Resources, the Prospectors and Developers Association of Canada and China Mining conferences, and investment seminars in Beijing and Tokyo.

Improvements to MRT's databases and website aimed at making our extensive geoscience data holdings more accessible continue to be well received by industry and are reflected in the results of the annual Fraser Institute Survey where Tasmania's ranking for quality of geoscience data jumped from fifth to third of 104 jurisdictions worldwide.

##### Relocation of Mineral Resources Tasmania to Burnie

The relocation of MRT is an important component of the Tasmanian Government's Mining for Tasmania's Future policy. Staff and resources are being moved progressively, as part of a four stage plan, over the term of the government. The Core Library and staff who utilise it will not be relocated. MRT staff have been fully consulted and informed during the implementation of the policy.

The approach is being implemented via a client focus model, whereby all front-end, non-Core Library related functions of MRT are relocated to Burnie, and the remaining back-end geoscientific and analytical functions that are linked to the Core Library, the University of Tasmania and Centre of Excellence in Core Deposits (CODES) are located at the Mornington Core Library facility.

Stages one and two of the relocation are complete with stage three well advanced and stage four in the early stages of implementation.

Stage four of the plan involves the consolidation of remaining Hobart functions to the Core Library thereby vacating the Rosny office.

This will result in significant operational and financial efficiencies.

### Geological survey

Regional geological mapping programs in northern Tasmania resulted in the publication of the Waratah, Luina and Hanleth map sheets during the year; updates to the Dempster and Sumac sheets, and production of the Kenneth sheet, which is in progress.

3D modelling of the state's geology continues, with the focus shifting to improving pre-existing models of the northeast.

The Commonwealth National Disaster Resilience Grant Program funded south east Tasmania tsunami risk modelling has been completed as has a small DPIPWE-funded project on the 2011 and 2016 flooding at Caveside.

Work on the Mt Wellington Debris Flow Hazard project is nearing completion. All of this work will inform and improve planning and emergency response decisions in the state.

### Mineral Tenement Management and Regulation

The management and administration of mineral rights and regulation of exploration activities continued during the year with 535 mining leases and 142 licences in force as at 30 June 2017.

Revenue from these tenements in the 2016–17 year was \$39.4 million in royalties and \$1.8 million in fees and rentals. This represents a significant increase of \$24.4 million on the previous financial year.

During the year MRT Inspectors spent considerable time in the field, undertaking regulation work and liaising with industry and stakeholders. In total 360 inspections were conducted of mining leases, licences and exploration work program applications in 2016–17.

Exploration expenditure has remained steady with surface exploration programs underway for iron ore at Blythe River, gold at Henty, and sand in the north-east.

MRT continues to manage the Abandoned Mines Rehabilitation Trust Fund and completed a full program of data collection and on-ground rehabilitation works at Storey's Creek, Royal George, Dundas and South Mt Cameron, and minor works at several other sites.

## Resources Policy

The Resources Policy branch provides strategic advice on issues relating to Tasmania's sustainable forestry policies and Tasmania's natural resource industries, including mineral exploration and mining.

### Key achievements

#### Regional Forest Agreement

The Tasmanian Regional Forest Agreement (RFA) expires on 8 November 2017. The Tasmanian and Australian Governments have committed to a long-term extension of the RFA and substantial progress was made in the negotiation of an extension. Public consultation on proposed improvements to the RFA was undertaken in December 2016.

In conjunction with the RFA extension process the Department of State Growth completed a review of the Tasmanian Permanent Native Forest Estate Policy.

The review resulted in a simplification of the policy in June 2017, moving from a threshold-based approach to a prohibition on broad-scale clearing and conversion of native forest, other than in limited prescribed circumstances.

#### Forestry reform

The department continued to support the implementation of key forestry reform actions arising from the review of Forestry Tasmania and the October 2016 Ministerial Statement on Forestry, including actions related to the sale of hardwood plantations, the future Forestry Tasmania operating model and the Forestry (Unlocking Production Forests) Bill 2017.

#### Forest Industry Strategic Growth Plan

The department continued to support the work of the Ministerial Advisory Council on Forestry including the completion of a Strategic Growth Plan for the Tasmanian Forests, Fine Timber and Wood Fibre Industry.

Key projects and actions arising from the Tasmanian Government response to the Strategic Growth Plan included:

- » completion of a Tasmanian Government Wood Encouragement Procurement Policy
- » delivery and ongoing administration of forestry assistance programs including implementation of the Wood and Fibre Processing Innovation Program
- » development of a consultation draft of the state's first Special Species Management Plan to provide a management framework for the long-term and sustainable harvesting of Tasmanian special species timbers
- » negotiation with the Australian Government for the development of the new National Institute for Forest Products Innovation for implementation in early 2018.

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## Industry and Business Development continued

### Mineral Resources Policy

During the year, the Mineral Resources Development Amendment Bill 2017 was drafted and tabled in Parliament on 15 June 2016.

The Bill provides for a number of amendments to the *Mineral Resources Development Act 1995* that will assist in meeting a number of Government policy objectives including reduction in red tape and regulatory duplication.

The Bill provides for the streamlining of processes under the Act and clarifies the intent of the Act in a number of instances. It is expected that the Bill will be debated in Parliament commencing in August 2017.

## Trade and International Relations

### Key achievements

#### Trade missions to South and East Asia

Trade missions are an opportunity for Tasmanian businesses to promote the provenance and compelling value proposition of their products and to explore export opportunities with international buyers.

Over the past 12 months Tasmania has continued to diversify its international engagement with trade missions to China, India, Sri Lanka, Singapore, Indonesia, Japan and South Korea, with a large number of reported successful trade and investment outcomes.

The Trade and International Relations Division also supported the Office of the Coordinator-General to deliver TasInvest 2017 in Japan, resulting in a number of reciprocated visits to Tasmania to further investigate trade and investment opportunities.

#### Hosting inbound delegations and inward buyers

In conjunction with the Office of the Coordinator-General, the Trade and International Relations Division hosts regular visits by international delegations seeking trade and investment opportunities with Tasmania.

The number of visitations from South and East Asia grew significantly following the respective trade missions this year and as the Tasmanian brand becomes more well-known across Asia.

In March 2017 the division directly supported the Premier to co-chair the 2nd Australia-China State/Provincial Leaders Forum in Sydney. The Forum was a significant milestone in Australia-China relations with participation from seven Chinese governors and mayors, as well as Chinese Premier Li Keqiang.

#### Support for businesses expanding into new markets

The New Market Expansion Program, now in its third year, continues to support Tasmanian businesses in planning and implementing their international and domestic marketing activities.

This year the program awarded almost \$80 000 in funding to 17 successful applicants across a range of industry sectors including food and beverage, manufacturing, tourism and education.

### Increased growth and support for skilled migration

The Boosting Business and Skilled Migration Program has grown significantly over the last 12 months, and continues to support the growth of Tasmanian business and industry.

This included:

- » adding three new state nomination visa subclasses to attract a broader range of migrants
- » responding directly to the needs of business, sponsoring an additional 100 employer-nominated skilled migrants
- » nearly tripling the number of state nominations compared with last year.

New and innovative initiatives being piloted include the Join the Industries grants program to fill skills shortages in the tourism and hospitality industry.

These grants supported local businesses to employ international student graduates.

### Launch of the Global Education Growth Strategy

The Global Education Growth Strategy was released in June 2017 and reflects broad consultation across Tasmania's education sector to provide a coordinated approach to retain and build the state's share of international and interstate students.

The strategy's principal focus is to:

- » highlight the benefits of Tasmania as a study destination with globally-recognised qualifications
- » strengthen partnerships between education providers and industry
- » facilitate further investment opportunities into education infrastructure
- » enhance the experiences of international students studying in Tasmania and build a global alumni network.

## Workforce Development and Training

### Key achievements

#### Investing in skills for growth

The Tasmanian training and workforce development system is a key enabler of the Government's objectives of jobs and economic growth.

The Tasmanian government's Investing in Skills for Growth policy is focussed on boosting the productivity of the state's businesses and capability of the Tasmanian workforce.

Aligned to the policy, the Ministerial Priorities set out clear and timely directions for the government's funding of training and workforce development.

These directions support industry, employers, individuals and training providers to grow a dynamic stock of skills required for economic growth and provide opportunities for all Tasmanians to flourish.

This includes better matching the skills of Tasmanians with job opportunities in areas of growth including building and construction, hospitality and tourism, aged care and disability, advanced manufacturing, and agriculture.

As at June 2017, the Department of State Growth had 13 strategic industry and community partners that provided strategic skills advice and exchanged information on training and workforce development issues.

Their input directly influenced the design of funded training and workforce development programs and informed the government's strategic directions for skills development.

### Major initiatives in workforce development

Workforce development projects span a wide range of industries including agriculture, construction, advanced manufacturing, aged and disability services, forestry, information technology and communications, engineering, creative industries, and aquaculture.

Under the Workforce Development Grants program in 2016–17, 26 projects were completed (with a total value of \$1.39 million); 17 projects were ongoing (with a total value of \$1.4 million); and 13 projects were initiated (with a total value of \$575 300).

In addition, the Tasmanian Government supported ongoing investment of \$450 000 in the Agriskills project and \$340 000 in the ICT Generations and IT's Your Career projects.

Several projects focused specifically on increasing capacity for regional workforce development, such as the South Central and South–East Regional Workforce plans, supporting community–led innovation in Launceston, and extension of the Huon Valley Works Employment Hub.

The Rapid Response Skills Initiative directed \$159 215 to retraining 142 workers who had been made redundant.

### Building pathways to training and employment

Tasmanians facing barriers to training and employment continue to be supported in a variety of ways including:

- » support for new and existing apprentices and trainees through User Choice (\$16.5 million)
- » investment in core employability and foundation skills, including support for literacy and numeracy skills
- » access to nationally recognised training through the Career Start and Skills Fund Jobseeker programs (\$13 million total budget allocation)
- » \$2.47 million under the Training and Work Pathways Program to support 28 projects to address disadvantage and encourage innovation and quality in providing training and support for Tasmanians facing disadvantage, with a focus on assisting people on a pathway to employment

- » continued support for the \$300 000 Whitelion Youth Employment Partnership to assist disadvantaged young Tasmanians into work
- » continued support for the \$675 000 Beacon Schools Partnership which supports the Beacon Foundation to deliver employability skills, work experience, industry exposure, coaching, mentoring and professional development opportunities in Tasmanian schools in disadvantaged communities.

### Performance of the training and workforce development system

Government funded VET continues to benefit many working–aged Tasmanians and Tasmanian businesses:

- » in 2016 there were over 28 700 working–age Tasmanian students in government subsidised vocational education and training
- » internal Department of State Growth data shows the number of Tasmanian apprentices and trainees in–training peaked at 8 200 (June 2017) in the 2016–17 financial year
- » TasTAFE was funded under Deeds of Purchasing Arrangement for 2016 and 2017–18 to deliver a broad range of training such as fully subsidised qualifications and skills sets, Aboriginal programs, prison programs and foundation skills that build employability
- » there were 151 training providers, including TasTAFE that held Tasmanian Endorsed Registered Training Organisations (ERTO) status
- » funding was provided for Tasmanians facing disadvantage, including young people, to help them get on a pathway to work or further training
- » specialised competitive rounds of the Skills Fund were conducted in areas of identified industry need
- » excellence within VET and workforce development was recognised through the annual Tasmanian Training Awards. The 2016 awards showcased many outstanding individuals and businesses with awards presented in 13 categories.

## Industry and Business Development continued

### FAST FACTS

#### Client Services

Antarctic and climate research is a significant contributor to the Tasmanian economy. The Antarctic research organisations in Hobart employ over 750 scientists and technical staff and generate over \$180 million per annum, or 0.7 per cent of Tasmania's GSP.

Wages in the Antarctic research sector are 71 per cent higher than the Tasmanian average.

#### Mineral Resources Tasmania

Ranked third out of 104 jurisdictions worldwide for the quality of geoscience data by the Fraser Institute.

Completed modelling of tsunami risk in south east Tasmania.

Ongoing 1:25 000 scale regional geological mapping now covering 54 per cent of Tasmania's land mass with a focus on highly prospective areas.

Collection of revenue from mineral tenements totalled \$39.4 million in royalties and \$1.8 million in fees and rent, a significant increase of \$24.4 million on last financial year.

Continued management and regulation of the state's mineral wealth through tenements, totalling 535 mining leases and 142 licences, including 360 onsite tenement inspections.

HyLogged core totalling 13.1km; received core totalling 12.35km; viewed core totalling 8.5km; and 520 visitors to the Mornington Core library.

The MRT laboratories analysed the chemistry and/or mineralogy of 1 124 geological samples for a range of clients. Many of these analyses cannot be completed anywhere else in the state.

Amendments to the *Mineral Resources Development Act 1995* were tabled in Parliament in June 2017. These amendments are designed to meet policy objectives in terms of removing regulatory duplication, reducing red tape and streamlining processes under the Act.

#### Resources Policy

Tasmania's total land mass is approximately 6.81 million hectares, of which 3.412 million hectares is forested.

52 per cent of Tasmania's forests are protected in reserves, which includes 85 per cent of Tasmania's old growth forests.

Tasmania's plantation forests are predominantly in private ownership and comprise 76 per cent hardwood and 24 per cent softwood.



## FAST FACTS

### Trade and International Relations

The value of Tasmania's international exports for 2016–17 was approximately \$2.7 billion.

China remains Tasmania's largest export market (by value), receiving nearly a quarter of all Tasmanian exports.

A total of 938 skilled migration nominations were processed, nearly three times the number of nominations compared with last year.

17 business migrants were nominated in the 2016–17 year under the state sponsored business migration program.

42 businesses participated in our missions to China, Japan, Korea, India, Sri Lanka, Singapore and Indonesia.

Hosted Fujian Week in Tasmania, celebrating the 35th Anniversary of Tasmania–Fujian Sister State relationship.

### Workforce Development and Training

Over 28 700 working-age students received a Tasmanian government subsidy to undertake qualifications or skill sets. Just over a quarter were apprentices and trainees.

88 per cent of Tasmanian vocational education and training graduates were employed after their training (compared to 75 per cent Australia-wide).

82 per cent of vocational education and training subjects studied in Tasmania are completed successfully.

The department's 13 industry, employer and community partners provide high-level strategic and operational advice on training and workforce development on behalf of employers.

Tasmanian apprenticeships and traineeships have the highest completion rate in the country at 66.8 per cent (compared with 61.4 per cent nationally).



## Industry and Business Development continued

### Performance information Industry and Business Development

Performance measure <sup>1</sup>	Unit of measure	2015–16 actual	2016–17 actual	2017–18 target
Difference between the Tasmanian and national unemployment rate <sup>2</sup>	% point difference	0.8	0.4	0
Investment, exports and import replacements facilitated <sup>3</sup>	\$ million	335.0	318.1	335.0
Government funded VET graduates employed after training <sup>4</sup>	% of total	77.6	80.0	78.5
Government funded VET graduates with improved employment status after training <sup>5</sup>	% of total	61.2	56.1	62.0
Employers using VET system <sup>6</sup>	% of total	54.2	NA	55.0
Apprentice/trainee commencements <sup>7</sup>	number	5 067	5 347	6 500
Apprentice/trainee in training <sup>8</sup>	number	8 167	8 201	8 400

#### Notes

- 'n/a' indicates that data is not available or measurement has not yet commenced.
- The Government has committed to reducing the Tasmanian unemployment rate to the national average in its first term. The difference between the Tasmanian and national unemployment rates as at 30 June 2017 was 0.4 percentage points. This figure is based on the ABS Labour Force 6202.0 release, trend data. The 30 June 2016 figures has also been revised in line with ABS revisions.
- Includes data from Client Services, Trade and International Relations and the Office of the Coordinator-General.
- Graduates employed after training data is sourced from the National Centre for Vocational Education Research Limited (NCVER) *Government Funded Student Outcomes Survey 2016*, released December 2016. This data relates to government funded graduates from 2015.
- Graduates with improved employment status after training data is sourced from the NCVER *Government Funded Student Outcomes Survey*, released December 2015. Improved employment status after training is employment status changing from 'not employed before training' to 'Employed after training', or 'Employed at a higher skill level after training', or received a job related benefit' as reported by the graduate. The drop in performance of this measure in 2016-17 is due to a greater proportion of training being delivered to people who were already employed before training than in previous years. There was also a reduction in the number of people reporting they had received a job related benefit.
- Employers using vocational education and training (VET) system data is sourced from NCVER *Survey of Employer Use and Views of the VET System 2015*, released October 2015. This survey is conducted every second year which is why the 2016-17 actual is not available and no target had been set for 2016-17.
- Apprentice/trainee commencements represents the number of Tasmanian trainees and apprentices who began their apprenticeship or traineeship in the 12 months to 30 June. 2016-17 figures are not final and could be revised.
- Apprentice/trainee in training represents the number of Tasmanian apprentices and trainees undertaking training as at 30 June. 2016-17 figures are not final and could be revised.

## Performance information Mineral Resources Tasmania

Performance measure <sup>1</sup>	Unit of measure	2015–16 actual	2016–17 actual	2017–18 target
Minister	satisfaction	satisfied	satisfied	satisfied
Agency – Secretary / Deputy Secretary	satisfaction	satisfied	satisfied	satisfied
Tasmania's percentage of industry's mineral exploration expenditure in Australia <sup>2</sup>	%	1.3	0.9	1.3
Area covered by modern geoscientific data collection techniques with subsequent 1:25 000 geological mapping coverage <sup>3</sup>	%	66.4	73.7 <sup>4</sup>	58.4 <sup>4</sup>
Programmed abandoned mining lands rehabilitation projects completed	%	73.6	100	100

### Notes

1. A user satisfaction survey sought stakeholder feedback regarding the level of satisfaction perceived on such issues as quality, equity, efficiency and openness of the consultation process.
2. Statistics derived from the first three quarters of each financial year from ABS greenfields exploration data.
3. The area covered by modern remote sensing data (acquired since 1996) is subject to change. The performance targets are regularly refactored based on the area of modern remote sensing data available at a given time.
4. The method of calculating this KPI has changed this year to more accurately reflect the area of the state covered by modern remote sensing data. The first surveys undertaken with modern remote sensing specifications were completed in 1996 and the KPI has been re-factored to include all data collected since 1996. The KPI was previously calculated based data collected in the previous 15 years.



### Report from the Director of Energy Planning

The Director of Energy Planning is a statutory position established under section 4 of the *Energy Co-ordination and Planning Act 1995*.

Section 13 of the Act requires that the Director of Energy Planning, not later than 31 October after the end of each financial year, prepare and provide to the Minister a report on the performance of the Director's functions and the exercise of the Director's powers under this Act in relation to that financial year.

This annual report is provided by the Director of Energy Planning in compliance with the Act.

Mr Alex Tay held the position of Director of Energy Planning from 1 July 2016 until his resignation effective from 11 July 2016, on commencement of his position as Head of the Secretariat to the Energy Security Taskforce.

Instruments of appointment permitted me to perform the duties of the position in the absence of the Director, and I was formally appointed to the position of Director of Energy Planning effective from 15 August 2016.

I continued in this role for the remainder of the reporting year.

### Performance of Director's functions and exercise of powers

#### Highlights

The 2016–17 year was one of consolidation following the extraordinary energy security challenges of the previous year.

The Energy Security Taskforce was established as a committee under section 12 of the Act.

It was chaired by Mr Geoff Willis and included as members Ms Sibylle Krieger and Mr Tony Concannon.

The Taskforce undertook a comprehensive review of energy security in Tasmania under a delegation of my powers.

The Taskforce was ably supported by a Secretariat, initially led by Mr Alex Tay and then, from December 2016, by Ms Corinna Woolford.

The Taskforce provided the Tasmanian Government with an interim report in December 2016 and its final report in June 2017.

At the end of 2016–17 the final report had not yet been publicly released.

The Taskforce undertook an independent energy security risk assessment for Tasmania, having regard to:

- » best practice water management including consideration of water requirements across a range of stakeholders
- » Tasmania's future load growth opportunities and risks and likely impact on projected energy supply and demand

- » the opportunity for further renewable energy development in Tasmania including in wind, solar, biomass and other renewable technologies considered in the context of the anticipated transition of the national electricity market and the potential for a second interconnector
- » likely developments in technology such as battery storage and electric vehicles
- » Tasmania's future exposure to gas price risk
- » the potential impact of climate change on energy security and supply
- » a review of energy security oversight arrangements.

The interim report recommended five priority actions for the Tasmanian Government:

- » define energy security and responsibilities
- » strengthen independent energy security monitoring and assessment
- » establish a more rigorous and more widely understood framework for the management of water storages
- » retain the Tamar Valley Power Station as a backup power station for the present and provide clarity to the Tasmanian gas market
- » support new on-island generation and customer innovation.

#### Functions and powers

The functions and powers as outlined in section 5 of the Act are broad. Past practice has seen many of these functions carried out through staff within the energy policy area of the Department of State Growth (and its predecessor agencies) with those staff reporting to a senior departmental officer who also holds the statutory position of Director of Energy Planning.

Energy-related activities in 2016–17 that relate to the Director's functions and powers included:

- » ongoing implementation of the Tasmanian Government's Energy Strategy
- » representing Tasmania's interests in inter-governmental policy forums, including under the auspices of the Council of Australian Governments (COAG) Energy Council
- » provision of advice to the Minister for Energy on emerging policy issues in Tasmania and nationally
- » working with the government-owned energy businesses to ensure that Tasmanian Government energy policy objectives are reflected and implemented in their corporate planning processes.

The Energy Strategy includes an action to ensure that departmental arrangements allow for effective, efficient and consistent development and delivery of energy policy, including reviewing electricity supply industry legislation to ensure that it remains contemporary. Work has commenced on the review of the *Electricity Supply Industry Act 1995* and the *Energy Co-ordination and Planning Act 1995*, with a review team to be formally established in 2017–18.

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## National events and reform agenda

It is important to note that since joining the National Electricity Market (NEM) in 2005 the market issues, regulatory settings, and policy implications of the NEM apply in, and have significant implications for, Tasmania.

There are significant benefits of physical interconnection and this means that Tasmanian energy policy cannot be considered in isolation from the national energy issues.

Following significant energy security issues in South Australia in October 2016, COAG established the Independent Review into the Future Security of the National Electricity Market.

This review, chaired by Dr Alan Finkel, presented its Blueprint for the Future to COAG in June 2017.

The 50 recommendations include a range of measures to improve energy security nationally.

The report builds on existing national work streams that are seeking to capitalise on new technologies to capture the advantages that they can offer for the energy market and consumers. The Department of State Growth is continuing to monitor the development of market reforms generally and is participating actively in those that hold particular promise for Tasmania.

The department ensures that the Director of Energy Planning and the Minister for Energy are informed about the progress of the reform agenda and the opportunities for Tasmania.



**Bob Rutherford**

Director of Energy Planning





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# Cultural and Tourism Development Division

The Cultural and Tourism Development Division consists of four business areas including Events Tasmania, Screen Tasmania, Arts Tasmania and the Tourism and Hospitality Supply–unit, all of which are supported by the Operations and Client Engagement team for the bulk of their business support requirements.

The Tasmanian Museum and Art Gallery (TMAG) is managed by the Trustees but is also part of the Division for the purposes of financial appropriation, staffing, strategic fit and reporting of government activity in the cultural sector.

In 2016–17, The Tasmanian Government released a number of policies which outline the priorities and programs to be managed by the division. Our work is founded in key plans including the Cultural and Creative Industries Strategy, T21 Tasmanian Visitor Economy Strategy and the Tasmanian Government Events Strategy 2015–2020.

As such the Division's focus for 2016–17 was on strategic priorities aimed at increasing the visibility and capacity of the creative and tourism sectors in Tasmania. Business units in the division worked collaboratively with stakeholders in the provision of support including grants, investments, sector development, governance, strategic partnerships and business improvement.

## Collaborative highlights

### The Hedberg

In January 2017 the official name of the new creative industries and performing arts building incorporating the Theatre Royal was announced as *The Hedberg*.

Construction commenced in January 2017 on the anticipated creative industries and performing arts development. The project was borne out of a unique partnership between the Tasmanian Government and the University of Tasmania.

The \$96 million project comprises important improvements to the Theatre Royal (Australia's oldest continually working theatre), a new University of Tasmania Conservatorium of Music, and will include performance venues, public spaces and an international research institute.

The project is scheduled to be completed in 2019.

### Tasmania Symphony Orchestra (TSO) tour to China

In December 2016, the Tasmanian Government supported the TSO to perform a series of nine concerts, over 12 days visiting Fujian and Jiangsu Provinces to progress bilateral trade and community relationships.

Led by the Minister for the Arts, a delegation of patrons and senior bureaucrats accompanied the TSO tour progressing agreements in priority areas and linking businesses, investors and buyers which ultimately help strengthen our relationship with China through ongoing economic and cultural diplomacy.

The TSO is also working with the Department of Education and the University of Tasmania to provide educational outreach opportunities to local secondary and post–secondary students in conjunction with concerts in Fujian Province and Shanghai.

This will provide music relevant to Australian and Chinese experiences to broad new global audiences, enhancing the relationship between Australian and Chinese communities.

### Tasmanian Museum and Art Gallery Bill

In October 2016, public consultation commenced by the Department of State Growth on the Tasmanian Museum and Art Gallery Bill 2017.

The Bill establishes TMAG as a statutory authority with a broad, skills based Board responsible for the strategic management of TMAG that is accountable to the relevant Minister for the delivery of the Board's functions and the exercise of its powers.

It provides a clear corporate planning structure for the management and operation of TMAG and clarifies the roles and responsibilities for the Department of State Growth in supporting the Minister.

The Bill was introduced in the House of Assembly on 6 April 2017 and then moved to the Legislative Council. Debate on the Bill will continue in the 2017–18 financial year.

### Cultural and Creative Industries Bill

Arising from the Department's Governance Review, the Cultural and Tourism Development Division developed, prepared and consulted on the Cultural and Creative Industries Bill 2017.

This Bill aims to enshrine the concept of 'peer' or 'expert' review and assessment of applications made to Arts Tasmania and Screen Tasmania, strengthening models for funding, governance and legislative arrangements, through streamlined clear processes making it easier for artists, organisations and screen producers to apply for support in Tasmania.

The Bill maintains Arts Tasmania and Screen Tasmania while providing for increased collaboration, better results and clearer decision–making processes.

The Bill was introduced to State Parliament in May 2017.

### kanalaritja: An Unbroken String

In December 2016 TMAG opened the national touring exhibition kanalaritja: An Unbroken String, which offers a unique glimpse into shell stringing, one of the most culturally significant and closely guarded traditions of the Tasmanian Aboriginal community.

Accompanying the exhibition is a dedicated website, a publication featuring essays by TMAG staff and Tasmanian Aboriginal women writers, as well as a documentary created in partnership with Roar Film with support from Arts Tasmania and an additional \$25 000 investment from Screen Tasmania.

Launched at a special screening at the State Cinema in March 2017, the exhibition has been displayed at TMAG, and toured Melbourne Museum, before continuing around Australia. The exhibition will tour until 2019.

In May 2017 kanalaritja: An Unbroken String won its category in the Museums and Galleries National Awards (MAGNA).

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## Cultural and Tourism Development continued

### Cultural and Tourism Workforce Development and Industry Strategic Plans

The Tourism and Hospitality Workforce Development Plan recognises that growth in visitor numbers, targeted in T21 Tasmanian Visitor Economy Strategy 2015–2020, needs to be supported by an expanded and appropriately skilled workforce.

A key recommendation of the Plan was the establishment of a Taskforce with a view to reporting recommendations to the Premier's Visitor Economy Advisory Council (PVEAC).

The Taskforce has now formally provided a suite of 18 recommendations that are currently being considered at agency level.

Recommendations include a range of activities that if accepted and implemented, would see industry taking greater leadership, and commensurate greater accountability for the development of the Tasmanian tourism and hospitality workforce.

In the screen sector, Skills Tasmania under the auspices of Tasmanian Creative Industries Ltd, in conjunction with the Screen Tasmania Advisory Board, and representatives of Tasmanian Filmmakers Alliance and the Tasmanian Game Development Society, released the Screen Industry Workforce Development Plan (WDP).

The WDP was funded by Skills Tasmania and undertaken by consultants, Stenning and Associates. The process involved industry meetings in Launceston and Hobart, and individual consultations with key industry stakeholders around Tasmania.

The WDP outlines a roadmap to the development and growth of the Tasmanian screen industry's workforce, and was considered in the development of Screen Tasmania's Strategic Plan 2017–2021.

## Arts Tasmania

### Key achievements

#### Arts Production Manufacturing Fellowship

In late 2016 Arts Tasmania offered a one-off Manufacturing Design Fellowship for a Tasmanian designer to undertake a self-initiated residency with an established design and manufacturing business.

The Fellowship was awarded jointly to Scott van Tuil and Matthew Prince who are furniture makers developing bespoke commissions and products intended for large-scale production. The Fellowship enabled the designers to work with a small-scale Hobart based manufacturing company to access specialist machinery and research and develop design and production methods.

#### The Tasmanian Government Art Site Scheme

The scheme commissions artwork for public buildings around Tasmania. The scheme was established in 1979 and was the first scheme of its kind in Australia.

It demonstrates a visionary understanding of the way art can enrich public buildings and spaces and promotes Tasmanian design and creativity in urban planning and place making.

The scheme creates jobs for professional artists as well as supporting local manufacturing and fabrication businesses, local suppliers and sub-contractors.

A recent example is the five artworks completed by Alex Miles on the Three Capes Track. The artist engaged seven Tasmanian businesses as sub-contractors to manufacture and install the works which have become a highlight of the acclaimed Three Capes Track experience.

### Arts in Parks

The Arts in Parks exhibition celebrated the 20 year partnership between Arts Tasmania and the Tasmania Parks and Wildlife Service. It was open from September 2016 until March 2017.

The partnership offered artists the opportunity to immerse themselves in some of the most stunning wilderness locations in Tasmania's national parks through Arts Tasmania's Dombrovskis Parks and Wildlife Wilderness Residency program.

The 20th Anniversary exhibition featured artworks inspired by artists' residencies over the past 20 years.

The four sites for the exhibition were:

- » Bruny Island Lighthouse Museum
- » Trailside Museum, Cradle Mountain
- » Lake St Clair Visitors Centre
- » The Chapel on Maria Island.

## Events Tasmania

### Key achievements

#### Suncorp Super Netball League game (North West Tasmania)

Events Tasmania has secured a partnership deal with the Collingwood Football Club and Netball Australia from 2017 until 2019.

The new national netball league competition features eight Australian based teams – five existing ANZ Championship franchises and three new franchises, including the Magpies team.

The partnership is for \$1.6 million over the three year term.

#### Events Tasmania Grants Program

The Events Tasmania Grants Program is designed to complement Events Tasmania's existing Major Event Partnership Program and Regional Events Start-up Program, collectively supporting the joint strategy between the tourism and hospitality industries and government to increase visitor numbers to 1.5 million per year by 2020.

During 2016–17 the Events Tasmania Grants Program provided around \$254 600 to 31 separate events.



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## Major Events Partnership Program

The Events Tasmania Major Event Partnerships Program provides funding to significant events that return substantial economic outcomes for the state.

During 2016–17 the Major Event Partnerships Program provided around \$6.44 million to 29 separate events.

Some of the events supported include MONA FOMA, the Australian Wooden Boat Festival, Hobart International Tennis, V8 Supercars, Dark Mofo, the Festival of Voices and Targa Tasmania.

Events supported through the Program are a relatively even mix of sporting and cultural events located around Tasmania.

## Tourism Event Management Scholarships

Events Tasmania continues to build the capacity of events and the broader industry through its Event Sector Support program.

One component of this support is the inclusion of a scholarship program for Tasmanian event organisers to undertake the Executive Certificate of Event Management with the Australian Centre for Event Management, part of the University of Technology located in Sydney. They are used to build capacity in the industry and provide a professional development opportunity for event organisers.

In 2016–17 there were six scholarships awarded through a competitive application process.

## Screen Tasmania

### Key achievements

#### Comedy Concentrate

Screen Tasmania worked with Screen Australia to run a landmark \$90 000 development and production initiative for short-form comedy projects aimed at the online world.

Sixteen teams were selected to take part in a workshop featuring executives from ABC, SBS, Screen Australia and Comedy Central, and high-profile content creators from Skitbox and the Bondi Hipsters, culminating in a masterclass from Tim Ferguson.

Four of the developed projects were then funded to produce a pilot episode. The finalised episodes were screened at a special event as part of Ten Days on the Island before an audience of industry and the general public. Screen Tasmania is confident that one or more projects will proceed into longer production with marketplace investment.

#### Little J & Big Cuz

Screen Tasmania invested \$180 000 into the animated children's television series Little J & Big Cuz.

The series was co-produced by Ned Lander Media and Hobart-based animators, Blue Rocket, for NITV and is the first animated series created for Aboriginal pre-schoolers.

Directed and designed by Tasmanian Aboriginal animator, Tony Thorne, the landmark series follows the adventures of Little J who lives in remote outback Australia with family and his dog. The series screened nationally on NITV and the ABC.

In addition to English, episodes of the series were also revoiced in a variety of indigenous languages including the revived Tasmanian language of palawa kani.

Blue Rocket also had Fanshaw and Crudnutt broadcast in 2016–17, on 9Go! The series received \$300 000 of Screen Tasmania investment.

### Screen Tasmania Industry Database for professional crew, equipment and service providers

In 2013, Screen Tasmania established a crew and services database to provide screen producers with a directory of Tasmanian-based crew from which to draw when shooting for TV or film.

This original database was not user updateable and needed constant attention to keep it relevant.

In 2017, Screen Tasmania started looking for a replacement system and after extensive research settled on the SmartJobBoard platform.

This system is password protected, user updateable, allows for video displays of work and is fully searchable. It also allows employers, approved by Screen Tasmania, to post jobs.

This has revolutionised the look and the relevance of the directory and increased the opportunities for Tasmanian practitioners.

## Tasmanian Museum and Art Gallery (TMAG)

### Key achievements

#### One Hell of an Inferno Exhibition: The 1967 Tasmanian Bushfires

Over summer 2016–17, TMAG presented the exhibition One Hell of an Inferno: The 1967 Tasmanian Bushfires, which was well received by both the Tasmanian community and visitors alike. It attracted almost 50 000 visitors over the three months it was on show.

The exhibition marked the 50th anniversary of the devastating fires that destroyed much of southern Tasmania in 1967, and featured interviews with survivors as well as objects recovered from the ashes. It was developed in partnership with the Tasmania Fire Service (TFS) and community groups, and received funding from the Tasmanian Community Fund.

Accompanying the exhibition, TMAG presented a Bushfire Community Day on 5 February 2017, which featured a live broadcast by ABC Radio Hobart, special activities for families and visits from TFS personnel.

In May 2017, the exhibition won its category in the MAGNAs.

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## Cultural and Tourism Development continued

### TMAG research highlights

TMAG staff across all disciplines participated in extensive research activities throughout 2016–17.

In Zoology, Kirrily Moore took part in a research cruise on board CSIRO's RV Investigator as an expert on soft corals during June 2017, and staff also completed and submitted reports on the moths, leaf-beetles and marine invertebrates collected during last year's two Bush Blitz expeditions to the Far Southwest and Bruny Island.

Gintaras Kantvilas from the Tasmanian Herbarium was awarded a Tactical Taxonomy Grant of \$15 000 from the Australian Biological Resources Study to research and formally describe new species of lichens discovered during Bush Blitz expeditions.

In Cultural Heritage, Ian Terry undertook several oral history recordings of survivors of the 1967 Bushfires as part of developing the exhibition *One Hell of an Inferno*.

The Indigenous Cultures team conducted extensive research into the TMAG collection of Tasmanian Aboriginal shell necklaces and the history and continuity of shell stringing practices, culminating in the release of the comprehensive publication *kanalaritja: An Unbroken String* to accompany the national touring exhibition.

### TMAG Children's Festival

In April 2017, the museum came alive thanks to the second TMAG Children's Festival, which was once again funded by a City of Hobart grant.

It attracted a record average daily attendance across five days of 2 780 visitors, with a festival total of 13 900 visitors.

The theme of the festival was 'animals', and programming was wide ranging including films and performances, child focused displays and exhibition activity and a big focus on interactive and participatory activities such as making, playing games, and sharing experiences with other children and adults.

A survey of post-festival attendees showed nearly 50 percent said they had attended some other type of family or children's activity at TMAG in the previous 12 months, and almost 90 per cent of attendees came from the greater Hobart area.

## Tourism and Hospitality Supply-side Unit

### Key achievements

#### Stage two 'Sense T' Tourism Tracker Project

Sense T is a 2016 Australia iAwards winning first mover and big data tourist research application developed by the University of Tasmania.

Using data sensing technologies and data analytics to help see tourist behaviour via participant mobile phone tracking, it is one of the most innovative and extensive research projects ever conducted into tourist travel.

The Tourist Tracking Project has received \$220 000 funding support from the Tasmanian Government and \$50 000 from the Tasmanian tourism industry, including contributions from the Tourism Industry Council of Tasmania (TICT), Federal Group and matching funds from the Australian Government Tourism Demand Driver Infrastructure fund rounds one and two.

In order to visualise the results of the Project, the user-friendly Tourism Tracer Dashboard has been created. Where possible the data has been synced with existing tourism datasets, providing tourism operators, regional tourism organisations and government with unprecedented, highly detailed and synthesised insights into tourist travel patterns in the study region.

#### Draft Agri-Tourism position paper

The Tasmanian Government released the Agri-Tourism Position Paper in October 2016, recognising the importance of Tasmanian agriculture and the enormous growth potential of the visitor economy. The paper was made available for public comment through a consultation process which concluded in February 2017.

Agribusiness, tourism and agri-tourism industry stakeholders were invited to provide submissions to further develop a draft agri-tourism strategy that identifies priority areas of focus to grow the agri-tourism sector. Feedback and further stakeholder consultation is currently underway to develop the draft agri-tourism strategy, which is listed on the Deliverables 2017 Agenda.

The draft strategy, supporting the broader priorities within the T2I Tasmanian Visitor Economy Strategy 2015–2020 is to be released for further public consultation in Quarter Two of the Tasmanian Government's Deliverables 2017 commitments.

## FAST FACTS

The Cultural and Tourism Development Division through its four business units distributed close to \$22.5m<sup>1</sup> in state grants, funding and support during 2016–17 to Tasmanian's arts, cultural, tourism, hospitality and creative industries.

Arts Tasmania's grants and support programs allocated \$8 976 612<sup>2</sup> to Tasmanian artists, arts organisations and moveable cultural heritage organisations by the Tasmanian Government in 2016–17.

The COLLECT art Loans Scheme has awarded 499 loans in 2016–17 for the direct purchase of over 610 Tasmanian artworks, which supports 137 individual artists and 21 participating galleries.

TMAG won three awards for its 2016–17 exhibition program at the MAGNAs in May 2017, with the exhibition Tempest also named the overall national winner – a huge honour for the museum.

TMAG's total visitation for 2016–17 was 403 662, with an average visitation per day of 1 238 (up from 1 220 the previous year).

In June 2017, TMAG welcomed the first stage of a private donation of significant Australian art from Richard and Anna Green. The collection will be donated to TMAG in three stages, with the first stage comprising 23 works by several notable artists.

One of the key activities of The Tasmanian Visitor Engagement Strategy is the development of 32 Destination Action Plan's state-wide. Leadership groups are currently being established.

Screen Tasmania has supported three award winning and nominated productions in 2016–17, including Lion with six Academy Award nominations, two BAFTAs and four Golden Globes; The Kettering Incident, with two Logie awards and three AACTA awards and Rosehaven with Logie and ADG nominations.

Screen Tasmania's current spend to production investment ratio for projects approved in 2016–17 is 5.52:1 (est).

During 2016–17, Events Tasmania invested over \$11 million into around 80 events. The return to the visitor economy by these events is around \$68 million per year.

206 000 pages were accessed on the Tasmanian Arts Guide website by 74 000 unique visitors to view content on Tasmanian artists, events, places to go and guides in 2016–17.



1. This amount does not include loans, subsidies or public art funding.
2. This figure includes \$3 264 480 allocated to artists and arts organisations through competitive grant program plus \$5 712 132 allocated to administered items.



## Performance information Cultural and Tourism Development

Performance measure	Unit of measure	2015–16 actual	2016–17 actual	2017–18 target
<b>Tasmanian Museum and Art Gallery (TMAG)</b>				
TMAG total visitors <sup>1</sup>	number	1 220/day	415 172	366 750
<b>Arts Industry Development</b>				
Attendance at selected cultural venues <sup>2</sup>	number	243 527	282 456	290 000
Contribution to gross state product of selected arts industries <sup>3</sup>	\$ million	61.008	61.008 <sup>5</sup>	
<b>Screen Industry Development</b>				
Developed projects that advance into production <sup>4</sup>	ratio	6.5:1	6:1	8:1
Leveraged spend in the state	ratio	8.25:1	5:67	4:1

### Notes

1. TMAG moved to seasonal opening hours in 2016–17. From 26 December 2016 until 31 March 2017, TMAG was open seven days a week in addition to opening on public holiday Mondays year-round. Total visitation to TMAG's site on Hobart's waterfront for 2016–17 was 403 662 over 326 operating days. This represents a five per cent increase on overall visitation of 383 026 visitors from the previous year. Total overall combined visitation across all TMAG's sites in 2016–17 (Narryna, Markree, Rosny and the Herbarium) was 415 172, exceeding the target of 366 750 visits per annum.
2. Attendance at selected cultural venues includes only those organisations receiving assistance under the Museums, Art Galleries and Heritage Organisations funding program of Arts Tasmania. This program will be replaced by the Cultural Heritage Program in 2016–17.
3. Contribution to gross state product of selected arts industries in 2015–16 will be available upon release of the ABS publication 5220.0 Australian National Accounts: State Accounts scheduled for release in November 2016. The 2015–16 figure is the target.
4. The industry standard ratio for developed projects advancing into production is 10:1. The ratio varies because of the time taken by some projects to go into production, and because of that time, this ratio has been taken over three years.
5. This figure is taken from official ABS data. Expenditure, Income and Industry Components of Gross State Product, Tasmania, Chain volume measures and current prices: Arts and recreation services. Data for 2016–17 is not available from the ABS until November 2017, therefore current actual figures for this year are based on 2015–16 ABS figures which result in the same target figures between years.



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# Transport Services

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

The Group is made up of two divisions, State Roads and Road User Services, which collaborate with other areas of the Department of State Growth (the department) to deliver the agency's corporate plan.

## State Roads

State Roads manages the state road network as part of an integrated transport system to serve the community.

Our state's roads are one of Tasmania's biggest infrastructure assets, linking our major population centres, moving people and freight and they underpin the economic growth and the creation of jobs and wealth for all Tasmanians.

The State Roads division monitors the whole-of-life management of the transport infrastructure asset ensuring the community can safely and efficiently use transport infrastructure, as well as planning and delivering transport infrastructure projects to meet community needs.

There are six groups within the State Roads divisions, these are:

- » Network Planning
- » Network Management
- » Asset Management
- » Project Services
- » Contract Services
- » Support Services.

## Key achievements

### Flood recovery

During June 2016, Tasmania experienced heavy rainfall and major flooding to northern and north eastern areas. Heavy falls and some flooding was also recorded over portions of the eastern half of the state.

The department had 48 roads and 39 bridges impacted to various extents by the June floods.

The department provided immediate responses to ensure the safe and reliable access to flood affected areas for residents, recovery teams and emergency services.

This included providing short and medium term urgent minor works on State roads and bridges rendered unsafe and unserviceable due to flooding to ensure that they remained passable.

This was followed up by the permanent rectification works.

The Tasmanian Government provided \$8.4 million for repairs to high priority roads and bridges.

### Mersey Forest Road flooding

Mersey Forest Road, managed by Forestry Tasmania, also sustained significant damage during the June 2016 floods.

The department procured a contract on behalf of Forestry Tasmania to reinstate 10 sites along Mersey Forest Road thereby enabling continued access for the general public to areas, such as the Walls of Jerusalem and Lake Rowallan.

The Tasmanian Government provided \$3.25 million for the reinstatement of Mersey Forest Road in partnership with the Australian Government.

### Midland Highway 10 Year Action Plan

In late 2014 the Australian Government and the Tasmanian Government committed \$500 million over 10 years to the Midland Highway 10 Year Action Plan.

This is the largest ever single investment in the Midland Highway and will result in a much safer highway for all users.

The Action Plan will see an upgrade of 146 kilometres of the Midland Highway. In 2016–17 three upgrades were completed at Bagdad and between Kempton and Melton Mowbray taking the number of completed projects to 10.

Construction works are continuing at White Lagoon to Mona Vale, Perth to Breadalbane and Symmons Plains to south of Perth.

By June 2017, 29 per cent of the works will be completed with 50 per cent of the works either completed or under construction by June 2019.

More detail on the plan is provided at [www.midlandhighway.tas.gov.au](http://www.midlandhighway.tas.gov.au).

### North East Freight Roads

This year saw the completion of the North East Freight Roads Program. This program commenced in 2008–09 with eight projects delivered with a total spend of \$43.2 million.

Total contribution from the Australian Government was \$34 million with the balance of \$9.2 million met by the Tasmanian Government.

The program included replacement of 10 bridges, approximately 26 kilometres of road upgrade and three junction upgrades to improve the existing freight routes in the north east of Tasmania.

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## Transport Services continued

### Major projects wholly funded by the Tasmanian Government that were completed or commenced in 2016–17:

- » bridge strengthening on Esk and Tasman Highways
- » Bruny Island Main Road – The Neck
- » Channel Highway Bonnet Hill safety improvements
- » Esk Main Road safety improvements
- » Grass Tree Hill Road, Shones Corner to Sugarloaf Road
- » Huon Highway, Glendevie
- » Lyell Highway safety improvements
- » Southern Outlet, Olinda Grove.

### Major projects funded by the Tasmanian Government, in conjunction with the Australian Government as part of the Australian Government’s National Partnership Agreement – completed or commenced in 2016–17 include:

- » Bass Highway and Illawarra Main Road safety upgrades
- » Brooker Highway Elwick/Goodwood Road and Howard Road intersection upgrades
- » Domain Highway planning
- » Highland Lakes Road
- » Hobart Airport roundabout
- » Huon Highway / Summerleas Road junction upgrade
- » Midland Highway 10 Year Action Plan (construction completed on three projects, construction continuing on three projects and planning underway on seven projects)
- » Murchison Highway
- » North East Freight Roads.

### FAST FACTS

\$56.5 million was spent on road maintenance.

\$162 million was spent on road construction or upgrades.

222 kilometres of roads were resurfaced.

936 kilometres of road carriageway line marking was undertaken.



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## Road User Services

Road User Services provides the legislation, regulatory policies and practices to support the safety and efficiency of the Tasmanian land transport system. The division includes Registration and Licensing Services, Passenger Transport, Road Safety, and the Transport Inspectorate.

During the first half of 2017, Road User Services assisted the National Heavy Vehicle Regulator (NHVR) to assess the feasibility of transitioning Tasmania's heavy vehicle compliance and enforcement functions from the Department of State Growth to direct delivery by the NHVR. As a result, from mid- to late- 2018, Tasmania will be the second Australian jurisdiction to deliver this part of the national heavy vehicle reforms. Transition will include the option for our Transport Inspectors to transfer their employment to the NHVR.

The major responsibilities of the Road User Services division include:

- » licensing of drivers, registration of vehicles and accreditation of commercial transport operators
- » roadworthiness, standards, dimensions, mass, loading and operation of vehicles
- » road safety awareness and education programs
- » research, development and implementation of road and rail safety related policy and legislation
- » regulation and investigation of safety issues relating to road operators
- » administering government programs that aim to ensure the community has adequate and equitable access to transport services, as well as developing and providing policy advice in relation to passenger transport.

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

### Key achievements

#### Improving road safety for Tasmanians and our visitors

The new 10 year *Towards Zero Tasmanian Road Safety Strategy 2017–2026* was launched in December 2016. The Strategy and its action plans continue the Safe System approach of safe road users, safe roads and roadsides, safe vehicles, and safe speeds. With a long-term vision of zero serious casualties, the Strategy aims to reduce annual serious injuries and deaths on Tasmanian roads to fewer than 200 by 2026. For more information, see [www.towardszero.tas.gov.au](http://www.towardszero.tas.gov.au)

Dedicated funding for road safety programs was secured for a further 10 years, with extension of the Road Safety Levy, charged as part of vehicle registration, effective from July 2017.

In 2016–17 approximately \$13.1 million was raised by the levy for evidence-based road safety programs. Around 75 per cent of levy funds were invested in Safe System road infrastructure, including safety features on upgraded sections of the Midland Highway.

Funding programs were delivered for Community Road Safety Grants, Learner Driver Mentor Programs, and to local councils for infrastructure to protect vulnerable road users. The levy funded road safety campaigns focussed on tourists and cyclists, and co-funded the campaign for roadside workers.

#### Supporting growth and job creation

The sharing economy enhances productivity through innovation, competition and increased consumer choice. With other parts of the agency, Road User Services facilitated the entry of ride-sourcing services to the Tasmanian market.

This enabled the Uber-X service to be launched in the Greater Hobart area in December 2016, with appropriate regulatory protections in place. As at 30 June 2017, the Registrar of Motor Vehicles had issued 301 ride-sourcing ancillary certificates to Tasmanian Uber-X drivers.

With rapidly evolving business models and types of service, in December 2016, the department released a consultation paper to seek stakeholder input on the future policy and regulatory framework for Tasmania's taxi and hire vehicle industries, including ride-sourcing.

#### Connecting Tasmania through passenger transport

During 2016–17, Passenger Transport branch committed significant resources to Project 2018 (Public Transport Bus Procurement). Community engagement was undertaken across Tasmania with local councils, schools, communities and industry forums.

The project involves a detailed review of current rural, urban-fringe and metropolitan bus services. It aims to improve connectivity, enhance the passenger experience, increase patronage and reduce administrative costs.

Importantly, the project paves the way for future integration of fares, ticketing and passenger information. For more information, see [www.transport.tas.gov.au/project2018](http://www.transport.tas.gov.au/project2018).

September 2016 saw commencement of the north west bus service between Burnie and Latrobe. The route also connects the North West Regional Hospital, Mersey Community Hospital, and the Burnie campus of the University of Tasmania.

In October 2016, the bus service between Queenstown and Burnie was extended to Strahan in time for the tourist season.

Public transport is a key mechanism for reducing congestion. In the busy back-to-school period (30 January – 24 February 2017), a trial was conducted of free Metro bus travel before 7:00 am in the Hobart urban area.

The trial achieved a 14 per cent increase in bus patronage for adult and concession passengers during the trial period.

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## Transport Services continued

### Safe, customer-focused licensing for drivers and riders

Motorcyclists continue to be overrepresented in serious casualty crashes. After a comprehensive review, Registration and Licensing Services prepared a new motorcycle training and assessment program, for launch in July 2017.

The program adopts the recent, best-practice Victorian curriculum and includes a two day pre-learner course, check ride and new pre-provisional test.

From September 2016, customers have been able to book and pay for their driving assessments online from smart phones, tablet devices and desktop computers.

As at 30 June 2017, the new service has an uptake rate of 57 per cent.

More than 80 per cent of clients who use a driving school vehicle are now booking their assessments online.

In the past year, Registration and Licensing Services has extended its case management approach to a number of fitness-to-drive actions, such as medical fitness-to-drive.

This places the client at the centre of the response, and enables more targeted interventions that encourage clients to comply with licensing requirements.



## FAST FACTS

### Registration and Licensing

As at 30 June 2017, in Tasmania there were 383 527 licensed drivers (an increase of 1.4 per cent from the previous year), and 600 023 registered vehicles (up 2.5 per cent).

The Approved Inspection Stations scheme continues to operate successfully, undertaking approximately 42 700 vehicle inspections (up 0.4 per cent).

The number of Provisional (P1 and P2) driving assessments provided in 2016–17 was 11 226, an increase of 300 on the previous year.

The Motor Registry System supports our road safety objectives in addition to collecting registration and licensing fees in excess of \$379 million, with over one million financial transactions processed each year.

### Passenger Transport

Over the October to March peak season 2016–17 there was a 4.9 per cent increase in patronage on Bruny Island ferry services compared to the same period in 2015–16.

State Growth delivered subsidy payments for 607 356 taxi and wheelchair accessible taxi (WAT) trips, for eligible scheme members (up 0.75 per cent).

### Road Safety

There were 319 serious casualties (serious injuries and fatalities) on Tasmanian roads in the calendar year 2016, a 3.6 per cent decrease from 2015, and a 7 per cent increase on the five year average.

In 2016, Tasmania had 37 road fatalities, four more than the number recorded in 2015. Nationally, Australia experienced a 7.5 per cent increase in fatalities over that period.

To assist disadvantaged learner drivers gain essential on-road driving experience the Government has provided \$700 000 to fund 16 Learner Driver Mentor Programs throughout Tasmania.

### Transport Compliance

286 oversize and or overmass loads were escorted by Transport Inspectors to various locations across the state, an increase of 19 per cent. These loads included prefabricated houses, bridge beams and girders, earth moving equipment, mining trucks and very large cranes.

Transport Inspectors weighed 8 182 heavy vehicles using in-ground weighbridges and portable weighing devices, a decrease of 23.4 per cent – see Performance Information for the proportion of vehicles found overweight.

## Transport Services continued

### Performance information Transport Services

Performance measure <sup>1</sup>	Unit of measure	2015–16 actual	2016–17 actual	2017–18 target
Provision of effective support to the government by providing road safety and road policy advice and information to enable informed decision making <sup>2</sup>	satisfaction	satisfied	satisfied	satisfied
Motor Registry System availability	%	99	99	99
Vehicles found to be unregistered of those checked <sup>3</sup>	%	0.58	0.60	0.65
Heavy vehicles found overweight	%	2.64	3.2	≤5
Line marking program achieved by the end of the financial year	%	79	80	100
Blackspot interventions in accordance with the program	%	58	100	100
Wheelchair accessible taxis (WAT) licensed <sup>4</sup>	number	83	74	81
Average bus age on contracted services <sup>5</sup>	number	14.1	14.2	16.5

#### Notes

1. n/a indicates that data is not available or measurement has not yet commenced.
2. Satisfaction and outcomes are largely measured by feedback from the Minister's Office, Secretary, relevant Deputy Secretary and, where appropriate, colleagues and clients.
3. This measure is based upon automatic number plate recognition cameras in accordance with the Memorandum of Understanding between the department and the Motor Accidents Insurance Board (MAIB).
4. Note that the number of WAT licences on issue has diminished over 2016-17 following a review of the licence register which revealed a number of inactive licences.
5. This is a measure of the effectiveness of government strategies to ensure that the average age of buses on government contracted services is appropriate. The average bus age on contracted services is expected to increase from 2016-17 levels, as current contracts near the end of their term. It is anticipated the average age will then decrease once operators have contract certainty and renew their fleets.





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# Report from the Abt Railway Ministerial Corporation

## Administration

The *Abt Railway Development Act 1999* ("the Act") established the Abt Railway Ministerial Corporation (ARMC). Section 6 of the Act sets out the functions of the ARMC as to:

- » arrange for any necessary approval to undertake the railway development
- » construct or arrange for the construction of the railway development
- » operate, or to arrange for a person to operate the railway development
- » facilitate associated developments in the vicinity of the railway.

Under Section 31 of the Act, the Minister is required to make a report to Parliament on the activities of the ARMC within four months of the end of each financial year.

Section 31 also provides that the report may be by statement in an annual report from an agency for which the Minister is responsible.

The Tasmanian Government has continued to provide support to assist ongoing operations of the West Coast Wilderness Railway (WCWR) through the \$4.5 million in budget support made available over the 2016–17 year.

The continued success and improvement in the operations of the WCWR as an iconic tourism experience is built upon the ongoing hard work and dedication of all its staff.

It is the work of all employees that is rightly recognised as being the real strength behind the accomplishments of the business.

In addition, 2016–17 saw a transition in senior management with Mr Anthony Brown taking over the reins as General Manager from Mr Michael Saville.

Building on the strong foundations provided by Mr Saville, Mr Brown has brought a passionate level of enthusiasm, strong tourism expertise, and drive to continue to improve the business and the tourism experience offered by the WCWR.

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

The WCWR again demonstrated a strong safety record across 2016–17.

## Operations

The 2016–17 year saw the WCWR celebrate the 125th year since its formation.

Following on from the strong performance in 2015–16 the WCWR performed above expectations in 2016–17.

Total passenger numbers for the year were 32 373. This exceeded forecasts for the year by 3.2 per cent. Overall passenger numbers increased by 17.3 per cent in 2016–17 compared to 2015–16. Revenue generated by operations also improved by over 26 per cent compared to the 2015–16 result.

The excellence of the tourism experience was recognised with the railway taking out the Best Tourist Attraction Award at the 2016 Cradle Coast Regional Tourism Awards, for the second year running.

To add to the range of tourism experiences the railway introduced a footplate experience, which enables visitors to spend half a day in the cabin alongside the driver and fireman, and 'behind the scenes' workshop tours.

The railway also continued to partner with other regional tourism businesses to provide complementary offerings including its 'Rail and Rafting' and 'Rail and Kayak' adventure options with King River Rafting, and packages supplementing these experiences with Queenstown Heritage Tours.

## Capital works

Major capital works continued to be a focus of the WCWR.

To further improve the tourism experience, the conversion of the conference room at the Queenstown station to a larger, modern café was completed and opened, as was a revitalisation of the railway's museum.

The revitalisation of the Tracks Café has been a very positive investment, improving the amenities for passengers and other visitors as well as the broader Queenstown community.

The renovations of the café were complemented by a revised Food and Beverage management structure that will be directed to further enhancing the quality of the café and the broader food and beverage offerings provided by the railway.

Further works continued to improve the rail infrastructure, including work on the railway's stations and associated infrastructure, plus the railway's bridges and track, and remediation works at the Regatta Point Wharf.





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# Business Services

The Business Services team of the Department of State Growth is focussed on the delivery of value added services and support that meet business and client needs.

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

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

The division consists of six branches.

- » **People and Culture** is responsible for providing quality and contemporary people services to ensure current and future business needs of the department are met.
- » **Communications** delivers a range of communications services to the department as well as working closely with Ministers' offices. This includes the provision of strategic communication advice, media and issues management, corporate brand management and the production of a wide range of marketing and communications collateral, publications, DVDs and promotional campaigns.
- » **Information, Communication, Technology and Spatial Services** is responsible for the management of corporate ICT and spatial services.
- » **Finance** is responsible for delivering compliant financial management services for the department. Key functions include budget management, financial reporting, accounting, transaction processing, taxation and other financial management administration and compliance and asset management.
- » **Business Improvement and Performance** works with business units across the department to identify process improvement and assist with implementation; with the Risk and Audit Committee on monitoring and implementing risk mitigation strategies; on the administration of the grants and loans portfolio and manages departmental property and facilities.
- » **Secretariat and Legal Services** is responsible for providing the ministerial interface and legal and legislative support services for the Department.

In addition to leadership of the Division and the organisational change and engagement efforts across the Department, the office of the Deputy Secretary Business Services, provides policy support and advice to the Tasmania Development and Resources Board and acts as Company Secretary to the Board.

The office provides governance and advice to State Growth portfolio boards and committees.

## Key achievements

This year the Business Services division prepared its inaugural Divisional Plan 2016–17 working collaboratively to provide integrated services to our clients. Consultation to develop a three year plan for 2017–2020 is underway.

The objectives of the division are to:

- » understand the business by building on existing capabilities to meet the agency's current and future business needs
- » develop the business through collaboration and continuous improvement
- » work in partnership by managing relationships to successfully deliver strategies and outcomes
- » lead by example by modelling agreed organisational culture and values.

The division's core business functions are essential to supporting the agency and is a key commitment. Key strategies were identified to reflect projects that build on that commitment.

## Invest in our people

An integrated approach to induction was developed for State Growth, which focuses not only on new employees to the department or business area, but also those new to the State Service. A Guide for Managers is being made available to support the induction process, together with a range of online induction modules as part of the Department's learning management system.

The department continues to improve its work health and safety system. A key action over the last 12 months has been the development and implementation of a Mental Health in the Workplace Policy and Action Plan. Eight manager education sessions have been completed across the state, with 94 managers participating, providing the skills and knowledge to support staff with mental health and wellbeing issues and to support a mentally healthy workplace.

The People and Culture restructure has seen the enhancement of the business partner role with divisions in the Department. A key focus of this function has been centred on the coaching of managers to understand their responsibilities and to assist in working through complex issues.

The department has been a key participant in the recent State Service Graduate Program, with six graduates employed in State Growth. The department worked collaboratively with other agencies in designing the recruitment process and development program.

## Leadership in compliance, best practice governance and risk management

State Growth is committed to meeting its obligations under the *Right to Information Act 2009*. The department routinely publishes information on its website, and matters of interest to the public including: corporate information, policies, projects and statistics as well as information relating to expenditure and gifts, benefits and hospitality. The department actively discloses information where appropriate and makes assessed disclosure as required.

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## Business Services continued

The Department is committed to meeting the public expectation in relation to time frames while balancing the complexity and volume of requests it receives.

State Growth continues to build capability in legal education and legal risk management across the agency by encouraging and supporting Crown Law's whole of government education program. To compliment this program, the Legal Services unit run its own sessions covering topics such as decision making, right to information and legislation compliance.

Legislation compliance is central to the department's risk management strategy. Education sessions were held with business groups and resources developed to assist in the assessment of business processes to ensure they comply with legislative provisions and where possible improve business efficiencies.

Business Services continued to roll out the department's Finance Manual as required by Treasurer's Instruction T1102. This key compliance manual is stored electronically and available for all staff to view. Continual maintenance is conducted to ensure the manual is up to date.

### **Develop our business capability and use technology to best advantage**

The division has been actively implementing a Statewide Accommodation Plan which will see departmental leased offices across the Hobart central business district consolidate into the new Salamanca Building within Parliament Square, as well as office consolidation in Burnie associated with the move of Mineral Resources Tasmania.

In addition, the division has worked closely with Treasury in the consolidation of leased accommodation of departments across the state. This has been a key focus in our change management efforts over the last 12 months.

The department consolidated its Data Centre capability into two externally hosted sites in accordance with the Tasmanian Cloud Policy. Within the department, IT desktop hardware has been upgraded and refreshed in order to meet the identified needs of a more flexible and mobile workplace.

We have been progressing the implementation and adoption of electronic records management across state growth this year.

The objective to lower the requirement for hardcopy files and storage whilst working smarter continues to be a key focus area.

### **Develop our shared culture and leadership**

The division facilitated a number of forums to continue to build an understanding of the diversity of the department and identify opportunities for collaboration. The Executive Committee hosted monthly forums where staff hear from the Secretary and representatives from across the breadth of the department.

The department's second leadership forum was held in October 2016, providing an opportunity to continue to capitalise on the linkages across the department.

The department launched its first set of values during 2016–17, with work continuing on embedding the values within divisions and teams and in organisational systems, policies and processes.

State Growth has taken a lead role, working with the State Service Management Office, in developing a whole of service Workplace Flexibility Policy and Framework.

The department has developed its approach to Flexibility@Work in line with this framework, together with developing a number of resources to support managers and staff.

### **Develop client centric systems and processes**

Business Services undertook a consultation process to develop a service level agreement to provide services to Tourism Tasmania.

Work commenced to develop service level agreements to external partners and support the continued provision of business services within the department.

The trial of a client relationship management application has been undertaken to develop the capture, storage and use of information and knowledge on the department's many interactions with Tasmanian businesses and industry clients and stakeholders.

Work will continue on refining this pilot model with the objective of informing a decision on its department wide introduction.

Business Services provided significant support and technical advice to State Roads in developing their project portfolio management solution, with implementation planned in 2017–18.

During 2016–17 the department invested in the purchase and development of a learning management system to enhance accessibility and quality of training for our people.

The Department engaged a local company to develop the platform which also provided an opportunity for cross-agency collaboration and training on how to develop digital learning packages.

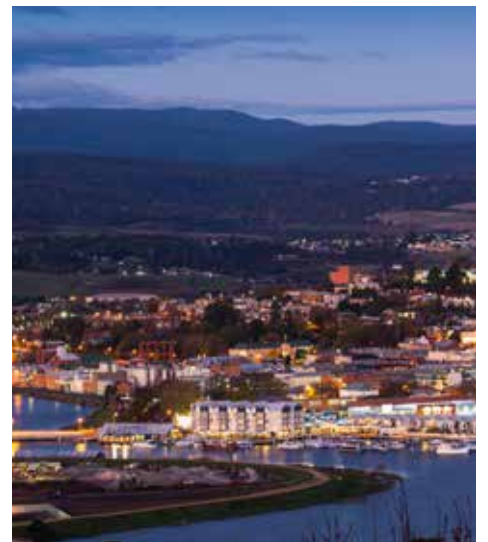
### **Leadership in strategy and good decision making**

A significant work program to support the governance of the Tasmanian Development Board was undertaken this year including the development of a Corporate Plan 2016–18, Conflict of Interest Policy, Complaints Management Procedure and Financial Assistance Policy and Decision Making Framework.

The development of the State Growth ICT Strategic Plan 2017–2018 has been a major piece of work involving many staff across the department.

The vision, principles and objectives reflect a desire for an agile, progressive and technological work environment. The plan will be used as a reference point to assist business units plan for their ICT assets, systems and applications, and support whole of life planning and future budgeting.

# The Office of the Coordinator-General



# Report from the Office of the Coordinator-General



The Office of the Coordinator-General is the principal entity responsible for attracting investment to Tasmania, expediting major projects by assisting larger business to navigate multi-level government and other authorities, and addressing the red tape burden for businesses of all sizes.

The Office has seen significant outcomes across all its portfolios this year as its efforts are being converted to tangible results and supporting Tasmanians well into the future.

## Key achievements

### Investment attraction

Direct business investment is crucial to ensure Tasmania thrives. The Office of the Coordinator-General is facilitating over \$1 billion in investment into Tasmania. If all projects are realised, this will create around 4 800 jobs.

Tasmania is receiving keen global interest, particularly in the tourism, renewable energy and agriculture industries. In 2016-17 the Office hosted over 14 major delegations in Tasmania seeking investment opportunities in just these areas.

The Office was also active overseas, with trade missions to China, Japan, Singapore, Thailand, and India which has resulted in the Office working with international proponents on a number of pipeline investments from these countries.

The *TasInvest* event held in Tokyo was particularly successful and introduced over 300 delegates to Tasmanian investment opportunities.

Three Japanese businesses have since visited Tasmania following the *TasInvest* event and others are planning to visit.

China remains a key source of investment for Tasmania and the Office continued to focus a number of investment attraction activities toward the country.

Through our dedicated staff post in Shanghai, Tasmania is well promoted as a prime investment location for a range of industries at events such as industry expos, Austrade outreach seminars, and investment round tables and seminars across China.

China is showing continued particular special interest in tourist accommodation and agriculture, including:

- » Shandong Chambroad Holding Co Ltd (Chambroad) which received approval of its Development Application for the Kangaroo Bay Luxury Boutique Hotel Development and continues to progress towards construction. This \$45 million luxury boutique hotel and international Hotel Management College, is predicted to create over 130 jobs, and will transform the area.
- » The purchase by Australia China Investment Group of a number of premium tourism focused properties in Tasmania, including Villa Howden and the launch of the Wedding Island Project; and two properties in the northwest of the state at Stanley – Beachside Retreat West Inlet and Hanlon House.
- » Moon Lake's<sup>1</sup> investment in the Tasmanian dairy industry and purchase of the Woolnorth property in North West Tasmania. Moon Lake continues to add value to Tasmania and have released and been heavily promoting 'Van Milk'. This fresh milk brand will be flown directly from Hobart to Ningbo China on weekly freight flights. This also introduces a new potential trade corridor to other fresh food and beverage producers in Tasmania.

In addition to facilitating new accommodation investment options for Tasmania, the Tasmanian Government is committed to refreshing existing accommodation offerings.

During 2016-17 the Office of the Coordinator-General was instrumental in developing the Tourism Accommodation Refurbishment Loan Scheme (TARLS) for release in early 2017-18.

As part of the Tasmanian Government's continuing commitment to the visitor economy, TARLS will provide for up to \$20 million in the form of low interest finance for eligible tourist accommodation businesses operating in Tasmania to refresh their properties.

### Major projects

The Office of the Coordinator-General is Tasmania's principal entity to attract and support investment in the state. The Office has been essential to the progress of a number of large scale projects in Tasmania.

It achieves this through working closely with proponents and collaborating across the three levels of government, finding suitable locations to set up business, or assistance with approval processes. In 2016-17 significant milestones have included:

- » Hyatt Centric announced its first Australasian hotel is to be located in Hobart. This project will support 177 full-time equivalent jobs during construction and around 60 ongoing roles once the \$40 million project is complete. The Office introduced the developer to the Hyatt group and supported their partnership and has been working with the developer from the outset across a range of issues.

1. Moon Lake Investments Pty Ltd

- » Australian ASX listed company Ridley Corporation Limited, committed to establish an aqua feed manufacturing mill at Westbury in the north of the State. This investment of up to \$50 million will result in an estimated 250 contractors during the construction phase and over 20 ongoing positions once operational plus a range of indirect jobs across the supply chain.
- » \$250 000 in Government funding was committed to assist New Forests Asset Management complete a \$5 million feasibility study into what would be a significant investment for northern Tasmania. The potential \$115–\$145 million wood pellet plant is estimated to deliver 55 new jobs.

### Northern Cities Major Development Initiative

Through government commitments totalling \$90 million, this initiative is already revitalising northern communities and the economy through major infrastructure investment projects in Launceston, Burnie and Devonport.

Key projects include relocating the University of Tasmania campuses to central locations within Launceston and Burnie, and major redevelopments of the central business districts for Devonport and Launceston.

The Office of the Coordinator-General has facilitated and oversees these major projects for State Government.

In 2016–17, the Office of the Coordinator-General oversaw the development of the Launceston City Deal; a commitment between the Australian Government, the Tasmanian Government, and the City of Launceston to deliver a coordinated approach to planning, reform and leveraging investment in Launceston.

This landmark agreement is a key component of the Northern Cities Major Development Initiative which will boost job creation and economic growth as well as help position Launceston as one of Australia's most liveable and innovative cities.

The Office of the Coordinator-General has key responsibility for managing the implementation of the Launceston City Deal.

Construction has commenced on the Devonport Living City Project. Stage one comprises constructing the multipurpose civic building, multi-story car park and food market. The relocation of Council, LINC and the Magistrates Court will make available land to develop the planned retail and waterfront precincts.

The project will benefit the entire north-west region and is estimated to generate \$250 million in investment over a five to 10 year construction period and provide up to 830 on-going jobs.

Much progress has occurred this year towards the relocation of the Launceston and Burnie university campuses which began with the Australian Government committing to fund \$150 million of the project and led to the finalisation of the Master Plan for the Burnie project and significant progress with the Launceston Master Plan towards an ultimate release for consultation.

West Park will become the location for the vibrant new Burnie campus and will incorporate contemporary research and teaching facilities overlooking Bass Strait.

The Launceston campus will be built at Inveresk alongside existing education and community facilities and also adjacent to the City Park. The central positioning of these university campuses in northern Tasmania creates a fantastic opportunity for integration of the University with business and the community.

To accompany the vibrant new design and state of the art facilities of the new northern campuses, the University is focused on increasing tertiary education participation in Tasmania by introducing a new suite of industry aligned Associate Degrees Programs.

The Office of the Coordinator-General has been working closely with the University of Tasmania to achieve this goal including introducing key companies to the University for exploring new partnerships. Three new Associate Degrees were introduced in 2017, Agribusiness, Applied Business and Applied Design.

The Associate Degrees have been well received with enrolments approaching 200 students.



### **Expression of Interest (EOI) for tourism investment opportunities in Tasmanian National Parks, Reserves, and Crown Lands**

Tasmania's pristine wilderness and natural beauty are a major drawcard for visitors to the State. The Tasmanian Government is committed to further boosting the visitor experience by offering the opportunity for tourism developments in Tasmania's parks and reserves that are sensitive and appropriate to their iconic locations.

Tourism developments in Tasmania's natural areas not only support the growing number of visitors to the State, create jobs, and stimulate our regional economies, but also provide new and exciting ways for visitors to engage with our incredible environment.

The Office of the Coordinator-General administers and promotes the EOI process, which includes administering the assessment process for submissions.

The initiative has been extremely successful in attracting new experiences, whilst the process ensures the maintenance of Tasmania's valued environmental, cultural and statutory regulations.

Projects that have been recommended by both the Assessment Panel and the Minister amount to approximately \$68 million in new investments and approximately 194 FTE jobs.

Examples of proposals progressing as part of this initiative include:

- » Blue Derby Pods Ride, which is an all-inclusive mountain bike riding package offered in the wilderness of north east Tasmania. It has a very small environmental footprint and provides an intimate Tasmanian bush experience.

The experience attracts visitors who may not normally visit the region and provides regional improvements through job creation, encouraging longer stays, and influencing higher spending.

- » Dirt Art and the development of Maydena Bike Park. Utilising Eagle Eyrie at Abbots Peak as a base, the proposal is a world-class mountain bike trail centre with a range of other adventure activities, which include bush walking, zip lines, eco and sightseeing tours, and gourmet food and wine experiences.

With a planned 2018 opening, the southern area will be home to Australia's first, full-scale, year round, gravity-based bike park.

### **Enterprize Tasmania Ltd – Innovation hubs**

The Tasmanian Government is committed to supporting entrepreneurial pathways in the commercialisation of new ideas and products.

To keep pace with a global economy undergoing transformational change, business innovation will play an increasing role for a prosperous future for Tasmania.

By developing and supporting Tasmanian entrepreneurs, the Office has helped seed this community-driven opportunity to create higher value jobs for Tasmania which will ultimately encourage people to stay in, or relocate to, Tasmania with their startup business.

The past year has seen many exciting developments in the entrepreneurial ecosystem for Tasmania. Innovation Hubs are now operational in both Launceston and Hobart and are providing active spaces to bring people together as well as offering locations for training, mentoring and early stage business activity.

The Office of the Coordinator-General has partnered with both public and private sector organisations, especially the start-up community, to develop these Hubs to encourage collaboration while assisting entrepreneurs to develop the skills and expertise needed to advance business ideas.

Since opening their doors part-way through the financial year, the two Hubs have held in excess of 100 events attracting well over 2 500 participants.

Audiences have been inspired by speakers such as Andy Shannon, the Head of Startupbootcamp Global; serial entrepreneur Ryan Trainor from B-School; and Philip J Weiser, the founder and Executive Director of the Silicon Flatirons Centre for Law, Technology and Entrepreneurship in Colorado.

The Tasmanian Government has pledged a further \$278 000 per year for the next four years for the Enterprize Hubs which will support their activities and enable the development of leading-edge programs that will add to the startup ecosystem and foster a culture of innovation and entrepreneurship in Tasmania.

The Hobart operations are currently located in the old Mercury Building and the Launceston Hub is operating from a pop-up space in Paterson Street while work is undertaken on the Macquarie House refurbishment.

## Red tape reduction

Red tape associated with government regulation can often be most felt by small businesses that have limited resources to work their way through the myriad of rules and regulations governing their operations. Through the work of the Red Tape Reduction Coordinator, a large number of these issues have been or are being addressed to alleviate the regulatory burden.

Each calendar year, the Office of the Coordinator-General publishes the Red Tape Reduction Audit Report. By the end of 2016–17 nearly 100 red tape issues had been identified by industry and almost three quarters of these have been actioned and resolved.

Businesses are telling the Office that it is having a positive impact on their operations. For example, a southern refrigeration company that was advised that its occupational licence no longer allowed them to undertake the commercial work they have been performing for over 40 years, had this to say:

*"I wish to thank the Tasmanian Government and especially your department for representing (our business) and the Refrigeration and Air Conditioning sector of Tasmania in taking up the challenge of pursuing the change to licensing laws restricting refrigeration and air-conditioning fitters from practicing their trade...."*

Other examples of issues that the Office is assisting to resolve include:

- » A north-west caravan manufacturer was struggling with caravan registrations for interstate buyers who wanted to tour the state before heading home.
- » Whisky producers across the state were concerned about building regulations surrounding Bond Stores and Distilleries which were not appropriately suited to the production of fine whisky.
- » A southern wood heating business was prohibited from installing heaters without sign off from a Roofing Plumber under occupational licensing regulations despite operating successfully for over 20 years.

Through a conciliatory and practical approach between the business community and the relevant government departments and regulatory bodies, the Red Tape Reduction Coordinator has managed to streamline a number of processes whilst still maintaining the protection and intent underpinning the regulation.

**John Perry**  
Coordinator-General



## Performance information Office of the Coordinator–General

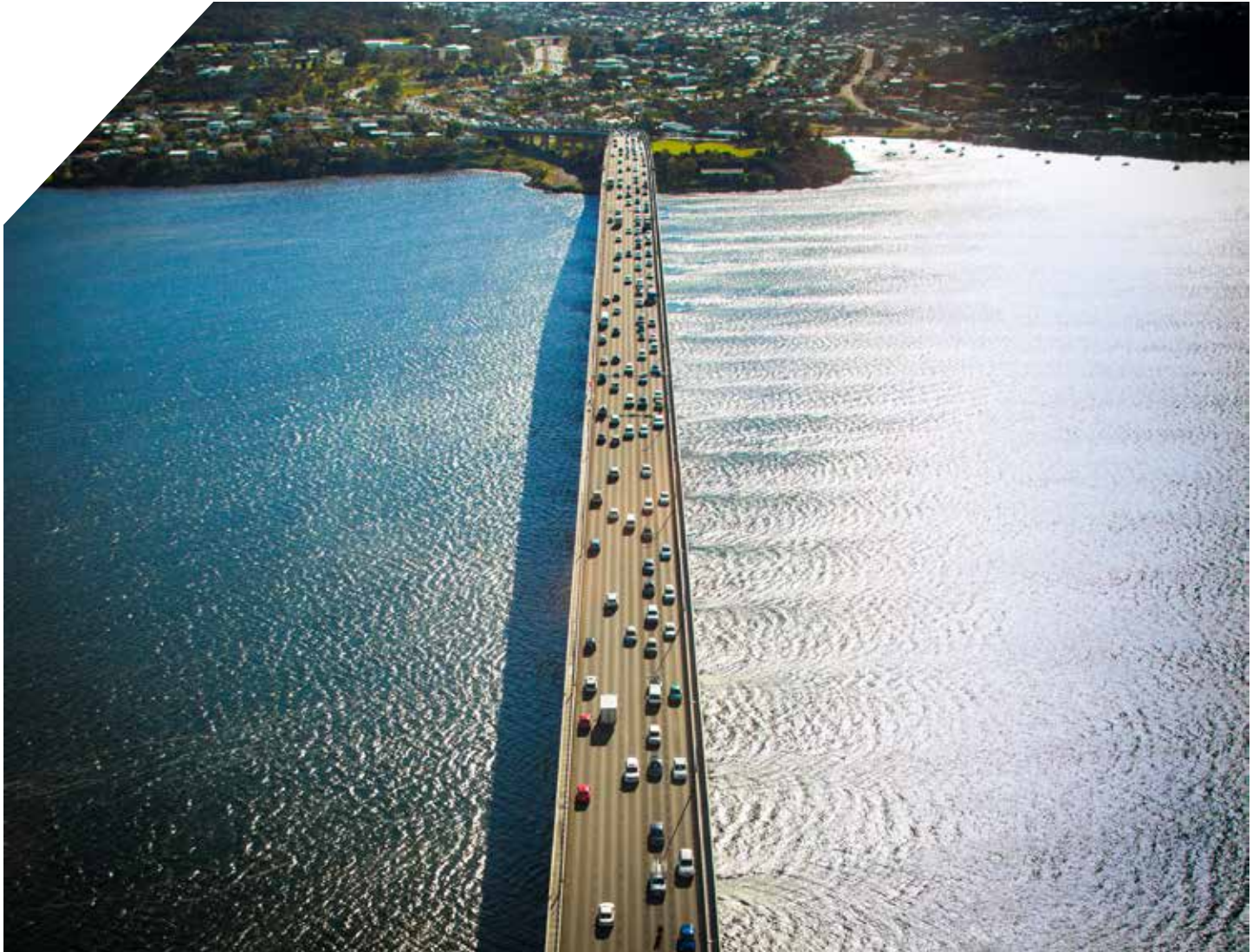
Performance measure	Unit of measure	2015–16 actual	2016–17 actual	2017–18 target
Red Tape Reduction – Annual audit reports published	number	1	1	1
Investment, exports and import replacements facilitated <sup>1</sup>	\$ million	335	318.1	335

### Notes

1. Includes data from Client Services, Trade and International Relations and the Office of the Coordinator-General.



# Infrastructure Tasmania



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# Report from Infrastructure Tasmania



## Key achievements

### Forestry Roads Review

Sustainable Timber Tasmania (formerly Forestry Tasmania) manages a network of some 10 000 kilometres of forest roads.

In October 2016 the Tasmanian Government announced Infrastructure Tasmania would undertake a review of Sustainable Timber Tasmania's road network to ensure the current arrangements for ownership and maintenance are appropriate.

Infrastructure Tasmania completed its review and provided the Tasmanian Government with a comprehensive report, which included a suite of findings and recommendations that relate to; the cost of managing the forestry road network, funding sources, Sustainable Timber Tasmania's approach to asset management, the adoption of maintenance standards or service levels, and future opportunities for achieving efficiencies.

### King Island Shipping

In June 2016 the Tasmanian Government announced the selection of Port and Coastal Marine Services (PCMS) as the preferred proponent to work with the Tasmanian Government to deliver a long-term shipping service to King Island. PCMS invested significant time and resources into developing a King Island Shipping Service. However, due to difficulties in securing a vessel and in finalising the service, PCMS was unable to deliver a shipping service to the Island as intended.

To ensure an uninterrupted service to the Island, Infrastructure Tasmania, on behalf of the Tasmanian Government, worked with SeaRoad to secure an interim shipping service to March 2017 using its existing vessel, *SeaRoad Mersey I*, while arrangements were finalised for a medium-term shipping service.

Infrastructure Tasmania also worked with TasPorts to develop a medium-term shipping service for a period of 12 months, which resulted in the formation of a subsidiary of TasPorts, Bass Island Line, which operates the vessel *Toll Investigator* to service King Island's freight needs.

Infrastructure Tasmania and TasPorts will continue to investigate suitable vessel options and work towards the establishment of a long-term service including port calls to King Island, Tasmania and Victoria.

### Time sensitive freight

Time sensitive freight is an important part of Tasmania's agricultural market, accounting for approximately 40 per cent of the State's agricultural task. It includes many higher value products such as seafood, cherries and berries.

In March 2017, Infrastructure Tasmania completed a consultancy examining production volumes and potential market growth across 28 time sensitive freight commodities. The consultancy yielded useful results relating to supply chain challenges, export volumes, total time sensitive freight production, preferred form of interstate transport and potential capacity constraints. Infrastructure Tasmania will continue to monitor the time sensitive freight market and will update existing datasets to ensure the impact of any changes is understood.

### Bridgewater Bridge

The Bridgewater Bridge is a critical part of the transport and freight link between the northern and southern regions of Tasmania. In recognition of ageing Bridge infrastructure, the Australian and Tasmanian Governments have identified the replacement of the Bridge as a priority initiative for the State.

Infrastructure Tasmania is leading the development of a full business case to progress a bid for funding with Infrastructure Australia, with a view to construction of a contemporary bridge commencing in 2020. It is anticipated that the business case will be submitted to Infrastructure Australia by November 2017.

### Macquarie Point Infrastructure Constraints Analysis

In September 2016 Infrastructure Tasmania undertook a review of the financial options associated with decommissioning the Macquarie Point Wastewater Treatment Plant, and submitted its findings to the Tasmanian Government. The review considered several financing options but ultimately found that the current economic regulatory arrangements provide little incentive for TasWater to contribute materially to a decommissioning, and discourage any private sector involvement.

Infrastructure Tasmania ultimately found that a large cash injection was required under the current settings to fully activate the site. Infrastructure Tasmania remains involved in a working group with the Macquarie Point Development Corporation, TasWater and the Department of Treasury and Finance as alternative solutions to decommissioning are progressed.

## Infrastructure Policy

### Rail banking

A key achievement for Infrastructure Policy in 2016 was the development of the *Strategic Infrastructure Corridors (Strategic and Recreational Use) Act 2016*, which facilitates the alternative use of non-operational rail lines on the Tasmanian Rail Network, and provides a framework for their ongoing management.

There is significant interest in the redevelopment of non-operational rail lines for a range of uses such as recreational cycling and heritage and tourist rail, and a range of proposals utilising the new provisions are currently being considered around the State.

## Western Tasmania Export Corridor Plan

The Tasmanian Government, through the Department of State Growth, has developed the *Western Tasmania Export Corridor Plan* with the support of a grant from the Australian Government's Regional Infrastructure Fund. The objectives of the Plan are to support industry growth and development through improved supply chain productivity and efficiency, and enhanced infrastructure capacity where required.

Infrastructure Policy consulted extensively with key stakeholders in the region, as well as other areas of the Department of State Growth and the Australian Government, in the development of the Plan.

Following the recent release of the Plan, a primary focus for the Tasmanian Government will be preparing a detailed analysis of roads and bridges for both existing and possible future vehicle configurations, enabling targeted enhancements to public infrastructure.

## Burnie to Hobart Freight Corridor Strategy

The development of a Burnie to Hobart Freight Corridor Strategy is a key action under the Integrated Freight Strategy.

The Corridor is Tasmania's highest volume road and rail freight corridor, connecting major freight ports, population centres and industrial areas. A draft Strategy that outlines an integrated investment approach for both modes is in progress.

## National policy reform

Infrastructure Policy develops advice, represents the Department and supports Ministerial and senior officials' participation in a range of national forums, including the Transport and Infrastructure Council, the Council of Australian Governments and the Joint Commonwealth Tasmanian Economic Council.

These forums consider a broad range of issues of strategic importance to Tasmania, including

**Allan Garcia**  
CEO  
Infrastructure Tasmania

## FAST FACTS

The value of public and private engineering construction work in Tasmania in the year to March 2017 (ABS Cat. 8762.0) shows that around \$1.2 billion of works were completed. Of this, over \$1 billion relates to economic infrastructure like roads, highways and subdivisions, bridges, railways and harbours, electricity, water storage, supply, sewers and drains and telecommunications.

Tasmania has five initiatives listed on Infrastructure Australia's Infrastructure Priority List of nationally significant future infrastructure projects, these being: Derwent River Crossing Capacity (Bridgewater Bridge), Burnie to Hobart Freight Corridor, Tasmanian Irrigation Schemes Tranche 2, Tasmanian Sewerage Infrastructure Upgrades and the University of Tasmania Hobart STEM precinct.

Tasmania's freight system plays a critical role in supporting jobs and growth. North west Tasmania is the state's largest freight producing region, with 10.5 million tonnes of freight originating in the region, compared to 7.6 million tonnes in the north and 5.6 million tonnes in the south.

By export volume, the top three Tasmanian time-sensitive freight commodities are potatoes, salmon and frozen meat. Salmon and berries are forecast to have the highest growth.

80 per cent of the State's freight task was moved on the road network in 2014–15, with 20 per cent moved on rail (by tonne-kilometres).

## Performance information Infrastructure Tasmania

Performance measure <sup>1</sup>	Unit of measure	2015–16 actual	2016–17 actual	2017–18 target
Proposals assessed by Infrastructure Tasmania within required timeframes <sup>2</sup>	%	100	100	100
Reviews requested by the Tasmanian Government completed by Infrastructure Tasmania within required timeframes <sup>2</sup>	%	100	100	100

### Notes

1. n/a indicates that data is not available or measurement has not yet commenced.
2. Proposals are publicly-funded major economic infrastructure proposals. Timeframes will be developed on a case by case basis and documented in Infrastructure Tasmania's yearly work program.

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# Report from the Tasmanian Planning Reform Taskforce



The Tasmanian Planning Reform Taskforce (Taskforce) has continued assisting in the progression of the Tasmanian Government's planning reform agenda, with the reappointment of Taskforce members in May 2016 until the end of this term of Government.

A key focus for the Taskforce has been the progression of the major projects reform.

To this end the Taskforce has provided the Minister for Planning with advice on the suitable process, a draft position paper and draft legislation.

The Taskforce's legislative sub-committee has and continues to provide detailed advice on the specifics of the proposed new legislation, working with the Planning Policy Unit in the Department of Justice.

Another key focus for the Taskforce has been the progression of the Tasmanian Planning Scheme.

Following the release of the Tasmanian Planning Commission's Section 25 report on the draft State Planning Provisions the Taskforce provided further advice to the Minister for Planning on the Commission's recommendations and the final composition of the State Planning Provisions.

These were declared by the Minister for Planning on 22 February 2017.

The Taskforce continues to assist in the progression of this reform and is represented on the Government's Steering Committee that has been established to provide oversight for the efficient, coordinated and timely submission of draft Local Provisions Schedules to the Tasmanian Planning Commission.

The Taskforce has also provided advice to the Minister for Planning on the agricultural land mapping project and the draft legislation for Tasmanian Planning Policies.

Ms Mary Massina, stepped down from her role as Executive Chair in January 2017, following her appointment as temporary Chief Executive Officer of the Macquarie Point Development Corporation.

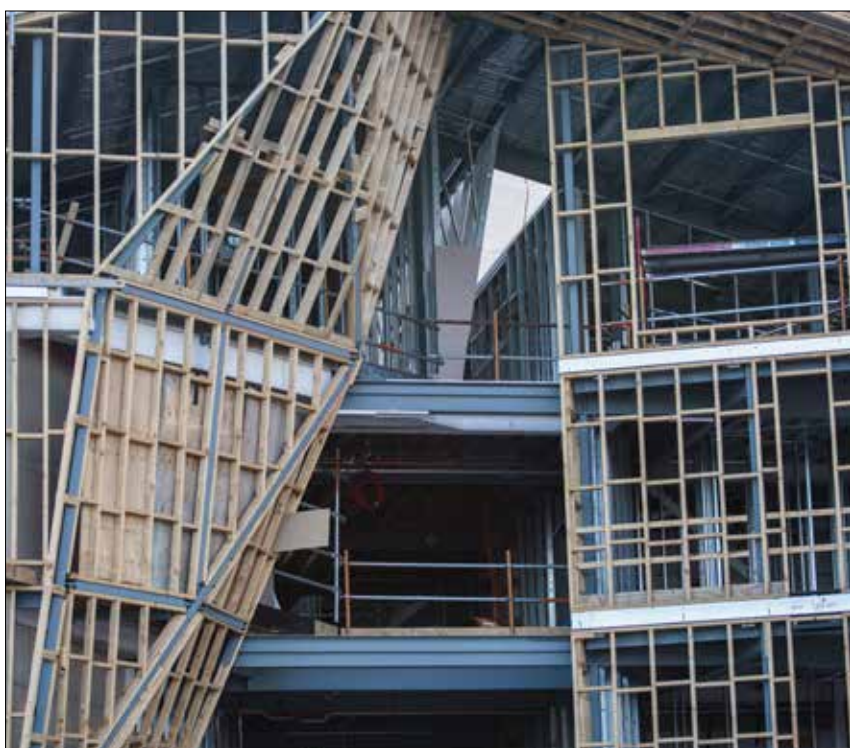
Mr Allan Garcia, Chief Executive Officer of Infrastructure Tasmania, remained a member until March 2017 following the declaration of the State Planning Provisions.

The Minister appointed Ms Emma Riley as the new Chair.

Membership of the Taskforce is now comprised of nine members:

- » Ms Emma Riley (Chair)
- » Mr Michael Bailey, Tasmanian Chamber of Commerce and Industry
- » Dr Katrena Stephenson, Local Government Association of Tasmania
- » Mr Michael Kerschbaum, Master Builders Association of Tasmania
- » Mr Rick Sassin, Housing Industry Association of Tasmania
- » Mr Nick Steel, Tasmanian Farmers and Graziers Association
- » Mr John Dent, PDA Surveyors
- » Mr Frazer Read, All Urban Planning
- » Mr Andrew Walker, Barrister Tasmanian Bar.

**Emma Riley**  
Chair



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# Supporting information Department of State Growth

## Right to Information

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

The *RTI Act*:

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

During 2016–17 the department dealt with 56 applications for assessed disclosure for information under the *RTI Act*.

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

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

The department is also committed to routinely publishing information covering a broad range of categories.

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

## Public Interest Disclosures Act

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

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

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

The procedures for reporting disclosures are available at [www.stategrowth.tas.gov.au](http://www.stategrowth.tas.gov.au)

The department did not receive any disclosures either directly or indirectly referred via the Ombudsman in the year to 30 June 2017.

## Integrity Commission

The Integrity Commission is an independent body established on 1 October 2010 by the *Integrity Commission Act 2009* (the Act). The three primary objectives of the Integrity Commission are to:

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

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

## Legislation administered by the Department of State Growth 2016–17

### Minister for State Growth

*Building and Construction Industry Training Fund Act 1990*  
*Closer Settlement Act 1957*  
*Copper Mines of Tasmania Pty. Ltd. (Agreement) Act 1999*  
*Employment Incentive Assistance Act 1984*  
*Farm Water Development Act 1985*  
*Fire Damage Relief Act 1967*  
except in so far as it relates to the erection of dwellings for renting to eligible persons under the *Homes Act 1935* (see *Department of Health and Human Services under the Minister for Human Services*)  
*Goldamere Pty Ltd (Agreement) Act 1996*  
*Iron Ore (Savage River) Arrangements Act 1996*  
*Macquarie Point Development Corporation Act 2012*

*Pulp Mill Assessment Act 2007*  
*Rural Adjustment Act 1995*  
*Tasmanian Development Act 1983*  
*Training and Workforce Development Act 2013* except Part 5, and except in so far as it relates to TasTAFE (see *TasTAFE under the Minister for Education and Training*)  
*Training and Workforce Development (Transitional Provisions) Act 2013* except Part 2, and except in so far as it relates to TasTAFE (see *TasTAFE under the Minister for Education and Training*)  
*Vocational Education and Training (Commonwealth Powers) Act 2011*  
*War Service Land Settlement Act 1950*

### Minister for Infrastructure

*Abt Railway Development Act 1999*  
*Aerodrome Fees Act 2002*  
*Air Navigation Act 1937*  
*Civil Aviation (Carriers' Liability) Act 1963*  
*Common Carriers Act 1874*  
*Commonwealth Powers (Air Transport) Act 1952*  
*Damage by Aircraft Act 1963*  
*Emu Bay Railway (Operation and Acquisition) Act 2009*  
*Heavy Vehicle Accreditation Scheme Validation Act 2013*  
*Heavy Vehicle National Law (Tasmania) Act 2013*  
*Highways Act 1951*  
*Marine and Safety Authority Act 1997*  
*Marine Safety (Domestic Commercial Vessel National Law Application) Act 2013*  
*Metro Tasmania Act 1997*  
*Metro Tasmania (Transitional and Consequential Provisions) Act 1997*  
*Passenger Transport Services Act 2011*

*Port Companies Act 1997*  
*Rail Company Act 2009*  
*Rail Infrastructure Act 2007*  
*Rail Safety National Law (Tasmania) Act 2012*  
*Roads and Jetties Act 1935*  
*Strategic Infrastructure Corridors (Strategic and Recreational Use) Act 2016*  
*Tasmanian Ports Corporation Act 2005*  
*Taxi and Hire Vehicle Industries Act 2008*  
*Traffic Act 1925*  
*Transport Act 1981*  
*TT-Line Arrangements Act 1993*  
*Vehicle and Traffic Act 1999*  
*Vehicle and Traffic (Transitional and Consequential) Act 1999*

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## Supporting information Department of State Growth continued

### Minister for Energy

*Electricity – National Scheme (Tasmania) Act 1999*

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

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

*Electricity Wayleaves and Easements Act 2000*

*Energy Co-ordination and Planning Act 1995*

*Gas Act 2000*

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

*Gas Pipelines Act 2000*

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

*National Energy Retail Law (Tasmania) Act 2012*

*National Gas (Tasmania) Act 2008*

*Petroleum Products Emergency Act 1994*

### Minister for Resources

*Beauty Point Landslip Act 1970*

*Forest Management Act 2013*

*Forestry (Fair Contract Codes) Act 2001*

*Forestry (Rebuilding the Forest Industry) Act 2014*

*Lawrence Vale Landslip Act 1961*

*Mineral Resources Development Act 1995*

*Mining (Strategic Prospectivity Zones) Act 1993*

*Petroleum (Submerged Lands) Act 1982*

*Private Forests Act 1994*

*Rosetta Landslip Act 1992*

### Minister for the Arts

*Meteorites Act 1973*

*Museums (Aboriginal Remains) Act 1984*

*Plomley Trusts Act 1984*

*Tasmanian Arts Advisory Board Act 1975*

*Tasmanian Museum Act 1950*

*Theatre Royal Management Act 1986*



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## Minister for Environment, Parks and Heritage

*Theatre Royal Precinct Redevelopment Act 2016*

### Legislation enacted 2016–17

*Taxi and Hire Vehicles Industries Amendment Act 2016*

*Heavy Vehicle National Law (Tasmania) Amendment Act 2016*

*Traffic Amendment Act 2016*

*Building and Construction Industry Training Fund Amendment Act 2016*

*Strategic Infrastructure Corridors (Strategic and Recreational Use) Act 2016*

*Vehicle and Traffic Amendment (Offensive Advertising) Act 2016*



## Policies to help manage our business

### Asset management

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

The property portfolio of assets includes:

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

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

The department maintains asset registers in accordance with the Treasurer's Instructions. Details of acquisitions, disposals and write-offs were recorded in the respective registers. The financial statements for 2016–17 are reported on an accrual basis and contain details of policies in relation to recognition, valuation and depreciation of assets in notes of the statements.

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

### Risk management

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

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

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

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

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

The department maintains a quality system for the development and maintenance of roads and bridges. This system comprises a significant proportion of the department's operations. The system is designed to manage the risks associated with development and maintenance of roads.

It is also subject to external surveillance and incorporates:

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

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

## Gifts, benefits and hospitality

The Department of State Growth adopted the whole of government Gifts, Benefits and Hospitality Policy from 1 December 2016.

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

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

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

All declarations published since the implementation of the Policy, were accepted by departmental employees and officers for the purpose of attending an industry event for work related purposes.

To view the Gifts, Benefits and Hospitality Policy or the Gifts and Hospitality Register, visit the department's website.

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

## Major contracts and consultancies

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

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

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

Tables B and C provide detailed information on new consultancies and other contracts with a value of \$50 000 or over (excluding GST).

However, it is noted that for Contract Nos. 2336 and 2385 one procurement process was run but multiple contracts awarded because they are a standing offer contract and no contract value has been allocated until services are ordered by the department.

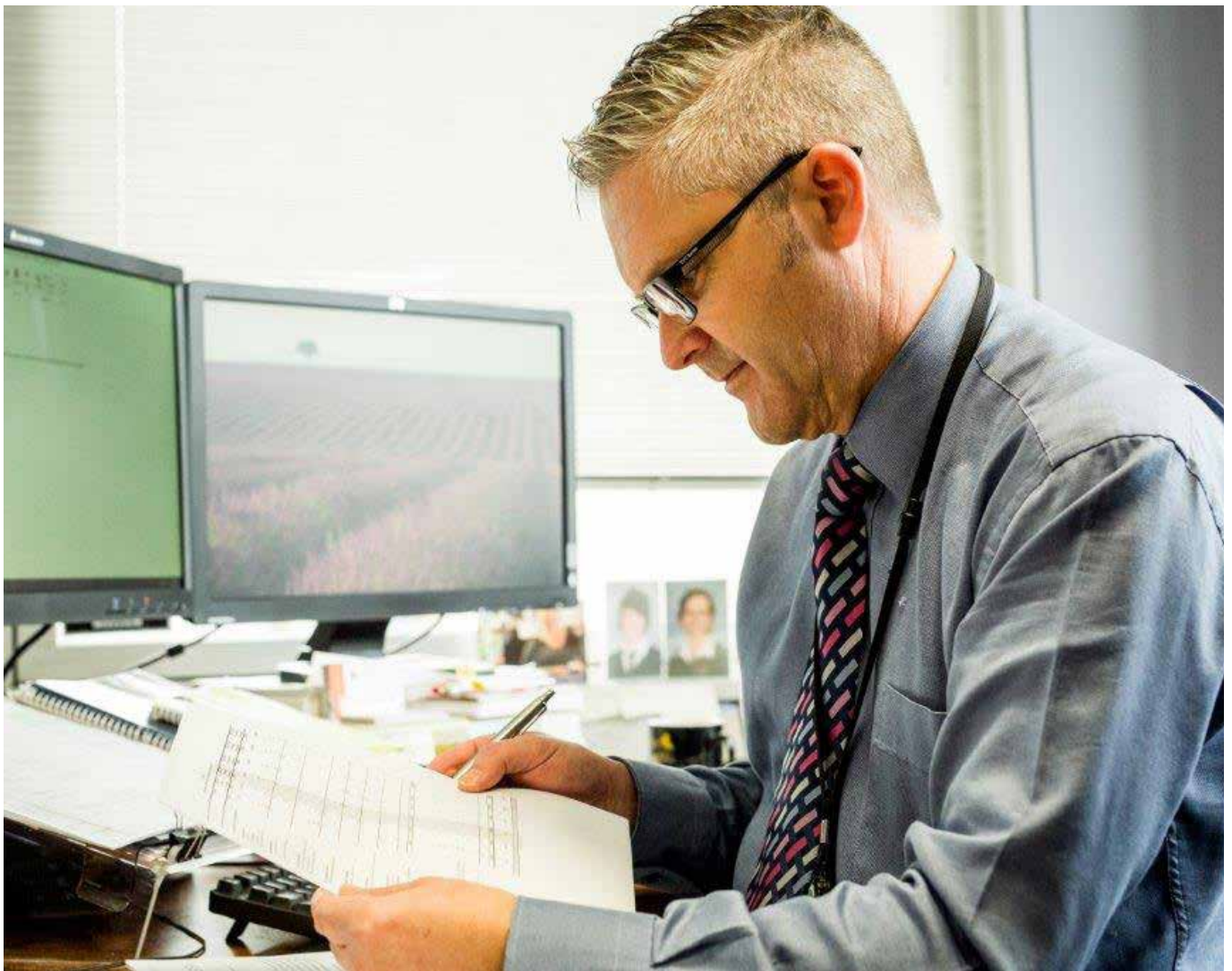
Table C(2) provides detailed information on consultancies engaged under Contract No. 2220 Professional Services for Transport Infrastructure Civil Engineering, Planning and Design.

Table D(1) provides a summary of contracts awarded as a result of a direct/limited submission sourcing process approved in accordance with Treasurer's Instructions 1114 or 1217.

Table D(2) provides a summary of total payments made under Contract No. 2385 for services ordered up by the department from 1/7/2016 – 30/6/2017.

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

Table E provides a summary of contract extensions approved in accordance with Treasurer's Instruction 1115(4).



## Supporting information Department of State Growth continued

**Table A**

<b>Summary of procurement including participation by local business (for procurement processes of \$50 000 or more excluding GST)</b>	
Total number of contracts awarded	62
Total number of contracts awarded to Tasmanian businesses	56
Total value of contracts awarded with Option to Extend	\$95,767,905.08
Total value of contracts awarded to Tasmanian businesses	\$82,482,502.89
Total number of tenders called and/or quotation processes run	40
Total number of bids and/or written quotations received	138
Total number of bids and/or written quotations received from Tasmanian businesses	106
<b>Contract No. 2385 Standing Offer Contract for the Provision of Linemarking Services</b>	
Total Payments from 1/7/2016 – 30/6/2017	\$1,968,127.85
Total number of new consultancies awarded	13
Total number of new consultancies awarded to Tasmanian businesses	3
Total value of new consultancies awarded with Option to Extend	\$2,031,757.00
Total value of new consultancies awarded to Tasmanian businesses	\$676,850.00
Total number of tenders called and/or quotation processes run	9
Total number of bids and/or written quotations received	34
Total number of bids and/or written quotations received from Tasmanian businesses	17
Total number of consultancies awarded under Contract No. 2220 – Professional Services for Transport Infrastructure Civil Engineering, Planning & Design	37
Total number of consultancies awarded under Contract No. 2220 – Professional Services for Transport Infrastructure Civil Engineering, Planning & Design to Tasmanian businesses	37
Total value of consultancies awarded under Contract No. 2220 – Professional Services for Transport Infrastructure Civil Engineering, Planning & Design	\$7,479,484.84
Total value of consultancies awarded under Contract No. 2220 – Professional Services for Transport Infrastructure Civil Engineering, Planning & Design to Tasmanian businesses	\$7,479,484.84
Total number of contracts and consultancies awarded	75
Total number of contracts and consultancies awarded to Tasmanian businesses	59
Total value of contracts and consultancies awarded	\$97,799,662.08
Total value of contracts and consultancies awarded to Tasmanian businesses	\$83,159,352.89
Total number of tenders called and/or quotation processes run	49
Total number of bids and/or written quotations received	172
Total number of bids and/or written quotations received from Tasmanian businesses	123

**Table B**

Contracts with a value of \$50 000 or over (ex. GST) and excluding consultancy contracts						
Tender ID	Title	Supplier name	City	State	Period of contract	Value (\$)
Contract No. 2349	Lake Secondary Road – Miena to Liawenee – Road Sealing	Gradco Pty Ltd	St Leonards	Tasmania	1/9/2016 – 23/2/2018	\$2,115,572.23
Contract No. 2328	Road Specific Maintenance – Pavement Resurfacing 2016/2017 North	Venarchie Contracting Pty Ltd	Mowbray	Tasmania	10/8/2016 – 26/5/2017	\$8,909,072.19
Contract No. 2352	Main Street, Bridport – Emily Street to Brid River – Roadworks	Shaw Contracting (Aust) Pty Ltd	Whitemore	Tasmania	12/8/2016 – 2/12/2016	\$843,730.00
Contract No. 2326	Road Specific Maintenance – Pavement Resurfacing 2016/2017 South	Roadways Pty Ltd	Glenorchy	Tasmania	22/8/2016 – 26/5/2017	\$10,050,125.22
Contract No. 2337	Road Specific Maintenance – High Pressure Water Blasting of Bituminous Surfacing 2016–17	Downer EDI Works Pty Ltd	Somerton	Victoria	9/9/2016 – 17/11/2016	\$481,916.99
Contract No. 2301	Lyell Highway – South of Ouse – Road Reinstatement	Gradco Pty Ltd	St Leonards	Tasmania	26/9/2016 – 15/1/2017	\$1,562,095.80
Contract No. 2345	Algona Main Road (A1578) – Opal Drive & Crystal Downs Drive Junction Roundabout	DCS Civil Tas Pty Ltd	Blackmans Bay	Tasmania	7/10/2016 – 29/12/2016	\$518,692.31
Contract No. 2377	Midland Highway – Safety Upgrade Program St Peter's Pass Area – Landscape Assessment and Design	Landscape and Social Research Pty Ltd	Wynyard	Tasmania	14/10/2016 – 30/11/2016	\$67,700.00
Contract No. 2361	Esk Main Road – St Marys Pass Stabilisation Works 2016	VEC Shaw Joint Venture	Ulverstone	Tasmania	14/10/2016 – 16/12/2016	\$2,096,740.70
Contract No. 2325	Lyell Highway (A0197) South of Hamilton – Shoulder Sealing	VEC Civil Engineering Pty Ltd	Ulverstone	Tasmania	21/10/2016 – 9/2/2017	\$2,123,430.93
Contract No. 2344	Boyer Secondary Road (A2218) Serenity Drive Junction Improvements	DCS Civil Tas Pty Ltd	Blackmans Bay	Tasmania	2/11/2016 – 24/1/2017	\$333,447.87
Contract No. 2279	Grasstree Hill Secondary Road – East Derwent Highway to Sugarloaf Road – Road Reinstatement	DCS Civil Tas Pty Ltd	Blackmans Bay	Tasmania	2/11/2016 – 21/2/2017	\$1,439,764.19
Contract No. 2323	Murchison Highway – Anthony MR to Cradle Mountain TR Road Improvements Stage 4	VEC Civil Engineering Pty Ltd	Ulverstone	Tasmania	8/11/2016 – 30/4/2018	\$5,548,575.67
Contract No. 2346	Midland Highway – Symmons Plains to South of Perth – Road Improvements and Safety Upgrade	Andrew Walter Constructions Pty Ltd	Austins Ferry	Tasmania	9/11/2016 – 31/3/2018	\$11,155,017.73

## Supporting information Department of State Growth continued

Tender ID	Title	Supplier name	City	State	Period of contract	Value (\$)
Contract No. 2363	Esk Main Road (A1125) – Stynes Creek to St Pauls Bridge & Killymoon Bridge to St Marys – Shoulder Sealing	Shaw Contracting (Aust) Pty Ltd	Whitemore	Tasmania	14/12/2016 – 28/3/2017	\$1,997,213.80
Contract No. 2365	Traffic Data Collection	Pentagon Systems (QLD) Pty Ltd	Capalaba	Queensland	1/01/2017– 2/01/2020	\$355,860.00
Contract No. 2330	Standing Offer for Image Capture Card Production and Distribution Services	ABCorp Australasia Pty Ltd	Dandenong South	Victoria	1/12/2016 – 30/11/2022	\$3,830,565.20
Contract No. 2357	Southern Outlet (A0171) Olinda Grove Junction Deceleration Lane	DCS Civil Tas Pty Ltd	Blackmans Bay	Tasmania	21/12/2016 – 16/5/2017	\$1,286,811.14
Contract No. 2391	Supply of General Services – Communications and stakeholder engagement for Midland Highway and traffic congestion	First Foot Communications	Mt Nelson	Tasmania	16/12/2016– 30/06/2017	\$89,000.00
Contract No. 2373	Slip and Bank Stabilisation – Rock Cuttings Various Sites 2016–17	VEC Civil Engineering Pty Ltd	Ulverstone	Tasmania	17/01/2017 – 17/03/2017	\$633,290.60
Contract No. 2356	Huon Highway/ Summerleas Road Intersection Upgrade	VEC Shaw Joint Venture	Ulverstone	Tasmania	19/1/2017 – 30/4/2018	\$12,515,104.44
Contract No. 2386	Technopark Ground Floor Tech 2 – Mechanical Upgrade	TCM Pty Ltd	Moonah	Tasmania	25/1/2017 – 31/03/2017	\$267,270.00
Contract No. 2379	State-wide Bridge Joint Rehabilitation Program 2016/17	Downer EDI Works Pty Ltd	Austins Ferry	Tasmania	15/2/2017 – 28/4/2017	\$455,893.00
Contract No. 2389	Bridge Strengthening Program 2016/17 – Tarleton Street Underpass and Stony Rise Main Road Underpass	BridgePro Engineering Pty Ltd	Latrobe	Tasmania	27/3/2017 – 30/5/2017	\$598,300.00
Contract No. 2390	Kimberley Bridge Scour Damage Repairs	Shaw Contracting (Aust) Pty Ltd	Whitemore	Tasmania	10/4/2017 – 26/5/2017	\$473,342.30
Contract No. 2381	Standing Offer for the Provision of Road Rehabilitation Services	Andrew Walter Constructions Pty Ltd	Austins Ferry	Tasmania	29/3/2017 – 28/3/2022	\$5,833,333.33
Contract No. 2381	Standing Offer for the Provision of Road Rehabilitation Services	Shaw Contracting (Aust) Pty Ltd	Whitemore	Tasmania	29/3/2017 – 28/3/2022	\$5,833,333.33
Contract No. 2381	Standing Offer for the Provision of Road Rehabilitation Services	Hazell Bros Group Pty Ltd	Derwent Park	Tasmania	29/3/2017 – 28/3/2022	\$5,833,333.33
Contract No. 2408	East Tamar Highway – North of Fourteen Mile Creek – Embankment Stabilisation	Shaw Contracting (Aust) Pty Ltd	Whitemore	Tasmania	28/4/2017 – 17/5/2017	\$349,551.82

Tender ID	Title	Supplier name	City	State	Period of contract	Value (\$)
Contract No. 2351	Events Tasmania Research Program	Nielsen Sports Pty Ltd	Rosebery	NSW	13/04/2017–12/04/ 2022	\$1,400,000.00
Contract No. 2415	Strategic, Creative and Production Functions for the Road Safety Cycling Campaign	Clemenger Tas Pty Ltd	Hobart	Tasmania	5/5/2017–31/3/2018	\$100,000.00
Contract No. 2409	Supply of Information Technology (IT) Products and/Services – Delivery of eVET Phase I System	Tempus Pty Ltd	Hobart	Tasmania	31/5/2017 – 01/10/2017	\$166,025.00
Contract No. 2410	Population Growth Strategy Marketing Action Plan	Clemenger Tas Pty Ltd	Hobart	Tasmania	12/06/2017 – 31/08/2017	\$200,000.00
Contract No. 2336	Provision of Vehicle Modification Certification Services	I.R. & L.C. Lester Contracting Pty Ltd	Invermay	Tasmania	9/9/2016 – 8/9/2021	\$0.00
Contract No. 2336	Provision of Vehicle Modification Certification Services	Mark Blake Holdings Pty Ltd	Mornington	Tasmania	9/9/2016 – 8/9/2021	\$0.00
Contract No. 2336	Provision of Vehicle Modification Certification Services	Motors Tas Pty Ltd	Derwent Park	Tasmania	9/9/2016 – 8/9/2021	\$0.00
Contract No. 2336	Provision of Vehicle Modification Certification Services	Vickbern Pty Ltd	North Hobart	Tasmania	9/9/2016 – 8/9/2021	\$0.00
Contract No. 2336	Provision of Vehicle Modification Certification Services	Australian Street Rod Federation Inc	Risdon	Tasmania	9/9/2016 – 8/9/2021	\$0.00
Contract No. 2336	Provision of Vehicle Modification Certification Services	Robertus Van Riel as the Trustee for the Van Riel Trust	Invermay	Tasmania	9/9/2016 – 8/9/2021	\$0.00
Contract No. 2336	Provision of Vehicle Modification Certification Services	C.W. Atkins Pty Ltd	Bridport	Tasmania	9/9/2016 – 8/9/2021	\$0.00
Contract No. 2336	Provision of Vehicle Modification Certification Services	AJL Heavy Equipment Pty Ltd	South Burnie	Tasmania	9/9/2016 – 8/9/2021	\$0.00
Contract No. 2336	Provision of Vehicle Modification Certification Services	Brett Woolley	Kingston	Tasmania	9/9/2016 – 8/9/2021	\$0.00
Contract No. 2336	Provision of Vehicle Modification Certification Services	Mader International Pty Ltd	Penguin	Tasmania	9/9/2016 – 8/9/2021	\$0.00
Contract No. 2336	Provision of Vehicle Modification Certification Services	Frost Engineering Pty Ltd as the Trustee for the Frost Family Trust	Kings Meadows	Tasmania	9/9/2016 – 8/9/2021	\$0.00
Contract No. 2336	Provision of Vehicle Modification Certification Services	BTT Engineering Consulting Pty Ltd	Scottsdale	Tasmania	9/9/2016 – 8/9/2021	\$0.00
Contract No. 2336	Provision of Vehicle Modification Certification Services	Midland Truck and Bus Pty Ltd	Bridgewater	Tasmania	9/9/2016 – 8/9/2021	\$0.00

## Supporting information Department of State Growth continued

Tender ID	Title	Supplier name	City	State	Period of contract	Value (\$)
Contract No. 2336	Provision of Vehicle Modification Certification Services	George Hanson	Port Sorell	Tasmania	9/9/2016 – 8/9/2021	\$0.00
Contract No. 2336	Provision of Vehicle Modification Certification Services	Adam Curran	Aberdeen	Tasmania	9/9/2016 – 8/9/2021	\$0.00
Contract No. 2336	Provision of Vehicle Modification Certification Services	Burnett Family Trust T/A Engineered Auto Solutions	Stoney Rise	Tasmania	9/9/2016 – 8/9/2021	\$0.00
Contract No. 2336	Provision of Vehicle Modification Certification Services	Shane Ashlin	Moonah	Tasmania	9/9/2016 – 8/9/2021	\$0.00
Contract No. 2336	Provision of Vehicle Modification Certification Services	Austune Automotive and Small Engines	Invermay	Tasmania	9/9/2016 – 8/9/2021	\$0.00
Contract No. 2336	Provision of Vehicle Modification Certification Services	Christ Atkins Enterprises	Somerset	Tasmania	9/9/2016 – 8/9/2021	\$0.00
Contract No. 2336	Provision of Vehicle Modification Certification Services	L.M. Caplice & S.P. Caplice	North Hobart	Tasmania	9/9/2016 – 8/9/2021	\$0.00



Table C (I)

Consultancy contracts with a value of \$50 000 or over (ex. GST)						
Tender ID	Title	Supplier name	City	State	Period of contract	Value (\$)
Contract No. 2329	Latrobe to Burnie General Access Bus Service	Metro Tasmania Pty Ltd	Moonah	Tasmania	1/9/2016 – 31/12/2018	\$636,850.00
Contract No. 2350	Improved information and understanding of Tasmania's time sensitive freight market	ACIL Allen	Perth	Western Australia	22/07/2016– 12/09/2016	\$117,157.00
Contract No. 2348	ACIPA Supply of specialist consultancy services	Johnstaff Projects (Vic) Pty Ltd	Melbourne	Victoria	20/6/2016 – 19/6/2020	\$250,000.00
DSG 053722	Development of 'the Tasmanian Collection' Concept	Tekno Pty Ltd	Leederville	Western Australia	7/9/2016 – 15/2/2017	\$80,000.00
Contract No. 2321	Development of a foreign direct investment strategy for Tasmania	IBM Australia Limited	St Leonards	New South Wales	1/10/2016 – 28/2/2017	\$249,000.00
Contract No. 2398	Provision of specialist marine transport expertise	Thompson Clarke Shipping	Terrigal	New South Wales	23/2/2017 – 30/09/2017	\$143,750.00
Contract No. 2397	Energy Security Taskforce: Financial Modelling and Analysis Panel	Ernst & Young	Sydney	New South Wales	24/3/2017 – 31/12/2017	\$20,000.00
Contract No. 2397	Energy Security Taskforce: Financial Modelling and Analysis Panel	Sapere Research Group Limited	Sydney	New South Wales	24/3/2017 – 31/12/2017	\$20,000.00
Contract No. 2397	Energy Security Taskforce: Financial Modelling and Analysis Panel	Marchmont Hill Consulting Pty Ltd	Melbourne	Victoria	24/3/2017 – 31/12/2017	\$20,000.00
Contract No. 2397	Energy Security Taskforce: Financial Modelling and Analysis Panel	Joule Logic Pty Ltd	Battery Point	Tasmania	24/3/2017 – 31/12/2017	\$20,000.00
Contract No. 2397	Energy Security Taskforce: Financial Modelling and Analysis Panel	Goanna Energy Consulting Pty Ltd ATF M & T White Family Trust	Sandy Bay	Tasmania	24/3/2017 – 31/12/2017	\$20,000.00

## Supporting information Department of State Growth continued

**Table C (2)**

<b>Consultancies engaged under Contract No. 2220 – Professional Services for Transport Infrastructure Civil Engineering, Planning &amp; Design (comprising Pitt&amp;Sherry (Operations) Pty Ltd, GHD Pty Ltd Pty Ltd, Jacobs Group (Australia) Pty Ltd, Johnstone McGee &amp; Gandy and Burbury Consulting Pty Ltd) with a value of \$50 000 or over (ex. GST)</b>				
<b>Name of consultant</b>	<b>Location of consultant</b>	<b>Description of consultancy</b>	<b>Date awarded</b>	<b>Value of consultancy</b>
Jacobs Group (Australia) Pty Ltd	Hobart, TAS	220–1–34 Midland Highway – St Peters Pass to South of Tunbridge	1/07/2016	\$920,170.00
Jacobs Group (Australia) Pty Ltd	Hobart, TAS	2220–1–37 Midland Highway Spring Hill – Design Development – Preliminary and Detail	7/10/2016	\$539,223.00
Jacobs Group (Australia) Pty Ltd	Hobart, TAS	2220–1–39 North Bound Transit Lane between Kingston and Hobart	22/09/2016	\$76,505.00
Jacobs Group (Australia) Pty Ltd	Hobart, TAS	2220–1–40 Huon Highway – Passing Lanes (Huonville to Geeveston)	26/09/2016	\$77,720.00
Jacobs Group (Australia) Pty Ltd	Hobart, TAS	2220–1–41 Lyell Highway – South of Ouse & South of Hamilton – Contract Administration	14/10/2016	\$70,272.00
Jacobs Group (Australia) Pty Ltd	Hobart, TAS	2220–1–42 Grasree Hill Secondary Road – East Derwent Highway to Sugarloaf Road – Road Reinstatement – Contract Administration	2/11/2016	\$68,658.00
Jacobs Group (Australia) Pty Ltd	Hobart, TAS	2220–1–43 Algona Road, Opal Drive – Contract Administration	25/10/2016	\$58,102.00
Jacobs Group (Australia) Pty Ltd	Hobart, TAS	2220–1–44 Murchison Highway Stage 4 – Contract Administration	11/11/2016	\$219,877.00
Jacobs Group (Australia) Pty Ltd	Hobart, TAS	2220–1–48 Southern Outlet Olinda Grove – Contract Administration	23/12/2016	\$78,124.00
Jacobs Group (Australia) Pty Ltd	Hobart, TAS	2220–1–49 Terrestrial laser survey of the Ross Bridge and Carvings	21/03/2017	\$54,000.00
Jacobs Group (Australia) Pty Ltd	Hobart, TAS	2220–1–51 Midland Highway Upgrade Program – Program Development Stage 1 and Stage 2	20/06/2017	\$74,190.00
GHD Pty Ltd	Hobart, TAS	2220–2–41 Bass Highway – Reservoir Drive – Right Turn Facilities	19/07/2016	\$80,075.00
GHD Pty Ltd	Hobart, TAS	2220–2–43 Symmons Plains to South of Perth – Contract Administration	30/10/2016	\$403,832.00
GHD Pty Ltd	Hobart, TAS	2220–2–44 East Derwent Highway – Grasree Hill to Sugarloaf Road – Contract Administration	26/07/2016	\$74,980.00
GHD Pty Ltd	Hobart, TAS	2220–2–49 Midland Highway – York Plains to St Peters Pass	12/09/2016	\$458,200.00
GHD Pty Ltd	Hobart, TAS	2220–2–60 Midland Highway – Perth Link Roads	1/11/2016	\$832,084.00
GHD Pty Ltd	Hobart, TAS	2220–2–67 Midland Highway – Miscellaneous Contract Administration	15/02/2017	\$50,000.00
GHD Pty Ltd	Hobart, TAS	2220–2–68 Hobart Transport Master Plan Vision	24/03/2017	\$157,290.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, TAS	2220–3–54 Tasman Highway – Holyman Avenue Interchange	18/07/2016	\$249,955.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, TAS	2220–3–55 National Prequalification System – Technical Assessments	11/07/2016	\$50,000.00

Name of consultant	Location of consultant	Description of consultancy	Date awarded	Value of consultancy
Pitt&Sherry (Operations) Pty Ltd	Hobart, TAS	2220-3-58 Lake Secondary Road – Miena to Liawenee – Contract Administration	10/08/2016	\$235,498.84
Pitt&Sherry (Operations) Pty Ltd	Hobart, TAS	2220-3-60 Main Street Bridport – Emily Street to Brid River – Contract Administration	19/08/2016	\$60,000.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, TAS	2220-3-63 Midland Highway – Mowbray to Lovely Banks – Safety Improvement	3/10/2016	\$137,389.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, TAS	2220-3-66 Esk Main Road – Shoulder Sealing – Heffords Road to Mathinna Road	31/10/2016	\$325,407.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, TAS	2220-3-74 Carlton River Bridge Replacement – Detailed Design	14/12/2016	\$100,405.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, TAS	2220-3-75 Zeehan Rivulet Bridge Replacement – Detailed Design	14/12/2016	\$86,763.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, TAS	2220-3-78 Mersey Forest Road, Arm Road, Dublin Road & Maggs Road Remediation Works	19/12/2016	\$159,378.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, TAS	2220-3-79 Huon Highway Summerleas Road – Contract Administration	20/12/2016	\$581,052.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, TAS	2220-3-80 Statewide Bridge Rehabilitation – Contract Administration and Supervision	21/03/2017	\$63,296.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, TAS	2220-3-81 Pavement Investigations 2017	4/04/2017	\$63,317.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, TAS	2220-3-85 Holyman Avenue – Site Investigations and preparation of ECI tender documents	17/05/2017	\$450,000.00
Burbury Consulting Pty Ltd	Hobart, TAS	2220-5-14 Tasman Highway extension of the westbound off ramp to Mornington Interchange	25/08/2016	\$53,370.00
Burbury Consulting Pty Ltd	Hobart, TAS	2220-5-15 Bruny Island Neck Improvements	3/10/2016	\$149,680.00
Burbury Consulting Pty Ltd	Hobart, TAS	2220-5-16 Sorell Rivulet Bridge – Detailed Design	7/11/2016	\$113,860.00
Burbury Consulting Pty Ltd	Hobart, TAS	2220-5-17 Sheas Creek Bridge – Detailed Design	7/11/2016	\$104,000.00
Burbury Consulting Pty Ltd	Hobart, TAS	2220-5-18 Huon Highway – Surges Creek Bridge Replacement	21/11/2016	\$149,132.00
Burbury Consulting Pty Ltd	Hobart, TAS	2220-5-22 Channel Highway, North of Margate – Right turn facility	20/01/2017	\$53,680.00

## Supporting information Department of State Growth continued

**Table D (1)**

Consultancies or Contracts awarded under an approved limited or direct sourcing process				
Name of supplier	Location of supplier	Description of contract	Reason for the Procurement Methodology	Total value of contract
Shaw Contracting (Aust) Pty Ltd	Whitemore, TAS	Contract No. 2359 Olivers Tourist Road Repairs	Urgent requirements	\$1,300,068.00
Shaw Contracting (Aust) Pty Ltd	Whitemore, TAS	Contract No. 2360 Murchison Highway Repairs	Urgent requirements	\$1,298,630.00
Transmax Pty Ltd	Milton, QLD	Contract No. 2371 Streams Software Assurance and Support Services	Original supplier	\$217,060.00
Kentish Construction & Engineering Company Pty Ltd Trading as Treloar Transport Co.	Sheffield, TAS	Contract No. 2367 Railton Main Road and Mersey Main Road Flood Repairs	Urgent requirements	\$763,632.70
BridgePro Engineering Pty Ltd	Latrobe, TAS	Contract No. 2366 Hoggs Bridge at Railton – Reinstatement of Eastern Span and Abutment	Urgent requirements	\$710,090.00
Shaw Contracting (Aust) Pty Ltd	Whitemore, TAS	Contract No. 2384 Mersey Forest Road Remediation of Flood Damage	Urgent requirements	\$1,700,000.00
Tasmanian Networks Pty Ltd	Lenah Valley, TAS	CS16–3722A Summerleas Road – Huon Highway, Kingston	Single supplier	\$314,315.25
KPMG	Brisbane, QLD	Contract No. 2364 Review of the Preliminary Report of the feasibility of a second Basslink Interconnector	Urgent requirements	\$55,000.00
Boston Consulting Group Pty Ltd	Sydney, NSW	Contract No. 2368 Energy Taskforce Lead Consultant	Specialist nature of work	\$400,000.00
Statewide Linemarking Pty Ltd	Glenorchy, TAS	Contract No. 2385 Standing Offer for the Provision of Linemarking Services	Other exceptional circumstances	\$0.00
Supalux Pty Ltd	Kewdale, WA	Contract No. 2385 Standing Offer for the Provision of Linemarking Services	Other exceptional circumstances	\$0.00

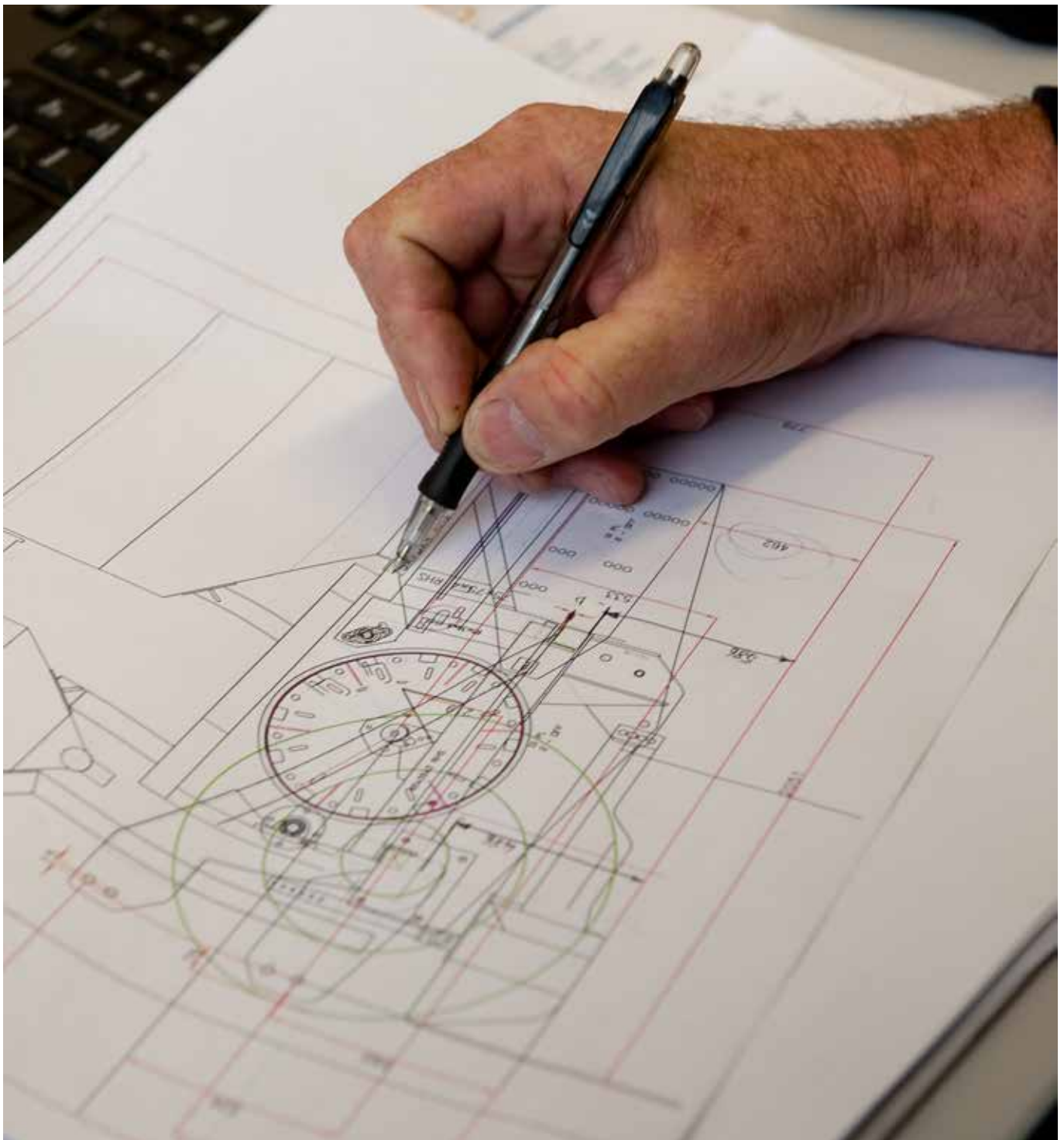
**Table D (2)**

Contract No. 2385 Standing Offer for the Provision of Linemarking Services			
Name of supplier	Location of supplier	Description of contract	Total payments from 1/7/2016 – 30/6/2017
Statewide Linemarking Pty Ltd	Glenorchy, TAS	Contract No. 2385 Standing Offer for the Provision of Linemarking Services	\$336,109.25
Supalux Pty Ltd	Kewdale, WA	Contract No. 2385 Standing Offer for the Provision of Linemarking Services	\$1,632,018.60

Table E

Contract extensions approved in accordance with Treasurer's Instruction 1115(4)

Name of supplier	Location of supplier	Description of contract	Period of extension	Total value of contract
Nil				



## Disability Framework for Action 2013–17

The Department of State Growth successfully developed an integrated Disability Action Plan (DAP) through detailed consultation and collaboration after the establishment of the department in July 2014.

The action plan focuses on four key areas with an emphasis on improved access to a range of:

- » services and programs
- » employment opportunities and career development
- » buildings and facilities
- » information.

The department has provided comment and feedback on the key focus areas planned for the Disability Framework for Action 2018–2020.

Discussions have commenced with the department's DAP working group on the development of the DAP for 2018–2020.

The department will continue to participate in programs and initiatives that promote inclusiveness, support diversity and the benefits it brings and improve accessibility to the programs and services it provides.

### Access to buildings and facilities

The department has actively utilised and promoted the use of the Tasmanian Government Accessible Events guidelines when working with and funding industry community events to ensure increased inclusion and accessibility for all Tasmanians.

Through a detailed accommodation review the department has been able to influence some design aspects of workspaces and processes through consultation with our employees. This has resulted in the inclusion of hearing loops, relocation of taps and widening of access areas to ensure accessibility to all employees and a reduction in the need for individual adjustments.

### Transport services

Initiatives implemented include the following.

- » The establishment of the Assistance Animal Taskforce to review how the department could work with the taxi and share-riding industries to ensure an increased understanding and compliance to transport assistance animals. The education approach taken has resulted in the number of related complaints reducing significantly in 2016/17. As a result the Taskforce has paused its activities for the time being.
- » The engagement of consultants to undertake a review of the Wheelchair Accessible Taxis (WAT) to consider what needs to occur to ensure the continuation of safe, efficient and reliable WAT services.

- » Tasmanian Government transport programs and transport providers are working collaboratively to make a smooth transition to the National Disability Insurance Scheme.
- » Educational material for people with a disability who want to drive a car or ride a bike has been developed and is available on the Transport internet site, including information and fact sheets on: Fitness to drive – Physical disability, specialised equipment and modifications, occupational therapy driving assessments and the processes around assessing fitness to drive.

### Employment opportunities

Initiatives developed include the following.

- » The department has taken a lead role with the State Service Management Office to develop the Tasmanian State Service Flexible Work Policy. In line with this, a Flexibility@Work Framework is under development for the department which encourages employees and managers to look at when, where and how our employees work, to increase flexibility.
- » Purchase of an online learning management system to support the ongoing education of its employees. An integrated induction program is being developed including a new online component which includes a video that shows the diversity of both our department's services and programs and the employees that deliver them.
- » The development of an Unpaid Work Framework that supports people with a disability by providing unpaid work-like opportunities to increase confidence and their capacity to win future paid-work opportunities.

### Vocational Education

The department has replaced previous equity programs with one key program, Training and Work Pathways Program (TWPP).

Projects funded under the TWPP must include some form of work placement or work exposure activity for the participant with the aim to increase post-VET employment opportunities for people with a disability.

Results to date have shown an increase in employment outcomes and higher completion rates.

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## Publications

The department produced the following stakeholder publications in 2016–17 and a wide range of leaflets, brochures and flyers..

Conservation Assessment of Future Potential Production Forest land

Cycle Tourism Strategy

Department of State Growth Annual Report 2015-16

Draft Agri-Tourism Position Paper

Employer Guide to Apprenticeships and Traineeships

Guide for Trainees and Apprentices

Hobart Congestion Traffic Analysis 2016

Hobart Traffic Origin-Destination Report June 2017

Launceston Airport Translink Precinct Prospectus

Ling Siding Industrial Hub Prospectus

Midland Highway 10 Year Action Plan – Update June 2017

Population Growth Strategy Annual Update 2016

Project 2018 – Bus re-contracting process

Project 2018 – General access service standards

Regional Skills Forums 2017 - Feedback Report to Business

Report on Australian Asphalt Paving Association (AAPA) Audit of Bituminous Surfacing Program Delivery

Special Species Timber Demand Analysis

Special Timbers Resource Assessment on Permanent Timber Production Zone Land, Future Potential Production Forest Land, Regional Reserves and Conservation Areas

Strategic Growth Plan for the Tasmanian Forests, Fine Timber and Wood Fibre Industry

Tasmania Prospectus for South Asia

Tasmanian Energy Security Taskforce interim report

Tasmanian Global Education Growth Strategy

Tasmanian Government Free Wi-Fi Network One Year Review

Tasmanian Government Policy for Maintaining a Permanent Native Forest Estate

Tasmanian Red Tape Audit Report 2016

Tasmanian Tourism and Hospitality Workforce Development Plan

Tasmanian Training Awards 2016 Souvenir Booklet

Tasmanian Visitor Engagement Strategy

Tasmanian Visitor Engagement Strategy Stage One Implementation Plan

Taxi and Hire Vehicles Industries Regulatory Review Consultation paper

Taxi and Hire Vehicles Industries: Regulatory Framework Overview Background paper

TDR Board Annual Report 2015-16

Time Sensitive Freight Report

Towards Zero Action Plan 2017-2019

Towards Zero Tasmanian Road Safety Strategy 2017-2026

Wood Encouragement Policy

## Grants

### Grants program review

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

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

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

Significant Grant Program	Paid 2016–17	Purpose and intended outcomes
Major Events Partnerships Program	\$7,577,836	The Major Event Partnerships Program provides funding to significant events that return substantial economic outcomes for the state. The Program is aligned to Events Tasmania's strategic aims of attracting people to Tasmania, getting Tasmanians and visitors moving around the state and the ability of events to get consumers and the public talking about Tasmania as a destination. Examples of major events funded include V8 Supercars, Dark Mofo, Festival of Voices, Junction Arts Festival, Targa Tasmania, Australian Wooden Boat Festival and The Unconformity.
Arts Tasmania Grants Funding Programs	\$3,259,037	The objective of the Arts Tasmania's investment programs is to support, facilitate, and enable creativity, cultural excellence and quality arts practice in Tasmania. The programs also aim to broaden the engagement of Tasmanians in the arts, highlight the State's arts and cultural sector, and deepen Tasmanian cultural experiences. The program focuses on providing support to the arts and movable cultural heritage sectors in Tasmania through funding to individual artists, arts organisations and Tasmanian cultural institutions to plan and realise projects, and create new work.
Museums, Art Galleries and Heritage Organisations Grants	\$1,382,600	This is the State Government's contribution to the annual operating costs of the Queen Victoria Museum and Art Gallery (QVMAG) as negotiated between the Launceston City Council and the State Government.
Grants to Councils - Road Works	\$6,252,295	"Black Spot Program (\$3,217,304) is an annual program for rectification of road accident black spots, whereby Local Councils submit applications to the Australian Government for assessment and approval. Funding for approved projects flows from the Australian Government to the respective States, who then enter into a funding deed with successful Local Councils and transfer funding when conditions are met and funding is received from the Australian Government. Bridge Renewal (\$1,567,905) and Heavy Vehicle Safety & Productivity (\$242,839) programs are funded by the Australian Government and are initiated by calls for expressions of interest for funding of projects nominated by Local Councils. The Australian Government assesses and approves projects, and advises the conditions and milestones that will apply to the provision of funding. Funding for approved projects flows from the Australian Government to the respective States, who then enter into a funding deed with successful Local Councils and transfer funding when conditions are met and funding is received from the Australian Government. The balance (\$1,224,247) comprises of various grants assisting Local Councils with road safety upgrades to traffic signs, pedestrian crossings, cycle paths, and essential bridge works."



Significant Grant Program	Paid 2016–17	Purpose and intended outcomes
Regional Tourism Infrastructure & Innovation Fund	\$1,086,845	The Regional Tourism Infrastructure & Innovation Fund is an Australian Government funded program managed by the Department of State Growth. The conditions of the fund and the criteria for assessment of applications and their alignment to the intended outcomes are determined by the Australian Government through a national partnership arrangement. The Tasmanian Government, through the Minister for Tourism, Events and Hospitality make recommendations for funding to the Australian Government Minister for Tourism. Final approval of projects rests with the Australian Government and the Department monitors and reports regularly on project progress and outcomes.
Northern Cities Major Development	\$23,000,000	The purpose of the Northern Cities Major Development Initiative is to revitalise communities and the economy through infrastructure investment projects in Launceston, Burnie and Devonport. The Initiative is supported by an initial \$60 million capital funding commitment in 2015-16 budget and an additional \$30 million capital funding commitment in the 2016-17 budget. Funds allocated from the Initiative during 2016-17 were \$13,000,000 provided to the Devonport City Council for Stage 1 of the Devonport Living City project and \$10,000,000 to the University of Tasmania towards the Inveresk Campus project.
Community Infrastructure Fund	\$2,169,298	The Government has established a Community Infrastructure Fund to support community infrastructure initiatives throughout Tasmania. The infrastructure delivered by the fund will enhance the liveability and cohesion of communities around Tasmania.
Business & Jobs Attraction and Population Growth Initiative - Ridley	\$1,000,000	The objective of the Business & Jobs Attraction and Population Growth Initiative is to proactively attract and grow national and international business investment in Tasmania, and to create local jobs through relocation and expansion in Tasmania. The Tasmanian Development Board has approved a \$2 million grant to Ridley Corporation to assist with establishing a \$50.3 million Aqua Feed processing facility at Westbury.
Regional Revival Fund	\$2,900,000	The Regional Revival Fund grant program aims to create jobs in regional Tasmania by offering grants to assist eligible proponents of projects to bring forward their projects that would otherwise be delayed or not proceed. These projects must generate or sustain ongoing economic activity and jobs.
Tasmanian Jobs and Investment Fund (Cadbury)	\$8,000,000	In May 2016 grant recipients of the \$24 million Tasmanian Jobs and Investment Fund grant program were announced. The Tasmanian government contributed \$8 million to the program, and the Australian government contributed \$16 million. From the initial approved projects, 56 have proceeded and are expected to create 744 FTE, with a co-investment of \$61.2 million.

## Supporting information Department of State Growth continued

Significant non-program grants	Paid 2016-17	Purpose and intended outcomes
AFL Agreement - Hawthorn Football Club	\$3,793,286	The Hawthorn Football Club AFL games in Tasmania make a significant impact to our state economy, delivering substantial on-the-ground benefits to businesses as well as enhancing community engagement. Independent reports by PriceWaterhouseCoopers and Repucom have valued Hawthorn's presence generating a total direct expenditure of \$17.5 million for the state. The current partnership runs from the 2017 to 2021 AFL seasons inclusive, and is valued at \$19 million plus CPI.
Tasmanian Symphony Orchestra	\$2,131,660	The Tasmanian Symphony Orchestra (TSO), one of the world's finest small orchestras, continues to receive Tasmanian Government support. The TSO plays to audiences throughout the Tasmania and its award-winning recordings are heard throughout the world. A versatile orchestra, the TSO is renowned for its expertise in music of the classical and early romantic periods and is recognised internationally as a champion of Australian music.
Tasmanian Railway Pty Ltd	\$41,866,000	This payment represents the Government's ongoing grant contributions to Tasmanian Railway Pty Ltd. The payments allow Tasmanian Railway Pty Ltd to manage, maintain and operate the Tasmanian rail network on a sustainable basis and it also provides for critical annual maintenance of rolling stock assets.
West Coast Wilderness Railway	\$4,500,000	In 2012-13, the Australian Government committed \$6 million to fund capital, maintenance and operational activities on the West Coast Wilderness Railway for use until 2016-17. \$617 498 of that fund was provided in 2015-16. In addition, the Tasmanian Government supports the Railway's operations by way of funding of \$4.5 million per annum until 2017-18.
Ten Days on the Island	\$1,854,499	Ten Days on the Island is a biennial arts festival that commenced in 2001. Ten Days on the Island has attracted high quality local and international artists from around the world to celebrate our unique island culture. The ninth festival was held in March 2017.
National Road Transport Commission: Local Government Contribution	\$1 500 000	Under the reform measures that abolished local road tolls in favour of national heavy vehicle charges, \$1.5 million is provided annually from motor tax receipts to local government to compensate for loss of revenues from heavy vehicles.
Kings Meadows Flood Protection	\$1 000 000	To assist the Launceston City Council to undertake identified works to minimise flooding in the Kings Meadows commercial areas.

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## Statutory and non-statutory bodies

### Statutory bodies

Committee to Coordinate the Response to Energy Supply Emergencies

Energy Security Taskforce

Electricity Technical Advisory Committee

Tasmanian Arts Advisory Board

Tasmanian Building and Construction Industry Training Board

Tasmanian Development Board

Tasmanian Museum and Art Gallery Board of Trustees

Tasmanian Traineeships and Apprenticeships Committee

Theatre Royal Management Board

### Non-statutory bodies

Screen Tasmania Board

## Superannuation certificate

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



**Kim Evans**

Secretary  
Department of State Growth

## Compliance index

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

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

- » *Financial Management and Audit Act 1990*
- » *State Service Act 2000*
- » *Right to Information Act 2009*
- » *Public Interest Disclosures Act 2002*
- » *State Service Regulations 2001*
- » various Treasurer's Instructions.

The four columns in the index have the following meanings.

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

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

Section	Compliance	Page	Details
<b>General</b>			
		2	Table of contents
		Annual Report	Alphabetical index
		78	List of acronyms
<b>Overview</b>			
Strategic plan	SSR s9(a)(i)	n/a	An overview of the department's strategic plan, including its aims, functions and related program
Performance	SS s36(l)(a)	Annual Report	
	FMAA s27(l)(a)	Annual Report	A report on the performance of the functions and exercises of the power of the Secretary under any written law
Major initiatives	SSR s9(a)(v)	Annual Report	Details of major initiatives taken by the department to develop and give effect to government policy
Major changes during the year	SSR s9(a)(iv)	Annual Report	Details of – and reasons for – any major changes which have taken place in relation to the programs, aims, functions or organisational structure of the agency
<b>Operational structure</b>			
Department organisational chart	SSR s9(a)(ii)	6	An organisational chart illustrating the department's administrative structure, including regional offices, showing officers of the agency
Why we are structured in this way	SSR 9(a)(iii)	Annual Report	A description of the relationship between the organisational structure and the program management structure of the agency
<b>Performance measurement</b>			
Performance summary	TI 701 (l)(a)(e)	10-41	A narrative summary, together with quantitative measure where relevant, of the objectives and functions of the programs or activities, including significant outcomes, key efficiency measures, targets, proposed plans and any ministerial objectives
	TI 201 (l)(b)	3-4	Economic and other factors that have affected the achievement of operational objectives
<b>Legislation administered and major documents published</b>			
Legislation administered	SSR s9(d)	54-56	A list of legislation administered by the department
Legislation enacted	SSR 9(d)	56	A list of legislation enacted during the year for which the department is responsible, including details of significant changes to legislation previously administered by the department
<b>Public access and awareness of services provided</b>			
Key contact	SSR s9(c)(ii)	1	List of contact officers and points of public access in relation to services provided by the department
Community awareness report	SSR s9(c)(i)	10-41	Details of activities undertaken to develop community awareness of the department and the services it provides
Agency publications	SSR s9(c)(i)	70	List of major documents published by any internal or external body of the department during the year
Right to Information	RTI s23	53	Right to Information details for 2016–17

## Supporting information Department of State Growth continued

Section	Compliance	Page	Details
Human resources management			
Recruitment and selection	SSR s9(b)(i)	7-8, 40-41, 69	Details of recruitment policies and programs, including statistical information
Staff development	SSR s9(b)(ii)	7-8, 40-41	Information relating to employee training and development activities, including statistical information for 2016–17
Equal employment opportunities	SSR s9(b)(iii)	7-8, 40-41	A description of the department's workplace diversity program, including statistical information for 2016–17
Industrial democracy	SSR s9(b)(iv)	7-8, 40-41	Details of the processes established to ensure employee participation in industrial relations matters within the department
Internal grievance procedures	SSR s9(b)(v)	7-8, 40-41	Summary of internal grievance procedures
Occupational health and safety	SSR s9(b)(vi)	7-8, 40-41	Outline of occupational health and safety strategies
Appeals process	SSR s9(c)(iii)	7-8, 40-41	An outline of the processes available for appeals against decisions made by the department
Superannuation contribution	PSSRA s13	74	Certification by the relevant department manager relating to contributions to non-RBF superannuation funds, including a report that the department has met its obligations under the <i>Superannuation Guarantee (Administration) Act 1992</i>
Asset management and risk management policies			
Major capital projects	TI 201 (I)(d)	Annual Report	Information on major capital projects or undertakings
Asset management	TI 201 (I)(g)	Annual Report	Statement of asset management policies and an outline of asset management strategies and initiatives
Risk management	TI 201 (I)(f)	Annual Report	Statement of risk management policies and an outline of significant risk management activities and initiatives
Pricing policies	TI 201 (I)(c)	Annual Report	Pricing policies of goods and services provided, the last review date, and reference to documents that contain the pricing information, with details of cost-recovery policies and their application, as appropriate
Government procurement			
Support for local businesses	TI 1110 6(a)	Annual Report	A narrative statement in the introduction by the Secretary regarding the department's support for local business
	TI 1110 6(b)(i)	Annual Report	Summary of the department's support for local business, including the number of procurement contracts awarded, the number of tenders called and the number of bids received and the extent of local participation in procurement activities
Contracts awarded during the year	TI 1110 6(b)(ii)	58-68	Detailed information on all contracts awarded, including consultancy contracts, including a description of the contract, the total value of the contract and the name and locality of contractors
Other matters	TI 201 (i)(i)	n/a	Any other matters deemed relevant by the Secretary
Financial Statements			
Financial Statements	FMAA s27 (1) (c), FMAA s27 (2),(3) and (4)	80-177	Financial Statements of the department for the year including financial statements of any statutory or public body not required to report under any other Act
	TI 201 (i)(j)	182-197	Abt Railway Ministerial Corporation
Audit opinion	FMAA s27 (1) (c),	178-180	Auditor-General's report on the department's financial statements
	TI 201 (I)(k)	198-200	Auditor-General's report on the Abt Railway Ministerial Corporation

## List of acronyms

AASB	Australian Accounting Standards Board	NHVR	National Heavy Vehicle Regulator
ABC	Australian Broadcasting Corporation	PCMS	Port and Coastal Marine Service
ARMC	Abt Railway Ministerial Corporation	PVEAC	Premier's Visitor Economy Advisory Council
CCRESE	Committee to Coordinate the Response to Energy Supply Emergencies	RACT	Royal Automobile Club of Tasmania
COAG	Council of Australian Governments	RFA	Regional Forest Agreement
CODES	Centre of Excellence in Core Deposits	RSNL	Rail Safety National Law
DAP	Disability Action Plan	RTI	Right to Information
DPIPWE	Department of Primary Industries, Parks, Water and Environment	TARLS	Tourism Accommodation Refurbishment Loan Scheme
EOI	Expression of Interest	TDR	Tasmania Development and Resources
ERTO	Endorsed Registered Training Organisations	TICT	Tourism Industry Council of Tasmania
FTE	Full-time equivalent	TFS	Tasmania Fire Service
GSP	Gross State Product	TMAG	Tasmanian Museum and Art Gallery
GST	Goods and Services Tax	TRMF	Tasmanian Risk Management Fund
ICT	Information Communication Technology	TSO	Tasmania Symphony Orchestra
KPI	Key Performance Indicator	TWPP	Training and Work Pathways Program
MAGNA	Museums and Galleries National Awards	VET	Vocational Education and Training
MAIB	Motor Accidents Insurance Board	WAT	Wheelchair Accessible Taxis
MONA	Museum of Old and New Art	WCWR	West Coast Wilderness Railway
MRT	Mineral Resources Tasmania	WDP	Workforce Development Plan
NEM	National Energy Market		
NCVER	National Centre for Vocational Education Research Limited		



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# Financial Statements

for the year ended 30 June 2017

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## Certification of Financial Statements

The accompanying Financial Statements of the Department of State Growth are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990* to present fairly the financial transactions for the year ended 30 June 2017 and the financial position as at end of the year.

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



**Kim Evans**

Secretary

28 September 2017

# Statement of Comprehensive Income for the year ended 30 June 2017

	Notes	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<b>Continuing operations</b>				
<b>Revenue and other income from transactions</b>				
Revenue from Government				
Appropriation revenue – recurrent	6.1	283,786	281,459	270,331
Appropriation revenue – works and services	6.1	113,483	108,698	94,700
Other revenue from Government	6.1	...	11,023	7,447
Grants	6.2	146,348	116,345	84,939
Sales of goods and services	6.3	4,255	6,250	7,740
Fees and fines	6.4	12,815	13,690	13,282
Interest	6.5	2,380	1,005	1,236
Contributions received	6.6	...	702	27,691
Other revenue	6.7	1,972	9,656	6,958
<b>Total revenue and other income from transactions</b>		<b>565,039</b>	<b>548,828</b>	<b>514,324</b>
<b>Expenses from transactions</b>				
Employee benefits	7.1	59,691	62,035	60,163
Depreciation and amortisation	7.2	86,928	87,089	84,422
Supplies and consumables	7.3	91,899	106,172	96,660
Grants and subsidies	7.4	213,886	234,272	215,048
Finance costs	7.5	1,670	1,095	1,111
Other expenses	7.6	1,517	1,749	1,309
<b>Total expenses from transactions</b>		<b>455,591</b>	<b>492,412</b>	<b>458,713</b>
<b>Net result from transactions (net operating balance)</b>		<b>109,448</b>	<b>56,416</b>	<b>55,611</b>
<b>Other economic flows included in net result</b>				
Net gain/(loss) on non-financial assets	8.1	4	(14,356)	(46,877)
Fair value of land and buildings assets recognised	8.2	...	...	4,832
Net gain/(loss) on financial instruments and statutory receivables/payables	8.3	...	(876)	469
<b>Total other economic flows included in net result</b>		<b>4</b>	<b>(15,232)</b>	<b>(41,576)</b>
<b>Net result from continuing operations</b>		<b>109,452</b>	<b>41,184</b>	<b>14,035</b>
<b>Net result</b>		<b>109,452</b>	<b>41,184</b>	<b>14,035</b>

Statement of Comprehensive Income for the year ended 30 June 2017 (continued)

	Notes	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in physical asset revaluation reserve	12.1	149,947	261,217	(45,277)
<b>Total other comprehensive income</b>		<b>149,947</b>	<b>261,217</b>	<b>(45,277)</b>
<b>Comprehensive result</b>		<b>259,399</b>	<b>302,401</b>	<b>(31,242)</b>

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

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

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

## Statement of Financial Position as at 30 June 2017

	Notes	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<b>Assets</b>				
<i>Financial assets</i>				
Cash and deposits	13.1	60,464	99,754	98,766
Receivables	9.1	3,715	6,633	5,585
Loan advances	9.2	42,948	37,315	33,282
Equity investments	9.3	150	...	...
Other financial assets	9.4	470	125	114
<i>Non-financial assets</i>				
Inventories	9.5	434	329	311
Property, plant and equipment and artwork	9.6	171,709	176,647	169,442
Heritage and cultural assets	9.6	421,175	408,464	407,879
Infrastructure	9.7	4,488,979	4,313,715	4,030,792
Intangibles	9.8	4,834	2,044	3,814
Other assets	9.9	1,899	12,299	1,433
<b>Total assets</b>		<b>5,196,777</b>	<b>5,057,325</b>	<b>4,751,418</b>
<b>Liabilities</b>				
Payables	10.1	8,395	8,861	10,680
Interest bearing liabilities	10.2	42,513	61,222	54,742
Employee benefits	10.3	20,893	19,215	17,387
Provisions	10.4	4,462	2,594	3,758
Other liabilities	10.5	6,787	17,955	19,774
<b>Total liabilities</b>		<b>83,050</b>	<b>109,847</b>	<b>106,341</b>
<b>Net assets</b>		<b>5,113,727</b>	<b>4,947,478</b>	<b>4,645,077</b>
<b>Equity</b>				
Contributed capital		417,447	417,334	417,334
Reserves	12.1	1,916,285	1,832,341	1,571,124
Accumulated funds		2,779,995	2,697,803	2,656,619
<b>Total equity</b>		<b>5,113,727</b>	<b>4,947,478</b>	<b>4,645,077</b>

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

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

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

## Statement of Cash Flows for the year ended 30 June 2017

	Notes	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>				
<b>Cash inflows</b>				
Appropriation receipts – recurrent		283,786	288,808	275,238
Appropriation receipts – works and services		70,306	63,869	62,842
Other revenue from Government		...	(580)	...
Grants		25,326	39,409	32,291
Sales of goods and services		4,260	6,210	8,659
Fees and fines		12,815	13,757	13,217
GST receipts		16,898	33,145	27,783
Interest receipts		2,380	808	1,231
Other cash receipts		1,972	9,899	7,697
<b>Total cash inflows</b>		<b>417,743</b>	<b>455,325</b>	<b>428,958</b>
<b>Cash outflows</b>				
Employee benefits		(59,311)	(60,890)	(65,142)
Grants and subsidies		(213,811)	(235,004)	(217,905)
Supplies and consumables		(92,105)	(110,427)	(95,802)
Interest payments		(1,760)	(1,077)	(1,077)
GST payments		(16,899)	(34,000)	(28,962)
Other cash payments		(1,517)	(1,133)	(675)
<b>Total cash outflows</b>		<b>(385,403)</b>	<b>(442,531)</b>	<b>(409,563)</b>
<b>Net cash from (used by) operating activities</b>	13.2	<b>32,340</b>	<b>12,794</b>	<b>19,395</b>
<b>Cash flows from investing activities</b>				
<b>Cash inflows</b>				
Proceeds from the disposal of non-financial assets		4	...	124
Receipts from non-operational capital funding – recurrent		...	55	249
Receipts from non-operational capital funding – works and services		43,177	46,539	34,729
Receipts from Australian Government funding		121,022	76,535	52,866
Loan repayments received		...	9,536	14,004
Receipts from Investments		...	...	175
Cash inflow on administrative restructure	12.2	...	...	245
<b>Total cash inflows</b>		<b>164,203</b>	<b>132,665</b>	<b>102,392</b>
<b>Cash outflows</b>				
Payments for acquisition of non-financial assets		(197,063)	(137,300)	(95,741)
Loans advanced		(500)	(13,548)	(6,963)
Payments for investments		...	(877)	(933)
<b>Total cash outflows</b>		<b>(197,563)</b>	<b>(151,725)</b>	<b>(103,637)</b>
<b>Net cash from (used by) investing activities</b>		<b>(33,360)</b>	<b>(19,060)</b>	<b>(1,245)</b>

Statement of Cash Flows for the year ended 30 June 2017 (continued)

	Notes	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<b>Cash flows from financing activities</b>		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash inflows</b>				
Proceeds from borrowings		9,000	25,000	20,000
Trust receipts		...	1,195	651
<b>Total cash inflows</b>		<b>9,000</b>	<b>26,195</b>	<b>20,651</b>
<b>Cash outflows</b>				
Repayment of borrowings		...	(18,521)	(5,770)
Trust payments		...	(420)	(737)
<b>Total cash outflows</b>		<b>...</b>	<b>(18,941)</b>	<b>(6,507)</b>
<b>Net cash from (used by) financing activities</b>		<b>9,000</b>	<b>7,254</b>	<b>14,144</b>
<b>Net increase (decrease) in cash and cash equivalents held</b>		<b>7,980</b>	<b>988</b>	<b>32,294</b>
<b>Cash and deposits at the beginning of the reporting period</b>		<b>70,484</b>	<b>98,766</b>	<b>66,472</b>
<b>Cash and deposits at the end of the reporting period</b>	13.1	<b>78,464</b>	<b>99,754</b>	<b>98,766</b>

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

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

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



## Statement of Changes in Equity for the year ended 30 June 2017

	Notes	Contributed Equity \$'000	Reserves \$'000	Accumulated funds \$'000	Total Equity \$'000
<b>Balance as at 1 July 2016</b>		<b>417,334</b>	<b>1,571,124</b>	<b>2,656,619</b>	<b>4,645,077</b>
Net result		...	...	41,184	41,184
Other comprehensive income – revaluation reserve		...	261,217	...	261,217
<b>Total</b>		<b>...</b>	<b>261,217</b>	<b>41,184</b>	<b>302,401</b>
<b>Balance as at 30 June 2017</b>		<b>417,334</b>	<b>1,832,341</b>	<b>2,697,803</b>	<b>4,947,478</b>

	Notes	Contributed Equity \$'000	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
<b>Balance as at 1 July 2015</b>		<b>416,746</b>	<b>1,616,401</b>	<b>2,642,584</b>	<b>4,675,731</b>
Net result		...	...	14,035	14,035
Other comprehensive income – revaluation reserve		...	(45,277)	...	(45,277)
Transactions with owners in their capacity as owners:					
Administrative restructure – net assets received		588	...	...	588
<b>Total</b>		<b>588</b>	<b>(45,277)</b>	<b>14,035</b>	<b>(30,654)</b>
<b>Balance as at 30 June 2016</b>		<b>417,334</b>	<b>1,571,124</b>	<b>2,656,619</b>	<b>4,645,077</b>

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

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## Note I: Administered Financial Statements

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

### I.1 Schedule of Administered Income and Expenses

	Notes	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<b>Administered revenue and other income from transactions</b>				
Revenue from Government				
Appropriation revenue – recurrent	16.2	87,780	77,500	79,644
Grants	16.3	310	2,880	5,220
State taxation	16.4	40,376	41,104	39,470
Sales of goods and services	16.5	5,127	5,360	5,140
Fees and fines	16.6	9,998	9,840	9,298
Other revenue	16.7	20,348	39,393	15,044
<b>Total administered revenue and other income from transactions</b>		<b>163,939</b>	<b>176,077</b>	<b>153,816</b>
<b>Administered expenses from transactions</b>				
Employee benefits	16.8	230	1,884	1,479
Depreciation and amortisation		...	...	1
Supplies and consumables	16.9	136	1,481	1,927
Grants and subsidies	16.10	87,644	78,927	83,164
Transfers to the Consolidated Fund		75,929	94,383	67,125
Other expenses	16.11	...	38	44
<b>Total administered expenses from transactions</b>		<b>163,939</b>	<b>176,713</b>	<b>153,740</b>
<b>Administered net result from transactions attributable to the State</b>		<b>...</b>	<b>(636)</b>	<b>76</b>
<i>Administered net result</i>		<b>...</b>	<b>(636)</b>	<b>76</b>
<b>Administered comprehensive result</b>		<b>...</b>	<b>(636)</b>	<b>76</b>

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

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

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

## I.2 Schedule of Administered Assets and Liabilities

	Notes	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<b>Administered assets</b>				
<i>Administered financial assets</i>				
Cash and deposits	16.19	3,186	3,910	3,515
Receivables	16.12	27	112	1,855
Other financial assets	16.13	64	72	81
<i>Administered non-financial assets</i>				
Other assets	16.14	16	12	6
<b>Total administered assets</b>		<b>3,293</b>	<b>4,106</b>	<b>5,457</b>
<b>Administered liabilities</b>				
Payables	16.15	210	1,173	644
Employee benefits	16.16	309	386	272
Other liabilities	16.17	944	1,277	2,635
<b>Total administered liabilities</b>		<b>1,463</b>	<b>2,836</b>	<b>3,551</b>
<b>Administered net assets</b>		<b>1,830</b>	<b>1,270</b>	<b>1,906</b>
<b>Administered equity</b>				
Accumulated funds		1,830	1,270	1,906
<b>Total administered equity</b>		<b>1,830</b>	<b>1,270</b>	<b>1,906</b>

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

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

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

### I.3 Schedule of Administered Cash Flows

	Notes	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Administered cash flows from operating activities</b>				
<b>Administered cash inflows</b>				
Appropriation receipts – recurrent		87,780	77,500	79,644
Taxation		40,376	41,302	39,273
Grants		310	2,878	5,219
Sales of goods and services		5,127	5,431	5,169
Fees and fines		9,998	9,859	9,280
Other cash receipts		20,348	39,459	15,116
<b>Total administered cash inflows</b>		<b>163,939</b>	<b>176,429</b>	<b>153,701</b>
<b>Administered cash outflows</b>				
Employee benefits		(230)	(1,766)	(1,491)
Grants and subsidies		(87,644)	(78,463)	(82,745)
Transfers to the Consolidated Fund		(75,929)	(94,383)	(67,125)
Other cash payments		(136)	(1,747)	(2,070)
<b>Total administered cash outflows</b>		<b>(163,939)</b>	<b>(176,359)</b>	<b>(153,431)</b>
<b>Administered net cash from (used by) operating activities</b>	16.20	...	<b>70</b>	<b>270</b>
<b>Administered cash flows from financing activities</b>				
<b>Administered cash inflows</b>				
Trust receipts		...	325	59
<b>Total administered cash inflows</b>		...	<b>325</b>	<b>59</b>
<b>Administered cash outflows</b>				
Trust payments		...	...	...
<b>Total administered cash outflows</b>		...	...	...
<b>Administered net cash from (used by) financing activities</b>		...	<b>325</b>	<b>59</b>
<b>Net increase (decrease) in administered cash held</b>		...	<b>395</b>	<b>329</b>
<b>Administered cash and deposits at the beginning of the reporting period</b>		<b>3,186</b>	<b>3,515</b>	<b>3,186</b>
<b>Administered cash and deposits at the end of the reporting period</b>	16.19	<b>3,186</b>	<b>3,910</b>	<b>3,515</b>

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

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

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

## I.4 Schedule of Administered Changes in Equity

	Accumulated surplus / deficit \$'000	Total Equity \$'000
<b>Balance as at 1 July 2016</b>	<b>1,906</b>	<b>1,906</b>
Total comprehensive result	(636)	(636)
<b>Balance as at 30 June 2017</b>	<b>1,270</b>	<b>1,270</b>

	Accumulated surplus / deficit \$'000	Total Equity \$'000
<b>Balance as at 1 July 2015</b>	<b>1,830</b>	<b>1,830</b>
Total comprehensive result	76	76
<b>Balance as at 30 June 2016</b>	<b>1,906</b>	<b>1,906</b>

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



## Note 2: Departmental Output Schedules

### 2.1 Output Group Information

Comparative information has not been restated for external administrative restructures.

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

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

	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<i>Continuing operations</i>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	149,818	147,286	128,869
Other revenue from government	...	...	1,806
Grants	7,484	9,331	13,028
Sales of goods and services	...	1,855	...
Interest	2,380	943	2,047
Other revenue	1,730	915	2,581
<b>Total revenue and other income from transactions</b>	<b>161,412</b>	<b>160,330</b>	<b>148,331</b>
<b>Expenses from transactions</b>			
Employee Entitlements	15,496	19,114	20,781
Depreciation and Amortisation	2,997	280	218
Grants and subsidies	126,615	134,134	116,936
Supplies and Consumables:			
Consultants	1,349	1,855	1,720
Property Services	2,477	837	1,216
Maintenance	311	359	268
Communications	369	344	436
Information Technology	771	1,350	1,602
Travel and Transport	965	932	959
Operating Lease costs	...	1,542	2,566
Advertising and Promotion	616	910	981
Other Supplies and Consumables	8,679	773	3,257
Finance costs	1,670	1,081	1,082
Other expenses	133	(100)	(1,835)
<b>Total expenses from transactions</b>	<b>162,448</b>	<b>163,411</b>	<b>150,187</b>
<b>Net result from transactions (net operating balance)</b>	<b>(1,036)</b>	<b>(3,081)</b>	<b>(1,856)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on financial instruments and statutory receivables/payables	...	...	559
<b>Net result</b>	<b>(1,036)</b>	<b>(3,081)</b>	<b>(1,297)</b>
<b>Other comprehensive income</b>			
Changes in physical asset revaluation reserve	...	...	(2,623)
<b>Total other comprehensive income</b>	<b>...</b>	<b>...</b>	<b>2,623</b>
<b>Comprehensive result</b>	<b>(1,036)</b>	<b>(3,081)</b>	<b>(3,920)</b>

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

	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<b>Expense by output</b>			
I.1 Co-ordinator General	2,739	14,238	1,009
I.2 Industry and Business Development	55,479	42,903	38,631
I.3 Skills Development	104,230	106,270	110,547
<b>Total</b>	<b>162,448</b>	<b>163,411</b>	<b>150,187</b>
<b>Net Assets</b>			
Total assets deployed for Output Group I		102,251	97,722
Total liabilities incurred for Output Group I		71,708	65,958
<b>Net assets deployed for Output Group I</b>		<b>30,543</b>	<b>31,764</b>

## Output Group 2 – Infrastructure

	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<i>Continuing operations</i>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	21,269	26,542	28,450
Other revenue from government	...	...	471
Grants	1,269	5,910	6,853
Sales of goods and services	2,845	8,324	7,569
Fees and fines	4,840	3,020	9,359
Other revenue	75	471	383
<b>Total revenue and other income from transactions</b>	<b>30,298</b>	<b>44,267</b>	<b>53,085</b>
<b>Expenses from transactions</b>			
Employee Entitlements	17,816	20,748	19,815
Depreciation and Amortisation	1,349	5,596	4,920
Grants and subsidies	1,550	2,933	6,461
Supplies and Consumables:			
Consultants	2,256	757	368
Property Services	1,330	532	214
Maintenance	3,091	2,171	3,355
Communications	718	1,348	1,148
Information Technology	1,590	2,754	1,859
Travel and Transport	483	786	353
Operating Lease costs	...	2,498	893
Advertising and Promotion	629	1,432	1,888
Other Supplies and Consumables	(1,550)	879	6,376
Other expenses	313	4,413	(4,321)
<b>Total expenses from transactions</b>	<b>29,575</b>	<b>46,847</b>	<b>43,329</b>
<b>Net result from transactions (net operating balance)</b>	<b>723</b>	<b>(2,580)</b>	<b>9,756</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	4	(3,520)	3,850
<b>Total other economic flows included in net result</b>	<b>4</b>	<b>(3,520)</b>	<b>3,850</b>
<b>Net result</b>	<b>727</b>	<b>(6,100)</b>	<b>13,606</b>
<b>Other comprehensive income</b>			
Changes in physical asset revaluation reserve	4,200	16,167	124
<b>Total other comprehensive income</b>	<b>4,200</b>	<b>16,167</b>	<b>124</b>
<b>Comprehensive result</b>	<b>4,927</b>	<b>10,067</b>	<b>13,730</b>
<b>Expense by output</b>			
2.1 Infrastructure Tasmania	800	910	865
2.2 Infrastructure Strategy	2,109	11,450	8,473
2.3 Land Transport Safety	19,165	24,184	27,714
2.4 Passenger Transport	3,573	4,729	2,798
2.5 Traffic Management and Engineering Services	3,928	5,574	3,479
<b>Total</b>	<b>29,575</b>	<b>46,847</b>	<b>43,329</b>

## Output Group 2 – Infrastructure (continued)

	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<b>Net Assets</b>			
Total assets deployed for Output Group 2		176,417	168,556
Total liabilities incurred for Output Group 2		7,238	5,939
<b>Net assets deployed for Output Group 2</b>		<b>169,179</b>	<b>162,617</b>

## Output Group 3 – Energy Policy and Advice

	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<i>Continuing operations</i>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	3,271	1,524	1,069
Grants	...	1,866	573
Sales of goods and services	...	26	...
Fees and fines	475	...	...
Other revenue	1	13	168
<b>Total revenue and other income from transactions</b>	<b>3,747</b>	<b>3,429</b>	<b>1,810</b>
<b>Expenses from transactions</b>			
Employee Entitlements	1,224	1,043	1,296
Depreciation and Amortisation		3	7
Grants and subsidies	475	1,095	850
Supplies and Consumables:			
Consultants	1,990	592	(5)
Property Services	26	21	80
Maintenance	...	4	...
Communications	14	15	36
Information Technology	...	79	263
Travel and Transport	19	58	104
Operating Lease costs	...	108	483
Advertising and Promotion	...	...	11
Other Supplies and Consumables	...	500	175
Other expenses	1	12	(369)
<b>Total expenses from transactions</b>	<b>3,749</b>	<b>3,530</b>	<b>2,931</b>
<b>Net result from transactions (net operating balance)</b>	<b>(2)</b>	<b>(101)</b>	<b>(1,121)</b>
<b>Comprehensive result</b>	<b>(2)</b>	<b>(101)</b>	<b>(1,121)</b>
<b>Expense by output</b>			
3.1 Energy Policy and Advice	3,749	3,530	2,931
<b>Total</b>	<b>3,749</b>	<b>3,530</b>	<b>2,931</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 3		233	93
Total liabilities incurred for Output Group 3		228	74
<b>Net assets deployed for Output Group 3</b>		<b>5</b>	<b>19</b>

## Output Group 4 – Resources Policy and Regulatory Services

	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<i>Continuing operations</i>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	8,699	9,092	8,870
Other revenue from government	...	250	250
Other revenue	776	513	4
<b>Total revenue and other income from transactions</b>	<b>9,475</b>	<b>9,855</b>	<b>9,124</b>
<b>Expenses from transactions</b>			
Employee Entitlements	5,042	6,674	5,691
Depreciation and Amortisation	352	95	136
Grants and subsidies	375	891	35
Supplies and Consumables:			
Consultants	315	56	44
Property Services	593	126	79
Maintenance	(13)	21	122
Communications	64	91	50
Information Technology	253	312	286
Travel and Transport	76	146	93
Operating Lease costs	...	123	(77)
Advertising and Promotion	...	83	32
Other Supplies and Consumables	2,144	348	352
Other expenses	12	84	432
<b>Total expenses from transactions</b>	<b>9,213</b>	<b>9,050</b>	<b>7,275</b>
<b>Net result from transactions (net operating balance)</b>	<b>262</b>	<b>805</b>	<b>1,849</b>
<b>Comprehensive result</b>	<b>262</b>	<b>805</b>	<b>1,849</b>
<b>Expense by output</b>			
4.1 Forest Policy and Reform	1,508	1,797	588
4.2 Minerals Resources	7,705	7,253	6,687
<b>Total</b>	<b>9,213</b>	<b>9,050</b>	<b>7,275</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 4		13,542	11,440
Total liabilities incurred for Output Group 4		8,345	7,410
<b>Net assets deployed for Output Group 4</b>		<b>5,197</b>	<b>4,030</b>

## Output Group 5 – Cultural and Creative Industry

	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<i>Continuing operations</i>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	29,322	33,851	32,394
Grants	...	51	...
Sales of goods and services	700	800	1,111
Other revenue	...	2,620	479
<b>Total revenue and other income from transactions</b>	<b>30,022</b>	<b>37,322</b>	<b>33,984</b>
<b>Expenses from transactions</b>			
Employee Entitlements	12,612	11,890	12,559
Depreciation and Amortisation	496	515	555
Grants and subsidies	13,742	17,247	17,207
Supplies and Consumables:			
Consultants	830	110	120
Property Services	578	1,071	1,055
Maintenance	575	586	437
Communications	203	205	262
Information Technology	148	775	115
Travel and Transport	279	368	156
Operating Lease costs	10	930	10
Advertising and Promotion	458	354	272
Other Supplies and Consumables	534	1,323	1,438
Other expenses	43	77	144
<b>Total expenses from transactions</b>	<b>30,508</b>	<b>35,451</b>	<b>34,330</b>
<b>Net result from transactions (net operating balance)</b>	<b>(486)</b>	<b>1,871</b>	<b>(346)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	...	...	(1)
Net gain/(loss) on financial instruments and statutory receivables/payables	...	(874)	(796)
<b>Total other economic flows included in net result</b>	<b>...</b>	<b>(874)</b>	<b>(797)</b>
<b>Net result</b>	<b>...</b>	<b>997</b>	<b>(1,143)</b>
<b>Other comprehensive income</b>			
Changes in physical asset revaluation reserve	...	...	6,997
<b>Total other comprehensive income</b>	<b>...</b>	<b>...</b>	<b>6,997</b>
<b>Comprehensive result</b>	<b>(486)</b>	<b>997</b>	<b>5,854</b>
<b>Expense by output</b>			
5.1 Tasmanian Museum and Art Gallery	10,050	12,209	10,668
5.2 Arts Industry Development	7,648	7,257	7,447
5.3 Screen Industry Development	1,755	1,703	1,243
5.4 Events and Hospitality	11,055	14,282	14,972
<b>Total</b>	<b>30,508</b>	<b>35,451</b>	<b>34,330</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 5		448,437	448,663
Total liabilities incurred for Output Group 5		1,693	2,519
<b>Net assets deployed for Output Group 5</b>		<b>446,744</b>	<b>446,144</b>

## Output Group 6 –Transport Subsidies and Concessions

	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<i>Continuing operations</i>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	71,355	71,055	71,110
Reserved by Law	52	...	...
Other revenue	...	227	
<b>Total revenue and other income from transactions</b>	<b>71,407</b>	<b>71,282</b>	<b>71,110</b>
<b>Expenses from transactions</b>			
Grants and subsidies	71,029	69,801	70,752
Supplies and Consumables:			
Consultants	...	...	18
Property Services	...	5	...
Maintenance	...	59	...
Advertising and promotion	...	14	...
Other Supplies and Consumables	378	1,275	208
Other expenses	...	...	275
<b>Total expenses from transactions</b>	<b>71,407</b>	<b>71,154</b>	<b>71,253</b>
<b>Net result from transactions (net operating balance)</b>	<b>...</b>	<b>128</b>	<b>(143)</b>
<b>Comprehensive result</b>	<b>...</b>	<b>128</b>	<b>(143)</b>
<b>Expense by output</b>			
6.1 Shipping and Ferry Subsidies	1,067	1,562	1,086
6.2 Metropolitan General Access Services	38,942	36,959	39,521
6.3 Rural and Special Needs School Buses	23,720	19,085	23,029
6.4 Non–Metropolitan General Access Services	7,626	13,548	7,617
6.5 Construction of Streets in Towns	52	...	...
<b>Total</b>	<b>71,407</b>	<b>71,154</b>	<b>71,253</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 6		213	3
Total liabilities incurred for Output Group 6		251	184
<b>Net assets deployed for Output Group 6</b>		<b>(38)</b>	<b>(181)</b>



## Output Group – Capital Investment Program

	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<i>Continuing operations</i>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	113,483	111,829	99,440
Grants	137,595	98,938	64,223
Sales of goods and services	100	371	1,232
Fees and fines	7,500	10,844	4,090
Contributions	...	...	27,488
Other revenue	...	155	1,442
<b>Total revenue and other income from transactions</b>	<b>258,678</b>	<b>222,137</b>	<b>197,915</b>
<b>Expenses from transactions</b>			
Employee Entitlements	7,501	4,347	718
Depreciation and Amortisation	81,734	80,599	78,586
Grants and subsidies	100	8,169	6,484
Supplies and Consumables:			
Consultants	...	906	1,090
Maintenance	58,320	62,188	53,841
Property Services	...	191	296
Communications	...	321	155
Information Technology	...	406	236
Travel and Transport	...	1,392	567
Operating Lease costs	...	21	1
Advertising and Promotion	...	73	23
Other Supplies and Consumables	21	3,864	27
Other expenses	1,015	52	7,568
<b>Total expenses from transactions</b>	<b>148,691</b>	<b>162,529</b>	<b>149,592</b>
<b>Net result from transactions (net operating balance)</b>	<b>109,987</b>	<b>59,608</b>	<b>48,323</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non financial assets	...	(11,068)	(46,038)
Net gain/(loss) on financial assets	...	(4)	...
<b>Total other economic flows included in net result</b>	<b>...</b>	<b>(11,072)</b>	<b>(46,038)</b>
<b>Net result</b>	<b>109,987</b>	<b>48,536</b>	<b>2,285</b>
<b>Other comprehensive income</b>			
Changes in physical asset revaluation reserve	145,747	245,049	(49,776)
<b>Total other comprehensive income</b>	<b>145,747</b>	<b>245,049</b>	<b>(49,776)</b>
<b>Comprehensive result</b>	<b>255,734</b>	<b>293,585</b>	<b>(47,491)</b>
<b>Net Assets</b>			
Total assets deployed for Output – Capital Investment Program		4,310,896	4,022,220
Total liabilities incurred for Output – Capital Investment Program		11,029	19,115
<b>Net assets deployed for Output – Capital Investment Program</b>		<b>4,299,867</b>	<b>4,003,105</b>

## Output Group – Capital Investment Program (continued)

	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<b>Expense by output</b>			
Arthur Hwy	...	...	204
Asset Management	5,388	5,229	4,832
Bass Highway	1,000	(8)	5,070
Bell Bay Intermodal Terminal	...	...	17
Bridge renewal program	1,670	1,625	3,555
Bridge Strengthening on Esk and Tasman Highways	500	508	135
Brooker Hwy – Elwick, Goodwood, Howards Roads	17,800	18,226	9,235
Bruny Island Main Road	500	233	42
Colebrook Main Road	700	572	525
Community Road 2 Planning	...	1,022	3,664
Domain Highway planning	2,000	117	68
Environmental Management	556	556	545
Esk Main Road	3,000	3,276	87
Heavy Vehicle Safety and Productivity	1,350	243	201
Highland Lakes Road	2,000	1,427	32
Hobart Airport Roundabout	...	(185)	...
Huon Highway / Summerleas Rd	17,406	4,370	1,079
Huon Highway Upgrade	...	...	11
Huon Highway Upgrade - Glendevie	3,000	763	3,297
Infrastructure Development	832	...	58
Infrastructure Maintenance	66,699	36,911	56,798
Launceston Northbank	675	...	675
Midland Highway	96,835	69,518	28,820
Murchison Highway (Roads for our future)	2,900	2,781	531
Murchison Highway upgrade	...	...	352
Northern Cities Major Development Initiative	15,000	2,000	...
North East Freight Roads	2,177	1,609	823
Port Sorell Main Road	...	...	6
Program Management	1,098	1,677	1,245
Richmond Link Road	...	...	56
Road Safety and Traffic Management	16,192	7,268	8,692
Rokeby Main Road	...	...	6,966
South Arm Highway/Rokeby Main Road Stage 2	200	34	...
Strategic Planning and Policy	2,836	2,523	2,462
Tarkine Forest Drive	...	...	103
Tasman Highway Scottsdale to Launceston	...	...	100
Tasman Ramps	370	(7)	11,239
Tasmanian Museum and Art Gallery Building Roof Maintenance	...	125	111
West Coast Roads, Strahan	...	116	576
<b>Total</b>	<b>262,684</b>	<b>162,529</b>	<b>152,212</b>

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

	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<b>Total comprehensive result of Output Groups</b>	<b>259,399</b>	<b>302,401</b>	<b>(31,242)</b>
<b>Reconciliation to comprehensive result</b>			
Revenues unallocated to Output Groups (overheads)	...	...	...
Expenses unallocated to Output Groups (accruals)	...	...	...
<b>Comprehensive result</b>	<b>259,399</b>	<b>302,401</b>	<b>(31,242)</b>

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

	2017 Actual \$'000	2016 Actual \$'000
<b>Total net assets deployed for Output Groups</b>	<b>4,951,497</b>	<b>4,647,568</b>
<b>Reconciliation to net assets</b>		
Assets unallocated to Output Groups (overheads)	5,334	2,721
Liabilities unallocated to Output Groups (overheads)	(9,353)	(5,212)
<b>Net assets</b>	<b>4,947,478</b>	<b>4,645,077</b>

## 2.4 Administered Output Schedule

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

### Output Group – Grants and Subsidies

	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<b>Administered revenue and other income from transactions</b>			
Revenue from appropriation	87,780	77,500	79,644
Grants	230	2,880	5,221
Sales of goods and services	...	904	758
Fees and fines	...	10	8
Other revenue	...	71	65
<b>Total administered revenue and other income from transactions</b>	<b>88,010</b>	<b>81,365</b>	<b>85,696</b>
<b>Administered expenses from transactions</b>			
Employee Entitlements	230	1,630	1,482
Depreciation and Amortisation	...	...	1
Grants and subsidies	87,644	79,385	83,156
Supplies and Consumables:			
Consultants	...	181	533
Property Services	...	33	22
Maintenance	...	1	...
Communications	...	23	11
Information Technology	...	56	51
Travel and Transport	...	106	88
Operating Lease costs	...	81	95
Advertising and Promotion	...	...	21
Other Supplies and Consumables	136	255	184
Other expenses	...	6	42
<b>Total administered expenses from transactions</b>	<b>88,010</b>	<b>81,757</b>	<b>85,686</b>
<b>Administered net result from transactions (net operating balance)</b>	<b>...</b>	<b>(392)</b>	<b>10</b>
<b>Total administered comprehensive result</b>	<b>...</b>	<b>(392)</b>	<b>10</b>
<b>Administered expense by output</b>			
91.580 Government contribution to Tasmanian Symphony Orchestra	1,519	1,632	1,608
91.595 Student-Only Passenger Services	25,646	14,661	17,139
91.598 National Road Transport Commission: Local Government Contribution	1,500	1,500	1,500
91.621 Payments on behalf of Forest Practices Authority	1,444	3,809	3,272
91.624 Conveyance Allowance	1,630	1,261	1,290
91.625 Pensioner Air Travel Subsidy	10	14	9
91.626 Transport Access Scheme	4,518	5,143	5,118
91.643 Contribution to Marine & Safety Authority	1,592	1,892	2,092
91.739 Private Forests Tasmania	1,520	1,520	1,490
91.750 Tasmanian Icon Program - Tasmanian Symphony Orchestra	500	500	500
91.751 Ten Days on the Island	1,357	1,855	1,322
91.786 Tasmanian Forestry Agreement	...	1,426	3,159
91.787 Exporter Assistance	230	...	...
91.878 Theatre Royal	178	178	178

## Output Group – Grants and Subsidies (continued)

	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
91.882 Tasmanian Railway Pty Ltd	41,866	41,866	41,892
91.883 Abt Railway	4,500	4,500	5,117
<b>Total</b>	<b>88,010</b>	<b>81,757</b>	<b>85,686</b>
<b>Net Assets</b>			
Total assets deployed for Output – Grants and Subsidies		1,328	1,178
Total liabilities incurred for Output – Grants and Subsidies		423	285
<b>Net assets deployed for Output – Grants and Subsidies</b>		<b>905</b>	<b>893</b>

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

	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<b>Total administered comprehensive result of Output Groups</b>	<b>...</b>	<b>(392)</b>	<b>10</b>
<b>Reconciliation to administered net surplus (deficit)</b>			
Administered revenue collections	...	94,712	68,121
Transfers to the Consolidated Fund	...	(94,382)	(67,125)
Other administered transactions (ie unallocated to Output Groups)	...	(574)	(930)
<b>Administered comprehensive result</b>	<b>...</b>	<b>(636)</b>	<b>76</b>

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

	2017 Actual \$'000	2016 Actual \$'000
<b>Total administered net assets deployed for Output Groups</b>	<b>905</b>	<b>893</b>
<b>Reconciliation to administered net assets</b>		
Assets unallocated to Output Groups	2,777	4,279
Liabilities unallocated to Output Groups	(2,412)	(3,266)
<b>Administered net assets</b>	<b>1,270</b>	<b>1,906</b>

## Note 3: Expenditure under Australian Government Funding Arrangements

	State Funds 2017 Actual \$'000	Australian Government Funds 2017 Actual \$'000	State Funds 2016 Actual \$'000	Australian Government Funds 2016 Actual \$'000
<b>National Partnership Payments</b>				
<i>Infrastructure</i>				
Interstate Road Transport projects	...	...	...	352
Black Spot Projects	57	4,615	...	2,651
West Coast Wilderness Railway	7,690	...	5,526	868
Nation Building program- Road	37,259	84,267	79,368	44,971
Nation Building program - Heavy Vehicle Safety	2,575	523	44	157
Nation Building Program - Off-Network Projects – Road	...	...	...	602
Regional Infrastructure Fund - Eco Infrastructure Projects	...	14	...	148
Asset Recycling Fund - New Investments	...	...	...	572
Asset Recycling Fund - National Highway Upgrade Programme	70	380	...	4,500
Bridges Renewal Programme	82	2,270	...	3,545
<i>Education</i>				
Building Australia's Workforce Training for Single and Teen parent	...	...	3,225	...
Building Australia's Future Workforce - Vocational Education	...	6,800	...	3,311
Industry and Indigenous skills centre	...	38	...	...
<i>Skills and Workforce</i>				
Productivity places program	...	301	...	6,041
Pre-Apprenticeship Training	...	...	32	66
<i>Other</i>				
Temporary Assistance for Tasmanian Exporters	...	...	...	1
Tasmanian Forest Contractors Financial Support	...	1,437	36	3,125
Developing Demand Driver Infrastructure for the Tourism Industry	...	412	...	1,173
Regional Tourism Infrastructure and Innovation Fund	...	1,087	...	1,985
Tourism Growth Package	...	25	...	...
<b>Total</b>	<b>47,733</b>	<b>102,169</b>	<b>88,231</b>	<b>74,068</b>

Additional details of capital expenditures included in the above note are included within Note 13.3.

## 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 - other revenue from Government	(a)	...	11,023	11,023	100%
Grants	(b)	146,348	116,345	(30,003)	(21%)
Sales of goods and services	(c)	4,255	6,250	1,995	47%
Interest revenue	(d)	2,380	1,005	(1,375)	(58%)
Other revenue	(e)	1,972	9,656	7,684	390%
Supplies and consumables	(f)	91,899	106,172	14,273	16%
Grants and subsidies	(g)	213,886	234,272	20,386	10%
Finance costs	(h)	1,670	1,095	(575)	(34%)
Net gain/(loss) on non-financial assets	(i)	4	(14,356)	(14,360)	(3590%)
Net gain/(loss) on financial instruments and statutory receivables/payables	(j)	...	(876)	(876)	(100%)
Changes in physical asset revaluation reserve	(k)	149,947	261,217	111,270	74%

#### Notes to Statement of Comprehensive Income variances

(a) Variance reflects unanticipated (in original budget) appropriation carried forward from 2015-16 under section 8A(2) of the *Public Account Act* \$11.6M, less \$0.6M unexpended and returned to the consolidated fund.

(b) Original budget revised down by \$22.9M due to delays and reprioritisation of Commonwealth funded projects. Most significant variances to original budget were Midland Highway, (-\$22.9M), Huon Hwy/Summerleas Road (-\$12.4M), partly offset by Brooker Hwy (+\$3.1M), Bridge renewal program (+\$2.0M) and various smaller projects.

(c) Variation reflects rental revenue from Technopark and other properties (+\$1.8M).

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

(e) Variation reflects recoveries and reimbursements for rents and corporate services (+\$2.2M) and Abt Railway ticketing and sales revenue (\$4.2M), and recoveries of rentals in 22 Elizabeth Street, Hobart building (+0.6M).

(f) Original budget was revised upwards by \$10.6M reflecting reprioritisation of projects in the roads program, resulting in diversion of the additional funding towards maintenance and other non-capital activities. Majority of the over-budget expenditure was incurred in the maintenance of road infrastructure.

(g) Original budget was revised upwards by \$17.3M, reflecting additional/increased funding for Northern Cities Major Development (+\$10M) and various other program revisions.

(h) Borrowing costs below budget due to TDR having sufficient cash to fund existing borrowings and therefore additional borrowing were not necessary during the financial year.

(i) Variance reflects write-off of the remaining value of replaced/upgraded roads (-\$6.8M) and bridges (-\$4.3M), and loss on disposal of 17-19 Collins St, Hobart to DPIPW for Nil consideration (-\$1.1M), and various properties utilised for roadworks (-\$2.4M).

(j) Variation primarily reflects the impairment of Screen Tasmania investment in various film productions (\$0.8M).

(k) Variance reflects the higher than expected revaluation of bridges (+\$245M), and revaluation increments of rail corridor land (+\$9.8M), traffic signals (+\$1.5M), and Abt Railway assets (+\$4.3M).

## 4.2 Statement of Financial Position

Budget estimates for the 2016-17 Statement of Financial Position were compiled prior to the completion of the actual outcomes for 2016-17. As a result, the actual variance from the Original Budget estimate will be impacted by the difference between estimated and actual opening balances for 2016-17. The following variance analysis therefore includes major movements between the 30 June 2016 and 30 June 2017 actual balances.

	Note	Budget \$'000	2017 Actual \$'000	2016 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and deposits	(a)	60,464	99,754	98,766	39,290	988
Receivables	(b)	3,715	6,633	5,585	2,918	1,048
Loan advances	(c)	42,948	37,315	33,282	(5,633)	4,033
Intangibles	(d)	4,834	2,044	3,814	(2,790)	(1,770)
Other assets	(e)	1,899	12,299	1,433	10,400	10,866
Interest bearing liabilities	(f)	42,513	61,222	54,742	18,709	6,480
Provisions	(g)	4,462	2,594	3,758	(1,868)	(1,164)
Other liabilities	(h)	6,787	17,955	19,774	11,168	(1,819)

### Notes to Statement of Financial Position variances

(a) Variance reflects unanticipated cash increases during 2016-17 included; \$25M from the Commonwealth in funding for the Farm Business Concessional Loan schemes, partly offset by return of \$18M of unutilised loan funds, \$9.1M of appropriation revenue held for carry forward to 2017-18 under section 8A(2) of the *Public Account Act*, and original budget anticipating \$28M lower opening cash balance from 2015-16, which was subsequently adjusted to reflect the actual position.

(b) Variance reflects a higher than expected GST receivable at year end, reflecting high payment activity in June 2017, particularly in road contractor payments.

(c) Variance reflects underutilisation of Commonwealth funded Drought and Dairy loan schemes, partly offset by uptake of Agrigrowth and Farm Finance loans schemes.

(d) Original budget was subsequently revised down reflecting closing balance from 2015-16, and appears to have underestimated depreciation.

(e) Variance predominantly due to the capitalisation of \$11M grant paid to Devonport City Council as a deposit on a future Government building asset.

(f) Original budget anticipated higher uptake of Commonwealth funded Drought and Dairy loan schemes, subsequently revised. Original budget also anticipated new Commonwealth Farm Business Concessional loan scheme funding at \$10M, however that was subsequently increased to \$25M.

(g) Variance as a result of provisions for compulsory land acquisitions reducing by \$0.9M as a result of settlements during 2016-17.

(h) Variance primarily due to unanticipated revenue received in advance for carry forward to 2017-18 under s8A of the *Public Account Act* (\$9.1M), and growth in moneys held in trust such as Mining Bonds +\$0.8M.



### 4.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Other revenue from Government	(a)	...	(580)	(580)	(100%)
Grants revenue (operating)	(b)	25,326	39,409	14,083	56%
Receipts from Australian Government Funding (investing)	(c)	121,022	76,535	(44,487)	(37%)
Sales of goods and services	(d)	4,260	6,210	1,950	46%
GST receipts/payments (net)	(e)	(1)	(855)	(854)	(85400%)
Interest receipts	(f)	2,380	808	(1,572)	(66%)
Other cash receipts	(g)	1,972	9,899	7,927	402%
Grants and subsidies	(h)	(213,811)	(235,004)	(21,193)	10%
Supplies and consumables	(i)	(92,105)	(110,427)	(18,322)	20%
Interest payments	(j)	(1,760)	(1,077)	683	(39%)
Loans advanced	(k)	(500)	(13,548)	(13,048)	2,610%
Loan repayments received	(l)	...	9,536	9,536	100%
Payments for acquisition of non-financial assets	(m)	(197,063)	(137,300)	59,763	(30%)
Payments for investments	(n)	...	(877)	(877)	(100%)
Proceeds from borrowings	(o)	9,000	25,000	16,000	178%
Repayment of borrowings	(p)	...	(18,521)	(18,521)	(100%)
Trust receipts	(q)	...	1,195	1,195	100%

#### Notes to Statement of Cash Flows variances

(a) Variance reflects unanticipated (in original budget) return to the consolidated fund of funds carried forward from 2015-16 under section 8A(2) of the *Public Account Act*.

(b) Subsequent to original budget Commonwealth funded projects were reprioritised, resulting in diversion of additional \$4.5M to road maintenance, and \$3.3M to Co-ordinator General and industry, business and skills development grant programs. In addition, unbudgeted \$0.9M Commonwealth funds were utilised in the Forest Contractors support program.

(c) Original budget was revised down by \$27.6M due to delays and re-prioritisation of Commonwealth funded projects. Most significant variances to original budget were Midland Highway, (-\$28.4M), Huon Hwy/Summerleas Road (-\$12.4M), partly offset by Brooker Hwy (+\$1.4M) and various smaller projects.

(d) Variation reflects rental revenue from Technopark and other properties (+\$1.8M).

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

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

(g) Variation reflects recoveries and reimbursements for rents and corporate services (+\$2.2M) and Abt Railway ticketing and sales revenue (\$4.2M), and recoveries of rentals in 22 Elizabeth Street, Hobart building (+0.6M).

(h) Original budget was revised upwards by \$17.3M, reflecting additional/increased funding for Northern Cities Major Development (+\$10M) and various other program revisions.

(i) Original budget was revised upwards by \$8.8M reflecting reprioritisation of projects in the roads program, resulting in diversion of the additional funding towards maintenance and other non-capital activities. Majority of the over-budget expenditure was incurred in the maintenance of road infrastructure.

(j) Borrowing costs below budget due to TDR having sufficient cash to fund existing borrowings and therefore additional borrowing were not necessary during the financial year.

(k) and (l) Budget is set on a net loans advanced - loans repaid basis. Loans advanced exceeded loans repaid by \$4M reflecting uptake of Agrigrowth loan program.

(m) Variance reflects delays and re-prioritisation of Commonwealth funded projects resulted in lower capital expenditures, most significantly Midland Highway (-\$28.4M), Huon Hwy/Summerleas Road (-\$12.4M), and Domain Hwy (-\$2.0M).

(n) Variance represents Screen Tasmania investment in various film productions.

(o) and (q) Budget is set on a net basis. Proceeds from borrowing represents Commonwealth funded Farm Business Concessional loan scheme introduced during 2016-17. Original budget anticipated receipt of \$10M from the Commonwealth, however additional \$15M funding was provided later in the year. Repayment of borrowings primarily reflect the return to the Commonwealth of unutilised funds for Drought Concessional loan (\$9.3M) and Drought Dairy Recovery loan (\$6.6M).

(p) Variance reflects net receipt of trustee funds, primarily Mining Bonds (+\$1.2M).

## Note 5: Underlying net operating balance

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

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

	Notes	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<b>Net result from transactions (net operating balance)</b>		<b>109,448</b>	<b>56,416</b>	<b>55,611</b>
<i>Less impact of Non-operational capital funding</i>				
Revenue from Government – works and services	6.1	43,177	46,510	36,250
Revenue from Australian Government	6.2	129,305	76,290	65,294
Contributions received	6.6	...	702	27,691
<b>Total</b>		<b>172,482</b>	<b>123,502</b>	<b>129,235</b>
<b>Underlying Net operating balance</b>		<b>(63,034)</b>	<b>(67,086)</b>	<b>(73,624)</b>

## Note 6: Income from transactions

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

### 6.1 Revenue from Government

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

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

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

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

	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<b>Appropriation revenue – recurrent</b>			
Continuing operations	283,786	288,863	278,803
Non–operational capital funding	...	...	...
Less: Revenue received in advance	...	(7,404)	(8,472)
<b>Appropriation revenue – recurrent</b>	<b>283,786</b>	<b>281,459</b>	<b>270,331</b>
<b>Appropriation revenue – works and services</b>			
Continuing operations	90,971	63,898	61,581
Non–operational capital funding	22,512	46,510	36,250
Less: Revenue received in advance	...	(1,710)	(3,131)
<b>Appropriation revenue – works and services</b>	<b>113,483</b>	<b>108,698</b>	<b>94,700</b>
<b>Other revenue from Government</b>			
Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year:			
Recurrent	...	8,472	6,024
Works and services	...	3,131	5,000
Unexpended from prior year – returned	...	(580)	(3,577)
<b>Other revenue from Government</b>	<b>...</b>	<b>11,023</b>	<b>7,447</b>
<b>Total revenue from Government</b>	<b>397,269</b>	<b>401,180</b>	<b>372,478</b>

## 6.2 Grants

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

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

	2017 \$'000	2016 \$'000
<b>Continuing operations</b>		
Grants from the Australian Government	28,944	12,961
Grants from the Tasmanian Government	9,130	5,085
Industry contributions	1,981	1,786
<b>Total</b>	<b>40,055</b>	<b>19,832</b>
<b>Non-operational capital funding</b>		
Grants from the Australian Government	76,290	65,294
Grants from the Tasmanian Government	...	(187)
<b>Total</b>	<b>76,290</b>	<b>65,107</b>
<b>Total revenue from Grants</b>	<b>116,345</b>	<b>84,939</b>

## 6.3 Sales of goods and services

Amounts earned in exchange for the provision of goods are recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the provision of services is recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

	2017 \$'000	2016 \$'000
Goods	1,685	1,964
Services	2,687	4,019
Rental revenue	1,878	1,757
<b>Total</b>	<b>6,250</b>	<b>7,740</b>

## 6.4 Fees and fines

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

	2017 \$'000	2016 \$'000
Road Safety Levy	13,482	13,097
Other	208	185
<b>Total</b>	<b>13,690</b>	<b>13,282</b>

## 6.5 Interest

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

	2017	2016
	\$'000	\$'000
Interest – loan advances	1,005	1,236
<b>Total</b>	<b>1,005</b>	<b>1,236</b>

## 6.6 Contributions received

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

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

	2017	2016
	\$'000	\$'000
Fair value of infrastructure assets transferred to the Department from Dorset Council under a Deed of Transfer dated 16 April 2015:		
Roads	...	20,199
Land under roads	...	251
Bridges	...	7,038
Fair value of additions to TMAG Collections at no cost	585	203
Road Safety campaign contributions	25	...
Training Award contributions/sponsorships	53	...
Other sponsorship received	39	...
<b>Total</b>	<b>702</b>	<b>27,691</b>

## 6.7 Other revenue

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

	2017	2016
	\$'000	\$'000
Abt Railway ticketing sales and retail revenue	4,239	3,273
Corporate support fee – Tourism Tasmania	1,214	1,214
Recoveries and contributions received	1,338	1,440
Miscellaneous revenue	2,865	1,031
<b>Total</b>	<b>9,656</b>	<b>6,958</b>

## Note 7: Expenses from transactions

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

### 7.1 Employee benefits

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

#### (a) Employee expenses

	2017	2016
	\$'000	\$'000
Wages and salaries	44,584	44,119
Annual leave	4,109	3,643
Long service leave	2,370	264
Superannuation	6,580	6,072
Other post-employment benefits	3,979	5,650
Other employee benefits – Fringe Benefits Tax	413	415
<b>Total</b>	<b>62,035</b>	<b>60,163</b>

Superannuation expenses relating to defined benefit schemes relate to payments into the Consolidated Fund. The amount of the payment is based on an agency contribution rate determined by the Treasurer, on the advice of the State Actuary. The current agency contribution is 12.85 per cent (2016: 12.75 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 9.5 per cent (2016: 9.5 per cent) of salary. In addition, departments are also required to pay into the Consolidated Fund a "gap" payment equivalent to 3.35 per cent (2016: 3.25 per cent) of salary in respect of employees who are members of contribution schemes.

## (b) Remuneration of Key management personnel

2017	Short-term benefits		Long-term benefits			Total \$'000
	Salary	Other Benefits	Super-annuation	Other Benefits & Long-Service Leave	Termination Benefits	
	\$'000	\$'000	\$'000	\$'000	\$'000	
<i>Key management personnel</i>						
<b>Office of the Co-ordinator General:</b>						
John Perry, Co-ordinator General	394	4	37	13	...	448
<b>Department of State Growth:</b>						
Kim Evans, Secretary	341	24	51	11	...	427
Bob Rutherford, Deputy Secretary Industry and Business Growth	249	21	37	15	...	322
Gary Swain, Deputy Secretary Transport Services	193	23	18	8	...	242
Amanda Russell, Deputy Secretary Business Services	175	22	23	7	...	227
Jacqui Allen, Deputy Secretary Cultural & Tourism Industry Development	193	23	18	11	...	245
Allan Garcia, Chief Executive Officer Infrastructure Tasmania	263	23	25	8	...	319
<i>Acting Key management personnel</i>						
Chrissie Berryman, acting Deputy Secretary Industry and Business Development, 4/7/2016 to 5/8/2016	20	20	2	16	...	58
<i>Joint acting arrangements in the following periods held by:</i>						
Adam Sproule, acting Deputy Secretary Cultural and Tourism Development, 6/2/2017 to 31/5/2017	28	17	2	14	...	61
Alexander Sangston, acting Deputy Secretary Cultural and Tourism Development, 6/2/2017 to 31/5/2017	27	...	2	3	...	32
Alison Turner, acting Chief Executive Officer Infrastructure Tasmania, 29/5/2017 to 4/7/2017	6	8	1	1	...	16
Angela Conway, acting Chief Executive Officer Infrastructure Tasmania, 29/5/2017 to 4/7/2017	6	18	1	7	...	32
<b>Total</b>	<b>1,895</b>	<b>203</b>	<b>217</b>	<b>114</b>	<b>...</b>	<b>2,429</b>

2016	Short-term benefits		Long-term benefits			Total
	Salary	Other Benefits	Super-annuation	Other Benefits & Long-Service Leave	Termination Benefits	
	\$'000	\$'000	\$'000	\$'000	\$'000	
<i>Key management personnel</i>						
<b>Office of the Co-ordinator General:</b>						
John Perry, Co-ordinator General	399	7	38	2	...	446
<b>Department of State Growth</b>						
Kim Evans, Secretary	335	20	52	12	...	419
Bob Rutherford, Deputy Secretary Industry and Business Growth	246	21	38	25	...	330
Gary Swain, Deputy Secretary Transport Services	196	22	19	6	...	243
Amanda Russell, Deputy Secretary Business Services	178	19	23	10	...	230
Jacqui Allen, Deputy Secretary Cultural & Tourism Industry Development	196	22	19	1	...	238
Allan Garcia, Chief Executive Officer Infrastructure Tasmania	267	18	25	2	...	312
<b>Total</b>	<b>1,817</b>	<b>129</b>	<b>214</b>	<b>58</b>	<b>...</b>	<b>2,218</b>

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

Remuneration during 2016-17 for key personnel is set by the *State Service Act 2000*. Remuneration and other terms of employment are specified in employment contracts. Remuneration includes salary, motor vehicle and other non-monetary benefits. Long term employee expenses include long service leave, superannuation obligations and termination payments. Fringe benefits have been reported at the grossed up reportable fringe benefits amount. The Fringe Benefits Tax (FBT) year runs from 1 April to 31 March each year, any FBT attributable to key management personnel is reported on that basis.

#### Acting Arrangements

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

#### (c) Related party transactions

There are no material related party transactions requiring disclosure.



## 7.2 Depreciation and amortisation

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

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

Asset	Estimated Useful Life (years)	Depreciation Rate (per annum)	Method
<b>Road Infrastructure:</b>			
Earthworks	Unlimited	Nil	NA
Pavement – category 1	40	2.50%	Straight Line
category 2	40	2.50%	Straight Line
category 3	50	2.00%	Straight Line
category 4	55	1.82%	Straight Line
category 5	60	1.67%	Straight Line
(Note: road categories are determined by freight carrying task, ie category 1 the highest freight task, category 5, the lowest)			
Surface, seal	15	6.67%	Straight Line
<b>Bridge Infrastructure:</b>			
Bridges over water	25 - 100	1.00% - 4.00%	Parabolic
Bridges over roads, pedestrian bridges, culverts	70 - 100	1.00% - 1.43%	Parabolic
Truss bridges	83 - 250	1.20% - 0.40%	Parabolic
Masonry Arch structures	250	0.40%	Parabolic
Major structures	70 - 100	1.00% - 1.43%	Parabolic
Retaining walls and gantries	50 - 70	1.43% - 2.00%	Parabolic
<b>Traffic Signal Installations: (Residual value 10% applies to all traffic signals assets)</b>			
Cable	50	2.00%	Straight Line
Above and below ground	30	3.33%	Straight Line
Electronics	25	4.00%	Straight Line
Site Hardware	10	10.00%	Straight Line
Buildings	20 - 80	1.25% - 5.00%	Straight Line
Leasehold improvements	5 - 12	8.33% - 20.00%	Straight Line
Electrical, technical and office equipment	5	20.00%	Straight Line
Plant	5 - 25	4.00% - 10.00%	Straight Line
Computer Hardware	3	33.33%	Straight Line
Marine Vessels and Equipment (Residual value 10%)	4	25.0%	Straight Line
<b>Abt Railway Infrastructure:</b>			
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 (eg pavement, surfacing) are systematically depreciated over their useful lives in a manner that reflects the consumption of service potential embodied in those components. Earthworks, representing the cut and fill activity associated with major roadworks, is similar to land in that its useful life is unlimited, therefore is not depreciated.

### Bridge Infrastructure

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

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

### Intangible Assets

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

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

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

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

#### (a) Depreciation

	2017 \$'000	2016 \$'000
Plant and equipment	859	1,002
Marine vessels and equipment	1,207	362
Traffic signal installations	751	775
Buildings	763	756
Aerodromes	...	2
Road infrastructure	56,180	54,762
Bridges	24,419	23,824
Other infrastructure	832	830
<b>Total</b>	<b>85,011</b>	<b>82,313</b>

#### (b) Amortisation

	2017 \$'000	2016 \$'000
Intangibles	1,770	1,818
Leasehold improvements	308	291
<b>Total</b>	<b>2,078</b>	<b>2,109</b>
<b>Total depreciation and amortisation</b>	<b>87,089</b>	<b>84,422</b>

### 7.3 Supplies and consumables

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

	2017 \$'000	2016 \$'000
Audit fees – financial audit	223	230
Audit fees – internal audit	55	84
Operating lease costs	5,723	4,939
Consultants	4,277	3,361
Property services	2,784	3,120
Maintenance	66,449	58,187
Communications	2,325	2,118
Information technology	6,076	5,025
Travel and transport	3,882	2,433
Advertising and promotion	2,865	4,069
Contractor payments (non road-works)	5,583	6,229
National Heavy Vehicle Regulator contribution	...	3,676
Other supplies and consumables	5,930	3,189
<b>Total</b>	<b>106,172</b>	<b>96,660</b>

From 2016-17 contribution to the operations of the National Heavy Vehicle Regulator is made from motor tax collected from heavy vehicle operators.

### 7.4 Grants and subsidies

Grant and subsidies expenditure is recognised to the extent that:

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

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

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

	2017 \$'000	2016 \$'000
Grants		
Advanced Manufacturing Action Plan	164	...
AFL Agreement - Hawthorn Football Club	3,793	3,940
Arts Grants	3,259	2,787
Australian Masters Games	450	750
Brand Tasmania	550	420
Business and Industry Assistance	1,393	2,165
Business & Jobs Attraction and Population Growth Initiative - Ridley	1,000	...
Business & Jobs Attraction and Population Growth Initiative - other	410	100
Business Enterprise Centres	894	...
Caterpillar Transition Taskforce	525	1,597
CCAMLR	173	181
Community Infrastructure Fund	2,169	...
Creative Industry Policy	72	...

CSIRO ICT funding	745	1,155
Development of the Derwent Valley Marina	250	50
Development of Great Eastern Drive	...	250
Enterprise development	293	701
Grants to Councils - other	...	272
Grants to Councils - road works	6,252	6,459
Growing the Visitor Economy	403	536
Hospitality Industry Policy	450	450
Kings Meadows Flood Protection	1,000	1,000
Learner Driver Mentoring program	764	642
Lion Nathan Grant	...	1,460
Major events	7,578	6,675
Menzies ICON	750	250
Museums and Art Galleries	1,383	1,810
Northern Cities Major Development	12,000	...
Qantas Industry Assistance package	747	33
Regional Events Startup Program	92	249
Regional Revival Fund	2,900	390
Regional Tourism Infrastructure & Innovation Fund	1,087	1,485
Regional Tourism Organisations	230	230
Road Safety Grants	586	203
Screen grants	204	137
Serco Contact Centre Industry support	222	296
Tamar River Dredging	312	306
Tasmanian Demand Driver Infrastructure Program	412	441
Tasmanian Government Innovation and Investment Fund	...	413
Tasmanian Innovation, ICT & Science Agenda	220	...
Tasmanian Jobs and Investment Fund (Cadbury)	8,000	...
Tasmanian Polar Network	225	25
Tourism Growth Package	25	...
UXC Support	470	680
Vodafone	360	1,330
West Coast Strahan Footpath Infrastructure Program	...	50
Wood & Fibre Processing Initiative	851	...
Other contributions	1,559	1,051
Other grants	611	552
<b>Total grants</b>	<b>65,833</b>	<b>41,521</b>
<b>Subsidies</b>		
Shipping and ferry subsidies	590	681
Metropolitan and general access regular passenger transport services	36,766	39,521
Rural and special needs school bus services	19,085	23,029
Non-Metropolitan and general access regular passenger transport services	13,138	7,339
Vocational Education Training (VET) delivery	97,266	101,422
Apprentice and trainee subsidies	1,594	1,535
<b>Total subsidies</b>	<b>168,439</b>	<b>173,527</b>
<b>Total grants and subsidies</b>	<b>234,272</b>	<b>215,048</b>

## 7.5 Finance costs

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

Finance costs include:

- » interest on bank overdrafts and short term and long term borrowings;
- » unwinding of discounting of provisions;
- » amortisation of discounts or premiums related to borrowings;
- » amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- » finance lease charges.

	2017 \$'000	2016 \$'000
<b>Interest expense</b>		
Interest on loans	1,074	1,076
<b>Total</b>	<b>1,074</b>	<b>1,076</b>
<b>Other finance costs</b>		
Unwinding of discounting of provisions	...	22
Penalty interest on late payments to creditors	21	13
<b>Total</b>	<b>21</b>	<b>35</b>
<b>Total finance costs</b>	<b>1,095</b>	<b>1,111</b>

## 7.6 Other expenses

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

	2017 \$'000	2016 \$'000
Workers compensation	404	459
Other employee expenses (including training/development, OH&S, recruitment)	761	629
Miscellaneous expenses	584	221
<b>Total</b>	<b>1,749</b>	<b>1,309</b>

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

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

### 8.1 Net gain/(loss) on non-financial assets

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

Key Judgement

All non-financial assets are assessed to determine whether any impairment exists. 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. The Department's assets are not used for the purpose of generating cash flows; therefore value in use is based on depreciated replacement cost where the asset would be replaced if deprived of it.

All impairment losses are recognised in Statement of Comprehensive Income.

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

	2017 \$'000	2016 \$'000
Revaluation decrement of TDR land and buildings applied to Statement of Comprehensive Income	...	(184)
Write off of replaced road assets	(6,809)	(28,079)
Write off of replaced bridge assets	(4,259)	(2,312)
Roads transferred to Dorset Council under Deed of Transfer dated 16 April 2015	...	(14,410)
Bridges transferred to Dorset Council under Deed of Transfer dated 16 April 2015	...	(987)
Net gain/(loss) on land transferred to DPIPWVE	(1,100)	...
Net gain/(loss) on non-financial assets transferred	(136)	67
Net gain/(loss) on disposal of physical assets	(2,217)	(972)
Write-off of traffic signals replaced/upgraded	(67)	...
Revaluation of Abt Railway land applied to statement of comprehensive income	(2)	...
Net gain on the write-off of the provision to make good on vacation of 22 Elizabeth Street Hobart and derecognition of Cornwall Square Launceston premises	234	...
	<b>(14,356)</b>	<b>(46,877)</b>

## 8.2 Fair Value of land and buildings recognised

	2017 \$'000	2016 \$'000
Fair Value of land and buildings assets recognised (refer note below)	...	4,832
	...	4,832

Fair value of land and buildings recognised includes properties identified for the first time during the year. A review of land and buildings during 2015-16 resulted in a number of properties which were not previously recorded being recognised through other economic flows included in the net result.

In accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and taking into account materiality, these properties were treated as fair value assets recognised throughout the financial statements and consequently comparatives have not been amended.

From 2016-17 the identification of assets that were not previously recorded will be treated as a correction of a prior year error and comparatives amended accordingly – refer Note 19.5(c).

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

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

#### Key Judgement

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

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

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

	2017 \$'000	2016 \$'000
Impairment of Statutory receivables	(3)	(15)
Write off of Statutory receivable	(160)	(120)
Impairment reversals/(losses) of:		
Loans advances	160	420
Equity investments	(875)	(536)
Statutory receivables	2	720
<b>Total net gain/(loss) on financial instruments</b>	<b>(876)</b>	<b>469</b>

## Note 9: Assets

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

### 9.1 Receivables

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

	2017 \$'000	2016 \$'000
Receivables	6,683	5,633
Less: Provision for impairment	(50)	(48)
<b>Total</b>	<b>6,633</b>	<b>5,585</b>
Sales of goods and services (inclusive of GST)	193	148
Fees and fines (inclusive of GST)	58	332
Tax assets	5,252	4,631
Other receivables(inclusive of GST)	1,130	474
<b>Total</b>	<b>6,633</b>	<b>5,585</b>
Settled within 12 months	6,446	5,264
Settled in more than 12 months	187	321
<b>Total</b>	<b>6,633</b>	<b>5,585</b>
Reconciliation of movement in provision for impairment of receivables	2017 \$'000	2016 \$'000
Carrying amount at 1 July	(48)	(876)
Amounts written off during the year	...	120
Amounts recovered during the year	3	720
Increase/(decrease) in provision recognised in profit or loss	(5)	(12)
<b>Carrying amount at 30 June</b>	<b>(50)</b>	<b>(48)</b>



## 9.2 Loan advances

Loan advances are held to maturity and are measured at amortised cost subsequent to initial recognition. Impairment of loan advances are reviewed on an ongoing basis. Impairment losses are recognised when there is an indication that there is a measurable decrease in the collectability of loan advances. Loan advances that are known to be uncollectable are written off. Loan advances include financial assistance provided by the government to the private sector in the form of loans.

	2017 \$'000	2016 \$'000
Section 35 Loans Administered by TDR	10,567	14,166
Bushfire Recovery Loan Program	204	729
<i>Tasmanian Development Act 1983</i>	2,046	3,434
Renewable Energy Loan Scheme	420	676
<i>Fire Damage Relief Act 1967</i>	19	19
Farm Finance Loan Scheme	11,181	11,179
Agrigrowth Loan Program	5,130	1,032
Drought Concessional Loan scheme	304	303
Screen Tasmania Loans	229	229
Arts Loans	1,056	1,190
No Interest Loan Scheme	833	852
Flood Recovery - Small Business	121	...
Pacific Oyster Mortality Syndrome	1,254	...
Flood Recovery Rural	785	...
Drought Dairy Recovery Concessional Program	2,997	...
Farm Business Concessional Loans Scheme - Dairy Recovery	536	...
Less: Provision for impairment	(367)	(527)
<b>Total</b>	<b>37,315</b>	<b>33,282</b>
Settled within 12 months	12,527	13,781
Settled in more than 12 months	24,788	19,501
<b>Total</b>	<b>37,315</b>	<b>33,282</b>

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

Under the provisions of the *Tasmanian Development Act 1983*, the Department (through TDR) has the power to provide loans to clients that assist in the development and expansion of the Tasmanian economy. Generally, these loans are provided on the basis of commercial terms, conditions, interest rates and security.

	2017 \$'000	2016 \$'000
Reconciliation of movement in provision for impairment of other financial assets		
<b>Carrying amount at 1 July (transferred in through administrative restructure)</b>	<b>527</b>	<b>947</b>
Increase/(decrease) in provision recognised in net result	(160)	(420)
<b>Carrying amount at 30 June</b>	<b>367</b>	<b>527</b>

*Tasmanian Development Act 1983* loan advance impaired in previous years relate to J & A Gretschnann (\$300,000). Section 35 Loans Administered by TDR impaired in previous years relate to Vision 35 Pty Ltd (\$67,420).

Loan advances written off related to a Section 35 Loans Administered by TDR to Blockmack Pty Ltd (\$160,000), this company trading under the new name of East Mountain Pty Ltd wound up in 2016.

### 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.

	2017 \$'000	2016 \$'000
Listed shares – at cost	...	...
Listed shares – converted	...	...
Unlisted equity instruments	11,328	10,454
Less: Provision for impairment	(11,328)	(10,454)
<b>Total</b>	<b>...</b>	<b>...</b>
Settled within 12 months	...	...
Settled in more than 12 months	...	...
<b>Total</b>	<b>...</b>	<b>...</b>

	2017 \$'000	2016 \$'000
<b>Reconciliation of movement in provision for impairment of equity investments</b>		
<b>Carrying amount at 1 July (transferred in through administrative restructure)</b>	<b>10,454</b>	<b>16,616</b>
Increase in provision recognised in net result	874	(6,162)
<b>Carrying amount at 30 June</b>	<b>11,328</b>	<b>10,454</b>

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

### 9.4 Other financial assets

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

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

	2017 \$'000	2016 \$'000
Accrued revenue	125	114
<b>Total</b>	<b>125</b>	<b>114</b>
Settled within 12 months	125	114
<b>Total</b>	<b>125</b>	<b>114</b>

## 9.5 Inventories

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

	2017 \$'000	2016 \$'000
Inventory held for sale – TMAG	181	198
Inventory held for sale – Abt Railway	148	113
<b>Total</b>	<b>329</b>	<b>311</b>
Consumed within 12 months	329	311
<b>Total</b>	<b>329</b>	<b>311</b>

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

### Property, plant and equipment and artwork

#### (i) Valuation basis

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

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

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

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

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

#### Road Infrastructure

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

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

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

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

Road infrastructure is divided into three 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 35% of the cost of building road infrastructure.

Pavement – the layer on which the road surface is placed. Typical useful life of road pavements is 40 to 60 years. Represents 58.5% of the cost of building road infrastructure.

Surface – the bitumen seal visible on the road surface, designed to protect the pavement from water and weathering. Typical useful life of road seal is 15 years. Represents 6.5% of the cost of building road infrastructure.

Full valuation occurs every 5 years, with the last valuation conducted in 2013. Values are indexed annually using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16).

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### *Bridge Infrastructure*

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

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

Full valuation occurs every 5 years, with the last valuation completed by GHD in 2017. Values are indexed annually using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table I6).

### *Land Under Roads and within Road Reserves*

Land under roads and within road reserves value is determined by the Valuer-General every 5 years from the most recent valuations of land titles adjoining and within a 200 metre corridor of the State road network. The Valuer General provides average values per hectare or square metre for the urban and non-urban sectors in each Municipality, and the Department inputs the average values into the land areas in each sector and Municipality.

### *Traffic Signals*

Traffic Signals assets are valued every 5 years on a depreciated replacement cost basis, with the last valuation completed by Australian Valuation Solutions in 2017. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

### *ABT Railway Infrastructure*

ABT Railway infrastructure comprises of the rail track, bridges, culverts, sidings, ramps and earthworks owned by the ABT Railway Ministerial Corporation. Railway assets are revalued every 5 years on a depreciated replacement cost basis, with the last valuation completed by Australian Valuation Solutions in 2017. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

### *Property Acquired for Roadworks*

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

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

#### *Valuer-General Sale Valuation*

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

#### *Valuer-General Rates Valuation*

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

#### *Department of State Growth Valuation*

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

### *Rail Corridor Land*

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

The land is valued at either current Valuer-General valuation where one exists, or at the average rate per land area in each Municipality according to adjacent land zoning. Every 5 years the Valuer General provides average values per hectare or square metre for the urban and non-urban sectors in each Municipality, from the most recent valuations of land titles adjoining and within a 200 metre corridor of the rail lines.

#### *(ii) Subsequent costs*

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

#### *(iii) Asset recognition threshold*

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

#### *(iv) Revaluations*

Assets are revalued at least once in every 5 years with the following exceptions:

- » plant and equipment having a cost or revaluation less than the threshold of \$50,000;
- » land and buildings that are to be utilised for future roadworks (as required);
- » land remaining after the completion of the relevant roadworks project which is regarded as non-saleable due to, for example, limited or no access (as required), and;
- » Road and Bridge infrastructure which is revalued every 5 years, with values indexed annually between valuations.

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

The recoverable amount test is not applicable to the Department of State Growth as its non-current assets are not held for the purpose of generating net cash inflows from services provided by the Department.

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

### **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 Trustees consider the carrying amount of an asset or collections materially differ from attributed fair value, then it shall be revalued regardless of when the last valuation occurred. Only items registered in the collections are recognised for valuation purposes. Collections are valued on the following basis:

Icons – valued by an appropriately qualified independent valuer, based on market values of similar items;

Cultural heritage collections – valued under a statistical valuation model by an appropriately qualified independent valuer, dependent upon the stratification of the collection;

Natural history collections - estimated recollection cost, ie the cost of mounting an expedition to collect similar specimens, together with the costs associated with their documentation and preparation.

Numismatics collections – valued at either fair value or market rate for weight of precious metals.

#### *(iv) Highest and best use*

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

**(a) Carrying amount**

	2017 \$'000	2016 \$'000
<b>Land holdings</b>		
Land (including land under buildings) - at fair value (30 June 2017)	39,833	44,007
Rural properties - at fair value (30 June 2017)	1,777	2,216
Rail Corridor land - at fair value (30 June 2014)	66,598	56,811
<b>Total</b>	<b>108,208</b>	<b>103,034</b>
<b>Buildings</b>		
At fair value (30 June 2017)	42,070	41,439
Less: Accumulated depreciation	(1,642)	(2,114)
<b>Total</b>	<b>40,428</b>	<b>39,325</b>
<b>Aerodromes</b>		
At fair value (30 June 2015)	150	150
Less: Accumulated depreciation	(9)	(9)
<b>Total</b>	<b>141</b>	<b>141</b>
<b>Plant and equipment (including computer equipment)</b>		
At cost	6,720	7,430
Less: Accumulated depreciation	(5,147)	(5,674)
<b>Total</b>	<b>1,573</b>	<b>1,756</b>
<b>Marine vessels and equipment</b>		
At fair value (30 June 2017)	3,130	14,131
Less: Accumulated depreciation	(90)	(10,427)
<b>Total</b>	<b>3,040</b>	<b>3,704</b>
<b>Abt Railway rolling stock</b>		
At fair value (30 June 2017)	4,571	6,760
Less: Accumulated depreciation	...	(3,226)
<b>Total</b>	<b>4,571</b>	<b>3,534</b>
<b>Traffic Signal installations</b>		
At fair value (30 June 2017)	16,834	32,601
Less: Accumulated depreciation	...	(16,812)
<b>Total</b>	<b>16,834</b>	<b>15,789</b>
<b>Leasehold improvements</b>		
At cost	4,339	4,339
Less: Accumulated depreciation	(2,759)	(2,452)
<b>Total</b>	<b>1,580</b>	<b>1,887</b>
<b>Artwork</b>		
At fair value (30 June 2014)	272	272
<b>Total</b>	<b>272</b>	<b>272</b>
<b>Heritage and cultural assets</b>		
At fair value (30 June 2016)	408,464	407,879
<b>Total</b>	<b>408,464</b>	<b>407,879</b>
<b>Total property, plant and equipment, artwork, heritage and cultural assets</b>	<b>585,111</b>	<b>577,321</b>

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## Rural properties

Rural properties are valued as at 30 June 2017 at fair value. Fair value of these properties equates to the option prices deemed on the individual properties. These option prices are the amounts receivable should the tenants exercise the option to purchase the freehold title.

## Rail Corridor land

The land is valued at either current Valuer-General valuation where one exists, or at the average rate per land area in each Municipality according to adjacent land zoning. Every 5 years the Valuer General provides average values per hectare or square metre for the urban and non-urban sectors in each Municipality, from the most recent valuations of land titles adjoining and within a 200 metre corridor of the rail lines. The most recent update of average values was provided by the Valuer-General as at 30 June 2014.

## Other properties and buildings

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

## Marine vessels and Traffic Signals installations

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

## Abt Railway rolling stock

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

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

An independent valuation of heritage and cultural assets was last undertaken by an independent specialist valuer RHAS Chartered Valuers and Brokers as at 30 June 2015. The valuation was undertaken in accordance with accounting standards for fair value applicable to cultural and heritage collections AASB13 *Fair Value Measurement*. The definition of fair value is defined in AASB13 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. It is based on the principle of an exit price, and refers to the price an entity expects to receive when it sells an asset, or the price an entity expects to pay when it transfers a liability.

Heritage and cultural assets were valued by internal review conducted by management and specialist staff as at 30 June 2016. The internal review adopted the 30 June 2015 management valuation, and added items exceeding the asset capitalisation threshold of \$10,000 that were added to the collection during the 2015-16 financial year, at either cost or where an item was acquired at no cost, the cost is its estimated fair value at acquisition.

The most recent 2017 internal review has adopted the 2016 internal valuation, and added items exceeding the asset capitalisation threshold of \$10,000 that were added to the collection during the 2016-17. The value of the added items was determined on a combination of internal records, specialised knowledge and market information, and has been ratified by the Trustees.

## Artwork

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

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

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

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

	Land Level 2 (land in active markets)	Land Level 3 (specific purpose/use land)	Buildings Level 2 (general office buildings)	Buildings Level 3 (specific purpose/use buildings)	Aerodromes Level 3 (specific purpose/use)	Plant and equipment (including computer equipment)	Marine Vessels Level 3 (specific purpose/use)	Abt Railway Rolling Stock Level 3 (specific purpose/use)	Traffic Signal installations Level 3 (specific purpose/use)	Leasehold improvements Level 2	Heritage and cultural assets and artwork Level 2	Total
2017	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying value at 1 July</b>	<b>46,223</b>	<b>56,811</b>	<b>35,626</b>	<b>3,699</b>	<b>141</b>	<b>1,756</b>	<b>3,704</b>	<b>3,534</b>	<b>15,789</b>	<b>1,887</b>	<b>408,151</b>	<b>577,321</b>
Additions	217	...	633	403	...	715	60	347	...	...	585	2,960
Contributions received	...	...	...	...	...	...	...	...	...	...	...	...
Disposals	(3,586)	...	(136)	...	...	...	...	(67)	...	...	...	(3,789)
Net transfers	(1,100)	...	...	...	...	...	...	...	...	...	...	(1,100)
<i>Gains/losses recognised in operating result</i>												
Revaluation increments/(decrements)	(2)	...	...	...	...	...	...	...	...	...	...	(2)
<i>Gains/losses recognised in other comprehensive income</i>												
Revaluation increments/(decrements)	(142)	9,787	(38)	1,003	...	(300)	543	1,237	1,516	...	...	13,606
Depreciation & amortisation	...	...	(527)	(235)	...	(598)	(1,207)	(260)	(751)	(307)	...	(3,885)
Reclassification of assets/corrections	(2,752)	2,752	...	...	...	...	...	...	...	...	...	...
<b>Carrying value at 30 June</b>	<b>38,858</b>	<b>69,350</b>	<b>35,558</b>	<b>4,870</b>	<b>141</b>	<b>1,573</b>	<b>3,040</b>	<b>4,571</b>	<b>16,834</b>	<b>1,580</b>	<b>408,736</b>	<b>585,111</b>
<b>2016</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying value at 1 July</b>	<b>43,234</b>	<b>56,811</b>	<b>34,595</b>	<b>3,908</b>	<b>986</b>	<b>3,265</b>	<b>4,066</b>	<b>3,818</b>	<b>16,089</b>	<b>1,166</b>	<b>400,895</b>	<b>568,833</b>
Additions	4,114	...	1,743	14	...	84	...	...	495	249	...	6,702
Contributions received	...	...	...	...	...	...	...	...	...	...	265	265
Disposals	(1,243)	...	...	...	(843)	(2)	...	...	(21)	...	(6)	(2,115)
Net additions through restructuring	...	...	...	...	...	...	...	...	...	(102)	...	(102)
<i>Gains/losses recognised in operating result</i>												
Revaluation increments/(decrements)	...	...	(184)	...	...	...	...	...	...	...	...	(184)
<i>Gains/losses recognised in other comprehensive income</i>												
Revaluation increments/(decrements)	(1,005)	...	(1,495)	...	...	...	...	...	...	...	6,997	4,497
Depreciation & amortisation	...	...	(533)	(223)	(2)	(738)	(362)	(263)	(774)	(292)	...	(3,187)
Reclassification of assets/corrections	1,120	...	1,500	...	...	(853)	...	(21)	...	866	...	2,612
<b>Carrying value at 30 June</b>	<b>46,223</b>	<b>56,811</b>	<b>35,626</b>	<b>3,699</b>	<b>141</b>	<b>1,757</b>	<b>3,704</b>	<b>3,534</b>	<b>15,789</b>	<b>1,887</b>	<b>408,151</b>	<b>577,321</b>



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

Description	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Land – Rural properties – specific purpose/use land	1,777	A – option price in individual contracts	Nil alternatives	Option prices are locked in individual contracts
Land – Rail Corridor – specific purpose/use land	66,598	A – market value of adjacent land per square metre	\$0.01 – \$324 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	975	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 (eg Abt Railway buildings)	4,871	A – Physical depreciation and obsolescence adjustments	Variable	Increase / decrease in replacement costs would increase / decrease the fair value
		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	141	A – market value of land	Highly variable due to location	Increase / decrease in replacement costs would increase / decrease the fair value
		B – labour and materials cost to replace	Highly variable due to location	Increase / decrease in replacement costs would increase / decrease the fair value
		C – useful life of specialised buildings	20 years	Increase / decrease in useful life would increase / decrease the fair value
Marine Vessels and equipment – specific purpose/use vessel (Bruny Island Ferry)	3,040	A – Australian Valuation Office valuation based on a depreciated replacement cost methodology	10% – 20%	Increase / decrease in replacement cost would increase / decrease the fair value
		B – useful life of Ferry	4 years remaining	Increase / decrease in useful life would increase / decrease the fair value
Abt Railway Rolling Stock – specific purpose/use	4,571	A – Physical depreciation and obsolescence adjustments	Variable	Reliance on valuer's professional judgement
		B – useful life of rolling stock	5 – 75 years	Increase / decrease in useful life would increase / decrease the fair value
Traffic Signal installations – specific purpose/use	16,834	A – labour costs to replace	\$2,000 to \$52,000 /site	Increase / decrease in replacement costs would increase / decrease the fair value
		B – materials costs to replace	\$3,000 to \$130,000 /site	Increase / decrease in replacement costs would increase / decrease the fair value
		C – useful life of installation components	10 – 50 years	Increase / decrease in useful life would increase / decrease the fair value

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

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

## 9.7 Infrastructure

### Roads

#### (a) Carrying amount

	2017 \$'000	2016 \$'000
At fair value (30 June 2017)	5,072,126	5,059,468
Less: Accumulated depreciation	(2,469,342)	(2,424,657)
	<b>2,602,784</b>	<b>2,634,811</b>
Work in progress at cost	93,669	...
<b>Total</b>	<b>2,696,453</b>	<b>2,634,811</b>

The latest revaluation of the Road asset as at 30 June 2013 was completed by The Department's Asset Management Branch on a depreciated replacement cost basis. Replacement cost was calculated using most recent contract cost experience for Tasmanian road construction. Values are indexed annually between revaluations using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 17). Current replacement cost is depreciated by the proportion of the asset that has been consumed.

#### (b) Reconciliation of movements

	Notes	2017 Level 3 \$'000	2016 Level 3 \$'000
<b>Carrying amount at 1 July</b>		<b>2,634,811</b>	<b>2,664,132</b>
Work in progress additions		93,669	...
Capital improvements		30,829	88,682
Transferred from Dorset Council under a Deed of Transfer dated 16 April 2015	6.6	...	20,199
Write-off of replaced road assets	8.1	(6,809)	(28,079)
Transferred to Dorset Council under a Deed of Transfer dated 16 April 2015	8.1	...	(14,410)
Revaluation increments (decrements)	12.1(a)	133	(40,951)
Depreciation expense		(56,180)	(54,762)
<b>Carrying amount at 30 June</b>		<b>2,696,453</b>	<b>2,634,811</b>

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

Description	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Road Infrastructure	2,696,453	A – labour and materials cost to replace	\$95 to \$172 per sq metre	Increase / decrease in replacement costs would increase / decrease the fair value
		B – useful life of road components	15 years – unlimited	Increase / decrease in useful life would increase / decrease the fair value
		C – annual indexation factor (ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16))	0.8%	Increase / decrease in indexation factor would increase / decrease the fair value

## Land Under Roads and within Road Reserves

### (a) Carrying amount

	2017 \$'000	2016 \$'000
At fair value(30 June 2014)	160,681	160,681
<b>Total</b>	<b>160,681</b>	<b>160,681</b>

The latest valuation of land under road assets was completed in 2014 calculated on Valuer-General provided average rateable values per hectare or square metre as determined by the Valuer-General from the most recent valuations (at 2014) of land titles adjoining and within a 200 metre corridor of the State road network.

### (b) Reconciliation of movements

	Notes	2017 Level 3 \$'000	2016 Level 3 \$'000
Carrying amount at 1 July		160,681	160,430
Transferred from Dorset Council under a Deed of Transfer dated 16 April 2015	6.6	...	251
<b>Carrying amount at 30 June</b>		<b>160,681</b>	<b>160,681</b>

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

Description	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Land under Roads	160,681	A – market value of adjacent land per square metre	\$0.01 – \$193 per sq metre	Increase / decrease in rates per square metre would increase / decrease the fair value
		B – discount factor on market value of adjacent land to reflect specialised nature of asset	30%	Increase / decrease in discount rate would decrease / increase the fair value

## Bridges

### (a) Carrying amount

	2017 \$'000	2016 \$'000
At fair value(30 June 2017)	2,168,068	1,797,304
Less: Accumulated depreciation	(735,588)	(584,282)
<b>Total</b>	<b>1,432,480</b>	<b>1,213,022</b>

The latest revaluation of the Bridge assets as at 30 June 2017 was completed by GHD Pty Ltd on a depreciated replacement cost basis. Values are indexed annually between revaluations using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16).

### (b) Reconciliation of movements

	Notes	2017 Level 3 \$'000	2016 Level 3 \$'000
<b>Carrying amount at 1 July</b>		<b>1,213,022</b>	<b>1,234,360</b>
Capital improvements		3,220	7,573
Transferred from Dorset Council under a Deed of Transfer dated 16 April 2015	6.6	...	7,038
Write-off of replaced bridges	8.1	(4,259)	(2,312)
Transferred to Dorset Council under a Deed of Transfer dated 16 April 2015	8.1	...	(987)
Revaluation increments (decrements)	12.1	244,916	(8,826)
Depreciation expense		(24,419)	(23,824)
<b>Carrying amount at 30 June</b>		<b>1,432,480</b>	<b>1,213,022</b>

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

Description	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Bridges	1,432,480	A – labour and materials cost to replace	\$1,601 to \$10,666 per sq metre	Increase / decrease in replacement costs would increase / decrease the fair value
		B – useful life of bridges	25 – 250 years	Increase / decrease in useful life would increase / decrease the fair value
		C – annual indexation factor (ABS Current Road and Bridge Construction Index Number ABS 6427.0 Table 16)	0.8%	Increase / decrease in indexation factor would increase / decrease the fair value

## Abt Railway Infrastructure

### (a) Carrying amount

	2017 \$'000	2016 \$'000
At fair value(30 June 2017)	24,100	33,239
Less: Accumulated depreciation	...	(10,961)
<b>Total</b>	<b>24,100</b>	<b>22,278</b>

The latest revaluation of ABT Railway infrastructure as at 30 June 2017 was completed by Australian Valuation Solutions on a depreciated 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.

### (b) Reconciliation of movements

	2017 Level 3 \$'000	2016 Level 3 \$'000
<b>Carrying amount at 1 July</b>	<b>22,278</b>	<b>23,038</b>
Additions	92	70
Revaluation increments (decrements)	2,562	...
Depreciation expense	(832)	(830)
<b>Carrying amount at 30 June</b>	<b>24,100</b>	<b>22,278</b>

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

Description	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Abt Railway Infrastructure	24,100	A – Physical depreciation and obsolescence adjustments	Variable	Reliance on valuer's professional judgement
		B – useful life of infrastructure	20-100 years	Increase / decrease in useful life would increase / decrease the fair value
<b>Total Infrastructure</b>				<b>4,313,715    4,030,792</b>

## 9.8 Intangibles

An intangible asset is recognised where:

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

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

### (a) Carrying amount

	2017 \$'000	2016 \$'000
<b>Intangibles with a finite useful life (at cost)</b>		
Motor Registry System	17,056	17,504
Other software systems	2,920	2,593
Less: Accumulated amortisation	(17,932)	(16,283)
<b>Total intangibles</b>	<b>2,044</b>	<b>3,814</b>

### (b) Reconciliation of movements

	2017 \$'000	2016 \$'000
<b>Carrying amount at 1 July</b>	<b>3,814</b>	<b>5,633</b>
Amortisation expense	(1,770)	(1,819)
<b>Carrying amount at 30 June</b>	<b>2,044</b>	<b>3,814</b>

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

## 9.9 Other assets

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

### (a) Carrying amount

	2017 \$'000	2016 \$'000
Deposit on building	11,000	...
Prepayments	1,299	1,433
<b>Total</b>	<b>12,299</b>	<b>1,433</b>
Recovered within 12 months	1,299	1,429
Recovered in more than 12 months	11,000	4
<b>Total</b>	<b>12,299</b>	<b>1,433</b>

## Reconciliation of movements

	2017 \$'000	2016 \$'000
Carrying amount at 1 July	1,433	1,731
Additions	1,299	1,433
Settled/consumed	(1,433)	(1,731)
Carrying amount at 30 June	1,299	1,433

## 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.

	2017 \$'000	2016 \$'000
Creditors	5,083	2,630
Accrued expenses	3,778	8,050
<b>Total</b>	<b>8,861</b>	<b>10,680</b>
Settled within 12 months	8,861	10,680
Settled in more than 12 months	...	...
<b>Total</b>	<b>8,861</b>	<b>10,680</b>

Settlement is usually made within 30 days.

### 10.2 Interest bearing liabilities

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

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

#### (a) Carrying amount

	2017 \$'000	2016 \$'000
Loans from the State Government	4,700	5,170
Loans from the Australian Government	41,522	34,572
Loans from Tascorp	15,000	15,000
<b>Total</b>	<b>61,222</b>	<b>54,742</b>

## (b) Maturity schedule

	2017 \$'000	2016 \$'000
One year or less	470	470
From one to five years	60,752	54,272
<b>Total</b>	<b>61,222</b>	<b>54,742</b>

During 2016-17 TDR repaid \$2.9 million of the borrowing with the Australian Government relating to unused Farm Finance Loan Scheme funds and \$15.1 million relating to the Drought Concessional and Drought Dairy Recovery Concessional Loan Scheme. In addition \$25 million was received from the Australian Government relating to the Commonwealth Farm Business Concessional Loan Scheme.

## 10.3 Employee benefits

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

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

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

	2017 \$'000	2016 \$'000
Accrued salaries	577	304
Annual leave	5,658	5,378
Long service leave	12,966	11,632
Other employee provisions	14	73
<b>Total</b>	<b>19,215</b>	<b>17,387</b>
Expected to settle within 12 months	7,661	7,413
Expected to settle in more than 12 months	11,554	9,974
<b>Total</b>	<b>19,215</b>	<b>17,387</b>



## 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

	2017 \$'000	2016 \$'000
Compulsory acquisition of land for roadworks	2,594	3,524
Operating lease make-good provisions	...	234
<b>Total</b>	<b>2,594</b>	<b>3,758</b>
Settled within 12 months	2,594	3,524
Settled in more than 12 months	...	234
<b>Total</b>	<b>2,594</b>	<b>3,758</b>

### (b) Reconciliation of movements in provisions

	Provisions for acquisition of land		Operating lease make-good provisions		Total Provisions	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July</b>	<b>3,524</b>	<b>3,944</b>	<b>234</b>	<b>588</b>	<b>3,758</b>	<b>4,532</b>
Additions/increases	...	...	...	236	...	236
Charges against provision	(930)	(420)	(234)	(572)	(1,164)	(992)
Reversals	...	...	...	...	...	...
Changes in discounting	...	...	...	(18)	...	(18)
Net increase through administrative restructure	...	...	...	...	...	...
<b>Balance at 30 June</b>	<b>2,594</b>	<b>3,524</b>	<b>...</b>	<b>234</b>	<b>2,594</b>	<b>3,758</b>

## 10.4 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.

	2017	2016
	\$'000	\$'000
<b>Revenue received in advance</b>		
Appropriation received in advance for carry forward under section 8A of the <i>Public Account Act 1986</i>	9,114	11,603
Other revenue received in advance	183	126
<b>Other liabilities</b>		
Monies held in trust	7,691	7,054
Suspense accounts	237	285
PAYG withholding tax liability over year end	609	594
Employee benefits – on costs	121	112
<b>Total</b>	<b>17,955</b>	<b>19,774</b>
Settled within 12 months	17,879	19,707
Settled in more than 12 months	76	67
<b>Total</b>	<b>17,955</b>	<b>19,774</b>

Monies held in Trust are primarily Mines Deposit Accounts (\$5.8M), which are held by the Department in trust as mine rehabilitation bonds.

## Note II: Commitments and Contingencies

### II.1 Schedule of Commitments

	2017 \$'000	2016 \$'000
<b>By type</b>		
<i>Capital commitments</i>		
Infrastructure – Roads	82,979	134,266
Other	...	...
<b>Total capital commitments</b>	<b>82,979</b>	<b>134,266</b>
<i>Lease Commitments</i>		
Operating leases	76,079	13,354
<b>Total lease commitments</b>	<b>76,079</b>	<b>13,354</b>
<i>Other commitments</i>		
Loan commitments	18,017	7,255
Program/project commitments	207,840	118,717
<b>Total other commitments</b>	<b>225,857</b>	<b>125,972</b>
<b>By maturity</b>		
<i>Capital commitments</i>		
One year or less	57,607	83,575
From one to five years	25,372	50,641
More than five years	...	50
<b>Total capital commitments</b>	<b>82,979</b>	<b>134,266</b>
<i>Operating lease commitments</i>		
One year or less	4,935	5,840
From one to five years	13,411	5,007
More than five years	57,733	2,507
<b>Total operating lease commitments</b>	<b>76,079</b>	<b>13,354</b>
<i>Other commitments</i>		
One year or less	146,584	73,258
From one to five years	76,986	50,960
More than five years	2,287	1,754
<b>Total other commitments</b>	<b>225,857</b>	<b>125,972</b>
<b>Total</b>	<b>384,915</b>	<b>273,592</b>

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

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

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

NB: Commitments are shown as GST exclusive.

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

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

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

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

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

## 11.2 Contingent Assets and Liabilities

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

### (a) Quantifiable contingencies

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

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

	2017 \$'000	2016 \$'000
<b>Quantifiable Contingent Liabilities</b>		
Asbestos removal from traffic signal sites: This involves the identification and removal of any asbestos from approximately 1,000 traffic signal sites, predominantly pits, associated with traffic signals. The nature and location of the individual traffic signal sites will have a significant impact on the cost of any remediation with the cost range from a few hundred dollars per site to more than \$10,000 for some complex sites. The extent of work on each site will be based on individual assessment which creates significant uncertainty about the final cost.	3,500	3,500
Guarantee in support of the Commonwealth Bank of Australia's Refund Guarantee Facility to Incat Tasmania Pty Ltd associated with the construction of six Sydney Ferries. The contingent liability will fluctuate between 16 February 2017 and the end of August 2017, with maximum exposure of \$10.0 million.	10,000	...
Tasmanian Development and Resources (TDR) has committed to a \$12 million State guarantee for the ANZ Bank funding of the construction of the Silo Hotel in Launceston. Crown Law are currently preparing the guarantee documents and it is expected that the initial drawdown by the client against its loan with ANZ will be in September 2017 at which time the contingent liability will commence.	12,000	...
<b>Total quantifiable contingent liabilities</b>	<b>25,500</b>	<b>3,500</b>

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**(b) Unquantifiable Contingencies**

The Department has not identified any unquantifiable contingent assets as at 30 June 2017.

At 30 June 2017 the Department had a number of legal claims against it for:

- » a dispute over the ownership of a strip of foreshore land at Tinderbox valued at \$50,000;
- » compensation in relation to the acquisition of property for road construction; and
- » personal injury or damage allegedly caused by the actions or inactions of the Department.

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

# Note 12: Reserves

## 12.1 Reserves

2017	Land \$'000	Rail corridor land \$'000	Buildings \$'000	Aerodromes \$'000	Plant and Equipment \$'000	Traffic Signals \$'000	Road Infrastructure \$'000	Bridges \$'000	Other Infrastructure \$'000	Artwork \$'000	Heritage and Cultural assets \$'000	Total \$'000
Asset revaluation reserve	13,999	6,380	6,513	710	4,127	7,156	1,049,926	431,234	6,415	17	44,647	1,571,124
<b>Balance at 1 July</b>												
Net movement through restructuring	...	...	...	...	...	...	...	...	...	...	...	...
Revaluation increments/(decrements)	(142)	9,787	965	...	1,480	1,516	133	244,916	2,562	...	...	261,217
Impairment losses	...	...	...	...	...	...	...	...	...	...	...	...
Reversals of impairment losses	...	...	...	...	...	...	...	...	...	...	...	...
<b>Balance at 30 June</b>	<b>13,857</b>	<b>16,167</b>	<b>7,478</b>	<b>710</b>	<b>5,607</b>	<b>8,672</b>	<b>1,050,059</b>	<b>676,150</b>	<b>8,977</b>	<b>17</b>	<b>44,647</b>	<b>1,832,341</b>
<b>2016</b>												
Asset revaluation reserve	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July</b>	<b>15,001</b>	<b>6,380</b>	<b>8,008</b>	<b>710</b>	<b>4,127</b>	<b>7,156</b>	<b>1,090,877</b>	<b>440,060</b>	<b>6,415</b>	<b>17</b>	<b>37,650</b>	<b>1,616,401</b>
Net Movements through restructuring	...	...	...	...	...	...	...	...	...	...	...	...
Revaluation increments/(decrements)	(1,002)	...	(1,495)	...	...	...	(40,951)	(8,826)	...	...	6,997	(45,277)
Impairment losses	...	...	...	...	...	...	...	...	...	...	...	...
Reversals of impairment losses	...	...	...	...	...	...	...	...	...	...	...	...
<b>Balance at 30 June</b>	<b>13,999</b>	<b>6,380</b>	<b>6,513</b>	<b>710</b>	<b>4,127</b>	<b>7,156</b>	<b>1,049,926</b>	<b>431,234</b>	<b>6,415</b>	<b>17</b>	<b>44,647</b>	<b>1,571,124</b>

### (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

As a result of an administrative order, Racing Services Tasmania, a part of the Department of State Growth was amalgamated with the Department of Primary Industries, Parks, Water and Environment effective on 1 July 2015.

In respect of activities relinquished, the Department transferred the following assets and liabilities to Department of Primary Industries, Parks, Water and Environment:

	2017 \$'000	2016 \$'000
<b>Net assets assumed on restructure</b>		
Cash and deposits	...	(245)
Leasehold improvements	...	103
<b>Total assets relinquished</b>	...	<b>(142)</b>
Employee benefits	...	418
Monies held in trust	...	28
<b>Total liabilities relinquished</b>	...	<b>445</b>
<b>Net assets (liabilities) relinquished on restructure</b>	...	<b>588</b>
<b>Comprising of contributed equity</b>	...	<b>588</b>
<b>Net contribution by the Government as owner during the period through restructuring</b>	...	<b>588</b>

Expense and income items of the activities transferred to Department of Primary Industries, Parks, Water and Environment, during the reporting period were as follows. These expense and income items are included in the transferee Department's Statement of Comprehensive Income:

	2017 \$'000	2016 \$'000
<b>Revenues</b>		
Recognised by the Department of Primary Industries, Parks, Water and Environment	...	326
<b>Total revenues</b>	...	<b>326</b>
<b>Expenses</b>		
Recognised by the Department of Primary Industries, Parks, Water and Environment	...	3,448
<b>Total expenses</b>	...	<b>3,448</b>

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

## 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.

	2017 \$'000	2016 \$'000
<b>Special Deposits and Trust Fund balance:</b>		
T466 Mines deposit account	6,461	5,753
T524 State Growth Operating account	83,328	84,917
T636 Princes Wharf No 1 management account	58	78
T661 Traffic Management operating account	53	45
T790 Government Guarantees Reserve account	1,134	966
T796 Abt Railway account	803	782
T801 Taxi Industry administration account	370	325
T941 Fire Relief account	2	2
T797 Intelligent Island Project account	37	71
<b>Total</b>	<b>92,246</b>	<b>92,939</b>
<b>Other cash held:</b>		
Commonwealth Bank account – Queenstown (Abt Railway)	7,494	5,814
Petty cash	14	13
<b>Total</b>	<b>7,508</b>	<b>5,827</b>
<b>Total cash and deposits</b>	<b>99,754</b>	<b>98,766</b>

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

	2017 \$'000	2016 \$'000
Net result from transactions	56,416	55,611
Depreciation and amortisation	87,089	84,422
Changes in accounting estimates	(2,620)	(2,620)
Decrease (increase) in Receivables	(1,048)	(1,851)
Decrease (increase) in Prepayments	123	665
Increase (decrease) in Employee entitlements	1,828	(4,267)
Increase (decrease) in Payables	(1,819)	2,503
Increase (decrease) in Provisions & Other liabilities	(3,621)	467
Impairment adjustments	160	...
Less: contributions received	(585)	(27,691)
Less: non-operational capital funding – recurrent appropriation	(55)	(249)
Less: non-operational capital funding - works & services appropriation	(46,539)	(34,729)
Less: non-operational capital funding – Australian Government grants	(76,535)	(52,866)
<b>Net cash from (used by) operating activities</b>	<b>12,794</b>	<b>19,395</b>



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

The Department received Works and Services Appropriation funding and revenues from Special Capital Investment Funds to fund specific projects.

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

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

#### (a) Project expenditure

	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<b>Capital Investment Program</b>			
<i>National Highway System</i>			
Bass Highway - Biralee to Exton	1,000	...	5,070
Bridge renewal program	1,670	2,270	3,651
Brooker Highway – Elwick, Goodwood, Howards Roads	14,400	15,884	6,460
Domain Highway planning	1,000	58	68
Heavy Vehicle Safety and productivity	1,350	524	201
Huon Highway / Summerleas Road	14,006	1,653	1,269
Infrastructure Development - Continuing Projects	600	1,728	452
Infrastructure Maintenance	7,290	6,337	7,945
Midland Highway	85,629	57,204	25,642
North East Freight Roads	1,997	1,428	891
Road Safety and Traffic Management Works	8,283	4,615	2,284
Tasman Ramps	370	353	11,239
<i>State Funded Projects</i>			
Arthur Highway	...	229	204
Asset Management	5,388	5,288	4,187
Bell Bay Intermodal Terminal	...	...	17
Bell Bay Main Road port access	...	...	38
Bridge Strengthening on Esk and Tasman Hwys	500	990	135
Brooker, Elwick, Goodwood, Howards Roads	3,400	2,419	2,796
Bruny Island Main Road	500	301	42
Colebrook Main Road	700	499	597
Community Rd 2 Planning	...	1,022	...
Domain Highway Planning	1,000	59	...
Environmental Management	556	556	545
Esk Main Road	3,000	4,328	110
Forward Planning	...	...	3,932
Highland Lakes Road	2,000	1,427	32
Huon Highway - Glendevie	3,000	756	3,305
Huon Highway / Summerleas Road	3,400	3,555	11
Infrastructure Development - Continuing Projects	232	463	959
Infrastructure Maintenance	59,409	66,107	61,029
Launceston Northbank	675	...	675
Midland Highway	11,206	12,615	5,958
Murchison Highway	2,900	2,575	891

	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
Northern Cities Major Development Initiative	15,000	13,000	...
North East Freight Roads	180	180	...
Program Management	1,098	1,686	643
Richmond Link Road	...	...	56
Road Safety and Traffic Management	7,909	7,290	7,864
Rokeby Main Road: Stage 2	200	34	...
South Arm Highway/Rokeby Main Road	...	...	6,907
Strategic Policy and Planning	2,836	2,523	2,462
Tarkine Drive	...	...	240
Tasman Highway Scottsdale to Launceston	...	...	100
TMAG Building Roof Maintenance	...	349	111
West Coast Roads, Strahan	...	117	576
West Tamar Highway Bradys Lookout	...	...	85
<b>Total cash outflows</b>	<b>262,684</b>	<b>220,422</b>	<b>169,679</b>

#### (b) Classification of cash flows

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

	2017 \$'000	2016 \$'000
<b>Cash outflows</b>		
Other cash payments		
Maintenance	70,046	66,646
Other (overheads, management, systems)	10,636	7,292
Payments for acquisition of assets	139,740	95,741
<b>Total cash outflows</b>	<b>220,422</b>	<b>169,679</b>

## Note 14: Financial Instruments

### 14.1 Risk exposures

#### (a) Risk management policies

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

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

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

The Department does not hold any derivative financial instruments.

#### (b) Credit risk exposures

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

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

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Department's maximum exposure to credit risk. The Department is not exposed to credit risk of any significance.

The following tables analyse financial assets that are past due but not impaired:

Analysis of financial assets that are past due at 30 June 2017 but not impaired					
	Not Past due \$'000	Past due 31 to 60 days \$'000	Past due 61 to 90 days \$'000	Past due over 90 days \$'000	Total \$'000
Receivables	772	32	39	420	1,263
Loan advances	37,778	5	3	17	37,802
Analysis of financial assets that are past due at 30 June 2016 but not impaired					
	Not Past due \$'000	Past due 31 to 60 days \$'000	Past due 61 to 90 days \$'000	Past due over 90 days \$'000	Total \$'000
Receivables	776	80	37	108	1,000
Loan advances	33,809	...	...	...	33,809

### (c) Liquidity risk

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

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

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

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

## 2017

Maturity analysis for financial liabilities:								
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
<b>Financial liabilities</b>								
Payables	8,861	...	...	...	...	...	8,861	8,861
Interest bearing liabilities	470	...	...	...	...	60,751	61,221	61,221
Monies held in Trust	7,691	...	...	...	...	...	7,691	7,691
<b>Total</b>	<b>17,022</b>	...	...	...	...	<b>60,751</b>	<b>77,773</b>	<b>77,773</b>

## 2016

Maturity analysis for financial liabilities:								
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
<b>Financial liabilities</b>								
Payables	10,680	...	...	...	...	...	10,680	10,680
Interest bearing liabilities	470	...	...	...	...	54,272	54,742	54,742
Monies held in Trust	7,054	...	...	...	...	...	7,054	7,054
<b>Total</b>	<b>18,204</b>	...	...	...	...	<b>54,272</b>	<b>72,476</b>	<b>72,476</b>

### (d) Market risk

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

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

	2017 \$'000	2016 \$'000
<b>Fixed rate instruments</b>		
Financial assets	...	...
Less Financial liabilities	(15,000)	(15,000)
<b>Total</b>	<b>(15,000)</b>	<b>(15,000)</b>
<b>Variable rate instruments</b>		
Financial assets	62,122	53,954
Financial liabilities	(310)	(307)
<b>Total</b>	<b>61,812</b>	<b>53,647</b>

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

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

	Statement of Comprehensive Income		Equity	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
	\$'000	\$'000		
<b>30 June 2017</b>				
Cash and deposits	248	(248)	...	...
Loan advances	373	(373)	...	...
Monies held in Trust	(150)	150	...	...
Interest bearing facilities	(3)	3	...	...
<b>Net sensitivity</b>	<b>468</b>	<b>(468)</b>	...	...
<b>30 June 2016</b>				
Cash in Special Deposits and Trust Fund	207	(207)	...	...
Loan advances	333	(333)	...	...
Monies held in Trust	(3)	3	...	...
Interest bearing facilities	(150)	150	...	...
<b>Net sensitivity</b>	<b>387</b>	<b>(387)</b>	...	...

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2016.

## 14.2 Categories of Financial Assets and Liabilities

	2017 \$'000	2016 \$'000
<b>Financial assets</b>		
Cash and deposits	99,754	98,766
Loans and receivables	38,696	34,235
<b>Total</b>	<b>138,450</b>	<b>133,001</b>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	70,082	65,422
<b>Total</b>	<b>70,082</b>	<b>65,422</b>

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

## 14.3 Reclassifications of Financial Assets

The Department has not reclassified any financial assets.

## 14.4 Derecognition of Financial Assets

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

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

	Carrying Amount 2017 \$'000	Net Fair Value 2017 \$'000	Carrying Amount 2016 \$'000	Net Fair Value 2016 \$'000
<b>Financial assets</b>				
Cash at bank	7,508	7,508	5,827	5,827
Cash in Special Deposits and Trust Fund	92,246	92,246	92,939	92,939
Receivables	6,633	6,633	5,585	5,585
Loan advances	37,315	37,309	33,282	33,271
<b>Total financial assets</b>	<b>143,702</b>	<b>143,696</b>	<b>137,633</b>	<b>137,622</b>
<b>Financial liabilities</b>				
Trade creditors	8,861	8,861	10,680	10,680
Interest bearing facilities	61,221	56,863	54,742	49,918
Other financial liabilities:				
Monies held in Trust	7,691	7,691	7,054	7,054
<b>Total financial liabilities</b>	<b>77,773</b>	<b>73,415</b>	<b>72,476</b>	<b>67,652</b>

## 14.6 Net Fair Values of Financial Assets and Liabilities

2017

	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
<b>Financial assets</b>				
Cash at bank	7,508	...	...	7,508
Cash in Special Deposits and Trust Fund	92,246	...	...	92,246
Receivables	...	6,633	...	6,633
Loan advances	...	37,309	...	37,309
<b>Total financial assets</b>	<b>99,754</b>	<b>43,942</b>	<b>...</b>	<b>143,696</b>
<b>Financial liabilities</b>				
Trade creditors	...	8,861	...	8,861
Interest bearing facilities	...	56,863	...	56,863
Other financial liabilities:				
Monies held in Trust	...	7,691	...	7,691
<b>Total financial liabilities</b>	<b>...</b>	<b>73,415</b>	<b>...</b>	<b>73,415</b>

## 2016

	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
<b>Financial assets</b>				
Cash at bank	5,827	...	...	5,827
Cash in Special Deposits and Trust Fund	92,939	...	...	92,939
Receivables	...	5,585	...	5,585
Loan advances	...	33,271	...	33,271
<b>Total financial assets</b>	<b>98,766</b>	<b>38,856</b>	...	<b>137,622</b>
<b>Financial liabilities</b>				
Trade creditors	...	10,680	...	10,680
Interest bearing facilities	...	49,918	...	49,918
Other financial liabilities:				
Monies held in Trust	...	7,054	...	7,054
<b>Total financial liabilities</b>	...	<b>67,652</b>	...	<b>67,652</b>

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

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

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

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

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

#### *Financial Assets*

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

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

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

#### *Financial Liabilities*

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



## Note 15: Details of Consolidated Entities

### 15.1 List of Entities

The following entities have been consolidated by the Department:

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

## Note 16: Notes to Administered Statements

### 16.1 Explanations of Material Variances between Budget and Actual Outcomes

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

#### (a) Schedule of Administered Income and Expenses

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue - recurrent	(i)	87,780	77,500	(10,280)	(12%)
Grants revenue	(ii)	310	2,880	2,570	829%
Other revenue	(iii)	20,348	39,373	19,025	93%
Employee benefits	(iv)	230	1,884	1,654	719%
Supplies and consumables	(v)	136	1,481	1,345	989%
Grants and subsidies	(vi)	87,644	77,869	(9,775)	(11%)
Transfers to the Consolidated Fund	(vii)	75,929	94,383	18,454	24%

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

- (i) Variance is predominantly due to Student only passenger services subsidies \$11M below budget.
- (ii) Variance is predominantly Australian Government funding receipts for the Forest Contractors financial support program \$1.4M, and annual appropriation funding to Forest Practices Authority by way of grant (\$1.4M).
- (iii) Mineral Royalties \$19.0M over budget due to upturn in the mining industry and extraction profits.
- (iv) Difference reflects the budget exclusion of Forest Practices Authority salaries funded from revenues (ie budgets only include salaries funded from the consolidated fund).
- (v) Partly reflects the budget exclusion of Forest Practices Authority expenses funded from revenues (ie budgets only include expenses funded from the consolidated fund) \$0.7M. Secondly, the budget treats the revenue/production cost of custom number plates and other costs incurred in the collection of administered revenues on a net basis, therefore no budget for these expenditures is provided, however Australian Accounting Standards do not allow for the aggregation of revenues and expenditures (+\$0.7M).
- (vi) Variance is predominantly due to Student only passenger services subsidies \$11M below budget, which appears to be a shift in demand to other passenger transport programs.
- (vii) Reflects \$19.0M increase in Mineral Royalties collections.

## (b) Schedule of Administered Assets and Liabilities

Admin Balance Sheet	Note	Budget \$'000	2017 Actual \$'000	2016 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and deposits	(i)	3,186	3,910	3,515	724	395

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

(i) Variance reflects \$0.4M increase in third party Motor Registry revenue collections held over the year end, and increased cash holdings by Forests Practices Authority (+\$0.2M)

## (c) Schedule of Administered Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation receipts - recurrent	(i)	87,780	77,500	(10,280)	(12%)
Grants revenue	(ii)	310	2,878	2,568	828%
Other cash receipts	(iii)	20,348	39,359	19,111	94%
Employee benefits	(iv)	(230)	(1,766)	(1,536)	(668%)
Grants and subsidies	(v)	(87,644)	(78,463)	9,181	(10%)
Transfers to the Consolidated Fund	(vi)	(75,929)	(94,383)	(18,454)	24%
Other cash payments	(vii)	(136)	(1,747)	(1,611)	1,185%

### Notes to Schedule of Administered Cash Flow variances

(i) Variance is predominantly due to Student only passenger services subsidies \$11M below budget.

(ii) Variance is predominantly Australian Government funding receipts for the Forest Contractors financial support program \$1.4M, and annual appropriation funding to Forest Practices Authority by way of grant (\$1.4M).

(iii) Mineral Royalties \$19.0M over budget due to upturn in the mining industry and extraction profits.

(iv) Difference reflects the budget exclusion of Forest Practices Authority salaries funded from revenues (ie budgets only include salaries funded from the consolidated fund).

(v) Variance is predominantly due to Student only passenger services subsidies \$11M below budget, which appears to be a shift in demand to other passenger transport programs.

(vi) Reflects \$19.0M increase in Mineral Royalties collections.

(vii) Partly reflects the budget exclusion of Forest Practices Authority expenses funded from revenues (ie budgets only include expenses funded from the consolidated fund) \$0.7M. Secondly, the budget treats the revenue/production cost of custom number plates and other costs incurred in the collection of administered revenues on a net basis, therefore no budget for these expenditures is provided, however Australian Accounting Standards do not allow for the aggregation of revenues and expenditures (+\$0.7M).

## 16.2 Administered revenue from Government

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

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

	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
<b>Continuing operations</b>			
Appropriation revenue – recurrent			
Current year	87,780	77,500	79,644
<b>Total</b>	<b>87,780</b>	<b>77,500</b>	<b>79,644</b>

### 16.3 Administered Grants

	2017	2016
	\$'000	\$'000
<i>Continuing operations</i>		
Tasmanian Forestry Agreement	1,426	3,161
Grants from other Government Department	1,444	1,416
Industry contributions	10	26
<b>Total</b>	<b>2,880</b>	<b>4,603</b>
<i>Non-operational capital funding</i>		
Grants from the Australian Government	...	617
<b>Total</b>	<b>...</b>	<b>617</b>
<b>Total revenue from grants</b>	<b>2,880</b>	<b>5,220</b>

### 16.4 Administered State taxation

	2017	2016
	\$'000	\$'000
Vehicle Registration Fees	41,104	39,470
<b>Total</b>	<b>41,104</b>	<b>39,470</b>

### 16.5 Administered Sales of goods and services

	2017	2016
	\$'000	\$'000
<b>Goods</b>		
Mineral Land Rentals	1,039	1,011
Custom Plates	880	912
<b>Services</b>		
MAIB Commission	2,360	2,285
Registration and Licensing	140	130
Forest Practice Plan fees	757	645
Forest Practice consulting fees	99	70
Other	85	87
<b>Total</b>	<b>5,360</b>	<b>5,140</b>

## 16.6 Administered Fees and fines

	2017	2016
	\$'000	\$'000
<b>Regulatory Fees</b>		
Vehicle escorts	217	187
Public Vehicle Licensing	89	289
Fees from Mineral Lands	718	732
Driver Licensing	8,805	8,081
<b>Fines</b>		
Weighbridge	1	1
Other	10	8
<b>Total</b>	<b>9,840</b>	<b>9,298</b>

## 16.7 Administered other revenue

	2017	2016
	\$'000	\$'000
Mineral Royalties	39,401	15,036
Other	(8)	8
<b>Total</b>	<b>39,393</b>	<b>15,044</b>

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

## 16.8 Administered Employee benefits

	2017	2016
	\$'000	\$'000
Wages and salaries	1,553	1,281
Long service leave	124	41
Superannuation	207	157
<b>Total</b>	<b>1,884</b>	<b>1,479</b>

Superannuation expenses relating to defined benefits schemes relate to payments into the Consolidated Fund. The amount of the payment is based on an agency contribution rate determined by the Treasurer, on the advice of the State Actuary. The current contribution is 12.85 per cent (2016: 12.75 per cent) of salary.

Superannuation expenses relating to the defined contribution scheme are paid directly to superannuation funds at a rate of 9.5 per cent (2016: 9.5 per cent) of salary. In addition, departments are also required to pay into the Consolidated Fund a "gap" payment equivalent to 3.35 per cent (2016: 3.25 per cent) of salary in respect of employees who are members of contribution schemes.

## 16.9 Administered Supplies and consumables

	2017	2016
	\$'000	\$'000
Audit fees – financial audit	3	3
Operating Lease costs	81	95
Consultants	354	533
Property services	33	14
Maintenance	1	...
Communications	24	11
Information technology	56	51
Travel and transport	108	88
Advertising and promotion	17	21
Contractor payments	20	174
Personalised number plate production costs	746	416
Other supplies and consumables	38	521
<b>Total</b>	<b>1,481</b>	<b>1,927</b>

## 16.10 Administered Grants and subsidies

	2017	2016
	\$'000	\$'000
<b>Grants</b>		
National Road Transport Commission: Local Government Contribution	1,500	1,500
Private Forests Tasmania	1,520	1,490
Forest Practices Authority	1,444	1,416
Contribution to Marine and Safety Tasmania	1,892	2,092
Tasmanian Railway Pty Ltd	41,866	41,892
Abt Railway	4,500	5,117
Forest Contractors financial support program	962	2,485
Government contribution to the Tasmanian Symphony Orchestra	1,632	1,608
Tasmanian Icon program – Tasmanian Symphony Orchestra	500	500
Ten Days on the Island	1,854	1,330
Theatre Royal	178	178
<b>Total Grants</b>	<b>57,848</b>	<b>59,608</b>
<b>Subsidies</b>		
Student–Only Passenger Services	14,661	17,139
Conveyance Allowances	1,261	1,290
Pensioner Air Travel Subsidy	14	9
Transport Access Scheme	5,143	5,118
<b>Total Subsidies</b>	<b>21,079</b>	<b>23,556</b>
<b>Total</b>	<b>78,927</b>	<b>83,164</b>

## 16.11 Administered Other expenses

	2017	2016
	\$'000	\$'000
Workers Compensation	3	3
Miscellaneous expenses	35	41
<b>Total</b>	<b>38</b>	<b>44</b>

## 16.12 Administered Receivables

	2017	2016
	\$'000	\$'000
Receivables	114	1,857
Less: Provision for impairment	(2)	(2)
<b>Total</b>	<b>112</b>	<b>1,855</b>

Sales of goods and services (inclusive of GST)	17	...
GST receivable	95	43
Other receivables	...	1,812
<b>Total</b>	<b>112</b>	<b>1,855</b>

Settled within 12 months	112	1,855
<b>Total</b>	<b>112</b>	<b>1,855</b>

Reconciliation of movement in provision for impairment of administered receivables	2017	2016
	\$'000	\$'000
Carrying amount at 1 July	2	...
Increase/(decrease) in provision recognised in profit or loss	...	2
<b>Carrying amount at 30 June</b>	<b>2</b>	<b>2</b>

## 16.13 Administered other financial assets

	2017	2016
	\$'000	\$'000
Accrued revenue	55	66
Accrued interest	17	15
<b>Total</b>	<b>72</b>	<b>81</b>

Settled within 12 months	72	81
<b>Total</b>	<b>72</b>	<b>81</b>

## 16.14 Administered other assets

	2017	2016
	\$'000	\$'000
Prepayments	12	6
<b>Total</b>	<b>12</b>	<b>6</b>
Settled within 12 months	12	6
<b>Total</b>	<b>12</b>	<b>6</b>

## 16.15 Administered Payables

	2017	2016
	\$'000	\$'000
Creditors	707	9
Accrued expenses	466	635
<b>Total</b>	<b>1,173</b>	<b>644</b>
Settled within 12 months	1,173	644
<b>Total</b>	<b>1,173</b>	<b>644</b>

Settlement is usually made within 30 days.

## 16.16 Administered Employee benefits

	2017	2016
	\$'000	\$'000
Accrued salaries	13	...
Annual leave	92	71
Long service leave	281	201
<b>Total</b>	<b>386</b>	<b>272</b>
Settled within 12 months	133	99
Settled in more than 12 months	253	173
<b>Total</b>	<b>386</b>	<b>272</b>

## 16.17 Administered Other liabilities

	2017	2016
	\$'000	\$'000
<b>Other liabilities</b>		
Monies held in trust	1,262	2,635
PAYG withholding tax payable	12	...
Other liabilities	3	...
<b>Total</b>	<b>1,277</b>	<b>2,635</b>
Settled within 12 months	1,277	2,635
<b>Total</b>	<b>1,277</b>	<b>2,635</b>

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

## 16.18 Schedule of Administered Commitments

	2017	2016
	\$'000	\$'000
<b>By type</b>		
<i>Lease Commitments</i>		
Operating leases	243	82
<b>Total lease commitments</b>	<b>243</b>	<b>82</b>
<b>By maturity</b>		
<i>Operating lease commitments</i>		
One year or less	128	82
From one to five years	115	...
<b>Total operating lease commitments</b>	<b>243</b>	<b>82</b>
<b>Total</b>	<b>243</b>	<b>82</b>

Note: Commitments are GST exclusive where relevant.

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

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

## 16.19 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.

	2017	2016
	\$'000	\$'000
Special Deposits and Trust Fund balance	1,806	1,551
<b>Total</b>	<b>1,806</b>	<b>1,551</b>
<b>Other cash held</b>		
National Australia Bank term deposit	1,760	1,200
Tascorp Interest Bearing Deposit	344	764
<b>Total</b>	<b>2,104</b>	<b>1,964</b>
<b>Total cash and deposits</b>	<b>3,910</b>	<b>3,515</b>



## 16.20 Reconciliation of Administered Net Result to Net Cash from Administered Operating Activities

	2017 \$'000	2016 \$'000
Net operating result from transactions	(636)	76
Depreciation and amortisation	...	1
Decrease (increase) in Receivables	1,743	(1,828)
Decrease (increase) in Accrued revenue	9	(17)
Decrease (increase) in Prepayments	(6)	10
Increase (decrease) in Employee entitlements	114	(37)
Increase (decrease) in Payables	529	434
Increase (decrease) in Other liabilities	(1,683)	1,631
<b>Net cash from (used by) operating activities</b>	<b>70</b>	<b>270</b>

## 16.21 Administered Financial Instruments

### 16.22 Risk exposures

#### (a) Risk management policies

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

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

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

The Department does not hold any derivative financial instruments.

#### (b) Credit risk exposures

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

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
<b>Financial Assets</b>		
Receivables (including Tax assets)	Recognised upon the provision of a good or service and the issuance of an invoice or claim eg BAS, measured at face value	Payment terms generally 30 days. Collectability of receivables is reviewed at balance date and a provision for impairment raised when collection of a debt is judged to be doubtful.
Cash and deposits	Recognised upon receipt of cash, measured at face value	At call
Other financial assets (eg accrued revenue)	Recognised upon the accrual of the future benefit, measured at face value	Majority of accrued revenues are settled within 6 months

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Department's maximum exposure to credit risk. The Department is not exposed to credit risk of any significance.

The following tables analyse financial assets that are past due but not impaired:

Analysis of financial assets that are past due at 30 June 2017 but not impaired				
	Past due 31 to 60 days \$'000	Past due 61 to 90 days \$'000	Past due over 90 days \$'000	Total \$'000
Receivables	...	...	...	...

Analysis of financial assets that are past due at 30 June 2016 but not impaired				
	Past due 31 to 60 days \$'000	Past due 61 to 90 days \$'000	Past due over 90 days \$'000	Total \$'000
Receivables	...	...	...	...

### (c) Liquidity risk

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

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

#### 2017

Maturity analysis for financial liabilities:								
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
<b>Financial liabilities</b>								
Payables	1,173	...	...	...	...	...	1,173	1,173
Monies held in Trust	1,262	...	...	...	...	...	1,262	1,262
<b>Total</b>	<b>2,435</b>	...	...	...	...	...	<b>2,435</b>	<b>2,435</b>

#### 2016

Maturity analysis for financial liabilities:								
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
<b>Financial liabilities</b>								
Payables	644	...	...	...	...	...	644	644
Monies held in Trust	2,635	...	...	...	...	...	2,635	2,635
<b>Total</b>	<b>3,279</b>	...	...	...	...	...	<b>3,279</b>	<b>3,279</b>

#### (d) Market risk

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

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

	2017	2016
	\$'000	\$'000
<b>Fixed rate instruments</b>		
Financial assets	1,760	1,200
Financial liabilities	...	...
<b>Total</b>	<b>1,760</b>	<b>1,200</b>
<b>Variable rate instruments</b>		
Financial assets	344	764
Financial liabilities	...	...
<b>Total</b>	<b>344</b>	<b>764</b>

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

	Sensitivity Analysis of Department's Exposure to Possible Changes in Interest Rates:			
	Statement of Comprehensive Income		Equity	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
	\$'000	\$'000	\$'000	\$'000
<b>30 June 2017</b>				
Cash and deposits	21	(21)	...	...
<b>Net sensitivity</b>	<b>21</b>	<b>(21)</b>	...	...
<b>30 June 2016</b>				
Cash and deposits	20	(20)	...	...
<b>Net sensitivity</b>	<b>20</b>	<b>(20)</b>	...	...

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2016.

### 16.23 Categories of Administered Financial Assets and Liabilities

	2017	2016
	\$'000	\$'000
<b>Financial assets</b>		
Cash and deposits	3,910	3,515
Receivables and accrued revenue	184	1,936
<b>Total</b>	<b>4,094</b>	<b>5,451</b>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	2,450	3,279
<b>Total</b>	<b>2,450</b>	<b>3,279</b>

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

## 16.24 Reclassifications of Administered Financial Assets

The Department has not reclassified any financial assets.

## 16.25 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.

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

	Carrying Amount 2017 \$'000	Net Fair Value 2017 \$'000	Carrying Amount 2016 \$'000	Net fair Value 2016 \$'000
<b>Financial assets</b>				
Cash and deposits	3,910	3,910	3,515	3,515
Receivables	112	112	1,855	1,855
Other financial assets:				
Accrued revenue	72	72	81	81
<b>Total financial assets</b>	<b>4,094</b>	<b>4,094</b>	<b>5,451</b>	<b>5,451</b>
<b>Financial liabilities</b>				
Trade creditors	1,173	1,173	644	644
Other financial liabilities:				
Monies held in Trust	1,262	1,262	2,635	2,635
<b>Total financial liabilities</b>	<b>2,435</b>	<b>2,435</b>	<b>3,279</b>	<b>3,279</b>

## 16.27 Net Fair Values of Administered Financial Assets and Liabilities

2017	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
<b>Financial assets</b>				
Cash at Tascorp	...	1,760	...	1,760
National Australia Bank term deposit	...	344	...	344
Cash in Special Deposits and Trust Fund	...	1,806	...	1,806
Receivables	...	...	112	112
Other financial assets:				
Accrued revenue and interest	...	...	72	72
<b>Total financial assets</b>	<b>...</b>	<b>3,910</b>	<b>184</b>	<b>4,094</b>
<b>Financial liabilities</b>				
Trade creditors	...	...	1,173	1,173
Other financial liabilities:				
Monies held in Trust	...	1,262	...	1,262
<b>Total financial liabilities</b>	<b>...</b>	<b>1,262</b>	<b>1,173</b>	<b>2,435</b>

2016	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
<b>Financial assets</b>				
Cash at Tascorp	...	764	...	764
National Australia Bank term deposit	...	1,200	...	1,200
Cash in Special Deposits and Trust Fund	...	1,551	...	1,551
Receivables	...	...	1,855	1,855
Other financial assets:				
Accrued revenue and interest	...	...	81	81
<b>Total financial assets</b>	...	<b>3,515</b>	<b>1,936</b>	<b>5,451</b>
<b>Financial liabilities</b>				
Trade creditors	...	...	644	644
Other financial liabilities:				
Monies held in Trust	...	2,635	...	2,635
<b>Total financial liabilities</b>	...	<b>2,635</b>	<b>644</b>	<b>3,279</b>

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

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

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

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

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

#### *Administered Financial Assets*

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

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

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

#### *Financial Liabilities*

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

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

Account/Activity	Opening balance \$'000	Net transactions during 2016–17 \$'000	Closing balance \$'000
Monies collected on behalf of external bodies through Motor Registrations	937	307,660	
Less: Monies collected through Motor Registrations transferred to external bodies		(307,335)	1,262
Agreement for the Conservation of Albatrosses and Petrels (ACAP)	419	21	440
Brand Tasmania Council Incorporated	18	56	74
Mine Rehabilitation Bonds	5,753	708	6,461
Pacific National Compensation Fund	61	1	62
Provision for land acquisition	1,084	...	1,084

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

- » Motor tax, including Heavy Vehicles motor tax;
- » Duties;
- » Motor Accidents Insurance Board premiums;
- » State Fire Service levy; and
- » Federal Interstate Registration Scheme payments.

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

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

## Note 18: Events Occurring After Balance Date

The Federal Government has committed to provide a further \$10 million in the form of an additional loan to the State for the second stage of the Farm Business Concessional Loan scheme.

Tasmanian Development and Resources (TDR) has committed to a \$12 million State guarantee for the ANZ Bank funding of the construction of the Silo Hotel in Launceston. Crown Law are currently preparing the guarantee documents and it is expected that the initial drawdown by the client against its loan with ANZ will be in September 2017 at which time the contingent liability will commence.

New legislation that has been approved by the House of Representatives and tabled in the Legislative Council, is likely to be enacted to establish the Board of Trustees of the Tasmanian Museum and Art Gallery as a Statutory Authority.

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## Note 19: Other Significant Accounting Policies and Judgements

### 19.1 Objectives and Funding

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

The Department of State Growth was largely an amalgamation of the former Department of Infrastructure Energy and Resources (DIER) and the former Department of Economic Development, Tourism and the Arts (DEDTA). The part of the Department of Education known as Skills Tasmania was amalgamated with the Department of State Growth. The part of the Department of State Growth known as Sport and Recreation Tasmania was amalgamated with the Department of Premier and Cabinet. The statutory authority Tourism Tasmania a division of the former DEDTA became a State authority in its own right. The departmental restructure took effect from 1 July 2014. The administrative change resulted in changing DIER's name to the Department of State Growth from 1 July 2014.

The Department provides portfolio support for the following Ministers:

- » Minister for Tourism, Hospitality and Events
- » Minister for State Growth
- » Minister for Energy
- » Minister for Infrastructure
- » Minister for Resources
- » Minister for the Arts
- » Minister for Information Technology and Innovation

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.

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## 19.2 Basis of Accounting

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

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

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

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

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

## 19.3 Reporting Entity

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

Refer to Note 15 for Consolidated Entities.

## 19.4 Functional and Presentation Currency

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

## 19.5 Changes in Accounting Policies

### (a) Impact of new and revised Accounting Standards

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

- » 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* – The objective of this Standard is to make amendments to AASB 124 *Related Party Disclosures* to extend the scope of that Standard to include not-for-profit public sector entities. This Standard applies to annual reporting periods beginning on or after 1 July 2016. The impact is increased disclosure in relation to related parties. There is no financial impact.
- » 2015-10 *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128* - The objective of this Standard is to make amendments to AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* as a consequence of the issuance of International Financial Reporting Standard *Effective Date of Amendment to IFRS 10 and IAS 28* by the International Accounting Standards Board in December 2015. This Standard applies to annual reporting periods beginning on or after 1 January 2016. The impact is a revised application date. There is no financial impact.

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

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

- » AASB 9 *Financial Instruments* and 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9* (December 2014) - the objective of these Standards is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant information to users of financial statements for their assessment of the amounts, timing, uncertainty of an entity's future cash flows, and to make amendments to various accounting standards as a consequence of the issuance of AASB 9. These standards apply to annual reporting periods beginning on or after 1 January 2018. The potential financial impact of the Standard has not yet been determined.
- » AASB 15 *Revenue from Contracts with Customers* – The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, an uncertainty of revenue and cash flows arising from a contract with a customer. In accordance with 2016-7 *Amendments to Australian Accounting Standards - Effective Date of AAS 15*, for not for profit entities this Standard applies to annual reporting periods beginning on or after 1 January 2019. Where an entity applies the Standard to an earlier annual reporting period, it shall disclose that fact. The potential financial impact of the Standard has not yet been determined.



- » 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15* – The objective of this Standard is to make amendments to Australian Accounting Standards and Interpretations arising from the issuance of AASB 15 *Revenue from Contracts with Customers*. This Standard applies when AASB 15 is applied, except that the amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply to annual reporting periods beginning on or after 1 January 2018. This Standard shall be applied when AASB 15 is applied. The Department has not yet determined the potential effect of the revised Standard on the Department's Financial Statements.
- » 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* – The objective of this Standard is to amend AASB 107 *Statement of Cash Flows* to require entities preparing statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This Standard applies to annual periods beginning on or after 1 January 2017. The impact is increased disclosure in relation to cash flows and non-cash changes.
- » 2016-3 *Amendments to Australian Accounting Standards - Clarifications to AASB 15* - The objective of this Standard is to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. This Standard applies to annual periods beginning on or after 1 January 2018. The impact is enhanced disclosure in relation to revenue. The potential financial impact of the Standard has not yet been determined.
- » AASB 16 *Leases* – The objective of this Standard is to introduce a single lessee accounting model and require a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to leases. The potential financial impact of the Standard has not yet been determined.
- » 2016-4 *Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities* - The objective of this Standard is to amend AASB 136 *Impairment of Assets* to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities and to clarify that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 does not apply to such assets that are regularly revalued to fair value under the revaluation model in AASB 116 and AASB 138, and AASB 136 applies to such assets accounted for under the cost model in AASB 116 and AASB 138. This Standard applies to annual reporting periods beginning on or after 1 January 2017. The impact is enhanced disclosure in relation to non-cash-generating specialised assets of not-for-profit entities. The potential financial impact of the Standard has not yet been determined.
- » AASB 1058 *Income of Not-for-Profit Entities* - The objective of this Standard is to establish principles for not-for-profit entities that apply to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives, and the receipt of volunteer services. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to income of not-for-profit entities. The potential financial impact of the Standard has not yet been determined.

### (c) Correction of asset omission

During 2016/17, two properties owned by the Department for a number of years were identified as not included in the Department's asset register, and therefore have not been reported in past financial statements. The omission of these assets has been corrected and the impact of the correction is as follows:

	2016 \$'000
<b>Statement of Comprehensive Income</b>	
Net result	11,415
Adjustment to expenditure, recognising capitalisation of asset acquisition	2,620
Net result including expected impact	14,035
<b>Statement of Financial Position</b>	
Net assets (liabilities)	4,642,457
Adjustment to land and buildings, recognising capitalisation of asset acquisition	2,620
Net assets including expected impact	4,645,077

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## 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 15.

## 19.7 Foreign Currency

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

## 19.8 Comparative Figures

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards. Details of the impact of changes in accounting policy on comparative figures are at Note 19.5.

Where amounts have been reclassified within the Financial Statements, the comparative statements have been restated.

Restructures of Outputs within the Department (internal restructures) that do not affect the results shown on the face of the Financial Statements are reflected in the comparatives in the Output Schedules at Note 2.

## 19.9 Budget Information

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

## 19.10 Rounding

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

## 19.11 Departmental Taxation

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

## 19.12 Goods and Services Tax

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

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



## Independent Auditor's Report

### To the Members of the Parliament

### Department of State Growth

### Report on the Audit of the Financial Statements

#### Opinion

I have audited the financial statements of the Department of State Growth (the Department), which comprise the statement of financial position as at 30 June 2017 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement by the Secretary of the Department.

In my opinion, the accompanying financial statements:

- (a) present fairly, in all material respects, the Department's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year then ended
- (b) are in accordance with the *Financial Management and Audit Act 1990* and Australian Accounting Standards.

#### Basis for Opinion

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

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

...1 of 3

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.  
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

*Strive | Lead | Excel | To Make a Difference*

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

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

### **Responsibilities of the Secretary for the Financial Statements**

The Secretary is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, and the financial reporting requirements of Section 27 (1) of the *Financial Management and Audit Act 1990*. This responsibility includes such internal control as determined necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
- 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

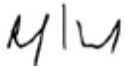
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required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's 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.



Rod Whitehead  
**Auditor-General**

**Tasmanian Audit Office**

28 September 2017  
Hobart



# Financial Statements

for the year ended 30 June 2017

ABT RAILWAY MINISTERIAL CORPORATION

## ABT RAILWAY MINISTERIAL CORPORATION

### Statement of Comprehensive Income for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
<b>Continuing operations</b>			
<b>Revenue and other income from transactions</b>			
Revenue from Government			
Appropriation revenue – recurrent	1.3(a)	4,560	4,560
Australian Government Grants	1.3(b)	...	868
Sales of goods and services	1.3(c), 3.1	4,240	3,273
Other revenue	1.3(d), 3.2	122	157
<b>Total revenue and other income from transactions</b>		<b>8,922</b>	<b>8,858</b>
<b>Expenses from transactions</b>			
Employee benefits	1.4(a)	3,018	2,304
Superannuation	1.4(a)	268	225
Depreciation and amortisation	1.4(b)	1,707	1,645
Supplies and consumables:	1.4(c), 4.1	3,064	2,558
<b>Total expenses from transactions</b>		<b>8,057</b>	<b>6,732</b>
<b>Net result from transactions (net operating balance)</b>		<b>865</b>	<b>2,126</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	5.1	(2)	...
<b>Total other economic flows included in net result</b>		<b>(2)</b>	<b>...</b>
<b>Net result from continuing operations</b>		<b>863</b>	<b>2,126</b>
<b>Net result</b>		<b>863</b>	<b>2,126</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in physical asset revaluation reserve	10.1	4,677	...
<b>Total other comprehensive income</b>		<b>4,677</b>	<b>...</b>
<b>Comprehensive result</b>		<b>5,540</b>	<b>2,126</b>

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



## ABT RAILWAY MINISTERIAL CORPORATION

### Statement of Financial Position as at 30 June 2017

	Notes	2017 \$'000	2016 \$'000
<b>Assets</b>			
<i>Financial assets</i>			
Cash and deposits	1.6(a), 8.1	8,303	6,601
Receivables	1.6(b)	62	24
Prepayments		518	522
Goods & Services Tax		38	48
<i>Non-financial assets</i>			
Inventory	1.6(c)	148	113
Plant and equipment	1.6(d), 6.1	5,989	4,784
Land & Buildings	1.6(d), 6.1	5,845	4,799
Infrastructure	1.6(d), 6.1	24,100	22,278
<b>Total assets</b>		<b>45,003</b>	<b>39,169</b>
<b>Liabilities</b>			
Payables	1.7(a), 7.1	473	276
Income in Advance	1.7(b)	158	116
Employee benefits	1.7(c), 7.2	352	297
<b>Total liabilities</b>		<b>983</b>	<b>689</b>
<b>Net assets (liabilities)</b>		<b>44,020</b>	<b>38,480</b>
<b>Equity</b>			
Accumulated funds		30,780	29,917
Reserves		13,240	8,563
<b>Total equity</b>		<b>44,020</b>	<b>38,480</b>

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

## ABT RAILWAY MINISTERIAL CORPORATION

### Statement of Cash Flows for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
		Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Revenue from Government			
Appropriation revenue – recurrent		4,560	4,560
Australian Government Grants		...	868
Other cash receipts		4,832	3,554
<b>Total cash inflows</b>		<b>9,392</b>	<b>8,982</b>
<b>Cash outflows</b>			
Employee benefits		(3,240)	(2,885)
Supplies and consumables		(3,236)	(2,485)
<b>Total cash outflows</b>		<b>(6,476)</b>	<b>(5,370)</b>
<b>Net cash from operating activities</b>	8.2	<b>2,916</b>	<b>3,612</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Payments for acquisition of non-financial assets		(1,214)	(162)
<b>Total cash outflows</b>		<b>(1,215)</b>	<b>(162)</b>
<b>Net cash from investing activities</b>		<b>(1,215)</b>	<b>(162)</b>
<b>Net increase in cash held and cash equivalents</b>		<b>1,701</b>	<b>3,450</b>
<b>Cash and deposits at the beginning of the reporting period</b>		<b>6,601</b>	<b>3,151</b>
<b>Cash and deposits at the end of the reporting period</b>	8.1	<b>8,303</b>	<b>6,601</b>

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

## ABT RAILWAY MINISTERIAL CORPORATION

### Statement of Changes in Equity for the year ended 30 June 2017

	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
Balance as at 1 July 2016	8,563	29,917	38,480
Comprehensive result	4,677	863	5,540
Balance as at 30 June 2017	13,240	30,780	44,020

	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
Balance as at 1 July 2015	8,563	27,791	36,354
Comprehensive result	...	2,126	2,126
Balance as at 30 June 2016	8,563	29,917	38,480

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

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# Notes to and forming part of the Special Purpose Financial Statements for the year ended 30 June 2017

## Note I: Significant Accounting Policies

### 1.1 Objectives and Funding

The Abt Railway Ministerial Corporation (the Ministerial Corporation) is a body corporate, established by the *Abt Railway Development Act 1999*.

The main activity of Abt Railway is passenger and freight services between Queenstown Station and Regatta Point Station at Strahan. The railway provides the only means of access between Lowana and Lower Landing (Teepookana Plateau), which is State Forest under the control of Forestry Tasmania (FT).

Since the 1st May 2014, the West Coast Wilderness Railway (WCWR) has been managed by the Ministerial Corporation. Passenger and freight services were suspended during 2013 allowing for infrastructure maintenance and capital improvements to be undertaken. The WCWR tourist railway was re-opened for business in January 2014.

### 1.2 Basis of Accounting

As there are no users dependent on a general purpose financial report, the financial statements are therefore a special purpose financial report that has been prepared in order to meet the financial reporting obligations of the Corporation.

The special purpose financial statements of Abt Railway Ministerial Corporation have been prepared in compliance with the *Abt Railway Development Act 1999* and the *Audit Act 2008*.

These Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flow', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation and Application of Standards', AASB1054 'Australian Additional Procedures' and AASB 116 'Property Plant and Equipment'.

The financial statements have been prepared as a going concern.

The financial statements were signed by the Delegate of the Minister on 11 August 2017, and resigned by the Delegate of the Minister on 27 September 2017.

### 1.3 Income from transactions

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

#### (a) Revenue from Government

Appropriations, whether recurrent or capital, are recognised as revenues in the period in which the Ministerial Corporation gains control of the appropriated funds.

#### (b) Grants

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

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

#### (c) Sales of goods and services

Amounts earned in exchange for the provision of goods are recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the provision of services is recognised in proportion to the stage of completion of the transaction at the reporting date.

#### (d) Other revenue

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

## 1.4 Expenses from transactions

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

### (a) Employee benefits

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

### (b) Depreciation and amortisation

All applicable Non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential.

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

Asset	Estimated Useful Life (years)	Depreciation Rate (per annum)	Method
Tracks, bridges, structures, culverts and station buildings	20 - 100	1.00% - 5.00%	Straight Line
Railway carriages	30 - 75	1.33% - 3.33%	Straight Line
Locomotives	25	4.00%	Straight Line
Buildings	20 - 30	3.33% - 5.00%	Straight Line
Rail wagons	5	20.00%	Straight Line
Plant and equipment	5	20.00%	Straight Line

### (c) Other expenses

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

## 1.5 Other Economic Flows included in Net Result

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

### (a) Gain/(loss) on non-financial assets

Gains or losses from the disposal of Non-financial assets are recognised when control of the assets has passed from the Ministerial Corporation.

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## 1.6 Assets

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

### (a) Cash and deposits

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund.

### (b) Receivables

Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value. Impairment losses are recognised when there is an indication that there is a measurable decrease in the collectability of receivables.

### (c) Inventories

Inventories held for distribution are valued at cost adjusted, when applicable, for any loss of service potential.

### (d) Infrastructure, property, plant and equipment

#### (i) Valuation basis

ABT Railway infrastructure comprises of the rail track, bridges, culverts, sidings, ramps and earthworks. Railway infrastructure is revalued every 5 years on a depreciated replacement cost basis, with the last valuation completed in June 2017 by Australian Valuation Solutions. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

Land and buildings are recorded at fair value less accumulated depreciation, and are revalued every 5 years by Australian Valuation Solutions, the last valuation completed in June 2017. The land valuation was based on a market approach and buildings were based on both a market approach and depreciated replacement cost basis

Railway Rolling Stock is revalued every 5 years on both a market approach and depreciated replacement cost basis, with the last valuation completed in June 2017 by Australian Valuation Solutions. Replacement cost is based on the estimated current cost to build similar assets, which are depreciated on a straight line basis on the expired proportion of the estimated useful life of the assets.

The next valuation for all classes of assets is required on 30th June 2022.

#### (ii) Asset recognition threshold

The asset capitalisation threshold adopted by the Ministerial Corporation is \$5,000. Assets valued at less than \$5,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

## 1.7 Liabilities

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

### (a) Payables

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

### (b) Employee benefits

Income in Advance is from advance ticketing sales where customers have prepaid their ticket and have yet to receive the service. The income is recognised in the period when the service is provided.

### (c) Employee benefits

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

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

## 1.8 Changes in Accounting Policies

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

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

- » AASB 15 *Revenue from Contracts with Customers* – The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, an uncertainty of revenue and cash flows arising from a contract with a customer. In accordance with 2016-7 *Amendments to Australian Accounting Standards - Effective Date of AAS 15*, for not for profit entities this Standard applies to annual reporting periods beginning on or after 1 January 2019. Where an entity applies the Standard to an earlier annual reporting period, it shall disclose that fact. The potential financial impact of the Standard has not yet been determined.
- » 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15* – The objective of this Standard is to make amendments to Australian Accounting Standards and Interpretations arising from the issuance of AASB 15 *Revenue from Contracts with Customers*. This Standard applies when AASB 15 is applied, except that the amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply to annual reporting periods beginning on or after 1 January 2018. This Standard shall be applied when AASB 15 is applied. The Ministerial Corporation has not yet determined the potential effect of the revised Standard on the Financial Statements.
- » 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* – The objective of this Standard is to amend AASB 107 *Statement of Cash Flows* to require entities preparing statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This Standard applies to annual periods beginning on or after 1 January 2017. The impact is increased disclosure in relation to cash flows and non-cash changes.
- » 2016-3 *Amendments to Australian Accounting Standards - Clarifications to AASB 15* - The objective of this Standard is to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. This Standard applies to annual periods beginning on or after 1 January 2018. The impact is enhanced disclosure in relation to revenue. The potential financial impact of the Standard has not yet been determined.
- » AASB 16 *Leases* – The objective of this Standard is to introduce a single lessee accounting model and require a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to leases. The potential financial impact of the Standard has not yet been determined.
- » 2016-4 *Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities* - The objective of this Standard is to amend AASB 136 *Impairment of Assets* to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities and to clarify that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 does not apply to such assets that are regularly revalued to fair value under the revaluation model in AASB 116 and AASB 138, and AASB 136 applies to such assets accounted for under the cost model in AASB 116 and AASB 138. This Standard applies to annual reporting periods beginning on or after 1 January 2017. The impact is enhanced disclosure in relation to non-cash-generating specialised assets of not-for-profit entities. The potential financial impact of the Standard has not yet been determined.
- » AASB 1058 *Income of Not-for-Profit Entities* - The objective of this Standard is to establish principles for not-for-profit entities that apply to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives, and the receipt of volunteer services. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to income of not-for-profit entities. The potential financial impact of the Standard has not yet been determined.

## Note 2: Events after Balance

There have been no events subsequent to balance date which would have a material effect of the Ministerial Corporation's Financial Statements as at 30 June 2017.

## Note 3: Income from transactions

### 3.1 Sales of goods and services

	2017 \$'000	2016 \$'000
Ticket sales – West Coast Wilderness Railway	3,202	2,543
Café sales	860	560
Retail sales	178	170
<b>Total</b>	<b>4,240</b>	<b>3,273</b>

### 3.2 Other revenue

	2017 \$'000	2016 \$'000
Interest Received	57	42
Miscellaneous revenue	65	115
<b>Total</b>	<b>122</b>	<b>157</b>

## Note 4: Expenses from transactions

### 4.1 Supplies and consumables

	2017 \$'000	2016 \$'000
Advertising and promotion	251	132
Communications	42	37
Consultants	113	75
Cost of sales	488	388
Insurance	632	700
IT	44	43
Maintenance	254	155
Motor vehicle running costs	129	93
Other employee costs	132	189
Other supplies and consumables	342	204
Property services	203	177
Rail operations	410	352
Travel and transport	24	13
<b>Total</b>	<b>3,064</b>	<b>2,558</b>



## Note 5: Other economic flows included in net result

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

	2017 \$'000	2016 \$'000
Revaluation decrement of ARMC land applied to Statement of Comprehensive Income	(2)	...
<b>Total</b>	<b>(2)</b>	<b>...</b>

## Note 6: Assets

### 6.1 Infrastructure, property, plant and equipment

#### (a) Carrying amount

	Note	2017 \$'000	2016 \$'000
<b>Plant and equipment:</b>			
<b>Plant and equipment (at cost)</b>			
At cost		2,299	1,752
Less: Accumulated depreciation		(881)	(502)
<b>Total</b>	1.6(d)(i)	<b>1,418</b>	<b>1,250</b>
<b>Railway Rolling Stock (at fair value)</b>			
At fair value		4,571	6,760
Less: Accumulated depreciation		....	(3,226)
<b>Total</b>	1.6(d)(i)	<b>4,571</b>	<b>3,534</b>
<b>Total Plant and equipment</b>		<b>5,989</b>	<b>4,784</b>
<b>Land and Buildings:</b>			
<b>Land (at fair value)</b>			
At fair value		975	1,100
<b>Total</b>	1.6(d)(i)	<b>975</b>	<b>1,100</b>
<b>Buildings (at fair value)</b>			
At fair value		4,870	4,476
Less: Accumulated depreciation		....	(777)
<b>Total</b>	1.6(d)(i)	<b>4,870</b>	<b>3,699</b>
<b>Total Land and Buildings</b>		<b>5,845</b>	<b>4,799</b>
<b>Abt Railway infrastructure (at fair value)</b>			
At fair value		24,100	33,239
Less: Accumulated depreciation		....	(10,961)
<b>Total</b>	1.6(d)(i)	<b>24,100</b>	<b>22,278</b>
<b>Total infrastructure, property, plant and equipment</b>		<b>35,934</b>	<b>31,861</b>

## (b) Reconciliation of infrastructure, property, plant and equipment

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

2017	Land \$'000	Buildings \$'000	Railway Rolling Stock \$'000	Abt Railway Infras- tructure \$'000	Plant and Equipment \$'000	Total \$'000
Carrying value at 1 July 2016	1,100	3,699	3,534	22,278	1,250	31,861
Additions	...	404	61	92	547	1,104
Disposals						
Depreciation		(236)	(260)	(832)	(379)	(1,707)
Revaluation	(125)	1,003	1,236	2,563		4,677
Carrying value at 30 June 2017	975	4,870	4,571	24,100	1,418	35,934

2016	Land \$'000	Buildings \$'000	Railway Rolling Stock \$'000	Abt Railway Infras- tructure \$'000	Plant and Equipment \$'000	Total \$'000
Carrying value at 1 July 2015	1,100	3,908	3,819	23,038	1,479	33,344
Additions	...	14		70	78	162
Disposals						
Depreciation	...	(223)	(285)	(830)	(307)	(1,645)
Carrying value at 30 June 2016	1,100	3,699	3,534	22,278	1,250	31,861

## Note 7: Liabilities

### 7.1 Payables

	2017 \$'000	2016 \$'000
Creditors	416	233
Payroll Liabilities	57	43
<b>Total</b>	<b>473</b>	<b>276</b>
Settled within 12 months	473	276
<b>Total</b>	<b>473</b>	<b>276</b>

Settlement is usually made within 30 days

## 7.2 Employee benefits

	2017 \$'000	2016 \$'000
Accrued salaries	36	27
Annual leave	176	153
Long service leave	140	117
<b>Total</b>	<b>352</b>	<b>297</b>
Settled within 12 months	328	244
Settled in more than 12 months	24	53
<b>Total</b>	<b>352</b>	<b>297</b>

## Note 8: Cash Flow Reconciliation

### 8.1 Cash and deposits

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

	2017 \$'000	2016 \$'000
Special Deposits and Trust Fund balance	803	782
<b>Total Special Deposits and Trust Fund</b>	<b>803</b>	<b>782</b>
<b>Deposits:</b>		
Commonwealth Bank cheque account (Queenstown)	479	780
Commonwealth Bank online saver	...	5,034
Commonwealth Bank term deposit	7,015	...
Till Float & Petty Cash (Queenstown)	6	5
<b>Total Deposits</b>	<b>7,500</b>	<b>5,819</b>
<b>Total Cash and deposits</b>	<b>8,303</b>	<b>6,601</b>

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

	2017 \$'000	2016 \$'000
Net result	865	2,126
<i>Non-cash expenses:</i>		
Decrease (increase) in Stock	(35)	(34)
Depreciation and amortisation	1,707	1,645
Increase (decrease) in monies held in trust	...	(226)
Decrease (increase) in Receivables	(38)	6
Decrease (increase) in Prepayments	4	(41)
Increase (decrease) in Employee entitlements	56	40
Increase (decrease) in Payables	318	75
Increase (decrease) in Income in Advance	39	33
<b>Net cash from (used by) operating activities</b>	<b>2,916</b>	<b>3,612</b>

## Note 9: Commitments and Contingent Liabilities

### 9.1 Schedule of Commitments

	2017 \$'000	2016 \$'000
<b>By type</b>		
<i>Capital commitments</i>		
Plant and Equipment/Buildings	2,075	12
Railway Infrastructure	520	541
<i>Total capital commitments</i>	<b>2,595</b>	<b>553</b>
<i>Lease Commitments</i>		
Operating leases	169	105
<i>Total lease commitments</i>	<b>169</b>	<b>105</b>
<b>By maturity</b>		
<i>Capital commitments</i>		
One year or less	2,595	553
<i>Total capital commitments</i>	<b>2,595</b>	<b>553</b>
<i>Operating lease commitments</i>		
One year or less	76	50
From one to five years	93	55
<i>Total operating lease commitments</i>	<b>169</b>	<b>105</b>
<b>Total</b>	<b>2,764</b>	<b>658</b>

The ARMC has entered into a number of operating lease agreements for vehicles, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease 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.

Operating leases were for the following vehicles:

- » Ford Ranger
- » Ford Ranger
- » Volkswagon Amarok
- » Nissan X Trail
- » Holden Colorado
- » Subaru Forester
- » Subaru Forester
- » Hydraulic Power Pack

### 9.2 Contingent Assets and Liabilities

The Ministerial Corporation has not identified nor recognised any contingent assets or liabilities as at 30 June 2017.

## Note 10: Reserves

### 10.1 Reserves

2017	Land	Buildings	Other Infrastructure	Rolling Stock	Total
Asset revaluation reserve	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2017	123	2,025	6,415	...	8,563
Revaluation increments/ (decrements)	(123)	1,001	2,563	1,236	4,677
Impairment losses	...	...	...	...	...
Reversals of impairment losses	...	...	...	...	...
Balance at 30 June 2017	...	3,026	8,978	1,236	13,240

2016	Land	Buildings	Other Infrastructure	Rolling Stock	Total
Asset revaluation reserve	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2016	123	2,025	6,415	...	8,563
Revaluation increments/ (decrements)	...	...	...	...	...
Impairment losses	...	...	...	...	...
Reversals of impairment losses	...	...	...	...	...
Balance at 30 June 2016	123	2,025	6,415	...	8,563

#### (a) Nature and purpose of reserves

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

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## Certification of Financial Statements for the year ended 30 June 2017

The accompanying special purpose financial statement of Abt Railway Ministerial Corporation is in agreement with the relevant accounts and records and has been prepared in compliance with the *Abt Railway Development Act 1999 and the Audit Act 2008* to present fairly the financial transactions for the year ended 30 June 2017 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.



**Gary Swain**

(Delegate of the Minister)

Date 27 September 2017



## **Independent Auditor's Report**

### **To Members of Parliament**

#### **Report on the Audit of the Special Purpose Financial Report**

### **Opinion**

I have audited the accompanying financial report, being a special purpose financial report of the Abt Railway Ministerial Corporation (the Corporation), which comprises the statement of financial position as at 30 June 2017 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies and other explanatory information and the statement of compliance by the Delegate of the Minister.

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Corporation as at 30 June 2017, and of its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Section 17 of the *Audit Act 2008*.

### **Basis for Opinion**

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

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

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

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### **Emphasis of Matter - Basis of Accounting**

I draw attention to Note 1.2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Corporation to meet the financial reporting requirements of the *Audit Act 2008*. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

### **Responsibilities of the Delegate of the Minister for the Financial Report**

The Delegate of the Minister (the Delegate) is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Audit Act 2008* and for such internal control as they determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Delegate is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting, unless the Corporation is to be dissolved by an Act of Parliament, or the Delegate intends to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Delegate.
- Conclude on the appropriateness of the Delegate's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

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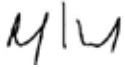


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exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

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

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



Rod Whitehead  
**Auditor-General**

**Tasmanian Audit Office**

27 September 2017  
Hobart

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