# Tasmania Development and Resources

# Annual Report 2020–21

Department of State Growth

Tasmanian Government

# Contents





**Disclaimer**
The information contained within the Annual Report 2020–21 is considered to be correct at the time of publication. Images used within this publication remain the property of the copyright holder.

A digital version of this report is available at www.stategrowth.tas.gov.au

**Photo credits**
Images courtesy of the Tasmanian Government, Tourism Tasmania, Stu Gibson and Vestas Granville Harbour Operations.

# Submission to Minister

**Roger Jaensch**

Minister for State Growth

Dear Minister

In accordance with the requirements of Section 29E of the *Tasmanian Development Act 1983*, I submit to you, for presentation to Parliament, this report on the affairs and activities of Tasmania Development and Resources for the financial year ended 30 June 2021.

Yours sincerely

**Brian Scullin**

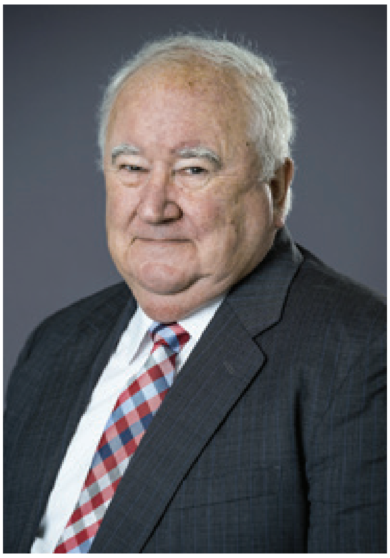
Chair
Tasmanian Development Board
October 2021

# About this publication

Tasmania Development and Resources (TDR) is required under Section 29E of the *Tasmanian Development Act 1983* to produce an annual report for each financial year.

Further information is provided in the Industry and Business Development portfolio within the Department of State Growth Annual Report 2020 21.

# Foreword from the Chair



It is my pleasure to present the Tasmanian Development Board 2020-21 Annual Report to the Minister for State Growth.

At the end of this financial year we have seen a significant turnaround in business and investment attitude and confidence.

Entering 2020-21 we focussed on the COVID-19 immediate response where business survival and uncertainty was still weighing heavy on business decision makers.

Travel restrictions, world-wide freight challenges, disconnection between businesses and customers and the impacts of early business lockdowns remained at front of mind.

As perceptions shifted across the year, and with the recommendations of the Premier's Economic and Social Recovery Advisory Council having been accepted by the Tasmanian Government and implementation underway, the focus of business could be seen to turn to longer-term recovery and planning.

It is now apparent that confidence in investment and planning for growth is returning which not only strengthens the outlook for local businesses and those investing in our state, but flows across the business community and our economy.

While the spectre of COVID-19 remains with us and will for some time yet, the general outlook is optimistic where businesses can, and want to, return to normal operations, including getting their investment and expansion plans back on track.

When last reporting we were preparing a new Corporate Plan to reflect the reality of the impacts that COVID-19 posed at the time, how our financial assistance would be affected and what role we would play in helping businesses and our economy through this difficult time.

That plan has now fulfilled its role in guiding the Board through the hardest days of the pandemic and we are now working on a new plan with a revised focus on the medium-term, reflecting the return of business confidence we are seeing.

We expect the new Tasmanian Development Board Corporate Plan to be submitted to the Minister for consideration in the last quarter of 2021.

Turning to our financial activities, this year we approved 69 grants and loans totalling almost $51.7 million to support local industry in economic and job sustaining activities including two grants totalling more than $3 million, and 67 loans totalling some $48.6 million. Of these new loans, three were approved under the COVID-19 Business Support Scheme.

At the end of the financial year, there are 493 approved loans under management worth more than $137.8 million reflecting the clearing of a number of smaller loans and the commencement of the new Business Growth Loan Scheme.

The $60 million Business Growth Loan Scheme was introduced in September 2020 providing concessional loan funding to help our state's businesses to recover, adapt, grow and develop enhanced business models that support employment retention and business growth in light of the pandemic. This scheme subsumed the previous Heritage Places Renewal Loan, Tourism Accommodation Refurbishment Loan and Regional Attraction Loan schemes. As at 30 June 2021, 47 loans totalling more than $12 million were approved.

This financial year, the Tasmanian Government's AgriGrowth Loan Scheme, incorporating the Young Farmer Support Package, provided 13 low-interest loans totalling more than $11.5 million, taking total approvals to 67 loans worth more than $45.7 million since 2014.

In addition, the Board considered and approved a loan of up to $10 million to Australian Tungsten Pty Ltd to help progress significant investment, job creation and to boost the King Island economy through assistance to the company to progress the Dolphin Mine, which has been closed since the early 1990's.

Notwithstanding the difficulties faced in attracting investment world-wide due to both uncertain markets and travel restrictions, I commend the Office of the Coordinator-General for its continued efforts which this financial year facilitated $382 million of investment in our state. This brings total investment generated since its formation to more than $2.5 billion.

The office also continues its local focus through the Building Construction Support Loan Scheme which opened on 29 March 2021 providing loans for commercial building construction projects to proceed during a period of economic uncertainty created by the COVID-19 crisis. Applications will be assessed by the Office of the Coordinator-General and presented for consideration by the Board.

I again thank directors, Naomi Edwards, Greg McCann, Mike Wallas, Kathryn McCann and Vince De Santis for their contributions during this challenging period and their energy and determination in attracting the best investment, supporting local industries and securing local jobs across the year.

On behalf of the Board I also again thank the team that supports us, Kim Evans, Chief Executive of Tasmania Development and Resources, Amanda Russell, our Corporate Secretary, and acknowledge hard work of staff from both the Department of State Growth and the Office of the Coordinator-General in supporting us in these roles we are honoured to hold.

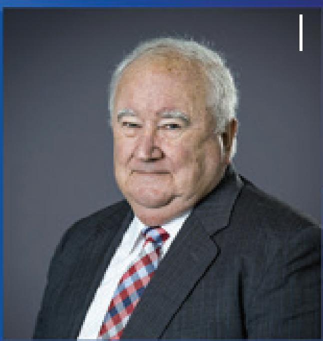
We also acknowledge the broader work of both of these agencies, beyond the support they provide us as the Board, in serving the businesses, industries, communities and people of Tasmania, which we have been privileged to witness firsthand, especially in their response to the impact of the COVID-19 pandemic.

Over the coming year, the Board and I look forward to continuing to work side-by-side with Tasmanian businesses and in attracting even more investment to bolster our economic recovery, and continuing the return of business confidence in, and across, our state.

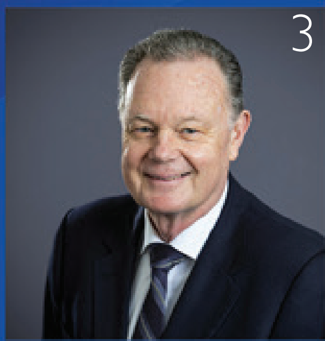
**Brian Scullin**

Chair
Tasmanian Development Board
October 2021

# Tasmanian Development Board












1. Brian Scullin (Chair)
2. Naomi Edwards (Director)
3. Greg McCann (Director)
4. Mike Wallas (Director)
5. Vince De Santis (Director)
6. Kathryn McCann (Director)
7. Kim Evans (Chief Executive)

## Brian Scullin (Chair)

Brian's early career was working for the Australian Government. His executive career in superannuation and financial services between 1987 and 2002 saw him appointed inaugural Executive Director of the Association of Superannuation Funds of Australia.

In September 1993 Brian was appointed Vice President, Business Strategy, Bankers Trust Australia Limited and subsequently Executive Vice President, Funds Management. This role involved responsibility for all non-investment functions including legal, compliance, operations, technology, marketing and human resources. From November 1997 Brian was promoted to President, Japan Bankers Trust Company Limited and following a takeover by Deutsche Bank in 1999, Brian was made Regional Head of Asia/Pacific, Deutsche Asset Management.

Brian retired from full time employment in 2002 and since then has held a number of non-executive and industry positions including Chair of Spark Infrastructure and President of the Retirement Benefits Fund in Tasmania.

Currently, he is Chair of Propel Funeral Partners, and Chair of the Macquarie Point Development Corporation.

## Naomi Edwards (Director)

Naomi was appointed to the Board in 2016. She is Chair of Spirit Super, an industry super fund managing over $23 billion of members' retirement savings, including the retirement savings of some 130 000 working Tasmanians.

Naomi has had an extensive career in the financial services industry. In this capacity, she has been involved in investments in Australian and global companies, particularly companies in the renewable energy sector. She is a former Chair of Australian Ethical Investments, Australia's oldest ethical investment fund and a former board member of Hunter Hall, a listed global funds management company based in Sydney and London. She also sits on the board of Sydney-based companies Nikko Funds Management, Propel Funeral Partners and the national board of the Australian Institute of Company Directors.

Naomi is a former partner of Deloitte, and in her role as a consulting actuary she has worked with large financial services companies in London, Asia, New Zealand and Australia. She was a specialist in the valuation of wealth management companies during mergers and acquisitions, for example, advising NAB on its acquisition of MLC.

Naomi has a first-class Honours degree in mathematics, is a Fellow of the Institute of Actuaries (United Kingdom and Australia) and a Fellow of the Australian Institute of Company Directors.

## Greg McCann (Director)

Greg was appointed to the Tasmanian Development Board in 2016 and has a long-term financial management and technology background. Greg grew up and was educated in Tasmania and after graduating from the University of Tasmania worked in public practice as an accountant in Launceston for 10 years.

Early in his career he joined Deloitte, where he was a partner for 24 years and held a number of senior leadership roles including Managing Partner Papua New Guinea, Managing Partner Queensland, Managing Partner NSW, and Managing Director for Deloitte Consulting/ICS in Australia and several international roles.

In 2004 he founded the Excentor Group of Companies, a Sydney based independent software and professional services provider that employs approximately 2000 people. Greg has extensive corporate financial experience, including as Chair of ASX and NASDAQ listed companies. He also sat on the board of an eastern seaboard law firm for ten years and is the former Chair of NBN Tasmania Limited.

Greg is a fellow of the Institute of Chartered Accountants in Australia and a Fellow of the Australian Institute of Company Directors.

## Mike Wallas (Director)

Mike started his executive career with Hewlett-Packard in South Africa and quickly progressed to Senior Executive positions including that of Managing Director of a $400m technology business.

In 1998 Mike emigrated with his family to Australia and he set up Enterprise Growth Solutions as a boutique Consultancy business advising medium and large clients on strategy, growth and expansion Internationally with strong focus on execution and value-creation. At the same time Mike set up a family office investing in early stage technology and Software businesses where he was able to add value as well as funding. A number of the businesses in the portfolio have grown into strong International businesses.

Mike's Non-Executive Board roles started in 1996, and since then he has served on numerous boards as NED or Chair. Notably Mike is currently Chair of HS Fresh Food (formerly Houston's) as well as CareLynx, an Aged Care Clinical management platform business.

Over the last 12 years Mike has become a successful Turnaround Specialist assisting distressed businesses in industries such as Agriculture, Mining Services and Technology.

Mike is a Graduate of the Australian Institute of Company Directors (AICD) as well as a Fellow of the Australian Institute of Management (FAIM).

Mike has throughout his career worked with businesses seeking to grow and expand creating significant value and job creation. He served for over 10 years as NED at City Fertility Centre, one of the premier IVF businesses in Australia.

His strength in Mergers and Acquisitions assisted the Group to join one of the world's premium health groups in 2017.

Absent Mike Wallas

## Vince De Santis (Director)

Vince is the Non-Executive Chair of ASX listed industrial engineering company, Engenco Limited, having been appointed as a director in July 2010 and then Chair in March 2016. He has also been a member of Egenco's Audit and Risk Committee since July 2013 and is a non-executive director of Tasmanian Gas Pipeline Pty Ltd. In addition to his board roles Vince also runs a small corporate advisory services firm.

Up until December 2018, Vince was the Managing Director of the Elphinstone Group which he joined in 2000 as the Group's Legal Counsel and Finance & Investment Manager, before being appointed as Managing Director in 2008. Vince also served as a director of various subsidiary and joint venture companies.

Prior to his time with the Elphinstone Group, Vince was a Senior Associate in the Energy, Resources & Projects team at national law firm Corrs Chambers Westgarth, based in Melbourne.

Vince grew up in North-West Tasmania and is a graduate of the University of Tasmania where he completed a combined degree in Commerce and Law graduating with Honours in Law. He is a member of the Australian Institute of Company Directors, and the Tasmanian Rhodes Scholarship Selection Committee.

## Kathryn McCann (Director)

Kath has an extensive senior executive career in the public and private sector across multiple sectors including tourism, aviation, education, hospitality, not for profit and entertainment.

Kath has held senior executive roles with a range of prominent Tasmanian organisations including Hobart Airport, Tourism Tasmania, Beacon Foundation and Federal Group focused in the areas of strategy, marketing, operations, business development, communications and sales. Kath is currently working in the not-for-profit sector with the Beacon Foundation.

Throughout her working career Kath has also held, and continues to hold, a range of board positions. Currently Kath, a member of the Tasmanian Heritage Council and the Tasmanian Tourism and Hospitality Training Board.

Kath grew up and was educated in Tasmania and is a Graduate of the University of Tasmania where she completed her degree in Arts and Commerce with majors in Psychology and Marketing.

## Kim Evans (Chief Executive)

Kim has been a Head of Agency in Tasmania for over twenty years and was appointed Secretary of the Department of State Growth in September 2014, where he works closely with the Office of the Coordinator-General.

He has previously represented the Tasmanian Government on several state and national boards and committees including the Tasmanian Institute of Agriculture, the Institute of Marine and Antarctic Studies and Tasmanian Irrigation.

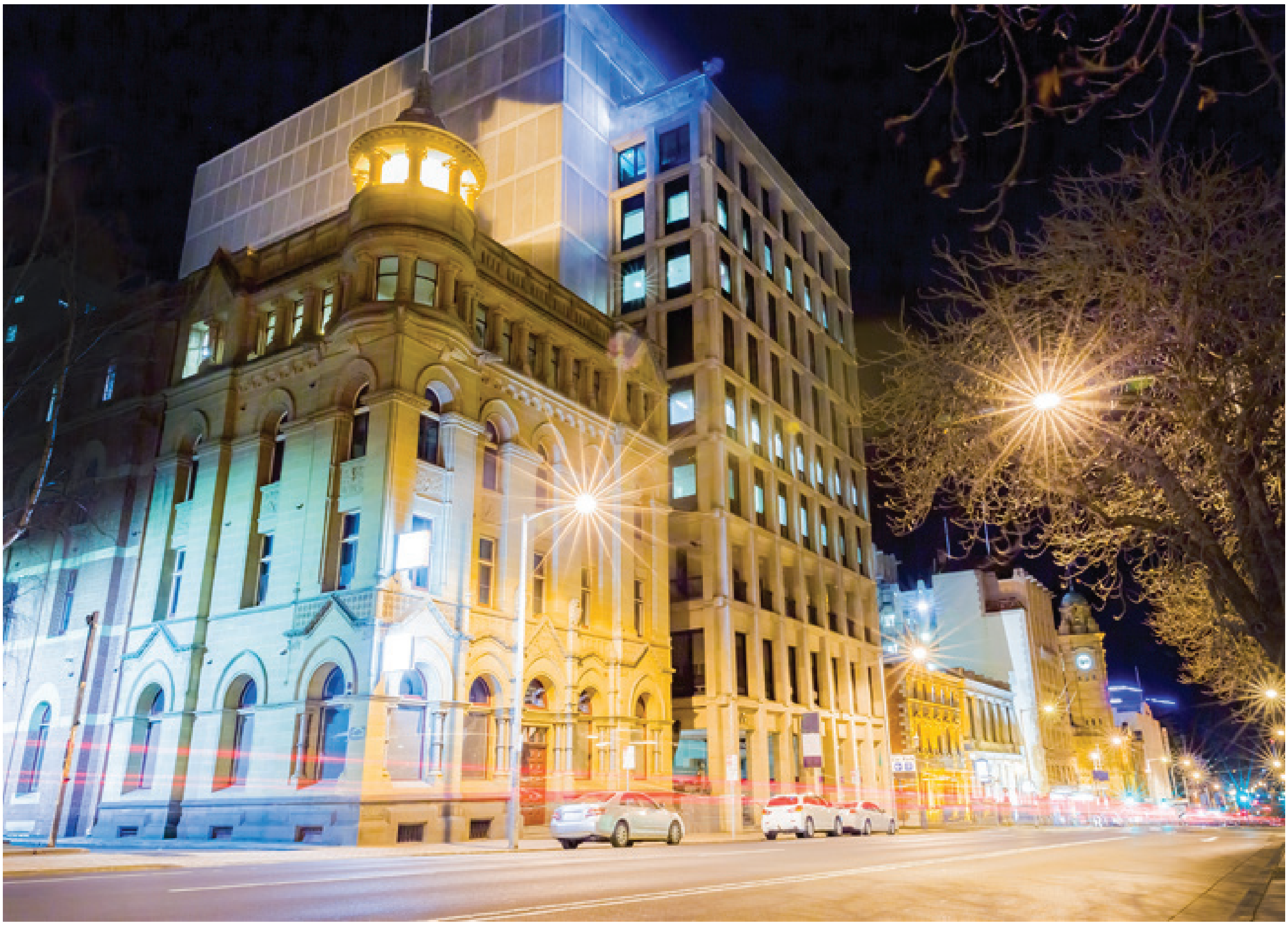
Kim currently sits on the boards of the Macquarie Point Development Corporation, Tasmanian Leaders, and is the State Government's representative on the board of SALTAS, a company established to assist the development of the Tasmanian salmon and trout industry.

He is a member of the Premier's Visitor Economy Advisory Council, and the T21 Steering committee with a current focus on supporting the recovery of the tourism and hospitality industry through COVID, and is the state's representative on several national bodies including the Transport and Infrastructure Senior Officials' Committee.

Kim is a graduate of the University of Tasmania where he completed his degree and Honours majoring in Science and is a member of the Australian Institute of Company Directors.

### Tasmanian Development and Resources Board meeting attendance

| Member | Number of meetings attended |
|---|---|
| Chair, Brian Scullin | 11 |
| Vince De Santis | 9 |
| Naomi Edwards | 9 |
| Kim Evans | 10 |
| Gregory McCann | 11 |
| Kathryn McCann | 11 |
| Michal Wallas | 11 |



# Policy objectives

The *Tasmania Development Act 1983* outlines the policy objectives of Tasmania Development and Resources (TDR), namely:

» the stability of business undertakings in Tasmania

» the maintenance of maximum employment in Tasmania

» the prosperity and welfare of the people of Tasmania.

These objectives reflect the goals and strategies for the economic development activities of the Department of State Growth.

The TDR Corporate Plan 2019-2022, endorsed in May 2019, represented the focus of the Board and its activities for the three-year period 2019-2022. The Plan specified the strategic direction and focus areas and represents the role of the TDR in achieving the goals outlined in the *Tasmania Development Act 1983*, recognising the important role the Board has in supporting the prosperity and welfare of the people of Tasmania.

In light of the changes in our operating environment due to the coronavirus, a revision of the Corporate Plan is underway to submit to the Minister for consideration which will articulate the role and priorities of the TDR in this climate going forward, particularly in the area of provision of financial assistance.

The key focus areas for 2019-2022 are:

» Administration of programs and assessment of applications for financial assistance to support strategic focus areas for growth agreed by the Tasmanian Government.

» Industry sectors that have the capacity to accelerate growth in the Tasmanian economy and the capability to both sustain the jobs we have, and create new jobs.

» Supporting the role of the Office of the Coordinator-General to identify opportunities, manage major projects, reduce red tape, attract investment and encourage businesses to establish, relocate, diversity and expand in Tasmania.

» Provision of advice to government on matters relating to the policy objectives of the TDR and the Tasmanian Government.

While noting these priorities are under review, the priorities for 2020-2021 were to:

» Promote and encourage the extension of portfolio loans in preference to grant assistance where the need can be demonstrated against clear criteria

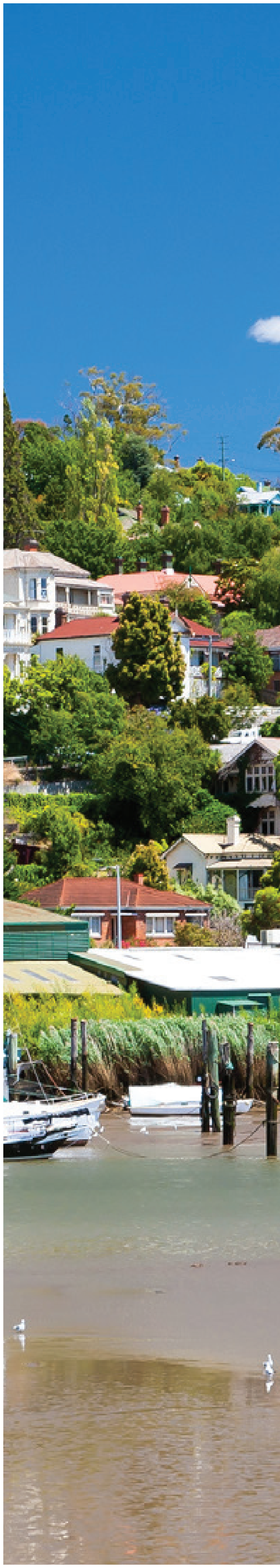
» Consider proposals for grant assistance targeted on accelerated sectors and businesses in the Tasmania economy where growth is less than other high performing areas

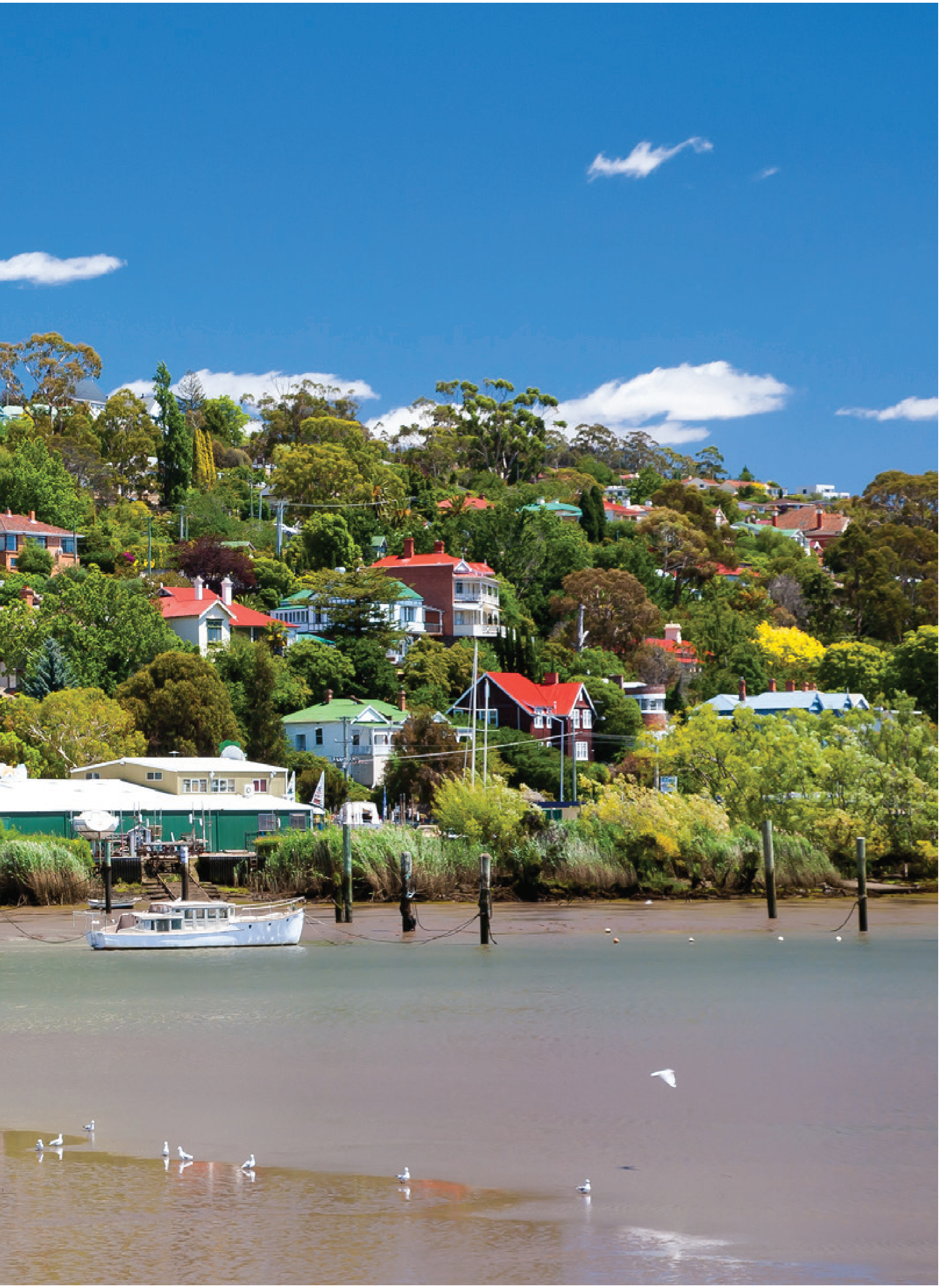
» Facilitate assistance to regional economies so that the benefits of improved economic performance are shared through the Tasmanian community

» Encourage businesses to ensure employment, social and environmental outcomes feature in proposals to the Board in addition to financial metrics

» Prioritise requests for assistance that provide increased employment or new jobs for Tasmanians, and

» Promote and emphasis existing schemes for assistance across government such as payroll tax relief where need can be demonstrated rather than seeking financial assistance and support from TDR.

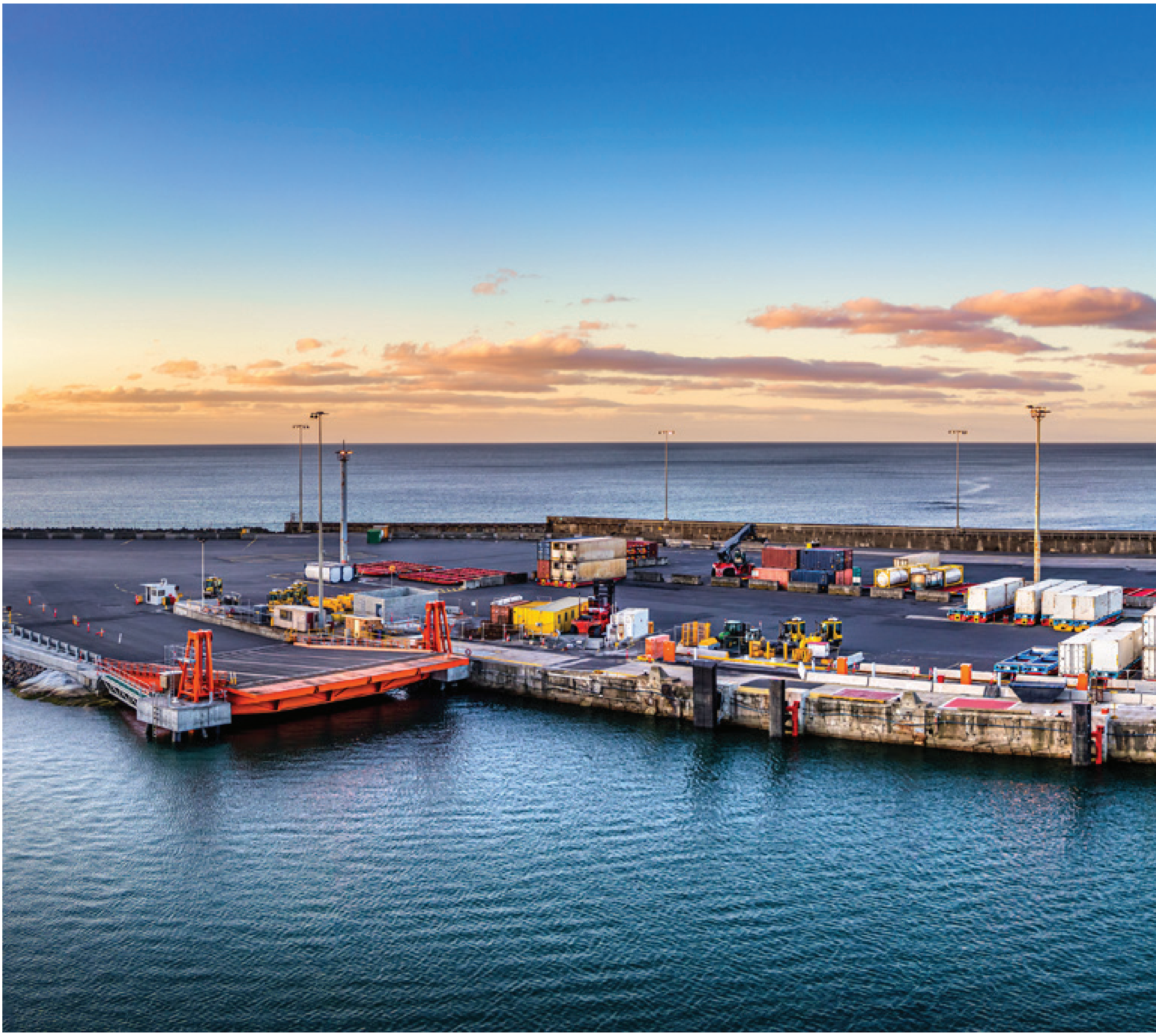




# Grants and loans approval for 2020-21

The following summary is provided in accordance with Section 29E of the *Tasmanian Development Act 1983*.

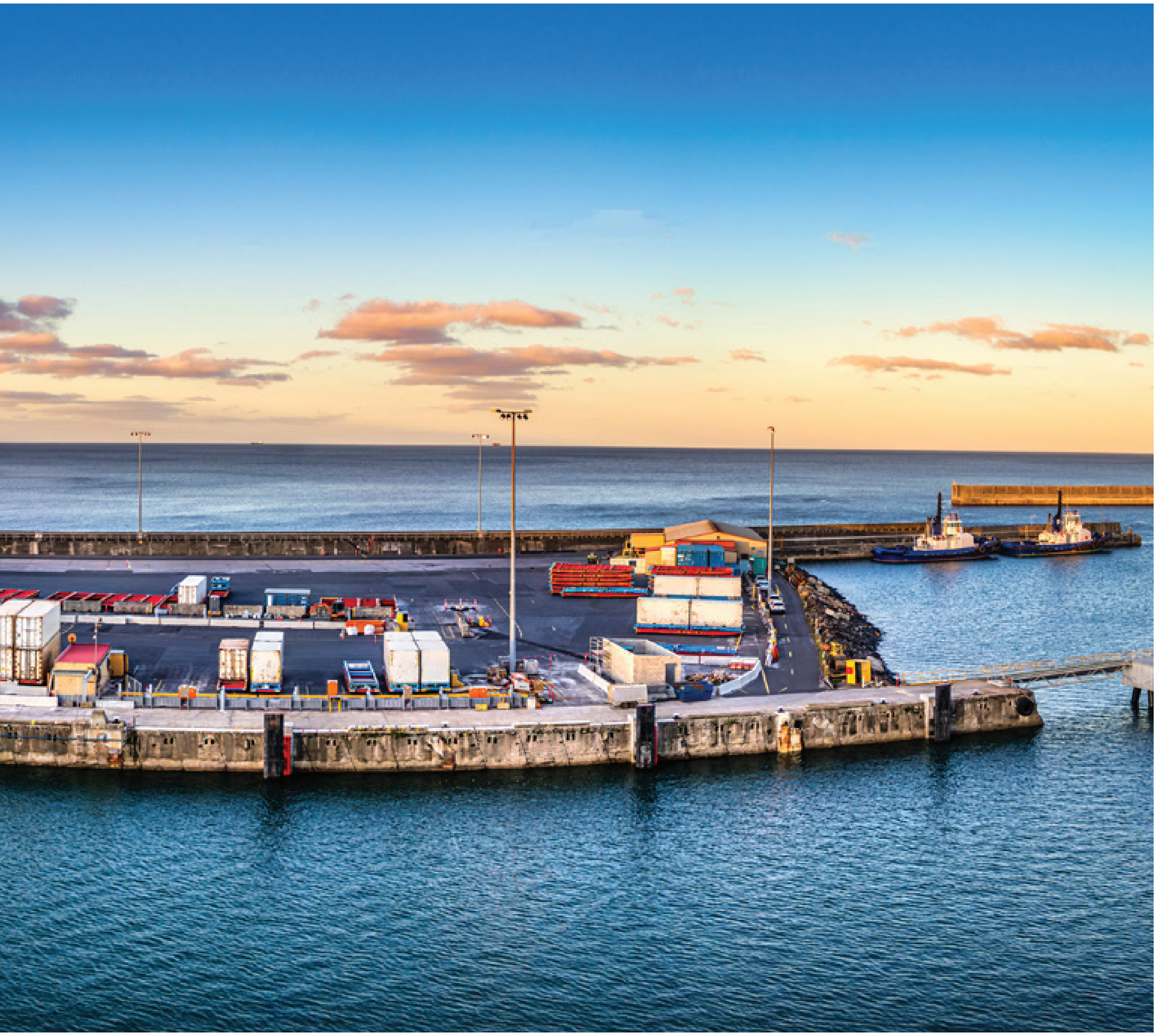
| Loan/grant category | Number of loan/grant approvals | Total loan/grant approval amounts |
|---|---|---|
| Loans | 67 | $48.607 million |
| Grants | 2 | $3.075 million |
| **Total** | **69** | **$51.682 million** |



# Outstanding loan balances as at 30 June 2021

The following summary is provided in accordance with Section 29E of the *Tasmanian Development Act 1983*.

| Loan category | Number of loans | Total loan balances |
|---|---|---|
| Other | 493 | $136.838 million |
| **Total** | **493** | **$136.838 million** |



# Statement of Certification

The accompanying Financial Statements of Tasmania Development and Resources (TDR) have been prepared under Section 29B of the *Tasmanian Development Act 1983* and are in agreement with the relevant accounts and records. The Financial Statements present fairly the financial transactions for the year ended 30 June 2021 and the financial position as at the end of the year.

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

**Brian Scullin**
Chair
Tasmanian Development Board
23 September 2021

**Kim Evans**
Chief Executive Officer,
Tasmanian Development Board
23 September 2021

# Tasmania Development and Resources

## Statement of Comprehensive Income for the year ended 30 June 2021

| | Notes | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|---|
| *Income from continuing operations* | | | |
| **Revenue from Government** | | | |
| Appropriation revenue – operating | 1.1 | 5,314 | 5,349 |
| Other revenue from Government | 1.1 | 3,110 | ... |
| Interest | 1.2 | 898 | 665 |
| Other revenue | 1.3 | 1,138 | 1,595 |
| **Total revenue from continuing operations** | | **10,460** | **7,609** |
| Net gain/(loss) on non-financial assets | 2.1 | ... | (23) |
| Net gain/(loss) on financial instruments and statutory receivables/payables | 2.2 | (95) | 483 |
| **Total income from continuing operations** | | **10,365** | **8,069** |
| | | | |
| **Expenses from continuing operations** | | | |
| Employee benefits | 3.1(a) | 273 | 422 |
| Directors fees | 3.1(b) | 282 | 254 |
| Depreciation and amortisation | 3.2 | 90 | 90 |
| Supplies and consumables | 3.3 | 1,554 | 1,549 |
| Grants and subsidies | 3.4 | 6,830 | 4,605 |
| Finance costs | 3.5 | 813 | 274 |
| Other expenses | 3.6 | 448 | 15 |
| **Total expenses from continuing operations** | | **10,290** | **7,209** |
| | | | |
| **Net result from continuing operations** | | **75** | **860** |
| | | | |
| **Net result** | | **75** | **860** |
| | | | |
| **Comprehensive result** | | **75** | **860** |

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

# Tasmania Development and Resources

## Statement of Financial Position as at 30 June 2021

| | Notes | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|---|
| **Assets** | | | |
| *Financial assets* | | | |
| Cash and deposits | 7.1 | 4,382 | 24,975 |
| Receivables | 4.1 | 227 | 209 |
| Loan advances | 4.2 | 136,885 | 124,690 |
| Equity investments | 4.3 | ... | ... |
| *Non-financial assets* | | | |
| Property, plant and equipment | 4.4 | 9,242 | 9,764 |
| Other assets | 4.5 | 32 | ... |
| **Total assets** | | **150,768** | **159,638** |
| | | | |
| **Liabilities** | | | |
| Payables | 5.1 | 84 | 188 |
| Borrowings | 5.2 | 118,483 | 127,223 |
| Employee benefit liabilities | 5.3 | 64 | 86 |
| Other liabilities | 5.4 | 57 | 136 |
| **Total liabilities** | | **118,688** | **127,633** |
| | | | |
| **Net assets (liabilities)** | | **32,080** | **32,005** |
| | | | |
| **Equity** | | | |
| Accumulated funds | | 32,080 | 32,005 |
| **Total equity** | | **32,080** | **32,005** |

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

# Tasmania Development and Resources

## Statement of Cash Flows for the year ended 30 June 2021

| | Notes | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|---|
| **Cash flows from operating activities** | | Inflows (Outflows) | Inflows (Outflows) |
| **Cash inflows** | | | |
| Appropriation receipts - recurrent | | 4,414 | 5,349 |
| Appropriation receipts - other | | 3,110 | ... |
| Grants – continuing operations | | ... | ... |
| Net GST | | 10 | (25) |
| Interest received | | 832 | 812 |
| Other cash receipts | | 1,464 | 1,577 |
| **Total cash inflows** | | **9,830** | **7,713** |
| **Cash outflows** | | | |
| Employee benefits | | (384) | (412) |
| Directors fees | | (282) | (254) |
| Grants and subsidies | | (5,930) | (4,605) |
| Interest payments | | (919) | (109) |
| Supplies and consumables | | (1,551) | (1,572) |
| Other cash payments | | (448) | (15) |
| **Total cash outflows** | | **(9,514)** | **(6,967)** |
| **Net cash from (used by) operating activities** | 7.2 | **316** | **746** |
| | | | |
| **Cash flows from investing activities** | | | |
| **Cash inflows** | | | |
| Proceeds from the disposal of non-financial assets | | 54 | 196 |
| Repayment of loans by other entities | | 24,618 | 7,782 |
| **Total cash inflows** | | **24,672** | **7,978** |
| **Cash outflows** | | | |
| Loans made to other entities | | (36,841) | (62,491) |
| Payments for acquisition of non-financial assets | | ... | ... |
| **Total cash outflows** | | **(36,841)** | **(62,491)** |
| **Net cash from (used by) investing activities** | | **(12,169)** | **(54,513)** |
| | | | |
| **Cash flows from financing activities** | | | |
| **Cash inflows** | | | |
| Proceeds from borrowings | | 1,017 | 77,700 |
| **Total cash inflows** | | **1,017** | **77,700** |
| **Cash outflows** | | | |
| Repayment of borrowings | | (9,757) | (6,309) |
| **Total cash outflows** | | **(9,757)** | **(6,309)** |
| **Net cash from (used by) financing activities** | | **(8,740)** | **71,391** |
| | | | |
| **Net increase (decrease) in cash held and cash equivalents** | | **(20,593)** | **17,624** |
| **Cash and deposits at the beginning of the reporting period** | | **24,975** | **7,351** |
| **Cash and deposits at the end of the reporting period** | 7.1 | **4,382** | **24,975** |

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

# Tasmania Development and Resources

## Statement of Changes in Equity for the year ended 30 June 2021

| | Accumulated funds $ 000 | Total equity $ 000 |
|---|---|---|
| **Balance as at 1 July 2020** | **32,005** | **32,005** |
| Total comprehensive result | 75 | 75 |
| **Balance as at 30 June 2021** | **32,080** | **32,080** |

| | Accumulated funds $ 000 | Total equity $ 000 |
|---|---|---|
| **Balance as at 1 July 2019** | **31,145** | **31,145** |
| Total comprehensive result | **860** | **860** |
| **Balance as at 30 June 2020** | **32,005** | **32,005** |

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

# Note 1 Revenue

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

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

## 1.1 Revenue from Government

Appropriations, whether operating or capital, are recognised as revenues in the period in which Tasmania Development and Resources (TDR) gains control of the appropriated funds as allocated by the Department of State Growth (the Department). Except for any amounts identified as carried forward in Note 1.1, control arises in the period of appropriation.

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

Section 23 of the Financial Management Act allows for an unexpended appropriation at the end of the financial year, as determined by the Treasurer, to be issued and applied from the Public Account in the following financial year. The amount determined by the Treasurer must not exceed five per cent of an Agency's appropriation for the financial year. Rollover of unexpended appropriations under section 23 will be disclosed under the Financial Management Act for the first time in 2020 21.

In the 2019-20 comparative year, Revenue from Government included appropriations carried forward under section 8A(2) of the now repealed *Public Account Act 1986* and taken up as revenue in the current year.

Section 8A(2) of the Public Account Act allowed 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 (2018-19), the carry forward was recognised as a liability, Revenue Received in Advance. The carry forward from the initial year was recognised as revenue in the reporting year, assuming that the conditions of the carry forward were met, and the funds were expended.

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| *Continuing operations* | | |
| Appropriation revenue – operating | | |
| Current year | 5,314 | 5,349 |
| **Total** | **5,314** | **5,349** |
| | | |
| Other revenue from government | | |
| Appropriation Rollover under section 23 of the *Financial Management Act 2016* | 3,110 | ... |
| **Total** | 3,110 | ... |
| | | |
| **Total revenue from Government** | **8,424** | **5,349** |

## 1.2 Interest

Interest on funds invested is recognised as it accrues using the effective interest rate method. Interest revenue includes interest received by TDR on some Loan Advances.

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| Interest | 898 | 665 |
| **Total** | **898** | **665** |

## 1.3 Other revenue

Other revenue includes sundry fee revenues and rent, and other income received relating to *War Service Land Settlement Act 1950*, rural properties and properties and are recognised as revenue in the period in which TDR gains control of the funds.

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| Property rental | 847 | 702 |
| Property other revenue | ... | 133 |
| Other | 291 | 760 |
| **Total** | **1,138** | **1,595** |

# Note 2 Net Gains/(Losses)

## 2.1 Net gain/(loss) on non-financial assets

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

*Key Judgement*

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

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

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

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

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| Net gain/(loss) on disposal of non-financial assets | ... | (23) |
| **Total net gain/(loss) on non-financial assets** | **...** | **(23)** |

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

Financial assets are impaired under the expected credit loss approach required under AASB 9 Financial Instruments. The expected credit loss is recognised for all debt instruments not held at fair value through profit or loss.

Key Judgement

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

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

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| Impairment reversals/(losses) for: | | |
| Loans advances | (95) | 483 |
| **Total net gain/(loss) on financial instruments** | **(95)** | **483** |

# Note 3 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.

## 3.1 Employee benefits

The activities of TDR are delivered by staff employed by the Department. TDR does not employ staff. However, there are a number of specific departmental employees directly charged to TDR operations, which are included in the Statement of Comprehensive Income as Employee Benefits and 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

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| Wages and salaries | 177 | 340 |
| Annual leave | 25 | 25 |
| Long service leave | (10) | (1) |
| Sick leave | 15 | 7 |
| Superannuation | 65 | 48 |
| Other employee expenses | 1 | 3 |
| **Total** | **273** | **422** |

Superannuation expenses relating to defined benefit schemes relate to payments into the Public Account. The amount of the payment is based on a department contribution rate determined by the Treasurer, on the advice of the State Actuary. The current department contribution is 12.95 per cent (2020: 12.95 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 9.5 per cent (2020: 9.5 per cent) of salary. In addition, departments are also required to pay into the Public Account a "gap" payment equivalent to 3.45 per cent (2020: 3.45 per cent) of salary in respect of employees who are members of contribution schemes.

### (b) Remuneration of Key management personnel

| 2021 | **Short term benefits** | | **Long term benefits** | | | |
|---|---|---|---|---|---|---|
| | Salary<br>$ 000 | Other Benefits<br>$ 000 | Superannuation<br>$ 000 | Other Benefits & Long Service Leave<br>$ 000 | Termination benefits<br>$ 000 | Total<br>$ 000 |
| **Board Members** | | | | | | |
| Brian Scullin, Chair | 63 | ... | 6 | ... | ... | 69 |
| Naomi Edwards, Director | 38 | ... | 4 | ... | ... | 42 |
| Gregory McCann, Director | 39 | ... | 4 | ... | ... | 43 |
| Michal Wallas, Director | 39 | ... | 4 | ... | ... | 43 |
| Kathryn McCann, Director | 41 | ... | 4 | ... | ... | 45 |
| Vincent De Santis, Director | 37 | ... | 3 | ... | ... | 40 |
| **Total** | **257** | **...** | **25** | **...** | **...** | **282** |

| 2020 | Short term benefits Salary $ 000 | Other Benefits $ 000 | Long term benefits Superannuation $ 000 | Other Benefits & Long Service Leave $ 000 | Termination benefits $ 000 | Total $ 000 |
|---|---|---|---|---|---|---|
| **Board Members** | | | | | | |
| Brian Scullin, Chair | 57 | ... | 5 | ... | ... | 62 |
| Mark Ryan, Director (ceased 2/02/20) | 26 | ... | 2 | ... | ... | 28 |
| Brett Torossi, Director (ceased 22/02/20) | 21 | ... | 2 | ... | ... | 23 |
| Naomi Edwards, Director | 37 | ... | 4 | ... | ... | 41 |
| Gregory McCann, Director | 39 | ... | 4 | ... | ... | 43 |
| Janelle Allison, Director (ceased 31/12/19) | 16 | ... | 2 | ... | ... | 18 |
| Michal Wallas, Director (appointed 23/02/20) | 12 | ... | 1 | ... | ... | 13 |
| Kathryn McCann, Director (appointed 23/02/20) | 12 | ... | 1 | ... | ... | 13 |
| Vincent De Santis, Director (appointed 23/02/20) | 12 | ... | 1 | ... | ... | 13 |
| **Total** | **232** | **...** | **22** | **...** | **...** | **254** |

TDR Chief Executive Kim Evans receives no remuneration for this role. Kim Evans' remuneration is for his role as Secretary of the Department of State Growth and is disclosed in the Department's Financial Statements.

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

Remuneration during 2020-21 for key personnel is set by the *Tasmanian Development Act 1983*. Remuneration and other terms of employment are specified in employment contracts. Short-term benefits include motor vehicle and car parking fringe benefits in addition to annual leave and any other short-term benefits. 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. Long term employee expenses include long service leave, superannuation obligations and termination payments.

*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

The Department provides ongoing administrative support to TDR. Kim Evans, in addition to his role as a member of TDR's key management personnel, is the Secretary and the accountable authority of the Department. The Department charges TDR an annual amount to support administrative costs, disclosed in Note 3.3. The employment of TDR staff by the Department is disclosed in Note 3.1 (a).

There are no other material related party transactions requiring disclosure.

## 3.2 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, being an asset with an unlimited useful life, is not depreciated. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements once the asset is held ready for use.

*Key estimate and judgement*

Depreciation is provided for on a straight-line basis using rates which are reviewed annually. The major depreciation periods are:

| | |
|---|---|
| Plant and equipment | 3-25 years |
| Buildings | 20-80 years |
| Leasehold improvements | 5-12 years |

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 TDR. Major amortisation period is:

| | |
|---|---|
| Software | 1-5 years |

### (a) Depreciation

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| Plant and equipment | ... | ... |
| Buildings | 90 | 90 |
| **Total** | **90** | **90** |

### (b) Amortisation

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| Leasehold improvements | ... | ... |
| **Total** | **...** | **...** |
| | | |
| **Total depreciation and amortisation** | **90** | **90** |

## 3.3 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.

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| Audit fees – financial audit | 32 | 31 |
| Consultants and contracted services | 65 | 87 |
| Property services | 475 | 412 |
| Maintenance | 293 | 312 |
| Communications | 2 | 4 |
| Information technology | 19 | 25 |
| Travel and transport | 18 | 12 |
| Administrative support charge | 594 | 594 |
| Other supplies and consumables | 56 | 72 |
| **Total** | **1,554** | **1,549** |

## 3.4 Grants and subsidies

Grant and subsidies expenditure are 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 TDR 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.

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| Scottsdale Pork | 1,900 | ... |
| Hermal | 4,500 | ... |
| Copper Mines Tasmania | ... | 1,627 |
| UXC Enterprise Development Centre | 70 | 278 |
| Norske Skog | 360 | 1,500 |
| Ridley | ... | 1,000 |
| Forest Industry Bushfire Recovery | ... | 200 |
| **Total** | **6,830** | **4,605** |

TDR Grants are generally funded by appropriation from the Public Account, which is reflected in the attributed revenue from government in the Statement of Comprehensive income.

## 3.5 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; and

» amortisation of ancillary costs incurred in connection with the arrangement of borrowings, and

» lease charges.

| | Note | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|---|
| **Interest expense** | | | |
| Interest on loans | | 813 | 274 |
| **Total** | | **813** | **274** |

## 3.6 Other expenses

Other 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.

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| Repayment of Australian Government Grant | 432 | ... |
| Credit reports collection charges | 11 | 15 |
| Other | 5 | ... |
| **Total** | **448** | **15** |

# Note 4 Assets

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

## 4.1 Receivables

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

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

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

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| Receivables | 227 | 209 |
| Less: Provision for impairment | ... | ... |
| Less: Expected credit loss | ... | ... |
| **Total** | **227** | **209** |
| | | |
| Sales of goods and services (inclusive of GST) | 209 | 194 |
| Tax assets | 18 | 15 |
| **Total** | **227** | **209** |
| | | |
| Settled within 12 months | 227 | 209 |
| Settled in more than 12 months | ... | ... |
| **Total** | **227** | **209** |

For ageing analysis of the financial assets, refer to note 8.1.

## 4.2 Loan advances

| | 2020<br>$ 000 | 2019<br>$ 000 |
|---|---|---|
| Section 35 Loans Administered by TDR | 13,782 | 6,253 |
| *Tasmanian Development Act 1983* | 1,917 | 2,087 |
| *Fire Damage Relief Act 1967* | ... | 18 |
| Farm Finance Loan Scheme | 978 | 3,659 |
| Agrigrowth Loan Program | 18,720 | 16,255 |
| Drought Relief Loans | ... | 303 |
| Pacific Oyster Mortality Syndrome | 595 | 692 |
| Drought Dairy Recovery Concessional Program & Drought Recovery | 3,105 | 3,106 |
| Flood Recovery Rural | 667 | 1,129 |
| Farm Business Concessional Loan scheme - Dairy Recovery & Drought Assistance | 17,188 | 21,059 |
| Tourism Accommodation Refurbishment Loan Scheme | 4,955 | 4,651 |
| Farm Business Concessional Loan scheme - Dairy Recovery - July 2017 & Drought Assistance - July 2017 | 11,417 | 13,724 |
| Heritage Renewal Loan Scheme | 665 | 660 |
| Agrigrowth Loan Scheme - Young Farmers | 24,392 | 18,369 |
| Federal Refinance Loans | 100 | 764 |
| COVID-19 Interest Free Business Support Loan Scheme | 31,939 | 28,860 |
| COVID-19 Business Support Loans | 4,490 | 3,101 |
| Business Growth Loan Scheme | 2,070 | ... |
| Less: Provision for impairment | (95) | ... |
| **Total** | **136,885** | **124,690** |
| | | |
| Settled within 12 months | 10,058 | 7,895 |
| Settled in more than 12 months | 126,827 | 116,795 |
| **Total** | **136,885** | **124,690** |

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

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

| Reconciliation of movement in provision for impairment of other financial assets | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| **Carrying amount at 1 July** | **...** | **483** |
| Increase/(decrease) in provision recognised in net result | 95 | (483) |
| **Carrying amount at 30 June** | **95** | **...** |

Provisions for impairment only apply to loans under the control of TDR.

*Tasmanian Development Act 1983* loan advance impaired in previous years relate to J & A Gretschmann. This loan was repaid in full in 2020 resulting in the full reversal of previous impairment.

The impairment this year relates to a COVID-19 Business Support Loan.

## 4.3 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 equity method of accounting has not been used to bring to account the financial operations of equity investments within the Financial Statements. TDR's investment in these equity investments was made for the purpose of achieving industry development outcomes consistent with the goals and objectives of TDR, not for the purpose of achieving a commercial investment return or other standard commercial objectives.

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

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| Unlisted equity instruments | 800 | 800 |
| Less: Provision for impairment | (800) | (800) |
| **Total** | ... | ... |
| | | |
| Settled within 12 months | ... | ... |
| Settled in more than 12 months | ... | ... |
| **Total** | ... | ... |

**Reconciliation of movement in provision for impairment of equity investments**

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| Carrying value at 1 July | 800 | 800 |
| | | |
| Increase/(decrease) in provision recognised in net result | ... | ... |
| | | |
| **Carrying amount at 30 June** | **800** | **800** |

## 4.4 Property, plant and equipment

*(i) Valuation basis*

Land is recorded at fair value. Buildings 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. All assets within a class of assets are measured on the same basis.

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.

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

*(ii) Subsequent costs*

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to TDR 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 TDR 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 (other than where they form part of a group of similar items which are material in total).

*(iv) Revaluations*

TDR has adopted a revaluation threshold of $50,000. Land and buildings, other than Rural Properties which are note revalued, measured at fair value are revalued every five years.

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

### (a) Carrying amount

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| **Land** | | |
| Properties - at fair value (30 June 2016) | 2,935 | 3,315 |
| Rural properties - at fair value (30 June 2021) | 972 | 1,024 |
| **Total** | **3,907** | **4,339** |
| | | |
| **Buildings** | | |
| At fair value (30 June 2016) | 5,778 | 5,778 |
| Less: Accumulated depreciation | (443) | (353) |
| **Total** | **5,335** | **5,425** |
| | | |
| **Plant and equipment** | | |
| At cost | 436 | 436 |
| Less: Accumulated depreciation | (436) | (436) |
| **Total** | ... | ... |
| | | |
| **Total property, plant and equipment** | **9,242** | **9,764** |

*Land and buildings*

Land and buildings revaluations were undertaken by the Valuer-General as at 30 June 2016. Direct comparison and the income approach are the primary valuation methods. Direct comparison is limited due to a lack of directly comparable sales and the uniqueness of the TDR property portfolio in terms of its secondary location and restricted zoning. However, a value range has been formed with consideration of recent sales around the valuation range. Fair Value of vacant land has been assessed by direct comparison having regard to comparable vacant land parcels which have sold with appropriate adjustment for the circumstances of sale and characteristics of the land.

Publicly available market evidence indicates a significant increase may have occurred in the value of land and buildings since the last revaluation. Due to uncertainty over the rate of increase for these assets, TDR could not reliably measure the increase in value and consequently determined the current value to be indicative of fair value. The next revaluation will occur during the year ending 30 June 2022.

*Rural properties*

Rural properties are valued as at 30 June 2021 to fair value. Fair value of these properties equates to the option prices deemed on the individual properties. These option prices are the amounts receivable should the tenants exercise the option to purchase the freehold title.

### (b) Reconciliation of movements

Reconciliations of the carrying amounts of each class of 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.

| 30 June 2021 | Land Level 2 (land and vacant land in active markets) $ 000 | Buildings Level 2 (general office buildings) $ 000 | Plant and equipment $ 000 | Leasehold improvements $ 000 | Total $ 000 |
|---|---|---|---|---|---|
| **Carrying value at 1 July** | **4,339** | **5,425** | **…** | **…** | **9,764** |
| | | | | | |
| Additions | … | … | … | … | ... |
| Disposals | (432) | … | … | … | (432) |
| Depreciation and amortisation | … | (90) | … | … | (90) |
| | | | | | |
| **Carrying value at 30 June** | **3,907** | **5,335** | **...** | **...** | **9,242** |

| 30 June 2020 | Land Level 2 (land and vacant land in active markets) $ 000 | Buildings Level 2 (general office buildings) $ 000 | Plant and equipment $ 000 | Leasehold improvements $ 000 | Total $ 000 |
|---|---|---|---|---|---|
| **Carrying value at 1 July** | **4,534** | **5,515** | **...** | **23** | **10,072** |
| | | | | | |
| Additions | … | … | … | … | … |
| Disposals | (195) | … | … | (23) | (218) |
| Depreciation and amortisation | … | (90) | … | … | (90) |
| | | | | | |
| **Carrying value at 30 June** | **4,339** | **5,425** | **…** | **…** | **9,764** |

## 4.5 Other assets

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

### (a) Carrying amount

| | 2021 $ 000 | 2020 $ 000 |
|---|---|---|
| **Other current assets** | … | … |
| | | |
| Accrued revenue | 3 | … |
| Prepayments | 29 | … |
| **Total** | **32** | **…** |
| | | |
| Recovered within 12 months | 32 | … |
| Recovered in more than 12 months | … | … |
| **Total** | **32** | **…** |

### (b) Reconciliation of movements

| | 2021 $ 000 | 2020 $ 000 |
|---|---|---|
| **Carrying amount at 1 July** | … | … |
| Additions | 32 | … |
| Settled/consumed | … | … |
| **Total** | **…** | **…** |

# Note 5 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.

## 5.1 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 TDR becomes obliged to make future payments as a result of a purchase of assets or services.

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| Creditors | 19 | 18 |
| Accrued expenses | 65 | 170 |
| **Total** | **84** | **188** |
| | | |
| Settled within 12 months | 84 | 188 |
| Settled in more than 12 months | ... | ... |
| **Total** | **84** | **188** |

Settlement is usually made within 30 days.

## 5.2 Borrowings

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

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

### (a) Carrying amount

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| Loans from the State Government | 2,820 | 3,290 |
| Loans from the Australian Government | 34,663 | 43,933 |
| Loans from Tascorp | 81,000 | 80,000 |
| **Total** | **118,483** | **127,223** |

### (b) Maturity schedule

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| One year or less | 2,929 | 38,647 |
| From one to five years | 115,554 | 85,576 |
| **Total** | **118,483** | **127,223** |

During 2020-21 TDR repaid $9.29 million of the borrowing with the Australian Government; $2.02 million relating to Farm Finance Loan Scheme, $2.88 million Farm Business 2016-17 and $4.39 million Farm Business 2017-18.

## 5.3 Employee benefits liabilities

*Key estimate and judgement*

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.

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| Accrued salaries | 12 | 11 |
| Annual leave | 23 | 34 |
| Long service leave | 28 | 40 |
| Other employee provisions | 1 | 1 |
| **Total** | **64** | **86** |
| | | |
| Expected to settle wholly within 12 months | 26 | 35 |
| Expected to settle wholly after 12 months | 38 | 51 |
| **Total** | **64** | **86** |

## 5.4 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.

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| **Revenue received in advance** | | |
| Other revenue received in advance | 12 | ... |
| | | |
| **Other liabilities** | | |
| Monies held in trust | 45 | 50 |
| Suspense accounts | ... | 86 |
| **Total** | **57** | **136** |
| | | |
| Expected to settle wholly within 12 months | 57 | 136 |
| Expected to settle wholly after 12 months | ... | ... |
| **Total** | **57** | **136** |

# Note 6 Commitments and Contingencies

## 6.1 Schedule of commitments

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

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

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| **By type** | | |
| *Lease Commitments* | | |
| Other leases | 6 | 6 |
| *Total lease commitments* | **6** | **6** |
| | | |
| *Other commitments* | | |
| Loan commitments | 175,226 | 68,549 |
| Grant / Project commitments | 10,517 | 21,280 |
| *Total other commitments* | **185,743** | **89,829** |
| | | |
| **Total** | **185,749** | **89,835** |
| | | |
| **By maturity** | | |
| *Operating lease commitments* | | |
| One year or less | 6 | 6 |
| From one to five years | ... | ... |
| More than five years | ... | ... |
| *Total operating lease commitments* | **6** | **6** |
| | | |
| *Other commitments* | | |
| One year or less | 81,347 | 48,124 |
| From one to five years | 104,396 | 41,705 |
| More than five years | ... | ... |
| *Total other commitments* | **185,743** | **89,829** |
| | | |
| **Total** | **185,749** | **89,835** |

Other leases are associated with rental costs for motor vehicles leased through the government's fleet manager which has been deemed by the Department of Treasury and Finance to be excluded from the application of AASB 16.

Loan commitments are loans approved but not drawn down by clients as at 30 June 2021. The major increase in loan commitments relates to the Government's commitment of a loan up to $100 million to Incat Tasmania Pty Ltd to support the construction of a new 120-metre fast ferry.

Program / project commitments show amounts approved to clients payable over one year or greater than one year 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 2021 has been included in these cases.

## 6.2 Contingent assets and liabilities

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

### (a) Quantifiable contingencies

A quantifiable contingent asset is a 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 a 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 a 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.

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| Quantifiable contingent liabilities | | |
| In late 2015 and following a recommendation from the TDR Board, the Minister for State Growth and Treasurer jointly approved the provision of a $25 million financial assistance package to Copper Mines of Tasmania (CMT) to support a possible reopening of the Mt Lyell Copper Mine. The assistance package was approved in the form of a grant to reimburse CMT for payroll tax and mineral royalties paid over a seven-year period, contingent on the mine reopening. | 25,000 | 25,000 |
| **Total quantifiable contingent liabilities** | **25,000** | **25,000** |

# Note 7 Cash Flow Reconciliation

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in Specific Purpose Accounts, being short term of three months or less and highly liquid. Deposits are recognised at amortised cost, being their face value.

## 7.1 Cash and cash equivalents

Cash and cash equivalents includes the balance of the Specific Purpose Accounts held by TDR, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| **Specific Purpose Account balance** | | |
| S524 Department of State Growth Financial Management Account | 4,382 | 24,974 |
| **Total** | **4,382** | **24,974** |
| | | |
| **Other cash held** | | |
| Petty cash float | ... | 1 |
| **Total** | **...** | **1** |
| | | |
| **Total cash and deposits** | **4,382** | **24,975** |
| | | |
| Restricted use cash and cash equivalents | 805 | 2,190 |
| Unrestricted use cash and cash equivalents | 3,577 | 22,785 |
| **Total cash and cash equivalents** | **4,382** | **24,975** |

Restricted use cash and deposit funds are for specific loan program purposes as designated by the Commonwealth funding bodies.

## 7.2 Reconciliation of net result to net cash from operating activities

| | 2021<br>$ 000 | 2020<br>$ 000 |
|---|---|---|
| **Net result** | **75** | **860** |
| Depreciation and amortisation | 90 | 90 |
| Movement of Interest accruals within loan portfolio | (16) | (92) |
| Fee Calls | 23 | 120 |
| Impairment adjustments | 95 | (483) |
| Net (gain)/Loss on disposal of non-financial asset | 380 | 23 |
| Decrease (increase) in Receivables | (18) | 83 |
| Decrease (increase) in Other assets | (33) | 3 |
| Increase (decrease) in Employee benefits | (104) | 12 |
| Increase (decrease) in Payables | (22) | 148 |
| Increase (decrease) in Other liabilities | (154) | (18) |
| **Net cash from (used by) operating activities** | **316** | **746** |

## 7.3 Reconciliation of liabilities arising from financing activities

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

| 2021 | Borrowings $ 000 |
|---|---|
| **Balance as at 1 July 2020** | **127,223** |
| Changes from financing cash flows: | |
| Cash Received | 1,017 |
| Cash Repayments | (9,757) |
| **Balance as at 30 June 2021** | **118,483** |

| 2020 | Borrowings $ 000 |
|---|---|
| **Balance as at 1 July 2019** | **55,832** |
| Changes from financing cash flows: | |
| Cash Received | 77,700 |
| Cash Repayments | (6,309) |
| **Balance as at 30 June 2020** | **127,223** |

# Note 8 Financial Instruments

## 8.1 Risk exposures

### (a) Risk management policies

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

» credit risk;

» liquidity risk; and

» market risk.

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

### (b) Credit risk exposures

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

The credit risk on financial assets of TDR which have been recognised in the Statement of Financial Position, other than equity investments, is the carrying amount, net of any provision for impairment.

TDR manages credit risk on loan advances by obtaining security over assets in accordance with the provisions of the TD Act and by including appropriate risk margins in TDR's interest rate pricing, based on an assessment of the inherent risk of individual clients.

As at 30 June 2021 TDR is not materially exposed to any individual client. Concentration of credit risk by industry on loan advances is: Rural (54%) and the concentration for high risk Covid-19: (27%).

| Financial Instrument | Accounting and strategic policies (including recognition criteria, measurement basis and credit quality of instrument) | Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows) |
|---|---|---|
| **Financial assets** | | |
| Receivables (including Tax assets) | Recognised upon the provision of a good or service and the issuance of an invoice or claim ie BAS, measured at face value | Payment terms generally 30 days. Collectability of receivables is reviewed at balance date for expected credit loss as well as a provision for impairment raised when collection of a debt is judged to be doubtful. |
| Other Financial Assets - Loan advances | Loan advances are held to maturity and are measured at amortised cost subsequent to initial recognition. Impairment of loan advances is reviewed on an ongoing basis. | Loan advances include financial assistance provided by TDR to the private sector in the form of loans. |
| Cash and deposits | Deposits are recognised at the nominal amounts. | Cash means notes, coins and any deposits held at call with a bank or financial institution, as well as funds held in the Specific Purpose Accounts. |

*Expected credit loss analysis of receivables*

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

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors.

| Expected credit loss analysis of receivables as at 30 June 2021 | Not past due<br>$ 000 | Past due<br>1 30 days<br>$ 000 | Past due<br>31 60 days<br>$ 000 | Past due<br>61 90 days<br>$ 000 | Past due<br>91+ days<br>$ 000 | Total<br><br>$ 000 |
|---|---|---|---|---|---|---|
| Expected credit loss rate (A) | 0.00% | 0.02% | 0.04% | 0.13% | 0.17% | |
| Total gross carrying amount (B) | 106 | 19 | ... | 36 | 48 | **209** |
| Expected credit loss (A x B) | ... | ... | ... | ... | ... | **...** |

| Expected credit loss analysis of receivables as at 30 June 2020 | Not past due<br>$ 000 | Past due<br>1 30 days<br>$ 000 | Past due<br>31 60 days<br>$ 000 | Past due<br>61 90 days<br>$ 000 | Past due<br>91+ days<br>$ 000 | Total<br><br>$ 000 |
|---|---|---|---|---|---|---|
| Expected credit loss rate (A) | 0.00% | 0.00% | 0.01% | 0.02% | 0.02% | |
| Total gross carrying amount (B) | 18 | 28 | ... | 31 | 117 | **194** |
| Expected credit loss (A x B) | ... | ... | ... | ... | ... | **...** |

### (c) Liquidity risk

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

| Financial Instrument | Accounting and strategic policies (including recognition criteria and measurement basis) | Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows) |
|---|---|---|
| **Financial liabilities** | | |
| 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. TDR regularly reviews its contractual outflows to ensure that there is sufficient cash available to meet contracted payments. | Contractual payments made on a regular basis. |
| Payables | Recognised upon the receipt of a good or service that has not been paid for, measured at face value | Settled within 30 days |

The following tables detail the undiscounted cash flows payable by TDR relating to the remaining contractual maturity for its financial liabilities:

| 30 June 2021 | Maturity analysis for financial liabilitiess | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 1 year | 2 years | 3 years | 4 years | 5 years | More than 5 years | Undiscounted total | Carrying amount |
| | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 |
| **Financial liabilities** | | | | | | | | |
| Payables | 84 | ... | ... | ... | ... | ... | 84 | 84 |
| Interest bearing liabilities | 1,000 | 45,000 | 35,000 | ... | ... | ... | 81,000 | 81,000 |
| **Total** | **1,084** | **45,000** | **35,000** | **...** | **...** | **...** | **81,084** | **81,084** |

| 30 June 2020 | Maturity analysis for financial liabilitiess | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 1 year | 2 years | 3 years | 4 years | 5 years | More than 5 years | Undiscounted total | Carrying amount |
| | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 |
| **Financial liabilities** | | | | | | | | |
| Payables | 188 | ... | ... | ... | ... | ... | 188 | 188 |
| Interest bearing liabilities | 38,647 | 303 | 45,000 | ... | ... | 43,273 | 127,223 | 127,223 |
| **Total** | **38,835** | **303** | **45,000** | **...** | **...** | **43,273** | **127,411** | **127,411** |

## (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 TDR is exposed to is interest rate risk.

TDR seeks to manage exposure to movements in interest rates by matching the repricing profile of financial assets and financial liabilities. When applicable, TDR can enter into interest rate options on floating rate debt to match capped rate loan advances. The costs of such options are recovered in the interest rate applied to loan advances, when applicable.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as TDR intends to hold fixed rate assets and liabilities to maturity.

At the reporting date, the interest rate profile of the TDR's interest bearing financial instruments were:

| | 2021 | 2020 |
|---|---|---|
| | $ 000 | $ 000 |
| **Fixed rate instruments** | | |
| Financial liabilities | (80,000) | (80,000) |
| **Total** | **(80,000)** | **(80,000)** |
| | | |
| **Variable rate instruments** | | |
| Financial assets | 136,885 | 124,690 |
| Financial liabilities | 1,000 | ... |
| **Total** | **135,885** | **124,690** |

*Sensitivity analysis of the Department's exposure to possible changes in interest rate*

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

| Sensitivity Analysis of TDR s Exposure to Possible Changes in Interest Rates | Statement of Comprehensive Income | | Equity | |
|---|---|---|---|---|
| | 100 basis points increase $ 000 | 100 basis points decrease $ 000 | 100 basis points increase $ 000 | 100 basis points decrease $ 000 |
| **30 June 2021** | | | | |
| Cash and deposits | ... | ... | ... | ... |
| Loan advances | 1,369 | (1,369) | ... | ... |
| Interest bearing facilities | (10) | 10 | ... | ... |
| **Net sensitivity** | **1,359** | **(1,359)** | **...** | **...** |
| | | | | |
| **30 June 2020** | | | | |
| Cash and deposits | ... | ... | ... | ... |
| Loan advances | 1,247 | (1,247) | ... | ... |
| Interest bearing facilities | ... | ... | | |
| **Net sensitivity** | **1,247** | **(1,247)** | **...** | **...** |

This analysis assumes all other variables remain constant. The analysis was performed on the same basis as at 30 June 2020.

## 8.2 Categories of financial assets and liabilities

| AASB 9 Carrying amount | 2021 $ 000 | 2020 $ 000 |
|---|---|---|
| **Financial assets** | | |
| Amortised cost | 141,267 | 149,874 |
| **Total** | **141,267** | **149,874** |
| | | |
| **Financial liabilities** | | |
| Financial liabilities measured at amortised cost | (118,567) | (127,411) |
| **Total** | **(118,567)** | **(127,411)** |

## 8.3 Net Fair Values of Financial Assets and Liabilities

| 2021 | Net Fair Value Level 1 $ 000 | Net Fair Value Level 2 $ 000 | Net fair Value Level 3 $ 000 | Net Fair Value Total $ 000 |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and deposits | 4,382 | ... | ... | 4,382 |
| Loan advances and receivables | ... | 137,112 | ... | 137,112 |
| **Total financial assets** | **4,382** | **137,112** | **...** | **141,494** |
| | | | | |
| **Financial liabilities** | | | | |
| **(Recognised)** | | | | |
| Payables | ... | 84 | ... | 84 |
| Borrowings | ... | 80,170 | ... | 80,170 |
| **Total financial liabilities** | | | | |
| **(Recognised)** | **...** | **80,254** | **...** | **80,254** |

| 2020 | Net Fair Value Level 1 $ 000 | Net Fair Value Level 2 $ 000 | Net fair Value Level 3 $ 000 | Net Fair Value Total $ 000 |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and deposits | 24,975 | ... | ... | 24,975 |
| Loan advances and receivables | ... | 124,894 | ... | 124,894 |
| **Total financial assets** | **24,975** | **124,894** | **...** | **149,869** |
| | | | | |
| **Financial liabilities** | | | | |
| **(Recognised)** | | | | |
| Payables | ... | 188 | ... | 188 |
| Borrowings | ... | 124,103 | ... | 124,103 |
| **Total financial liabilities** | | | | |
| **(Recognised)** | **...** | **124,291** | **...** | **124,291** |

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. TDR 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.

*Financial Assets*

The net fair value of loan advances is based on the differential between the actual interest rates of loans advanced and the equivalent TDR market interest rates at the time of reporting. Loan advances are held to maturity and are measured at amortised cost subsequent to initial recognition.

Equity investments are revalued from time to time as considered appropriate by the directors and are not stated at values in excess of their recoverable amounts.

All financial assets are not readily traded on organised markets in a standardised form.

*Financial Liabilities*

The net fair values of payables approximate their carrying amounts.

The net fair value of borrowings is based on the differential between the actual interest rates of borrowings held and the equivalent market interest rates accessible by TDR at the time of reporting.

# Note 9 Events Occurring After Balance Date

There have been no events subsequent to balance date which would have a material effect on TDR's Financial Statements as at 30 June 2021.

# Note 10 Other Significant Accounting Policies and Judgements

## 10.1 Objectives and Funding

The Tasmanian Development Authority (TDA) was established under the TD Act. Under Section 4(1) of the TD Act, the body corporate TDA operates under the corporate name TDR.

TDR has the mission to encourage and promote the balanced economic development of Tasmania by sustaining an effective partnership between business and government which fully utilises the strategic advantages and human resources of the State that will best contribute to:

» The stability of business undertakings in Tasmania

» The maintenance of maximum employment in Tasmania and

» The prosperity and welfare of the people of Tasmania.

TDR is committed to enhancing the capability of Tasmanian businesses and improving local, national and international opportunities for business in Tasmania.

The current TDR Corporate Plan for 2019-22 outlines the key focus areas for the Board, which are:

» Administration of Programs and assessment of applications for financial assistance to support strategic focus areas for Growth agreed by the Government.

» Industry sectors that have the capacity to accelerate growth in the Tasmanian economy and the capacity to both sustain the jobs we have and create new jobs.

» Supporting the role of the Office of the Coordinator General (OCG) to identify opportunities, manage major projects, reduce red tape, attract investment and encourage businesses to establish, relocate, diversify and expand in Tasmania.

» Provision of advice and advisory role to the Tasmanian government on matters relating to the policy objectives of the TDR and government.

TDR forms part of the Department of State Growth. The activities of TDR are predominantly funded through Parliamentary appropriations.

The Financial Statements encompass all funds through which TDR controls resources to carry on its functions. TDR activities are classified as controlled. Controlled activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by TDR in its own right.

The financial management and reporting obligations of TDR are governed by the TD Act.

## 10.2 Basis of Accounting

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

» The *Tasmanian Development Act 1983*, and

» Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board

Compliance with the Australian Accounting Standards (AAS) may not result in compliance with International Financial Reporting Standards (IFRS), as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. TDR 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 10.5.

The Financial Statements have been prepared as a going concern. The continued existence of TDR in its present form, undertaking its current activities, is dependent on government policy and on continuing appropriations by parliament for TDR's administration and activities. Attributed revenue and expenses are allocated on a basis determined by the Department of State Growth.

## 10.3 Reporting Entity

The Financial Statements include all the controlled activities of TDR and consolidate material transactions and balances of TDR.

## 10.4 Functional and Presentation Currency

These Financial Statements are presented in Australian dollars, which is TDR's functional currency

## 10.5 Changes in Accounting Policies

### (a) Impact of new and revised Accounting Standards

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

» AASB 1059 *Service Concession Arrangements: Grantors* – This Standard prescribes the accounting for a service concession arrangement by a grantor that is a public sector entity. Service concession arrangements are contracts between an operator and a grantor, where the operator provides public services related to a service concession asset on behalf of the grantor for a specified period of time and manages at least some of those services. There is no financial impact.

## 10.6 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.

## 10.7 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 any changes in accounting policy on comparative figures are at Note 10.5.

Where amounts have been reclassified within the Financial Statements, the comparative statements have been restated.

## 10.8 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 "...".

## 10.9 Taxation

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

## 10.10 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 (ATO). Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the ATO is recognised as an asset or liability within the Statement of Financial Position.

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

## Independent Auditor's Report

## To the Members of Parliament

## Tasmania Development Resources

## Report on the Audit of the Financial Report

### Opinion

I have audited the financial report of Tasmania Development Resources (the Authority), which comprises the statement of financial position as at 30 June 2021, 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 the statement of certification by the Chair of the Board.

In my opinion, the accompanying financial report:

(a) presents fairly, in all material respects, the financial position of the Authority as at 30 June 2021 and its financial performance and its cash flows for the year then ended

(b) is in accordance with the *Tasmanian Development Act 1983* 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 Report* section of my report. I am independent of (the Authority) in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

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

## Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the financial reporting requirements of the *Tasmanian Development Act 1983* and for such internal control as determined necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority is to be dissolved by an Act of Parliament, or the directors intend to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Authority'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 Authority 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 represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors 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.

Jeff Tongs
**Assistant Auditor-General, Audit**
**Delegate of the Auditor-General**
Tasmanian Audit Office

27 September 2021
Hobart

Tasmanian Government

Tasmania Development and Resources
Department of State Growth
Salamanca Building, Parliament Square,
4 Salamanca Place, Hobart TAS 7000
GPO Box 536, Hobart, TAS 7001 Australia
Phone: 1800 030 688
Fax: (03) 6173 0287
Email: info@stategrowth.tas.gov.au
Web: www.stategrowth.tas.gov.au