

Financial Statements 2023–24

Department of State Growth

Attachment A



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STATEMENT OF CERTIFICATION

The accompanying Financial Statements of the Department of State Growth are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016* to present fairly the financial transactions for the year ended 30 June 2024 and the financial position as at end of the year.

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



Craig Limkin

SECRETARY

18 September 2024

Statement of Comprehensive Income for the year ended 30 June 2024

		2024	2024	2023
	Notes	Budget	Actual	Actual
		\$'000	\$'000	\$'000
Income from continuing operations				
Revenue from Government				
Appropriation revenue - operating	6.1	603,309	506,615	485,981
Appropriation revenue - capital	6.1	366,734	263,322	279,620
Other revenue from Government	6.1	...	43,677	49,449
Grants	6.2	424,586	347,978	316,746
Sales of goods and services	6.3	747	10,928	15,715
Fees and fines	6.4	17,161	18,950	18,394
Interest	6.5	5,442	7,306	3,800
Contributions received	6.6	...	91,651	15,561
Other revenue	6.7	25,901	3,062	23,034
Total revenue from continuing operations		1,443,880	1,293,489	1,208,300
Net gain/(loss) on non-financial assets	7.1	4	(30,841)	(23,895)
Net gain/(loss) on financial instruments and statutory receivables/payables	7.2	...	(2,791)	(402)
Total income from continuing operations		1,443,884	1,259,857	1,184,003
Expenses from continuing operations				
Employee benefits	8.1	117,206	102,351	98,905
Depreciation and amortisation	8.2	129,855	153,954	139,861
Supplies and consumables	8.3	167,374	167,562	154,479
Grants and subsidies	8.4	506,228	491,367	449,224
Finance costs	8.5	8,388	2,554	1,684
Other expenses	8.6	829	4,341	37,947
Total expenses from continuing operations		929,880	922,129	882,100
Net result from continuing operations		514,004	337,728	301,903
Net result		514,004	337,728	301,903
Other comprehensive income				
Items that will not be reclassified to net result in subsequent periods				
Changes in physical asset revaluation reserve	12.1	150,835	373,230	476,711
Administrative restructure taken directly to equity		...	...	32,178
Total other comprehensive income		150,835	373,230	508,889
Comprehensive result		664,839	710,958	810,792

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

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

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

Statement of Financial Position as at 30 June 2024

	Notes	2024 Budget \$'000	2024 Actual \$'000	2023 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and deposits	13.1	86,148	58,845	71,281
Receivables	9.1	10,328	13,710	18,488
Loan advances	9.2	277,768	129,628	149,098
Equity investments	9.3	50	...	...
Other financial assets	9.4	676	5,498	403
<i>Non-financial assets</i>				
Inventories	9.5	5,283	3,811	1,538
Property, plant and equipment and artwork	9.6	688,791	856,862	746,520
Right-of-use assets	9.7	4,010	1,586	2,242
Infrastructure	9.8	6,976,016	7,209,160	6,562,717
Intangibles	9.9	667	2,198	909
Other assets	9.10	3,756	12,155	52,166
Total assets		8,053,493	8,293,453	7,605,362
Liabilities				
Payables	10.1	13,433	36,523	33,920
Lease liabilities	10.2	5,582	1,887	2,343
Borrowings	10.3	244,923	90,363	118,063
Employee benefits	10.4	26,952	25,778	26,422
Provisions	10.5	7,647	6,689	8,037
Other liabilities	10.6	47,792	41,706	37,028
Total liabilities		346,329	202,946	225,813
Net assets		7,707,164	8,090,507	7,379,549
Equity				
Contributed capital		...	449,664	449,664
Reserves	12.1	3,058,837	3,597,949	3,224,719
Accumulated funds		4,648,327	4,042,894	3,705,166
Total equity		7,707,164	8,090,507	7,379,549

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

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

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

Statement of Cash Flows for the year ended 30 June 2024

	Notes	2024 Budget \$'000	2024 Actual \$'000	2023 Actual \$'000
Cash flows from operating activities		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash inflows				
Appropriation receipts - operating		603,309	505,088	485,727
Appropriation receipts - capital		89,763	113,424	114,030
Appropriation receipts - other		...	43,677	49,449
Grants		70,359	85,242	34,449
Sales of goods and services		752	14,722	47,240
Fees and fines		17,161	18,950	18,394
GST receipts		16,898	81,063	81,395
Interest receipts		5,442	7,118	3,800
Other cash receipts		25,901	3,969	17,802
Total cash inflows		829,585	873,253	852,286
Cash outflows				
Employee benefits		(116,750)	(102,995)	(99,053)
Grants and subsidies		(506,153)	(486,964)	(446,224)
Supplies and consumables		(167,582)	(172,714)	(131,685)
Interest payments		(8,478)	(3,796)	(1,807)
GST payments		(16,899)	(79,834)	(83,351)
Other cash payments		(829)	(4,341)	(39,360)
Total cash outflows		(816,691)	(830,664)	(801,480)
Net cash from (used by) operating activities	13.2	12,894	22,609	50,806
Cash flows from investing activities				
Cash inflows				
Proceeds from the disposal of non-financial assets		4	5,211	4,907
Receipts from non-operational capital funding - operating		...	1,527	254
Receipts from non-operational capital funding - capital		276,971	149,898	165,590
Receipts from Australian Government funding		354,227	262,736	282,297
Cash inflow on administrative restructure		...	...	1,479
Repayment of loans by other entities		173,530	43,245	35,353
Total cash inflows		804,732	462,617	489,880
Cash outflows				
Payments for acquisition of non-financial assets		(643,138)	(440,413)	(501,441)
Loans made to other entities		(206,548)	(25,064)	(37,986)
Payments for investments		...	(4,970)	...
Total cash outflows		(849,686)	(470,447)	(539,427)
Net cash from (used by) investing activities		(44,954)	(7,830)	(49,547)
Cash flows from financing activities				

Cash inflows

Proceeds from borrowings	30,201	3,022	16,300
Trust receipts	...	964	3,407
Total cash inflows	30,201	3,986	19,707

Cash outflows

Repayment of borrowings	(470)	(30,512)	(23,747)
Trust payments	...	(689)	(4,949)
Total cash outflows	(470)	(31,201)	(28,696)
Net cash from (used by) financing activities	29,731	(27,215)	(8,989)

Net increase (decrease) in cash and cash equivalents held	(2,329)	(12,436)	(7,730)
Cash and deposits at the beginning of the reporting period		71,281	79,011
Cash and deposits at the end of the reporting period	13.1	(2,329)	58,845
			71,281

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

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

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

Statement of Changes in Equity for the year ended 30 June 2024

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

	Notes	Contributed Equity	Reserves	Accumulated funds	Total Equity
2023		\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2022		417,486	2,748,008	3,403,263	6,568,757
Net result		...	...	301,903	301,903
Other comprehensive income – revaluation reserve	12.1	...	476,711	...	476,711
Total comprehensive result		...	476,711	301,903	778,614
Transactions with owners in their capacity as owners:					
Administrative restructure - Distributions to owners		32,178	...	...	32,178
Total		32,178	...	...	32,178
Balance as at 30 June 2023		449,664	3,224,719	3,705,166	7,379,549

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2024

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Note 1 Administered Financial Statements

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

1.1 Schedule of Administered Income and Expenses

	Notes	2024 Budget \$'000	2024 Actual \$'000	2023 Actual \$'000
Administered revenue				
Revenue from Government				
Appropriation revenue – operating	16.2	29,581	35,525	31,899
State taxation	16.3	52,963	55,469	51,833
Sales of goods and services	16.4	5,832	6,814	8,510
Fees and fines	16.5	10,982	10,296	10,316
Other revenue	16.6	48,250	51,839	56,084
Total administered revenue		147,608	159,943	158,642
Net gain/(loss) on financial instruments and statutory receivables/payables			(43)	545
Total administered income		147,608	159,900	159,187
Administered expenses				
Employee benefits	16.7	...	84	45
Supplies and consumables	16.8	136	1,096	3,554
Grants and subsidies	16.9	29,445	35,492	31,875
Transfers to the Public Account		118,027	122,935	122,090
Other expenses	16.10	...	139	1
Total administered expenses		147,608	159,746	157,565
Administered net result		...	154	1,622
Administered comprehensive result		...	154	1,622

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

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

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

1.2 Schedule of Administered Assets and Liabilities

	Notes	2024 Budget \$'000	2024 Actual \$'000	2023 Actual \$'000
Administered assets				
<i>Administered financial assets</i>				
Cash and deposits		325	(2,193)	(773)
Receivables	16.11	2,496	824	1,286
Other financial Assets	16.12	...	574	...
Total administered assets		2,821	(795)	513
Administered liabilities				
Employee benefits	16.13	...	2	...
Other liabilities	16.14	983	(4,409)	(2,945)
Total administered liabilities		983	(4,407)	(2,945)
Administered net assets		1,838	3,612	3,458
Administered equity				
Contributed capital		...	(4,061)	(4,061)
Accumulated funds		1,838	7,673	7,519
Total administered equity		1,838	3,612	3,458

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

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

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

1.3 Schedule of Administered Changes in Equity

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

	Contributed Equity	Accumulated surplus / deficit	Total Equity
	\$'000	\$'000	\$'000
Balance as at 1 July 2022	(4,061)	5,897	1,836
Total comprehensive result	...	1,622	1,622
Balance as at 30 June 2023	(4,061)	7,519	3,458

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

Note 2 Departmental Output Schedules

2.1 Output Group Information

Comparative information has not been restated for external administrative restructures.

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

Output Group 1 – Industry and Business Growth

	2024 Budget \$'000	2024 Actual \$'000	2023 Actual \$'000
Income from continuing operations			
Revenue from appropriation	114,976	77,511	53,508
Other revenue from government	...	18,133	28,172
Grants	3,875	5,521	1,177
Sales of goods and services	768	2,201	2,493
Interest	5,442	7,159	3,644
Other revenue	2,320	664	2,320
Total revenue from continuing operation	127,381	111,189	91,314
Net gain/(loss) on disposal of non-financial assets	...	(66)	(76)
Net gain/(loss) on financial assets	...	(2,352)	(239)
Total income from continuing operations	127,381	108,771	90,999
Expenses from continuing operations			
Employee Entitlements	36,346	23,515	23,052
Depreciation and Amortisation	2,625	651	696
Grants and subsidies	73,733	58,929	40,168
Supplies and Consumables:			
Consultants	1,315	724	1,176
Property Services	(418)	717	832
Maintenance	323	346	326
Communications	337	284	318
Information Technology	665	1,805	1,964
Travel and Transport	550	1,477	1,571
Advertising and Promotion	1,354	920	719
Audit Expenses	...	124	134
Operating Lease costs	522	2,139	2,213
Lease costs not subject to AASB 16	1,424	...	...
Other Supplies and Consumables	(729)	(2,011)	1,694
Borrowing costs	8,388	2,468	1,644
Other expenses	21	659	602
Total expenses from continuing operations	126,456	92,747	77,109
Net result from continuing operations	925	16,024	13,890
Other comprehensive income			
Changes in physical asset revaluation reserve	3,604	...	...
Total other comprehensive income	3,604	...	...

	2024	2024	2023
	Budget	Actual	Actual
	\$'000	\$'000	\$'000
Comprehensive result	4,529	16,024	13,890
Expense by output			
1.1 Office of the Coordinator-General	17,957	3,987	7,279
1.2 Industry & Business Development	108,499	88,760	69,830
Total	126,456	92,747	77,109
Net Assets			
Total assets deployed for Output Group		149,374	171,552
Total liabilities incurred for Output Group		97,274	126,625
Net assets deployed for Output Group 1		52,100	44,927

Output Group 2 – Infrastructure and Transport Services

	2024 Budget \$'000	2024 Actual \$'000	2023 Actual \$'000
Income from continuing operations			
Revenue from appropriation	73,142	64,899	42,068
Other revenue from government	...	8,120	4,231
Revenue from appropriation - capital	...	...	6,118
Grants	21,569	16,185	17,104
Sales of goods and services	2,735	6,171	10,337
Fees and fines	17,161	18,950	18,394
Contributions received	...	...	14,551
Interest	...	107	77
Other revenue	18,334	422	2,747
Total revenue from continuing operation	132,941	114,854	115,627
Net gain/(loss) on disposal of non-financial assets	3	(2,591)	(21,381)
Net gain/(loss) on financial assets	...	78	(193)
Total income from continuing operations	132,944	112,341	94,053
Expenses from continuing operations			
Employee Entitlements	29,536	30,986	30,193
Depreciation and Amortisation	660	3,075	3,215
Grants and subsidies	52,470	40,108	27,991
Supplies and Consumables:			
Consultants	1,292	4,557	4,839
Property Services	(967)	558	829
Maintenance	8,149	368	993
Communications	731	1,614	2,006
Information Technology	21,705	4,396	3,892
Travel and Transport	7	1,142	1,150
Advertising and Promotion	644	1,703	2,166
Audit Expenses	...	96	109
Operating Lease costs	563	2,174	2,205
Lease costs not subject to AASB 16	1,506	...	...
Other Supplies and Consumables	6,090	14,362	16,500
Borrowing costs	...	42	19
Other expenses	450	2,012	36,653
Total expenses from continuing operations	122,836	107,193	132,760
Net result from continuing operations	10,108	5,148	(38,707)
Other comprehensive income			
Changes in physical asset revaluation reserve	136,211	66,081	(12,975)
Total other comprehensive income	136,211	66,081	(12,975)
Comprehensive result	146,319	71,229	(51,682)
Expense by output			
2.1 Infrastructure Tasmania	53,428	43,446	82,890
2.2 Road User Services	32,554	38,002	31,065

	2024	2024	2023
	Budget	Actual	Actual
	\$'000	\$'000	\$'000
2.3 Passenger Transport	36,854	25,745	14,461
Total	122,836	107,193	128,416
Net Assets			
Total assets deployed for Output Group		365,232	284,725
Total liabilities incurred for Output Group		14,870	12,232
Net assets deployed for Output Group		350,362	272,493

Output Group 3 – Skills, Training and Workforce Growth

	2024 Budget \$'000	2024 Actual \$'000	2023 Actual \$'000
Income from continuing operations			
Revenue from appropriation	162,756	139,713	174,468
Other revenue from government	...	...	12
Grants	18,026	34,683	5,239
Sales of goods and services	(158)	105	138
Other revenue	...	88	143
Total revenue from continuing operation	180,624	174,589	180,000
Net gain/(loss) on disposal of non-financial assets	...	(24)	(9)
Net gain/(loss) on financial assets	...	27	...
Total income from continuing operations	180,624	174,592	179,991
Expenses from continuing operations			
Employee Entitlements	5,940	9,736	9,420
Depreciation and Amortisation	...	184	202
Grants and subsidies	167,097	163,616	172,638
Supplies and Consumables:			
Consultants	192	285	42
Property Services	810	118	162
Maintenance	42	29	16
Communications	75	111	157
Information Technology	833	1,274	937
Travel and Transport	(92)	803	711
Advertising and Promotion	36	46	153
Audit Expenses	...	34	44
Operating Lease costs	304	751	770
Lease costs not subject to AASB 16	834	...	...
Other Supplies and Consumables	4,656	(192)	(1,515)
Borrowing costs	...	15	7
Other expenses	118	246	120
Total expenses from continuing operations	180,845	177,056	183,864
Net result from continuing operations	(221)	(2,464)	(3,873)
Other comprehensive income			
Other movements taken directly to equity	...	...	...
Total other comprehensive income	...	...	...
Comprehensive result	(221)	(2,464)	(3,873)
Expense by output			
3.1 Skills & Workforce Growth	180,845	177,056	183,864
Total	180,845	177,056	183,864
Net Assets			
Total assets deployed for Output Group		(465)	821

	2024	2024	2023
	Budget	Actual	Actual
	\$'000	\$'000	\$'000
Total liabilities incurred for Output Group		2,631	1,616
Net assets deployed for Output Group		(3,096)	(795)

Output Group 4 – Resources Policy and Regulatory Services

	2024 Budget \$'000	2024 Actual \$'000	2023 Actual \$'000
Income from continuing operations			
Revenue from appropriation	8,764	12,542	8,069
Other revenue from government	...	626	914
Sales of goods and services	...	220	238
Other revenue	776	99	38
Total revenue from continuing operation	9,540	13,487	9,259
Net gain/(loss) on disposal of non-financial assets	...	(1,127)	(3,328)
Net gain/(loss) on financial assets	...	27	...
Total income from continuing operations	9,540	12,387	5,931
Expenses from continuing operations			
Employee Entitlements	6,263	5,052	7,822
Depreciation and Amortisation	352	282	313
Grants and subsidies	691	533	714
Supplies and Consumables:			
Consultants	(9)	532	290
Property Services	692	233	413
Maintenance	(3)	136	87
Communications	67	104	110
Information Technology	298	971	913
Travel and Transport	(70)	446	422
Advertising and Promotion	...	44	40
Audit Expenses	...	35	41
Operating Lease costs	34	748	764
Lease costs not subject to AASB 16	121	...	...
Other Supplies and Consumables	825	(1,023)	(539)
Borrowing costs	...	14	7
Other expenses	12	288	199
Total expenses from continuing operations	9,273	8,395	11,596
Net result from continuing operations	267	3,992	(5,665)
Expense by output			
4.2 Minerals Resources	9,273	8,395	11,596
Total	9,273	8,395	11,596
Net Assets			
Total assets deployed for Output Group		33,026	27,475
Total liabilities incurred for Output Group		29,567	29,476
Net assets deployed for Output Group		3,459	(2,001)

Output Group 5 – Cultural and Tourism Development

	2024 Budget \$'000	2024 Actual \$'000	2023 Actual \$'000
Income from continuing operations			
Revenue from appropriation	81,273	69,631	76,757
Other revenue from government	...	11,544	13,915
Grants	2,788	2,640	2,092
Sales of goods and services	(2,808)	2,027	2,158
Contributions Received	...	1,441	1,010
Interest	...	40	79
Other revenue	3,732	1,274	2,609
Total revenue from continuing operation	84,985	88,597	98,620
Net gain/(loss) on disposal of non-financial assets	...	(22)	(92)
Net gain/(loss) on financial assets	...	(571)	30
Total income from continuing operations	84,985	88,004	98,558
Expenses from continuing operations			
Employee Entitlements	21,054	19,582	18,611
Depreciation and Amortisation	1,979	1,738	1,597
Grants and subsidies	58,924	71,917	72,135
Supplies and Consumables:			
Consultants	1,214	249	405
Property Services	618	1,479	1,541
Maintenance	831	927	604
Communications	307	208	230
Information Technology	348	925	789
Travel and Transport	265	576	561
Medical, Surgical and Pharmacy Supplies	6	...	...
Advertising and Promotion	405	563	253
Audit Expenses	12	46	60
Operating Lease costs	271	690	787
Lease costs not subject to AASB 16	631	...	...
Other Supplies and Consumables	1,857	2,847	4,081
Borrowing costs	...	15	7
Other expenses	156	609	175
Total expenses from continuing operations	88,878	102,371	101,836
Net result from continuing operations	(3,893)	(14,367)	(3,278)
Other comprehensive income			
Changes in physical asset revaluation reserve	11,020	44,136	...
Other movements taken directly to equity	...	...	29,347
Total other comprehensive income	11,020	44,136	29,347
Comprehensive result	7,127	29,769	26,069
Expense by output			
5.1 Tasmanian Museum & Art Gallery	11,262	13,387	13,118
5.2 Arts Industry Development	9,985	10,168	8,989
5.3 Screen Industry Development	1,782	2,461	2,835

	2024	2024	2023
	Budget	Actual	Actual
	\$'000	\$'000	\$'000
5.4 Events and Hospitality	26,987	27,646	33,398
5.5 Visitor Economy Support	14,812	14,933	8,941
5.6 Sport and Recreation	24,050	33,776	34,555
Total	88,878	102,371	101,836
Net Assets			
Total assets deployed for Output Group		542,887	499,729
Total liabilities incurred for Output Group		9,396	6,747
Net assets deployed for Output Group		533,491	492,982

Output Group 6 – Subsidies and Concessions

	2024 Budget \$'000	2024 Actual \$'000	2023 Actual \$'000
Income from continuing operations			
Revenue from appropriation	112,469	111,507	112,013
Other revenue from government	...	...	283
Other revenue	...	(2)	271
Total revenue from continuing operation	112,469	111,505	112,567
Expenses from continuing operations			
Grants and subsidies	112,019	110,477	110,550
Supplies and Consumables:			
Consultants	...	47	...
Property Services	...	...	17
Maintenance	...	331	825
Information Technology	...	...	26
Other Supplies and Consumables	450	280	(272)
Total expenses from continuing operations	112,469	111,135	111,146
Net result from continuing operations	...	370	1,421
Expense by output			
6.1 Shipping and Ferry Subsidies	1,270	1,161	1,321
6.2 General Access Services	69,754	73,441	73,504
6.3 School Bus Services	41,393	36,533	36,321
6.4 Construction of Street in Towns	52	...	...
Total	112,469	111,135	111,146
Net Assets			
Total assets deployed for Output Group		7	19
Total liabilities incurred for Output Group		38	179
Net assets deployed for Output Group		(31)	(160)

Output Group 7 – Renewables, Climate and Future Industries Tasmania

	2024 Budget \$'000	2024 Actual \$'000	2023 Actual \$'000
Income from continuing operations			
Revenue from appropriation	36,749	17,904	12,308
Other revenue from government	...	5,254	1,740
Grants	1,071	6,366	1,063
Other revenue	728	...	748
Total revenue from continuing operation	38,548	29,524	15,859
Total income from continuing operations	38,548	29,524	15,859
Expenses from continuing operations			
Employee Entitlements	7,404	12,322	4,048
Depreciation and Amortisation	153	38	...
Grants and subsidies	27,858	15,606	5,080
Supplies and Consumables:			
Consultants	2,023	1,807	2,081
Property Services	104	...	...
Maintenance	1	...	...
Communications	59	10	139
Information Technology	539	19	14
Travel and Transport	26	78	23
Advertising and Promotion	...	35	103
Audit Expenses	84	...	...
Operating Lease costs	5	...	...
Lease costs not subject to AASB 16	535	...	...
Other Supplies and Consumables	(114)	1,143	1,659
Other expenses	57	92	(1)
Total expenses from continuing operations	38,734	31,150	13,146
Net result from continuing operations	(186)	(1,626)	2,713
Net result	(186)	(1,626)	2,713
Other comprehensive income			
Other movements taken directly to equity	...	...	2,831
Total other comprehensive income	...	...	2,831
Comprehensive result	(186)	(1,626)	5,544
Expense by output			
7.1 Energy and Renewables	31,026	22,777	11,138
7.2 Climate Change	7,708	8,373	2,008
Total	38,734	31,150	13,146
Net Assets			
Total assets deployed for Output Group		6,250	470
Total liabilities incurred for Output Group		1,343	5
Net assets deployed for Output Group		4,907	465

Output Group 89 – Public Building Maintenance Fund

	2024 Budget \$'000	2024 Actual \$'000	2023 Actual \$'000
Income from continuing operations			
Other revenue	...	4	1,584
Total income from continuing operations	...	4	1,584
Expenses from continuing operations			
Employee Entitlements	19
Supplies and Consumables:			
Consultants	...	(71)	...
Maintenance	...	1	...
Other Supplies and Consumables	...	(1)	...
Other expenses	...	1	...
Total expenses from continuing operations	...	(70)	19
Net result from continuing operations	...	74	1,565
Comprehensive result	...	74	1,565
Expense by output			
89.1 Public Building Maintenance Fund	...	(70)	19
Total	...	(70)	19
Net Assets			
Total assets deployed for Output Group		(62)	1,033
Total liabilities incurred for Output Group	
Net assets deployed for Output Group		(62)	1,033

Output Group 90 –COVID- 19 Response

	2024 Budget \$'000	2024 Actual \$'000	2023 Actual \$'000
Income from continuing operations			
Revenue from appropriation	13,180	12,908	6,790
Total revenue from continuing operation	13,180	12,908	6,790
Expenses from continuing operations			
Employee entitlements	...	...	(3)
Grants and subsidies	13,180	13,647	7,481
Supplies and Consumables:			
Consultants	...	129	185
Other Supplies and Consumables	...	(868)	2,123
Other expenses	...	...	202
Total expenses from continuing operations	13,180	12,908	9,988
Net result from continuing operations	...	...	(3,198)
Comprehensive result	...	...	(3,198)
Expense by output			
90.20 Rapid Response Skills Initiative	2,150	1,150	1,000
90.30 Business Support Loan Scheme – Interest Costs	...	...	500
90.15 Essential Air Freight Services Bass Strait	...	...	419
90.23 Waratah-Wynyard Coastal Pathway	9,000	9,000	...
90.24 Small Business Sustainability And Recovery Grants	130	133	355
90.26 Expansion Of The Apprentices And Trainees Small Business Gra	...	725	4,934
90.27 Funding Of Key Vet Courses	...	...	1,780
90.28 Airport Infrastructure	1,900	1,900	1,000
Total	13,180	12,908	9,988
Net Assets			
Total assets deployed for Output Group		33	33
Total liabilities incurred for Output Group		3,507	...
Net assets deployed for Output Group		(3,474)	33

Output Group –Capital Investment Program

	2024 Budget \$'000	2024 Actual \$'000	2023 Actual \$'000
Income from continuing operations			
Revenue from appropriation - capital	366,734	263,322	273,502
Other revenue from government	...	...	182
Grants	377,257	282,583	290,071
Sales of goods and services	210	204	351
Contributions Received	...	90,210	...
Other revenue	11	513	12,574
Total revenue from continuing operation	744,212	636,832	576,680
Net gain/(loss) on disposal of non-financial assets	1	(27,011)	991
Total income from continuing operations	744,213	609,821	577,671
Expenses from continuing operations			
Employee Entitlements	10,663	1,158	5,743
Depreciation and Amortisation	124,086	147,986	133,838
Grants and subsidies	256	16,534	12,467
Supplies and Consumables:			
Consultants	1,000	9,721	6,077
Property Services	...	133	35
Maintenance	100,732	83,154	69,037
Communications	...	455	481
Information Technology	...	1,098	1,395
Travel and Transport	...	153	116
Advertising and Promotion	...	98	23
Audit Expenses	...	5	3
Operating Lease costs	29	17	11
Lease costs not subject to AASB 16	106	...	...
Other Supplies and Consumables	322	18,298	11,413
Other expenses	15	434	(3)
Total expenses from continuing operations	237,209	279,244	240,636
Net result from continuing operations)	507,004	330,577	337,035
Net result	507,004	330,577	337,035
Other comprehensive income			
Changes in physical asset revaluation reserve	...	263,013	489,686
Total other comprehensive income	...	263,013	489,686
Comprehensive result	507,004	593,590	826,721
Net Assets			
Total assets deployed for Output Group		7,197,171	6,619,515
Total liabilities incurred for Output Group		44,320	48,943
Net assets deployed for Output – Capital Investment Program		7,152,851	6,570,572
Expense by output			
Bass Highway Corridor	...	1,032	...

	2024	2024	2023
	Budget	Actual	Actual
	\$'000	\$'000	\$'000
Bridge Renewal Program	256	2,367	2,046
Bus Stop Upgrades	...	411	171
Cycling Infrastructure	...	3,407	...
Domain Highway Planning	...	49	211
Dial Regional Sports Complex	...	144	148
East and West Tamar Highway Corridors	...	332	763
Extending the Great Eastern Drive – Binalong Bay Road	...	...	16
Freight Access Bridge Upgrade	...	...	47
Glenora road Upgrade	...	250	...
Great Eastern Drive	3,832	...	...
Greater Hobart Traffic Solution	1,000	2,053	8,146
Heavy Vehicle Safety and Productivity	...	89	342
Huntingfield Roundabout Improvements	...	...	39
Infrastructure Maintenance	102,399	88,463	70,526
Infrastructure Stimulus Funding	...	1,239	2,730
Launceston and Tamar Valley Traffic Vision	...	5	211
Midland Highway	...	335	...
Network Planning	124,579	143,896	133,732
New Bridgewater Bridge	...	...	...
New Park and Ride Facilities	...	...	22
Northern Suburbs Community Recreation Hub Project	...	415	...
Northern Suburbs Multi- Sports Facility	...	4,461	...
Program Management	3,560	6,829	7,262
Remote Roads Pilot Funding	...	4,410	...
Road Safety Projects	1,583	12,678	8,473
Roads of Strategic Importance	...	395	326
Roads Package to Support Tasmania's Visitor Economy	...	1,325	126
Rokeby Stage 3 - Pass Road to Oakdowns	...	8	...
State Road Upgrades – Southern Region	...	111	864
State Roads Upgrades - North West & West Coast Region	...	...	666
Signage	...	...	170
Tasmanian AFL Package – High Performance Centre	...	859	...
TMAG Building Maintenance	...	198	...
Traffic Management and Engineering Services	...	3,483	3,462
Urban Congestion Fund	...	...	87
Victoria Street Redevelopment	...	...	50
Total	237,209	279,244	240,636

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

	2024	2024	2023
	Budget	Actual	Actual
	\$'000	\$'000	\$'000
Total comprehensive result of Output Groups	664,839	710,958	810,792
Reconciliation to comprehensive result			
Expenses unallocated to Output Groups (accruals)	...	...	...
Comprehensive result	664,839	710,958	810,792

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

	2024	2023
	Actual	Actual
	\$'000	\$'000
Total net assets deployed for Output Groups	8,090,507	7,379,549
Reconciliation to net assets		
Assets unallocated to Output Groups (overheads)	...	...
Liabilities unallocated to Output Groups (overheads)	...	...
Net assets	8,090,507	7,379,549

2.4 Administered Output Schedule

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

Output Group – Grants and Subsidies

	2024 Budget \$'000	2024 Actual \$'000	2023 Actual \$'000
Administered revenue and other income from transactions			
Revenue from appropriation	29,581	35,525	31,899
Other revenue	...	7	3
Total administered revenue and other income from transactions	29,581	35,532	31,902
Administered expenses from transactions			
Employee Entitlements	...	22	...
Grants and subsidies	29,445	35,492	31,875
Supplies and Consumables:			
Information Technology	...	10	...
Other Supplies and Consumables	136	3	29
Total administered expenses from transactions	29,581	35,527	31,904
Administered net result from transactions (net operating balance)	...	5	(2)
Total administered comprehensive result	...	5	(2)
Administered expense by output			
91.580 Government Contribution to TSO	2,384	2,384	2,351
91.598 NTC: Local Government Contribution	1,500	1,500	1,500
91.624 Conveyance Allowance	1,630	745	694
91.625 Pensioner Air Travel Subsidy	10	7	10
91.626 Transport Access Scheme	4,518	4,952	4,775
91.643 Marine and Safety Tasmania	1,418	1,418	1,751
91.751 10 Days on the Island	1,451	1,451	1,423
91.759 Tasmanian Icon - State Cricket	500	500	500
91.878 Theatre Royal	1,020	1,020	1,000
91.882 Tasmanian Railway Pty Ltd	13,900	13,900	13,900
91.883 West Coast Wilderness Railway	1,250	7,650	4,000
Total	29,581	35,527	31,904
Net Assets			
Total assets deployed for Output – Grants and Subsidies		...	...
Total liabilities incurred for Output – Grants and Subsidies		...	...
Net assets deployed for Output – Grants and Subsidies		...	...

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

	2024	2024	2023
	Budget	Actual	Actual
	\$'000	\$'000	\$'000
Total administered comprehensive result of Output Groups	...	5	(2)
Reconciliation to administered net surplus (deficit)			
Administered revenue collections	118,027	122,935	122,090
Transfers to the Public Account	(118,027)	(122,935)	(122,090)
Other administered transactions (ie unallocated to Output Groups)	...	149	1,624
Administered comprehensive result	...	154	1,622

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

	2024	2023
	Actual	Actual
	\$'000	\$'000
Total administered net assets deployed for Output Groups	...	...
Reconciliation to administered net assets		
Assets unallocated to Output Groups	(795)	513
Liabilities unallocated to Output Groups	(4,407)	(2,945)
Administered net assets	3,612	3,458

Note 3 Expenditure under Australian Government Funding Arrangements

	State Funds	Australian Govt Funds	State Funds	Australian Govt Funds
	2024 Actual \$'000	2024 Actual \$'000	2023 Actual \$'000	2023 Actual \$'000
National Partnership Payments				
Energy and Emissions Reduction				
Marinus Link	...	539	...	961
Infrastructure & Transport				
Asset Recycling Fund - IIP - New Investments	...	...	...	214
Black Spot Project	...	2,144	...	2,086
Bridgewater Bridge	60,231	163,433	42,644	170,865
IIP Bridges Renewal Programme - To States	...	2,367	14	2,046
Infrastructure Stimulus Funding	1,175	624	2,741	4,290
Launceston City Deal - Tamar River	...	13,500	108	14,000
Nation Building program - Heavy Vehicle Safety	276	330	198	209
Nation Building program - Road	62,050	66,802	79,298	62,154
Remote Roads Pilot Funding	...	4,410	...	...
Road Corridors	9,490	...	1,886	...
Roads of Strategic Importance	17,331	40,204	39,056	46,417
Suicide Prevention	...	...	...	510
Tasman Bridge Upgrade	3,180	...	3,022	...
Urban Congestion Fund	3,326	2,698	731	1,052
Skills, Training and Workforce Development				
Building Australia's Future Workforce - Vocational Education	...	2,458	...	328
Energising Tasmania	...	2,139	...	2,143
Fee Free TAFE	...	6,774	...	1,571
Infection Control Training	...	726	...	...
Industry and Indigenous skills centre	...	20	...	...
Job Trainer Fund	...	318	9,533	225
National Skills Agreement	...	16,720	...	...
North-West Tasmania Job Ready Generation	...	396	...	327
Revitalising TAFE Campuses Across Australia	...	...	5,000	...
Skilling Australians Fund	...	4,632	...	757
State Growth				
Regional Recovery Partnerships	...	3,375	...	250

Tasmanian Jobs and Investment Fund	...	226	...	600
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Tourism

Regional Recovery Partnerships	...	1,650	...	750
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Total		157,058	336,483	184,231	311,753
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Note that previous year figures have been restated to reflect a change to Australian Government classifications. Additional details of capital expenditures included in the above note are included within Note 13.4.

Note 4 Explanations of Material Variances between Budget and Actual Outcomes

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

4.1 Statement of Comprehensive Income

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue - operating	(a)	603,309	506,615	(96,694)	(16%)
Appropriation revenue - capital	(b)	366,734	263,322	(103,412)	(28%)
Other revenue from Government	(c)	...	43,677	43,677	100%
Grants	(d)	424,586	347,978	(76,608)	(18%)
Sales of goods and services	(e)	747	10,928	10,181	1,363%
Fees and fines	(f)	17,161	18,950	1,789	10%
Interest	(g)	5,442	7,306	1,864	34%
Contributions received	(h)	...	91,651	91,651	100%
Other revenue	(i)	25,901	3,062	(22,839)	(88%)
Net gain/(loss) on non-financial assets	(j)	4	(30,841)	(30,845)	(771,125%)
Depreciation and amortisation	(k)	129,855	153,954	24,099	19%
Finance costs	(l)	8,388	2,554	(5,834)	(70%)
Other expenses	(m)	829	4,341	3,512	424%
Changes in physical asset revaluation reserve	(n)	150,835	373,230	222,395	147%

Notes to Statement of Comprehensive Income variances

(a) Variance reflects revised cashflow of Budget Initiatives including City Deal Launceston (\$12.0M), Common Ticketing Program (\$13.2M), Showground Upgrade (\$11M) and Building Support Program (\$6.0M).

(b) Variance reflects revised cashflow of Capital Investment Program including Northern Suburb (Launceston) Community Recreation Hub Project (\$18.0M), Northern Suburbs Indoor Multi-sports Facility Program (\$17.7M), Tasman Bridge Upgrade (\$14.3M) and Macquarie Point Urban Renewal (\$15M).

(c) Variance reflects that the original budget does not include a value for budget rollovers as they are not known at the time of finalising the Budget.

(d) Variance reflects revised cashflow for Australian Government revenue for the Capital Investment Program, primarily the New Bridgewater Bridge (\$44.73M) and Roads of Strategic Importance (\$52.54M).

(e) The major variance reflects unbudgeted revenue including Abt Railway ticketing and sales (\$3.2M), Silverdome ticketing and sales (\$708,000) and Skilled Migration application fees (\$855,000).

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

(g) Variance reflects the increase in TDR investment activities.

(h) Variance reflects unanticipated (in original budget) donations and bequests.

(i) Variance represents less than anticipated (in original budget) revenue receipts relating to the reimbursement of funding for the Launceston City Deal project Tamar River Catchment.

(j) Variance reflects unanticipated (in original budget) Net losses on non-financial assets.

(k) Variance reflects as increase in the roads and bridges infrastructure depreciation.

(l) Variance reflects reduced borrowings from TASCORP by TDR.

(m) Variance reflects unbudgeted expenses for Abt Railway, as well as increases in motor registry transaction charges, and workers compensation and training.

(n) Variance relates to the revaluation of incremental roads and bridges infrastructure, as well as heritage and culture collectable assets.

4.2 Statement of Financial Position

		2024	2024	2023	Budget	Actual
	Note	Budget	Actual	Actual	Variance	Variance
		\$'000	\$'000	\$'000	\$'000	\$'000
Cash and deposits	(a)	86,148	58,845	71,281	(27,303)	(12,436)
Receivables	(b)	10,328	13,710	18,488	3,382	(4,778)
Loan advances	(c)	277,768	129,628	149,098	(148,140)	(19,470)
Other financial assets	(d)	676	5,498	403	4,822	5,095
Inventories	(e)	5,283	3,811	1,538	(1,472)	2,273
Property, plant and equipment and artwork	(f)	688,791	856,862	746,520	168,071	110,342
Right of use assets	(g)	4,010	1,586	2,242	(2,424)	(656)
Infrastructure	(h)	6,976,016	7,209,160	6,562,717	233,144	646,443
Intangibles	(i)	667	2,198	909	1,531	1,289
Other assets	(j)	3,756	12,155	52,166	8,399	(40,011)
Payables	(k)	13,433	36,523	33,920	23,090	2,603
Borrowings	(l)	244,923	90,363	118,063	(154,560)	(27,700)
Provisions	(m)	7,647	6,689	8,037	(958)	(1,348)
Other liabilities	(n)	47,792	41,706	37,028	(6,086)	4,678

Notes to Statement of Financial Position variances

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

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

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

(d) Variance reflects higher than anticipated (Original Budget) investment activities by TMAG Trustees.

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

(f) Variance primarily relates to increase on revaluation of assets.

(g) The variance to actual relates a change in methodology regarding the discount rate applied. Variance to (original) budget reflects a change in budget during the year.

(h) The variance to actual and original budget primarily relates to revaluation of infrastructure assets.

(i) Variance reflects higher than anticipated (Original Budget) purchase of intangible assets, including purchase of a perpetual licence for the Common Ticketing Program.

(j) The variance to actual and original budget primarily relates to prepayment of progress claims for the New Bridgewater Bridge.

(k) Variance reflects higher than anticipated (Original Budget) payables.

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

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

(n) Variance reflects unanticipated (in Original Budget) level of Monies held in trust.

4.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation receipts – operating	(a)	603,309	505,088	(98,221)	(16%)
Appropriation receipts – capital	(b)	89,763	113,424	23,661	26%
Appropriation receipts – other	(c)	...	43,677	43,677	100%
Grants	(d)	70,359	85,242	14,883	21%
Sales of goods and services	(e)	752	14,722	13,970	1,858%
Fees and fines	(f)	17,161	18,950	1,789	10%
GST receipts/payments (net)	(g)	(1)	1,229	1,230	(123,000%)
Interest receipts	(h)	5,442	7,118	1,676	31%
Supplies and consumables	(i)	(167,582)	(172,714)	(5,132)	3%
Interest payments	(j)	(8,478)	(3,796)	4,682	(55%)
Other cash payments	(k)	(829)	(4,341)	(3,512)	424%
Receipts from non-operational capital funding – operating	(l)	...	1,527	1,527	100%
Receipts from non-operational capital funding – capital	(m)	276,971	149,898	(127,073)	(46%)
Receipts from Australian Government funding	(n)	354,227	262,736	(91,491)	(26%)
Repayment of loans by other entities	(o)	173,530	43,245	(130,285)	(75%)
Payments for acquisition of non-financial assets	(p)	(643,138)	(440,413)	202,725	(32%)
Loans made to other entities	(q)	(206,548)	(25,064)	181,484	(88%)
Payments for investments	(r)	...	(4,970)	(4,970)	100%
Proceeds from borrowings	(s)	30,201	3,022	(27,179)	(90%)
Repayment of borrowings	(t)	(470)	(30,512)	(30,042)	6,392%

Notes to Statement of Cash Flows variances

(a) Variance reflects revised cashflow of Budget Initiatives including City Deal Launceston (\$12.0M), Common Ticketing Program (\$13.2M), Showground Upgrade (\$11M) and Building Support Program (\$6.16M)

(b) Variance reflects Original Budget classification of appropriation split between Appropriation receipts capital and Receipts from non-operational capital funding – capital. Less expenditure on the roads program was capitalised then anticipated in the Original Budget.

(c) Variance reflects that the original budget does not include a value for budget rollovers as they are not known at the time of finalising the Budget.

(d) Variance reflects lower than originally anticipated Australian Government revenue for projects including the New Bridgewater Bridge (\$44.73M) and Roads of Strategic Importance (\$52.54M).

(e) The major variance reflects original budget not including Abt Railway ticketing and sales, TDR rental income and Silverdome operational income. The budget estimates have been updated as part of the 2024-25 Budget.

(f) Variance reflects higher than anticipated regulatory fee revenue received.

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

(h) Variance reflects increase of interest revenue through investment activities

(i) Variance reflects capitalisation of maintenance costs that are included in the original budget as an expense.

(i) Variance reflects the timing of borrowings from TASCORP in order to fund the activities of TDR.

- (k) Variance relates to reimbursement of projects not included in original budget.
- (l) Variance reflects Original Budget classification of appropriation split between Appropriation receipts – operating and Receipts from non-operational capital funding – operating.
- (m) Variance reflects Original Budget classification of appropriation split between Appropriation receipts capital and Receipts from non-operational capital funding – capital.
- (n) The major variance reflects lower than anticipated (in original budget) capitalised expenditure for the Capital Investment Program including the New Bridgewater Bridge (\$44.73M) and Roads of Strategic Importance (\$52.54M).
- (o) Variance reflects lower than originally anticipated repayment of TDR loan advances.
- (p) Variance reflects the unbudgeted proceeds from the disposal of non-financial assets.
- (q) Variance reflects lower than anticipated (in Original Budget) disbursement of TDR loan advances including Supporting Jobs at INCAT and the Building and Construction Support Loan Scheme.
- (r) Variance reflects investment activity not originally budgeted for TMAG Trustees.
- (s) Variance reflects lower than anticipated (Original Budget) borrowing required from TASCORP in order to fund the activities of TDR, including Supporting Jobs at INCAT and the Building and Construction Support Loan Scheme.
- (t) Variance reflects higher than anticipated (Original Budget) repayment of borrowings to TASCORP in order to fund the activities of TDR.

Note 5 Underlying net result

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

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

	Notes	2024 Budget \$'000	2,024 Actual \$'000	2,023 Actual \$'000
Net result from continuing operations		514,004	337,728	301,903
<i>Less impact of: Non-operational capital funding</i>				
Revenue from Government – capital	6.1		106,750	149,666
Revenue from Australian Government	13.2		262,736	282,297
Contributions received - assets acquired for nil consideration	6.6	...	...	1,010
Total		...	369,486	432,973
Underlying Net result from continuing operations		514,004	(31,758)	(131,070)

Note 6 Revenue

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

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

6.1 Revenue from Government

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

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

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

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

	2024 Budget \$'000	2024 Actual \$'000	2023 Actual \$'000
Continuing operations			
Appropriation revenue – operating			
Current year	603,309	506,615	485,981
	603,309	506,615	485,981
Appropriation revenue - capital	89,763	156,572	129,954
Other revenue from Government			
Appropriation Rollover under section 23 of the <i>Financial Management Act 2016</i>	...	43,677	49,449
Total revenue from Government from continuing operations	89,763	200,249	665,384
Non-operational capital funding			
Capital Services	276,971	106,750	149,666
Total	276,971	106,750	149,666
Total Revenue from Government	970,043	813,614	815,050

6.2 Grants

Grants revenue, where there is a sufficiently specific performance obligation attached, are recognised when the Department satisfies the performance obligation and transfers the promised goods or services. The Department typically satisfies its performance obligations when the corresponding expenditure is incurred, more bespoke

grants will detail how the performance obligations are to be satisfied within the grant documentation. The Department recognises revenue associated with performance obligations as performance obligations are deemed to be met, typically revenue is received as a reimbursement and can be recognised on receipt.

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

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

	2024	2023
	Actual	Actual
	\$'000	\$'000
Grants with sufficiently specific performance obligations		
Grants from the Australian Government	48,287	9,816
Grants from the Tasmanian Government	9,723	925
Industry contributions	1,699	1,649
Total	59,709	12,390
Grants to acquire/construct a recognisable non-financial asset		
Grants from the Australian Government	287,649	297,311
Grants from the Tasmanian Government	620	7,045
Total	288,269	304,356
Total revenue from Grants	347,978	316,746

6.3 Sales of goods and services

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

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

	2024	2023
	\$'000	\$'000
Goods	4,917	5,555
Services	2,560	4,110
Abt Railway ticketing sales and retail revenue	974	3,603
Rental revenue	2,477	2,447
Total	10,928	15,715

6.4 Fees and fines

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

	2024	2023
	\$'000	\$'000
Road Safety Levy	18,514	17,459
Other	436	935
Total	18,950	18,394

6.5 Interest

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

	2024	2023
	\$'000	\$'000
Interest – loan advances	7,306	3,800
Total	7,306	3,800

6.6 Contributions received

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

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

	2024	2023
	\$'000	\$'000
Fair value of additions to TMAG Collections at no cost	923	229
TMAG Donations and bequests	517	781
Land under roads addition from reclassification	90,211	...
Roads transferred from West Coast Council	...	11,451
Land and building transferred from Department of Education, Children & Young People	...	3,100
Total	91,651	15,561

6.7 Other revenue

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

	2024	2023
	\$'000	\$'000
Administrative support charge – Tourism Tasmania	903	903
Administrative support charge – Macquarie Point Development Corporation	139	139
Investment revenue*	435	...
Recoveries – Derwent Entertainment Centre	...	6,382
Recoveries – COVID-19	...	1,689
Miscellaneous revenue	1,585	13,921
Total	3,062	23,034

*Investment revenue reflects TMAG investment portfolio market value movement

Note 7 Net Gain/(Losses)

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

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

Key Judgement

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

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

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

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

	2024	2023
	\$'000	\$'000
Write off of replaced road assets	(23,610)	(8,245)
Write off of replaced bridge assets	(3,401)	(176)
Write off of traffic signals replaced/upgraded	(180)	(100)
Revaluation of land and buildings	...	(2,828)
Revaluation of Artwork	...	(27)
Net gain/(loss) on disposal of land and buildings	(3,378)	(10,048)
Net gain/(loss) on disposal of plant and equipment	(267)	52
Net gain/(loss) on disposal of Aerodrome	...	(115)
Net gain/(loss) on the disposal of Artwork	(5)	(90)
Impairment of non-financial assets - Abt Railway Infrastructure	...	(2,318)
	(30,841)	(23,895)

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

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

Key Judgement

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

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

	2024	2023
	\$'000	\$'000
Impairment reversals/(losses) of:		
Loans advances	(2,440)	(240)
Equity investments	(596)	30
Receivables	245	(192)
Total net gain/(loss) on financial instruments	(2,791)	(402)

Note 8 Expenses from transactions

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

8.1 Employee benefits

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

(a) Employee expenses

	2024	2023
	\$'000	\$'000
Wages and salaries	72,674	73,358
Annual leave	6,162	5,696
Long service leave	1,473	912
Superannuation	14,412	13,180
Other post-employment benefits	2,484	1,144
Other employee expenses	4,386	4,086
Other employee benefits - Fringe Benefits Tax	760	529
Total	102,351	98,905

(b) Remuneration of key management personnel

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

*Key management personnel**

Office of the Coordinator-General:

John Perry, Coordinator-General	467	(23)	54	(40)	...	458
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Department of State Growth

Craig Limkin, Secretary (from 31/10/23)	275	81	32	4	...	391
Kim Evans, Secretary (until 11/7/23)	57	(255)	64	(135)	420	151
Gary Swain, Deputy Secretary, Transport and Infrastructure (until 12/1/24)	96	(40)	11	(55)	...	12
Angela Conway, Deputy Secretary, Business Services	212	27	28	(62)	...	206
Kate Kent, Deputy Secretary, Culture, Arts and Sport	229	(8)	25	(42)	...	204
Mark Bowles, Deputy Secretary, Business and Jobs	142	11	16	(35)	...	133

Brett Stewart, Deputy Secretary, Resources, Strategy and Policy	217	11	25	(36)	...	217
Anton Voss, Chief Executive Officer - Renewables Climate and Future Industries Tasmania	250	10	15	(8)	...	267
<i>Acting key management personnel</i>						
Department of State Growth						
Gary Swain, Secretary (12/8/23 to 30/10/23)	87	9	9	...	...	105
Martin Crane, Deputy Secretary, Transport and Infrastructure (various)	30	3	4	...	...	36
Denise McIntyre, Deputy Secretary, Transport and Infrastructure (various)	153	2	20	(32)	...	142
Jenna Cairney, Deputy Secretary, Business and Jobs (various)	81	9	14	(0)	...	103
David Sudmalis, Deputy Secretary, Culture, Arts and Sport (20/4/24 to 30/6/24)	35	4	4	...	...	43
Mark Bowles, Chief Executive Officer - Renewables Climate and Future Industries Tasmania (12/2/24 to 30/6/24)	73	6	8	(22)	...	65
Sean Terry, Chief Executive Officer - Renewables Climate and Future Industries Tasmania (various)	27	2	4	...	...	33
Total	2,431	(151)	331	(464)	420	2,566

2023	Short-term benefits		Long-term benefits		Termination benefits	Total
	Salary	Other benefits	Superannuation	Other benefits & Long-service Leave		
	\$'000	\$'000	\$'000	\$'000		

Key management personnel

Office of the Coordinator-General:

John Perry, Coordinator-General	449	(64)	49	(8)	...	426
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Department of State Growth

Kim Evans, Secretary	389	39	58	(17)	...	469
Gary Swain, Deputy Secretary Transport Services	226	67	24	8	...	325
Amanda Russell, Deputy Secretary Business Services (until 3/2/23)	137	(22)	18	...	...	133
Angela Conway, Deputy Secretary, Business Services (from 6/2/23)	75	48	10	73	...	206
Angela Conway, Deputy Secretary, Culture, Arts and Sport (15/2/22 to 29/7/22)	21	...	3	...	...	24
Kate Kent, Deputy Secretary, Culture, Arts and Sport (from 1/7/22)	207	56	22	43	...	328

Mark Bowles, Deputy Secretary, Business and Jobs	209	7	22	10	...	248
Brett Stewart, Deputy Secretary, Resources, Strategy and Policy	212	51	24	(5)	...	282
Anton Voss, Chief Executive Officer - Renewables Climate and Future Industries Tasmania (from 13/9/22)	332	30	20	8	...	390
<i>Acting key management personnel</i>						
Department of State Growth						
Gary Swain, Secretary (23/12/22 to 22/1/23)	31	...	3	...	...	34
Martin Crane, Deputy Secretary, Transport and Infrastructure (7/4/23 to 7/5/23)	19	38	2	42	...	101
Denise McIntyre, Deputy Secretary, Transport and Infrastructure (15/8/22 to 23/9/22)	28	35	3	58	...	124
Jenna Cairney, Deputy Secretary, Business and Jobs (15/3/23 to 21/4/23)	22	9	2	1	...	34
Andrew Smythe, Deputy Secretary, Resources, Strategy and Policy (29/9/22 to 28/10/22)	18	22	2	18	...	60
Total	2,375	316	262	231	...	3,184

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

Remuneration during 2023-24 for key personnel is set by the *State Service Act 2000*. Remuneration and other terms of employment are specified in employment contracts. Remuneration includes salary, motor vehicle and other non-monetary benefits. Long-term employee expenses include long service leave, superannuation obligations and termination payments. Fringe benefits have been reported at the grossed up reportable fringe benefits amount. The Fringe Benefits Tax (FBT) year runs from 1 April to 31 March each year, any FBT attributable to key management personnel is reported on that basis.

Acting Arrangements

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

Terminations

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

(c) **Related party transactions**

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

	2023	30 June 2023
	Aggregate value of transactions	Total amount outstanding or committed
	\$'000	\$'000
Voluntary non-reciprocal donations to TMAG	8	...
Consultancy services	5	...
Total	13	...

8.2 Depreciation and amortisation

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

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

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

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

Abt Railway Infrastructure:			
Tracks, bridges, structures, culverts and station buildings	20 - 100	1.00% - 5.00%	Straight Line
Railway carriages	30 - 75	1.33% - 3.33%	Straight Line
Locomotives	25	4.00%	Straight Line
Buildings	20 - 30	3.33% - 5.00%	Straight Line
Rail wagons	5	20.00%	Straight Line

Road Infrastructure

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

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

Bridge Infrastructure

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

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

Intangible Assets

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

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

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

(a) Depreciation

	2024	2023
	\$'000	\$'000
Plant and equipment	1,221	1,189
Abt Railway Rolling Stock	192	181
Aerodromes	2	...
Traffic signal installations	750	730
Buildings	1,962	2,226
Road infrastructure	107,927	95,843
Bridges	40,030	37,964
Other infrastructure	1,192	990
Right-of-use assets	498	559
Total	153,774	139,682

(b) Amortisation

	2024	2023
	\$'000	\$'000

Intangibles	12	12
Leasehold improvements	168	167
Total	180	179
Total depreciation and amortisation	153,954	139,861

8.3 Supplies and consumables

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

	2024	2023
	\$'000	\$'000
Audit fees – financial audit	250	216
Audit fees – internal audit	90	175
Operating lease costs	6,519	6,714
Consultants	17,980	15,091
Property services	3,238	3,829
Maintenance	85,292	71,888
Communications	2,786	3,441
Information technology	10,488	9,930
Travel and transport	4,675	4,558
Advertising and promotion	3,409	3,459
Legal expenses	781	1,811
Contractor payments (non road-works)	14,358	17,299
Other supplies and consumables	17,696	16,068
Total	167,562	154,479

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

8.4 Grants and subsidies

Grant and subsidies expenditure is recognised to the extent that:

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

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

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

Grant Name	2024 \$'000	2023 \$'000
Advanced Manufacturing grants	6,980	2,051
AFL Agreement - Hawthorn Football Club	4,380	4,339
AFL Tasmania	5,500	500
AFLW Agreement - NMFC	645	927
Airport Infrastructure	1,901	1,000
Ancillary Dwelling Grants Program	675	695
Antarctic contributions and grants	376	302
Arts grants	5,893	5,057
Blundstone Arena	250	2,750
Building Project Support Fund	5,915	5,110
Business and Industry Assistance	2,964	6,425
Business Enterprise Centres	589	811
Business Events Attraction Fund	1,100	500
City Deal Devonport	...	65
City Deal Launceston	558	7,473
Climate Change grants	5,305	5
Coastal Pathway Project	9,480	2,960
Community Support Levy	2,096	4
Copper Mines of Tasmania	1,000	500
COVID-19 grants	...	1,211
Cricket Tasmania	1,560	1,560
Cycle Tourism Fund	3,407	...
Destination Action Plan	2	5
Energy Policy and contributions	119	1,047
Energy Saver Loan Scheme	3,425	304
Enterprize Hubs	250	250
Event Support and Attraction Fund	710	520
Events Tasmania grants	17,540	19,303
Global Education Strategy	...	22
Grants to Councils - Road works	7,724	10,699
Great Customer Experience	800	950
High Vis Army	3,190	2,977
Improving Mobile coverage for the Great Eastern Drive	2,480	1,451
Jobs Tasmania Grants	8,783	9,434
Learner Driver Mentoring program	1,854	1,302
Macquarie Point Development Corporation	5,000	5,000
Menzies ICON	500	500
Mining Exploration Grants Program	491	630
Museums and Art Galleries	1,944	2,616
Other contributions	200	463
Other grants	10,353	1,413
Regional Events Recovery Fund	89	251
Regional Recovery Partnerships	4,047	1,250

Grant Name	2024 \$'000	2023 \$'000
Regional Tourism Organisations	2,534	244
Residential Land Rebate	7,093	8,718
Road Safety Grants	8,012	1,886
Rural Towns Security Cameras	1,662	1,400
Science and Technology grants	244	334
Screen Tasmania Grants	1,577	1,801
Serco Contact Centre Industry support	185	370
Showground Renewal Project	7,000	...
Skills Tasmania grants	1,856	1,548
Small Business Grants	2,358	1,989
Sport and Recreation Grants	8,124	7,143
Sport and Recreation Infrastructure grants	4,763	16,873
Start up Accelerator	75	175
Tamar Estuary	13,595	14,108
Tamar River Dredging	410	392
Tasmanian Hospitality Association	200	375
Tasmanian Institute of Sport Grants	2,101	296
Tasmanian Leaders Program	207	193
Tasmanian Polar Network	25	25
Tasmanian Renewable Hydrogren Development Fund	5,799	3,309
TasTAFE	26,150	33,593
Ticket to Play	1,166	1,013
Tourism and Hospitality grants	17,053	6,801
UXC Support	42	210
West Coast Wilderness Railway	...	3,000
Total Grants	242,306	210,428
Subsidy		
Apprentice and trainee subsidies	3,363	7,729
Business Energy Efficiency Subsidy	9	...
Derwent River Ferry Service	1,573	3,287
Flight Subsidies	...	583
General Access Bus Services	85,406	67,490
Shipping and ferry subsidies	923	645
Student Only Bus Services	36,678	36,480
Vocational Education Training (VET) delivery	121,109	122,582
Total Subsidies	249,061	238,796
Total grants and subsidies	491,367	449,224

8.5 Finance costs

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

Finance costs include:

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

	2024	2023
	\$'000	\$'000
Interest expense		
Interest on loans	2,429	1,625
Interest on leases	119	54
Total	2,548	1,679
Other finance costs		
Penalty interest on late payments to creditors	6	5
Total	6	5
Total finance costs	2,554	1,684

8.6 Other expenses

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

	2024	2023
	\$'000	\$'000
Workers compensation	1,096	800
Other employee expenses (including training/development, WH&S, recruitment)	1,861	1,813
Miscellaneous expenses	1,384	35,334
Total	4,341	37,947

Note 9 Assets

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

9.1 Receivables

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

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

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

	2024	2023
	\$'000	\$'000
Receivables	13,758	18,781
Less: Expected credit loss	(48)	(293)
Total	13,710	18,488
Sales of goods and services	1,919	4,249
Fees and fines	29	1,246
Tax assets	11,762	12,993
Other receivables		...
Total	13,710	18,488
Settled within 12 months	13,612	18,390
Settled in more than 12 months	98	98
Total	13,710	18,488
	2024	2023
	\$'000	\$'000
Reconciliation of movement in expected credit loss for receivables		
Carrying amount at 1 July	293	101
Increase/(decrease) in provision recognised in profit or loss	(245)	192
Carrying amount at 30 June	48	293

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

9.2 Loan advances

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

	2024	2023
	\$'000	\$'000
Section 35 Loans Administered by TDR	22,914	24,232
Section 37 Loans Administered by TDR	15,000	15,000
<i>Tasmanian Development Act 1983</i>	1,456	1,874
Agrigrowth Loan Program	7,433	10,373
Drought Dairy Recovery Concessional Program & Drought Recovery – Non-Debt	980	2,872
Flood Recovery Rural	34	60
Farm Business Concessional Loan scheme - Dairy Recovery & Drought Assistance	4,734	8,305
Tourism Accommodation Refurbishment Loan Scheme	2,347	3,173
Farm Business Concessional Loan scheme - Dairy Recovery - JUL 2017 & Drought Assistance - JUL 2017	5,355	7,555
Heritage Renewal Loan Scheme	125	244
Agrigrowth Loan Scheme - Young Farmers	35,563	35,957
Federal Refinance Loans	177	263
COVID-19 Interest Free Business Support Loan Scheme	10,431	18,147
COVID-19 Business Support Loans	364	2,582
Business Growth Loan Scheme	8,153	8,382
Building Construction Support & Construction S35	8,931	6,594
Tourism Development Loan Scheme	7,170	3,060
Screen Tasmania Loans	230	230
Arts Loans	901	849
Less: Provision for impairment	(2,670)	(655)
Total	129,628	149,098
Settled within 12 months	18,164	20,587
Settled in more than 12 months	111,464	128,511
Total	129,628	149,098

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

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

	2024	2023
	\$'000	\$'000
Reconciliation of movement in provision for impairment of other financial assets		
Carrying amount at 1 July	415	95

Increase/(decrease) in provision recognised in net result	2,255	320
Carrying amount at 30 June	2,670	415

9.3 Equity investments

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

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

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

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

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

	2024	2023
	\$'000	\$'000
Unlisted equity instruments	16,003	15,407
Less: Provision for impairment	(16,003)	(15,407)
Total	...	...
Settled within 12 months	...	...
Settled in more than 12 months	...	...
Total	...	...

	2024	2023
	\$'000	\$'000
Reconciliation of movement in provision for impairment of equity investments		
Carrying amount at 1 July	15,407	15,436
Increase(decrease) in provision recognised in net result	596	(29)
Carrying amount at 30 June	16,003	15,407

9.4 Other financial assets

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

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

	2024	2023
	\$'000	\$'000
Accrued revenue	329	403
Investments*	5,142	...
Other current assets	27	...
Total	5,498	403
Settled within 12 months	5,498	403
Total	5,498	403

*Investments \$5.142 million relates to surplus cash invested by TMAG Trustee.

9.5 Inventories

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

	2024	2023
	\$'000	\$'000
Inventory held for sale – Tasmanian Museum and Art Gallery (TMAG)	132	125
Inventory held for sale – Abt Railway	147	211
Inventory held for use – DSG	3,532	1,202
Total	3,811	1,538
Consumed within 12 months	3,811	1,538
Total	3,811	1,538

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

Property, plant and equipment and artwork

(i) Valuation basis

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

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

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

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

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

(ii) Subsequent costs

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

(iii) Asset recognition threshold

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

(iv) Revaluations

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

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

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

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

Heritage and cultural assets

(i) Valuation basis

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

(ii) Asset recognition threshold

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

(iii) Revaluations

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

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

(iv) Highest and best use

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

(a) Carrying amount

	2024	2023
	\$'000	\$'000
Land holdings		
Land (including land under buildings) Level 2 - at fair value	69,518	72,320
Land (including land under buildings) Level 3 - at fair value	4,202	2,193
Rural properties - at option value	653	643
Rail Corridor land - at fair value	151,269	73,259
Total	225,642	148,415
Buildings		
Level 2 - at fair value	77,527	112,737
Level 3 - at fair value	89,143	5,465
Less: Accumulated depreciation	(4,520)	(2,839)
Total	162,150	115,363

Aerodromes		
At fair value	165	165
Less: Accumulated depreciation	(2)	...
Total	163	165
Plant and equipment		
At cost	13,148	13,394
Less: Accumulated depreciation	(7,324)	(6,733)
Total	5,824	6,661
Abt Railway rolling stock		
At fair value	5,440	5,083
Less: Accumulated depreciation	(373)	(181)
Total	5,067	4,902
Traffic Signal installations		
At fair value	21,782	21,060
Less: Accumulated depreciation	(1,466)	(728)
Total	20,316	20,332
Leasehold improvements		
At cost	2,115	1,815
Less: Accumulated depreciation	(940)	(772)
Total	1,175	1,043
Heritage and cultural assets and Artwork		
At fair value	427,513	382,290
Total	427,513	382,290
Work in progress (at cost)		
Buildings	5,574	65,169
Plant and equipment	1,298	...
Abt Railway rolling stock	2,112	2,062
Leasehold improvements	...	98
Heritage and cultural assets and Artwork	28	20
Total	9,012	67,349
Total property, plant and equipment, artwork, heritage and cultural assets	856,862	746,520

Land and buildings

Land and buildings revaluations were based on the most recent valuations undertaken by the Valuer-General as publicly available on the Land Information System Tasmania's (LIST) website. TDR's were undertaken by Knight Frank Tasmania as at 30 June 2022. TMAG used valuations undertaken by independent valuers Brothers and Newton Opteon as at 30 June 2020.

All the valuations have been prepared in accordance with the International Valuation Standards (IVS) 2011 which are endorsed by the Australian Property Institute and in accordance with the International Financial Reporting Standards (IFRS) 13 *Fair Value Measurement*. Land and the buildings have been classified as non-specialised assets and accordingly valued on the basis of market value with reference to observable prices in an active market, using traditional valuation methods including sales comparison. Indexation has been applied to assets where is applicable.

Aerodrome

The Aerodrome is located in Cape Barren Island. The department currently administers a grant deed with the Aboriginal Land Council of Tasmania (ALCT) and the Cape Barren Island Aboriginal Association to undertake routine maintenance and minor works on roads and the aerodrome. The latest revaluation undertaken by the department was based on the most recent valuations undertaken by the Valuer-General as publicly available on the Land Information System Tasmania's (LIST) website as at 30 June 2023.

Rural properties

Rural properties are valued as at 30 June 2023 to fair value. Fair value of these properties equates to the option prices deemed on the individual properties. These option prices are the amounts receivable should the tenants exercise the option to purchase the freehold title.

Rail Corridor land

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

The land is valued at either current Valuer-General valuation where one exists, or at the average rate per land area in each Municipality according to adjacent land zoning. Every five years the Valuer General provides average values per hectare or square metre for the residential, commercial, industrial and primary industrial sectors in each Municipality, from the most recent valuations of land titles adjoining and within a 200 metre corridor of the rail lines. The most recent update of indexation value was provided by the Valuer-General and applied to this asset class as at 30 June 2024.

Abt Railway rolling stock

The latest revaluation of ABT Railway rolling stock as at 30 June 2022 was completed by Colliers on a current replacement cost basis. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight-line basis on the expired proportion of the estimated useful life of the asset.

Traffic Signals installations

Traffic Signals assets are valued as at 30 June 2022 by Colliers on a current replacement cost basis. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight-line basis on the expired proportion of the estimated useful life of the asset.

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

An independent valuation of heritage and cultural assets was last undertaken by independent specialist valuer Aon Valuation Services with the assets valued as at 30 June 2019. The valuation report was issued 7 February 2020. The valuation was undertaken in accordance with accounting standards for fair value applicable to cultural and heritage collections AASB 13 *Fair Value Measurement*. The definition of fair value is defined in AASB 13 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. It is based on the principle of an exit price and refers to the price an entity expects to receive when it sells an asset, or the price an entity expects to pay when it transfers a liability. Full valuation was due in June 2024 and has been postponed to 2025, indexation was adopted on the Heritage and cultural assets for reporting purpose as at June 2024.

Artwork

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

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

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

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

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

2024

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

2023

	Land Level 2 (land in active markets)	Land Level 3 (specific purpose/use land)	Buildings Level 2 (General office buildings)	Buildings Level 3 (Specific purpose use buildings)	Aerodromes Level 3 (Specific purpose use)	Plant and equipment (including computer equipment)	Abt Railway Rolling Stock Level 3 (Specific purpose use)	Traffic Signal installations Level 3 (specific purpose use)	Leasehold improvements	Heritage and cultural assets and Artwork Level 3	WIP	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	80,029	76,226	81,115	6,385	139	4,699	5,082	20,378	1,149	382,046	58,145	715,393
Additions	...	...	913	175	...	989	...	787	61	108	9,588	12,621
Contributions received	...	...	...	...	...	...	...	...	...	229	...	229
Disposals	(9,726)	(131)	(3,317)	...	(116)	...	...	(103)	...	(95)	...	(13,488)
Net transfers	165	...	2,935	...	...	...	...	...	...	...	...	3,100
Reclassification of assets	...	...	...	(896)	...	...	...	...	...	...	...	(896)
Transfers to/(from) WIP	...	...	...	...	...	383	...	...	...	...	(383)	...
<i>Gains/losses recognised in operating result</i>	...	...	...	...	...	...	...	...	...	...	...	...
Revaluation increments (decrements)	(2,828)	...	...	...	...	...	...	...	...	(27)	...	(2,855)
<i>Gains/losses recognised in other comprehensive income</i>	...	...	...	...	...	...	...	...	...	...	...	...
Revaluation increments/(decrements)	2,487	...	1,005	...	142	...	...	...	...	29	...	3,663
Net additions through restructuring	2,193	...	29,274	...	...	1,779	...	...	...	...	...	33,246
Depreciation & amortisation	...	...	(2,027)	(199)	...	(1,189)	(181)	(730)	(167)	...	...	(4,493)
Carrying value at 30 June	72,320	76,095	109,898	5,465	165	6,661	4,901	20,332	1,043	382,290	67,350	746,520

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

Description	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Land – Rural properties - specific purpose/use land	653	A – option price in individual contracts	Nil alternatives	Option prices are locked in individual contracts
Land - Rail Corridor – specific purpose/use land	151,269	A – market value of adjacent land per square metre	\$0.01 - \$453 per sq metre	Increase / decrease in rates per square metre would increase / decrease the fair value
		B – discount factor on market value of adjacent land to reflect specialised nature of asset	30%	Increase / decrease in discount rate would decrease / increase the fair value
Land – Abt Railway – specific purpose, including rail reserve	5,067	A – reference to available evidence in each location related to local economic and property market conditions	Highly variable due to location	Reliance on valuer's professional judgement
Buildings – specific purpose/use	89,143	A – Physical depreciation and obsolescence adjustments	Variable	Reliance on valuer's professional judgement
		B – useful life of specialised buildings	20 to 30 years	Increase / decrease in useful life would increase / decrease the fair value
Aerodromes – specific purpose/use	163	A – market value of land	Highly variable due to location	Increase / decrease in replacement costs would increase / decrease the fair value
		B - labour and materials cost to replace	Highly variable due to location	Increase / decrease in useful life would increase / decrease the fair value
		C – useful life of specialised buildings	20 years	
Abt Railway Rolling Stock – specific purpose/use	5,067	A – Physical depreciation and obsolescence adjustments	Variable	Reliance on valuer's professional judgement
		B – useful life of rolling stock	5 – 75 years	Increase / decrease in useful life would increase / decrease the fair value
Traffic Signal installations – specific purpose/use	20,316	A – labour costs to replace	\$2,000 to \$52,000 /site	Increase / decrease in replacement costs would increase / decrease the fair value
		B – materials costs to replace	\$3,000 to \$130,000 /site	Increase / decrease in replacement costs would increase / decrease the fair value
		C – useful life of installation components	10 – 50 years	Increase / decrease in useful life would increase / decrease the fair value
Heritage and cultural assets and Artwork	427,513	A – independent specialist valuation	Nil - alternatives	Reliance on valuer's professional judgement

9.7 Right-Of-Use Assets

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

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

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

(a) Carrying amount

	2024	2023
	\$'000	\$'000
Buildings		
Level 2 - at fair value	3,069	3,545
Less: Accumulated depreciation	(1,628)	(1,450)
Total	1,441	2,095
Plant and equipment and vehicles (including computer equipment)		
At cost	626	707
Less: Accumulated depreciation	(482)	(560)
Total	144	147
Total property, plant and equipment	1,585	2,242

(b) Reconciliation of movements

2024	Buildings	Plant, equipment & vehicles	Total
	\$'000	\$'000	\$'000
Carrying value at 1 July	2,095	147	2,242
Depreciation and amortisation	(373)	(126)	(499)
Other movements in opening balance	...	...	...
Other movement CPI rent adjustments	(281)	123	(158)
Carrying value at 30 June	1,441	144	1,585

2023	Buildings	Plant, equipment & vehicles	Total
	\$'000	\$'000	\$'000
Carrying value at 1 July	3,461	551	4,012
Depreciation and amortisation	(429)	(129)	(558)
Other movements in opening balance	...	(275)	(275)
Other movement CPI rent adjustments	(937)	...	(937)
Carrying value at 30 June	2,095	147	2,242

9.8 Infrastructure

Revaluations

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

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

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

The most recent revaluation of the Road asset as at 30 June 2023 was completed by The Department's Asset Management Branch on a current replacement cost basis. Replacement cost was calculated using most recent contract cost experience for Tasmanian road construction. Values are indexed annually between revaluations using indices received from an external provider (Jacobs) for both Roads and Bridges. Current replacement cost is depreciated by the proportion of the asset that has been consumed.

Road Infrastructure

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

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

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

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

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

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

Pavement sub-base and base – pavement has been split into two separate components, sub-base and base recognising the different useful life and service capacity characteristics for each part of the pavement. Whilst pavement thicknesses vary according to category of road, as an example a category 1 road (major highways) which typically have a 550mm deep pavement, the bottom sub-base is

350mm deep, and the upper base is 200mm deep. Useful life of the sub-base is between 70 and 80 years, while the useful life of the base is between 40 and 70 years.

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

Each of the four components is valued separately based on current unit rates per square metre to replace the asset, depreciated according to the age of the existing asset component. Full valuation occurs with sufficient regulatory to ensure carrying value represents fair value, with the last valuation incorporating new methodology and useful lives conducted as at 30 June 2023. Values are indexed annually between revaluations using indices received from an external provider (Jacobs) for both Roads and Bridges

Bridge Infrastructure

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

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

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

Land Under Roads and within Road Reserves

Land under roads and within road reserves value is determined by the Valuer-General every five years from the most recent valuations of land titles adjoining and within a 200 metre corridor of the State road network. The Valuer General provides average values per hectare or square metre for the urban and non-urban sectors in each Municipality, and the Department inputs the average values into the land areas in each sector and Municipality. The last full revaluation was completed as at 30 June 2019, Valuation Adjustment Factor released by OVG was used in 2024 for indexation purpose.

ABT Railway Infrastructure

ABT Railway infrastructure comprises of the rail track, bridges, culverts, sidings, ramps and earthworks owned by the ABT Railway Ministerial Corporation. Railway assets are revalued with sufficient regulatory to ensure carrying value represents fair value on a current replacement cost basis, with the last valuation completed by Colliers as at 30 June 2022. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

Property Acquired for Roadworks

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

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

Valuer-General Sale Valuation

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

Valuer-General Rates Valuation

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

Department of State Growth Valuation

This valuation is applied to properties that remain as a result of completion of the relevant road construction project, where the Valuer-General valuation is considered inappropriate. Due to

factors such as non-accessibility, usefulness of land and marketability, the true value of a property may be close to zero when accounting for disposal costs or, in any case, significantly lower than the Valuer-General's valuation.

(a) Carrying amount

	2024	2023
	\$'000	\$'000
Roads		
At fair value	7,201,536	6,951,140
Less: Accumulated depreciation	(2,609,598)	(2,585,831)
Total	4,591,938	4,365,309
Land Under Roads and within Road Reserves		
At fair value	462,424	361,362
Total	462,424	361,362
Bridges		
At fair value	2,751,691	2,620,296
Less: Accumulated depreciation	(1,102,133)	(1,032,848)
Total	1,649,558	1,587,448
Abt Railway Infrastructure		
At fair value	28,965	25,022
Less: Accumulated depreciation	(2,182)	(990)
Total	26,783	24,032
Works in progress		
Roads at Cost	...	15,254
Bridges at Cost	471,231	202,069
Abt Railway Infrastructure at Cost	7,226	7,242
Total	478,457	224,565
Total infrastructure	7,209,160	6,562,716

(b) Reconciliation of movements

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

2023	Roads	Land Under Roads and within Road Reserves	Bridges	Abt Railway Infrastructure	WIP	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	3,953,463	241,897	1,536,595	24,795	20,937	5,777,687
Capital Improvements	...	...	...	...	444,947	444,947
Contributions received	11,451	...	...	...	...	11,451
Disposals	(8,245)	...	(176)	...	...	(8,421)
Transfers to/(from) WIP	228,804	...	11,087	1,429	(241,320)	...
Impairment loss	...	...	...	(1,201)	...	(1,201)
Revaluation increments/(decrements)	275,679	119,465	77,906	...	...	473,050
Depreciation & amortisation	(95,843)	...	(37,964)	(990)	...	(134,797)
Carrying value at 30 June	4,365,309	361,362	1,587,448	24,033	224,564	6,562,716

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

Description	Fair value at 30 June	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
	\$'000			

Road Infrastructure	4,591,938	A – labour and materials cost to replace	\$62 to \$231 per sq metre depending on component and road category	Increase / decrease in replacement costs would increase / decrease the fair value
		B – useful life of road components	15 years to unlimited	Increase / decrease in useful life would increase / decrease the fair value
		C – annual indexation factor (ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 17))	7.40%	Increase / decrease in indexation factor would increase / decrease the fair value
Land under Roads	462,424	A – market value of adjacent land per square metre	\$0.01 - \$282 per sq metre	Increase / decrease in rates per square metre would increase / decrease the fair value
		B – discount factor on market value of adjacent land to reflect specialised nature of asset	30%	Increase / decrease in discount rate would decrease / increase the fair value
Bridges	1,649,558	A – labour and materials cost to replace	\$1,937 to \$11,192 per sq metre	Increase / decrease in replacement costs would increase / decrease the fair value
		B – useful life of bridges	25 – 250 years	Increase / decrease in useful life would increase / decrease the fair value
		C – annual indexation factor (ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 17))	3.70%	Increase / decrease in indexation factor would increase / decrease the fair value
Abt Railway Infrastructure	26,783	A – Physical depreciation and obsolescence adjustments	Variable	Reliance on valuer's professional judgement
		B – useful life of infrastructure	20 – 100 years	Increase / decrease in useful life would increase / decrease the fair value

9.9 Intangibles

An intangible asset is recognised where:

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

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

exists, intangibles are valued at cost less any accumulated amortisation and any accumulated impairment losses.

(a) **Carrying amount**

	2024	2023
	\$'000	\$'000
Intangibles with a finite useful life (at cost)		
Motor Registry System	17,503	17,504
Other software systems	2,658	1,356
Less: Accumulated amortisation	(18,836)	(18,824)
	<u>1,325</u>	<u>36</u>
Work in progress (at cost)	873	873
Total intangible assets	<u>2,198</u>	<u>909</u>

(b) **Reconciliation of movements**

	Intangibles	WIP	Total
	\$'000	\$'000	\$'000
2024			
Carrying value at 1 July	36	873	909
Additions	1,301	...	1,301
Depreciation & amortisation	(12)	...	(12)
Carrying value at 30 June	<u>1,325</u>	<u>873</u>	<u>2,198</u>
2023			
Carrying value at 1 July	48	873	921
Depreciation & amortisation	(12)	...	(12)
Carrying value at 30 June	<u>36</u>	<u>873</u>	<u>909</u>

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

9.10 Other assets

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

(a) **Carrying amount**

	2024	2023
	\$'000	\$'000
Prepayments	11,879	51,890
Other assets	276	276
Total	12,155	52,166
Recovered within 12 months	11,826	51,857
Recovered in more than 12 months	329	309
Total	12,155	52,166

(b) **Reconciliation of movements**

	2024	2023
	\$'000	\$'000
Carrying amount at 1 July	52,166	3,550
Additions	11,584	51,091
Settled/consumed	(51,595)	(2,475)
Carrying amount at 30 June	12,155	52,166

Note 10 Liabilities

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

10.1 Payables

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

	2024	2023
	\$'000	\$'000
Creditors	8,259	11,845
Accrued expenses	28,264	22,075
Total	36,523	33,920
Settled within 12 months	36,523	33,920
Settled in more than 12 months	...	...
Total	36,523	33,920

Settlement is usually made within 30 days.

10.2 Lease Liabilities

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

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

The Department has entered into the following leasing arrangements:

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

	2024	2023
	\$'000	\$'000
Current		
Lease liabilities	467	513
Non-current		
Lease liabilities	1,420	1,830
Total	1,887	2,343

Maturity analysis of lease liabilities

	2024	2023
	\$'000	\$'000
One year or less	467	513
From one to five years	1,420	1,830
More than five years	...	...
Total	1,887	2,343

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

The following amounts are recognised in the Statement of Comprehensive Income

	2024	2023
	\$'000	\$'000
Interest on lease liabilities included in note 8.5	119	54
Lease expenses included in note 8.3		
Lease of low-value assets	...	21
Variable lease payments	480	513
Income from sub-leasing right-of-use assets	...	(1)
Net expenses from leasing activities	599	587

10.3 Borrowings

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

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

(a) Carrying amount

	2024	2023
	\$'000	\$'000
Loans from the State Government	1,410	1,880
Loans from the Australian Government	10,953	18,883
Loans from Tascorp	78,000	97,300
Total	90,363	118,063

(b) Maturity schedule

	2024	2023
	\$'000	\$'000
One year or less	1,702	78,430
From one to five years	88,661	39,633
Total	90,363	118,063

Under the *Tasmanian Public Finance Corporation Act 1985*, the Government has provided a guarantee of Tasmania Development and Resources' borrowings from the Tasmanian Public Finance Corporation. As at 30 June 2024, this support was limited to a maximum amount of \$170.0 million.

10.4 Employee benefits

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

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

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

	2024	2023
	\$'000	\$'000
Accrued salaries	3,371	3,238
Annual leave	6,973	8,654
Long service leave	12,577	14,450
Other employee provisions	2,857	80
Total	25,778	26,422
Expected to settle within 12 months	12,295	13,449
Expected to settle in more than 12 months	13,483	12,973
Total	25,778	26,422

10.5 Provisions

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

(a) Carrying amount

	2024	2023
	\$'000	\$'000
Compulsory acquisition of land for roadworks	6,689	8,037
Total	6,689	8,037
Settled within 12 months	6,689	8,037
Settled in more than 12 months	...	
Total	6,689	8,037

(b) Reconciliation of movements in provisions

	2024	2023
	\$'000	\$'000
Balance at 1 July	8,037	7,727
Additions/increases	...	3,321
Settled acquisitions	(1,348)	(3,011)
Balance at 30 June	6,689	8,037

10.6 Other liabilities

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

	2024	2023
	\$'000	\$'000
Revenue received in advance		
Other revenue received in advance	5,611	1,333
Other liabilities		
Monies held in trust	33,132	32,857
Suspense accounts	2,673	2,580
PAYG withholding tax liability over year end	68	62
Employee benefits – on costs	216	186
Other	6	10
Total	41,706	37,028
Settled within 12 months	41,574	36,923
Settled in more than 12 months	132	105
Total	41,706	37,028

Monies held in Trust are primarily Mines Deposit Accounts (\$27.13M), which are held by the Department in trust as mine rehabilitation bonds, and monies held in Provision for Land Acquisitions (\$5.72M).

Note 11 Commitments and Contingencies

11.1 Schedule of Commitments

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

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

	2024	2023
	\$'000	\$'000
By type		
Capital commitments		
Infrastructure – Roads and Bridges	300,246	537,350
Total capital commitments	300,246	537,350
Commitments held with Finance-General		
Major office accommodation	45,123	47,485
Motor vehicle fleet (base usage charge)	2,003	1,370
Other – low value assets	...	43
Total Commitments held with Finance-General	47,126	48,898
Other commitments		
Loan commitments	115,052	178,921
Program/project commitments	879,560	866,022
Total other commitments	994,612	1,044,943
Total	1,341,984	1,631,191
By maturity		
Capital commitments		
One year or less	126,130	341,646
From one to five years	144,918	195,704
More than five years	29,199	...
Total capital commitments	300,247	537,350
Commitments held with Finance-General		
One year or less	5,825	5,376
From one to five years	22,817	21,856
More than five years	18,484	21,666
Total Commitments held with Finance-General	47,126	48,898
Other commitments		
One year or less	432,450	427,050
From one to five years	555,881	614,793

More than five years	6,280	3100
Total other commitments	994,611	1,044,943
Total	1,341,984	1,631,191

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

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

NB: Commitments are shown as GST exclusive.

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

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

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

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

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

11.2 Contingent Assets and Liabilities

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

(a) Quantifiable contingencies

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

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

	2024	2023
	\$'000	\$'000
Quantifiable Contingent Liabilities		
Asbestos removal from traffic signal sites:		
This involves the identification and removal of any asbestos from approximately 1,000 traffic signal sites, predominantly pits, associated with traffic signals. The nature and location of the individual traffic signal sites will have a significant impact on the cost of any remediation with the cost range from a few hundred dollars per site to more than \$10,000 for some complex sites. The extent of work on each site will be based on individual assessment which creates significant uncertainty about the final cost.	2,000	3,500
In late 2015 and following a recommendation from the TDR Board, the Minister for State Growth and Treasurer jointly approved the provision of a \$25 million financial assistance package to Copper Mines of Tasmania (CMT) to support a possible reopening of the Mt Lyell Copper Mine. The assistance package was approved in the form of a grant to reimburse CMT for payroll tax and mineral royalties paid over a seven-year period, contingent on the mine reopening. The Government reconfirmed this commitment in 2024.	25,000	25,000
Total quantifiable contingent liabilities	27,000	28,500

(b) Unquantifiable Contingencies

At 30 June 2024 the Department had a number of legal claims against it for:

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

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

Note 12 Reserves

12.1 Reserves

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

2023	Land	Rail corridor land	Buildings	Aerodromes	Plant and Equip-ment	Traffic Signals	Road Infras-structure	Bridges	Other Infras-structure	Artwork	Heritage and Cultural assets	Total
Asset revaluation reserve	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July	42,970	23,700	23,463	710	6,576	8,498	1,719,479	892,635	13,581	17	16,379	2,748,008
Revaluation increments/ (decrements)	121,951	...	1,005	141	...	...	275,679	77,906	...	29	...	476,711
Balance at 30 June	164,921	23,700	24,468	851	6,576	8,498	1,995,158	970,541	13,581	46	16,379	3,224,719

(a) Nature and purpose of reserves

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

Note 13 Cash Flow Reconciliation

13.1 Cash and deposits

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

	2024	2023
	\$'000	\$'000
Specific Purpose Account balances		
S524 Department of State Growth Financial Management Account	22,682	29,125
External Bank accounts – Abt Railway Ministerial Corporation	3,250	4,599
Petty cash and Float – Abt Railway Ministerial Corporation	7	7
Commonwealth Bank account – Tasmanian Museum and Art Gallery	58	4,968
Total S524	25,997	38,699
Agency Trust Accounts		
T466 Mines Deposit Account	27,127	26,658
T003 Provision for Land Acquisition Account	5,721	5,924
Total	32,848	32,582
Total cash and deposits	58,845	71,281
Restricted use cash and deposits	190	4,536
Unrestricted use cash and deposits	58,655	66,745
Total cash and deposits	58,845	71,281

TMAG receives funding from State and Federal Government Agencies, large corporations, private philanthropists and individuals who have designated the funds for use towards museum outcomes. There are stipulated restrictions on the use of the majority of these funds (\$58K). The balance relates to TDR accounts.

13.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2024	2023
	\$'000	\$'000
Net results	337,728	301,903
Depreciation and amortisation	153,954	139,861
(Gain) loss on non-financial assets	30,841	23,895
Interest capitalised	(1,151)	(177)
Impairment adjustments	2,791	402
Decrease (increase) in Receivables	4,778	27,858
Decrease (increase) in Other Financial Assets	(5,095)	321
Decrease (increase) in Inventories	(2,273)	3,725

Decrease (increase) in Right of Use Asset	656	8
Decrease (increase) in Prepayments	11	1,384
Increase (decrease) in Employee entitlements	(644)	2,479
Increase (decrease) in Payables	2,603	17,227
Increase (decrease) in Lease liabilities	(456)	...
Increase (decrease) in Other liabilities	4,678	(5,159)
Less: contributions received	(91,651)	(14,780)
Less: non-operational capital funding – recurrent appropriation	(1,527)	(254)
Less: non-operational capital funding - works & services appropriation	(149,898)	(165,590)
Less: non-operational capital funding – Australian Government grants	(262,736)	(282,297)
Net cash from (used by) operating activities	22,609	50,806

13.3 Reconciliation of liabilities arising from financing activities

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

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

2023	Borrowings	Monies Held in Trust
	\$'000	\$'000
Balance as at 1 July 2022	125,510	34,399
Trust receipts	...	3,407
Trust payments	...	(1,560)
Other movements	...	(3,389)
Changes from financing cash flows:		
Cash Received	16,300	...
Cash Repayments	(23,747)	...
Balance as at 30 June 2023	118,063	32,857

13.4 Acquittal of Capital Investment and Specific Purpose Accounts

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

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

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

(a) Project expenditure

	2024 Budget \$'000	2024 Actual \$'000	2023 Actual \$'000
Capital Investment Program			
<i>National Highway System</i>			
Bass Highway - Birralee to Exton	...	...	214
Bass Highway Corridor	19,961	9,447	23,534
Bridge Renewal Program	1,590	2,367	2,046
Channel Highway Bypass of Huonville	3,850	4,957	...
Domain Highway Planning	...	...	321
East and West Tamar Highway Corridors	2,740	...	...
Freight Access Bridge Upgrade	...	437	2,422
Greater Hobart Traffic Solution	5,204	...	...
Heavy Vehicle Safety and Productivity	4,332	330	209
Infrastructure Maintenance	22,774	19,532	7,888
Infrastructure Stimulus Funding	754	638	4,290
Midland Highway	31,896	39,970	50,057
New Bridgewater Bridge	214,000	163,433	170,865
Northern Suburbs Community Recreation Hub Project	...	1,363	...
Remote Roads Pilot Funding	...	4,410	...
Road Safety Projects	6,407	5,949	4,896
Roads of Strategic Importance	36,286	18,590	12,958
Rokeby Stage 3 - Pass Road to Oakdowns	4,000	...	...
South East Traffic Solution	6,115	2,024	2,030
Tasman Highway Corridor	12,000	10,142	7,895
Urban Congestion Fund	5,348	2,698	1,052
<i>State Funded Projects</i>			
Algona Interchange and Kingston Bypass	3,700	5,590	994
Arthur Highway Corridor	200	193	248
Bass Highway Corridor	10,716	7,055	19,746
Bridge Renewal Program	...	...	1
Bruny Island Landside Infrastructure	...	3,629	1,358
Bus Services As Part Of The Hobart City Deal	...	...	319
Bus Stop Upgrades	2,500	844	432
Channel Highway Bypass of Huonville	2,037	3,050	...
Cycling Infrastructure	3,800	3,407	...
Cygnet Township Safety Upgrade	2,400	...	...
Devonport to Cradle Mountain Corridor	250	103	342
Dial Regional Sports Complex	...	140	148

Domain Highway Planning	82	49	(110)
East and West Tamar Highway Corridors	4,080	6,500	1,878
Esk Main Road	...	16	0
Extending the Great Eastern Drive – Binalong Bay Road	1,000	11	57
Freight Access Bridge Upgrade	...	12	748
Glenora Road Upgrade	250	250	...
Greater Hobart Traffic Solution	30,491	5,133	21,045
Heavy Vehicle Safety and Productivity	3,485	276	198
Huntingfield Roundabout Improvements	4,500	11,360	1,848
Infrastructure Maintenance	86,039	103,180	107,225
Infrastructure Stimulus Funding	2,850	1,869	4,737
Launceston and Tamar Valley Traffic Vision	549	497	3,231
Macquarie Point Urban Renewal	15,000	...	...
Midland Highway	10,125	3,052	28,799
Mowbray Connector	...	...	0
Network Planning	3,581	1,860	506
New Bridgewater Bridge	56,100	60,231	42,644
New Park and Ride Facilities	5,000	1,690	225
Northern Suburbs Community Recreation Hub Project	22,500	3,325	...
Northern Suburbs Multi- Sports Facility	25,426	4,457	6,871
Program Management	29,956	6,687	7,061
Road Safety Projects	16,073	7,889	7,291
Roads of Strategic Importance	13,296	4,652	7,106
Roads Package to Support Tasmania's Visitor Economy	2,079	2,005	4,812
Rokeby Stage 3 - Pass Road to Oakdowns	2,400	1,211	114
Signage	...	...	170
South East Traffic Solution	4,335	3,020	6,251
Stanley Highway Tourism Upgrades	500	1,081	...
State Road Upgrades – Northern Region	4,232	2,181	275
State Road Upgrades – Southern Region	3,564	3,233	4,204
State Roads Upgrades - North West & West Coast Region	...	3	46
Targeting Congestion Package	5,600	3,877	...
Tasman Highway Corridor	6,620	5,210	5,217
Tasmanian AFL Package – High Performance Centre	10,000	790	...
TMAG Building Maintenance	500	198	...
Traffic Management and Engineering Services	3,679	3,483	3,462
Urban Congestion Fund	3,000	3,326	731
Victoria Street Redevelopment	...	...	50
West Tamar Highway Traffic Solution	...	43	39
Total cash outflows	779,751	562,957	580,997

(b) **Classification of cash flows**

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

	2024	2023
	\$'000	\$'000
Cash outflows		
Supplies and consumables:		
Maintenance	45,486	43,969
Other supplies and consumables	85,079	54,314
Payments for acquisition of assets	432,392	482,714
Total cash outflows	562,957	580,997

Note 14 Financial Instruments

14.1 Risk exposures

(a) Risk management policies

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

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

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

The Department does not hold any derivative financial instruments.

(b) **Credit risk exposures**

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

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

Receivables age analysis - expected credit loss

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

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June 2023 and 30 June 2024 are as follows.

Expected credit loss analysis of receivables as at 30 June 2024

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

Expected credit loss analysis of receivables as at 1 July 2023

	Not past due	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate (A)	0.00%	0.00%	0.00%	0.00%	21.08%	
Total gross carrying amount (B)	1,905	2,169	22	9	1,390	5,495
Expected credit loss (A x B)	...	...	...	...	(293)	(293)

(c) **Liquidity risk**

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

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

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

2024

Maturity analysis for financial liabilities:

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

2023

Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	33,919	...	...	...	...	...	33,919	33,919
Borrowings - Interest bearing	12,300	70,000	15,000	...	...	...	97,300	97,300

Borrowings - Non-interest bearing	470	6,365	...	...	12,518	1,410	20,763	20,763
Monies held in Trust	32,857	...	...	...	...	...	32,857	32,857
Total	79,546	76,365	15,000	...	12,518	1,410	184,839	184,839

(d) **Market risk**

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

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

	2024	2023
	\$'000	\$'000
Fixed rate instruments		
Financial assets	...	...
Less Financial liabilities	(78,000)	(85,000)
Total	(78,000)	(85,000)
Variable rate instruments		
Financial assets	132,126	154,066
Less Financial liabilities	(341)	(12,627)
Total	131,785	141,439

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

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

	Statement of Comprehensive Income		Equity	
	100 basis points increase \$'000	100 basis points decrease \$'000	100 basis points Increase \$'000	100 basis points decrease \$'000
2024				
Cash and deposits	52	(52)	52	(52)
Loan advances	1,321	(1,321)	1,321	(1,321)
Monies held in Trust	(3)	3	(3)	3
Borrowings	(780)	780	(780)	780
Net sensitivity	590	(590)	590	(590)
2023				
Cash and deposits	50	(50)	50	(50)
Loan advances	1,491	(1,491)	1,491	(1,491)
Monies held in Trust	(973)	973	(973)	973
Borrowings	(3)	3	(3)	3
Net sensitivity	565	(565)	565	(565)

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2023.

14.2 Categories of Financial Assets and Liabilities

AASB 9 Carrying amount	2024	2023
	\$'000	\$'000
Financial assets		
Amortised cost	190,420	225,874
Total	190,420	225,874
Financial Liabilities		
Financial liabilities measured at amortised cost	(160,018)	(184,840)
Total	(160,018)	(184,840)

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

14.3 Derecognition of Financial Assets

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

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

	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	2024	2024	2023	2023
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash at bank	32,848	32,848	32,582	32,582
Cash and Deposits	25,997	25,997	38,699	38,699
Receivables	1,948	1,948	5,495	18,488
Loan advances	129,628	129,628	149,098	149,098
Total financial assets	190,421	190,421	225,874	238,867
Financial liabilities				
Trade creditors	36,523	36,523	33,920	33,920
Borrowings	90,363	90,604	118,063	116,111
Other financial liabilities:				
Monies held in Trust	33,132	33,132	32,857	32,857
Total financial liabilities	160,018	160,259	184,840	182,888

14.5 Net Fair Values of Financial Assets and Liabilities

2024	Net Fair Value	Net Fair Value	Net Fair Value	Net fair Value
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash at bank	32,848	...	...	32,848
Cash in Special Deposits and Trust Fund	25,997	...	...	25,997
Receivables	...	445,076	...	445,076
Loan advances	...	129,628	...	129,628
Total financial assets	58,845	574,704	...	633,549
Financial liabilities				
Trade creditors	...	506	...	506
Borrowings	...	9,962	...	9,962
Other financial liabilities:				
Monies held in Trust	...	33,132	...	33,132
Total financial liabilities	...	43,600	...	43,600

2023	Net Fair Value	Net Fair Value	Net Fair Value	Net fair Value
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash at bank	32,582	...	...	32,582
Cash in Special Deposits and Trust Fund	38,699	...	...	38,699
Receivables	...	18,488	...	18,488
Loan advances	...	149,098	...	149,098
Total financial assets	71,281	167,586	...	238,867
Financial liabilities				
Trade creditors	...	33,920	...	33,920
Borrowings	...	116,111	...	116,111
Other financial liabilities:				
Monies held in Trust	...	32,857	...	32,857
Total financial liabilities	...	182,888	...	182,888

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

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

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

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

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

Financial Assets

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

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

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

Financial Liabilities

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

Note 15 Details of Consolidated Entities

15.1 List of Entities

The following entities have been consolidated by the Department:

Entity	Ownership Interest	Proportion of Ownership Interest
Tasmania Development and Resources	State of Tasmania	100%
The Tasmanian Museum and Art Gallery	State of Tasmania	100%
Abt Railway Ministerial Corporation	State of Tasmania	100%

Note 16 Notes to Administered Statements

Budget information refers to original estimates as disclosed in the 2023-24 Budget Papers and is not subject to audit.

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

16.1 Explanations of Material Variances between Budget and Actual Outcomes

(a) Schedule of Administered Income and Expenses

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue – operating	(i)	29,581	35,525	5,944	20.09%
Sales of goods and services	(ii)	5,832	6,814	982	16.84%
Supplies and consumables	(iii)	136	1,096	960	705.88%

Notes to Schedule of Administered Income and Expenses variances

- (i) Variance reflects revised cashflow for grant payment to Abt Railway
- (ii) Variance reflects higher than anticipated revenue from custom vehicle plate (Tasplates) sales.
- (iii) Variance reflects higher than anticipated transfers of funds relating to custom vehicle plate (Tasplates) sales.

(b) Schedule of Administered Assets and Liabilities

	Note	Budget \$'000	2024 Actual \$'000	2023 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and deposits	(i)	325	(2,193)	(773)	(2,518)	(1,420)
Receivables	(ii)	2,496	824	1,286	(1,672)	(462)
Other liabilities	(iii)	983	(4,409)	(2,945)	(5,392)	(1,464)

Notes to Schedule of Administered Assets and Liabilities Variances

- (i) Variance reflects a lower than anticipated cash position relating to third party revenue collections for the Motor Registry System.
- (ii) Variance reflects the lower than anticipated receivables for Motor Registry third party revenue collections.
- (iii) Variance reflects a lower than anticipated cash position relating to third party revenue collections for the Motor Registry System.

16.2 Administered revenue from Government

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

	2024	2024	2023
	Budget	Actual	Actual
	\$'000	\$'000	\$'000
Continuing operations			
Appropriation revenue - recurrent			
Current year	29,581	35,525	31,899
Total	29,581	35,525	31,899

16.3 Administered State taxation

	2024	2023
	\$'000	\$'000
Vehicle Registration Fees	55,469	51,833
Total	55,469	51,833

16.4 Administered Sales of goods and services

	2024	2023
	\$'000	\$'000
Goods		
Mineral Land Rentals	1,436	1,197
Custom Plates	2,702	4,622
Services		
MAIB Commission	2,669	2,405
Registration and Licensing	7	234
Other	...	52
Total	6,814	8,510

16.5 Administered Fees and fines

	2024	2023
	\$'000	\$'000
Regulatory Fees		
Vehicle escorts	3	5
Public Vehicle Licensing	14	18
Fees from Mineral Lands	1,483	1397
Driver Licensing	8,761	8,835

Fines		
Weighbridge	19	21
Other	16	40
Total	10,296	10,316

16.6 Administered other revenue

	2024	2023
	\$'000	\$'000
Mineral Royalties	51,839	56,084
Total	51,839	56,084

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

16.7 Administered Employee benefits

	2024	2023
	\$'000	\$'000
Wages and salaries	70	37
Annual leave	7	2
Long service leave	(1)	2
Superannuation	6	3
Other employee benefits	1	1
Total	84	45

Superannuation expenses relating to defined benefit schemes relate to payments into the Consolidated Fund. The amount of the payment is based on a department contribution rate determined by the Treasurer, on the advice of the State Actuary. The current department contribution is 12.95 per cent (2023: 12.95 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 11 per cent (2023: 10.5 per cent) of salary. In addition, departments are also required to pay into the Consolidated Fund a "gap" payment equivalent to 3.45 per cent (2023: 3.45 per cent) of salary in respect of employees who are members of contribution schemes.

16.8 Supplies and consumables

	2024	2023
	\$'000	\$'000
Personalised number plate production costs	1,068	3,922
Other supplies and consumables	28	(334)
Total	1,096	3,588

16.9 Administered Grants and subsidies

	2024	2023
	\$'000	\$'000
Grants		
National Road Transport Commission: Local Government Contribution	1,500	1,500
Marine and Safety Tasmania	1,418	1,751
Tasmanian Icon Program - State Cricket Team	500	500
Tasmanian Railway Pty Ltd	13,900	13,900
West Coast Wilderness Railway	7,650	4,000
Government contribution to the Tasmanian Symphony Orchestra	2,384	2,351
Ten Days on the Island	1,451	1,423
Theatre Royal	1,020	1,000
Total Grants	29,823	26,425
Subsidies		
Conveyance Allowance	722	694
Pensioner Air Travel Subsidy	8	10
Transport Access Scheme	4,939	4,746
Total Subsidies	5,669	5,450
Total	35,492	31,875

16.10 Administered Other expenses

	2024	2023
	\$'000	\$'000
Miscellaneous expenses	139	1
Total	139	1

16.11 Administered Receivables

	2024	2023
	\$'000	\$'000
Receivables	867	1,286
Less: Expected credit loss	(43)	...
Total	824	1,286
Sales of goods and services (inclusive of GST)	868	1,287
Less: Provision for impairment	(43)	...
GST receivable	(1)	-1
Total	824	1,286

Settled within 12 months	824	1,286
Total	824	1,286

Reconciliation of movement in expected credit loss for administered receivables	2024	2023
	\$'000	\$'000
Carrying amount at 1 July	...	(545)
Increase/(decrease) in provision recognised in profit or loss	(43)	545
Carrying amount at 30 June	(43)	...

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

16.12 Administered Other Financial Asset

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

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

	2024	2023
	\$'000	\$'000
Accrued revenue	574	...
Total	574	...
Settled within 12 months	574	...
Total	574	...

16.13 Administered Employee Benefit Liabilities

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

	2024	2023
	\$'000	\$'000
Accrued salaries	(1)	...
Annual leave	(1)	...
Total	(2)	...
Expected to settle within 12 months	(2)	...
Expected to settle in more than 12 months

Total	(2)	...
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16.14 Administered Other liabilities

	2024	2023
	\$'000	\$'000
Other liabilities		
Monies held in trust	(4,409)	(2,945)
Total	(4,409)	(2,945)
Settled within 12 months	(4,409)	(2,945)
Total	(4,409)	(2,945)

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

16.15 Administered Cash and deposits

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

	2024	2023
	\$'000	\$'000
S524 State Growth Financial Management Account	(2,193)	(773)
Total	(2,193)	(773)

16.16 Risk exposures

(a) Risk management policies

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

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

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

The Department does not hold any derivative financial instruments.

(b) Credit risk exposures

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

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

Receivables age analysis - expected credit loss

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

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June 2024 and 30 June 2023 are as follows.

Expected credit loss analysis of receivables as at 30 June 2024

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

Expected credit loss analysis of receivables as at 30 June 2023

	Not past due	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate (A)	0.38%	
Total gross carrying amount (B)	1,284	3	1,287
Expected credit loss (A x B)

(c) Liquidity risk

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

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Liabilities		

Payables	Recognised upon the receipt of a good or service that has not been paid for, measured at face value	Settled within 30 days
Monies held in Trust	Recognised upon receipt of monies, measured at face value	At call

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

2023-24

Maturity analysis for financial liabilities:

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

2023

Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Monies held in Trust	(2,945)	...	...	...	...	...	(2,945)	(2,945)
Total	(2,945)	...	...	...	...	...	(2,945)	(2,945)

(d) Market risk

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

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

	2024 \$'000	2023 \$'000
Variable rate instruments		
Financial assets	...	...
Less financial liabilities	4,409	2,945
Total	4,409	2,945

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

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

	Statement of Comprehensive Income		Equity	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
	\$'000	\$'000	\$'000	\$'000
30 June 2024				
Monies held in trust	(44)	44	(44)	44
Net sensitivity	(44)	44	(44)	44
30 June 2023				
Monies held in trust	(29)	29	(29)	29
Net sensitivity	(29)	29	(29)	29

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

16.17 Categories of Administered Financial Assets and Liabilities

AASB 9 Carrying amount	2024	2023
	\$'000	\$'000
Financial assets		
Amortised cost	(1,369)	513
Total	(1,369)	513
Financial Liabilities		
Financial liabilities measured at amortised cost	(4,409)	(2,945)
Total	(4,409)	(2,945)

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

16.18 Derecognition of Administered Financial Assets

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

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

	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	2024	2024	2023	2023
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and deposits	(2,193)	(2,193)	(773)	(773)
Receivables	824	824	1,286	1,286

Total financial assets	(1,369)	(1,369)	513	513
Financial liabilities				
Other financial liabilities:				
Monies held in Trust	(4,409)	(4,409)	(2,945)	(2,945)
Total financial liabilities	(4,409)	(4,409)	(2,945)	(2,945)

16.20 Net Fair Values of Administered Financial Assets and Liabilities

2024	Net Fair Value	Net Fair Value	Net Fair Value	Net fair Value
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash in Specific Purpose Accounts	...	(2,193)	...	(2,193)
Receivables	...	824	...	824
Total financial assets	...	(1,369)	...	(1,369)
Financial liabilities				
Other financial liabilities:				
Monies held in Trust	...	(4,409)	...	(4,409)
Total financial liabilities	...	(4,409)	...	(4,409)
<hr/>				
2023	Net Fair Value	Net Fair Value	Net Fair Value	Net fair Value
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash in Specific Purpose Accounts	...	(773)	...	(773)
Receivables	...	1,286	...	1,286
Total financial assets	...	513	...	513
Financial liabilities				
Other financial liabilities:				
Monies held in Trust	...	(2,945)	...	(2,945)
Total financial liabilities	...	(2,945)	...	(2,945)

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

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

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

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

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

Administered Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.
The net fair values of receivables are based on the nominal amounts due less any provision for impairment.
The net fair values of other financial assets approximate their carrying amounts.

Financial Liabilities

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

Note 17

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

Account/Activity	Opening balance	Net transactions during 2023-24	Closing balance
	\$'000	\$'000	\$'000
Monies collected on behalf of external bodies through Motor Registrations (refer below), Net transactions is made up of:	(2,945)	396,523	
Net monies transferred to external bodies		(397,987)	(4,409)
Agreement for the Conservation of Albatrosses and Petrels (ACAP)	1,603	(263)	1,340
Mine Rehabilitation Bonds	26,658	469	27,127
Pacific National Compensation Fund	66	3	69
Provision for land acquisition	5,924	(203)	5,721

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

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

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

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

Note 18 Events Occurring After Balance Date

There have been no events subsequent to balance date which would have a material effect on the Department's Financial Statements as at 30 June 2024.

Note 19 Other Significant Accounting Policies and Judgements

19.1 Objectives and Funding

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

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

The Department provides portfolio support for the following Ministers:

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

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

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

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

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

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

19.2 Basis of Accounting

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

- Australian Accounting Standards issued by the Australian Accounting Standards Board and Interpretations; and
- The Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016*.

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

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

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

19.3 Reporting Entity

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

Refer to Note 15 for Consolidated Entities.

19.4 Functional and Presentation Currency

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

19.5 Changes in Accounting Policies

(a) Impact of new and revised Accounting Standards

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

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

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

19.6 Activities Undertaken Under a Trustee or Agency Relationship

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

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

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

19.7 Foreign Currency

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

19.8 Comparative Figures

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

19.9 Budget Information

Budget information refers to original estimates as disclosed in the 2023-24 Budget Papers and is not subject to audit.

19.10 Rounding

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

19.11 Departmental Taxation

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

19.12 Goods and Services Tax

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

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

Note 20 Independent Auditors Report



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

Opinion

I have audited the financial statements of the Department of State Growth (the Department), which comprises the statement of financial position as at 30 June 2024 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification signed by the Secretary of the Department.

In my opinion, the accompanying financial statements:

- (a) present fairly, in all material respects, the Department's financial position as at 30 June 2024 and its financial performance and its cash flows for the year then ended
- (b) are in accordance with the *Financial Management Act 2016* and Australian Accounting Standards.

Basis for Opinion

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

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

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

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

Key Audit Matters

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

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Valuation of infrastructure assets, depreciation expense and recognition of capital expenditure Refer to notes 8.2 and 9.8	
<p>The Department’s infrastructure assets include roads, bridges, land under roads and within road structures, Abt Railway infrastructure and related works in progress. As at 30 June 2024, these assets totalled \$7.21 billion recognised at fair value.</p> <p>The fair value of land under roads and within road reserves value is determined by the Valuer-General from the most recent valuations of land titles adjoining and within a 200-metre corridor of the State road network.</p> <p>The fair value of all other infrastructure assets is based on current replacement cost. Inputs used in the valuation of these infrastructure assets include construction costs, design life, age and condition of the assets and remaining useful life. In the years between valuations, carrying values are updated using indices determined by management. The calculation of fair value is judgemental and highly dependent on a range of assumptions and estimates.</p> <p>In 2023-24 road and bridge assets were indexed based upon information supplied by an external valuer.</p> <p>The calculation of depreciation requires estimation of asset useful lives and residual</p>	<ul style="list-style-type: none"> • Evaluating the appropriateness of the methodology applied to determine the fair values. • Assessing the scope, expertise and independence of those involved to assist in the valuations. • Critically assessing assumptions and other key inputs in the valuation model. • Testing, on a sample basis, the mathematical accuracy of the indexation calculations. • Evaluating management’s assessment of the useful lives. • Reviewing the assumptions and inputs applied for the calculation of depreciation expense and performing substantive analytical procedures. • Tested, on a sample basis, the allocation of costs between capital and operating expenditure. • Testing, on a sample basis, costs capitalised to work in progress to ensure projects resulted in useable assets and that assets commissioned were transferred in a timely manner. • Evaluating the adequacy of disclosures made in the financial statements,

<p>values which involves a high degree of subjectivity. Changes in assumptions can significantly impact depreciation charged.</p> <p>The Department undertakes a number of significant capital expenditure programs to upgrade and maintain these assets. Capital improvements in 2023-24 totalled \$469 million.</p> <p>Capital projects can contain a combination of enhancement and maintenance activity which are not distinct and therefore the allocation of costs between capital and operating expenditure is inherently judgemental.</p>	<p>including those regarding key assumptions used.</p>
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Responsibilities of the Secretary for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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



Martin Thompson
Auditor-General
Tasmanian Audit Office

23 September 2024
Hobart

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