Tasmania Development and Resources

Annual Report 2023–24

Department of State Growth

Tasmanian Government

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Tasmania Development and Resources

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Submission to Minister

Jeremy Rockliff MP

Minister for Trade and Major Investment

Dear Minister

In accordance with the requirements of Section 29E of the *Tasmanian Development Act 1983*, I submit to you, for presentation to Parliament, this report on the affairs and activities of Tasmania Development and Resources for the financial year ended 30 June 2024.

Yours sincerely

Mike Wallas

Chair
Tasmanian Development Board
October 2024

About this publication

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

Further information is provided within the Department of State Growth Annual Report 2023–24.

Foreword from the Chief Executive

It is my pleasure to present the Tasmania Development and Resources 2023-24 Annual Report to the Minister for Trade and Major Investment.

On behalf of the board I thank Premier Jeremy Rockliff for his support across the year and we look forward to continuing to work with him as we continue to consider a range of initiatives to support economic development and job creation.

During my first year on the board as the TDR Chief Executive, the board approved or recommended nine loans and grants totalling just over $55 million, including eight loans worth a combined value of $54 million and one grant of just over $1 million.

As at the end of the year, there are 296 loans under management worth more than $131.2 million.

The longstanding AgriGrowth Loan Scheme to help young farmers progress on their farming journey continued in the 2024 financial year with one new loan of $2.1 million approved. Since 2015 the scheme has assisted more than 90 farm businesses, a major impetus towards achieving the goal of taking the value of our agriculture sector to $10 billion a year by 2050.

Notably, we have seen a significant reduction in the number of enquiries to this program across 2023-24 which we attribute to the challenging natural and market conditions being experienced by our agriculture sector.

The Business Growth Loan Scheme continues to assist businesses to recover, adapt and grow post COVID and while the focus has naturally moved away from business recovery, it is still playing a valuable role in supporting sound projects. Two loans were approved in the 2024 financial year for a total of $1.6 million, one in the manufacturing sector and the other in tourism.

While the popular Tourism Development Loan Scheme closed for applications in February 2023, four loan approvals for a total of $5.4 million flowed into the 2024 financial year. This takes the total number of projects supported to 27 worth a total of $27.1 million.

We will continue to support the tourism sector into the new financial year with the new Regional Tourism Development Loan Scheme set to open in July 2024.

This financial year, a milestone was reached, with principal and interest repayments commencing on most loans under the COVID-19 Business Support Loan Scheme. After three years since this emergency support was provided, there has been significant repayment of loans, with the number of loans reducing from 361 for a total of $34.5 million at the time of approval, down to 164 loans and a total of $10.4 million at the end of 2023-24.

This is a commendable effort by Tasmanian businesses and a positive reflection of the Tasmanian economy post COVID. Nonetheless, we understand that some businesses may still be struggling, for various reasons, and we are looking to support these businesses where possible.

This year the board continued to administer the state's loan to Incat which included a variation to support the construction of its new electric vessel for Argentinian operator, Buquebus. This is an exciting era for Incat as it pursues opportunities in the global ferry market for low emission vessels, and we are following Incat's next chapter with great anticipation.

The board continues to work closely with the Office of the Coordinator-General (OCG) with these combined efforts supporting projects across the clean energy, advanced manufacturing, maritime, advanced technology and shared services sectors.

This support has been an important factor in attracting more than $3.6 billion of potential investment to Tasmania this year and was integral in supporting Ocean Infinity and leading to the establishment of their Remote Operations Centre (ROC) in Hobart.

Once operational, the ROC will create up to 50 new full-time jobs locally, providing highly skilled positions in the maritime and technology sectors. It highlights the importance of the OCG's investment attraction efforts which benefit the wider Tasmanian economy.

This year we saw a third project under the Building Construction Support Loan Scheme completed, the Corumbene Health Hub in New Norfolk which officially opened in May 2024. The $11.7 million project created 37 full time jobs during development and maintains 30 ongoing roles, significantly contributing to local employment, aged care and economic growth in the greater southern region.

At the end of the financial year, we look forward to the introduction of proposed legislation to facilitate Tasmania Development and Resources co-investment in strategic projects that benefit Tasmania, through increasing the TDR investment cap to $35 million and loans to $15 million. We believe these changes will greatly enhance the board's ability to support business and industry and attract new investment.

As the Chief Executive and director of the Tasmanian Development Board, I extend my gratitude to my fellow directors for their dedication and contributions throughout the year. Their commitment has been instrumental in driving our initiatives forward.

Finally, on behalf of the board I also express our appreciation to the staff of the Department of State Growth and the Office of the Coordinator-General. Their continuous support has been pivotal in the board's efforts to promote sustainable development and economic growth in Tasmania.

As we look towards the new financial year, we look forward to continuing to work collaboratively to deliver strong outcomes for the state.

Craig Limkin

Chief Executive and Director
Tasmanian Development Board

Tasmanian Development Board

1. Mike Wallas (Chair)
2. Vince De Santis (Director)
3. Peter Iancov (Director)
4. Selina Lightfoot (Director)
5. Craig Limkin (Chief Executive and Director)
6. Kathryn McCann (Director)
7. Paul Ranson (Director)
8. Naomi Walsh (Director)

Mike Wallas (Chair)

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

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

Mike's non-executive board roles started in 1996 and since then he has served on numerous boards as non-executive director or Chair.

Over the last 12 years, Mike has become a successful turnaround specialist assisting distressed businesses in industries such as agriculture, mining services and technology.

Mike is a graduate of the Australian Institute of Company Directors.

Throughout his career Mike has worked with businesses seeking to grow and expand, creating significant value and job creation. He served for more than 10 years as non-executive director at City Fertility Centre, one of the premier IVF businesses in Australia.

His strength in mergers and acquisitions assisted the centre in joining one of the world's premium health groups in 2017.

Joining the TD Board as a director in February 2020, Mike was appointed Chair on 1 December 2021.

Vince De Santis (Director)

Vince is an Executive Director of corporate advisory firm, T8 Advisory Partners Pty Ltd. He also serves as the Non-Executive Chair and member of the Audit and Risk Committee, of ASX listed industrial engineering company, Engenco Limited, and is a non-executive director of infrastructure asset owner, Tasmanian Gas Pipeline Pty Ltd., finance and insurance broker, Vie Finance and Insurance Pty Ltd and tech start-up, Theta Wave Pty Ltd.

Vince was Managing Director of the Elphinstone Group for 10 years until December 2018. The group's primary business interests are in the mining, energy, engineering, manufacturing, and industrial goods and services sectors including interests in a number of Caterpillar equipment dealerships in Australia and overseas.

Vince initially joined the Elphinstone Group in 2000 as the group's Legal Counsel and Finance and Investment Manager. During his time with the group, he also served as a director of various subsidiary and joint venture companies.

Prior to that time, Vince was a Senior Associate in the Energy, Resources and Projects team at national law firm Corrs Chambers Westgarth, based in Melbourne.

Vince grew up in north-west Tasmania. He holds a Bachelor of Commerce and Laws (Hons.) from the University of Tasmania and is also a member of the Australian Institute of Company Directors.

Peter Iancov (Director)

Peter is a professional engineer and a Fellow of the Institution of Engineers Australia, with over 28 years of expertise gained in the critical infrastructure sector. This includes energy, renewable generation, mining, commercial building construction, contracting and defence sectors as a Chief Executive Officer, board Director, Managing Director and advisor with business partnerships forged across Australian and multinational organisations.

In his previous executive roles, he has been instrumental in securing and delivering multibillion dollar major projects now part of the national infrastructure capability. He has a strong background in the successful delivery of strategic multidisciplinary programs, commercial and contractual risk, governance, systems development, financial and risk management.

Peter is a current and past board member and non-executive director of a number of organisations that operate in energy, oil and gas, defence, critical infrastructure, engineering, property and aboriginal communities. He is the Managing Director of Zinfra Pty Ltd, a services provider operating in the energy sector, servicing major electricity and gas infrastructure asset owners through a field force of 2,000 employees and a similar number of sub-contractors operating across Australia.

In addition, in 2013 Peter founded Chronos Advisory Pty Ltd, a strategic advisory platform operating at board, investor and shareholder level in the private, public, government, insurance and private equity sectors. Key areas of expertise extend across major asset development and management in energy, infrastructure, oil and gas and defence.

Selina Lightfoot (Director)

Selina is an experienced non-executive director, having held a range of directorships over the last 10 years across ASX listed, private, government and not for profit companies. Selina's current board roles include with Hydro Tasmania, the state's principal energy generator, and Southeast Water, a Victorian water corporation. Selina is also an advisory board member for TLC Healthcare, a director of the North Melbourne Football Club and holds not-for-profit board roles with Juvenile Diabetes Research Foundation Australia and Victorian Opera. Previous directorships have included roles with ASX listed companies in retail, consumer products/agribusiness and technology services.

Prior to commencing her non-executive career, Selina had extensive experience as a corporate legal adviser, including 10 years as a partner of law firm Freehills (now Herbert Smith Freehills). Her areas of expertise include mergers and acquisitions, commercial contracts and corporate governance.

Selina's current and former roles have given her significant cross-sector experience, including in consumer products, retail, professional and technology services, agribusiness, health, aged care, renewable energy and infrastructure.

Selina grew up in northern Tasmania and graduated from the University of Tasmania with a Bachelor of Arts and Bachelor of Laws. She also holds a Graduate Diploma in Applied Finance and Investment and is a Fellow of the Australian Institute of Company Directors.

Craig Limkin (Chief Executive)

Craig has over 20 years' experience working in government agencies in Queensland, New South Wales and Tasmania. He was appointed Secretary of the Department of State Growth in October 2023, where he also holds the statutory position of Chief Executive Officer of the Tasmanian Development Board.

Prior to this, Craig was Associate Secretary with Tasmania's Department of Premier and Cabinet where he led the department in providing social, economic, environmental, and intergovernmental/international relations policy to the government.

During the COVID-19 pandemic, Craig was in the role of State Recovery Advisor supporting the government to deal with the impacts of the pandemic and help return Tasmania to an appropriate level of function. Craig was awarded a national Public Service Medal for his response and recovery work during the COVID-19 pandemic.

Craig currently sits on the boards of the Theatre Royal Hobart and A New Approach (Australia's national arts and culture think tank) and he is the current co-Chair of the Hobart City Deal Implementation Board. He has previously been a board member of arts and cultural organisations in Sydney and New York. Craig is also a member of various state and national committees.

Kathryn McCann (Director)

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

She has held senior executive roles with a range of prominent Tasmanian organisations including Hobart Airport, Tourism Tasmania, Beacon Foundation and Federal Group, focused in the areas of strategy, marketing, operations, business development, communications and sales. Kath is currently Executive Director of Tasmania Football Club.

Throughout her working career Kath has also held, and continues to hold, a range of board positions. Currently Kath is also a non-executive director of the Bank of us Board.

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

Paul Ranson (Director)

Paul joined Bank of us as Chief Executive Officer in 2005 and has been responsible for laying the foundations for the growth and development of the company, which is Tasmania's only customer-owned bank.

Prior to joining Bank of us Paul had 25 years' experience in local government, including 18 years' combined experience as General Manager at Meander Valley and West Tamar councils.

Paul is a Director of the Tasmanian Chamber of Commerce and Industry and is a past President of the Launceston Chamber of Commerce and Local Government Managers Australia (Tasmania Division) and member of the Premier's Economic and Social Recovery Advisory Council (PESRAC).

He is a life member of Local Government Managers Australia and a Fellow and Graduate of the Australian Institute of Company Directors.

Naomi Walsh (Director)

Naomi has 30 years' experience in accounting, finance and commercial management roles. She started her career as an accountant in Launceston, before pursuing opportunities in Perth, Western Australia and in England.

She currently has a portfolio of appointments as a director and is a part-time industry-focused academic at the University of Tasmania.

Returning to Tasmania in 2007, she held senior roles with a privately owned group with operations in construction, manufacturing, agriculture, tourism and hospitality sectors. In 2014 she was awarded the Telstra Business Women's Award, recognising her leadership in the Tasmanian construction industry.

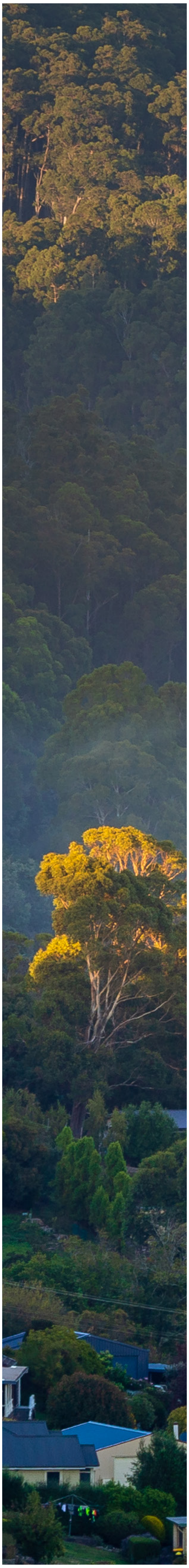
Her board appointments include non-executive director of the Motor Accidents Insurance Board, TasTAFE, Launceston Chamber of Commerce, and Australian Collaborative Education Network Ltd.
Naomi is Vice President and a board director of Chartered Accountants (CAANZ).

She has previously been a board member of the Tasmanian Building and Construction Industry Training Board, Tasmanian Traineeships and Apprenticeships Committee, Civil Contractors Federation and Tasmanian Hospitality Association, Mental Health Council of Tasmania and Commissioner for Tasmanian Legal Aid.

Tasmanian Development and Resources Board meeting attendance

Member	Number of meetings attended
Chair, Mike Wallas	13
Vince De Santis	14
Peter Iancov	13
Selina Lightfoot	13
Craig Limkin[1]	8
Kathryn McCann	13
Greg McCann[2]	3
Paul Ranson	14
Naomi Walsh	13

1. Craig Limkin was appointed in October 2023.
2. Greg McCann's term expired in August 2023.



Policy objectives

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

- the stability of business undertakings in Tasmania
- the maintenance of maximum employment in Tasmania
- the prosperity and welfare of the people of Tasmania.

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

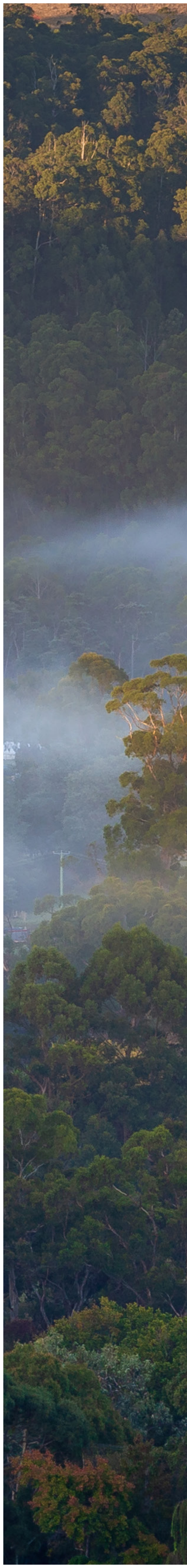
The TDR Corporate Plan represented the focus of the board and its activities for the 2021-2024 period. The plan specified the strategic direction and focus areas and represents the role of TDR in achieving the goals outlined in the *Tasmania Development Act 1983*, recognising the board's important role in supporting the prosperity and welfare of the people of Tasmania.

The current key focus areas are:

- The administration of programs and assessment of applications for financial assistance to support strategic focus areas for growth agreed by the Tasmanian Government.
- Supporting industry sectors that have the capacity to accelerate growth in jobs and the Tasmanian economy through the provision of strategic government support and the capacity to both sustain current jobs and create new jobs.
- Supporting the role of the Office of the Coordinator-General to identify opportunities, attract investment and encourage businesses to establish, relocate, diversify and expand in Tasmania.
- Provision of advice to the Tasmanian Government on matters relating to the policy objectives of TDR and the government.

The priorities for 2023-2024 were to:

- promote and encourage the extension of portfolio loans in preference to grant assistance where the need can be demonstrated against clear criteria
- encourage businesses to ensure employment, social and environmental outcomes feature in proposals to the board in addition to realistic financial metrics
- facilitate investment in Tasmania by the strategic use of land and infrastructure to build capacity for strategic development
- prioritise requests for assistance that provide increased employment or new jobs for Tasmanians
- consider proposals that drive growth through and foster a culture of innovation in all sectors to create and maintain Tasmania's competitive strengths
- respond to policy and strategic objectives of the Tasmanian Government, including PESRAC, climate and emissions reduction
- promote and emphasise existing schemes for assistance across government, such as payroll tax relief where need can be demonstrated rather than seeking financial assistance and support from TDR
- consider proposals for grant assistance targeted in areas with the potential for long-term economic benefit but with short-term critical need.



Grants and loans approval for 2023-24

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

Loan/grant category	Number of loan/grant approvals	Total loan/grant approval amounts
Loans	7	$9.015 million
Loan approved under Section 37	1	$45 million
Grants	1	$1.057 million
Total	**9**	**$55.072 million**

Outstanding loan balances as at 30 June 2024

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

Loan category	Number of loans	Total loan balances
Other	296	$131,167
Total	**296**	**$131.167 million**

Statement of Certification

The accompanying Financial Statements of Tasmania Development and Resources (TDR) have been prepared under Section 29B of the *Tasmanian Development Act 1983* and are in agreement with the relevant accounts and records. The Financial Statements present fairly the financial transactions for the year ended 30 June 2024 and the financial position as at the end of the year.

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

Vincent De Santis Director Tasmanian Development Board 17 September 2024	**Craig Limkin** Chief Executive Officer Tasmanian Development Board 18 September 2024

Tasmania Development and Resources

Statement of Comprehensive Income for the year ended 30 June 2024

	Notes	2024 $'000	2023 $'000
Income from continuing operations			
Revenue from Government			
Attributed appropriation revenue - operating	1.1	5,589	6,320
Other revenue from Government	1.1	...	415
Grants	1.2	...	785
Interest	1.3	7,159	3,644
Other revenue	1.4	1,681	1,987
Total revenue from continuing operations		**14,429**	**13,151**
Net gain/(loss) on financial instruments and statutory receivables/payables	2.1	(2,423)	(256)
Net gain/(loss) on non-financial assets	2.2	...	(41)
Total income from continuing operations		**12,006**	**12,854**
Expenses from continuing operations			
Attributed employee benefits	3.1(a)	305	448
Directors fees	3.1(b)	324	327
Depreciation and amortisation	3.2	175	174
Supplies and consumables	3.3	1,585	1,746
Grants and subsidies	3.4	1,227	3,237
Finance costs	3.5	2,429	1,625
Other expenses	3.6	10	35
Total expenses from continuing operations		**6,055**	**7,592**
Net result from continuing operations		**5,951**	**5,262**
Net result		**5,951**	**5,262**
Other comprehensive income			
Items that will not be reclassified to net result in subsequent periods			
Changes in physical asset revaluation reserve	7.1	...	...
Total other comprehensive income		...	...
Comprehensive result		**5,951**	**5,262**

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

Tasmania Development and Resources

Statement of Financial Position as at 30 June 2024

	Notes	2024 $'000	2023 $'000
Assets			
Financial assets			
Cash and deposits	8.1	2,055	3,817
Receivables	4.1	50	90
Loan advances	4.2	128,727	148,249
Equity investments	4.3	...	...
Non-financial assets			
Property, plant and equipment	4.4	15,270	15,299
Other assets	4.5	105	9
Total assets		**146,207**	**167,464**
Liabilities			
Payables	5.1	820	299
Borrowings	5.2	90,363	118,063
Attributed Employee benefit liabilities	5.3	69	84
Other liabilities	5.4	50	63
Total liabilities		**91,302**	**118,509**
Net assets (liabilities)		**54,905**	**48,955**
Equity			
Accumulated funds		46,544	40,594
Reserves	7.1	8,361	8,361
Total equity		**54,905**	**48,955**

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

Tasmania Development and Resources

Statement of Cash Flows for the year ended 30 June 2024

	Notes	2024 $'000	2023 $'000
Cash flows from operating activities		Inflows (Outflows)	Inflows (Outflows)
Cash inflows			
Appropriation receipts - recurrent		5,589	6,320
Appropriation receipts - other		...	415
Grants		...	785
Net GST		72	(94)
Interest received		7,159	3,644
Other cash receipts		1,556	2,015
Total cash inflows		**14,376**	**13,085**
Cash outflows			
Attributed employee benefits		(320)	(441)
Directors fees		(324)	(327)
Grants and subsidies		(1,227)	(3,237)
Interest payments		(2,429)	(1,822)
Supplies and consumables		(1,064)	(1,692)
Other cash payments		(10)	(35)
Total cash outflows		**(5,374)**	**(7,554)**
Net cash from (used by) operating activities	8.2	**9,002**	**5,531**
Cash flows from investing activities			
Cash inflows			
Proceeds from the disposal of non-financial assets		...	1,830
Repayment of loans by other entities		40,805	33,783
Total cash inflows		**40,805**	**35,613**
Cash outflows			
Payments for acquisition of non-financial assets		(146)	...
Loans made to other entities		(23,723)	(36,490)
Total cash outflows		**(23,869)**	**(36,490)**
Net cash from (used by) investing activities		**16,936**	**(877)**
Cash flows from financing activities			
Cash inflows			
Proceeds from borrowings		2,812	16,300
Monies held in Trust movement		...	(20)
Total cash inflows		**2,812**	**16,280**

Cash outflows			
Repayment of borrowings		(30,512)	(23,747)
Total cash outflows		**(30,512)**	**(23,747)**
Net cash from (used by) financing activities		**(27,700)**	**(7,467)**
Net increase (decrease) in cash held and cash equivalents		**(1,762)**	**(2,813)**
Cash and deposits at the beginning of the reporting period		**3,817**	**6,630**
Cash and deposits at the end of the reporting period	8.1	**2,055**	**3,817**

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

Tasmania Development and Resources

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

	Accumulated funds $'000	Reserves $'000	Total equity $'000
Balance as at 1 July 2023	**40,593**	**8,361**	**48,954**
Total comprehensive result	5,951	...	5,951
Balance as at 30 June 2024	**46,544**	**8,361**	**54,905**

	Accumulated funds $'000	Reserves $'000	Total equity $'000
Balance as at 1 July 2022	**35,331**	**8,361**	**43,693**
Total comprehensive result	5,262	...	5,262
Balance as at 30 June 2023	**40,593**	**8,361**	**48,955**

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

Note 1 Revenue

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

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

1.1 Revenue from Government

Appropriations, whether operating or capital, are recognised as revenues in the period in which Tasmania Development and Resources (TDR) gains control of the appropriated funds as allocated by the Department of State Growth (the Department) as they do not contain enforceable and sufficiently specific obligations as defined by AASB 15. Except for any amounts identified as carried forward in Note 1.1, control arises in the period of appropriation.

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

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

	2024 $'000	2023 $'000
Continuing operations		
Attributed Appropriation revenue – operating		
Current year	5,589	6,320
Total	**5,589**	**6,320**
Other revenue from government		
Attributed Appropriation Rollover under section 23 of the *Financial Management Act 2016*	...	415
Total	...	415
Total revenue from Government	**5,589**	**6,735**

1.2 Grants

Grants revenue, where there is a sufficiently specific performance obligation attached, are recognised when TDR satisfies the performance obligation and transfers the promised goods or services. TDR 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 TDR 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 TDR satisfies its obligations under the transfer. TDR 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 $'000	2023 $'000
Grants without sufficiently specific performance obligations		
Grants from the Tasmanian Government	...	785
Total	**...**	**785**
Total revenue from Grants	**...**	**785**

1.3 Interest

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

	2024 $'000	2023 $'000
Interest	7,159	3,644
Total	**7,159**	**3,644**

1.4 Other revenue

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

	2024 $'000	2023 $'000
Property rental	1,456	1,313
Other	225	674
Total	**1,681**	**1,987**

Note 2 Net gain/(loss)

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

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

Key Judgement

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

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

	2024 $'000	2023 $'000
Impairment reversals/(losses) for:		
Loans advances	(2,440)	(239)
Receivables	17	(17)
Total net gain/(loss) on financial instruments	**(2,423)**	**(256)**

2.2 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 $'000	2023 $'000
Impairment reversals/(losses) for:		
Land disposal	...	(41)
Total net gain/(loss) on financial instruments	**...**	**(41)**

Note 3 Expenses

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

3.1 Attributed Employee benefits

The activities of TDR are delivered by staff employed by the Department. TDR does not employ staff. However, there are a number of specific departmental employees directly charged to TDR operations, which are included in the Statement of Comprehensive Income as Employee Benefits and include where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

(a) Employee expenses

	2024	2023
	$'000	$'000
Wages and salaries	242	347
Annual leave	9	31
Long service leave	8	2
Sick leave	9	14
Superannuation	35	50
Other employee expenses	2	4
Total	**305**	**448**

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

(b) Remuneration of key management personnel

2024	Short-term benefits		Long-term benefits		
	Salary	Other Benefits	Superannuation	Other Benefits & Long-Service Leave	Total
	$'000	$'000	$'000	$'000	$'000
Board Members					
Mike Wallas, Chair	64	...	7	...	71
Vincent De Santis, Director	36	...	4	...	40
Peter Iancov, Director	36	...	4	...	40
Selina Lightfoot, Director (from 01/07/23)	36	...	4	...	40
Gregory McCann, Director (to 20/08/23)	7	...	1	...	8
Kathryn McCann, Director	38	...	4	...	42
Paul Ranson, Director	36	...	4	...	40
Naomi Walsh, Director	39	...	4	...	43
Total	**292**	**...**	**32**	**...**	**324**

2023	Short-term benefits		Long-term benefits		
	Salary	Other Benefits	Superannuation	Other Benefits & Long-Service Leave	Total
	$'000	$'000	$'000	$'000	$'000
Board Members					
Mike Wallas, Chair	67	...	7	...	74
Naomi Edwards, Director (to 22/02/2023)	25	...	3	...	28
Gregory McCann, Director	41	...	4	...	45
Kathryn McCann, Director	41	...	4	...	45
Vincent De Santis, Director	35	...	4	...	39
Naomi Walsh, Director	41	...	4	...	45
Paul Ranson, Director	35	...	4	...	39
Peter Iancov, Director (from 23/02/2023)	11	...	1	...	12
Total	**296**	**...**	**31**	**...**	**327**

TDR Chief Executive Kim Evans (to 11 July 2023) and Craig Limkin (from 31 October 2023) receives no remuneration for this role. Kim Evans' and Craig Limkin's remuneration is for their role as Secretary of the Department of State Growth and is disclosed in the Department's Financial Statements.

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

Remuneration during 2023-24 for key personnel is set by the *Tasmanian Development Act 1983*. Remuneration and other terms of employment are specified in employment contracts. Short-term benefits include motor vehicle and car parking fringe benefits in addition to annual leave and any other short-term benefits. Fringe benefits have been reported at the grossed up reportable fringe benefits amount. The Fringe Benefits Tax (FBT) year runs from 1 April to 31 March each year, any FBT attributable to key management personnel is reported on that basis. Long-term employee expenses include long service leave, superannuation obligations and termination payments.

Acting Arrangements

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

(c) Related party transactions

The Department provides ongoing administrative support to TDR. Kim Evans (to 11 July 2023) and Craig Limkin (from 31 October 2023), in addition to their role as a member of TDR's key management personnel, is the Secretary and the accountable authority of the Department. The Department charges TDR an annual amount to support administrative costs, disclosed in Note 3.3. The employment of TDR staff by the Department is disclosed in Note 3.1(a).

There are no other material related party transactions requiring disclosure.

3.2 Depreciation

All applicable non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Land, being an asset with an unlimited useful life, is not depreciated.

Key estimate and judgement

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

Plant and equipment	3-25 years
Buildings	20-80 years

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

Software	1-5 years

(a) Depreciation

	2024 $'000	2023 $'000
Plant and equipment	3	2
Buildings	172	172
Total	**175**	**174**

3.3 Supplies and consumables

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

	2024 $'000	2023 $'000
Audit fees – financial audit	36	35
Consultants and contracted services	21	55
Property services	412	411
Maintenance	270	286
Communications	2	1
Information technology	126	173
Travel and transport	33	38
Administrative support charge	594	594
Other supplies and consumables	91	153
Total	**1,585**	**1,746**

3.4 Grants and subsidies

Grant and subsidies expenditure are recognised to the extent that:

» the services required to be performed by the grantee have been performed; or

» the grant eligibility criteria have been satisfied.

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

	2024 $'000	2023 $'000
Scottsdale Pork	...	100
Copper Mines of Tasmania	1,000	500
DXC Enterprise Development Centre	42	210
Norske Skog	...	415
Serco	185	370
Group 6 Metals Limited, formerly known as King Island Scheelite	...	1,642
Total	**1,227**	**3,237**

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

3.5 Finance costs

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

Finance costs include:

- interest on bank overdrafts and short term and long term borrowings;
- unwinding of discounting of provisions;
- amortisation of discounts or premiums related to borrowings; and
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings, and
- lease charges.

	2024 $'000	2023 $'000
Interest expense		
Interest on loans	2,429	1,625
Total	**2,429**	**1,625**

3.6 Other expenses

Other expenses are recognised when it is probable that the consumption or loss of future economic benefits resulting in a reduction in assets and/or an increase in liabilities has occurred and the consumption or loss of future economic benefits can be measured reliably.

	2024 $'000	2023 $'000
Credit reports collection charges	7	7
Other	3	28
Total	**10**	**35**

Note 4 Assets

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

4.1 Receivables

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

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

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

	2024 $'000	2023 $'000
Receivables	51	108
Less: Provision for impairment	(1)	(18)
Total	**50**	**90**
Sales of goods and services (inclusive of GST)	33	1
Tax assets	17	89
Total	**50**	**90**
Settled within 12 months	50	90
Settled in more than 12 months	...	...
Total	**50**	**90**

For ageing analysis of the financial assets, refer to note 9.1.

4.2 Loan advances

	2024 $'000	2023 $'000
Section 35 Loans Administered by TDR	22,914	24,232
Section 37 Loans Administered by TDR	15,000	15,000
Tasmanian Development Act 1983 (Section 9) – Corporate Finance	1,456	1,875
Agrigrowth Loan Program	7,433	10,373
Drought and Dairy Recovery Concessional Program	980	2,872
Flood Recovery Rural	34	60
Farm Business Concessional Loan scheme - Dairy Recovery & Drought Assistance 2016	4,734	8,305
Tourism Accommodation Refurbishment Loan Scheme	2,347	3,173
Farm Business Concessional Loan scheme - Dairy Recovery & Drought Assistance 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
Less: Provision for impairment	(2,440)	(425)
Total	**128,727**	**148,249**
Settled within 12 months	17,382	19,803
Settled in more than 12 months	111,345	128,446
Total	**128,727**	**148,249**

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

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

Reconciliation of movement in provision for impairment of other financial assets	2024 $'000	2023 $'000
Carrying amount at 1 July	**425**	**186**
Increase/(decrease) in provision recognised in net result	2,015	239
Carrying amount at 30 June	**2,440**	**425**

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

The impairment this year relates to an Unsecured Business Growth loan and COVID-19 loans.

4.3 Equity investments

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

» Listed companies – the share's current market value for listed public companies; and

» Unlisted companies – based on estimated recoverable amount.

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

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

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

	2024 $'000	2023 $'000
Unlisted equity instruments	800	800
Less: Provision for impairment	(800)	(800)
Total	...	...
Settled within 12 months	...	...
Settled in more than 12 months	...	...
Total	...	...

Reconciliation of movement in provision for impairment of equity investments	2024 $'000	2023 $'000
Carrying value at 1 July	**800**	**800**
Increase/(decrease) in provision recognised in net result	...	...
Carrying amount at 30 June	**800**	**800**

4.4 Property, plant and equipment

(i) Valuation basis

Land is recorded at fair value. Buildings are recorded at fair value less accumulated depreciation. All other Non-current physical assets, including work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses. All assets within a class of assets are measured on the same basis.

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

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

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

(ii) Subsequent costs

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

(iii) Asset recognition threshold

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

(iv) Revaluations

TDR has adopted a revaluation threshold of $50,000. Land and buildings are revalued and measured at fair value every five years. Rural Properties are measured at fair value. Fair value of Rural properties equates to the option prices deemed on the individual properties.

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

(a) Carrying amount

	2024 $'000	2023 $'000
Land		
Properties - at fair value	4,866	4,846
Rural properties - at fair value	653	643
Total	**5,519**	**5,489**
Buildings		
At fair value	10,084	9,968
Less: Accumulated depreciation	(344)	(172)
Total	**9,740**	**9,796**
Plant and equipment		
At cost	185	185
Less: Accumulated depreciation	(174)	(171)
Total	**11**	**14**
Total property, plant and equipment	**15,270**	**15,299**

Land and buildings

Land and buildings revaluations were most recently undertaken by Knight Frank Tasmania as at 30 June 2022. The primary valuation method used was the Capitalisation of Net Market Income approach with the Direct Comparison approach as a secondary method. Under the Capitalisation of Net Market Income approach, the assessed net face market income at the date of valuation is capitalised at an appropriate market yield to establish the property's core market value.

The valuation has 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*.

Rural properties

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

(b) Reconciliation of movements

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

30 June 2024	Land Level 2 (land and vacant land in active markets)	Buildings Level 2 (general office buildings)	Plant and equipment	Total
	$'000	$'000	$'000	$'000
Carrying value at 1 July	**5,489**	**9,796**	**14**	**15,299**
Additions	30	116	...	146
Disposals	...	...	...	...
Revaluation increments (decrements)	...	...	...	...
Depreciation	...	(172)	(3)	(175)
Carrying value at 30 June	**5,519**	**9,740**	**11**	**15,270**

30 June 2023	Land Level 2 (land and vacant land in active markets)	Buildings Level 2 (general office buildings)	Plant and equipment	Total
	$'000	$'000	$'000	$'000
Carrying value at 1 July	**5,640**	**9,954**	**...**	**15,594**
Additions	...	14	16	30
Disposals	(151)	...	...	(151)
Revaluation increments (decrements)	...	...	...	...
Depreciation	...	(172)	(2)	(174)
Carrying value at 30 June	**5,489**	**9,796**	**14**	**15,299**

4.5 Other assets

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

(a) Carrying amount

	2024	2023
	$'000	$'000
Other current assets		
Accrued revenue	105	...
Prepayments	...	9
Total	**105**	**9**
Recovered within 12 months	105	9
Recovered in more than 12 months	...	...
Total	**105**	**9**

Note 5 Liabilities

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

5.1 Payables

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

	2024 $'000	2023 $'000
Creditors	19	21
Accrued expenses	801	278
Total	**820**	**299**
Settled within 12 months	820	299
Settled in more than 12 months	...	...
Total	**820**	**299**

Settlement is usually made within 30 days.

5.2 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 $'000	2023 $'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 $'000	2023 $'000
One year or less	1,702	89,136
From one to five years	88,661	28,927
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.

During 2023-24 TDR repaid $7.7 million of borrowings owed to the Australian Government. Two $35 million fixed term bond loans with Tascorp matured on 11 June 2024. Surplus cash was used to repay part and TDR entered into two new fixed term bond loans ($45 million, maturing 31 October 2025 and $18 million, maturing 19 February 2026).

5.3 Employee benefits liabilities

Key estimate and judgement

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

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

	2024 $'000	2023 $'000
Accrued salaries	16	21
Annual leave	12	33
Long service leave	34	30
Other employee provisions	7	...
Total	**69**	**84**
Expected to settle wholly within 12 months	33	57
Expected to settle wholly after 12 months	36	27
Total	**69**	**84**

5.4 Other liabilities

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

	2024 $'000	2023 $'000
Revenue received in advance		
Other revenue received in advance	...	13
Other liabilities		
Monies held in trust	50	50
Total	**50**	**63**
Expected to settle wholly within 12 months	50	63
Expected to settle wholly after 12 months	...	...
Total	**50**	**63**

Note 6 Commitments and Contingencies

6.1 Schedule of commitments

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

	2024 $'000	2023 $'000
By type		
Lease Commitments		
Other leases	...	...
Total lease commitments	**...**	**...**
Other commitments		
Loan commitments	115,052	178,921
Total other commitments	**115,052**	**178,921**
Total	**115,052**	**178,921**
By maturity		
Operating lease commitments		
One year or less	...	...
From one to five years	...	...
More than five years	...	...
Total operating lease commitments	**...**	**...**
Other commitments		
One year or less	60,952	97,581
From one to five years	54,100	81,340
More than five years	...	...
Total other commitments	**115,052**	**178,921**
Total	**115,052**	**178,921**

Loan commitments are loans approved but not drawn down by clients as at 30 June 2024.

TDR has a current borrowing cap approval from the Treasurer of $170 million. TDR frequently reviews the borrowing requirements to fund loan advance commitments to ensure that the $170 million borrowing cap is not exceeded.

6.2 Contingent assets and liabilities

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

(a) Quantifiable contingencies

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

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

	2024 $'000	2023 $'000
Quantifiable contingent liabilities		
In late 2015 and following a recommendation from the TDR Board, the Minister for State Growth and Treasurer jointly approved the provision of a $25 million financial assistance package to Copper Mines of Tasmania (CMT) to support a possible reopening of the Mt Lyell Copper Mine. The assistance package was approved in the form of a grant to reimburse CMT for payroll tax and mineral royalties paid over a seven-year period, contingent on the mine reopening. The Government reconfirmed this commitment in 2024.	25,000	25,000
Total quantifiable contingent liabilities	25,000	25,000

(b) Unquantifiable contingencies

At 30 June 2024 TDR did not have any unquantifiable contingent assets or liabilities.

Note 7 Reserves

7.1 Reserves

2024	Land $'000	Buildings $'000	Total $'000
Asset revaluation reserve			
Balance at beginning of financial year	3,651	4,710	8,361
Revaluation increments / (decrements)	...	...	...
Balance at end of financial year	**3,651**	**4,710**	**8,361**

2023	Land $'000	Buildings $'000	Total $'000
Asset revaluation reserve			
Balance at beginning of financial year	3,651	4.710	8,361
Revaluation increments / (decrements)	...	...	...
Balance at end of financial year	**3,651**	**4,710**	**8,361**

Note 8 Cash Flow Reconciliation

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

8.1 Cash and cash equivalents

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

	2024 $'000	2023 $'000
Specific Purpose Account balance		
S524 Department of State Growth Financial Management Account	2,055	3,817
Total	**2,055**	**3,817**
Total cash and deposits	**2,055**	**3,817**
Restricted use cash and cash equivalents	131	146
Unrestricted use cash and cash equivalents	1,924	3,671
Total cash and cash equivalents	**2,055**	**3,817**

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

8.2 Reconciliation of net result to net cash from operating activities

	2024 $'000	2023 $'000
Net result	**5,951**	**5,262**
Depreciation and amortisation	175	174
Movement on interest accruals within loan portfolio	(1)	(197)
Movement in trust monies held	...	20
Fee calls	...	(30)
Impairment adjustments	2,440	256
Net (gain)/Loss on disposal of non-financial asset	...	41
Decrease (increase) in Receivables	40	(60)
Decrease (increase) in Other assets	(96)	(6)
Increase (decrease) in Employee benefits	(15)	7
Increase (decrease) in Payables	521	83
Increase (decrease) in Other liabilities	(13)	(20)
Net cash from (used by) operating activities	**9,002**	**5,531**

8.3 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 $'000
Balance as at 1 July 2023	**118,063**
Changes from financing cash flows:	
Cash Received	2,812
Cash Repayments	(30,512)
Balance as at 30 June 2024	**90,363**

2023	Borrowings $'000
Balance as at 1 July 2022	**125,510**
Changes from financing cash flows:	
Cash Received	16,300
Cash Repayments	(23,747)
Balance as at 30 June 2023	**118,063**

Note 9 Financial Instruments

9.1 Risk exposures

(a) Risk management policies

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

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

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

(b) Credit risk exposures

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

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

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

As at 30 June 2024 TDR is not materially exposed to any individual client. Concentration of credit risk by industry on loan advances is: Section 37 Finance (34%) and the concentration for high risk Covid-19: (24%).

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

Expected credit loss analysis of receivables

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

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

Expected credit loss analysis of receivables as at 30 June 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)	15	...	...	...	19	**34**
Expected credit loss (A x B)	...	...	...	...	1	**1**

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)	...	...	...	...	100%	
Total gross carrying amount (B)	...	...	...	...	18	**18**
Expected credit loss (A x B)	...	...	...	...	18	**18**

(c) Liquidity risk

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

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial liabilities		
Borrowings	Bank loans and other loans are initially measured at fair value, net of transaction costs. These loans are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis. TDR regularly reviews its contractual outflows to ensure that there is sufficient cash available to meet contracted payments.	Contractual payments made on a regular basis.
Payables	Recognised upon the receipt of a good or service that has not been paid for, measured at face value	Settled within 30 days

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

2024	Maturity analysis for financial liabilitiess							
	1 year	2 years	3 years	4 years	5 years	More than 5 years	Undiscounted total	Carrying amount
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial liabilities								
Payables	820	...	...	...	...	...	820	820
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
Total	**2,522**	**81,553**	**3,554**	**3,554**	**...**	**...**	**91,183**	**91,183**

2023	Maturity analysis for financial liabilitiess							
	1 year	2 years	3 years	4 years	5 years	More than 5 years	Undiscounted total	Carrying amount
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial liabilities								
Payables	299	...	...	...	...	...	299	299
Borrowings - Interest bearing	82,300	...	15,000	...	...	...	97,300	97,300
Borrowings - Non-interest bearing	6,835	4,642	4,642	4,644	...	...	20,763	20,763
Total	**89,434**	**4,642**	**19,642**	**4,644**	**...**	**...**	**118,362**	**118,362**

(d) Market risk

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

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

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

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

	2024	2023
	$'000	$'000
Fixed rate instruments		
Financial liabilities	(78,000)	(85,000)
Total	**(78,000)**	**(85,000)**
Variable rate instruments		
Financial assets	132,068	148,249
Financial liabilities	...	(12,300)
Total	**132,068**	**135,949**

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

Sensitivity Analysis of TDR's Exposure to Possible Changes in Interest Rates	Statement of Comprehensive Income		Equity	
	100 basis points increase $'000	100 basis points decrease $'000	100 basis points increase $'000	100 basis points decrease $'000
30 June 2024				
Cash and deposits	...	...	...	...
Loan advances	1,321	(1,321)	1,321	(1,321)
Interest bearing facilities	(780)	780	(780)	780
Net sensitivity	**541**	**(541)**	**541**	**(541)**
30 June 2023				
Cash and deposits	...	...	...	...
Loan advances	1,483	(1,483)	1,483	(1,483)
Interest bearing facilities	(973)	973	(973)	973
Net sensitivity	**510**	**(510)**	**510**	**(510)**

This analysis assumes all other variables remain constant. The analysis was performed on the same basis as at 30 June 2023.

9.2 Categories of financial assets and liabilities

AASB 9 Carrying amount	2024 $'000	2023 $'000
Financial assets		
Amortised cost	130,815	152,068
Total	**130,815**	**152,068**
Financial liabilities		
Financial liabilities measured at amortised cost	(91,183)	(118,362)
Total	**(91,183)**	**(118,362)**

9.3 Net Fair Values of Financial Assets and Liabilities

2024	Net Fair Value Level 1 $'000	Net Fair Value Level 2 $'000	Net fair Value Level 3 $'000	Net Fair Value Total $'000
Financial assets				
Cash and deposits	2,055	...	...	2,055
Loan advances and receivables	...	128,727	...	128,727
Total financial assets	**2,055**	**128,727**	**...**	**130,782**
Financial liabilities				
Payables	...	820	...	820
Borrowings	...	90,604	...	90,604
Total financial liabilities	**...**	**91,424**	**...**	**91,424**

2023	Net Fair Value Level 1 $'000	Net Fair Value Level 2 $'000	Net fair Value Level 3 $'000	Net Fair Value Total $'000
Financial assets				
Cash and deposits	3,817	...	...	3,817
Loan advances and receivables	...	148,251	...	148,251
Assets held for sale	...	...	...	...
Total financial assets	**3,817**	**148,251**	**...**	**152,068**
Financial liabilities				
Payables		299	...	299
Borrowings		116,111	...	116,111
Total financial liabilities		**116,410**	**...**	**116,410**

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

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

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

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

Financial Assets

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

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

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

Financial Liabilities

The net fair values of payables approximate their carrying amounts.

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

Note 10 Events Occurring After Balance Date

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

Note 11 Other Significant Accounting Policies and Judgements

11.1 Objectives and Funding

The Tasmanian Development Authority (TDA) was established under the *Tasmanian Development Act 1983* (the Act). Under Section 4(1) of the Act, the body corporate TDA operates under the corporate name Tasmania Development and Resources (TDR).

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

» The stability of business undertakings in Tasmania;

» The maintenance of maximum employment in Tasmania; and

» The prosperity and welfare of the people of Tasmania.

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

The current TDR Corporate Plan for 2021-24 outlines the key focus areas for the Board, which are:

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

» Supporting industry sectors that have the capacity to accelerate growth in jobs and the Tasmanian economy, through the provision of strategic government support; and the capacity to both sustain current jobs and create new jobs;

» Supporting the role of the Office of the Coordinator-General to identify opportunities, attract investment and encourage businesses to establish, relocate, diversify and expand in Tasmania; and

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

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

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

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

11.2 Basis of Accounting

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

» The Tasmanian Development Act 1983, and

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

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

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year except for those changes outlined in Note 11.5.

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

11.3 Reporting Entity

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

11.4 Functional and Presentation Currency

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

11.5 Changes in Accounting Policies

Impact of new and revised Accounting Standards

In the current year TDR has adopted all of the new and revised Standards and interpretations issued by the Australian Accounting Standards Board (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 TDR's operations and effective for the current annual reporting period.

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*. TDR has not yet determined the potential effect of the revised Standard on TDR's Financial Statements.

11.6 Foreign Currency

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

11.7 Comparative Figures

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards. Details of the impact of any changes in accounting policy on comparative figures are at Note 11.5.

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

11.8 Rounding

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

11.9 Taxation

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

11.10 Goods and Services Tax

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

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

Tasmanian Audit Office

Independent Auditor's Report

To the Members of Parliament

Tasmania Development and Resources

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Tasmania Development and Resources (the Authority), which comprises the statement of financial position as at 30 June 2024, statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the statement of certification signed by the Chief Executive Officer and Director.

In my opinion, the accompanying financial report:

(a) present fairly, in all material respects, the financial position of the Authority as at 30 June 2024 and its financial performance and its cash flows for the year then ended

(b) is in accordance with the *Tasmanian Development Act 1983* and Australian Accounting Standards.

Basis for Opinion

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the

date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.

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

Martin Thompson
Auditor-General
Tasmanian Audit Office

23 September 2024
Hobart

Tasmanian Government

Tasmania Development and Resources
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