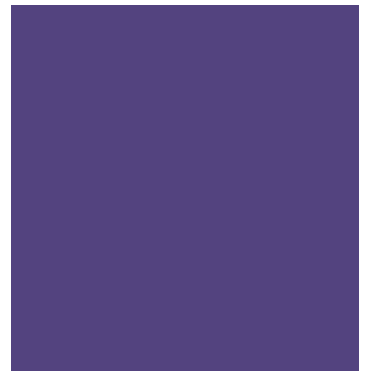
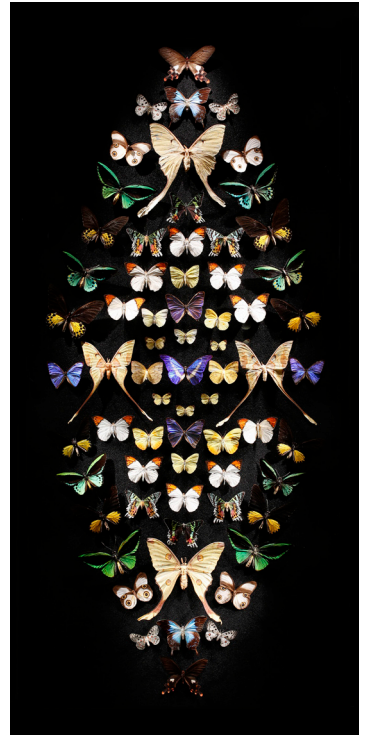
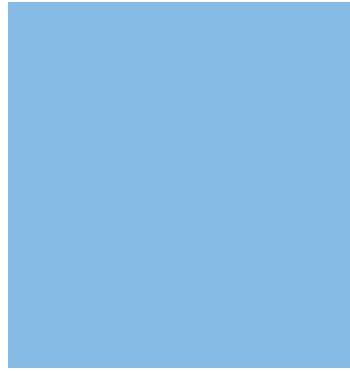


# Annual Report 2015–16



## Submission to Ministers



**Will Hodgman**

Premier  
Minister for Tourism,  
Hospitality and Events



**Michael Ferguson**

Minister for Information  
Technology and Innovation



**Dr Vanessa Goodwin**

Minister for the Arts



**Matthew Groom**

Minister for State Growth  
Minister for Energy



**Peter Gutwein**

Minister for Forestry



**Rene Hidding**

Minister for Infrastructure  
Minister for Mining

Dear Ministers

In accordance with the requirements of Section 36 of the *State Services Act 2000* and Section 27 of the *Financial Management and Audit Act 1990*, I submit to you, for presentation to Parliament, this report on the affairs and activities of the Department of State Growth for the financial year ended 30 June 2016.

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

Yours sincerely

Kim Evans  
Secretary  
Department of State Growth  
October 2016

### How to contact us

Head Office – Hobart

22 Elizabeth Street, Hobart, TAS 7000 Australia

GPO Box 536, Hobart, TAS 7001 Australia

Phone: 1800 030 688 Fax: 03 6233 5800

Email: [info@stategrowth.tas.gov.au](mailto:info@stategrowth.tas.gov.au)

Web: [www.stategrowth.tas.gov.au](http://www.stategrowth.tas.gov.au)

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[www.stategrowth.tas.gov.au](http://www.stategrowth.tas.gov.au)

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# Contents

Submission to Ministers	1	Report from the Office of the Coordinator-General	41
Contents	2	Report from Infrastructure Tasmania	45
Message from the Secretary	3	Report from Tasmanian Planning Reform Taskforce	47
Who we are	5	Supporting information Department of State Growth	49
People and Culture	7	Right to Information	49
Industry and Business Development	10	Public Interest Disclosures Act	49
Client Services	10	Integrity Commission	49
Industry Policy	11	Legislation administered by the Department of State Growth 2015–16	50
Mineral Resources Tasmania	11	Policies to help manage our business	53
Resources Policy	13	Major contracts and consultancies	54
Trade and International Relations	13	Disability Framework for Action 2013–17	64
Workforce Development and Training	14	Publications	65
Report from the Director of Energy Planning	19	Grants	66
Cultural and Tourism Development	22	Statutory and non-statutory bodies	70
Arts Tasmania	22	Superannuation certificate	70
Events Tasmania	23	Compliance Index	71
Screen Tasmania	23	List of acronyms	74
Tasmanian Museum and Art Gallery (TMAG)	24	Photo credits and acknowledgements	75
Tourism and Hospitality Supply-side Unit	25	Financial Statements for the year ended 30 June 2016	76
Transport Services	28	Financial Statements for the year ended 30 June 2016 Abt Railway Ministerial Corporation	182
State Roads	28		
Road User Services	30		
Report from the Abt Railway Ministerial Corporation	36		
Business Services	38		

# Message from the Secretary



I am pleased to present the 2015-16 annual report for the Department of State Growth which supports job creation and cultural and economic growth in Tasmania.

With a broad range of responsibilities, the work of State Growth has been diverse and rewarding over the last year, and has had a positive impact in our cities and regions.

We have focussed on delivering outcomes for our Ministers and the Tasmanian community, and on the government's commitments through the 365 Day Plan and Agenda 2016.

Significant work has occurred in the areas of industry support, job creation, training, growing the visitor economy, building Tasmania's brand, and managing our infrastructure and transport systems.

This report provides detail of these activities in a year that has seen many highlights.

To make our roads safer, an extensive program of stakeholder engagement supported the development of the Towards Zero: Tasmanian Road Safety Strategy 2017-2026, and the release of the draft Transport Access Strategy is an important part of the work to improve access to safe passenger transport.

Major work has been undertaken on the State Road Network, including important upgrades as part of the Midland Highway 10 Year Action Plan.

The draft *Tasmanian State Roads Ten Year Infrastructure Investment Plan* has also been released for comment, with the goal of delivering sustainable, affordable and appropriate levels of service to state road customers.

This work has been complemented by Infrastructure Tasmania through delivery of key projects such as the Tasmanian Integrated Freight Strategy.

Skills Tasmania continues to develop and manage the state's training and workforce development system and recognise excellence through the Tasmanian Training Awards and the Employer of Choice program.

The department has played a significant role in managing our resources sector by leading the third five yearly review of the Regional Forest Agreement and moving key functions of Mineral Resources Tasmania to Burnie.

The newly released Cultural and Creative Industries Strategy provides a framework for growing an important sector that directly employs over 9 000 Tasmanians.



Highlights for the year include the Tasmanian Museum and Art Gallery's (TMAG) visitor numbers exceeding their target, support being provided to 20 major events in the state, and the production of a number of high-profile film and television projects in Tasmania.

The Tourism Demand Driver Infrastructure and Regional Tourism Infrastructure Innovation Fund grants promote growth in our visitor economy, and the signing of a new five-year Hawthorn Football Club sponsorship, the commencement of the roll out of 32 Destination Action Plans and the delivery of free tourist WI-FI will continue to drive visitation to Tasmania.

Industry and business development work has been targeted at areas with identified growth potential and has this year seen the release of the *Our Fair Share of Defence Strategy* and the *Advanced Manufacturing Action Plan*.

Small business support has continued through Tasmania's Enterprise Centres and targeted initiatives such as the Tasmanian Retailer Development Program.

To promote our goods and services in important global markets, high-level trade missions took Tasmania to the world featuring gala events such as the inaugural Savour Tasmania in China. Complementing this, the Office of the Coordinator-General has taken the lead on investment attraction including managing the very successful Expressions of Interest process to encourage sensitive investment in our parks and reserves.

State Growth has also responded to unforeseen circumstances that have impacted the state. The unprecedented situation of the Basslink outage and record low rainfall saw the development of an Energy Supply Plan and the establishment

of the Energy Security Taskforce with State Growth contributing expertise to both.

The department's staff also took part in the immediate response to the devastating floods of 2016 and the continuing work to rebuild infrastructure and livelihoods.

I must sincerely thank our employees for their efforts and commitment as we continue to develop the new department. This year we have seen the release of the State Growth Three-Year Corporate Plan, the launch of the new social club and important work being done to develop our culture and values. I would also like to thank the department's Ministers for their strong support throughout the year.

I also acknowledge the work of the Chairpersons and members of all of our different boards whom I thank for their time and dedication throughout the year.



**Kim Evans**  
Secretary  
Department of State Growth



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## Who we are

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

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

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

Our structure includes the following business areas:

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

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

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

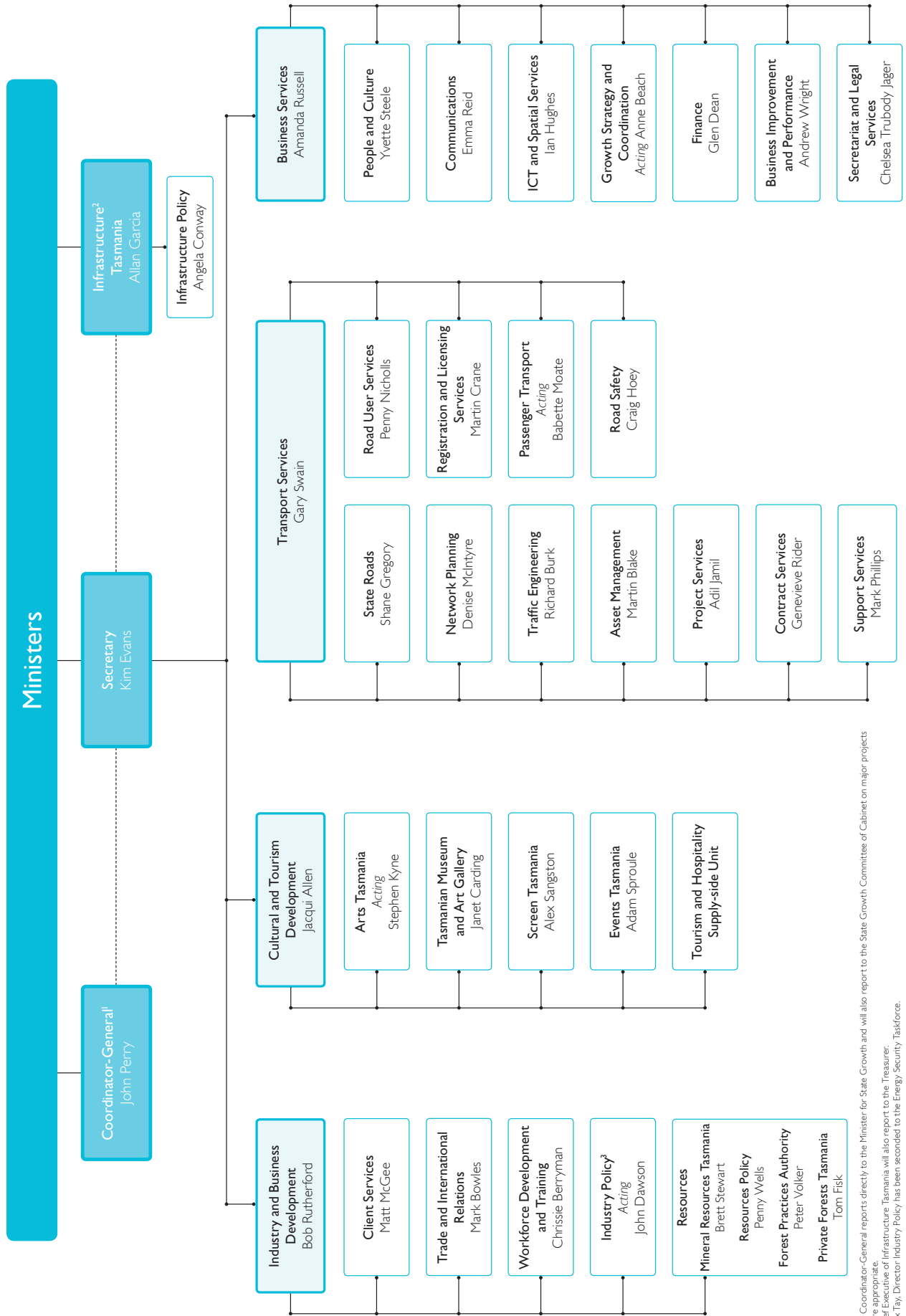
### Our Corporate Plan

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

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

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

# Department of State Growth - Organisational Structure as at 30 June 2016



<sup>1</sup>The Coordinator-General reports directly to the Minister for State Growth and will also report to the State Growth Committee of Cabinet on major projects where appropriate.  
<sup>2</sup>Chief Executive of Infrastructure Tasmania will also report to the Treasurer.  
<sup>3</sup>Alex Tay, Director Industry Policy has been seconded to the Energy Security Taskforce.

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# People and Culture

## Organisational development

One of the key priorities in the department's Corporate Plan is to develop the first set of values for State Growth and to build a strong collaborative and productive culture that supports the effective delivery of the department's objectives and priorities. The department established a cross-agency working group that has undertaken work on identifying existing values and developing future values. A draft set of values has been tested across the department, with further work to refine these in progress.

The department also commenced work on the development and definition of what a high performance and client-focussed culture means for State Growth. Two cultural inventories were undertaken across the agency which measured the department's existing culture and identified gaps against the preferred culture. Briefing sessions and further testing of the results occurred across all areas of the department. An analysis of the results and feedback has identified a number of key focus areas for improvement and this will form part of the department's Cultural Development Plan for the coming year.

An action plan from the 2015 People Matters survey was put in place including the values and culture projects, the development and implementation of the department's prevention and management of bullying policy and supporting resources, together with a range of initiatives to increase the visibility of the Executive and senior managers across the organisation.

## Capability development

The department continues to invest in its people by providing access to a range of learning and development opportunities including career development and resilience training. Staff also have access to targeted training to meet individual development needs. The focus on learning and development has broadened from the traditional trainer-centric workshop to encompass other contemporary avenues for learning such as network building, on-the-job learning and stretch assignments.

The department's study assistance program contributes to employees' professional and career development aspirations by providing support to undertake graduate and postgraduate studies that benefit the agency through enhanced performance. Sponsorship was provided to two employees to participate in this year's Public Sector Management Program.

## Work health and safety

The department has demonstrated strong leadership and commitment to work health and safety with a focus on embedding sustainable practices into everyday business. The department has continued implementation of its safety management system. Key initiatives include the launch of its Workforce Health and Safety policy statement and the development and implementation of its risk management and incident reporting and investigation frameworks, together with a safe driving policy.

Work also commenced on the development of a work health and safety learning and development strategy, with key priority areas identified for the coming year. This year has seen the introduction of a quarterly Work Health, Safety and Wellbeing Report for the department's Executive that focuses on keeping up to date knowledge on work health and safety matters; gaining an understanding of the nature of the operations of business and associated risks; to ensure that processes are in place to receive and consider incidents, hazards and risks; and to implement processes that comply with legislative requirements.

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

The Work Health and Safety Management Committee supports the Executive by recommending the strategic direction and fostering a positive and visible health, safety and wellbeing culture that emphasises proactive management and strong leadership. Divisional Work Health and Safety Consultative Committees meet regularly and provide a consultation forum for employees and management to develop strategies that mitigate risk and promote sustainable health and safety outcomes.

## Employee wellbeing

A proactive approach continues in relation to employee wellbeing, with a range of programs to support positive health outcomes, including:

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

## Our volunteers

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

The department engages volunteers either directly or through a third party volunteer organisation across a wide variety of volunteer activities. For example those at the Tasmanian Museum and Art Gallery, Arts Tasmania, Events Tasmania and Trade and International Relations relating to high profile events. It also includes the Forest Practices Authority assisting with research programs, school crossing patrol officers and Learner Driver Mentor programs. To effectively manage the associated risks, and the legal and ethical responsibilities when managing volunteer activities, the department continues to develop a Volunteer Framework in consultation with the Risk and Audit Committee.

## Workplace diversity

The department is committed to providing an inclusive workplace culture by eliminating barriers that would otherwise impede some individuals from fully and actively participating at work. State Growth is also committed to ensuring all employees are given equal access to the full range of employment options, flexible work arrangements and learning and development opportunities.

The results of the recent culture survey have provided additional insight into the current culture and attitudes to diversity and this is a key area for action for the coming year. Work has commenced on reviewing the department's workforce flexibility framework, with an emphasis on raising awareness of contemporary approaches to achieving results while maintaining a healthy work-life balance.

The department has actively increased its engagement of Vocational Education and Training (VET) and workplace students through increased partnerships and promotion with colleges to provide work-like experiences for members of the community.

## Performance management

The department is committed to creating a culture of high performing individuals and teams who support each other to work effectively and productively. While the department undertakes an annual performance and review cycle, approaches to improving outcomes are embedded as part of everyday business practice between managers and teams. A key focus area, as a result of the recent culture survey, is developing managers to have effective conversations to continue to build a high performance culture.

## Workforce demographics as at 30 June 2016

Employees – full time equivalent and headcount	
Number of paid FTE employees	685.92
Total number of employees	807

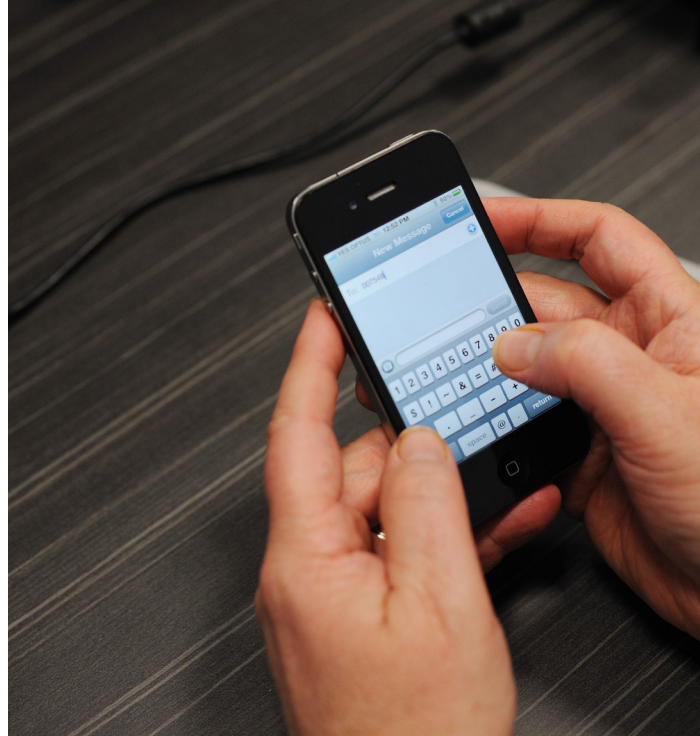
Employees – by employment type	
Permanent	753
Fixed term	29
Senior Executive	25

Employees – by work pattern	
Full-time	540
Part-time	267

Employees – by gender	
Females	439
Males	368

Commencements and separations	
Commencements	77
Separations	89

Flexible work options	
Number of employees who accessed State Service Accumulated Leave Scheme (SSALS)	9
Number of employees who accessed State Service Purchased Leave Scheme	70
Number of employees who accessed maternity leave	19
Number of employees who accessed leave without pay greater than 20 days	8
Number of part-time employees	267
Number of employees on phased-in retirement plan	0



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# Industry and Business Development

## Client Services

### Key achievements

#### One Atmosphere Pty Ltd

One Atmosphere Pty Ltd is a buoyancy systems company developing a world's first lightweight post-crash emergency buoyancy system for helicopters. The Department of State Growth has facilitated One Atmosphere's relocation from Western Australia to Tasmania to be closer to key suppliers. The company has developed a research and development facility at Eaglehawk Neck. The department has facilitated the provision of a parcel of land at the Tasmanian Technopark for One Atmosphere's head office and defence equipment manufacturing facility. It is expected that construction of this facility will begin in 2017 and employ approximately 30 personnel.

#### Our Fair Share of Defence Strategy

The department released the Our Fair Share of Defence Strategy in March 2016. The department has facilitated briefings on Opportunities in the Maritime Sector by defence and business development consultant, Jim Manson. It has also run three Defence Ready workshops by defence specialist firm Memko on opportunities across land, sea and air, and discussed global supply chain programs with the large defence Primes. The department facilitated the Tasmanian presence at the Pacific 2015 maritime defence exposition in Sydney and has organised a Tasmanian contingent of companies to attend Land Forces 2016 in Adelaide.

#### Advanced Manufacturing Action Plan

The Tasmanian Advanced Manufacturing Action Plan was released by the department in June 2016. It was designed in consultation with industry to provide a pathway to enable growth in the advanced manufacturing sector. A range of initiatives have been funded under the plan. These are focused on five main areas: innovation and continuous improvement; collaboration; industry education and skills; market access activities; and profile raising and brand development.

#### Caterpillar Transition Task Force

The Caterpillar Transition Task Force was established in 2015 to identify measures to support workers and businesses affected by Caterpillar's decision to transition its hard rock vehicle operations from Burnie to Thailand. The Taskforce identified immediate projects for short term job stimulus as well as projects designed to deliver long term economic benefits. Eleven projects have been funded, delivering an estimated 117 new jobs. The Taskforce also supported 12 industry support initiatives including the Tasmanian Manufacturing Centre of Excellence which opened in July 2016 and a state-wide peak industry association that operates through the Tasmanian Minerals and Energy Council.

#### Free Wi-Fi for tourists

The department has partnered with Telstra Corporation Ltd for four years to deliver free Wi-Fi with over 150 access points at 47 locations around Tasmania. As part of the service, the public can access 30 minutes of free Wi-Fi per device, per location, per day. The project will support the tourism sector by providing tourists with greater access to free Wi-Fi as they travel across Tasmania. Access points are progressively being installed. Hotspots have been deployed at iconic locations such as Freycinet, Cradle Mountain and Salamanca Place, and at regional locations including Stanley, Beaconsfield, Zeehan, Oatlands, and Cygnet.

#### Nyrstar agreement

Nyrstar annually contributes an estimated \$800 million towards Tasmania's Gross State Product and 24 per cent of Tasmania's total export value. Every year, Nyrstar contributes around \$70 million to the Hobart economy through wages paid to employees and contractors.

In July 2015 the Tasmanian Government reached an agreement with Nyrstar to secure Nyrstar's future in Tasmania and unlock a \$52 million investment that will expand capacity and enhance the site's operational effectiveness across the company's operations. The department continues to work with Nyrstar in relation to the redevelopment and funding model.

### Industry Policy

#### Key achievements

##### Energy Policy

A key focus of the Industry Policy Branch was advising and supporting the Minister for Energy in the government's response to Tasmania's energy security challenges of the summer of 2015-16, through chairing and assisting the Water Storage Advisory Committee, and the Energy Security Heads of Agencies Committee, as well as the Energy Security Cabinet Committee.

In addition, the branch was also engaged in providing energy policy advice to the Minister across both the state and national contexts; commencing the implementation of the Tasmanian Energy Strategy; continuing its involvement in the national energy reform agenda through the COAG Energy Council; and working with the government owned energy businesses to ensure government energy policy objectives are reflected and implemented in the businesses' corporate planning processes.

##### Public Bus Procurement (Project 2018)

The Industry Policy branch has the lead role for Project 2018 that is reviewing the \$92 million per year provision of public and school transport services in Tasmania to ensure a modern, efficient and cost effective network of services is in place to serve the state for the next 10 years.

##### Theatre Royal Precinct Redevelopment Project

The branch played a major supporting role to the Deputy Secretary, Cultural and Tourism Development in the negotiation, coordination and execution of the Development Agreement with the University of Tasmania and the Theatre Royal Management Board for the construction of the new \$90 million performing arts centre adjacent to the Theatre Royal, and in the preparation of complex supporting legislation to facilitate this project.

##### Taxi and hire vehicle industry reform

Collaborating with the Passenger Transport and Registration and Licensing branches, the branch led preparing legislative and administrative solutions supporting the Tasmanian Government's commitment to modernise the regulatory framework for the taxi and hire vehicle sector and assisting the introduction of 'ride-sourcing' services, such as UberX, in Tasmania.

The branch is continuing to lead a wholesale review of the legislative framework for small commercial passenger transport services in Tasmania.

#### Arts and cultural institutional governance

Engaging with the Deputy Secretary, Cultural and Tourism Development the branch also assisted in fulfilling the Tasmanian Government's 365 Day Plan commitment to review the governance arrangements for the Tasmanian Museum and Art Gallery (TMAG), the Tasmanian Arts Advisory Board (TAAB) and the Screen Tasmania Advisory Board. Following on from this, the branch led the drafting of legislative reforms for TMAG's governance arrangements, and supporting consultations with the TAAB and the Screen Tasmania Advisory Board on proposed reforms for these institutions.

#### Other initiatives

The branch has supported several other key initiatives across the agency this year including the government's support for the sharing economy; the development of the Our Fair Share of Defence Strategy; and the West Coast Mountain Bike Project (led by the Parks and Wildlife Service of the Department of Primary Industries, Parks, Water and Environment).

### Mineral Resources Tasmania

#### Key achievements

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

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

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

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

Stages one and two of the relocation have been completed and stage three is underway, with 10 positions now located in the MRT Burnie office along with an office of the Director of Mines.

Stages three and four are in the early stages of implementation and are fully funded. Stage four of the plan involves the consolidation of remaining Hobart functions to the Core Library thereby vacating the Rosny Office. This will result in significant operational and financial efficiencies.

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## Mineral exploration investment attraction plan

MRT continues to directly market opportunities for mineral exploration and mining in Tasmania at a state, national and international level, and has joined with industry stakeholders on promotional opportunities including the Society of Economic Geologists Conference, International Mining and Resources Conference, and China Mining 2015.

Recent improvements to MRT's databases and website which were aimed at making our extensive geoscience data holdings more accessible appear to be well received by industry and are reflected in the results of the annual Fraser Institute Survey where Tasmania's ranking for quality of geoscience data jumped from 21st to fifth of 109 jurisdictions worldwide.

## Geoscience Initiative Program

The Tasmanian Government has committed \$1.4 million over four years (2016-2020) for a new Geoscience Initiative Program that will reduce risk for mineral explorers and attract additional investment through the provision of improved geoscience information.

This program will fund the mapping, and associated rock chemistry and dating studies, to complete first generation 1:25,000 scale regional mapping of northwest Tasmania (seven map sheets) and updates to six existing map sheets.

Two other projects include, airborne geophysical data, magnetics and radiometrics, will be collected from the northern Midlands to support planned future regional geoscience mapping in that area and further work will be done on the capture and compilation of historic geoscience data that is currently not available on-line through the MRT website.

## Geological survey

Regional geological mapping programs in north west Tasmania have continued (although disrupted by the January 2016 bushfires) and resulted in the publication of the Sundown and Ordnance map sheets during the year, with production of the Luina and Hanleth sheets well advanced.

3D modelling of the state's geology continues, and the Rosebery area model was officially launched and made publically available in June 2016.

In 2015-16 the MRT laboratories analysed the chemistry and/or mineralogy of 1 197 geological samples for industry, other government departments, external researchers, the public, forensic studies, and ongoing MRT research. Many of these analyses cannot be completed anywhere else in the state.

Data from the Commonwealth National Disaster Resilience Grant Program addressing the debris flow hazard has been published and work on the south east Tasmania tsunami risk modelling is well advanced.

All of this work will inform and improve planning and emergency response decisions in the state. Additionally, the St Mary's Pass Highway landslide risk project was completed and the results are being used by Transport Services to improve maintenance on this landslide prone section of highway.

The marked increase in the throughput of drill core in MRT's HyLogger facility continued, supported by Australian Government funding, with 14 km analysed in 2015-16, out of the 68 km analysed to date. This has further expanded our information on the alteration signatures of major ore bodies such as Rosebery and Queen Hill.

## Mineral tenement management and regulation

The management and administration of mineral rights and regulation of exploration activities continued during the year, with approximately 535 mining leases and 159 Licences in force as at 30 June 2016.

The majority of mining leases are for construction materials, which support building and infrastructure development around the state including major highway upgrades along with the Midland and Bass Highways. Revenue from these tenements in the 2015-16 year was \$15 million in royalties and \$1.8 million in fees and rentals.

During the year the Mineral Resources Regulations were remade, with new provisions for the issuance of petroleum and geothermal production licences and group prospecting licences. Other amendments provide clarity around the process of royalty calculations, including for iron ore pellets and silica flour production, and clarity of definitions relating to sales costs and head office expenses.

Of the operating mines, MMG Rosebery, Grange Resources, Tasmania Mines, Tasmanian Advanced Minerals and Bluestone Tin have continued to improve their production and mill throughput and are major contributors to royalty and domestic exports. Several mines remained on care and maintenance including Mt Lyell, Avebury and Henty Gold Mine, although the Henty Gold Mine was purchased in mid-2016 and the owners intend to reopen the mine.

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

MRT continues to manage the Abandoned Mines Rehabilitation Trust Fund and completed essential maintenance works at Royal George, Balfour and Sister's Hills.

### Resources Policy

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

#### Key achievements

##### Regional Forest Agreement

The third five-yearly review of the Tasmanian Regional Forest Agreement (RFA) was completed, which included reporting on progress with implementation of the RFA, a public submission period and an independent review.

The report of the Independent Reviewer, Dr Glen Kile, was completed in November 2015, and tabled in the Federal Parliament in December 2015. A joint Tasmanian and Australian Government response to the 16 recommendations in the Report was published on 6 May 2016.

The Reviewer's Report and Joint Government Response are key inputs to the negotiations to extend the RFA.

##### Forestry reform

The department continued to support the implementation of key forestry reform actions arising from the 2014-15 review of Forestry Tasmania, including those related to the potential sale of hardwood plantations and the future Forestry Tasmania operating model.

##### Review of the Permanent Native Forest Estate Policy

The branch coordinated a full review of the Tasmanian Permanent Native Forest Estate Policy as an adjunct to the third five-yearly review and extension process of the Tasmanian Regional Forest Agreement.

In August 2015, the Tasmanian Government invited members of the public to comment on the Tasmanian Permanent Native Forest Estate Policy, and any issues relevant to the ongoing implementation of the policy. Minor amendments to the policy were made in June 2016, pending the final outcomes of the review due in 2016-17.

##### Ministerial Advisory Council on Forests

The work of the Ministerial Advisory Council was supported. This included commencing the development of an Industry Growth Strategy, progressing development of a Special Species Management Plan and administering a range of industry assistance projects and programs.

### Trade and International Relations

#### Key achievements

##### Asian trade missions

The Trade and International Relations area has continued its lead role in international engagement activities in key markets, including China, Thailand, and Indonesia. Scoping activities have also been conducted in anticipation of the inaugural South Asia mission taking place in the later stage of 2016.

The unit conducted another successful round of the Tasmanian Export Awards, with prominent fruit growing business, Reid Fruits being awarded the overall winner for Tasmania.

Another round of the New Market Expansion Program was also conducted, with eight enterprises being awarded funding across numerous sectors, for promotional, networking and trade related activities.

##### Hosted diplomatic corp and missions

Multiple Chinese inbound delegations have been hosted. A particularly noteworthy delegation led by Dr Ma Peihua, Vice Chairman of the Chinese People's Political Conference National Committee involved over 30 Tasmanian businesses.

Minister for Foreign Affairs Julie Bishop led a delegation of 80 diplomatic heads of mission who participated in a visit to Tasmania hosted by the Premier.

A Tasmania-Fujian Tourism Exchange Memorandum of Understanding was launched in Fujian (April 2016) and Tasmania (May 2016) to help strengthen tourism industry relations.

A successful inward buyers' visit was also conducted with representatives from the renowned restaurant chain, Movida in late May 2016, connecting Tasmanian food and beverage producers.

##### Boosting business and skilled migration new initiatives

A package of new initiatives was launched, including a new Migration Tasmania website, and announcements for a Family Skilled Migration opportunity and Business Migrants Assistance Program to attract, support and retain business and skilled migrants to Tasmania.

In support of the University of Tasmania, state nominated visa options were promoted to potential students and investors in China and Malaysia. The presentations were attended by a total 420 people in six Chinese and two Malaysian cities.

In Hobart, Launceston and Burnie, workshops were held in conjunction with the Tasmanian Hospitality Association, to assist hospitality businesses understand available visa options to address short term skill shortages and complement training of local students.

## Tasmanian Antarctic Gateway

With the support of the unit (Antarctic Tasmania), an agreement between the Tasmanian Polar Network and Polar Research Institute of China on Hobart-based CHINARE service hub was signed during the department's China mission in September 2015.

The unit also provided support to the Joint Commonwealth Tasmania Economic Council to identify and progress priorities, especially in relation to optimising infrastructure supporting Tasmania as Australia's Antarctic gateway.

The Australian Government's 2016 Australian Antarctic Strategy and 20 Year Action Plan was released in April 2016. Supported by long term advocacy by the Tasmanian Government and other partners, Tasmania's position as the premier Australian Antarctic gateway for science and operations has been again confirmed and will be strengthened. The new Australian icebreaker, which commences operations in 2020, will make Hobart its home port. The Australian Antarctic Division will spend an estimated \$1.3 billion on maintenance and operations over the life of the vessel and the Tasmanian Government will support local industry to develop the capability of Tasmanian businesses to meet the opportunity.

The Antarctic Gateway Research Partnership centred in Tasmania, between CSIRO, the Australian Antarctic Division and the University of Tasmania worth \$24 million was launched with the endorsement of the Tasmanian Government.

Hosted delegate meetings conducted during the year included CCAMLR-XXXIV annual meetings, and visits by the United Kingdom Polar vessel, *HMS Protector* and the United States Coastguard icebreaker, *Polar Star*.

# Workforce Development and Training

## Key achievements

### Skills for growth

The Tasmanian training and workforce development system is a key enabler of achieving the government's top priorities: jobs and growth. The Tasmanian Government's policy, Investing in Skills for Growth, is focussed on boosting the capability of the state's businesses and the productivity of the Tasmanian workforce.

The annual Ministerial Priorities are aligned with Investing in Skills for Growth and guide the training and workforce development work of the Department of State Growth. They support industry, employers, individuals and training providers to grow a dynamic stock of skills required for economic growth and provide opportunities for all Tasmanians to flourish.

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

The department provides a direct and ongoing channel to Tasmanian industry for strategic skills advice and driving validated industry demand for skills. In June 2016, State Growth

had 13 strategic and community partners covered by memoranda of understanding to exchange information on training and workforce development issues in key industry and community sectors.

This advice directly influenced the design of funded training and workforce development programs and the government's strategic direction that supports emerging or identified priority demand in Tasmanian industries and communities.

### Major initiatives in workforce development

Major initiatives in workforce development included two rounds of the Workforce Development Grants program, 27 ongoing Partnership Projects totalling \$1 808 545 funding, and a \$450 000 investment in the Agriskills project.

Projects span a wide range of industries, including agriculture, construction, advanced manufacturing, and aged and disability services.

Several projects have been focused on increasing capacity for regional workforce development, such as the King Island Workforce Capability study and the Huon Valley Works Employment Hub. Other projects piloted innovation strategies with potential for broader application.

The Rapid Response Skills Initiative directed \$221 530 to retraining for workers who had been made redundant.

### Youth training and employment

Young Tasmanians have continued to be supported to undertake training and gain vocational certificate qualifications through:

- » apprenticeships and traineeships
- » foundation skills including literacy and numeracy and employability skills training
- » targeted initiatives for Tasmanians facing disadvantage to get on a pathway to work or further training
- » Career Start and Skills Fund Jobseeker programs and
- » Workforce Development Projects.

The Tasmanian Government has committed a total of \$300 000 over three years to a Youth Employment Partnership with Whitelion to tackle youth unemployment.

The government provided \$675 000 over three years to the Beacon Foundation to deliver employability skills, work experience, coaching and mentoring in Tasmanian schools in disadvantaged communities.

### Performance of the training and workforce development system

Tasmanian vocational education and training (VET) students, trainers and employers continued to show excellence in VET with 14 awards presented at the 2015 Tasmanian Training Awards.

Tasmania won two awards at the 2015 Australian Training Awards: Australian VET Teacher/Trainer of the Year (Stephen Lunn) and the Australian Industry Collaboration Award (Clennett's Mitre 10, with Whitelion and MEGT Institute).

## Industry and Business Development continued

Government funded vocational education and training (VET) continues to benefit many working-aged Tasmanians and Tasmanian businesses:

- » In 2015, there were over 28 200 Tasmanians in government funded VET.
- » Over 3 700 businesses directly benefited from government subsidies for training.
- » The number of Tasmanian apprentices and trainees in training peaked at 8 600 in the 2015-16 financial year.
- » TasTAFE was funded under a Deed of Purchasing Arrangement in 2015 and 2016, to deliver a broad scope of skills offerings, such as fully subsidised qualifications and skills sets, Aboriginal and prison programs and foundation skills that build employability.
- » 156 training providers, including TasTAFE, held Tasmanian Endorsed Registered Training Organisations (ERTO) status.
- » Over \$1.4 million funded a range of workforce development projects.
- » Funding was provided for Tasmanians facing disadvantage, including young people, to help them get on a pathway to work or further training.
- » Specialised competitive rounds of the Skills Fund were conducted in areas of identified industry need.

### FAST FACTS

#### Client Services

##### **Farm Finance, Drought Concessional, Drought Recovery and Dairy Recovery Loan Schemes:**

The department administered the Australian Government's Farm Finance, Drought Concessional, Drought Recovery and Dairy Recovery loan schemes in Tasmania. \$19.5 million in loan funds have been approved to date.

##### **AgriGrowth and Pacific Oyster Mortality Syndrome Recovery Loan Schemes:**

The department administered the Tasmanian Government's AgriGrowth and Pacific Oyster Mortality Syndrome (POMS) Recovery loan schemes. A total of \$5.3 million in loan funds has been approved to date.

##### **Flood Recovery Concessional Loan Scheme:**

On 26 June 2016, the Tasmanian Government announced the establishment of a Flood Recovery Concessional Loan Scheme to assist eligible primary producers and businesses that were impacted by the June 2016 flood events. The Flood Recovery Loan Scheme attracted numerous enquiries for loan assistance and the department is working through applications as they are received.

#### Mineral Resources Tasmania (MRT)

Completed stages one and two of the implementation plan to relocate MRT client based functions to Burnie.

Ranked fifth out of 109 jurisdictions worldwide for the quality of geoscience data by the Fraser Institute.

Collection of revenue from mineral tenements totally \$15 million in royalty and \$1.8 million in fees and rent.

Launched the Rosebery 3D model to the public in June 2016.

Ongoing 1:25,000 scale regional geological mapping now covering 52 per cent of Tasmania's land mass, with a focus on highly prospective areas.

Continued management and regulation of the state's mineral wealth through tenements, totalling 535 mining leases and 159 licences.

## FAST FACTS

### Trade and International Relations

Tasmanian exports grew by 12.6 per cent to \$2.86 billion for the year to April 2016, the fastest of any state.

Tasmania's total exports for all commodity products to India in the year to April 2016, increased by 25 per cent to \$42.8 million.

Total exports from Tasmania to China increased by 107 per cent to just over \$305 million for all commodity products.

A total of 307 skilled migration nominations were processed by the unit during the 2015-16 year.

Twelve business persons were nominated in the 2015-16 year under the state sponsored business migration scheme

Twenty two business migrants have invested \$23.5 million in Tasmania this financial year. Investments ranged from the purchase of properties and equipment, property development to retail.

Tasmanian employers were supported in nominating 89 people for employer sponsored migration. The nominees come from 26 countries with occupations ranging from medical professionals, university lecturers, technical managers to restaurant managers and cooks.

### Workforce Development and Training

The Tasmanian vocational education and training (VET) system directly impacts around 8.6 per cent of the working-age population.

Over 28 200 working-age students received a government subsidy to undertake VET qualifications or skill sets.

Tasmanian apprenticeships and traineeships have the highest completion rate in the country at 64 per cent, compared with 57.3 per cent nationally.

Over 3 700 businesses directly benefited from government subsidies for training.

The department has 13 memoranda of understanding with strategic industry and community partners to exchange information on training and workforce development issues.

## Performance information Industry and Business Development

Performance measure <sup>1</sup>	Unit of measure	2014–15 actual	2015–16 actual	2016–17 target
Difference between the Tasmanian and national unemployment rate <sup>2</sup>	% point difference	0.9	0.6	<1
Investment, exports and import replacements facilitated <sup>3</sup>	\$ million	270.0	335.0	320.0
VET graduates employed after training <sup>4</sup>	% of total	77.5	77.6	78.5
VET graduates with improved employment status after training <sup>5</sup>	% of total	60.7	61.2	61.5
Employers using VET system <sup>6</sup>	% of total	n/a	54.2	n/a
Apprentice/trainee commencements <sup>7</sup>	number	6 110	5 067	6 500
Apprentice/trainee in training <sup>8</sup>	number	8 923	8 167	9 700

### Notes

- 'n/a' indicates that data is not available or measurement has not yet commenced.
- The Government has committed to reducing the Tasmanian unemployment rate to the national average in its first term. The difference between the Tasmanian and national unemployment rates for the 12 months to June 2016 was 0.6 percentage points. The performance measure is that, for 2016-17, the difference between the two rates will be less than this difference. This figure is based on the ABS Labour Force 6202.0 release, original data.
- Includes data from Client Services, Trade and International Relations and the Office of the Coordinator-General.
- Graduates employed after training data is sourced from National Centre for Vocational Education Research Limited (NCVER) Student Outcomes Survey 2015, released December 2015. This data relates to graduates from 2014.
- Graduates with improved employment status after training data is sourced from NCVER Student Outcomes Survey 2015, released December 2015. Improved employment status after training is employment status changing from not employed before training to employed after training, or employed at a higher skill level after training, or received a job related benefit as reported by the graduate.
- Employers using vocational education and training (VET) system data is sourced from NCVER Survey of Employer Use and Views of the VET System 2015, released October 2015. This survey is conducted every second year which is why the 2014–15 actual is not available and no target has been set for 2016-17.
- Apprentice/trainee commencements represents the number of Tasmanian trainees and apprentices who began their apprenticeship or traineeship in the 12 months to 30 June. 2015-16 figures are not final and could be revised.
- Apprentice/Trainee in training represents the number of Tasmanian Apprentice and Trainees undertaking training as at 30 June. 2015-16 figures are not final and could be revised.

## Performance information Mineral Resources Tasmania

Performance measure <sup>1</sup>	Unit of measure	2014–15 actual	2015–16 actual	2016–17 target
Minister	satisfaction	satisfied	satisfied	satisfied
Agency – Secretary / Deputy Secretary	satisfaction	satisfied	satisfied	satisfied
Tasmania's percentage of industry's mineral exploration expenditure in Australia <sup>2</sup>	%	1.6	1.3	1.3
Area covered by modern geoscientific data collection techniques with subsequent 1:25 000 geological mapping coverage <sup>3</sup>	%	74.4	66.4	67
Programmed abandoned mining lands rehabilitation projects completed	%	100	73.6	100

### Notes

1. A user satisfaction survey sought stakeholder feedback regarding the level of satisfaction perceived on such issues as quality, equity, efficiency and openness of the consultation process.
2. Statistics derived from the first three quarters of each financial year from ABS greenfields exploration data.
3. The area covered by modern remote sensing data (less than 15 years old) is subject to change. The performance targets are regularly refactored based on area of modern remote sensing data available at a given point in time.



## Report from the Director of Energy Planning

This annual report is provided by the Director of Energy Planning in accordance with section 13 of the *Energy Planning and Coordination Act 1995*.

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

The following persons held the position of Director of Energy Planning during 2015-16:

- » Gary Swain – 1 July 2015 to 22 December 2015; and
- » Alex Tay – 22 December 2015 to 1 July 2016.

This report has been provided by the current Director of Energy Planning, Bob Rutherford.

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

#### Highlights

The 2015-16 year was dominated by the extraordinary energy security challenge Tasmania faced, which emerged with record low Spring rainfall and was then compounded by the first prolonged outage of the Basslink electricity interconnector between Tasmania and Victoria.

This event resulted in the Director focussing primarily on assisting with the state's response, supported by staff in the Department of State Growth. Resources were redirected to the priority of dealing with Tasmania's energy security challenge.

The actions taken by the Director included:

- » chairing the Water Storage Advisory Committee, which provided advice to the Minister and met on at least a weekly basis during the height of the energy security challenge
- » providing advice directly to the Minister on energy security assessments
- » supporting the Energy Security Committee of Cabinet through the provision of advice and secretariat services
- » supporting the Heads of Agency Coordination Committee which was established to ensure implementation of Cabinet Committee decisions
- » establishing and chairing the Energy Supply Response Plan Coordination Committee with the three government energy businesses to:
  - » identify tasks and actions that required coordination across Hydro Tasmania, TasNetworks, Aurora Energy and the Tasmanian Government and resolve any impediments that may have impeded rapid implementation; and

- » identify other opportunities that could assist the situation and agree responsibility for progressing
- » working closely with the Australian Energy Market Operator and the Responsible Officer in TasNetworks to ensure energy security procedures for Tasmania were stress tested, fit for purpose, and robust for any contingency; and
- » assisting with the establishment of the Energy Security Taskforce.

As Director I recognise the extraordinary time and effort many people across the state made to ensure Tasmania's energy security was maintained.

I would, in particular, like to acknowledge the significant effort and commitment that a number of staff within the Department of State Growth provided during this event, and to thank them for this. Then Director Mr Tay displayed exemplary commitment and leadership.

I also extend this acknowledgement and thanks to those in the three government owned energy businesses and in other government departments for their effort and commitment in ensuring Tasmania's energy security.

#### Functions and powers

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

While the energy security challenge consumed significant resources and focus for the Director and staff, other energy-related activities that relate to the Director's functions and powers included:

- » Implementation of the Government's Energy Strategy, including the completion or substantive progression of a number of actions.
- » Representing Tasmania's interests in intergovernmental policy forums, including under the auspices of the COAG Energy Council.
- » Provision of advice to the Minister on emerging energy policy issues in Tasmania and nationally; and
- » Working with the government owned energy businesses to ensure Government energy policy objectives are reflected and implemented in the businesses' corporate planning processes.

I endorse the view of the previous Director that the broad functions and powers in the Act are over two decades old and that the energy sector has changed significantly since the Act was established.

Tasmania's entry into the National Electricity Market and the creation of national energy institutions, laws and rules means that some of the functions of the Director are challenging to fulfil in practice, have been superseded, or may be no longer relevant or appropriate.

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This situation is also compounded by administrative changes over a long period of time, where energy policy and related activities is now spread across a number of government entities, such as the Department of State Growth, the Tasmanian Economic Regulator, Department of Justice, Treasury and the Tasmanian Climate Change Office.

I note that the Energy Strategy includes an action to ensure that government departmental arrangements allow for effective, efficient and consistent development and delivery of energy policy, including reviewing electricity supply industry legislation to ensure it remains contemporary.

I further note the possibility that the Energy Security Taskforce, as part of its review of governance arrangements for energy security, may recommend changes to legislation.

While it would not be appropriate as Director to recommend specific changes to the functions and powers the Director holds, I would welcome any review that looks to ensure that roles and responsibilities in the Tasmanian energy sector are contemporary and adaptable to the future needs of Tasmanian energy consumers.



**Bob Rutherford**  
Director of Energy Planning





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# Cultural and Tourism Development

## Key achievements

### Cultural and Creative Industries Strategy

The Tasmanian Government's Cultural and Creative Industries Strategy was released on 27 December 2015, with six priorities focussing on: sector leadership; building Tasmania's brand; visitor economy; industry development; innovation, training and education, and place and participation.

The strategy aims to increase capacity and reinforce, build and market the visibility of the cultural and creative sectors. The first priority, focussing on sector leadership, has resulted in the establishment of a peak body for the sector and governance reviews of key cultural government bodies, including the Tasmania Arts Advisory Board (TAAB) and Screen Tasmania Advisory Board (STAB).

### Creative Industries and Performing Arts Precinct (with UTAS)

The Tasmanian Government continues to progress the Creative Industries and Performing Arts Development in partnership with the University of Tasmania (UTAS), for the construction of a new building co-located with Australia's oldest continually working theatre, Hobart's Theatre Royal.

The \$90 million project comprises important improvements to the Theatre Royal, a new University Conservatorium of Music, and will include performance venues, public spaces and an international research institute. In February 2016, the Tasmanian Government entered into a Development Agreement with the University of Tasmania and the Theatre Royal Management Board.

The Hobart City Council gave the project planning approval in April 2016 and supporting legislation for the project was given Royal Assent on 10 June 2016.

### Cultural and Creative Industries Governance Review

The department through the Cultural and Tourism Development Division is currently reviewing governance models for the Tasmanian Museum and Art Gallery (TMAG), Screen Tasmania Advisory Board and Tasmanian Arts Advisory Board.

The review will provide a range of recommendations and options for the future. All boards have provided submissions to the review, with TMAG Trustees, Screen Tasmania Advisory Board and Tasmanian Arts Advisory Boards being briefed earlier this year.

An industry consultation process occurred in relation to the TAAB and STAB reviews. Any decision regarding changes to these governance structures will clarify roles and responsibilities, improve clarity of advice and decision-making and deliver efficiencies.

Work has commenced to provide legislative reform to the Tasmanian Museum and Art Gallery Act 1950, paving the way for TMAG to become a statutory authority.

### Back office efficiencies

A range of internal process reviews and business improvement strategies have been undertaken, including the trial and implementation of a new cloud-based grants management program called Smarty Grants.

This system improves our timeliness and capacity to accept, assess and award funding programs and grants to the Tasmanian community, by providing an easy to use platform to design and administer funding programs.

This system has improved processing times, freed up additional human resources, and offers prompt acknowledgement to applicants on the status of their applications.

Business improvement activities scheduled for later in 2016 include the introduction of a centralised business support team, providing increased flexibility in mobilising staff resource during high work periods and a focus on reducing our reliance on paper-based applications and assessments.

## Arts Tasmania

### Key achievements

#### Tasmanian Arts Guide

The Tasmanian Arts Guide, the cultural tourism website administered by Arts Tasmania, has seen over 125 000 pages accessed since its inception in 2015.

The site lists the best places to go and things to do in the arts and cultural sectors across the Tasmania. Coupled with stories and editorial content, the site profiles more than 340 artists and arts businesses in a comprehensive and curated guide.

Australian traffic to the site is coming predominantly from Tasmania followed by visitors from Melbourne, Sydney and Brisbane with the United States delivering the most international traffic.

#### Cultural Heritage funding

The 2015-16 year saw the creation the Cultural Heritage Program to distribute funding and award the professional services of Roving Curators to museums, galleries and heritage organisations in Tasmania.

Public regional museums, art galleries and heritage organisations can apply for an annual grant that takes into account each individual organisation's needs and contribution to the preservation of, and public access to, the state's moveable cultural heritage. Recipients of funding for 2016-17 were announced on 2 March 2016.

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## Cultural and Tourism Development continued

### The Premier's Literary Prize

The Premier's Literary Prize received over 150 entries and continues to highlight the wealth of literary talent in Tasmania and reinforces the state's reputation as a cultural and artistic hub. This year the prizes attracted philanthropic support with a new prize for emerging writers called the Tasmanian Young Writer's Fellowship.

### Northern Exposure

A one-off regional funding program provided additional support to artists living and working in the north and north-west regions of Tasmania. A large number of project proposals were received, resulting in 11 projects across a range of art forms.

### Arts funding

Arts Tasmania distributed over \$4.6 million in 2015-16 to artists, arts organisations, and museums, galleries and heritage organisations. Additional investment was made possible through several small bursaries, and the Crowbar crowd-funding initiative for matching grants saw additional funds raised for the sector. Arts Tasmania reviewed and revised all of its funding programs and implemented new models for artist and arts organisation investment. The roll-out of the new models included new assessment criteria, a two-stage application process and new online application forms.

## Events Tasmania

### Key achievements

#### Major Events Partnerships Program

The Major Event Partnerships Program provides funding to significant events that return substantial economic outcomes for the state. The program's assessment criteria are aligned to Events Tasmania's strategic aims of attracting people to Tasmania, getting Tasmanians and visitors moving around the state and the ability of events to get the public talking about Tasmania as a destination.

Examples of major events funded include V8 Supercars, Targa Tasmania, Dark Mofo, Festival of Voices, the Australian Wooden Boat Festival and The Unconformity. In 2015-16 Events Tasmania provided funding to 25 events through the Major Event Partnerships Program, totalling over \$6 million.

#### Grants Program

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

The four streams in the program are Touring Grants, Championship Grants, Marketing Tasmania Grants and One-Off Assistance Grants. In 2015-16 Events Tasmania provided funding of nearly \$250 000 in grants to 43 events.

### Regional Events Start Up Program

Events Tasmania's Regional Events Start-up Program is a new initiative of the Tasmanian Government Events Strategy 2015-2020 designed to encourage new events and support minor existing events that are moving to the next level. The program financially assists events over three years while they become self-sustainable and financially viable. Seven events were successful in gaining funding through a competitive grants round.

### New Hawthorn five-year deal

In July 2015 the Tasmanian Government and Hawthorn Football Club (HFC) reached a new deal which will see the Hawks continue to play five games per year in Launceston until 2021. HFC games contribute almost \$30 million per year to the Tasmanian economy.

The total investment in the new deal is \$19 million plus CPI, or \$3.8 million per year. The removal of finals and grand finals bonus payments has been negotiated, meaning a savings of up to \$1 million on the current contract.

## Screen Tasmania

### Key achievements

#### Screen industry productions

Screen Tasmania has invested \$727 000 in four productions of varied formats: the ABC comedy series Rosehaven; the \$15 million feature film Nightingale, to be shot in Tasmania during 2017; a natural history documentary entitled The Last Devil for NatGeo, and a reality TV series Love Shack, which was broadcast nationally on Win-TV. All four projects are entirely set and shot in Tasmania.

In addition, production continued on two children's animation productions with Screen Tasmania investment: Fanshaw and Crudnutt for Channel Nine, and the first ever Indigenous kids animation for NITV, Little J and Big Cuz, both from Blue Rocket Productions. These six productions will generate an estimated \$9.8 million of expenditure on Tasmanian goods and services, and 223 job opportunities for Tasmanians.

#### Pitch, Plot and Produce

In late 2015, Screen Tasmania launched a one-off initiative to develop low-budget feature films. Nine teams were selected to take part in an in-depth three-day workshop, with three teams then selected to be mentored by Sophie Hyde (52 Tuesdays), Zak Hilditch (These Final Hours) and Jonathan auf der Heide (Van Diemen's Land) through development of their screenplays. Regular workshops with high-profile professionals such as Rolf de Heer (Charlie's Country, Ten Canoes), Matthew Bate (Shut up Little Man, Sam Klemke's Time Machine), Sean Byrne (The Loved Ones, The Devil's Candy) and Nick Batzias (That Sugar Film, A Month of Sundays) assisted in development. Screen Tasmania is confident in the likelihood of the three projects commencing production over the next 12-18 months.

## The Kettering Incident launch

Tourism Tasmania, Screen Tasmania and Foxtel jointly hosted a media launch for the drama series *The Kettering Incident*. The Tasmanian Government, through Screen Tasmania, invested \$1 million in this series which was shot entirely in Tasmania. The media launch showcased Tasmanian locations, talent and produce, while building awareness of the series nationally with key stakeholders commenting on the quality of the series itself and that Tasmania is the undeniable 'star' of the show.

## Screen industry profile

In preparation for the development of Screen Tasmania's five year Strategic Plan 2017 to 2021, Screen Tasmania commissioned an industry profile to gather current statistical data on the local screen industry. Following consultation with Skills Tasmania, Stenning and Associates conducted the profile via online survey.

# Tasmanian Museum and Art Gallery (TMAG)

## Key achievements

### Visitor numbers

TMAG exceeded its visitation target of an average of 1 125 visits per day for 2015-16. TMAG attracted 383 026 visits to its city site during the year. Based on 314 operating days, this equates to an average of 1 220 visits per day and represents an 11 per cent increase from the previous year.

### Exhibition highlights

Exhibitions and programs at the TMAG included the very popular interactive family exhibition *Pattern Play* and associated family programming, *Snapshot Photography* and *Migrant Women: A Tasmanian Experience*. The inaugural TMAG Children's Festival was supported by the City of Hobart and the major art exhibition *Tempest* and related events was presented in partnership with *Dark Mofo 2016*.

### Outreach

In total, offsite programming attracted 16 847 participants during the year. TMAG continued to extend its reach around the state, working in partnership with local government areas in the delivery of the *Make Your Mark* youth art education initiative. The works produced by young participants as part of *Make Your Mark: Respect* and *Make Your Mark: Death* were presented at TMAG during the year.

TMAG also participated in the inaugural *Festival of Bright Ideas* at Princes Wharf No. 1 as part of National Science Week 2015 and contributed to the Hobart Community Zone within the *Spirit of the ANZAC Experience* presented at the Derwent Entertainment Centre in October 2015 in commemoration of the centenary of World War One.

## Research

Field work and research projects by TMAG staff continued to expand and enrich the collections. TMAG Herbarium and Zoology scientists participated in the 2016 Tasmanian Bush Blitz field survey undertaken in Southwest Tasmania and Bruny Island. 12 386 783 TMAG Zoology and Herbarium records were downloaded from 30 016 visits to the Atlas of Living Australia (ALA) for research, land management, conservation and other uses.

## Governance

### » Strategic Plan

In June 2016, TMAG unveiled its Strategic Plan, which sets out the museum's focus for 2016-2021. The impact TMAG seeks to make on the community over the next five years is to enrich, inspire and educate local and global communities by connecting them with Tasmania's unique journey and place in the world.

### » Strategic Asset Management Plan (SAMP)

TMAG completed a Strategic Asset Management Plan (SAMP) for its property portfolio in December 2015. This plan will be used to guide the Trustees and Tasmanian Government in agreeing priorities for the management, repair, development and disposal of the property portfolio to support the delivery of business.

## Major donations/acquisitions

A total of 19 350 new acquisitions were registered into the database in 2015-16.

Notable items acquired during the year include:

- » a series of artworks and digital prints by Michael Cook entitled *The Mission* (2011)
- » significant pieces of colonial furniture including a 19th century washstand and a cedar table (1840s) carrying an extremely rare convict signature
- » an important and valuable collection of cave bones (including *Thylacinus* and extinct megafauna species)
- » an Australian Flag dated 1958, presented to the 12th Australian National Antarctic Research Expedition (ANARE) team and flown on Macquarie Island between December 1958 and December 1959
- » studio craft, ceramics and glass by leading Australian ceramicists of the 1970s and 1980s, collected by Anthony Howard
- » over 2 000 specimens of invertebrates and freshwater fish from the Tarkine in north-west Tasmania collected by TMAG zoologists and scientists from other interstate museums and institutions on the 2015 Bush Blitz survey.

## Tourism and Hospitality Supply-side Unit

### Key achievements

#### Tourism Demand Driver Infrastructure (TDDI) grants

Administered by the Department of State Growth, the Australian Government's Tourism Demand Driver Infrastructure (TDDI) Program offers \$3.124 million to Tasmania over a four year period from 2014-15 to 2017-18 to support the delivery of infrastructure projects that contribute to the Tourism 2020 outcomes by driving demand, improving quality and increasing tourism expenditure.

The second round of TDDI was administered during the reporting period with matched funding of \$775 025 allocated to 16 projects.

#### Regional Tourism Infrastructure Innovation Fund (RTIIF) grants

The Australian Government's Regional Tourism Infrastructure Innovation Fund (RTIIF) allocated \$4.38 million to 16 projects through the Department of State Growth as a one off allocation during the 2015-16 financial year to support the delivery of infrastructure projects in regional areas that contribute to the Tourism 2020 outcomes by driving demand, improving quality, increasing tourism expenditure and directly supporting jobs growth.

#### Tourism and Hospitality Workforce Audit

The Tasmanian Government has partnered with the Tasmanian Hospitality Association and the Tourism Industry Council of Tasmania to implement the Tasmanian Tourism and Hospitality Workforce Development Plan to help the industry and government to meet Priority 4 of T21 – The Tasmanian Visitor Economy Strategy 2015-2020 – Building capability, capacity and community.

#### Roll out of Statewide Destination Action Plans (DAPs)

Destination Action Plans (DAPs) are an implementation initiative of T21 – the Tasmanian Visitor Economy strategy, delivering Priority 4: Building Capability Capacity and Community. DAPs are prepared through a facilitated workshop process involving business and community representatives who consider and reach consensus on tourism development, marketing and management opportunities and challenges for their destination.

The four Regional Tourism Organisations (RTOs) in partnership with the department are currently rolling out a process to complete 32 DAPs state-wide by mid-2017. King Island have completed their DAP and by year's end Greater Hobart, Bruny Island, Tamar River, George Town, West Coast, St Helens and Triabunna were well underway.

### FAST FACTS

The Cultural and Tourism Development division administers over 30 different funding, development and loan programs across the creative cultural and tourism industries in Tasmania.

Of projects in which Screen Tasmania has invested, for every dollar invested in 2015-16, an estimated \$8.25 was spent on Tasmanian goods and services, this is the highest ratio achieved in the last five years and has been broadly climbing since 2011-12 when it was 3.52:1.

Events Tasmania currently invests around \$11 million into approximately 80 events that collectively return over \$90 million to the Tasmanian visitor economy.

\$4 625 930 investment in artists, arts organisations, museums, galleries and heritage organisations.

## Performance information Cultural and Tourism Development

Performance measure	Unit of measure	2014–15 actual	2015–16 actual	2016-17 target
<b>Tasmanian Museum and Art Gallery (TMAG)</b>				
TMAG total visitors <sup>1</sup>	number	1 097/day	1 220/day	1 125/day
<b>Arts Industry Development</b>				
Attendance at selected cultural venues <sup>2</sup>	number	251 246	243 527	250 000
Contribution to gross state product of selected arts industries <sup>3</sup>	\$ million	61.8	65.0	68.0
<b>Screen Industry Development</b>				
Developed projects that advance into production <sup>4</sup>	ratio	6:1	6.5:1	10:1
Leveraged spend in the state	ratio	7:1	8.25:1	4:1

### Notes

1. TMAG was open six days a week in 2015-16. The average daily number of visitors was up by 11% from the previous year. Total visitation to TMAG's site on Hobart's waterfront was also up at 383 026 visitors, an increase of 6% from the previous year. Due to a change in methodology, aimed at capturing total visitations per annum, the target for 2017-18 will move to a proposed annual figure, rather than a daily target. Using this methodology the proposed target for 2016-17 would be 366,750 visits per annum.
2. Attendance at selected cultural venues includes only those organisations receiving assistance under the Museums, Art Galleries and Heritage Organisations funding program of Arts Tasmania. This program will be replaced by the Cultural Heritage Program in 2016-17.
3. Contribution to gross state product of selected arts industries in 2015-16 will be available upon release of the ABS publication 5220.0 Australian National Accounts: State Accounts scheduled for release in November 2016. The 2015-16 figure is the target.
4. The industry standard ratio for developed projects advancing into production is 10:1. The ratio varies because of the time taken by some projects to go into production, and because of that time, this ratio has been taken over three years.



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# Transport Services

The Department of State Growth delivers transport services through the State Roads and Road User Services Divisions, which together form the Transport Services Group.

## State Roads

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

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

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

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

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

## Key achievements

### State road infrastructure service and road asset management policies

State Roads is committed to providing efficient road infrastructure and services for our customers that are as safe as reasonably possible, support economic growth through responsible investment and enhance the travelling experience for road users.

The Tasmanian Government has released a second audit of the condition of the state road network. The State of Our Roads report which was launched in 2016, will be updated annually to provide state roads customers with information on how asset condition is tracking across the network.

It is expected that in the future, condition assessment reporting such as this will be complemented by reporting on Key Performance Indicators related to specific levels of service expected by our customers.

In 2016 the Tasmanian Government's draft State Roads 10 Year Infrastructure Investment Plan was released for public consultation and was presented to a range of stakeholder groups. The feedback received was positive and the State Roads 10 Year Infrastructure Investment Plan has now been finalised and will be reviewed and updated annually.

### Delivery of roads program

The Tasmanian Government provided over \$100 million in the 2015-16 budget to be expended over five financial years for the Roads for Our Future program. Other funds were provided for road projects within other programs.

### Major projects wholly funded by the Tasmanian Government in 2015-16 included:

- » Macquarie Heads Road and Strahan Road improvements.
- » Esk Main Road safety improvements (in stages).
- » Murchison Highway (in stages).
- » Huon Highway – Glendevie Climbing Lanes.
- » East Derwent Highway – Cove Hill Road Roundabout.
- » Tasman Highway – Wrinklers Lagoon Bridge Replacement.
- » Brooker Highway – Box Hill Road to Arncliffe Road Upgrade.
- » Lyell Highway – South of Bradys and Wilsons Straight Lake Upgrades.
- » Channel Highway, Bonnet Hill – shoulder widening and sealing to improve safety for cyclists and other road users.
- » Rokeby Main Road between Oceana Drive/Merindah Street and Diosma Street.

### Major projects funded by the Tasmanian Government in conjunction with the Australian Government as part of the Australian Government's National Partnership Agreement that were completed or commenced in 2015-16 included:

- » Brooker Highway Elwick/Goodwood Road and Howard Road intersection upgrades.
- » Midland Highway Upgrade (construction at six sites in 2015-16 followed seven sites in 2014-15).
- » Huon Highway – Summerleas Road Intersection Upgrade (construction to commence in 2016-17).
- » Bass Highway and Illawarra Main Road Safety Upgrades.
- » Esk Main Road – St Pauls River Bridge Replacement.

### Completion of the major project wholly funded by the Australian Government was:

- » Tasman/East Derwent Highway Interchange Improvements.

Further details on these and other current state road projects, as well as details on roadworks can be found at: [www.transport.tas.gov.au/road/projects](http://www.transport.tas.gov.au/road/projects).

## Transport Services continued

### Midland Highway 10 Year Action Plan

In late 2014 the Australian Government and the Tasmanian Government committed \$500 million on an 80/20 basis over 10 years to the Midland Highway 10 Year Action Plan. This is the largest ever single investment in the Midland Highway and will result in a much safer highway for all users.

The plan's objective is to raise the standard of the highway to a minimum three-star AusRAP rating. The AusRAP methodology is the international road safety audit approach adopted by the combined national automobile associations.

In addition to targeting the three-star AusRAP rating, the plan details a comprehensive range of works which will make the Midland Highway fit for future needs.

In 2015-16, a further upgrade was completed south of Tunbridge as well as upgrades commencing at Bagdad, two projects between Kempton and Melton Mowbray, White Lagoon (Tunbridge) to Mona Vale and Perth to Breadalbane.

Construction of two further upgrades will commence in 2016-17, with several further projects commencing construction in 2017-18.

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

### Over Size Over Mass heavy vehicle (OSOM) access

State Roads and Road User Services have jointly led a \$1.7 million Tasmanian Government funded project to assist councils to implement OSOM road networks, focussing on local roads across Tasmania. The project addressed access for OSOM vehicles transporting large loads, which had previously required the issuing of permits.

The project was a successful collaboration between State Growth, local government, the National Heavy Vehicle Regulator (NHVR) and representatives of the OSOM industry while civil engineering consultants assisted in undertaking the necessary assessment work.

This investment has provided:

- » better understanding for Tasmanian road managers of road and bridge assets against OSOM activity
- » legitimate OSOM access on a significant amount of local road network; and
- » flexibility and sophistication that will assist timely road manager responses to industry while responsibly managing the road transport asset for all customers.

A key output from the project is a series of sophisticated road network 'web maps' to assist OSOM operators. The maps can be accessed at [www.transport.tas.gov.au/vehicles/heavy\\_vehicles](http://www.transport.tas.gov.au/vehicles/heavy_vehicles).

The project culminated in an OSOM notice, first gazetted in November 2015, which provides for an estimated 90 per cent of OSOM activity on both state and local roads without the need for a permit. The notice has embodied an innovative approach to access management that the NHVR will be evaluating for a national rollout through the next phase of OSOM activity harmonisation across state borders.

### FAST FACT

A comprehensive audit on the condition of the state's roads was released in late 2015. The State of our Roads 2015 report provides a summary of the condition of the state road network at 1 July 2015. The report summarises data and trends relating to the condition, use and performance of the State road network and it can be found at [www.transport.tas.gov.au/road/roads\\_for\\_our\\_future/state\\_of\\_our\\_roads](http://www.transport.tas.gov.au/road/roads_for_our_future/state_of_our_roads).

## Road User Services

Road User Services provides the important legislation, regulatory policies and practices for the Tasmanian land transport system. There are three groups within Road User Services: Registration and Licensing, Passenger Transport and Road Safety.

The major responsibilities of the Road User Services division include:

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

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

## Key achievements

Road User Services continues to manage our transport systems in:

- » road safety
- » passenger transport
- » registration and licensing
- » compliance and enforcement for heavy vehicles, and commercial passenger transport vehicles.

This occurs at two levels: ongoing strategic reform, and continuous improvement of 'day-to-day' services for our customers. There have also been outcomes for other agency goals, such as supporting our visitor economy.

Here are some highlights:

### Towards Zero – Tasmanian Road Safety Strategy 2017-2026

The Tasmanian Road Safety Strategy 2007-2016 is nearing the end of its life. Over the past year, State Growth and the Road Safety Advisory Council (RSAC) have been developing a new strategy to guide road safety activity for the next 10 years: the Towards Zero Strategy. Around 650 people participated in the Stage 1 community and stakeholder consultation (October to December 2015), and around 1 500 participated in Stage 2 (April to May 2016).

The Centre for Automotive Safety Research (CASR) at the University of Adelaide provided independent data analysis and advice on initiatives for Tasmania. The new strategy continues to be underpinned by the internationally-recognised 'Safe System' approach, and will be launched later in 2016. For more information, see [www.towardszero.tas.gov.au](http://www.towardszero.tas.gov.au)



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## Transport Services continued

### Your road safety levy at work

The Road Safety Levy is \$25 per registered vehicle (\$15 concession). In 2015-16, approximately \$10 million was expended on road safety initiatives under the current Road Safety Strategy, with around three quarters invested in best practice, Safe System infrastructure. RSAC monitors delivery of the work program. During 2015-16, there were 35 road safety projects completed or underway.

Key initiatives included funding for the Midland Highway 10 Year Action Plan; launch of the highly successful Distance Makes a Difference cyclist safety campaign (see fast facts); review of motorcycle training and safety measures; and launch of the Tourist Road Safety Strategy (Stage 1).

The strategy included a short online video for interstate motorcyclists, and partnering with the tourism industry for the Bobbie the Bear promotion on road rules and safe driving in Tasmania.

For more information on projects funded by the Road Safety Levy, see: [www.rsac.tas.gov.au](http://www.rsac.tas.gov.au)

### Improving access to safe passenger transport

During 2015-16, State Growth developed and released the draft Transport Access Strategy. The goal is to better integrate planning and transport services, particularly for disadvantaged Tasmanians who find it difficult to access transport to work, education, or services. Public consultation closes in September 2016.

For more information, see: [www.stategrowth.tas.gov.au/passenger/transport\\_access\\_strategy](http://www.stategrowth.tas.gov.au/passenger/transport_access_strategy)

In April 2016, State Growth commenced a trial of a new bus service linking west coast residents to their nearest major service centre at Burnie. Also in April, State Growth requested proposals for a new bus commuter service between Burnie and Latrobe. The service will support One Health reforms to improve access for patients and families, and is planned to commence in September 2016.

The Rural Bus Stop Upgrade Program offered a total of \$300 000 in grants to local governments to improve the safety of bus stops, particularly in regional areas. Applications opened in March 2016, with works expected to be completed by mid-2017.

With increasing patronage demand for Bruny Island ferries, State Growth extended the period of two-ferry operation during the peak tourist season, from October to March.

This has significantly reduced queue lengths and waiting times for tourists and residents. Other significant activity includes commencing Project 2018 for bus re-contracting, and facilitating entry of 'ride-sourcing' services into Tasmania.

### Cutting red tape and a better customer experience (registration and licensing)

State Growth continued its rolling program of initiatives to make transactions easier and more efficient for our customers in business and the general public which included:

- » the launch of the online vehicle inspection 'smart form' in November 2015, with three more smart forms in the pipeline
- » the launch of the State Growth e-Training website: [www.stategrowth.tas.gov.au/e-training](http://www.stategrowth.tas.gov.au/e-training), with a range of online training courses for our industry partners: proprietors of Approved Inspection Stations, proprietors of Approved Motor Body Repair Inspection Stations, Vehicle Examiners, L2 Authorised Driving Instructors, and providers of the Learner Licence Assistance Program
- » developing an online driver assessment booking system (for launch in early in 2016-17)
- » developing two online vehicle reports for industry: periodic inspection of small passenger transport vehicles, and vehicle modifications (for launch in the second quarter of 2016-17).

For a full list of our online services, see: [www.transport.tas.gov.au/online](http://www.transport.tas.gov.au/online)

During the year, State Growth also partnered with VicRoads to assess the potential introduction of their new, best-practice motorcycle training curriculum into Tasmania, targeting practical riding skills and behaviours.

This is important work as it recognises that motorcyclists continue to be over represented in serious causality crashes.

## FAST FACTS

### Registration and Licensing

As at 30 June 2016, in Tasmania there were 378 224 licensed drivers (an increase of 1.6 per cent from the previous year), and 585 190 registered vehicles (up 2.4 per cent).

The Approved Inspection Stations scheme continues to operate successfully, undertaking in excess of 42 500 vehicle inspections (up 7.6 per cent).

In the period April to June 2016, Government assessors delivered 2 921 PI (Provisional) assessments, an increase of 564 assessments (24 per cent) on the same period last year. Authorised Driving Instructors are now able to undertake L2 (Learner) driving assessments and this has allowed government-employed driver assessors to concentrate on the PI assessments, to improve outcomes for young drivers.

The Motor Registry System supports our road safety objectives in addition to collecting registration and licensing fees in excess of \$366 million. There are over one million financial transactions processed each year.

### Passenger Transport

Over the October to March peak season 2015-16 there was a 13 per cent increase in patronage on Bruny Island ferry services over the same period in 2014-15. The Bruny Island Ferry Company completed its first full tourist season operation of the MV Bowen to supplement the *MV Mirambeena*, to meet the needs of visitors, residents and business during peak periods.

State Growth administered 476 contracts for passenger transport and shipping services (down 1.5 per cent).

State Growth delivered subsidy payments for 602 804 taxi and Wheelchair Accessible Taxi (WAT) trips, for eligible scheme members (down 11.3 per cent).

### Road Safety

There were 332 serious casualties (serious injuries and fatalities) on Tasmanian roads in the calendar year 2015, a 10.2 per cent increase from 2014, and a 14.5 per cent increase on the five year average. The annual rate of serious casualties has decreased over the last 10 years, but is now plateauing.

In 2015, Tasmania had 34 road fatalities, the same number as recorded in 2014. Nationally, Australia experienced a 4.9 per cent increase in fatalities over that period.

Over the last 12 months, around \$7.5 million from the Road Safety Levy was invested in best practice infrastructure, including median and side flexible barriers, shoulder widening, and improved line-marking. A major focus has been upgrades to the Midland Highway.

The Distance Makes a Difference cyclist safety campaign has had 152 000 views on YouTube, over one million views on the Cycle Australia Facebook page, and media coverage locally, nationally and internationally. This popular campaign was launched in October 2015.

A total of \$189 477 was provided in 16 grants to councils, community groups and a school under the Community Road Safety Grants Program, in two funding rounds. The grants program addresses local road safety issues and promotes road safety in ways consistent with the Safe System approach.

### Transport Compliance

240 over-size and or over-mass loads were escorted by Transport Inspectors to various locations across the state. These loads included prefabricated houses, bridge beams and girders, earth moving equipment, mining trucks and very large cranes.

Transport Inspectors weighed 10 688 heavy vehicles using in-ground weighbridges and portable weighing devices.

## Performance information Transport Services

Performance measure <sup>1</sup>	Unit of measure	2014–15 actual	2015–16 actual	2016–17 target
Provision of effective support to the government by providing road safety and road transport policy advice and information to enable informed decision making <sup>2</sup>	satisfaction	satisfied	satisfied	satisfied
Motor Registry System availability	%	99	99	99
Vehicles found to be unregistered of those checked <sup>3</sup>	%	0.65	0.58	0.65
Heavy vehicles found overweight	%	2.67	2.64	≤5
Line marking program achieved by the end of the financial year	%	62	79	100
Blackspot interventions in accordance with the program <sup>4</sup>	%	100	58	100
Wheelchair accessible taxis (WATS) licensed	number	77	83	81
Average bus age on contracted services <sup>5</sup>	number	n/a	14.1	15.5

### Notes

1. n/a indicates that data is not available or measurement has not yet commenced.
2. Satisfaction and outcomes are largely measured by feedback from the Minister's office, Secretary, relevant Deputy Secretary and, where appropriate, colleagues and clients.
3. This measure is based upon Automatic Number Plate Recognition cameras in accordance with the Memorandum of Understanding between the Department and the Motor Accidents Insurance Board (MAIB).
4. The majority of projects under the Blackspot Program are undertaken by Local Government. The variation against this indication reflects timing delays in delivery of the Program.
5. This is a measure of the effectiveness of government strategies to ensure that the average age of buses on government contracted services is appropriate. The average bus age on contracted services is expected to increase from 2015-16 levels, as current contracts near the end of their term. It is anticipated the average age will then decrease once operators have contract certainty and renew their fleets.





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# Report from the Abt Railway Ministerial Corporation

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

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

Under Section 31 of the Act the Minister is required to make a report to Parliament on the activities of the ARMC within four months of the end of each financial year. Section 31 also provides that the report may be by statement in an annual report from an agency for which the Minister is responsible.

The ARMC Statement of Corporate Policy establishes the following principal objectives of the corporation:

- » to safely operate, or to arrange for the safe operation of, a heritage tourism passenger railway service
- » to operate in accordance with sound commercial and asset management practices and as efficiently as possible
- » minimise non-commercial funding requirements of the Corporation having regard to specific operational policy directions issued by the Minister
- » to promote increased visitor numbers to the West Coast of Tasmania.

The Tasmanian Government has continued to provide strong support to the ongoing operations of the West Coast Wilderness Railway (WCWR) as an important tourism asset on the West Coast, particularly through the \$4.5 million in budget support provided over the 2015-16 year.

The success of the WCWR would not be possible without the hard work and dedication of from all of staff and it is only through them that the railway has continued to perform strongly and provide a valuable tourism experience.

## Operations

This past year, the West Coast Wilderness Railway (WCWR) has performed well above expectations.

Over the year the 27 605 passengers experienced the three journey's (the Rack and Gorge, River and Rainforest and the Queenstown Explorer) across both the Heritage and Wilderness carriage classes, with 848 scheduled departures across the year and no trains cancelled due to mechanical or rail infrastructure issues.

This performance exceeded the expected passenger numbers for 2015-16 by 9.7 per cent.

Overall passenger numbers increased by 36 per cent in 2015-16 compared to 2014-15.

This, and initiatives such as the introduction of workshop tours, has driven increases in revenue from passenger ticket sales, and together with continued prudent expenditure management, has resulted in an improving financial position with a better than expected operating result, reducing the reliance on the ongoing funding provided by the Tasmanian Government.

The railway continues to receive very high level of satisfaction from passengers, with the railway reviving an overall satisfaction rating of 94 per cent for the financial year.

The excellence of the tourism experience, as well as the unique, engineering achievements of the WCWR were also recognised with the railway taking out the Best Tourist Attraction at the 2015 Cradle Coast Regional Tourism Awards, and being awarded an Engineering Heritage International Marker, which recognises the railway as being of special heritage significance on an international scale.

The past year also saw an excellent level of safety performance, with no lost time injuries occurring across the entire 2015-16 year.

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

## Capital works

Major capital works continued throughout the year with rail alignment and track tamping to ensure a high level of passenger comfort for passengers travelling on the railway.

Further, development and planning was undertaken and finalised to convert the current conference room at the Queenstown station to a larger, modern café with works commencing in June 2016.

In addition, work commenced on relocating and revising the railway's museum.

The addition of a new, larger café, along with the museum will only not only continue the improvement of facilities for the railway's passengers it will also provide an additional visitor experience for Queenstown.



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# Business Services

The role of the Business Services division is to work with its partners to deliver quality financial, communication, human, information, legislation, policy advice and coordination, business improvement and resource management services to assist the department in the achievement of its aims and objectives.

The division supports achievement of all objectives in the department's Corporate Plan, and in particular Objective 5 which is to 'build organisational capacity by developing our people, safety, systems and culture.'

Over the past year it has been important to align both what we do as a department and how we will do it to ensure our people are informed, engaged and supported through the change process.

The Business Services division continued to take a lead role providing expert advice, consultation, leadership and support. We work in partnership with all divisions of State Growth to deliver on the objectives of the department.

The division focussed on creating the best resources, frameworks, systems and processes to support the department, along with providing key support to our staff and stakeholders across all areas.

This included the establishment and consolidation of key platforms, applications, systems, policies to guide how we work to deliver business outcomes, processes and services. The division consists of seven branches:

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

## Key achievements

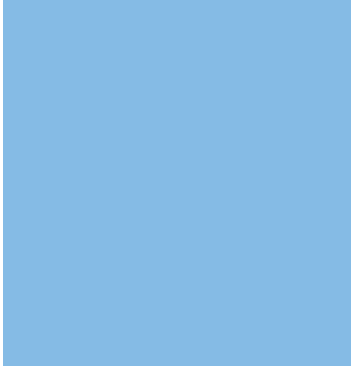
- » The department held its inaugural leadership forum in February this year, focusing on the challenges, achievements and priorities for the agency. This provided an opportunity for leaders across the department to collaborate and share information across the range of functions undertaken. This is part of equipping and supporting leaders in the organisation and will be a twice yearly program.
- » This year saw the department commence work on the development and definition of what a high performance and client focussed culture means for State Growth. Two cultural inventories were undertaken across the agency which measured the department's existing culture and identified gaps against the preferred culture. A Cultural Development Plan that articulates key action areas and timeframes is under development.
- » A cross-agency working group was established and has undertaken work on identifying our existing values and commenced work on the development of future values for the department.
- » The continued transition and consolidation of a range of key human resource policies that focus on building a positive workplace culture for the organisation. This year saw the development and implementation of a policy, supporting resources and an education program on preventing and managing workplace bullying and a continued focus on health and wellbeing frameworks and policies.
- » Business Services actively supported the department's involvement in the implementation of a single state-wide planning scheme, including in particular, leading the drafting of a number of state planning policies to provide for strategic allocation and use of land.
- » The division provided strategic whole of agency advice, support, reporting and representation, to provide for the achievement of the government's priorities and reforms, provide timely support to Ministers and stakeholders across the department's portfolios, facilitate connections across the department and support the provision of client centric advice and services.
- » Leading and coordinating the government's implementation of the Population Growth Strategy was a key activity for the Growth Strategy and Coordination team.

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## Business Services continued

- » We also continued our progress in establishment and consolidation of IT applications and systems including:
  - » an upgrade to HP Records Manager and commencement of the rollout across the department
  - » commencement of a project to consolidate all departmental data centres
  - » significant work to put all staff on one single operating system with one active directory continued
  - » transition to one single payroll database, identifying and realising efficiencies and improvements as part of this process; and
  - » implementation of a single financial management system in 2015–16, which will lay the foundations for future financial system development and business improvements.
- » Other key activities included:
  - » development of a strategic risk register and internal audit program
  - » management of a number of office consolidations including relocation of Tourism Tasmania. The division is taking a lead role in planning and change management to move to the new Parliament Square, currently due for completion in March 2017 along with supporting the government's accommodation consolidation strategy for the central business district of Hobart
  - » implementation of broader routine disclosure of information under the Right to Information Act 2009
  - » development of a legislation compliance monitoring framework and report back model
  - » implementation of an electronic whole-of-agency ministerial information management system
  - » working with the Chair and Directors of the Tasmania Development and Resources Board to introduce an induction process, undertake strategic planning, reviewing policies and procedures and providing timely and client focussed support arrangements for the Board
  - » working with internal business partners to identify further opportunities for business improvement for consideration by the department
  - » provision of communications and marketing support which includes further embedding the departmental style across all publications and other collateral to ensure a unified look and feel
  - » strategic communications support for the Office of the Coordinator-General and Infrastructure Tasmania including for international trade missions, red tape reduction, investment initiatives and infrastructure projects
  - » assisting the Tasmanian Government to deliver on the departmental communications and activities associated with the Tasmanian budget and the Tasmanian Government's 365 Day Plan and Agenda 2016 including the Population Growth Strategy, Our Fair Share of Defence Strategy, road safety campaigns along with emergency management floods and bushfire communications support.

# The Office of the Coordinator-General



# Report from the Office of the Coordinator-General



The Office of the Coordinator-General has responsibility for facilitating major projects, promoting competitiveness and promoting Tasmania as a destination for direct investment. The Office is also accountable for overseeing and facilitating the Northern Cities Major Development Initiative, the Expressions of Interest program for appropriate and sensitive developments in Tasmania's National Parks and Reserves and with assisting proponents with major investment opportunities.

## Key achievements

### Major Projects

The Office of the Coordinator-General is responsible for facilitating Major Projects and provides a tailored case management approach to actively assist proponents of Major Projects. The Office works closely across all tiers of government to ensure a unified response when dealing with major and strategic investments.

Major Projects are characterised as projects that have either a minimum private investment of \$5 million, create 25 full time jobs or are of key significance to the state.

Throughout 2015-16, the Office commenced progressing a range of major projects, including:

- » The \$45 million unique hotel and hospitality training facility, proposal by Chinese company Chambroad, part of the \$65 million Kangaroo Bay redevelopment.
- » An anticipated \$50 million manufacturing plant in Northern Tasmania creating approximately 250 indirect and direct jobs during construction and approximately 20 direct jobs once in operation.

### Investment attraction

As the Government's lead agency for investment attraction and facilitation, over the last 12 months, the Office of the Coordinator-General has been identifying investment proposals, targeting potential investors, preparing for investment missions, and coordinating inward investment delegations.

The Office provides an opportunity for Tasmanian businesses and project proponents seeking to attract investment to meet potential, national and international investors. The businesses and project proponents, upon meeting certain criteria, are officially recognised on our list of Tasmanian Investment Opportunities. The value of these projects listed exceed \$4.6 billion.

In the last 12 months, the Office of the Coordinator-General has also hosted over 20 significant international delegations.

During the investment and trade missions to China in September 2015 and April 2016 the Coordinator-General has advanced the Tasmanian Government's relationship with the China Development Bank, presented to investor groups, participated in investor forums, spoken at international conferences, strengthened the relationship with a number of key potential investors including Chambroad, prompted subsequent investment delegations to Tasmania, and followed up on investments leads as a result of prior delegation visits to Tasmania throughout the year.

The Office of the Coordinator-General has also worked in collaboration with local government and local Tasmanian businesses to develop prospectuses for Tasmania's largest industrial precincts. These informative and promotional documents are aimed to assist Tasmania to further grow its investment opportunities, underpinning investment of multiple millions into the state. Throughout 2015-16 the Office developed prospectuses that promote some of Tasmania's industrial precincts, including Bell Bay and Valley Central.

### Northern Cities Initiative

The Office of the Coordinator-General, through the Northern Cities Major Development initiatives, works in close collaboration with Northern Tasmanian councils to help revive communities through infrastructure projects, including Devonport Living City, the Launceston University of Tasmania Campus Relocation Project, and enhancing the presence of the University of Tasmania at West Park in Burnie.

The Northern Cities Major Development Project is a \$90 million Tasmanian Government initiative addressing the economic weakness and the intergenerational lack of educational attainment as well as declining population growth in the north of Tasmania.

The Devonport Living City Project agreements are in the final stages of negotiation with stage one due to get underway imminently. The Office of the Coordinator-General is continuing to work with the Devonport City Council to support the success of the project in revitalising the Devonport CBD and region.

The Launceston and Burnie UTAS campus relocation projects received bi-partisan federal support in the recent federal election which takes the total investment in these two projects from the Tasmanian Government, Australian Government, Launceston and Burnie Councils and UTAS to \$300 million. Design work and master planning is underway to enable grant deed negotiations to be finalised and early works are expected in the 2016-17 financial year.

The Office of the Coordinator-General is continuing to work with UTAS to assist in aligning new course offerings with industry needs and future workforce opportunities along with growing research capability in key areas.

The Office of the Coordinator-General is also working closely with all northern Tasmanian cities and their surrounding areas to maximise the broader opportunities of the three projects for industry growth and jobs and turning the CBDs into vibrant places to live and work.

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

The EOI for tourism investment opportunities in Tasmanian National Parks and Reserves aims to develop sensitive and appropriate tourism offerings in Tasmania's National Parks and Reserves and the World Heritage Area.

The Office of Coordinator-General continues to work closely with regulatory bodies to ensure that there is a streamlined and timely approach to regulatory assessments and decisions for any proponent that negotiates a lease or licence for their proposal.

In March 2015, the Office of the Coordinator-General chaired the expert Assessment Panel which reviewed 37 stage one EOI's that were submitted, of these 25 exciting and innovating proposals proceeded to stage two.

At 30 June 2016, the Assessment Panel considered, assessed and provided recommendations to the Minister on 19 of the 25 Stage two proposals. Following recommendations and negotiations lease and licence arrangements for four proposals have been signed with a further 15 proposals in various stages of negotiations for their lease and licence. The remaining proposals will be assessed by the panel in the third quarter of 2016.

Stage two, if fully realised, will amount to approximately \$75 million in new investments and create approximately 275 FTEs and include nature-based resort-style accommodation, walking tours, helicopter flights, canyoning, horse and mountain-bike riding, river cruises, new interpretative experiences and luxury camping escapes.

The government is committed to running a second round EOI process for sensible development in Tasmania's National Parks and Reserves in the final quarter of 2016.

**John Perry**  
Coordinator-General



## Office of the Coordinator-General continued

### Innovation hubs

The Tasmanian Government is committed to supporting entrepreneurial pathways in the commercialisation of new ideas and products. Through developing and supporting Tasmanian entrepreneurs, there is an opportunity to create higher value jobs for Tasmania which will ultimately encourage people to stay in or relocate to Tasmania to start businesses.

The Tasmanian Government has provided seed funding and is partnering with a range of organisations including the university and the start-up community more broadly to develop this project to support and build our fledgling start-up ecosystem. The project, facilitated by the Office of the Coordinator-General, will see the development of leading-edge entrepreneurship and incubation hubs in the former Mercury building in Hobart and in Macquarie House in Launceston to support the local start-up community.

### Red tape reduction

The Tasmanian Government has made a commitment to reduce red tape for businesses and the wider community. In December 2015, the government released the Tasmanian Red Tape Audit Report 2015. The report comprehensively detailed over 70 red tape issues, identified through consultation with industry and the wider community.

Throughout 2015 the government made significant progress on resolving many red tape issues, including:

- » Amending the Food Act 2003 to enable state-wide registration of mobile food businesses.
- » Simplifying the quarantine procedures for passengers arriving in Tasmania on the Spirit of Tasmania.

Via the online portal of the Office of the Coordinator-General a number of small businesses across the state have sought assistance to resolve red tape issues directly affecting them.

Examples included assisting:

- » A windfarm development that was encumbered with reserve roads on its title that dated back to Soldier settlement grants.
- » A trout fishing company struggling with the regulations surrounding maritime qualifications that were more suited to commercial sea operations than inland tours.
- » A refrigeration and air-conditioning company impeded by occupational licencing regulations that were restricting their capacity to undertake commercial work they had been performing for over 40 years.
- » A vineyard finding the current Temporary Occupancy Permit system overly cumbersome.

The Office of the Coordinator-General, also introduced the Redundant Legislation Repeal Bill, which will result in a significant reduction of Acts and regulations that businesses may encounter, by removing legislation from the Tasmanian regulatory landscape that no longer serves any useful purpose.

During 2016-17 the Office of the Coordinator-General will undertake a series of consultations with key industry stakeholders to identify further red tape priorities and work with agencies to progress the red tape reform agenda.

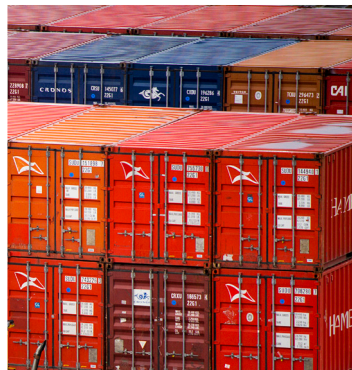
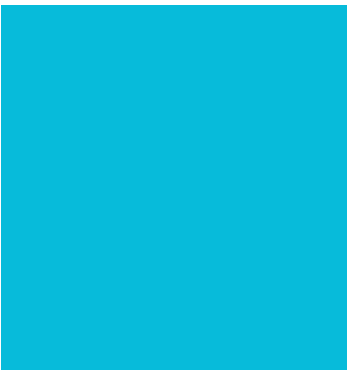
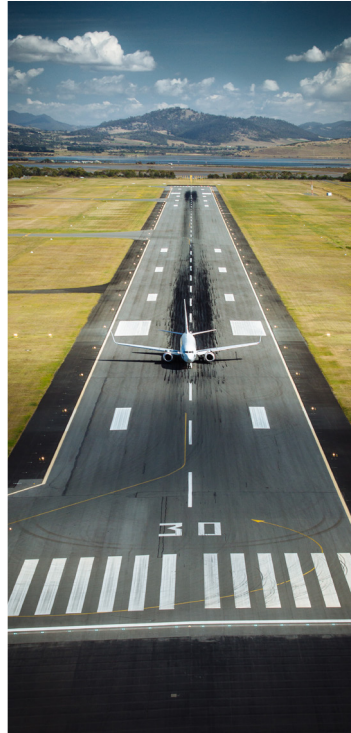
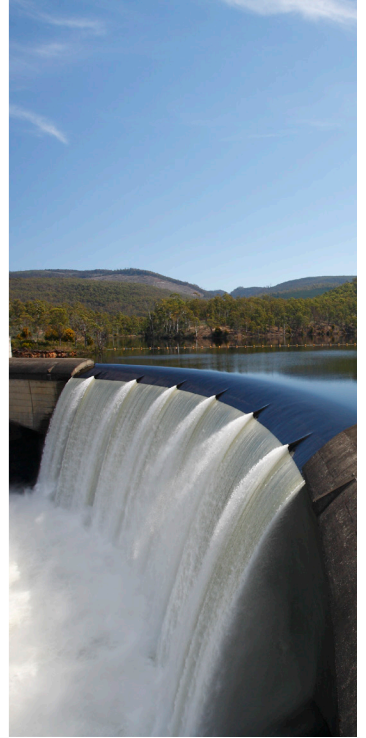
## Performance information Office of the Coordinator-General

Performance measure <sup>1</sup>	Unit of measure	2014–15 actual	2015–16 actual	2016–17 target
Red Tape Reduction – Annual audit reports published <sup>2</sup>	number	n/a	1	1
Investment, exports and import replacements facilitated <sup>3</sup>	\$ million	270.0	335	320.0

### Notes

1. 'n/a' indicates that data is not available or measurement has not yet commenced.
2. The Government is undertaking red tape reduction in accordance with its commitments. A program of activity and progress will be published in the form of an annual audit report. The Tasmanian Red Tape Audit Report 2015 identified 73 red tape issues, of which the Government has addressed 41 to date.
3. This performance measure appears under Industry and Business Development as it includes data from Client Services and Trade and International Relations (*duplicated under Industry and Business Development*).

# Infrastructure Tasmania



# Report from Infrastructure Tasmania



## Key achievements

### State Roads Audit

Infrastructure Tasmania (ITas) was tasked with completing an audit of the state's roads as part of its 2015-16 work plan.

The audit was released on 15 March 2016, with the 10 Year Infrastructure Investment Plan for State Roads.

Compilation of the audit included consultation with all major road owners and a representative group of council road owners.

A number of recommendations arose from the audit, which were divided by road owner. Key to the Department of State Growth was the proposal to move to a more flexible capital and operational budgeting approach that is more program than project based.

The audit also provided recommendations relating to roads managed by State Government agencies and Government Business Enterprises (GBEs), such as the Parks and Wildlife Service, Forestry Tasmania and Hydro Tasmania.

### Bridgewater Bridge

Infrastructure Tasmania worked with the Department of State Growth, and consultants to progress a review of the new Bridgewater Bridge project, drawing on expertise from across industry to refine the design and construction methodology and develop a cost effective proposal.

The revised design released by ITas on 19 April 2016 is estimated to cost about \$535 million, representing a saving of more than \$200 million over the initial designs without compromising either the number of lanes, or clearance height (16 metres). ITas will work with the department over 2016-17 to prepare a business case for submission to Infrastructure Australia for funding endorsement.

### Integrated Freight Strategy

In April 2016, Infrastructure Tasmania released the Tasmanian Integrated Freight Strategy, delivering, for the first time, an integrated framework to guide freight planning and investment across Tasmania.

The Strategy focuses on improved efficiency, competition and service choice across Tasmania's freight system, and is informed by extensive stakeholder consultation.

The Strategy aligns with national processes to strengthen evidence-based infrastructure planning. Infrastructure Tasmania is now overseeing implementation of the Strategy, and this includes working with business to better understand the size and needs of Tasmania's time sensitive freight market, and development of a Burnie to Hobart Freight Corridor Strategy.

### Light Rail Review

In response to a request from the Tasmanian Government, Infrastructure Tasmania undertook a review of past evaluations of a northern suburbs light rail service.

The review found these evaluations to be comprehensive, and that any service would require significant operational subsidies over the medium term.



However the review also noted that strategic considerations, including how land use adjacent to the corridor could be shaped to support light rail, had not been sufficiently investigated. Infrastructure Tasmania recommended these broader considerations be pursued, in partnership with local government. In relation to the future use of the corridor, Infrastructure Tasmania recommended the corridor be retained for transit purposes.

### King Island Shipping

The Tasmanian Government has worked closely with the King Island Council and community to ensure the continuation of essential shipping services to the island, in the context of SeaRoad's public plans to replace the SeaRoad Mersey. Infrastructure Policy managed a Request for Proposals process to ensure the operation of a long-term commercially sustainable King Island Shipping Service.

As a result of this process, Port and Coastal Marine Services (PCMS) has been identified as the preferred proponent for the King Island Shipping Service. PCMS intends to commence its service in early 2017 subject to obtaining sufficient support from King Island shippers.

### Rail banking

There is significant interest in accessing non-operational rail lines throughout the state for a range of alternative uses.

This raises a number of complex issues that need to be appropriately considered and managed before a proposal can proceed.

The Tasmanian Government is committed to retaining all strategic rail corridors within the state, but will consider alternative uses of non-operational corridors. Infrastructure Policy has developed a framework which will 'bank' the corridor on the basis that it can be used for an alternate purpose and reclaimed if required in the future. Legislation will be considered by Parliament in late 2016.

### National Heavy Vehicle charges

The Tasmanian Government recently amended the Vehicle and Traffic Act 1999 to implement nationally agreed heavy vehicle charges from 1 July 2016.

The Vehicle and Traffic Amendment (Heavy Vehicle Charges) Bill 2016, which received Royal Assent on 19 April 2016, implemented a number of key technical changes to ensure fairer and more equitable heavy vehicle charges that better reflect the wear and tear to roads caused by heavy vehicles.

The new charges will also fund the costs of the National Heavy Vehicle Regulator, which undertakes a number of regulatory tasks on behalf of jurisdictions.

### National policy reform

Infrastructure Policy develops advice and represents the department in a range of national forums.

It advocates for Tasmania's interests through developing submissions to national inquiries and reviews, and supporting Ministerial participation and senior officials in national forums, including the Transport and Infrastructure Council, the Council of Australian Governments (COAG) and the Joint Commonwealth Tasmanian Economic Council.

A range of issues are considered through these forums, including the Tasmanian Freight Equalisation Scheme, Infrastructure Australia's Audit and Plan, Heavy Vehicle Road Reform, Heavy Vehicle Charges, COAG's Public Infrastructure Reform Agenda and National and State Transport Security.

### Allan Garcia

CEO

Infrastructure Tasmania

## Performance information Infrastructure Tasmania

Performance measure <sup>1</sup>	Unit of measure	2014–15 actual	2015–16 actual	2016–17 target
Proposals assessed by Infrastructure Tasmania within required timeframes <sup>2</sup>	%	n/a	100	100
Reviews requested by government completed by Infrastructure Tasmania within required timeframes <sup>2</sup>	%	n/a	100	100

### Notes

- n/a indicates that data is not available or measurement has not yet commenced.
- Proposals are publicly-funded major economic infrastructure proposals. Timeframes will be developed once Infrastructure Tasmania has completed its first full year of operation.

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# Report from the Tasmanian Planning Reform Taskforce



The Tasmanian Planning Reform Taskforce (Taskforce) completed the drafting of Australia's first ever single state wide planning scheme – the Tasmanian Planning Scheme over a 10 month period.

The creation of the faster, fairer, cheaper and simpler Tasmanian Planning Scheme has paved the way for another national first with the alignment of building regulations with the single state-wide planning scheme.

The changes effectively mean the streamlined and simplified planning approval process is mirrored in the building regulations and sees Tasmania lead the rest of Australia in term of building approval processes. They also address the current imbalance between risk and red tape.

The Taskforce conducted extensive consultation with 145 state wide stakeholders, including private, industry and community sectors during the drafting of the State Planning Provisions, which included 22 generic Zones, 15 Codes and the Local Provision Schedule Template.

This consultation complimented the technical and policy advice sought by the Taskforce from local government, infrastructure providers and a number of key State Government Agencies.

To facilitate a whole of government approach to the drafting of the Tasmanian Planning Scheme, a State Policy Interdepartmental Committee was created with representation from the Departments of State Growth, Justice and Primary Industries, Parks, Water and Environment and chaired by the Department of Premier and Cabinet.

This was the first time in Tasmania that private, community and public sectors were central to the drafting of a planning scheme.

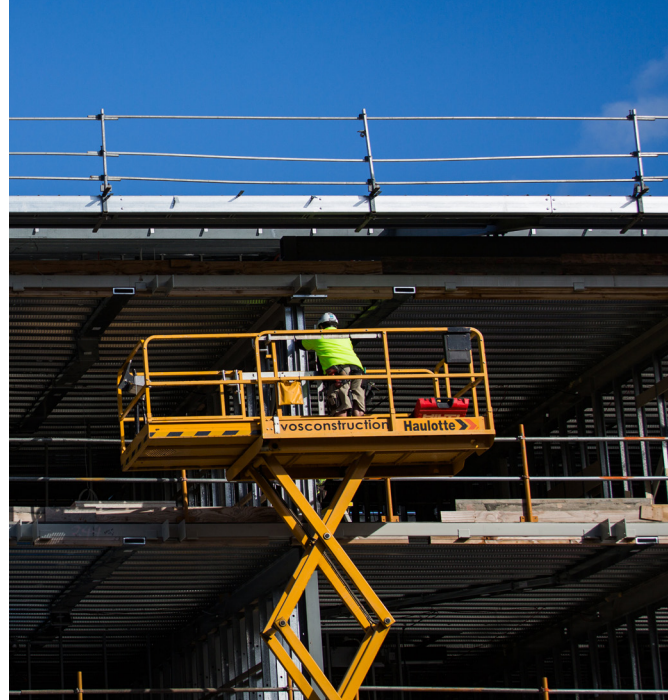
In addition, the Department of Justice worked closely with the Taskforce to ensure the smooth passage of the amendments to the *Land Use and Planning Approvals Act 1993* to provide for the Tasmanian Planning Scheme's legislative basis.

The draft State Planning Provisions and the supporting Explanatory Report were handed to the Minister for Planning and Local Government in December 2015.

After preliminary consultation with local government and State Government Agencies, the formal public consultative process through the Tasmanian Planning Commission commenced in March 2016.

While the public consultation is underway, the Taskforce has been working with the Department of Justice on the major project approvals and in principle approval reform model.

**Mary Massina**  
Executive Chair  
Tasmanian Planning Reform Taskforce



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# Supporting information Department of State Growth

## Right to Information

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

The *RTI Act*:

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

During 2015–16 the department dealt with 61 applications for assessed disclosure for information under the *RTI Act*. Information was withheld, either in full or in part, in respect of 18 applications.

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

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

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

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

## Public Interest Disclosures Act

The purpose of the *Public Interest Disclosures Act 2002* (the Act) is to encourage and facilitate the making of disclosures about the improper conduct of public officers or public bodies. The Act provides protection to persons who make disclosures in accordance with the Act, and establishes a system by which the matters disclosed can be investigated and action to rectify any deficiencies can be taken.

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

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

The department has not received any disclosures either directly or indirectly referred via the Ombudsman in the year to 30 June 2016.

## Integrity Commission

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

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

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

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## Legislation administered by the Department of State Growth 2015–16

### Minister for State Growth

*Building and Construction Industry Training Fund Act 1990*

*Closer Settlement Act 1957*

*Copper Mines of Tasmania Pty. Ltd. (Agreement) Act 1999*

*Employment Incentive Assistance Act 1984*

*Farm Water Development Act 1985*

*Fire Damage Relief Act 1967*

except in so far as it relates to the erection of dwellings for renting to eligible persons under the *Homes Act 1935* (see *Department of Health and Human Services under the Minister for Human Services*)

*Goldamere Pty Ltd (Agreement) Act 1996*

*Iron Ore (Savage River) Arrangements Act 1996*

*Macquarie Point Development Corporation Act 2012*

*Pulp Mill Assessment Act 2007*

*Rural Adjustment Act 1995*

*Tasmanian Development Act 1983*

*Training and Workforce Development Act 2013* except Part 5, and except in so far as it relates to TasTAFE (see *TasTAFE under the Minister for Education and Training*)

*Training and Workforce Development (Transitional Provisions) Act 2013*

except Part 2, and except in so far as it relates to TasTAFE (see *TasTAFE under the Minister for Education and Training*)

*Vocational Education and Training (Commonwealth Powers) Act 2011*

*War Service Land Settlement Act 1950*

### Minister for Infrastructure

*Abt Railway Development Act 1999*

*Aerodrome Fees Act 2002*

*Air Navigation Act 1937*

*Civil Aviation (Carriers' Liability) Act 1963*

*Common Carriers Act 1874*

*Commonwealth Powers (Air Transport) Act 1952*

*Damage by Aircraft Act 1963*

*Emu Bay Railway (Operation and Acquisition) Act 2009*

*Heavy Vehicle Accreditation Scheme Validation Act 2013*

*Heavy Vehicle National Law (Tasmania) Act 2013*

*Highways Act 1951*

*Marine and Safety Authority Act 1997*

*Marine Safety (Domestic Commercial Vessel National Law Application) Act 2013*

*Metro Tasmania Act 1997*

*Metro Tasmania (Transitional and Consequential Provisions) Act 1997*

*Passenger Transport Services Act 2011*

*Port Companies Act 1997*

*Rail Company Act 2009*

*Rail Infrastructure Act 2007*

*Rail Safety National Law (Tasmania) Act 2012*

*Roads and Jetties Act 1935*

*Tasmanian Ports Corporation Act 2005*

*Taxi and Hire Vehicle Industries Act 2008*

*Traffic Act 1925*

*Transport Act 1981*

*TT-Line Arrangements Act 1993*

*Vehicle and Traffic Act 1999*

*Vehicle and Traffic (Transitional and Consequential) Act 1999*

### Motor Accidents Insurance Board

*Motor Accidents (Liabilities and Compensation) Act 1973*

### Minister for Energy

*Electricity – National Scheme (Tasmania) Act 1999*

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

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

*Electricity Wayleaves and Easements Act 2000*

*Energy Co-ordination and Planning Act 1995*

*Gas Act 2000*

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

*Gas Pipelines Act 2000*

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

*National Energy Retail Law (Tasmania) Act 2012*

*National Gas (Tasmania) Act 2008*

*Petroleum Products Emergency Act 1994*

### Hydro-Electric Corporation

*Hydro-Electric Corporation Act 1995*

### Minister for Mining

*Beauty Point Landslip Act 1970*

*Lawrence Vale Landslip Act 1961*

*Mineral Resources Development Act 1995*

*Mining (Strategic Prospectivity Zones) Act 1993*

*Petroleum (Submerged Lands) Act 1982*

*Rosetta Landslip Act 1992*

### Minister for Forestry

*Forest Management Act 2013*

*Forestry (Fair Contract Codes) Act 2001*

*Forestry (Rebuilding the Forest Industry) Act 2014*

*Private Forests Act 1994*

### Forest Practices Authority

*Forest Practices Act 1985*

except in so far as it relates to the Forest Practices Tribunal (see *Department of Justice under the Minister for Resources*)

*Forest Practices Administrative Reform (Transitional and Consequential) Act 2004*

*Forest Practices (Private Timber Reserves Validation) Act 1999*

### Forestry Corporation

*Public Land (Administration and Forests) Act 1991*  
except Part 2 (see *Department of Justice under the Minister for Planning and Local Government*)

*Regional Forest Agreement (Land Classification) Act 1998*  
except Divisions 2 and 3 of Part 2 and the making of regulations under section 26, in so far as those regulations relate to Divisions 2 and 3 of Part 2 (see *Department of Primary Industries, Parks, Water and Environment under the Minister for Environment, Parks and Heritage*)

*Timber Promotion Act 1970*

### Minister for the Arts

*Meteorites Act 1973*

*Museums (Aboriginal Remains) Act 1984*

*Plomley Trusts Act 1984*

*Tasmanian Arts Advisory Board Act 1975*

*Tasmanian Museum Act 1950*

*Theatre Royal Management Act 1986*

### Minister for Environment, Parks and Heritage

*Theatre Royal Precinct Redevelopment Act 2016*

### Legislation enacted 2015–16

*Vehicle and Traffic Amendment (Heavy Vehicle Charges) Act 2016*

*Theatre Royal Precinct Redevelopment Act 2016*

*Redundant Legislation Repeal Act 2016*



## Policies to help manage our business

### Asset management

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

The property portfolio of assets includes:

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

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

The department maintains asset registers in accordance with the Treasurer's Instructions. Details of acquisitions, disposals and write-offs were recorded in the respective registers. The financial statements for 2015-16 are reported on an accrual basis and contain details of policies in relation to recognition, valuation and depreciation of assets in notes of the statements. Assets have been valued in accordance with the department's accounting policies and procedures. These values are disclosed in the statements together with appropriate notes on valuation methods.

### Risk management

Risk management is integral to the management of the department and the delivery of the wide range of services and outputs provided by the department. The department has implemented a number of mechanisms for the management of risks associated with its activities.

The department has established risk management policies and associated mitigation strategies that address high risk areas. The department's Risk and Audit Committee undertakes a review of the department's strategic risks and ensures that the department's internal audit program reflects these strategic risks. These reviews enable the department to test and refine the adequacy of its controls to manage these risks and its response when risk incidents occur.

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

It is also subject to external surveillance and incorporates:

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

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

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## Major contracts and consultancies

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

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

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

Tables B and C(1) provide detailed information on new consultancies and other contracts with a value of \$50 000 or over (excluding GST).

However, it is noted that for Contract nos. ST015, ST038, and ST040 one procurement process was run but multiple contracts awarded, some with values less than \$50 000.

Table C(2) provides detailed information on consultancies engaged under Contract no. 2220 Professional Services for Transport Infrastructure Civil Engineering, Planning and Design (comprising Pitt&Sherry (Operations) Pty Ltd, GHD Pty Ltd Pty Ltd, Jacobs Group (Australia) Pty Ltd, Johnstone McGee & Gandy and Burbury Consulting Pty Ltd).

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

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



Table A

<b>Summary of procurement including participation by local business (for procurement processes of \$50 000 or more excluding GST)</b>	
Total number of contracts awarded	76
Total number of contracts awarded to Tasmanian businesses	55
Total value of contracts awarded with Option to Extend	\$142,078,361.57
Total value of contracts awarded to Tasmanian businesses	\$133,715,294.96
Total number of tenders called and/or quotation processes run	31
Total number of bids and/or written quotations received	322
Total number of bids and/or written quotations received from Tasmanian businesses	208
<b>Total number of new consultancies awarded</b>	
Total number of new consultancies awarded	19
Total number of new consultancies awarded to Tasmanian businesses	12
Total value of new consultancies awarded with Option to Extend	\$2,586,124.35
Total value of new consultancies awarded to Tasmanian businesses	\$1,293,506.00
Total number of tenders called and/or quotation processes run	15
Total number of bids and/or written quotations received	40
Total number of bids and/or written quotations received from Tasmanian businesses	26
<b>Total number of consultancies awarded under Contract No. 2220 - Professional Services for Transport Infrastructure Civil Engineering, Planning &amp; Design</b>	
Total number of consultancies awarded under Contract No. 2220 - Professional Services for Transport Infrastructure Civil Engineering, Planning & Design	36
Total number of consultancies awarded under Contract No. 2220 - Professional Services for Transport Infrastructure Civil Engineering, Planning & Design to Tasmanian businesses	36
Total value of consultancies awarded under Contract No. 2220 - Professional Services for Transport Infrastructure Civil Engineering, Planning & Design	\$6,516,265.00
Total value of consultancies awarded under Contract No. 2220 - Professional Services for Transport Infrastructure Civil Engineering, Planning & Design to Tasmanian businesses	\$6,516,265.00
<b>Total number of contracts and consultancies awarded</b>	
Total number of contracts and consultancies awarded	95
Total number of contracts and consultancies awarded to Tasmanian businesses	67
Total value of contracts and consultancies awarded	\$141,960,416.57
Total value of contracts and consultancies awarded to Tasmanian businesses	\$135,008,800.96
Total number of tenders called and/or quotation processes run	46
Total number of bids and/or written quotations received	362
Total number of bids and/or written quotations received from Tasmanian businesses	234

Table B

Contracts with a value of \$50 000 or over (ex. GST) and excluding consultancy contracts						
Tender ID	Title	Supplier name	City	State	Period of contract	Value (\$)
Contract no. 2272	Road Specific Maintenance - Pavement Resurfacing 2015/16 - South	Downer EDI Works Pty Ltd	Austins Ferry	Tasmania	10/8/2015 - 27/5/2016	\$10,967,879.41
Contract no. 2273	Road Specific Maintenance - Pavement Resurfacing 2015/16 - North	Venarchie Contracting Pty Ltd	Mowbray	Tasmania	22/7/2015 - 27/5/2016	\$10,316,024.78
Contract no. 2146	Motor Registry System Software - Development, Modification, Maintenance and Support	UXC Eclipse Pty Ltd	Sydney	New South Wales	14/7/2015 - 14/7/2021	\$3,096,000.00
Contract no. 2207	Special Needs Bus Service from Huonville to Mount Nelson	Roberts Coaches (Tas) Pty Ltd	Hobart	Tasmania	01/11/2014 - 31/12/2018	\$294,301.00
Contract no. 2280	Lyell Highway - South of Brady's Lake and Wilsons Straight - Road Reinstatement	Andrew Walter Constructions Pty Ltd	Austins Ferry	Tasmania	9/9/2015 - 29/12/2015	\$1,094,427.39
Contract no. 2284	Esk Main Road - St Pauls River Bridge and Fingal Rivulet Culvert Replacement	VEC Civil Engineering Pty Ltd	Ulverstone	Tasmania	30/9/2015 - 31/8/2016	\$4,564,736.37
Contract no. 2282	Road Specific Maintenance - Pavement Marking 2015/16 - South Region	Supalux Pty Ltd	Kewdale	Western Australia	2/10/2015 - 30/4/2016	\$990,463.29
Contract no. 2291	Road Specific Maintenance - Pavement Marking 2015/16 - North Region	Supalux Pty Ltd	Kewdale	Western Australia	2/10/2015 - 30/4/2016	\$1,229,274.30
Contract no. 2285	Bass Highway - Birralee Main Road to Exton - Roadworks	Shaw Contracting (Aust) Pty Ltd	Whitemore	Tasmania	1/10/2015 - 29/4/2016	\$3,971,110.82
Contract no. 2292	Midland Highway South of Tunbridge Safety Upgrade Stage 2	Hazell Bros Group Pty Ltd	Derwent Park	Tasmania	21/10/2015 - 8/3/2016	\$3,116,598.58
Contract no. 2289	Supply, delivery, installation, supervision and commissioning of non-invasive vehicle detection systems.	Aldridge Traffic Controllers Pty Ltd	Rydellmere	New South Wales	19/10/2015 - 31/12/2015	\$53,028.00
Contract no. 2288	Pavement Data Collection - SCRIM Survey 2016/2020	WDM Limited	Plimmerton	New Zealand	16/11/2015 - 15/11/2020	\$801,155.00
Contract no. 2290	Cornwall Square Office Refurbishment	Fairbrother Pty Ltd	Launceston	Tasmania	27/10/2015 - 18/12/2015	\$195,350.00
Contract no. 2283	Brooker Highway - Elwick Road to Howard Road Junction Upgrade - Roadworks	Hazell Bros Group Pty Ltd	Derwent Park	Tasmania	21/12/2015 - 5/6/2017	\$19,854,092.00
Contract no. 2258	West Coast to Burnie General Access Bus Service	Tasmanian Tours and Travel (Fleet) Pty Ltd T/A Tassielink Transit	Derwent Park	Tasmania	12/4/2016 - 31/12/2018	\$303,045.36

## Supporting information Department of State Growth continued

Tender ID	Title	Supplier name	City	State	Period of contract	Value (\$)
Contract no. 2304	Midland Highway - Kempton to Melton Mowbray - Road Improvements Stage 1	Shaw Contracting (Aust) Pty Ltd	Whitemore	Tasmania	25/1/2016 - 20/3/2017	\$8,871,731.99
Contract no. 2307	Huon Highway (A0168) Glendevie Climbing Lanes	DCS Civil (Tas) Pty Ltd	Blackmans Bay	Tasmania	25/1/2016 - 13/6/2016	\$2,713,679.99
Contract no. 2314	Tasman Highway - Barton Avenue and Swan River Road - Junction Improvements	Andrew Walter Constructions Pty Ltd	Austins Ferry	Tasmania	2/2/2016 - 11/4/2016	\$451,923.44
Contract no. 2305	East Derwent Highway (A0029) - Cove Hill Road and Green Point Road Junction - Junction Improvements	Andrew Walter Constructions Pty Ltd	Austins Ferry	Tasmania	1/2/2016 - 5/6/2016	\$1,698,453.87
Contract no. 2312	Tasman Highway (A0113) Wrinklers Lagoon Bridge (B6129) Bridge Replacement	VEC Civil Engineering Pty Ltd	Ulverstone	Tasmania	27/1/2016 - 13/7/2016	\$1,816,672.40
Contract no. 2295	Midland Highway - Perth to Breadalbane Duplication	VEC Shaw Joint Venture	Ulverstone	Tasmania	1/2/2016 - 31/3/2018	\$29,996,688.00
Contract no. 2308	Midland Highway (A0087) - Tunbridge (White Lagoon) to Mona Vale Road - Road Improvements and Safety Upgrade	Shaw Contracting (Aust) Pty Ltd	Whitemore	Tasmania	17/2/2016 - 31/5/2017	\$13,959,805.00
Contract no. 2303	Midland Highway - Mangalore to Bagdad Road Improvements Stage 1	VEC Civil Engineering Pty Ltd	Ulverstone	Tasmania	18/2/2016 - 21/12/2016	\$6,399,440.94
Contract no. 2298	Brooker Highway - Boxhill Road Overpass to Arncliffe Road Overpass - Road Reinstatement	Hazell Bros Group Pty Ltd	Derwent Park	Tasmania	25/2/2016 - 4/5/2016	\$944,980.33
Contract no. 2300	Management Services for Princes Wharf Shed Number One (PWI)	T M Management Group Pty Ltd	Sandy Bay	Tasmania	1/02/2016 - 31/1/2021	\$2,000,000.00
Contract no. 2268	Establishing free public Wi-Fi services targeted at tourists in towns and cities across Tasmania	Telstra Corporation Limited	Hobart	Tasmania	17/12/2015 - 16/12/2019	\$500,000.00
Contract no. 2319	Midland Highway - Kempton to Melton Mowbray - Road Improvements Stage 2	Andrew Walter Constructions Pty Ltd	Austins Ferry	Tasmania	24/5/2016 - 1/12/2017	\$7,979,016.22
ST015	Skills Tasmania Skills Equip 2015	Avidity Training and Development	Waverley	Tasmania	10/12/2016	\$69,889.41
ST015	Skills Tasmania Skills Equip 2015	Avidity Training and Development	Waverley	Tasmania	10/12/2016	\$70,807.11
ST015	Skills Tasmania Skills Equip 2015	Skills Right Now	East Melbourne	Victoria	10/12/2016	\$59,550.00

Tender ID	Title	Supplier name	City	State	Period of contract	Value (\$)
ST015	Skills Tasmania Skills Equip 2015	Stepping Ahead Training and Development	Ulverstone	Tasmania	10/12/2016	\$57,225.00
ST015	Skills Tasmania Skills Equip 2015	William Angliss Institute of TAFE	Melbourne	Victoria	10/12/2016	\$35,948.00
ST015	Skills Tasmania Skills Equip 2015	Wilson Training	New Town	Tasmania	10/12/2016	\$55,965.00
ST015	Skills Tasmania Skills Equip 2015	Wilson Training	New Town	Tasmania	10/12/2016	\$55,290.00
ST015	Skills Tasmania Skills Equip 2015	Wilson Training	New Town	Tasmania	10/12/2016	\$56,550.00
ST015	Skills Tasmania Skills Equip 2015	Youth Futures Incorporated	Invermay	Tasmania	10/12/2016	\$37,446.00
ST038	Skills Fund - Seasonal Industries Program	Avidity Training and Development	Waverley	Tasmania	24/8/2015 - 25/11/2016	\$95,000.00
ST038	Skills Fund - Seasonal Industries Program	Avidity Training and Development	Waverley	Tasmania	24/8/2015 - 25/11/2016	\$105,342.08
ST038	Skills Fund - Seasonal Industries Program	Avidity Training and Development	Waverley	Tasmania	24/8/2015 - 25/11/2016	\$106,444.84
ST038	Skills Fund - Seasonal Industries Program	Avidity Training and Development	Waverley	Tasmania	24/8/2015 - 25/11/2016	\$118,750.00
ST038	Skills Fund - Seasonal Industries Program	Wodonga Institute of TAFE	Wodonga	Victoria	24/8/2015 - 25/11/2016	\$94,563.00
ST038	Skills Fund - Seasonal Industries Program	TasTAFE	Hobart	Tasmania	24/8/2015 - 25/11/2016	\$75,848.00
ST038	Skills Fund - Seasonal Industries Program	TasTAFE	Hobart	Tasmania	24/8/2015 - 25/11/2016	\$67,877.50
ST038	Skills Fund - Seasonal Industries Program	Transtain	Devonport	Tasmania	24/8/2015 - 25/11/2016	\$57,967.48
ST038	Skills Fund - Seasonal Industries Program	Ashley Institute of Training	Altona North	Victoria	24/8/2015 - 25/11/2016	\$69,587.50
ST038	Skills Fund - Seasonal Industries Program	Outside the Square Solutions	Burnie	Tasmania	24/8/2015 - 25/11/2016	\$64,923.00
ST038	Skills Fund - Seasonal Industries Program	Outside the Square Solutions	Burnie	Tasmania	24/8/2015 - 25/11/2016	\$50,160.00
ST038	Skills Fund - Seasonal Industries Program	Avidity Training and Development	Waverley	Tasmania	24/8/2015 - 25/11/2016	\$94,050.00
ST040	Skills Fund 2015	Australian Employment & Training Solutions	Melbourne	Victoria	2/02/2015	\$57,750.00
ST040	Skills Fund 2015	Australian Employment & Training Solutions	Melbourne	Victoria	2/02/2015	\$57,750.00
ST040	Skills Fund 2015	Australian Maritime College	Newnham	Tasmania	2/02/2015	\$59,500.00
ST040	Skills Fund 2015	Australian Maritime College	Newnham	Tasmania	2/12/2015	\$72,250.00
ST040	Skills Fund 2015	Australian Maritime College	Newnham	Tasmania	2/12/2015	\$166,500.00
ST040	Skills Fund 2015	Avidity Training and Development	Waverley	Tasmania	2/12/2015	\$86,400.00
ST040	Skills Fund 2015	Avidity Training and Development	Waverley	Tasmania	2/12/2015	\$261,000.00

## Supporting information Department of State Growth continued

Tender ID	Title	Supplier name	City	State	Period of contract	Value (\$)
ST040	Skills Fund 2015	Centre for Training in Social Housing	Surry Hills	New South Wales	2/12/2015	\$81,900.00
ST040	Skills Fund 2015	Independent Health Care Service	Moonah	Tasmania	2/12/2015	\$58,500.00
ST040	Skills Fund 2015	MMC Link	Sandy Bay	Tasmania	2/12/2015	\$134,400.00
ST040	Skills Fund 2015	International Skills Institute	Southport	Queensland	2/12/2015	\$143,694.60
ST040	Skills Fund 2015	Jenard Training and Personnel	Hobart	Tasmania	2/12/2015	\$81,280.00
ST040	Skills Fund 2015	Oak Training and Development Services	Glenorchy	Tasmania	2/12/2015	\$73,968.00
ST040	Skills Fund 2015	Outside the Square Solutions	Burnie	Tasmania	2/12/2015	\$86,000.00
ST040	Skills Fund 2015	Response Learning	Mulwala	New South Wales	2/12/2015	\$59,456.32
ST040	Skills Fund 2015	Response Learning	Mulwala	New South Wales	2/12/2015	\$60,000.00
ST040	Skills Fund 2015	Skills Right Now	East Melbourne	Victoria	2/12/2015	\$51,165.00
ST040	Skills Fund 2015	Skills Right Now	East Melbourne	Victoria	2/12/2015	\$164,250.00
ST040	Skills Fund 2015	Seafood Training Tasmania	Battery Point	Tasmania	2/12/2015	\$103,352.43
ST040	Skills Fund 2015	TasTAFE	Hobart	Tasmania	2/12/2015	\$68,192.00
ST040	Skills Fund 2015	TasTAFE	Hobart	Tasmania	2/12/2015	\$86,220.00
ST040	Skills Fund 2015	Transqual	Wickham	New South Wales	2/12/2015	\$90,000.00
ST040	Skills Fund 2015	Wodonga Institute of TAFE	Wodonga	Victoria	2/12/2015	\$57,600.00
ST040	Skills Fund 2015	Wodonga Institute of TAFE	Wodonga	Victoria	2/12/2015	\$59,131.60
ST040	Skills Fund 2015	Work and Training Limited	Moonah	Tasmania	2/12/2015	\$58,500.00
ST040	Skills Fund 2015	Work and Training Limited	Moonah	Tasmania	2/12/2015	\$58,500.00
ST040	Skills Fund 2015	Work and Training Limited	Moonah	Tasmania	2/12/2015	\$58,500.00

Table C (I)

Consultancy contracts with a value of \$50 000 or over (ex. GST)						
Tender ID	Title	Supplier name	City	State	Period of contract	Value (\$)
Contract no. 2286	Qualitative and Quantitative Market Research to ascertain changes in community perceptions and attitudes to road safety	Enterprise and Market Research Services Pty Ltd	Moonah	Tasmania	10/8/2015 - 30/10/2015	\$56,000.00
Contract no. 2309	Strategic Growth Plan for Forest Industries - Development Co-Ordination	Timmins Ray Pty Ltd	Hobart	Tasmania	09/11/2015 - 23/08/2016	\$150,800.00
Contract no. 2313	Provision of professional services for public bus service procurement project	M R Cagney Pty Ltd	Blackmans Bay	Tasmania	1/01/2016 - 31/12/2018	\$222,221.33
Contract no. 2313	Provision of professional services for public bus service procurement project	Phillip Boyle & Associates Pty Ltd	Doncaster East	Victoria	1/01/2016 - 31/12/2018	\$222,221.33
Contract no. 2313	Provision of professional services for public bus service procurement project	ArcBlue Consulting (Aus) Pty Ltd	Southbank	Victoria	1/01/2016 - 31/12/2018	\$222,221.33
Contract no. 2322	Digital Ready for Business - Coaching Services	Rebecca King	Trevallyn	Tasmania	7/3/2016 - 30/11/2016	\$65,280.00
Contract no. 2322	Digital Ready for Business - Coaching Services	Adam Mostogl	Youngtown	Tasmania	7/3/2016 - 30/11/2016	\$32,640.00
Contract no. 2322	Digital Ready for Business - Coaching Services	Arrowhead Assets Pty Ltd	Launceston	Tasmania	7/3/2016 - 30/11/2016	\$32,640.00
Contract no. 2311	Content maintenance and support: Australian Business Licence Information Service (ABLIS) and related services	Stenning & Associates Pty Ltd	Hobart	Tasmania	1/07/2016 - 30/06/2019	\$207,560.00
Contract no. 2338	Burnie to Hobart Freight Corridor Strategy	ACIL Allen Consulting Pty Ltd	Melbourne	Victoria	30/5/2016 - 31/10/2016	\$150,000.00
Contract no. 2294	Batman Bridge Painting Inspection Services	TD & AJ Blair Family Trust trading as SICC Services Pty Ltd	Devonport	Tasmania	21/09/2015-20/09/2018	\$90,100.00

## Supporting information Department of State Growth continued

Table C (2)

Consultancies engaged under Contract No. 2220 - Professional Services for Transport Infrastructure Civil Engineering, Planning & Design (comprising Pitt&Sherry (Operations) Pty Ltd, GHD Pty Ltd Pty Ltd, Jacobs Group (Australia) Pty Ltd, Johnstone McGee & Gandy and Burbury Consulting Pty Ltd) with a value of \$50 000 or over (ex. GST)				
Name of consultant	Location of consultant	Description of consultancy	Date awarded	Value of consultancy
Jacobs Group (Australia) Pty Ltd	Hobart, Tasmania	Detailed design and documentation for a new bridge over Half Way Creek	27/07/2015	\$56,092.00
Jacobs Group (Australia) Pty Ltd	Hobart, Tasmania	Huon Highway Summerleas Intersection Upgrade	26/10/2015	\$1,350,000.00
Jacobs Group (Australia) Pty Ltd	Hobart, Tasmania	Options Analysis for B71 - Old Scamander River Bridge	27/11/2015	\$55,053.00
Jacobs Group (Australia) Pty Ltd	Hobart, Tasmania	Surges Creek Bridge Replacement	29/02/2016	\$174,203.00
Jacobs Group (Australia) Pty Ltd	Hobart, Tasmania	Great Eastern Drive Passing Bays - Data Capture and Processing	22/02/2016	\$116,935.00
GHD Pty Ltd	Hobart, Tasmania	Lyell Highway - South of Brady's Lake - Contract Administration	16/09/2015	\$55,685.00
GHD Pty Ltd	Hobart, Tasmania	NEFR - Waterhouse Road - Emily Street to Brid River - Road Upgrade	16/03/2016	\$76,500.00
GHD Pty Ltd	Hobart, Tasmania	Bass Highway - Biralee Road to Exton - Contract Administration	5/10/2015	\$109,395.00
GHD Pty Ltd	Hobart, Tasmania	Tasman Bridge - Maintenance Inspection Facilities and Pathway Options	16/11/2015	\$53,400.00
GHD Pty Ltd	Hobart, Tasmania	Latrobe - Concepts & Traffic Modelling	10/03/2016	\$152,100.00
GHD Pty Ltd	Hobart, Tasmania	Doctors Creek Bridge Replacement	1/03/2016	\$111,219.00
GHD Pty Ltd	Hobart, Tasmania	Wacketts Creek Bridge Replacement	1/03/2016	\$100,389.00
GHD Pty Ltd	Hobart, Tasmania	Congestion Management - Traffic Modelling	22/02/2016	\$50,000.00
GHD Pty Ltd	Hobart, Tasmania	Channel Highway - Bonnet Hill Investigation	24/05/2016	\$96,001.00
GHD Pty Ltd	Hobart, Tasmania	Greater Hobart Transport Modelling - Strategic Model Update	22/04/2016	\$219,100.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, Tasmania	Midland Highway Upgrade Program - Epping Forest to Powranna	12/08/2015	\$227,773.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, Tasmania	Midland Highway - Deflectograph Data	13/08/2015	\$98,632.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, Tasmania	Midland Highway - Turning Facilities	8/10/2015	\$230,249.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, Tasmania	South of Hamilton - Shoulder Sealing	22/10/2015	\$175,781.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, Tasmania	Mangalore to Bagdad - Contract Administration	4/12/2015	\$266,122.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, Tasmania	Kempton to Melton Mowbray - Contract Administration	4/12/2015	\$345,477.00

Name of consultant	Location of consultant	Description of consultancy	Date awarded	Value of consultancy
Pitt&Sherry (Operations) Pty Ltd	Hobart, Tasmania	Colebrook Main Road - Cambridge to Richmond Safety Project	7/03/2016	\$297,868.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, Tasmania	Slip & Bank Stabilisation, Rock Cuttings - Various Sites 2016/2017	1/04/2016	\$100,723.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, Tasmania	Pavement Investigations 2016 - Deflectograph	11/04/2016	\$60,281.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, Tasmania	Midland Highway - Epping Forest to Powranna - Detailed Design	12/05/2016	\$499,805.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, Tasmania	Statewide Bridge Joint Rehabilitation Program 2016-17	9/05/2016	\$51,925.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, Tasmania	ApsleyRiver Bridge Replacement	11/05/2016	\$125,461.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, Tasmania	Midland Highway - Kempton to Melton Mowbray Stage 2 - Contract Administration	17/05/2016	\$471,691.00
Pitt&Sherry (Operations) Pty Ltd	Hobart, Tasmania	Infrastructure Damage Inspections and Advice	20/06/2016	\$67,288.00
Johnstone McGee & Gandy	Hobart, Tasmania	Bridgewater Bridge - Design Review	19/09/2015	\$286,282.00
Burbury Consulting Pty Ltd	Hobart, Tasmania	Tasman Highway Junction Improvements - Barton Avenue & Swan River Road	18/08/2015	\$66,120.00
Burbury Consulting Pty Ltd	Hobart, Tasmania	Bridgewater Bridge - Investigation and reporting of the settlement at the southern abutment and Pier 1	1/09/2015	\$62,100.00
Burbury Consulting Pty Ltd	Hobart, Tasmania	Tasman Highway - Louisville Road Right Turn Lane	7/03/2016	\$61,875.00
Burbury Consulting Pty Ltd	Hobart, Tasmania	Southern Outlet / Olinda Grove Intersection, City-bound Off-ramp Extension	26/04/2016	\$72,600.00
Burbury Consulting Pty Ltd	Hobart, Tasmania	Sheas Creek Bridge Replacement	17/05/2016	\$75,790.00
Burbury Consulting Pty Ltd	Hobart, Tasmania	Sorell Rivulet Bridge Replacement	17/05/2016	\$96,350.00

## Supporting information Department of State Growth continued

**Table D**

Consultancies or Contracts awarded under an approved limited or direct sourcing process				
Name of supplier	Location of supplier	Description of contract	Reason for the Procurement Methodology	Total value of contract
Roads Corporation (T/A VicRoads)	Burwood East, Victoria	Quarry Inspections in Tasmania and Testing to VicRoads Specifications	Single supplier	\$250,800.00
Telstra Corporation Limited	Hobart, Tasmania	Relocation of Telstra Assets at Midland Highway (North of Tunbridge Tier Road Junction to Mona Vale), Ross	Single supplier	\$55,784.58
Transmax Pty Ltd	Milton, Queensland	Traffic Management Software	Single supplier	\$146,790.00
Transmax Pty Ltd	Milton, Queensland	Software Assurance and Support Services	Additional goods/services from original supplier/ representative	\$91,427.00
Australian Asphalt Pavement Association Ltd	Port Melbourne, Victoria	Review of bituminous surfacing program development and delivery	Sole supplier as only peak body	\$65,000.00
Australian Road Research Board	Vermont South, Victoria	Purchase and Analysis of Traffic Data	Urgent Requirements	\$150,000.00
Stenning & Associates Pty Ltd	Hobart, Tasmania	Tourism Supply Project	Exceptional circumstances	\$100,770.00
Forestry Tasmania	Hobart, Tasmania	Special Species Timber Management Plan	Single supplier	\$127,408.00
Phillip Barker and Andrew North	Hobart, Tasmania	Management of Roadside Conservation Sites	Single supplier	\$150,000.00

**Table E**

Contract extensions approved in accordance with Treasurer's Instruction 1115(4)				
Name of supplier	Location of supplier	Description of contract	Period of extension	Total value of contract
Nil				

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## Disability Framework for Action 2013–17

The department continues to finalise its Disability Action Plan with implementation occurring over the next two years. The action plan focuses on four key areas with an emphasis on improved access to a range of:

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

The department has been participating in programs and initiatives that promote inclusiveness and improve accessibility to the programs and services it provides.

### Arts Tasmania

Initiatives implemented include:

- » The introduction of a requirement that applications from arts organisations for annual or multi-year investment must include disability action plans and budget lines for access. Applicants seeking project funding are encouraged to have disability action plans in place.
- » The appointment of an artist living with disability to the Tasmanian Arts Advisory Board.
- » The programming of an exhibition of work by artists living with disability annually while situated at 146 Elizabeth Street, Hobart.
- » The inclusion of a disability awareness section in the induction program for Board and panel members. Arts Tasmania will engage the artist living with disability who is a nominee for the Tasmanian Arts Advisory Board in reviewing the content. The nominee is of the opinion that disability awareness training delivered by someone living with a disability is the most effective method.
- » The hosting of information sessions on an Audio Describer project (making the visual images of theatre, television, movies, and other art forms accessible to people who are visually impaired) in 2015.

Profiling and promoting work created by artists with disability to expand wider audience interest in disability arts continues through stories on Arts Tasmania's Newbyte newsletter.

### Transport Services

Initiatives implemented include:

- » Unlimited wheelchair accessible taxi licences were made available at no capital cost.
- » Supplementary funding of \$3.25 million was provided to Metro Tasmania for the procurement of accessible buses.
- » A significant project has been underway to support members of Tasmanian Government transport programs and transport providers to make the transition to the National Disability Insurance Scheme.
- » Preliminary work has been undertaken on developing educational material for people with a disability who want to drive a car or ride a bike (e.g. brochure and internet).

### Web accessibility

The department continues to ensure it remains compliant with the Web Content Accessibility Guidelines (WCAG) 2.0 AA standards in relation to all online publishing.

Furthermore the department is working with designers, developers and business units to ensure that all new developments and redevelopments of websites are WCAG compliant and responsive before being approved and published.

Web Services completed a document on creating accessible word documents that convert to accessible PDF's.

Communications and Web Services have been working closely on ensuring that all content that is placed online is compliant.

Staff are encouraged to write in plain English to meet readability levels. Workshops for website content creators were held which included raising awareness in creating accessible content.

## Publications

The department produced the following stakeholder publications in 2015-16.

- Advanced Manufacturing Transition Fund
- Antarctic and the Southern Ocean
- Bell Bay Industrial Precinct
- Caterpillar Transition Taskforce – Final Report May 2016
- China Engagement Report
- Corporate Plan 2015-2018
- Cultural and Creative Industries Strategy
- Data Centre Action Strategy
- Department of State Growth Annual Report 2014-15
- Draft International Education Strategy
- Employer guide to apprenticeships and traineeships
- Guide for Trainees and Apprentices
- Ministerial Priorities for Training and Workforce Development 2016*
- Opportunities to transition Tasmania's North West / North Advanced Manufacturing sector – Expression of Interest guidelines
- Our Fair Share of Defence Strategy
- Population Growth Strategy
- Project Pipeline April 2016
- Qualities Employers are looking for in Employees
- Tasmanian Training Awards 2015 – souvenir program
- Report Card *Ministerial Priorities for Training and Work Development 2014-15*
- State of our Roads 2015
- Tasmania's dairy regions - A guide for investors
- Tasmanian Energy Security Taskforce Consultation paper August 2016
- Tasmanian Energy Strategy
- Tasmanian Integrated Freight Strategy
- Tasmanian Integrated Freight Strategy – Draft for public consultation
- Tasmanian Red Tape Audit Report 2015
- Tasmanian Skills and Workforce Development Conference 2016
- TDR Board Annual Report 2014-15
- Towards Zero – *Tasmanian Road Safety Strategy 2017-2026* Discussion Paper
- Valley Central Industrial Precinct

Also including a wide range of leaflets, brochures and flyers.



# Grants

## Grants program review

In accordance with Treasurer's Instruction 709 *Grant Management Framework*, the following grant programs have been reviewed by the department and are considered to be meeting their intended objectives. The department continues to improve grant program outcome key performance indicators to assist decision making and improve the effectiveness of grant programs in meeting government objectives.

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

Significant Grant Program	Paid 2015-16	Purpose and intended outcomes
Major Events Partnerships Program	\$6,675,000	The Major Event Partnerships Program provides funding to significant events that return substantial economic outcomes for the state. The program's assessment criteria are aligned to Events Tasmania's strategic aims of attracting people to Tasmania, getting Tasmanians and visitors moving around the state and the ability of events to get consumers and public talking about Tasmania as a destination. Examples of major events funded include V8 Supercars, Targa Tasmania, Dark Mofo, Festival of Voices, Australian Wooden Boat Festival and The Unconformity.
Arts Tasmania Grants Funding Programs	\$2,787,330	The objective of Arts Tasmania's investment programs is to support, facilitate, advocate and enable creativity, diversity, cultural excellence and quality arts practice in Tasmania. The programs also aim to broaden the engagement of Tasmanians in the arts, highlight the state's diverse arts and cultural sector, and deepen Tasmanian cultural experiences. The programs focus on providing support to the arts sector in Tasmania through funding to individual artists, arts organisations and major Tasmanian cultural institutions to assist their planning and realisation of projects, as well as to attract and encourage the creation of new work.
Museums, Art Galleries and Heritage Organisations Grants	\$1,809,850	The objective of the program is to improve information about collections, increase public access to information and enhance curatorial practice and collection management as a key part of the Government's ongoing support for the preservation of the state's cultural heritage. Museums and collection are also able to access the Roving Curators who are museums professionals available to work on museum or collection-based projects for a period of up to 5 weeks (based on a full-time workload). Applying to this program does not involve a request for funding, but rather a request for time.
Forest Contractors Financial Support Program	\$2,484,680	<p>Programs completed in 2015-16:            Native Forest Harvest Contractor Assistance Program            Past Native Forest Contractor Hardship Relief Program.</p> <p>The department continues to administer other grant programs originating from the Tasmanian Forests Inter-governmental Agreement. These are:            Forest Contractor Accreditation Program            Forest Employee Training and Development Services Program            High Quality Sawlog Contract Buyback Program            Regional Sawmiller Structural Adjustment Program.</p> <p>The department has reviewed the delivery of the above programs, in order to determine whether the intended outcomes are being realised. As a result of these reviews, the scope of the Forestry Employee Training and Development Services program has been further refined to better align with industry needs.</p> <p>The intended outcomes of the remaining programs have been, or are being achieved, noting that monitoring of compliance by recipients is ongoing with regard to:            High Quality Sawlog Contract Buyback Program            Contractor Accreditation Program            Native Forest Harvest Contractor Assistance Program            Regional Sawmiller Structural Adjustment Program.</p>

## Supporting information Department of State Growth continued

Significant Grant Program	Paid 2015-16	Purpose and intended outcomes
Grants to Councils - Road Works	\$5,909,440	<p><b>Black Spot Program:</b> This is an annual program where councils submit an application to the advisory panel for consideration. The advisory panel then assesses all applications and provides a recommendation to the Australian Government on which projects should be approved. The Australian Government reviews this recommendation and ultimately the approval comes from the Federal Minister and the approval instrument is issued. The Australian Government does not have a legal mechanism in place to deal directly with local government regarding these projects. The State becomes the funding recipient and we then enter into a deed and transfer our responsibility to the council. Payments are made direct to the State and we then pass them on to the councils.</p> <p><b>Bridge Renewal and Heavy Vehicle Safety &amp; Productivity Programs:</b> These are programs run by the Australian Government whereby they call for expressions of interest for funding. The Australian Government assesses their applications and then approves them. At the time of approval they provide advice on the value and the milestones that will apply. Similar to the Black Spot program they have no legal mechanism in place to be able to provide the funds direct to local government so we become the funding recipient and just pass the money on. We then enter into a deed with the councils to pass on our responsibility. We don't assess any of their milestones as to whether they meet requirements, that is passed onto the Australian Government and they then do the assessment. Payments are made direct to the State and we then pass them on to the councils.</p>
Regional Tourism Infrastructure & Innovation Fund	\$1,485,078	The Australian Government's Regional Tourism Infrastructure Innovation Fund (RTIIF) saw \$4.38 million allocated to 16 projects through the Department of State Growth as a one off allocation during the 2015-16 financial year to support the delivery of infrastructure projects in regional areas that contribute to the Tourism 2020 outcomes by driving demand, improving quality, increasing tourism expenditure and directly supporting jobs growth.
Tourism Demand Driver Infrastructure Grants	\$441,012	Administered by the Department of State Growth, the Australian Government's Tourism Demand Driver Infrastructure (TDDI) Program will see \$3.124 million provided to Tasmania over a four year period from 2014-15 to 2017-18 to support the delivery of infrastructure projects that contribute to the Tourism 2020 outcomes by driving demand, improving quality and increasing tourism expenditure. The second round of TDDI was administered during the reporting period with matched funding of \$775 025 allocated to 16 projects (not all paid as at 30 June 2016).
Caterpillar Transition Taskforce/Tasmanian Manufacturing Investment Program (Advanced Manufacturing Transition Fund)	\$1,596,989	This fund provided funds to 11 companies to support activities aimed at transitioning the advanced manufacturing industries into new areas of opportunity, actively seeking new investment to grow jobs in the short, medium and long-term, and working with the community to retain the advanced manufacturing capacity in the north and north west regions of Tasmania. The funds were dispersed in the latter part of the 2015-16 financial year. Measurement of the intended outcomes will be undertaken in 2016-17.

Significant non-program grants	Paid 2015-16	Purpose and intended outcomes
AFL Agreement - Hawthorn Football Club	\$3,939,645	Major events, including Hawthorn Football Club AFL games in Tasmania, make a significant impact to our state economy, delivering substantial on-the-ground benefits to businesses as well as enhancing community engagement. Independent advice on the economic impact of Hawthorn Football Club games indicates that the contribution to the Tasmanian economy during the 2015 season generated a total direct expenditure of \$17.5 million for the state, and with media value of just over \$12 million the value of the partnership in 2015 totalled almost \$30 million. Over the term of the current five-year sponsorship agreement it is estimated that in excess of 400 full-time equivalent jobs have been created. The current deal which began in 2011 and concludes in 2016 started at \$3.375 million plus CPI in 2011 and closes at approximately \$3.8 million in 2016, and includes finals bonuses. In 2015 the Tasmanian Government and the HFC reached a new deal which will see the Hawks play five games per year in Launceston until 2021. The total investment in the new deal is \$19 million plus CPI, or \$3.8 million per year plus CPI. The removal of finals and grand finals bonus payments has been negotiated, meaning a saving of up to \$1 million on the current contract given that \$1.05 million in bonus payments have been made as part of the sponsorship agreements to date.
Australian Masters Games	\$750,000	The Australian Masters Games is a biennial sporting event that is regarded as one of the premier and largest participation sporting events on the Australian sporting landscape. In 2017 the 16th edition of the Games will be hosted in north west Tasmania. The Tasmanian and Australian Governments are jointly investing a total of \$1 500,000 into the event, split as \$750 000 per party. The entire quantum of financial support being administered by the Tasmanian Government. During the event, it is expected over 6 000 participants will compete across over 40 different sports. Events Tasmania represents the Tasmanian Government on the Games Advisory Board.
CSIRO ICT Extension Grant	\$1,155,000	The purpose of the CSIRO ICT extension grant was to establish a Tasmanian node of the Australian Centre for Broadband Innovation (ACBI), hosted by the Tasmanian ICT Centre over a period of five years from 1 January 2012 to 31 March 2017. Specifically, the Grant co-funds the CSIRO Sense-T Project, established through the Tasmanian node of the ACBI, which is designed to support the wider Sense-T Program being delivered by the University of Tasmania. Sense-T is helping to build an economy-wide sensor network and data resource, creating a digital view of Tasmania and giving industry, governments and communities the tools to solve practical problems and make better decisions.
Tasmanian Symphony Orchestra	\$2,207,560	The Tasmanian Symphony Orchestra (TSO), one of the world's finest small orchestras, continues to receive Tasmanian Government support. The TSO plays to audiences throughout Tasmania and its award-winning recordings are heard throughout the world. A versatile orchestra, the TSO is renowned for its expertise in music of the classical and early romantic periods and is recognised internationally as a champion of Australian music.
Tasmanian Railway Pty Ltd	\$41,892,000	This payment represents the Government's ongoing grant contributions to Tasmanian Railway Pty Ltd. The payments allow Tasmanian Railway Pty Ltd to manage, maintain and operate the Tasmanian rail network on a sustainable basis and it also provides for critical annual maintenance of rolling stock assets.
West Coast Wilderness Railway	\$5,117,498	In 2012-13, the Australian Government committed \$6 million to fund capital, maintenance and operational activities on the West Coast Wilderness Railway for use until 2016-17. \$617 498 of that fund was provided in 2015-16. In addition, the Tasmanian Government supports the Railway's operations by way of funding of \$4.5 million per annum until 2017-18.
Ten Days on the Island	\$1,330,000	Ten Days on the Island is a biennial arts festival that commenced in 2001. Ten Days on the Island has attracted high quality local and international artists from around the world to celebrate our unique island culture. The eighth edition of Ten Days on the Island was held in 2015. In accordance with the Government's election savings commitment, funding for this festival has been reduced for the next potential contracted series of events from 2017-18.

## Supporting information Department of State Growth continued

Significant non-program grants	Paid 2015-16	Purpose and intended outcomes
Vodafone	\$1,330,000	This initiative supported payroll tax relief for the qualifying portion of Vodafone's workforce in Tasmania and assistance with infrastructure costs in its relocation to accommodation within the Hobart CBD.
National Road Transport Commission: Local Government Contribution	\$1,500,000	Under the reform measures that abolished local road tolls in favour of national heavy vehicle charges, \$1.5 million is provided annually from motor tax receipts to local government to compensate for loss of revenues from heavy vehicles.
Kings Meadows Flood Protection	\$1,000,000	To assist the Launceston City Council to undertake identified works to minimise flooding in the Kings Meadows commercial areas.
Lion Nathan Grant	\$1,459,907	The Tasmanian Government has committed to provide a \$1.5 million grant to secure new investment of more than \$150 million in Lion's Australian cheese manufacturing operations. The investment includes the expansion of the Burnie and King Island cheese factories.

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## Statutory and non-statutory bodies

### Statutory bodies

Committee to Coordinate the Response to Energy Supply Emergencies

Energy Security Taskforce

Electricity Technical Advisory Committee

Integrity Assurance Board

Tasmanian Arts Advisory Board

Tasmanian Building and Construction Industry Training Board

Tasmanian Development Board

Tasmanian Museum and Art Gallery Board of Trustees

Tasmanian Traineeships and Apprenticeships Committee

Theatre Royal Management Board

### Non-statutory bodies

Screen Tasmania Board

## Superannuation certificate

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



**Kim Evans**

Secretary  
Department of State Growth

## Compliance Index

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

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

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

The four columns in the index have the following meanings.

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

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

Section	Compliance	Page	Details
<b>General</b>			
		2	Table of contents
		Annual Report	Alphabetical index
		74	List of acronyms
<b>Overview</b>			
Strategic plan	SSR s9(a)(i)	n/a	An overview of the department's strategic plan, including its aims, functions and related program
Performance	SS s36(l)(a)	Annual Report	
	FMAA s27(l)(a)	Annual Report	A report on the performance of the functions and exercises of the power of the Secretary under any written law
Major initiatives	SSR s9(a)(v)	Annual Report	Details of major initiatives taken by the department to develop and give effect to government policy
Major changes during the year	SSR s9(a)(iv)	Annual Report	Details of – and reasons for – any major changes which have taken place in relation to the programs, aims, functions or organisational structure of the agency
<b>Operational structure</b>			
Department organisational chart	SSR s9(a)(ii)	6	An organisational chart illustrating the department's administrative structure, including regional offices, showing officers of the agency
Why we are structured in this way	SSR 9(a)(iii)	Annual Report	A description of the relationship between the organisational structure and the program management structure of the agency
<b>Performance measurement</b>			
Performance summary	TI 701 (l)(a)(e)	10-39	A narrative summary, together with quantitative measure where relevant, of the objectives and functions of the programs or activities, including significant outcomes, key efficiency measures, targets, proposed plans and any ministerial objectives
	TI 201 (l)(b)	3-4	Economic and other factors that have affected the achievement of operational objectives
<b>Legislation administered and major documents published</b>			
Legislation administered	SSR s9(d)	50-52	A list of legislation administered by the department
Legislation enacted	SSR 9(d)	52	A list of legislation enacted during the year for which the department is responsible, including details of significant changes to legislation previously administered by the department
<b>Public access and awareness of services provided</b>			
Key contact	SSR s9(c)(ii)	1	List of contact officers and points of public access in relation to services provided by the department
Community awareness report	SSR s9(c)(i)	10-33	Details of activities undertaken to develop community awareness of the department and the services it provides
Agency publications	SSR s9(c)(i)	65	List of major documents published by any internal or external body of the department during the year
Right to Information	RTI s23	49	Right to Information details for 2015–16

## Supporting information Department of State Growth continued

Section	Compliance	Page	Details
Human resources management			
Recruitment and selection	SSR s9(b)(i)	7-8, 38-39, 64	Details of recruitment policies and programs, including statistical information
Staff development	SSR s9(b)(ii)	7-8, 38-39	Information relating to employee training and development activities, including statistical information for 2014–15
Equal employment opportunities	SSR s9(b)(iii)	7-8, 38-39	A description of the department's workplace diversity program, including statistical information for 2014–15
Industrial democracy	SSR s9(b)(iv)	7-8, 38-39	Details of the processes established to ensure employee participation in industrial relations matters within the department
Internal grievance procedures	SSR s9(b)(v)	7-8, 38-39	Summary of internal grievance procedures
Occupational health and safety	SSR s9(b)(vi)	7-8, 38-39	Outline of occupational health and safety strategies
Human resources management			
Appeals process	SSR s9(c)(iii)	7-8, 38-39	An outline of the processes available for appeals against decisions made by the department
Superannuation contribution	PSSRA s13	70	Certification by the relevant department manager relating to contributions to non-RBF superannuation funds, including a report that the department has met its obligations under the <i>Superannuation Guarantee (Administration) Act 1992</i>
Asset management and risk management policies			
Major capital projects	TI 201 (I)(d)	Annual Report	Information on major capital projects or undertakings
Asset management	TI 201 (I)(g)	Annual Report	Statement of asset management policies and an outline of asset management strategies and initiatives
Risk management	TI 201 (I)(f)	Annual Report	Statement of risk management policies and an outline of significant risk management activities and initiatives
Pricing policies	TI 201 (I)(c)	Annual Report	Pricing policies of goods and services provided, the last review date, and reference to documents that contain the pricing information, with details of cost-recovery policies and their application, as appropriate
Government procurement			
Support for local businesses	TI 1110 6(a)	Annual Report	A narrative statement in the introduction by the Secretary regarding the department's support for local business
	TI 1110 6(b)(i)	Annual Report	Summary of the department's support for local business, including the number of procurement contracts awarded, the number of tenders called and the number of bids received and the extent of local participation in procurement activities
Contracts awarded during the year	TI 1110 6(b)(ii)	54-63	Detailed information on all contracts awarded, including consultancy contracts, including a description of the contract, the total value of the contract and the name and locality of contractors
Other matters	TI 201 (i)(i)	n/a	Any other matters deemed relevant by the Secretary
Financial Statements			
Financial Statements	FMAA s27 (1)(c), FMAA s27 (2),(3) and (4)	76-178	Financial Statements of the department for the year including financial statements of any statutory or public body not required to report under any other Act
	TI 201 (i)(j)	182-195	Abt Railway Ministerial Corporation
Audit opinion	FMAA s27 (1)(c)	179-180	Auditor-General's report on the department's financial statements
	TI 201 (I)(k)	196-197	Auditor-General's report on the Abt Railway Ministerial Corporation

## List of acronyms

AASB	Australian Accounting Standards Board	RACT	Royal Automobile Club of Tasmania
ABC	Australian Broadcasting Corporation	RAP-Tas	Regional Assistance Program Tasmania
AGM	Annual general meeting	RDAF	Regional Development Australia Fund
AIF	Arts Infrastructure Fund	RELS	Renewable Energy Loans Scheme
AIRC	Australian Innovation Research Centre	RFA	Regional Forest Agreement
ARMC	Abt Railway Ministerial Corporation	RFDP	Request for Detailed Proposal
ATO	Australian Taxation Office	RSAC	Road Safety Advisory Council
AusRAP	Australian Road Assessment Program	RSNL	Rail Safety National Law
CASR	Centre for Automotive Research	RTI	Right to Information
CCRESE	Committee to Coordinate the Response to Energy Supply Emergencies	RTIIF	Regional Tourism Infrastructure Innovation Fund
COAG	Council of Australian Governments	RTOs	Regional Tourism Organisations
CODES	Centre of Excellence in Core Deposits	SAMP	Strategic Asset Management Plan
DAPs	Destination Action Plans	SELF	Social Enterprise Loan Fund
EGP	Enterprise Growth Program	SSALS	State Service Accumulated Leave Scheme
ERTO	Endorsed Registered Training Organisations	STAB	Screen Tasmania Advisory Board
FTE	Full-time equivalent	TAAB	Tasmanian Arts Advisory Board
FWDLS	Farm Water Development Loans Scheme	TCCI	Tasmanian Chamber of Commerce and Industry
GSP	Gross State Product	TDDI	Tourism Demand Driver Infrastructure
GST	Goods and Services Tax	TDR	Tasmania Development and Resources
HFC	Hawthorn Football Club	TFGA	Tasmanian Farmers and Graziers Association
ICT	Information Communication Technology	THA	Tasmanian Hospitality Association
ITas	Infrastructure Tasmania	TIAR	Tasmanian Institute of Agricultural Research
LGAT	Local Government Association of Tasmania	TICT	Tourism Industry Council of Tasmania
LWOP	Leave without pay	TMAG	Tasmanian Museum and Art Gallery
MAIB	Motor Accidents Insurance Board	TREIDB	Tasmanian Renewable Energy Industry Development Board
MONA	Museum of Old and New Art	TRMF	Tasmanian Risk Management Fund
MOU	Memorandum of Understanding	VET	Vocational education and training
MRT	Mineral Resources Tasmania	WATS	Wheelchair accessible taxis
NBN	National Broadband Network	WCWR	West Coast Wilderness Railway
NEM	National Energy Market	WHS	Workplace Health and Safety
OSOM	Over Size Over Mass	WPP	Workforce Participation Program
PAPF	Premier's Arts Partnership Fund		
PDAC	Premier's Disability Advisory Council		
PDF	Portable document format		
R&D	Research and Development		

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# Financial Statements

for the year ended 30 June 2016

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## Table of Contents

CERTIFICATION OF FINANCIAL STATEMENTS .....	78
Statement of Comprehensive Income for the year ended 30 June 2016.....	79
Statement of Comprehensive Income for the year ended 30 June 2016 continued.....	80
Statement of Financial Position as at 30 June 2016.....	81
Statement of Cash Flows for the year ended 30 June 2016.....	82
Statement of Cash Flows for the year ended 30 June 2016 (continued).....	83
Statement of Changes in Equity for the year ended 30 June 2016.....	84
Notes to and forming part of the Financial Statements for the year ended 30 June 2016.....	85

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## Certification of Financial Statements

The accompanying Financial Statements of the Department of State Growth are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990* to present fairly the financial transactions for the year ended 30 June 2016 and the financial position as at end of the year.

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



**Kim Evans**

Secretary

23 September 2016

# Statement of Comprehensive Income for the year ended 30 June 2016

	Notes	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<i>Continuing operations</i>				
<b>Revenue and other income from transactions</b>				
Revenue from Government				
Appropriation revenue - recurrent	6.1	301,652	270,331	271,002
Appropriation revenue - works and services	6.1	90,631	94,700	110,467
Other revenue from Government	6.1	...	7,447	10,971
Revenue from Special Capital Investment Funds	6.2	...	...	58
Grants	6.3	123,374	84,939	57,150
Sales of goods and services	6.4	2,007	7,740	6,198
Fees and fines	6.5	12,815	13,282	13,401
Interest	6.6	2,430	1,236	1,979
Contributions received	6.7	...	27,691	250
Other revenue	6.8	2,690	6,958	5,500
<b>Total revenue and other income from transactions</b>		<b>535,599</b>	<b>514,324</b>	<b>476,976</b>
<b>Expenses from transactions</b>				
Employee benefits	7.1	58,468	60,163	71,753
Depreciation and amortisation	7.2	108,641	84,422	85,731
Supplies and consumables	7.3	62,089	99,280	92,463
Grants and subsidies	7.4	234,077	215,048	208,605
Finance costs	7.5	1,630	1,111	1,131
Other expenses	7.6	4,643	1,309	1,258
<b>Total expenses from transactions</b>		<b>469,548</b>	<b>461,333</b>	<b>460,941</b>
<b>Net result from transactions (net operating balance)</b>		<b>66,051</b>	<b>52,991</b>	<b>16,035</b>
<b>Other economic flows included in net result</b>				
Net gain/(loss) on non-financial assets	8.1	4	(46,877)	(12,468)
Fair value of land and buildings assets recognised	8.2		4,832	...
Net gain/(loss) on financial instruments and statutory receivables/payables	8.3	....	469	(1,610)
<b>Total other economic flows included in net result</b>		<b>4</b>	<b>(41,576)</b>	<b>(14,078)</b>
<b>Net result from continuing operations</b>		<b>66,055</b>	<b>11,415</b>	<b>1,957</b>
<b>Net result</b>		<b>66,055</b>	<b>11,415</b>	<b>1,957</b>

Statement of Comprehensive Income for the year ended 30 June 2016 (continued)

	Notes	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in physical asset revaluation reserve	12.1	149,937	(45,277)	21,224
<b>Total other comprehensive income</b>		<b>149,937</b>	<b>(45,277)</b>	<b>21,224</b>
<b>Comprehensive result</b>		<b>215,992</b>	<b>(33,862)</b>	<b>23,181</b>

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

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

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

## Statement of Financial Position as at 30 June 2016

	Notes	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<b>Assets</b>				
<i>Financial assets</i>				
Cash and deposits	13.1	51,955	98,766	66,472
Receivables	9.1	3,947	5,585	3,734
Loan advances	9.2	51,817	33,282	39,948
Equity investments	9.3	770	...	...
Other financial assets	9.4	7,628	114	481
<i>Non-financial assets</i>				
Inventories	9.5	357	311	414
Property, plant and equipment and artwork	9.6	162,732	166,822	168,215
Heritage and cultural assets	9.6	409,956	407,879	400,618
Infrastructure	9.7	4,417,407	4,030,792	4,081,960
Intangibles	9.8	7,055	3,814	5,633
Other assets	9.9	2,172	1,433	1,731
<b>Total assets</b>		<b>5,125,739</b>	<b>4,748,798</b>	<b>4,769,206</b>
<b>Liabilities</b>				
Payables	10.1	7,044	10,680	8,177
Interest bearing liabilities	10.2	42,982	54,742	40,513
Employee benefits	10.3	20,233	17,387	21,654
Provisions	10.4	3,280	3,758	4,532
Other liabilities	10.5	8,631	19,774	18,599
<b>Total liabilities</b>		<b>82,170</b>	<b>106,341</b>	<b>93,475</b>
<b>Net assets</b>		<b>5,043,569</b>	<b>4,642,457</b>	<b>4,675,731</b>
<b>Equity</b>				
Contributed capital		3,173,900	417,334	416,746
Reserves	12.1	1,848,221	1,571,124	1,616,401
Accumulated funds		21,448	2,653,999	2,642,584
<b>Total equity</b>		<b>5,043,569</b>	<b>4,642,457</b>	<b>4,675,731</b>

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

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

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

# Statement of Cash Flows for the year ended 30 June 2016

	Notes	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>				
<b>Cash inflows</b>				
Appropriation receipts - recurrent		301,652	275,238	275,393
Appropriation receipts - works and services		34,224	62,842	55,825
Receipts from Special Capital Investment Funds		...	...	238
Grants		24,871	32,291	32,932
Sales of goods and services		2,012	8,659	6,140
Fees and fines		12,815	13,217	13,390
GST receipts		16,898	27,783	27,730
Interest receipts		2,430	1,231	1,702
Other cash receipts		2,690	7,697	5,626
<b>Total cash inflows</b>		<b>397,592</b>	<b>428,958</b>	<b>418,976</b>
<b>Cash outflows</b>				
Employee benefits		(59,147)	(65,142)	(70,332)
Grants and subsidies		(234,002)	(217,905)	(210,758)
Supplies and consumables		(62,295)	(95,802)	(94,881)
Interest payments		(1,710)	(1,077)	(1,077)
GST payments		(16,899)	(28,962)	(26,856)
Other cash payments		(4,643)	(675)	(756)
<b>Total cash outflows</b>		<b>(378,696)</b>	<b>(409,563)</b>	<b>(404,660)</b>
<b>Net cash from (used by) operating activities</b>	13.2	<b>18,896</b>	<b>19,395</b>	<b>14,316</b>
<b>Cash flows from investing activities</b>				
<b>Cash inflows</b>				
Proceeds from the disposal of non-financial assets		4	124	350
Receipts from non-operational capital funding - recurrent		...	249	1,633
Receipts from non-operational capital funding - works and services		56,407	34,729	59,642
Receipts from Australian Government funding		98,503	52,866	30,472
Loan repayments received		...	14,004	11,509
Receipts from Investments		...	175	102
Cash inflow on administrative restructure	12.2	...	245	30,658
<b>Total cash inflows</b>		<b>154,914</b>	<b>102,392</b>	<b>134,366</b>
<b>Cash outflows</b>				
Payments for acquisition of non-financial assets		(166,501)	(95,741)	(93,943)
Loans advanced		(2,500)	(6,963)	(17,215)
Payments for investments		...	(933)	(1,305)
Equity transfers to other Government entities		(100)	...	(4,972)
Cash outflow on administrative restructure	12.2	...	...	(1,804)
<b>Total cash outflows</b>		<b>(169,101)</b>	<b>(103,637)</b>	<b>(119,239)</b>
<b>Net cash from (used by) investing activities</b>		<b>(14,187)</b>	<b>(1,245)</b>	<b>15,127</b>

Statement of Cash Flows for the year ended 30 June 2016 (continued)

	Notes	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<b>Cash flows from financing activities</b>		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash inflows</b>				
Proceeds from borrowings		282	20,000	15,000
Trust receipts		...	651	2,111
<b>Total cash inflows</b>		<b>282</b>	<b>20,651</b>	<b>17,111</b>
<b>Cash outflows</b>				
Repayment of borrowings		...	(5,770)	(10,598)
Trust payments		...	(737)	(2,663)
<b>Total cash outflows</b>		<b>...</b>	<b>(6,507)</b>	<b>(13,261)</b>
<b>Net cash from (used by) financing activities</b>		<b>282</b>	<b>14,144</b>	<b>3,850</b>
<b>Net increase (decrease) in cash and cash equivalents held</b>		<b>4,991</b>	<b>32,294</b>	<b>33,293</b>
<b>Cash and deposits at the beginning of the reporting period</b>		<b>46,964</b>	<b>66,472</b>	<b>33,179</b>
<b>Cash and deposits at the end of the reporting period</b>	13.1	<b>51,955</b>	<b>98,766</b>	<b>66,472</b>

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

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

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

## Statement of Changes in Equity for the year ended 30 June 2016

	Notes	Contributed Equity \$'000	Reserves \$'000	Accumulated funds \$'000	Total Equity \$'000
<b>Balance as at 1 July 2015</b>		<b>416,746</b>	<b>1,616,401</b>	<b>2,642,584</b>	<b>4,675,731</b>
Net result		...	...	11,415	11,415
Other comprehensive income – revaluation reserve		...	(45,277)	...	(45,277)
Transactions with owners in their capacity as owners:					
Administrative restructure – net assets received	12.2	588	...	...	588
Equity contributions to Tasmanian Railway Pty Ltd		...	...	...	...
<b>Total</b>		<b>588</b>	<b>(45,277)</b>	<b>11,415</b>	<b>(33,274)</b>
<b>Balance as at 30 June 2016</b>		<b>417,334</b>	<b>1,571,124</b>	<b>2,653,999</b>	<b>4,642,457</b>

	Notes	Contributed Equity \$'000	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
<b>Balance as at 1 July 2014</b>		...	<b>1,546,189</b>	<b>2,645,599</b>	<b>4,191,788</b>
Net result		...	...	1,957	1,957
Other comprehensive income – revaluation reserve		...	21,224	...	21,224
Transactions with owners in their capacity as owners:					
Administrative restructure – net assets received	12.2	416,746	48,988	...	465,734
Equity contribution to Tasmanian Railway Pty Ltd		...	...	(4,972)	(4,972)
<b>Total</b>		<b>416,746</b>	<b>70,212</b>	<b>(3,015)</b>	<b>483,943</b>
<b>Balance as at 30 June 2015</b>		<b>416,746</b>	<b>1,616,401</b>	<b>2,642,584</b>	<b>4,675,731</b>

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 2016

<b>Note 1: Administered Financial Statements</b> .....	<b>88</b>
1.1 Schedule of Administered Income and Expenses.....	88
1.2 Schedule of Administered Assets and Liabilities.....	89
1.3 Schedule of Administered Cash Flows.....	90
1.4 Schedule of Administered Changes in Equity.....	91
<b>Note 2: Departmental Output Schedules</b> .....	<b>92</b>
2.1 Output Group Information.....	92
2.2 Reconciliation of Total Output Groups Comprehensive Result to Statement of Comprehensive Income.....	102
2.3 Reconciliation of Total Output Groups Net Assets to Statement of Financial Position.....	103
2.4 Administered Output Schedule.....	104
2.5 Reconciliation of Total Administered Output Groups Comprehensive Result to Administered Statement of Changes in Equity.....	105
2.6 Reconciliation of Total Administered Output Groups Net Assets to Schedule of Administered Assets and Liabilities.....	105
<b>Note 3: Expenditure under Australian Government Funding Arrangements</b> .....	<b>106</b>
<b>Note 4: Explanations of Material Variances between Budget and Actual Outcomes</b> .....	<b>107</b>
4.1 Statement of Comprehensive Income.....	107
4.2 Statement of Financial Position.....	108
4.3 Statement of Cash Flows.....	109
<b>Note 5: Underlying net operating balance</b> .....	<b>110</b>
<b>Note 6: Income from transactions</b> .....	<b>111</b>
6.1 Revenue from Government.....	111
6.2 Revenue from Special Capital Investment Funds.....	112
6.3 Grants.....	112
6.4 Sales of goods and services.....	113
6.5 Fees and fines.....	113
6.6 Interest.....	113
6.7 Contributions received.....	114
6.8 Other revenue.....	114
<b>Note 7: Expenses from transactions</b> .....	<b>115</b>
7.1 Employee benefits.....	115
7.2 Depreciation and amortisation.....	118
7.3 Supplies and consumables.....	120
7.4 Grants and subsidies.....	120
7.5 Finance costs.....	122
7.6 Other expenses.....	122
<b>Note 8: Other economic flows included in net result</b> .....	<b>122</b>
8.1 Net gain/(loss) on non-financial assets.....	122
8.2 Fair Value of land and buildings recognised.....	123
8.3 Net gain/(loss) on financial instruments and statutory receivables/payables.....	123
<b>Note 9: Assets</b> .....	<b>124</b>
9.1 Receivables.....	124
9.2 Loan advances.....	125

9.3	Equity investments.....	126
9.4	Other financial assets.....	126
9.5	Inventories.....	127
9.6	Property, plant and equipment, artwork, heritage and cultural assets.....	127
9.7	Infrastructure.....	134
9.8	Intangibles.....	138
9.9	Other assets.....	139
<b>Note 10: Liabilities.....</b>		<b>140</b>
10.1	Payables.....	140
10.2	Interest bearing liabilities.....	140
10.3	Employee benefits.....	141
10.4	Provisions.....	141
10.5	Other liabilities.....	142
<b>Note 11: Commitments and Contingencies.....</b>		<b>143</b>
11.1	Schedule of Commitments.....	143
11.2	Contingent Assets and Liabilities.....	144
<b>Note 12: Reserves.....</b>		<b>146</b>
12.1	Reserves.....	146
12.2	Administrative Restructuring.....	147
<b>Note 13: Cash Flow Reconciliation.....</b>		<b>151</b>
13.1	Cash and deposits.....	151
13.2	Reconciliation of Net Result to Net Cash from Operating Activities.....	151
13.3	Acquittal of Capital Investment and Special Capital Investment Funds.....	152
<b>Note 14: Financial Instruments.....</b>		<b>154</b>
14.1	Risk exposures.....	154
14.2	Categories of Financial Assets and Liabilities.....	157
14.3	Reclassifications of Financial Assets.....	157
14.4	Derecognition of Financial Assets.....	157
14.5	Comparison between Carrying Amount and Net Fair Value of Financial Assets and Liabilities.....	158
14.6	Net Fair Values of Financial Assets and Liabilities.....	158
<b>Note 15: Details of Consolidated Entities.....</b>		<b>160</b>
15.1	List of Entities.....	160
<b>Note 16: Notes to Administered Statements.....</b>		<b>160</b>
16.1	Explanations of Material Variances between Budget and Actual Outcomes.....	160
16.2	Administered revenue from Government.....	162
16.3	Administered Grants.....	162
16.4	Administered State taxation.....	162
16.5	Administered Sales of goods and services.....	163
16.6	Administered Fees and fines.....	163
16.7	Administered other revenue.....	163
16.8	Administered Employee benefits.....	164
16.9	Administered Depreciation and amortisation.....	164
16.10	Administered Supplies and consumables.....	164
16.11	Administered Grants and subsidies.....	165

16.12 Administered Other expenses.....	165
16.13 Administered Receivables.....	166
16.14 Administered other financial assets.....	166
16.15 Administered other assets.....	166
16.16 Administered Payables.....	167
16.17 Administered Employee benefits.....	167
16.18 Administered Other liabilities.....	167
16.19 Schedule of Administered Commitments.....	168
16.20 Administered Cash and deposits.....	168
16.21 Reconciliation of Administered Net Result to Net Cash from Administered Operating Activities.....	169
16.22 Administered Financial Instruments.....	169
16.23 Risk exposures.....	169
16.24 Categories of Administered Financial Assets and Liabilities.....	172
16.25 Reclassifications of Administered Financial Assets.....	172
16.26 Derecognition of Administered Financial Assets.....	172
16.27 Comparison between Carrying Amount and Net Fair Value of Administered Financial Assets and Liabilities.....	172
16.28 Net Fair Values of Administered Financial Assets and Liabilities.....	173
<b>Note 17: Transactions and Balances Relating to a Trustee or Agency Arrangement.....</b>	<b>174</b>
<b>Note 18: Events Occurring After Balance Date.....</b>	<b>174</b>
<b>Note 19: Other Significant Accounting Policies and Judgements.....</b>	<b>175</b>
19.1 Objectives and Funding.....	175
19.2 Basis of Accounting.....	176
19.3 Reporting Entity.....	176
19.4 Functional and Presentation Currency.....	176
19.5 Changes in Accounting Policies.....	176
19.6 Activities Undertaken Under a Trustee or Agency Relationship.....	177
19.7 Foreign Currency.....	177
19.8 Comparative Figures.....	177
19.9 Budget Information.....	178
19.10 Rounding.....	178
19.11 Departmental Taxation.....	178
19.12 Goods and Services Tax.....	178

## Note I: Administered Financial Statements

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

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

	Notes	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<b>Administered revenue and other income from transactions</b>				
Revenue from Government				
Appropriation revenue - recurrent	16.2	87,474	79,644	82,229
Grants	16.3	109	5,220	10,545
State taxation	16.4	38,184	39,470	38,168
Sales of goods and services	16.5	5,036	5,140	4,710
Fees and fines	16.6	9,801	9,298	10,959
Other revenue	16.7	28,032	15,044	23,059
<b>Total administered revenue and other income from transactions</b>		<b>168,636</b>	<b>153,816</b>	<b>169,670</b>
<b>Administered expenses from transactions</b>				
Employee benefits	16.8	...	1,479	1,534
Depreciation and amortisation	16.9	...	1	5
Supplies and consumables	16.10	136	1,927	1,752
Grants and subsidies	16.11	87,367	83,164	90,232
Transfers to the Consolidated Fund		81,133	67,125	75,639
Other expenses	16.12	...	44	33
<b>Total administered expenses from transactions</b>		<b>168,636</b>	<b>153,740</b>	<b>169,195</b>
<b>Administered net result from transactions attributable to the State</b>		<b>...</b>	<b>76</b>	<b>475</b>
<i>Administered net result</i>		<b>...</b>	<b>76</b>	<b>475</b>
<b>Administered comprehensive result</b>		<b>...</b>	<b>76</b>	<b>475</b>

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

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

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

## I.2 Schedule of Administered Assets and Liabilities

	Notes	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<b>Administered assets</b>				
<i>Administered financial assets</i>				
Cash and deposits	16.20	3,358	3,515	3,186
Receivables	16.13	97	1,855	27
Other financial assets	16.14	20	81	64
<i>Administered non-financial assets</i>				
Property, plant and equipment		3	...	...
Other assets	16.15	...	6	16
<b>Total administered assets</b>		<b>3,478</b>	<b>5,457</b>	<b>3,293</b>
<b>Administered liabilities</b>				
Payables	16.16	284	644	210
Employee benefits	16.17	302	272	309
Other liabilities	16.18	1,537	2,635	944
<b>Total administered liabilities</b>		<b>2,123</b>	<b>3,551</b>	<b>1,463</b>
<b>Administered net assets</b>		<b>1,355</b>	<b>1,906</b>	<b>1,830</b>
<b>Administered equity</b>				
Accumulated funds		1,355	1,906	1,830
<b>Total administered equity</b>		<b>1,355</b>	<b>1,906</b>	<b>1,830</b>

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

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

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

### 1.3 Schedule of Administered Cash Flows

	Notes	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Administered cash flows from operating activities</b>				
<b>Administered cash inflows</b>				
Appropriation receipts - recurrent		87,474	79,644	82,229
Taxation		38,184	39,273	38,168
Grants		109	5,219	10,850
Sales of goods and services		5,036	5,169	4,708
Fees and fines		9,801	9,280	10,920
Other cash receipts		28,032	15,116	23,053
<b>Total administered cash inflows</b>		<b>168,636</b>	<b>153,701</b>	<b>169,928</b>
<b>Administered cash outflows</b>				
Employee benefits		...	(1,491)	(1,536)
Grants and subsidies		(87,367)	(82,745)	(90,321)
Transfers to the Consolidated Fund		(81,133)	(67,125)	(75,639)
Other cash payments		(136)	(2,070)	(1,797)
<b>Total administered cash outflows</b>		<b>(168,636)</b>	<b>(153,431)</b>	<b>(169,293)</b>
<b>Administered net cash from (used by) operating activities</b>	16.21	...	<b>270</b>	<b>635</b>
<b>Administered cash flows from financing activities</b>				
<b>Administered cash inflows</b>				
Trust receipts		...	59	...
<b>Total administered cash inflows</b>		...	<b>59</b>	...
<b>Administered cash outflows</b>				
Trust payments		...	...	(807)
<b>Total administered cash outflows</b>		...	...	<b>(807)</b>
<b>Administered net cash from (used by) financing activities</b>		...	<b>59</b>	<b>(807)</b>
<b>Net increase (decrease) in administered cash held</b>		...	<b>329</b>	<b>(172)</b>
<b>Administered cash and deposits at the beginning of the reporting period</b>		<b>3,358</b>	<b>3,186</b>	<b>3,358</b>
<b>Administered cash and deposits at the end of the reporting period</b>	16.20	<b>3,358</b>	<b>3,515</b>	<b>3,186</b>

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

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

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

## I.4 Schedule of Administered Changes in Equity

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

	Accumulated surplus / deficit \$'000	Total Equity \$'000
<b>Balance as at 1 July 2014</b>	<b>1,355</b>	<b>1,355</b>
Total comprehensive result	475	475
<b>Balance as at 30 June 2015</b>	<b>1,830</b>	<b>1,830</b>

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

## Note 2: Departmental Output Schedules

### 2.1 Output Group Information

Comparative information has not been restated for external administrative restructures.

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

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

	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<b>Continuing operations</b>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	164,824	128,869	124,839
Other revenue from government	...	1,806	1,800
Grants	9,102	13,028	13,022
Interest	2,430	2,047	1,953
Other revenue	2,448	2,581	3,537
<b>Total revenue and other income from transactions</b>	<b>178,804</b>	<b>148,331</b>	<b>145,151</b>
<b>Expenses from transactions</b>			
Employee Entitlements	16,330	20,781	21,303
Depreciation and Amortisation	1,108	218	546
Grants and subsidies	142,909	116,936	112,057
Supplies and Consumables:			
Consultants	1,421	1,720	747
Property Services	2,464	1,216	1,618
Maintenance	354	268	285
Communications	364	436	327
Information Technology	749	1,602	737
Travel and Transport	951	959	632
Operating Lease costs	...	2,566	54
Advertising and Promotion	726	981	1,007
Other Supplies and Consumables	7,853	3,257	5,029
Finance costs	1,630	1,082	1,114
Other expenses	253	(1,835)	(50)
<b>Total expenses from transactions</b>	<b>177,112</b>	<b>150,187</b>	<b>145,406</b>
<b>Net result from transactions (net operating balance)</b>	<b>1,692</b>	<b>(1,856)</b>	<b>(255)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on financial instruments and statutory receivables/payables	...	559	(428)
<b>Net result</b>	<b>1,692</b>	<b>(1,297)</b>	<b>(683)</b>
<b>Other comprehensive income</b>			
Changes in physical asset revaluation reserve	...	(2,623)	...
<b>Total other comprehensive income</b>	<b>...</b>	<b>2,623</b>	<b>...</b>
<b>Comprehensive result</b>	<b>1,692</b>	<b>(3,920)</b>	<b>(683)</b>

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

	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<b>Expense by output</b>			
I.1 Co-ordinator General	4,216	1,009	1,806
I.2 Industry and Business Development	65,326	38,631	29,866
I.3 Skills Development	107,570	110,547	113,734
<b>Total</b>	<b>177,112</b>	<b>150,187</b>	<b>145,406</b>
<b>Net Assets</b>			
Total assets deployed for Output Group I		97,722	85,034
Total liabilities incurred for Output Group I		65,958	51,616
<b>Net assets deployed for Output Group I</b>		<b>31,764</b>	<b>33,418</b>

## Output Group 2 – Infrastructure

	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<i>Continuing operations</i>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	24,179	28,450	20,084
Other revenue from government	...	471	4,825
Grants	1,069	6,853	6,795
Sales of goods and services	597	7,569	3,521
Fees and fines	4,840	9,359	5,852
Other revenue	75	383	2,438
<b>Total revenue and other income from transactions</b>	<b>30,760</b>	<b>53,085</b>	<b>43,515</b>
<b>Expenses from transactions</b>			
Employee Entitlements	15,617	19,815	23,766
Depreciation and Amortisation	1,349	4,920	3,635
Grants and subsidies	3,025	6,461	1,892
Supplies and Consumables:			
Consultants	2,812	368	337
Property Services	1,311	214	57
Maintenance	3,672	3,355	1,406
Communications	711	1,148	1,077
Information Technology	1,840	1,859	1,670
Travel and Transport	500	353	363
Operating Lease costs	...	893	1,468
Advertising and Promotion	622	1,888	1,281
Other Supplies and Consumables	(1,830)	6,376	13,371
Other expenses	319	(4,331)	358
<b>Total expenses from transactions</b>	<b>29,948</b>	<b>43,329</b>	<b>50,681</b>
<b>Net result from transactions (net operating balance)</b>	<b>812</b>	<b>9,756</b>	<b>(7,166)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	4	3,850	(74)
<b>Total other economic flows included in net result</b>	<b>4</b>	<b>3,850</b>	<b>(74)</b>
<b>Net result</b>	<b>816</b>	<b>13,606</b>	<b>(7,240)</b>
<b>Other comprehensive income</b>			
Changes in physical asset revaluation reserve	...	124	749
<b>Total other comprehensive income</b>	<b>...</b>	<b>124</b>	<b>749</b>
<b>Comprehensive result</b>	<b>816</b>	<b>13,730</b>	<b>(6,491)</b>
<b>Expense by output</b>			
2.1 Infrastructure Tasmania	800	865	188
2.2 Infrastructure Strategy	1,694	8,473	8,186
2.3 Land Transport Safety	20,907	27,714	31,499
2.4 Passenger Transport	3,175	2,798	4,528
2.5 Traffic Management and Engineering Services	3,372	3,479	6,280
<b>Total</b>	<b>29,948</b>	<b>43,329</b>	<b>50,681</b>

## Output Group 2 – Infrastructure (continued)

	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<b>Net Assets</b>			
Total assets deployed for Output Group 2		168,556	145,993
Total liabilities incurred for Output Group 2		5,939	7,150
<b>Net assets deployed for Output Group 2</b>		<b>162,617</b>	<b>138,843</b>

## Output Group 3 – Energy Policy and Advice

	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<i>Continuing operations</i>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	1,733	1,069	1,725
Grants	...	573	532
Fees and fines	475	...	...
Other revenue	1	168	...
<b>Total revenue and other income from transactions</b>	<b>2,209</b>	<b>1,810</b>	<b>2,257</b>
<b>Expenses from transactions</b>			
Employee Entitlements	1,201	1,296	1,182
Depreciation and Amortisation	...	7	1
Grants and subsidies	475	850	(73)
Supplies and Consumables:			
Consultants	474	(5)	228
Property Services	25	80	64
Communications	14	36	10
Information Technology	(5)	263	105
Travel and Transport	19	104	22
Operating Lease costs	...	483	53
Advertising and Promotion	10	11	...
Other Supplies and Consumables	(25)	175	602
Other expenses	1	(369)	4
<b>Total expenses from transactions</b>	<b>2,189</b>	<b>2,931</b>	<b>2,198</b>
<b>Net result from transactions (net operating balance)</b>	<b>20</b>	<b>(1,121)</b>	<b>59</b>
<b>Comprehensive result</b>	<b>20</b>	<b>(1,121)</b>	<b>59</b>
<b>Expense by output</b>			
3.1 Energy Policy and Advice	2,189	2,931	2,198
<b>Total</b>	<b>2,189</b>	<b>2,931</b>	<b>2,198</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 3		93	83
Total liabilities incurred for Output Group 3		74	131
<b>Net assets deployed for Output Group 3</b>		<b>19</b>	<b>(48)</b>

## Output Group 4 – Resources Policy and Regulatory Services

	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<i>Continuing operations</i>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	7,464	8,870	6,873
Other revenue from government	...	250	...
Other revenue	776	4	443
<b>Total revenue and other income from transactions</b>	<b>8,240</b>	<b>9,124</b>	<b>7,316</b>
<b>Expenses from transactions</b>			
Employee Entitlements	5,323	5,691	5,678
Depreciation and Amortisation	352	136	213
Grants and subsidies	375	35	136
Supplies and Consumables:			
Consultants	344	44	51
Property Services	581	79	279
Maintenance	(13)	122	57
Communications	344	50	55
Information Technology	238	286	436
Travel and Transport	102	93	129
Operating Lease costs	...	(77)	154
Advertising and Promotion	(1)	32	11
Other Supplies and Consumables	193	352	(414)
Other expenses	12	432	44
<b>Total expenses from transactions</b>	<b>7,850</b>	<b>7,275</b>	<b>6,829</b>
<b>Net result from transactions (net operating balance)</b>	<b>390</b>	<b>1,849</b>	<b>487</b>
<b>Other comprehensive income</b>			
Changes in physical asset revaluation reserve	...	...	...
<b>Total other comprehensive income</b>	<b>...</b>	<b>...</b>	<b>...</b>
<b>Comprehensive result</b>	<b>390</b>	<b>1,849</b>	<b>487</b>
<b>Expense by output</b>			
4.1 Forest Policy and Reform	1,659	588	24
4.2 Minerals Resources	6,191	6,687	6,805
<b>Total</b>	<b>7,850</b>	<b>7,275</b>	<b>6,829</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 4		11,440	9,753
Total liabilities incurred for Output Group 4		7,410	7,444
<b>Net assets deployed for Output Group 4</b>		<b>4,030</b>	<b>2,309</b>

## Output Group 5 – Cultural and Creative Industry Development

	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<i>Continuing operations</i>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	30,652	32,394	33,852
Sales of goods and services	700	1,111	289
Other revenue	...	479	1,447
<b>Total revenue and other income from transactions</b>	<b>31,352</b>	<b>33,984</b>	<b>35,588</b>
<b>Expenses from transactions</b>			
Employee Entitlements	12,669	12,559	12,226
Depreciation and Amortisation	69	555	595
Grants and subsidies	14,760	17,207	13,117
Supplies and Consumables:			
Consultants	810	120	96
Property Services	565	1,055	2,297
Maintenance	561	437	514
Communications	199	262	212
Information Technology	112	115	473
Travel and Transport	273	156	298
Operating Lease costs	10	10	16
Advertising and Promotion	447	272	637
Other Supplies and Consumables	793	1,438	2,146
Other expenses	43	144	614
<b>Total expenses from transactions</b>	<b>31,311</b>	<b>34,330</b>	<b>33,241</b>
<b>Net result from transactions (net operating balance)</b>	<b>41</b>	<b>(346)</b>	<b>2,347</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	...	(1)	7,495
Net gain/(loss) on financial instruments and statutory receivables/payables	...	(796)	(1,182)
<b>Total other economic flows included in net result</b>	<b>...</b>	<b>(797)</b>	<b>6,313</b>
<b>Net result</b>	<b>41</b>	<b>(1,143)</b>	<b>8,660</b>
<b>Other comprehensive income</b>			
Changes in physical asset revaluation reserve	...	6,997	(2,561)
<b>Total other comprehensive income</b>	<b>...</b>	<b>6,997</b>	<b>(2,561)</b>
<b>Comprehensive result</b>	<b>41</b>	<b>5,854</b>	<b>6,099</b>
<b>Expense by output</b>			
5.1 Tasmanian Museum and Art Gallery	10,061	10,668	11,668
5.2 Arts Industry Development	7,811	7,447	7,416
5.3 Screen Industry Development	1,754	1,243	1,403
5.4 Events and Hospitality	11,685	14,972	12,754
<b>Total</b>	<b>31,311</b>	<b>34,330</b>	<b>33,241</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 5		448,663	442,183
Total liabilities incurred for Output Group 5		2,519	4,244
<b>Net assets deployed for Output Group 5</b>		<b>446,144</b>	<b>437,939</b>

## Output Group 6 –Transport Subsidies and Concessions

	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<i>Continuing operations</i>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	72,748	71,110	72,908
Reserved by Law	52	...	...
<b>Total revenue and other income from transactions</b>	<b>72,800</b>	<b>71,110</b>	<b>72,908</b>
<b>Expenses from transactions</b>			
Depreciation and Amortisation	...		362
Grants and subsidies	72,433	70,752	72,501
Supplies and Consumables:			
Consultants	...	18	...
Other Supplies and Consumables	367	208	275
Other expenses	...	275	...
<b>Total expenses from transactions</b>	<b>72,800</b>	<b>71,253</b>	<b>73,138</b>
<b>Net result from transactions (net operating balance)</b>	<b>...</b>	<b>(143)</b>	<b>(230)</b>
<b>Comprehensive result</b>	<b>...</b>	<b>(143)</b>	<b>(230)</b>
<b>Expense by output</b>			
6.1 Shipping and Ferry Subsidies	1,036	1,086	1,270
6.2 Metropolitan General Access Regular Passenger Transport Services	41,057	39,521	39,127
6.3 Rural and Special Needs School Buses	23,029	23,029	19,074
6.4 Non-Metropolitan General Access Regular Passenger Transport Services	7,626	7,617	13,667
6.5 Construction of Streets in Towns	52	...	...
<b>Total</b>	<b>72,800</b>	<b>71,253</b>	<b>73,138</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 6		3	4,435
Total liabilities incurred for Output Group 6		184	338
<b>Net assets deployed for Output Group 6</b>		<b>(181)</b>	<b>4,097</b>

## Output Group – Capital Investment Program

	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<i>Continuing operations</i>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	90,631	99,440	110,467
Other revenue from government	...	...	4,346
Grants	113,203	64,223	36,318
Sales of goods and services	100	1,232	697
Fees and fines	7,500	4,090	7,271
Contributions	...	27,488	...
Other revenue	...	1,442	67
<b>Total revenue and other income from transactions</b>	<b>211,434</b>	<b>197,915</b>	<b>159,166</b>
<b>Expenses from transactions</b>			
Employee Entitlements	7,328	718	403
Depreciation and Amortisation	105,763	78,586	81,316
Grants and subsidies	100	6,484	5,233
Supplies and Consumables:			
Consultants	...	1,090	872
Maintenance	31,111	53,841	54,144
Property Services	...	296	(1,762)
Communications	...	155	158
Information Technology	...	236	272
Travel and Transport	...	567	403
Operating Lease costs	...	1	830
Advertising and Promotion	...	23	10
Other Supplies and Consumables	21	27	390
Other expenses	4,015	10,188	239
<b>Total expenses from transactions</b>	<b>148,338</b>	<b>152,212</b>	<b>142,508</b>
<b>Net result from transactions (net operating balance)</b>	<b>63,096</b>	<b>45,703</b>	<b>16,658</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	...	(46,038)	(19,889)
<b>Total other economic flows included in net result</b>	<b>...</b>	<b>(46,038)</b>	<b>(19,889)</b>
<b>Net result</b>	<b>63,096</b>	<b>(335)</b>	<b>(3,231)</b>
<b>Other comprehensive income</b>			
Changes in physical asset revaluation reserve	...	(49,776)	23,037
<b>Total other comprehensive income</b>	<b>...</b>	<b>(49,776)</b>	<b>23,037</b>
<b>Comprehensive result</b>	<b>63,096</b>	<b>(50,111)</b>	<b>19,806</b>

## Output Group – Capital Investment Program (continued)

	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<b>Expense by output</b>			
Arthur Hwy	...	204	3,925
Asset Management	5,321	4,832	1,735
Bass Highway	...	5,070	...
Bass Highway/Stanley Highway Junction	...	...	244
Bell Bay Intermodal Terminal	...	17	85
Bell Bay Main Road	...	...	52
Bridge renewal program	4,810	3,555	...
Bridge Strengthening on Esk and Tasman Highways	500	135	...
Brighton Bypass	...	...	29
Brooker Hwy – Elwick, Goodwood, Howards Roads	12,100	9,235	...
Bruny Island Main Road	300	42	...
Colebrook Main Road	500	525	...
Community Road 2 Planning	...	3,664	...
Contingency funding – Australian Government	600	...	...
Domain Highway planning	4,000	68	...
Environmental Management	545	545	533
Esk Main Road	1,000	87	...
Ferry Road Kettering	...	...	271
Forward planning	1,125	...	...
Hadspen Bridge walkway	100	...	...
Heavy Vehicle Safety and Productivity	400	201	...
Highland Lakes Road	...	32	...
Huon Highway / Summerleas Rd	6,840	1,079	...
Huon Highway Upgrade	...	11	1,215
Huon Highway Upgrade - Glendevie	...	3,297	...
Infrastructure Development	128	58	3,845
Infrastructure Maintenance	65,229	56,798	68,733
Launceston Northbank	675	675	...
Midland Highway	64,578	28,820	19,114
Murchison Highway (Roads for our future)	...	531	...
Murchison Highway upgrade	1,000	352	5,509
North East Freight Roads	2,287	823	8,435
Port Sorell Main Road	...	6	206
Program Management	1,032	1,245	4,052
Richmond Link Road	...	56	1,272
Road Safety and Traffic Management	12,659	8,692	12,110
Rokeby Main Road	...	6,966	3,365
South Arm Highway/Rokeby Main Road Stage 2	6,000	...	...
Strategic Planning and Policy	2,807	2,462	2,811
Tarkine Forest Drive	...	103	3,825
Tasman Highway Scottsdale to Launceston	...	100	874
Tasman Highway, St Helen's Point Road	850	...	...
Tasman Ramps	11,988	11,239	...
Tasmanian Museum and Art Gallery Building Roof Maintenance	460	...	...
TMAG Building Roof Maintenance	...	111	...
West Coast Roads, Strahan	...	576	...

## Output Group – Capital Investment Program (continued)

	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
West Tamar Highway Bradys Lookout	...	...	247
Westbury Road traffic management	...	...	21
<b>Total</b>	<b>207,834</b>	<b>152,212</b>	<b>142,508</b>

### Net Assets

Total assets deployed for Output – Capital Investment Program	4,019,600	4,081,121
Total liabilities incurred for Output – Capital Investment Program	19,115	18,844
<b>Net assets deployed for Output – Capital Investment Program</b>	<b>4,000,485</b>	<b>4,062,277</b>

## Output Group—Special Capital (SCIF and ESIF) Allocations

	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
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### Continuing operations

<b>Revenue and other income from transactions</b>			
Revenue from Special Capital Investment Funds	...	...	58
<b>Total revenue and other income from transactions</b>	<b>...</b>	<b>...</b>	<b>58</b>

### Expenses from transactions

Supplies and Consumables	...	...	58
<b>Total expenses from transactions</b>	<b>...</b>	<b>...</b>	<b>58</b>

### Net result from transactions (net operating balance)

...	...	...
-----	-----	-----

### Comprehensive result

...	...	...
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### Expense by output

TMAG Redevelopment	...	...	58
<b>Total</b>	<b>...</b>	<b>...</b>	<b>58</b>

### Net Assets

Total assets deployed for Output – Special Capital Investment Fund	...	...
<b>Net assets deployed for Output – Special Capital Investment Fund</b>	<b>...</b>	<b>...</b>

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

	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<b>Total comprehensive result of Output Groups</b>	<b>40,174</b>	<b>33,862</b>	<b>18,444</b>
<b>Reconciliation to comprehensive result</b>			
Revenues unallocated to Output Groups (overheads)	...	...	4,737
Expenses unallocated to Output Groups (accruals)			...
<b>Comprehensive result</b>	<b>40,174</b>	<b>33,862</b>	<b>23,181</b>

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

	2016 Actual \$'000	2015 Actual \$'000
<b>Total net assets deployed for Output Groups</b>	<b>4,644,948</b>	<b>4,678,135</b>
<b>Reconciliation to net assets</b>		
Assets unallocated to Output Groups (overheads)	2,721	724
Liabilities unallocated to Output Groups (overheads)	(5,212)	(3,128)
<b>Net assets</b>	<b>4,642,457</b>	<b>4,675,731</b>

## 2.4 Administered Output Schedule

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

### Output Group – Grants and Subsidies

	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<b>Administered revenue and other income from transactions</b>			
Revenue from appropriation	87,474	79,644	82,229
Grants	29	5,221	10,545
Sales of goods and services	...	758	647
Fees and fines	...	8	5
Other revenue	...	65	74
<b>Total administered revenue and other income from transactions</b>	<b>87,503</b>	<b>85,696</b>	<b>93,500</b>
<b>Administered expenses from transactions</b>			
Employee Entitlements	...	1,482	1,534
Depreciation and Amortisation	...	1	5
Grants and subsidies	87 367	83,156	90,232
Supplies and Consumables:			
Consultants	...	533	512
Property Services	...	22	25
Maintenance	...	...	20
Communications	...	11	13
Information Technology	...	51	54
Travel and Transport	...	88	55
Operating Lease costs	...	95	103
Advertising and Promotion	...	21	3
Other Supplies and Consumables	136	184	446
Other expenses	...	42	10
<b>Total administered expenses from transactions</b>	<b>87,503</b>	<b>85,686</b>	<b>93,012</b>
<b>Administered net result from transactions (net operating balance)</b>	<b>...</b>	<b>10</b>	<b>488</b>
<b>Administered other economic flows in administered net result</b>			
Net gain/(loss) on sale of non-financial assets	...	...	...
<b>Total administered other economic flows included in net result</b>	<b>...</b>	<b>...</b>	<b>...</b>
<b>Administered net result</b>	<b>...</b>	<b>10</b>	<b>488</b>
<b>Total administered comprehensive result</b>	<b>...</b>	<b>10</b>	<b>488</b>
<b>Administered expense by output</b>			
91.580 Government contribution to Tasmanian Symphony Orchestra	1,519	1,608	1,519
91.595 Student-Only Passenger Services	24,899	17,139	15,449
91.598 National Road Transport Commission: Local Government Contribution	1,500	1,500	1,500
91.621 Payments on behalf of Forest Practices Authority	1,416	3,272	3,162
91.624 Conveyance Allowance	1,630	1,290	1,460
91.625 Pensioner Air Travel Subsidy	10	9	10
91.626 Transport Access Scheme	4,547	5,118	5,236
91.643 Contribution to Marine & Safety Authority	2,092	2,092	1,004
91.729 Tasmanian Racing Assistance	...	...	29,296
91.739 Private Forests Tasmania	1,490	1,490	1,473

## Output Group – Grants and Subsidies (continued)

	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
91.750 Tasmanian Icon Program - Tasmanian Symphony Orchestra	500	500	500
91.751 Ten Days on the Island	1,330	1,322	1,304
91.786 Tasmanian Forestry Agreement	...	3,159	8,678
91.878 Theatre Royal	178	178	178
91.882 Tasmanian Railway Pty Ltd	41,892	41,892	16,834
91.883 Abt Railway	4,500	5,117	5,409
<b>Total</b>	<b>87,503</b>	<b>85,686</b>	<b>93,012</b>
<b>Net Assets</b>			
Total assets deployed for Output – Grants and Subsidies		1,178	516
Total liabilities incurred for Output – Grants and Subsidies		285	294
<b>Net assets deployed for Output – Grants and Subsidies</b>		<b>893</b>	<b>222</b>

## 2.5 Reconciliation of Total Administered Output Groups Comprehensive Result to Administered Statement of Changes in Equity

	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<b>Total administered comprehensive result of Output Groups</b>	...	<b>10</b>	<b>488</b>
<b>Reconciliation to administered net surplus (deficit)</b>			
Administered revenue collections	81,133	68,121	76,169
Transfers to the Consolidated Fund	(81,133)	(67,125)	(75,639)
Other administered transactions (ie unallocated to Output Groups)	...	(930)	(543)
<b>Administered comprehensive result</b>	...	<b>76</b>	<b>475</b>

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

	2016 Actual \$'000	2015 Actual \$'000
<b>Total administered net assets deployed for Output Groups</b>	<b>893</b>	<b>222</b>
<b>Reconciliation to administered net assets</b>		
Assets unallocated to Output Groups	4,279	2,777
Liabilities unallocated to Output Groups	(3,266)	(1,169)
<b>Administered net assets</b>	<b>1,906</b>	<b>1,830</b>

## Note 3: Expenditure under Australian Government Funding Arrangements

	State Funds	Australian Govt Funds	State Funds	Australian Govt Funds
	2016	2016	2015	2015
	Actual	Actual	Actual	Actual
	\$'000	\$'000	\$'000	\$'000
<b>National Partnership Payments</b>				
<i>Infrastructure</i>				
Interstate Road Transport projects	...	352	3	367
Black Spot Projects	...	2,651	208	1,477
West Coast Wilderness Railway	5,526	868	...	409
Nation Building program- Road	79,368	44,971	69,889	33,399
Nation Building program - Boom Gates Rail Crossing	...	...	...	88
Nation Building program - Heavy Vehicle Safety	44	157	1,210	1,151
Nation Building Program - Off-Network Projects – Road	...	602	3,305	1,116
Nation Building program – Rail	...	...	16,834	4,972
Regional Infrastructure Fund - Eco Infrastructure Projects	...	148	...	...
Asset Recycling Fund - New Investments	...	572	...	...
Asset Recycling Fund - National Highway Upgrade Programme	...	4,500	...	...
Bridges Renewal Programme	...	3,545	...	...
<i>Education</i>				
Building Australia's Workforce Training for Single and Teen parent	3,225	...	...	546
Building Australia's Future Workforce - Vocational Education	...	3,311	115	6,392
Industry and Indigenous skills centre	...	...	...	39
<i>Skills and Workforce</i>				
Productivity places program	...	6,041	1	4,581
Pre-Apprenticeship Training	32	66	...	148
TAFE Fee Waivers for Childcare Qualifications	...	...	99	52
<i>Other</i>				
Temporary Assistance for Tasmanian Exporters	...	1	2,294	159
Tasmanian Forest Contractors Financial Support	36	3,125	300	8,772
Developing Demand Driver Infrastructure for the Tourism Industry	...	1,173	...	...
Regional Tourism Infrastructure and Innovation Fund	...	1,985	...	...
<b>Total</b>	<b>88,231</b>	<b>74,068</b>	<b>94,258</b>	<b>63,668</b>

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

## Note 4: Explanations of Material Variances between Budget and Actual Outcomes

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

### 4.1 Statement of Comprehensive Income

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue - recurrent	(a)	301,652	270,331	(31,321)	(10%)
Appropriation revenue - other revenue from Government	(b)	...	7,447	7,447	100%
Grants	(c)	123,374	84,939	(38,435)	(31%)
Sales of goods and services	(d)	2,007	7,740	5,733	286%
Interest revenue	(e)	2,430	1,236	(1,194)	(49%)
Contributions received	(f)	...	27,691	27,691	100%
Other revenue	(g)	2,690	6,958	4,268	159%
Depreciation and amortisation	(h)	108,641	84,422	(24,219)	(22%)
Supplies and consumables	(i)	62,089	99,280	37,191	60%
Finance costs	(j)	1,630	1,111	(519)	(32%)
Other expenses	(k)	4,643	1,309	(3,334)	(72%)
Net gain/(loss) on non-financial assets	(l)	4	(46,877)	(46,881)	(>100%)
Net gain/(loss) on financial instruments and statutory receivables/payables	(m)	...	469	469	100%
Changes in physical asset revaluation reserve	(n)	149,937	(45,277)	(195,214)	(130%)

#### Notes to Statement of Comprehensive Income variances

(a) Appropriation revenue was below original budget due to declared savings and budget initiative funding re-cash flowed into future years, including Academy of Creative Industries and Performing Arts (\$9.1M), Regional Revival Fund (\$12.6M), Vodafone grant (\$2.2M) and Business Attraction and Population Strategy (\$2.2M).

(b) This variance relates to appropriation carried forward from 2014-15 under section 8A(2) of the *Public Account Act*. This was not anticipated when the original budget was set – comprises \$11.0M, less \$3.6M unexpended and returned to the Consolidated Fund.

(c) Grants revenue was under original budget due to delays and re-prioritisation of Commonwealth funded projects resulted in lower expenditures, and lower grant receipts to fund these expenditures. Most significant were Midland Highway, \$32.0M below original budget (subsequently revised), Brooker Hwy (-\$5.0M), Huon Hwy/Summerleas Road (-\$5.5M), partly offset by Bass Hwy - Birlee to Exton (+\$5.0M).

(d) This variance relates to the original budget not including the National Heavy Vehicle Regulator service fee (\$2.2M) due to being set off against associated expenses, as well as higher than anticipated rental revenue from Technopark and other properties (+\$1.0M), roadworks and traffic signals recoveries from Councils (+\$1.1M), Approved Inspection Station fees (+\$0.5M), Taxi administration fees (+\$0.4M).

(e) Interest revenue was below original budget due to lower than expected loan advances and early loan repayments, coupled with lower interest rates.

(f) Contributions received included Road (\$20.2M) and Bridge (\$7.0M) transferred to the Department from the Dorset Council pursuant to a Deed of Transfer dated 16 April 2015, and items donated to the TMAG collection.

(g) Other revenue was higher than original budget primarily due to revenue generated by the Abt Railway tourist operation (\$3.3M) and other recoveries and reimbursements (\$0.9M).

(h) Depreciation variance is largely due to a significant proportion of the Road assets reaching their expected useful life, whereby depreciation ceases. Budget has been subsequently adjusted accordingly.

(i) Supplies and consumables are above original budget due to lower than expected capitalisation of road contractor expenses resulting from delayed/re-prioritised activity on major capital projects such as Midland Hwy (eg maintenance and contracted services +\$28.3M over original budget). This results in a higher proportion of road maintenance expenses. Also, original budget included net expenses for Heavy Vehicle Regulator, however in practice \$2.2M is recorded as revenue and \$3.7M as expenditure.

(j) Borrowing costs are below original budget due to no additional TDR private borrowings through Tascorp required to fund TDR lending activities. TDR cash has been sufficient to fund lower than expected lending activity coupled with early repayments of loan advances.

- (k) This variance primarily relates to lower than expected capital roadworks resulting in lower associated non-capital expenses.
- (l) This variance reflects the write-off of the remaining value of replaced/upgraded/transferred roads (\$42.5M) and bridges (\$3.3M), the partial write-off to the income statement of the Technopark properties revaluation decrement (\$0.2M), and loss on disposal of Smithton Aerodrome (\$0.7M). These transactions were not anticipated when original budget was set.
- (m) This variance reflects the unexpected reversal of impairment of loans in the TDR portfolio (\$0.4M), reversal of impaired debt (\$0.7M), reversal of an impaired equity investment (\$0.2M), impairment of Screen Tasmania investment in various film productions (\$0.8M), and the write-off/impairments of smaller bad debts.
- (n) This variance reflects a lower than expected valuation increment resulting from the annual indexation of road infrastructure values (-\$49.7M), decrement resulting from the revaluation of the Technopark land and buildings (-\$2.6M), and revaluation of the TMAG collection (+\$7.0M).

## 4.2 Statement of Financial Position

Budget estimates for the 2015-16 Statement of Financial Position were compiled prior to the completion of the actual outcomes for 2015-16. As a result, the actual variance from the Original Budget estimate will be impacted by the difference between estimated and actual opening balances for 2015-16. The following variance analysis therefore includes major movements between the 30 June 2015 and 30 June 2016 actual balances.

	Note	Budget \$'000	2016 Actual \$'000	2015 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and deposits	(a)	51,955	98,766	66,472	46,811	32,294
Receivables	(b)	3,947	5,585	3,734	1,638	1,851
Loan advances	(c)	51,817	33,282	39,948	(18,535)	(6,666)
Equity investments	(d)	770	...	...	(770)	...
Other financial assets	(e)	7,628	114	481	(7,514)	(367)
Intangibles	(f)	7,055	3,814	5,633	(3,241)	(1,819)
Other assets	(g)	2,172	1,433	1,731	(739)	(298)
Payables	(h)	7,044	10,680	8,177	3,636	2,503
Interest bearing liabilities	(i)	42,982	54,742	40,513	11,760	14,229
Employee benefits	(j)	20,233	17,387	21,654	(2,846)	(4,267)
Other liabilities	(k)	8,631	19,774	18,599	11,143	1,175
Equity	(l)	5,043,569	4,642,457	4,675,731	(401,112)	(33,274)

### Notes to Statement of Financial Position variances

- (a) Cash and deposits is above original budget due to a number of unanticipated cash receipts during 2015-16, including \$20M from the Australian Government in funding for the Drought Concessional Loan Scheme and the Drought and Dairy Recovery Loan Scheme, \$8.5M of appropriation revenue carried forward to 2016-17 under section 8A(2) of the *Public Account Act*, \$3.0M increase in Road Safety Levy holdings, and original budget anticipating \$20M lower opening cash balance from 2014-15.
- (b) Receivables is above original budget due to higher than expected GST receivable at year end, and \$1.5M higher than prior year from an actual perspective. This reflects high payment activity in June 2016, particularly relating to road contractor payments.
- (c) This variance is due to delays in drawdown of loans in the TDR portfolio, as well as several unanticipated early loan repayments.
- (d) Original budget reflects Screen Tasmania investment in various film productions, however in reality these are impaired to nil due to uncertainty of future royalty returns.
- (e) Original budget anticipated accrued revenue in respect of unclaimed Australian Government funding for roads projects, however all funding claims were made and paid prior to 30 June 2016.
- (f) Original budget subsequently revised down reflecting actual position.
- (g) Other assets are below original budget due to prepayments as at 30 June 2016 being lower than expected.
- (h) Payables were above original budget resulting from larger than anticipated volume of road contractor progress payments due around the end of financial year and a substantial increase in volumes than the prior year.
- (i) Interest bearing liabilities were above original budget and higher than 2014-15 due to Australian Government loans to TDR to administer the Drought Concessional Loan Scheme (\$10M) and the Drought and Dairy Recovery Loan Scheme (\$10M).
- (j) Employee benefits are below original budget and lower than the prior year primarily due to reduced FTE levels. Also, accrued salaries were lower than expected (\$2.2M), resulting from only one day in the first pay of 2016-17 being attributable to 2015-16, compared to 9 days in the first pay of 2015-16 being attributable to 2014-15.

(k) Other liabilities are above budget due to higher than expected revenue received in advance resulting from initiative funding carried forward to 2016-17 under section 8A(2) of the *Public Account Act* (\$11.6M).

(l) Equity budget variance is predominantly in Reserves due a lower than expected valuation increment resulting from the annual indexation of road infrastructure values (-\$18.0M), \$250M below expectation, and \$82M lower than expected net result. The budget figures have been amended in the 2016-17 Budget Papers to reflect the split between contributed capital and accumulated funds.

### 4.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation receipts - works and services (operating)	(a)	34,224	62,842	28,618	84%
Appropriation receipts - works and services (investing)	(b)	56,407	34,729	(21,678)	(38%)
Grants revenue (operating)	(c)	24,871	32,291	7,420	30%
Receipts from Australian Government Funding (investing)	(d)	98,503	52,866	(45,637)	(46%)
Sales of goods and services	(e)	2,012	8,659	6,647	330%
GST receipts/payments (net)	(f)	(1)	(1,179)	(1,178)	117800%
Interest receipts	(g)	2,430	1,231	(1,199)	(49%)
Other cash receipts	(h)	2,690	7,697	5,007	186%
Employee benefits	(i)	(59,147)	(65,142)	(5,995)	10%
Supplies and consumables	(j)	(62,295)	(95,802)	(33,507)	54%
Interest payments	(k)	(1,710)	(1,077)	633	(37%)
Other cash payments	(l)	(4,643)	(675)	3,968	(85%)
Payments for acquisition of non-financial assets	(m)	(166,501)	(95,741)	70,760	(42%)
Loans advanced	(n)	(2,500)	(6,963)	(4,463)	179%
Loan repayments received	(o)	...	14,004	14,004	100%
Payments for investments	(p)	...	(933)	(933)	(100%)
Proceeds from borrowings	(q)	282	20,000	19,718	6992%
Repayment of borrowings	(r)	...	(5,770)	(5,770)	(100%)

#### Notes to Statement of Cash Flows variances

(a) and (b) Overall works and services appropriation exceeded original budget by \$6.9M (8%). This was primarily due to funding being required ahead of schedule for the following upgrades Brooker Highway (\$1M), South Arm Hwy (\$1.8M), Huon Hwy/ Glendevie (\$3.0M) and Wrinklers Lagoon bridge (\$2.0M).

(c) and (d) Overall grants revenue (including Australian Government receipts) were below original budget by \$38.2M (31%). This was primarily due to delays and re-prioritisation of Commonwealth funded projects resulting in lower expenditures, and subsequent grant receipts required to fund these expenditures. Most significant were Midland Highway, (-\$32.0M), Brooker Hwy (-\$5.0M), Huon Hwy/Summerleas Road (-\$5.5M), partly offset by Bass Hwy - Biralee to Exton (+\$5.0M).

(e) Sales of Goods and Services was above original budget primarily due to the budget not including National Heavy Vehicle Regulator service fee (\$2.2M) as it was set off against associated expenses. Also, rental revenue from Technopark properties was not included in budget (\$1.5M).

(f) This variance reflects timing differences of the receipt of GST refunds over the end of financial years.

(g) Interest receipts was below original budget due to lower than expected loan advances and early loan repayments, coupled with lower interest rates.

(h) Other cash receipts was higher than original budget primarily due to revenue generated by the Abt Railway tourist operation (\$3.3M) and other recoveries and reimbursements (\$0.9M).

(i) Employee benefits were above original budget due to higher than expected termination payments \$2.8M.

(j) Supplies and consumables are above original budget due to lower than expected capitalisation of road contractor expenses resulting from delayed/re-prioritised activity on major capital projects such as Midland Hwy (eg maintenance and contracted services +\$28.3M over original budget). This results in a higher proportion of road maintenance expenses. Also, original budget included net expenses for Heavy Vehicle Regulator; however in practice \$2.2M is recorded as revenue and \$3.7M as expenditure.

(k) Interest payments are below original budget due to no additional TDR private borrowings through Tascorp required to fund TDR lending activities. TDR cash has been sufficient to fund lower than expected lending activity coupled with early repayments of loan advances.

(l) This variance primarily relates to lower than expected capital roadworks resulting in lower associated non-capital expenses.

(m) This variance is due to delays and re-prioritisation of Commonwealth funded projects resulted in lower capital expenditures, most significantly Midland Highway (\$34.0M), Brooker Hwy (\$5.0M), Huon Hwy/Summerleas Road (\$5.5M), North East Freight Roads (\$1.4M) and Domain Hwy (\$4.0M).

(n) and (o) Original budget is set on a net basis. The above budget net variance of \$7.0M is due to earlier than expected repayment of TDR loan advances.

(p) This variance represents Screen Tasmania equity investment in various film productions.

(q) and (r) Original budget is set on a net basis. Proceeds from borrowing represents two TDR administered loan schemes introduced during 2015-16 funded by the Australian Government for Drought concessional loan assistance (\$10M) and Drought and Dairy Recovery loan assistance (\$10M). Loan repayments (\$5.8M) relate to repayments by borrowers or approved loans not being taken up and returned to the Commonwealth.

## Note 5: Underlying net operating balance

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

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

	Notes	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<b>Net result from transactions (net operating balance)</b>		<b>66,055</b>	<b>52,991</b>	<b>16,035</b>
<i>Less impact of Non-operational capital funding</i>				
Revenue from Government – recurrent	6.1	...	...	1,327
Revenue from Government – works and services	6.1	56,407	36,250	60,141
Revenue from Australian Government	6.3	104,803	65,294	30,546
Contributions received	6.7	...	27,691	250
<b>Total</b>		<b>161,210</b>	<b>129,235</b>	<b>92,264</b>
<b>Underlying Net operating balance</b>		<b>(95,155)</b>	<b>(76,244)</b>	<b>(76,229)</b>

## Note 6: Income from transactions

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

### 6.1 Revenue from Government

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

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

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

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

	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<b>Appropriation revenue - recurrent</b>			
Continuing operations	301,652	278,803	275,699
Non-operational capital funding	...	...	1,327
Less: Revenue received in advance	...	(8,472)	(6,024)
<b>Appropriation revenue – recurrent</b>	<b>301,652</b>	<b>270,331</b>	<b>271,002</b>
<b>Appropriation revenue – works and services</b>			
Continuing operations	67,664	61,580	55,326
Non-operational capital funding	22,967	36,250	60,141
Less: Revenue received in advance	...	(3,131)	(5,000)
<b>Appropriation revenue – works and services</b>	<b>90,631</b>	<b>94,699</b>	<b>110,467</b>
<b>Other revenue from Government</b>			
Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year:			
Recurrent	...	6,024	6,625
Works and services	...	5,000	4,346
Unexpended from prior year - returned	...	(3,577)	...
<b>Other revenue from Government</b>	<b>...</b>	<b>7,447</b>	<b>10,971</b>
<b>Total revenue from Government</b>	<b>392,283</b>	<b>372,478</b>	<b>392,439</b>

## 6.2 Revenue from Special Capital Investment Funds

Funding for major infrastructure projects is provided through Special Capital Investment Funds. The Department is allocated funding for specific projects from the Special Capital Investment Funds as part of the Budget process.

	2016 \$'000	2015 \$'000
<i>Continuing operations</i>		
Economic Social Infrastructure Fund	...	58
<b>Total</b>	<b>...</b>	<b>58</b>
<b>Total revenue from Special Capital Investment Funds</b>	<b>...</b>	<b>58</b>

Details of total Special Capital Investment Funds revenues and expenses are provided as part of Note 2 Departmental Output Schedules. Details of total cash flows for each project are at Note 13.3.

## 6.3 Grants

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

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

	2016 \$'000	2015 \$'000
<i>Continuing operations</i>		
Grants from the Australian Government	12,961	13,049
Grants from the Tasmanian Government	5,085	5,639
Industry contributions	1,786	1,735
<b>Total</b>	<b>19,832</b>	<b>20,423</b>
<i>Non-operational capital funding</i>		
Grants from the Australian Government	65,294	36,510
Grants from the Tasmanian Government	(187)	217
<b>Total</b>	<b>65,107</b>	<b>36,727</b>
<b>Total revenue from Grants</b>	<b>84,939</b>	<b>57,150</b>

## 6.4 Sales of goods and services

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

	2016 \$'000	2015 \$'000
Goods	1,964	1,737
Services	4,019	2,619
Rental revenue	1,757	1,842
<b>Total</b>	<b>7,740</b>	<b>6,198</b>

## 6.5 Fees and fines

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

	2016 \$'000	2015 \$'000
Road Safety Levy	13,097	12,977
Racing Services	...	222
Other	185	202
<b>Total</b>	<b>13,282</b>	<b>13,401</b>

## 6.6 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.

	2016 \$'000	2015 \$'000
Interest – loan advances	1,236	1,979
<b>Total</b>	<b>1,236</b>	<b>1,979</b>

## 6.7 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.

	2016	2015
	\$'000	\$'000
Fair value of infrastructure assets transferred to the Department from Dorset Council under a Deed of Transfer dated 16 April 2015:		
Roads	20,199	...
Land under roads	251	...
Bridges	7,038	...
Fair value of additions to TMAG Collections at no cost	203	250
<b>Total</b>	<b>27,691</b>	<b>250</b>

## 6.8 Other revenue

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

	2016	2015
	\$'000	\$'000
Abt Railway ticketing sales and retail revenue	3,273	2,413
Corporate support fee – Tourism Tasmania	1,214	1,214
Recoveries and contributions received	1,440	909
Miscellaneous revenue	1,031	964
<b>Total</b>	<b>6,958</b>	<b>5,500</b>

## Note 7: Expenses from transactions

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

### 7.1 Employee benefits

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

	2016 \$'000	2015 \$'000
Wages and salaries	44,119	57,747
Annual leave	3,643	1,168
Long service leave	264	1,417
Superannuation	6,072	7,220
Other post-employment benefits	5,650	3,790
Fringe Benefits Tax	415	411
<b>Total</b>	<b>60,163</b>	<b>71,753</b>

Superannuation expenses relating to defined benefit schemes relate to payments into the Consolidated Fund. The amount of the payment is based on an agency contribution rate determined by the Treasurer, on the advice of the State Actuary. The current agency contribution is 12.75 per cent (2015: 12.75 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 9.5 per cent (2015: 9.5 per cent) of salary. In addition, departments are also required to pay into the Consolidated Fund a "gap" payment equivalent to 3.25 per cent (2015: 3.25 per cent) of salary in respect of employees who are members of contribution schemes.

#### (a) Remuneration of Key management personnel

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

2015	Short-term benefits		Long-term benefits			Total \$'000
	Salary \$'000	Other Benefits \$'000	Super- annuation \$'000	Other Benefits & Long-Service Leave	Termination Benefits \$'000	
				\$'000		
<i>Key management personnel</i>						
<b>Office of the Co-ordinator General:</b>						
John Perry, Co-ordinator General, 19/1/2015	157	4	15	9	...	185
<b>Department of State Growth 19/12/2014 to 30/6/2015:</b>						
Kim Evans, Secretary, 2/9/2015	316	20	47	27	...	410
Bob Rutherford, Deputy Secretary Transport Services, 19/12/2014 to 26/3/2015, Deputy Secretary Industry and Business Growth, 27/3/2015	239	22	36	22	...	319
Gary Swain, Deputy Secretary Policy and Strategy, 19/12/2014 to 26/3/2015, Deputy Secretary Transport Services, 27/3/2015	185	20	18	12	...	235
Amanda Russell, General Manager Corporate Services, 19/12/2014 to 31/5/2015, Deputy Secretary Business Services, 1/6/2015	156	20	20	8	...	204
Allan Garcia, Chief Executive Officer Infrastructure Tasmania, 4/5/2015	32	...	3	...	...	35
Jonathan Wood, Deputy Secretary Industry and Business Growth, 19/12/2014 to 26/3/2015	213	22	21	68	226	550
<b>Department of State Growth 1/7/2014 to 18/12/2014:</b>						
Kim Evans, Secretary, 2/9/2015	...	...	...	...	...	...
Bob Rutherford, Deputy Secretary Transport Regulatory and Customer Services, 1/7/2014	...	...	...	...	...	...
Gary Swain, Deputy Secretary Policy and Reform, 1/7/2014	...	...	...	...	...	...

2015	Short-term benefits		Long-term benefits			Total
	Salary	Other Benefits	Super-annuation	Other Benefits & Long-Service Leave		
				Termination Benefits		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Jonathan Wood, Deputy Secretary Industry and Business Growth, 1/7/2014	...	...	...	...	...	...
Amanda Russell, General Manager Corporate Services, 1/7/2014	...	...	...	...	...	...
Jacqui Allen, Deputy Secretary Cultural & Creative Industry Development, 1/7/2014	87	10	8	3	...	108
Fiona Wilson, Deputy Secretary Strategy Enterprise & Regions, 1/7/2014 to 1/9/2014	44	10	4	...	155	213
Chrissie Berryman, General Manager Workforce Development and Training, 1/7/2014	80	6	8	5	...	99
Acting Key management personnel						
Alex Tay, acting Deputy Secretary Policy and Strategy, 13/4/2015 to 30/6/2015	31	4	3	5	...	43
<b>Total</b>	<b>1,540</b>	<b>138</b>	<b>183</b>	<b>159</b>	<b>381</b>	<b>2,401</b>

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

Department of State Growth organisation structure that took effect on 1 July 2014 consisted of a wider key management structure than the structure that exists at 30 June 2015. A further restructure took effect on 19 December 2014. The key management personnel identified in the table above reflect the two structures and personnel occupying key positions as they existed at those periods. (\*Note: where remuneration arrangements in the above table are subject to restructure arrangements, the remuneration for each key manager is disclosed once for the full period of appointments).

Remuneration during 2014-15 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.

#### 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.

## 7.2 Depreciation and amortisation

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

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

Asset	Estimated Useful Life (years)	Depreciation Rate (per annum)	Method
<b>Road Infrastructure:</b>			
Earthworks	Unlimited	Nil	NA
Pavement – category 1	40	2.50%	Straight Line
category 2	40	2.50%	Straight Line
category 3	50	2.00%	Straight Line
category 4	55	1.82%	Straight Line
category 5	60	1.67%	Straight Line
(Note: road categories are determined by freight carrying task, ie category 1 the highest freight task, category 5, the lowest)			
Surface, seal	15	6.67%	Straight Line
<b>Bridge Infrastructure:</b>			
Steel, Concrete	70 - 100	1.00% - 1.43%	Parabolic
Timber	25	4.00%	Parabolic
T-Beam	50	2.00%	Parabolic
Historic	250	0.40%	Parabolic
Major Structures	100 - 150	0.067% - 1.00%	Parabolic
<b>Traffic Signal Installations: (Residual value 10% applies to all traffic signals assets)</b>			
Cable	50	2.00%	Straight Line
Above and below ground	30	3.33%	Straight Line
Electronics	25	4.00%	Straight Line
Site Hardware	10	10.00%	Straight Line
Buildings	20 - 80	1.25% - 5.00%	Straight Line
Leasehold improvements	5 - 12	8.33% - 20.00%	Straight Line
Electrical, technical and office equipment	5	20.00%	Straight Line
Plant	5 - 25	4.00% - 10.00%	Straight Line
Computer Hardware	3	33.33%	Straight Line
Marine Vessels and Equipment (Residual value 10%)	10.67	9.37%	Straight Line
<b>Abt Railway Infrastructure:</b>			
Tracks, bridges, structures, culverts and station buildings	40	2.50%	Straight Line
Railway carriages	30	3.33%	Straight Line
Locomotives	25	4.00%	Straight Line
Buildings	20	5.00%	Straight Line
Rail wagons	5	20.00%	Straight Line

### Road Infrastructure

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

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

### Bridge Infrastructure

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

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

### Intangible Assets

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

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

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

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

#### (a) Depreciation

	2016 \$'000	2015 \$'000
Plant and equipment	1,002	965
Marine vessels and equipment	362	361
Traffic signal installations	775	779
Buildings	756	852
Aerodromes	2	12
Road infrastructure	54,762	57,158
Bridges	23,824	22,340
Other infrastructure	830	827
<b>Total</b>	<b>82,313</b>	<b>83,294</b>

#### (b) Amortisation

	2016 \$'000	2015 \$'000
Intangibles	1,818	2,183
Leasehold improvements	291	254
<b>Total</b>	<b>2,109</b>	<b>2,437</b>
<b>Total depreciation and amortisation</b>	<b>84,422</b>	<b>85,731</b>

### 7.3 Supplies and consumables

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

	2016 \$'000	2015 \$'000
Audit fees – financial audit	230	265
Audit fees – internal audit	84	73
Operating lease costs	4,939	3,174
Consultants	3,361	2,431
Property services	3,120	2,593
Maintenance	58,187	55,586
Communications	2,118	2,084
Information technology	5,025	4,204
Travel and transport	2,433	2,043
Advertising and promotion	4,069	3,178
Contractor payments (non road-works)	6,229	7,121
National Heavy Vehicle Regulator contribution	3,676	3,676
Other supplies and consumables	5,809	6,035
<b>Total</b>	<b>99,280</b>	<b>92,463</b>

### 7.4 Grants and subsidies

Grant and subsidies expenditure is recognised to the extent that:

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

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

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

	2016 \$'000	2015 \$'000
<b>Grants</b>		
Grants to Councils - road works	6,459	5,403
Grants to Councils - other	272	1,320
Passenger Transport Innovation program	...	596
Learner Driver Mentoring program	642	502
Environmental management	...	118
Brand Tasmania	420	200
Screen grants	137	317
Vodafone	1,330	480
AFL Agreement - Hawthorn Football Club	3,940	3,561
Museums and Art Galleries	1,810	1,812
Arts Grants	2,787	2,821
Menzies Icon	250	500
Major events	6,675	6,140
Tasmanian Government Innovation and Investment Fund	413	1,532
Major Development Infrastructure Assistance Fund	...	600
CSIRO ICT funding	1,155	1,900
Tourism Demand Driver Infrastructure Program	441	606
West Coast Strahan Footpath Infrastructure Program	50	450
Development of Great Eastern Drive	250	210
CCAMLR	...	265
Enterprise development	701	450
Renewable Energy Loan Scheme	...	188
West Coast Recovery RACT Loan assistance	...	250
Business and industry assistance	6,229	2,073
Regional Tourism Infrastructure and Innovation Fund	1,485	...
Hospitality Industry Policy - Implementation	450	...
Australian Masters Games	750	...
Caterpillar Transition Taskforce	1,597	...
Lion Nathan Grant	1,460	...
Kings Meadows Flood Protection	1,000	...
Other grants	818	47
<b>Total grants</b>	<b>41,521</b>	<b>32,341</b>
<b>Subsidies</b>		
Shipping and ferry subsidies	681	908
Metropolitan and general access regular passenger transport services	39,521	39,127
Rural and special needs school bus services	23,029	19,074
Non-Metropolitan and general access regular passenger transport services	7,339	13,392
Vocational Education Training (VET) delivery	101,422	102,147
Apprentice and trainee subsidies	1,535	1,616
<b>Total subsidies</b>	<b>173,527</b>	<b>176,264</b>
<b>Total grants and subsidies</b>	<b>215,048</b>	<b>208,605</b>

## 7.5 Finance costs

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

Finance costs include:

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

	2016 \$'000	2015 \$'000
<b>Interest expense</b>		
Interest on loans	1,076	1,060
<b>Total</b>	<b>1,076</b>	<b>1,060</b>
<b>Other finance costs</b>		
Unwinding of discounting of provisions	22	53
Penalty interest on late payments to creditors	13	18
<b>Total</b>	<b>35</b>	<b>71</b>
<b>Total finance costs</b>	<b>1,111</b>	<b>1,131</b>

## 7.6 Other expenses

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

	2016 \$'000	2015 \$'000
Workers compensation	459	438
Other employee expenses (including training/development, OH&S, recruitment)	629	637
Miscellaneous expenses	221	183
<b>Total</b>	<b>1,309</b>	<b>1,258</b>

## Note 8: Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

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

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

Key Judgement

All non-financial assets are assessed to determine whether any impairment exists. Impairment exists when the recoverable amount of an asset is less than its carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use. The Department's assets are not used for the purpose of generating cash flows; therefore value in use is based on depreciated replacement cost where the asset would be replaced if deprived of it.

All impairment losses are recognised in Statement of Comprehensive Income.

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

	2016 \$'000	2015 \$'000
Revaluation increment of TMAG buildings applied to Statement of Comprehensive Income	...	7,495
Revaluation decrement of TDR land and buildings applied to Statement of Comprehensive Income	(184)	...
Write off of replaced road assets	(28,079)	(16,944)
Write off of replaced bridge assets	(2,312)	(2,664)
Roads transferred to Dorset Council under Deed of Transfer dated 16 April 2015	(14,410)	...
Bridges transferred to Dorset Council under Deed of Transfer dated 16 April 2015	(987)	...
Net gain/(loss) on non-financial assets transferred	67	...
Net gain/(loss) on disposal of physical assets	(972)	(355)
	<b>(46,877)</b>	<b>(12,468)</b>

## 8.2 Fair Value of land and buildings recognised

	2016 \$'000	2015 \$'000
Fair Value of land and buildings assets recognised (refer note below)	4,832	...
	4,832	...

Fair value of land and buildings recognised includes properties identified for the first time during the year. A review of land and buildings resulted in a number of properties which were not previously recorded being recognised through other economic flows included in the net result.

In accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and taking into account materiality, these properties have been treated as fair value assets recognised throughout the financial statements and consequently comparatives have not been amended.

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

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

### Key Judgement

An impairment loss, in respect of a financial asset measured at amortised cost, is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

All impairment losses are recognised in the Statement of Comprehensive Income and Schedule of Administered Income and Expenses.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

	2016 \$'000	2015 \$'000
Impairment of Statutory receivables	(15)	...
Write off of Statutory receivable	(120)	...
Impairment reversals/(losses) of:		
Loans advances	420	(428)
Equity investments	(536)	(1,182)
Statutory receivables	720	...
<b>Total net gain/(loss) on financial instruments</b>	<b>469</b>	<b>(1,610)</b>

## Note 9: Assets

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

### 9.1 Receivables

Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value.

	2016 \$'000	2015 \$'000
Receivables	5,633	4,610
Less: Provision for impairment	(48)	(876)
<b>Total</b>	<b>5,585</b>	<b>3,734</b>
Sales of goods and services (inclusive of GST)	148	322
Fees and fines (inclusive of GST)	332	47
Tax assets	4,631	3,135
Other receivables(inclusive of GST)	474	230
<b>Total</b>	<b>5,585</b>	<b>3,734</b>
Settled within 12 months	5,264	3,593
Settled in more than 12 months	321	141
<b>Total</b>	<b>5,585</b>	<b>3,734</b>

	2016 \$'000	2015 \$'000
Reconciliation of movement in provision for impairment of receivables		
<b>Carrying amount at 1 July</b>	<b>(876)</b>	<b>(734)</b>
Amounts written off during the year	120	...
Amounts recovered during the year	720	5
Increase/(decrease) in provision recognised in profit or loss	(12)	...
Increase through administrative restructure	...	(147)
<b>Carrying amount at 30 June</b>	<b>(48)</b>	<b>(876)</b>

## 9.2 Loan advances

Loan advances are held to maturity and are measured at amortised cost subsequent to initial recognition. Impairment of loan advances are reviewed on an ongoing basis. Impairment losses are recognised when there is an indication that there is a measurable decrease in the collectability of loan advances. Loan advances that are known to be uncollectable are written off. Loan advances include financial assistance provided by the government to the private sector in the form of loans.

	2016 \$'000	2015 \$'000
Section 35 Loans Administered by TDR	14,166	22,220
Bushfire Recovery Loan Program	729	1,114
<i>Tasmanian Development Act 1983</i>	3,434	5,590
Renewable Energy Loan Scheme	676	2,222
<i>Fire Damage Relief Act 1967</i>	19	23
Farm Finance Loan Scheme	11,179	7,490
Agrigrowth Loan Program	1,032	...
Drought Relief Loans	303	...
Screen Tasmania Loans	229	270
Arts Loans	1,190	1,064
No Interest Loan Scheme	852	900
Social Enterprise Loan Fund	...	2
Less: Provision for impairment	(527)	(947)
<b>Total</b>	<b>33,282</b>	<b>39,948</b>
Settled within 12 months	13,781	17,604
Settled in more than 12 months	19,501	22,344
<b>Total</b>	<b>33,282</b>	<b>39,948</b>

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

Under the provisions of the *Tasmanian Development Act 1983*, the Department (through TDR) has the power to provide loans to clients that assist in the development and expansion of the Tasmanian economy. Generally, these loans are provided on the basis of commercial terms, conditions, interest rates and security.

	2016 \$'000	2015 \$'000
Reconciliation of movement in provision for impairment of other financial assets		
Carrying amount at 1 July (transferred in through administrative restructure)	947	519
Increase/(decrease) in provision recognised in net result	(420)	428
<b>Carrying amount at 30 June</b>	<b>527</b>	<b>947</b>

*Tasmanian Development Act 1983* loan advance impaired in previous years relate to J & A Gretschmann (\$300,000).

Section 35 Loans Administered by TDR impaired in previous years relate to Blockmack Pty Ltd (\$160,000) and Vision 35 Pty Ltd (\$67,420).

### 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.

	2016 \$'000	2015 \$'000
Listed shares – at cost	...	2,412
Listed shares – converted	...	944
Unlisted equity instruments	10,454	13,259
Less: Provision for impairment	(10,454)	(16,616)
<b>Total</b>	<b>...</b>	<b>...</b>
Settled within 12 months	...	...
Settled in more than 12 months	...	...
<b>Total</b>	<b>...</b>	<b>...</b>

	2016 \$'000	2015 \$'000
<b>Reconciliation of movement in provision for impairment of equity investments</b>		
Carrying amount at 1 July (transferred in through administrative restructure)	16,616	15,434
Increase in provision recognised in net result	(6,162)	1,182
<b>Carrying amount at 30 June</b>	<b>10,454</b>	<b>16,616</b>

The Provision for Impairment movement is the result of the revaluation of Screen Tasmania's equity portfolio. The movement also relates to the write-off of equities held by SDT Australia Pty Ltd \$200,000, First Tasmania Investment Ltd \$3,655,810 and Tassal Ltd \$3,356,341.

### 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.

	2016 \$'000	2015 \$'000
Accrued revenue	114	481
<b>Total</b>	<b>114</b>	<b>481</b>
Settled within 12 months	114	481
<b>Total</b>	<b>114</b>	<b>481</b>

## 9.5 Inventories

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

	2016 \$'000	2015 \$'000
Inventory held for sale - TMAG	198	335
Inventory held for sale – Abt Railway	113	79
<b>Total</b>	<b>311</b>	<b>414</b>
Consumed within 12 months	311	414
<b>Total</b>	<b>311</b>	<b>414</b>

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

### (i) Valuation basis

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

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

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

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

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

### Road Infrastructure

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

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

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

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

Road infrastructure is divided into three components or strata, primarily for depreciation purposes, as follows:

- Earthworks, cut and fill – are in the nature of land and therefore are non-depreciable and represents 35% of the cost of building road infrastructure.
- Pavement – the layer on which the road surface is placed. Typical useful life of road pavements is 40 to 60 years. Represents 58.5% of the cost of building road infrastructure.
- Surface – the bitumen seal visible on the road surface, designed to protect the pavement from water and weathering. Typical useful life of road seal is 15 years. Represents 6.5% of the cost of building road infrastructure.

Full valuation occurs every 5 years, with the last valuation conducted in 2013. Values are indexed annually using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16).

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### *Bridge Infrastructure*

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

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

Full valuation occurs every 5 years, with the last valuation completed in 2012. Values are indexed annually using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16).

### *Land Under Roads and within Road Reserves*

Land under roads and within road reserves value is determined by the Valuer-General every 5 years from the most recent valuations of land titles adjoining and within a 200 metre corridor of the State road network. The Valuer General provides average values per hectare or square metre for the urban and non-urban sectors in each Municipality, and the Department inputs the average values into the land areas in each sector and Municipality.

### *Traffic Signals*

Traffic Signals assets are valued every 5 years by the Australian Valuation Office on a depreciated replacement cost basis, with the last valuation completed in 2012. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

### *ABT Railway Infrastructure*

ABT Railway infrastructure comprises of the rail track, bridges, culverts, sidings, ramps and earthworks owned by the ABT Railway Ministerial Corporation. Railway assets are revalued every 5 years on a depreciated replacement cost basis, with the last valuation completed in 2012. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

### *Property Acquired for Roadworks*

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

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

#### *Valuer-General Sale Valuation*

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

#### *Valuer-General Rates Valuation*

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

#### *Department of State Growth Valuation*

This valuation is applied to properties that remain as a result of completion of the relevant road construction project, where the Valuer-General valuation is considered inappropriate. Due to factors such as non-accessibility, usefulness of land and marketability, the true value of a property may be close to zero when accounting for disposal costs or, in any case, significantly lower than the Valuer-General's valuation.

### *Rail Corridor Land*

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

The land is valued at either current Valuer-General valuation where one exists, or at the average rate per land area in each Municipality according to adjacent land zoning. Every 5 years the Valuer General provides average values per hectare or square metre for the urban and non-urban sectors in each Municipality, from the most recent valuations of land titles adjoining and within a 200 metre corridor of the rail lines.

#### *(ii) Subsequent costs*

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

#### *(iii) Asset recognition threshold*

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

(iv) Revaluations

Assets are revalued at least once in every 5 years with the following exceptions:

- » plant and equipment having a cost or revaluation less than the threshold of \$50,000;
- » land and buildings that are to be utilised for future roadworks (as required);
- » land remaining after the completion of the relevant roadworks project which is regarded as non-saleable due to, for example, limited or no access (as required), and;
- » Road and Bridge infrastructure which is revalued every 5 years, with values indexed annually between valuations.

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

The recoverable amount test is not applicable to the Department of State Growth as its non-current assets are not held for the purpose of generating net cash inflows from services provided by the Department.

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

**(a) Carrying amount**

	2016	2015
	\$'000	\$'000
<b>Land holdings</b>		
Vacant land - at fair value (30 June 2015)	39,960	37,492
Rural properties - at fair value (30 June 2015)	2,216	2,815
Rail Corridor land - at fair value (30 June 2014)	56,811	56,811
Land under buildings - at fair value (30 June 2015)	2,927	2,927
<b>Total</b>	<b>101,914</b>	<b>100,045</b>
<b>Buildings</b>		
At fair value (30 June 2015)	39,939	41,512
Less: Accumulated depreciation	(2,114)	(3,009)
<b>Total</b>	<b>37,825</b>	<b>38,503</b>
<b>Aerodromes</b>		
At fair value (30 June 2015)	150	1,103
Less: Accumulated depreciation	(9)	(117)
<b>Total</b>	<b>141</b>	<b>986</b>
<b>Plant and equipment (including computer equipment)</b>		
At cost	7,430	13,056
Less: Accumulated depreciation	(5,674)	(9,791)
<b>Total</b>	<b>1,756</b>	<b>3,265</b>
<b>Marine vessels and equipment</b>		
At fair value (30 June 2012)	14,131	14,131
Less: Accumulated depreciation	(10,427)	(10,065)
<b>Total</b>	<b>3,704</b>	<b>4,066</b>
<b>Abt Railway rolling stock</b>		
At fair value (30 June 2012)	6,760	6,760
Less: Accumulated depreciation	(3,226)	(2,942)
<b>Total</b>	<b>3,534</b>	<b>3,818</b>

	2016 \$'000	2015 \$'000
<b>Traffic Signal installations</b>		
At fair value (30 June 2012)	32,601	32,180
Less: Accumulated depreciation	(16,812)	(16,091)
<b>Total</b>	<b>15,789</b>	<b>16,089</b>
<b>Leasehold improvements</b>		
At cost	4,339	2,826
Less: Accumulated depreciation	(2,452)	(1,660)
<b>Total</b>	<b>1,887</b>	<b>1,166</b>
<b>Artwork</b>		
At fair value (30 June 2014)	272	277
<b>Total</b>	<b>272</b>	<b>277</b>
<b>Heritage and cultural assets</b>		
At fair value (30 June 2016)	407,879	400,618
<b>Total</b>	<b>407,879</b>	<b>400,618</b>
<b>Total property, plant and equipment, artwork, heritage and cultural assets</b>	<b>574,701</b>	<b>568,833</b>

#### Rural properties

Rural properties are valued as at 30 June 2016 at fair value. Fair value of these properties equates to the option prices deemed on the individual properties. These option prices are the amounts receivable should the tenants exercise the option to purchase the freehold title.

#### Rail Corridor land

The land is valued at either current Valuer-General valuation where one exists, or at the average rate per land area in each Municipality according to adjacent land zoning. Every 5 years the Valuer General provides average values per hectare or square metre for the urban and non-urban sectors in each Municipality, from the most recent valuations of land titles adjoining and within a 200 metre corridor of the rail lines. The most recent update of average values was provided by the Valuer-General as at 30 June 2014.

#### Other properties and buildings

Other land and buildings are valued at either the most recent Valuer-General valuation as available on LIST, or valuations as at 30 June 2014 undertaken by independent valuers Brothers and Newton Opteon. The independent valuations were prepared in accordance with the International Valuation Standards (IVS) 2011 which are endorsed by the Australian Property Institute and in accordance with the International Financial Reporting Standards (IFRS) 13 Fair Value Measurement.

#### Marine vessels and Traffic Signals installations

Marine vessel and Traffic Signals assets last valued in 2012 by the Australian Valuation Office on a depreciated replacement cost basis. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

#### Abt Railway rolling stock

The latest revaluation of ABT Railway rolling stock as at 30 June 2012 was completed by the Project Manager on a depreciated replacement cost basis. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

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

Heritage and cultural assets were most recently valued by internal review conducted by management and specialist staff as at 30 June 2016. The revaluation of these assets was on a fair value basis in accordance with relevant accounting standards and Treasurer's Instruction No 303 *Recognition and Measurement of Non-Current Assets*.

The valuation of Heritage and cultural assets was last undertaken by an independent specialist valuer RHAS Chartered Valuers and Brokers as at 30 June 2015. The valuation was undertaken in accordance with accounting standards for fair value applicable to cultural and heritage collections (AASB13). The definition of fair value is defined in AASB13 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. It is based on the principle of an exit price, and refers to the price an entity expects to receive when it sells an asset, or the price an entity expects to pay when it transfers a liability.

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The determination of the fair market value of Heritage and cultural assets is a combination of two distinct components – individual valuation of iconic items in the collection, and representative sampling of the remaining objects. Individual valuation relies upon the specialist expertise of the valuer and their knowledge of the market. The representative sampling derives an average value which is assigned to the remaining objects.

The most recent valuation was based on a combination of internal records, specialised knowledge and market information derived from the 2015 independent valuation, and is ratified by the Trustees.

#### **Artwork**

Artwork assets were independently valued with an effective date of 30 June 2014 by Bett Gallery Valuers. The valuation of these assets was on a fair value basis in accordance with relevant accounting standards.

The valuation was undertaken by a specialist valuer who has expertise with the objects in question. For the majority of these assets the valuers use the market value basis, however for a small number of items with no current commercial activity, the valuers used the cost of these items at the time of commissioning with consideration for damage, wear and tear.

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

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

	Land Level 2 (land in active markets)	Land Level 3 (specific purpose/use land)	Buildings Level 2 (general office buildings)	Buildings Level 3 (specific purpose/use buildings)	Aerodromes Level 3 (specific purpose/use)	Plant and equipment (including computer equipment)	Marine Vessels Level 3 (specific purpose/use)	Abt Railway Rolling Stock Level 3 (specific purpose/use)	Traffic Signal installations Level 3 (specific purpose/use)	Lease-hold improvements Level 2	Heritage and cultural assets and artwork Level 2	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2016</b>												
<b>Carrying value at 1 July</b>	<b>43,234</b>	<b>56,811</b>	<b>34,595</b>	<b>3,908</b>	<b>986</b>	<b>3,265</b>	<b>4,066</b>	<b>3,818</b>	<b>16,089</b>	<b>1,166</b>	<b>400,895</b>	<b>568,833</b>
Additions	4,114	...	1,743	14	...	84	...	...	495	249	...	6,699
Contributions received	...	...	...	...	...	...	...	...	...	...	265	265
Disposals	(1,243)	...	...	...	(843)	(2)	...	...	(21)	...	(6)	(2,115)
Net additions through restructuring	...	...	...	...	...	...	...	...	...	(102)	...	(102)
<i>Gains/losses recognised in operating result</i>												
Revaluation increments/(decrements)	...	...	(184)	...	...	...	...	...	...	...	...	(184)
<i>Gains/losses recognised in other comprehensive income</i>												
Revaluation increments/(decrements)	(1,002)	...	(1,495)	...	...	...	...	...	...	...	6,997	4,500
Depreciation & amortisation	...	...	(533)	(223)	(2)	(738)	(362)	(263)	(774)	(292)	...	(3,187)
Reclassification of assets/corrections	...	...	...	...	...	(853)	...	(21)	...	866	...	(8)
<b>Carrying value at 30 June</b>	<b>45,103</b>	<b>56,811</b>	<b>34,126</b>	<b>3,699</b>	<b>141</b>	<b>1,756</b>	<b>3,704</b>	<b>3,534</b>	<b>15,789</b>	<b>1,887</b>	<b>408,151</b>	<b>574,701</b>
<b>2015</b>												
<b>Carrying value at 1 July</b>	<b>\$'000 19,585</b>	<b>\$'000 56,793</b>	<b>\$'000 2,704</b>	<b>\$'000 4,131</b>	<b>\$'000 998</b>	<b>\$'000 1,512</b>	<b>\$'000 4,427</b>	<b>\$'000 4,081</b>	<b>\$'000 16,737</b>	<b>\$'000 ...</b>	<b>\$'000 ...</b>	<b>\$'000 110,968</b>
Additions	3,814	...	11	...	...	1,804	...	...	139	...	...	5,768
Contributions received	...	...	...	...	...	...	...	...	...	...	250	250
Disposals	(434)	...	(161)	...	...	(44)	...	...	(8)	...	...	(647)
Net additions through restructuring	25,023	...	32,943	...	...	694	...	...	...	1,420	389,953	450,033
<i>Gains/losses recognised in operating result</i>												
Revaluation increments/(decrements)	...	...	7,495	...	...	...	...	...	...	...	...	7,495
<i>Gains/losses recognised in other comprehensive income</i>												
Revaluation increments/(decrements)	(4,754)	18	(7,769)	...	...	...	...	...	...	...	10,692	(1,813)
Depreciation & amortisation	...	...	(628)	(223)	(12)	(701)	(361)	(263)	(779)	(254)	...	(3,221)
<b>Carrying value at 30 June</b>	<b>43,234</b>	<b>56,811</b>	<b>34,595</b>	<b>3,908</b>	<b>986</b>	<b>3,265</b>	<b>4,066</b>	<b>3,818</b>	<b>16,089</b>	<b>1,166</b>	<b>400,895</b>	<b>568,833</b>

### (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	2,216	A – option price in individual contracts	Nil alternatives	Option prices are locked in individual contracts
Land - Rail Corridor – specific purpose/use land	56,811	A – market value of adjacent land per square metre	\$0.01 - \$324 per sq metre	Increase / decrease in rates per square metre would increase / decrease the fair value
		B – discount factor on market value of adjacent land to reflect specialised nature of asset	30%	Increase / decrease in discount rate would decrease / increase the fair value
Buildings – specific purpose/use (eg Abt Railway buildings)	3,699	A – labour and materials cost to replace	Highly variable due to location	Increase / decrease in replacement costs would increase / decrease the fair value
		B – useful life of specialised buildings	20 years	Increase / decrease in useful life would increase / decrease the fair value
Aerodromes – specific purpose/use	141	A – market value of land	Highly variable due to location	Increase / decrease in replacement costs would increase / decrease the fair value
		B - labour and materials cost to replace	Highly variable due to location	Increase / decrease in replacement costs would increase / decrease the fair value
		C – useful life of specialised buildings	20 years	Increase / decrease in useful life would increase / decrease the fair value
Marine Vessels and equipment – specific purpose/use vessel (Bruny Island Ferry)	3,704	A – Australian Valuation Office valuation based on a depreciated replacement cost methodology	10% - 30%	Increase / decrease in replacement cost would increase / decrease the fair value
		B – useful life of Ferry	10.7 years	Increase / decrease in useful life would increase / decrease the fair value
Abt Railway Rolling Stock – specific purpose/use	3,534	A – labour and materials cost to replace	Highly variable due to specialised nature	Increase / decrease in replacement costs would increase / decrease the fair value
		B – useful life of rolling stock	5 – 30 years	Increase / decrease in useful life would increase / decrease the fair value
Traffic Signal installations –specific purpose/use	15,789	A – labour costs to replace	\$2,000 to \$39,000 /site	Increase / decrease in replacement costs would increase / decrease the fair value
		B – materials costs to replace	\$3,000 to \$130,000 /site	Increase / decrease in replacement costs would increase / decrease the fair value
		C – useful life of installation components	10 – 50 years	Increase / decrease in useful life would increase / decrease the fair value

### (d) Assets where current use is not the highest and best use

The agency holds vacant land that is specifically acquired for future roadworks. Unless there is an explicit Government policy to the contrary, the highest and best use of an asset is the purpose for which that asset is currently being used/occupied. The Department considers that the highest and best use for these assets is vacant land in an active market. The fair value of this vacant land reflects its estimated selling price in the principal market.

## 9.7 Infrastructure

### Roads

#### (a) Carrying amount

	2016 \$'000	2015 \$'000
At fair value (30 June 2015)	5,059,468	4,992,197
Less: Accumulated depreciation	(2,424,657)	(2,328,065)
<b>Total</b>	<b>2,634,811</b>	<b>2,664,132</b>

The latest revaluation of the Road asset as at 30 June 2013 was completed by The Department's Asset Management Branch on a depreciated replacement cost basis. Replacement cost was calculated using most recent contract cost experience for Tasmanian road construction. Values are indexed annually between revaluations using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 17). Current replacement cost is depreciated by the proportion of the asset that has been consumed.

#### (b) Reconciliation of movements

	Notes	2016 Level 3 \$'000	2015 \$'000
<b>Carrying amount at 1 July</b>		<b>2,664,132</b>	<b>2,644,851</b>
Capital improvements		88,682	88,827
Transferred from Dorset Council under a Deed of Transfer dated 16 April 2015	6.7	20,199	...
Write-off of replaced road assets	8.1	(28,079)	(16,944)
Transferred to Dorset Council under a Deed of Transfer dated 16 April 2015	8.1	(14,410)	...
Revaluation increments (decrements)	12.1	(40,951)	4,556
Depreciation expense		(54,762)	(57,158)
<b>Carrying amount at 30 June</b>		<b>2,634,811</b>	<b>2,664,132</b>

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

Description	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Road Infrastructure	2,634,811	A – labour and materials cost to replace	\$95 to \$172 per sq metre	Increase / decrease in replacement costs would increase / decrease the fair value
		B – useful life of road components	15 years - unlimited	Increase / decrease in useful life would increase / decrease the fair value
		C – annual indexation factor (ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16))	0.8%	Increase / decrease in indexation factor would increase / decrease the fair value

## Land Under Roads and within Road Reserves

### (a) Carrying amount

	2016 \$'000	2015 \$'000
At fair value(30 June 2014)	160,681	160,430
<b>Total</b>	<b>160,681</b>	<b>160,430</b>

The latest valuation of land under road assets was completed in 2014 calculated on Valuer-General provided average rateable values per hectare or square metre as determined by the Valuer-General from the most recent valuations (at 2014) of land titles adjoining and within a 200 metre corridor of the State road network.

### (b) Reconciliation of movements

	Notes	2016 Level 3 \$'000	2015 \$'000
Carrying amount at 1 July		160,430	158,122
Additions		...	2,308
Transferred from Dorset Council under a Deed of Transfer dated 16 April 2015	6.7	251	...
<b>Carrying amount at 30 June</b>		<b>160,681</b>	<b>160,430</b>

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

Description	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Land under Roads	160,681	A – market value of adjacent land per square metre	\$0.01 - \$193 per sq metre	Increase / decrease in rates per square metre would increase / decrease the fair value
		B –discount factor on market value of adjacent land to reflect specialised nature of asset	30%	Increase / decrease in discount rate would decrease / increase the fair value

## Bridges

### (a) Carrying amount

	2016 \$'000	2015 \$'000
At fair value(30 June 2015)	1,797,304	1,794,818
Less: Accumulated depreciation	(584,282)	(560,458)
<b>Total</b>	<b>1,213,022</b>	<b>1,234,360</b>

The latest revaluation of the Bridge assets as at 30 June 2012 was completed by the Department's Asset Management Branch on a depreciated replacement cost basis, based on an independent valuation of the seven major Tasmanian bridge structures completed by GHD Pty Ltd as at 30 June 2012. Values are indexed annually between revaluations using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16).

### (b) Reconciliation of movements

	Notes	2016 Level 3 \$'000	2015 \$'000
<b>Carrying amount at 1 July</b>		<b>1,234,360</b>	<b>1,238,834</b>
Capital improvements		7,573	2,049
Transferred from Dorset Council under a Deed of Transfer dated 16 April 2015	6.7	7,038	...
Write-off of replaced bridges	8.1	(2,312)	(2,664)
Transferred to Dorset Council under a Deed of Transfer dated 16 April 2015	8.1	(987)	...
Revaluation increments (decrements)	12.1	(8,826)	18,481
Depreciation expense		(23,824)	(22,340)
<b>Carrying amount at 30 June</b>		<b>1,213,022</b>	<b>1,234,360</b>

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

Description	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Bridges	1,213,022	A – labour and materials cost to replace	\$1,601 to \$10,666 per sq metre	Increase / decrease in replacement costs would increase / decrease the fair value
		B – useful life of bridges	25 – 250 years	Increase / decrease in useful life would increase / decrease the fair value
		C – annual indexation factor (ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16)	0.8%	Increase / decrease in indexation factor would increase / decrease the fair value

## Abt Railway Infrastructure

### (a) Carrying amount

	2016 \$'000	2015 \$'000
At fair value(30 June 2012)	33,239	33,169
Less: Accumulated depreciation	(10,961)	(10,131)
<b>Total</b>	<b>22,278</b>	<b>23,038</b>

The latest revaluation of ABT Railway infrastructure as at 30 June 2012 was completed by the Project Manager on a depreciated replacement cost basis. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

### (b) Reconciliation of movements

	2016 Level 3 \$'000	2015 \$'000
<b>Carrying amount at 1 July</b>	<b>23,038</b>	<b>23,664</b>
Additions	70	201
Depreciation expense	(830)	(827)
<b>Carrying amount at 30 June</b>	<b>22,278</b>	<b>23,038</b>

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

Description	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Abt Railway Infrastructure	22,278	A – labour and materials cost to replace:		Increase / decrease in replacement costs would increase / decrease the fair value
		Rail lines (35.8 Klm)	\$400 - \$500 per metre	
		Other infrastructure	Highly variable due to location	
		B – useful life of infrastructure	40 years	Increase / decrease in useful life would increase / decrease the fair value
<b>Total Infrastructure</b>				<b>4,030,792    4,081,960</b>

## 9.8 Intangibles

An intangible asset is recognised where:

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

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

### (a) Carrying amount

	2016 \$'000	2015 \$'000
<b>Intangibles with a finite useful life (at cost)</b>		
Motor Registry System	17,504	17,504
Other software systems	2,593	2,822
Less: Accumulated amortisation	(16,283)	(14,693)
<b>Total intangibles</b>	<b>3,814</b>	<b>5,633</b>

### (b) Reconciliation of movements

	2016 \$'000	2015 \$'000
<b>Carrying amount at 1 July</b>	<b>5,633</b>	<b>7,577</b>
Net additions through administrative restructure	...	239
Amortisation expense	(1,819)	(2,183)
<b>Carrying amount at 30 June</b>	<b>3,814</b>	<b>5,633</b>

The above listed Intangible assets are all in-house developed specialised computer software systems. Work in progress represents computer software undergoing internal development that has not yet been released into production.

## 9.9 Other assets

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

### (a) Carrying amount

	2016 \$'000	2015 \$'000
Prepayments	1433	1,731
<b>Total</b>	<b>1,433</b>	<b>1,731</b>
Recovered within 12 months	1429	1,731
Recovered in more than 12 months	4	...
<b>Total</b>	<b>1,433</b>	<b>1,731</b>

### (b) Reconciliation of movements

	2016 \$'000	2015 \$'000
<b>Carrying amount at 1 July</b>	<b>1,731</b>	<b>646</b>
Additions	1,433	1,731
Settled/consumed	(1,731)	(646)
<b>Carrying amount at 30 June</b>	<b>1,433</b>	<b>1,731</b>

## 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.

	2016 \$'000	2015 \$'000
Creditors	2,630	6,729
Accrued expenses	8,050	1,448
<b>Total</b>	<b>10,680</b>	<b>8,177</b>
Settled within 12 months	10,680	8,177
Settled in more than 12 months	...	...
<b>Total</b>	<b>10,680</b>	<b>8,177</b>

Settlement is usually made within 30 days.

### 10.2 Interest bearing liabilities

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

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

#### (a) Carrying amount

	2016 \$'000	2015 \$'000
Loans from the State Government	5,170	5,640
Loans from the Australian Government	34,572	19,873
Loans from Tascorp	15,000	15,000
<b>Total</b>	<b>54,742</b>	<b>40,513</b>

#### (b) Maturity schedule

	2016 \$'000	2015 \$'000
One year or less	470	470
From one to five years	54,272	40,043
<b>Total</b>	<b>54,742</b>	<b>40,513</b>

In late June 2016 \$20 million was received from the Australian Government in relation to the Drought and Dairy Recovery Loan Schemes.

### 10.3 Employee benefits

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

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

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

	2016 \$'000	2015 \$'000
Accrued salaries	304	2,476
Annual leave	5,451	5,433
Long service leave	11,632	12,922
Provision for termination payments	...	823
<b>Total</b>	<b>17,387</b>	<b>21,654</b>
Expected to settle within 12 months	7,413	10,346
Expected to settle in more than 12 months	9,974	11,308
<b>Total</b>	<b>17,387</b>	<b>21,654</b>

### 10.4 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

	2016 \$'000	2015 \$'000
Compulsory acquisition of land for roadworks	3,524	3,944
Operating lease make-good provisions	234	588
<b>Total</b>	<b>3,758</b>	<b>4,532</b>
Settled within 12 months	3,524	3,404
Settled in more than 12 months	234	1,128
<b>Total</b>	<b>3,758</b>	<b>4,532</b>

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

	Provisions for acquisition of land		Operating lease make-good provisions		Total Provisions	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July</b>	<b>3,944</b>	<b>1,848</b>	<b>588</b>	<b>...</b>	<b>4,532</b>	<b>1,848</b>
Additions/increases	...	2,757	236	19	236	2,776
Charges against provision	(420)	(661)	(572)	...	(992)	(661)
Reversals	...	...	...	...	...	...
Changes in discounting	...	...	(18)	20	(18)	20
Net increase through administrative restructure	...	...	...	549	...	549
<b>Balance at 30 June</b>	<b>3,524</b>	<b>3,944</b>	<b>234</b>	<b>588</b>	<b>3,758</b>	<b>4,532</b>

**10.5 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.

	2016	2015
	\$'000	\$'000
<b>Revenue received in advance</b>		
Appropriation received in advance for carry forward under section 8A of the <i>Public Account Act 1986</i>	11,603	11,024
Other revenue received in advance	126	10
<b>Other liabilities</b>		
Monies held in trust	7,054	7,201
Suspense accounts	285	219
PAYG withholding tax liability over year end	594	...
Employee benefits – on costs	112	145
<b>Total</b>	<b>19,774</b>	<b>18,599</b>
Settled within 12 months	19,707	18,573
Settled in more than 12 months	67	26
<b>Total</b>	<b>19,774</b>	<b>18,599</b>

Monies held in Trust are primarily Mines Deposit Accounts (\$5.8M), which are held by the Department in trust as mine rehabilitation bonds.

## Note II: Commitments and Contingencies

### II.1 Schedule of Commitments

	2016 \$'000	2015 \$'000
<b>By type</b>		
<i>Capital commitments</i>		
Infrastructure – National Roads	107,458	93,295
Infrastructure – State Roads	26,808	9,408
Other	...	...
<i>Total capital commitments</i>	<b>134,266</b>	<b>102,703</b>
<i>Lease Commitments</i>		
Operating leases	13,354	33,228
<i>Total lease commitments</i>	<b>13,354</b>	<b>33,228</b>
<i>Other commitments</i>		
Loan commitments	7,255	18,081
Program/project commitments	118,717	113,609
<i>Total other commitments</i>	<b>125,972</b>	<b>131,690</b>
<b>By maturity</b>		
<i>Capital commitments</i>		
One year or less	83,575	48,289
From one to five years	50,641	54,414
More than five years	50	...
<i>Total capital commitments</i>	<b>134,266</b>	<b>102,703</b>
<i>Operating lease commitments</i>		
One year or less	5,840	2,876
From one to five years	5,007	14,468
More than five years	2,507	15,884
<i>Total operating lease commitments</i>	<b>13,354</b>	<b>33,228</b>
<i>Other commitments</i>		
One year or less	73,258	92,380
From one to five years	50,960	36,995
More than five years	1,754	2,315
<i>Total other commitments</i>	<b>125,972</b>	<b>131,690</b>
<b>Total</b>	<b>273,592</b>	<b>267,621</b>

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

The Department is prohibited by Treasurer's Instruction 502 *Leases* from holding finance leases.

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

NB: Commitments are shown as GST exclusive.

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

The majority of the Department's leases are represented by land and building rental costs and motor vehicles leased through the government's fleet manager. The rentals on leased premises generally contain renewal options that extend the lease to match the current lease periods. These range from 2 to 14 years. The total lease commitment excludes local government and other executory costs where they are paid directly to a party other than the lessor. These costs are included elsewhere in the Department's expenditures.

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

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.

	2016 \$'000	2015 \$'000
<b>Quantifiable Contingent Liabilities</b>		
Loan Guarantee:		
Guarantee related to the Export Finance and Insurance Corporation. Settlement of the finance was obtained through EFIC on 28 January 2016 and supported by the State Government through this Guarantee, effectively releasing the State Government from any further contingent liability.	...	18,720
Asbestos removal from traffic signal sites:		
This involves the identification and removal of any asbestos from approximately 1,000 traffic signal sites, predominantly pits, associated with traffic signals. The nature and location of the individual traffic signal sites will have a significant impact on the cost of any remediation with the cost range from a few hundred dollars per site to more than \$10,000 for some complex sites. The extent of work on each site will be based on individual assessment which creates significant uncertainty about the final cost.	3,500	3,500
<b>Total quantifiable contingent liabilities</b>	<b>3,500</b>	<b>22,220</b>

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**(b) Unquantifiable Contingencies**

The Department has not identified any unquantifiable contingent assets as at 30 June 2016.

At 30 June 2016 the Department had a number of legal claims against it for:

- » a dispute over the ownership of a strip of foreshore land at Tinderbox valued at \$50,000;
- » dispute over providing a statement of reasons under the *Judicial Review Act 2000* for the granting of two Mining Leases near Tullah valued at \$60,000;
- » compensation in relation to the acquisition of property for road construction; and
- » personal injury or damage allegedly caused by the actions or inactions of the Department.

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

# Note 12: Reserves

## 12.1 Reserves

2016	Vacant Land \$'000	Land under Buildings \$'000	Rail corridor land \$'000	Buildings \$'000	Aero-dromes \$'000	Plant and Equipment \$'000	Traffic Signals \$'000	Road Infrastructure \$'000	Bridges \$'000	Other Infrastructure \$'000	Artwork \$'000	Heritage and Cultural assets \$'000	Total \$'000
Asset revaluation reserve	9,449	4,476	6,379	9,085	710	4,127	7,156	1,090,877	440,060	6,415	17	37,650	1,616,401
Net movement through restructuring	...	...	...	...	...	...	...	...	...	...	...	...	...
Revaluation increments/(decrements)	(1,002)	...	...	(1,495)	...	...	...	(40,951)	(8,826)	...	...	6,997	(45,277)
Impairment losses	...	...	...	...	...	...	...	...	...	...	...	...	...
Reversals of impairment losses	...	...	...	...	...	...	...	...	...	...	...	...	...
<b>Balance at 30 June</b>	<b>8,447</b>	<b>4,476</b>	<b>6,379</b>	<b>7,590</b>	<b>710</b>	<b>4,127</b>	<b>7,156</b>	<b>1,049,926</b>	<b>431,234</b>	<b>6,415</b>	<b>17</b>	<b>44,647</b>	<b>1,571,124</b>
<b>2015</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Asset revaluation reserve	6,441	3,736	6,361	3,343	710	4,127	7,156	1,086,321	421,579	6,415	...	...	1,546,189
Net Movements through restructuring	8,502	...	...	13,511	...	...	...	...	...	...	17	26,958	48,988
Revaluation increments/(decrements)	(5,494)	740	18	(7,769)	...	...	...	4,556	18,481	...	...	10,692	21,224
Impairment losses	...	...	...	...	...	...	...	...	...	...	...	...	...
Reversals of impairment losses	...	...	...	...	...	...	...	...	...	...	...	...	...
<b>Balance at 30 June</b>	<b>9,449</b>	<b>4,476</b>	<b>6,379</b>	<b>9,085</b>	<b>710</b>	<b>4,127</b>	<b>7,156</b>	<b>1,090,877</b>	<b>440,060</b>	<b>6,415</b>	<b>17</b>	<b>37,650</b>	<b>1,616,401</b>

### (a) Nature and purpose of reserves

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

## 12.2 Administrative Restructuring

As a result of an administrative order, the former Department of Infrastructure, Energy and Resources changed its name to Department of State Growth effective on 1 July 2014. The administrative order also amalgamates the Department of Economic Development, Tourism and the Arts (DEDTA) with the Department of State Growth. A further administrative order enacted the following departmental restructure, also effective on 1 July 2014:

- (1) The part of the Department of State Growth known as Sport and Recreation Tasmania was amalgamated with the Department of Premier and Cabinet,
- (2) The part of the Department of State Growth known as Tourism Tasmania was amalgamated with the State authority established as Tourism Tasmania,
- (3) The part of the Department of Education known as Skills Tasmania was amalgamated with the Department of State Growth.

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

	2016 \$'000	2015 \$'000
<b>Net assets assumed on restructure</b>		
Cash and deposits	...	29,265
Receivables	...	1,212
Other financial assets	...	34,465
Property, plant and equipment	...	90,630
Heritage and cultural assets	...	389,676
Intangibles	...	951
Other assets	...	2,292
<b>Total assets recognised</b>	<b>...</b>	<b>548,491</b>
Payables	...	2,222
Employee benefits	...	8,756
Interest bearing liabilities	...	36,110
Provisions	...	1,842
Other liabilities	...	3,923
<b>Total liabilities recognised</b>	<b>...</b>	<b>52,853</b>
<b>Net assets (liabilities) assumed on restructure</b>	<b>...</b>	<b>495,638</b>
<b>Comprising of:</b>		
Contributed equity	...	441,606
Reserves:		
Land	...	9,329
Buildings	...	17,722
Artwork	...	23
Heritage and cultural assets	...	26,958
<b>Total equity assumed</b>	<b>...</b>	<b>495,638</b>

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

	2016 \$'000	2015 \$'000
<b>Net assets assumed on restructure</b>		
Cash and deposits	...	1,393
Property, plant and equipment	...	25
<b>Total assets recognised</b>	<b>...</b>	<b>1,418</b>
Employee benefits	...	1,125
<b>Total liabilities recognised</b>	<b>...</b>	<b>1,125</b>
<b>Net assets (liabilities) assumed on restructure</b>	<b>...</b>	<b>293</b>
<b>Comprising of contributed equity</b>	<b>...</b>	<b>293</b>

In respect of activities relinquished, the Department transferred the following assets and liabilities to the Department of Premier and Cabinet:

	2016 \$'000	2015 \$'000
<b>Net assets relinquished on restructure</b>		
Cash and deposits	...	1,791
Receivables	...	50
Property, plant and equipment	...	30,039
Other assets	...	64
<b>Total assets relinquished</b>	<b>...</b>	<b>31,944</b>
Payables	...	727
Provisions	...	19
Employee benefits	...	981
Other liabilities	...	59
<b>Total liabilities relinquished</b>	<b>...</b>	<b>1,786</b>
<b>Net assets (liabilities) relinquished on restructure</b>	<b>...</b>	<b>30,158</b>
<b>Comprising of:</b>		
Contributed equity	...	25,114
Reserves:		
Artwork	...	6
Land	...	827
Buildings	...	4,211
<b>Total equity relinquished</b>	<b>...</b>	<b>30,158</b>

In respect of activities relinquished, the Department transferred the following assets and liabilities to Tourism Tasmania:

	2016 \$'000	2015 \$'000
<b>Net assets relinquished on restructure</b>		
Cash and deposits	...	16
Receivables	...	108
Leasehold improvements	...	234
Intangibles	...	711
Other assets	...	541
<b>Total assets relinquished</b>	<b>...</b>	<b>1,610</b>
Payables	...	60
Provisions	...	340
Employee benefits	...	1,165
Other liabilities	...	5
<b>Total liabilities relinquished</b>	<b>...</b>	<b>1,570</b>
<b>Net assets (liabilities) relinquished on restructure</b>	<b>...</b>	<b>40</b>
<b>Comprising of contributed equity</b>	<b>...</b>	<b>40</b>

In respect of activities relinquished, the Department transferred the following assets and liabilities to Department of Primary Industries, Parks, Water and Environment:

	2016 \$'000	2015 \$'000
<b>Net assets relinquished on restructure</b>		
Cash and deposits	(245)	...
Leasehold improvements	103	...
<b>Total assets relinquished</b>	<b>(142)</b>	<b>...</b>
Employee benefits	418	...
Monies held in trust	28	...
<b>Total liabilities relinquished</b>	<b>445</b>	<b>...</b>
<b>Net assets (liabilities) relinquished on restructure</b>	<b>588</b>	<b>...</b>
<b>Comprising of contributed equity</b>	<b>588</b>	<b>...</b>
<b>Net contribution by the Government as owner during the period through restructuring</b>	<b>588</b>	<b>465,734</b>

Expense and income items of the activities transferred to Department of Premier and Cabinet, Tourism Tasmania, and Department of Primary Industries, Parks, Water and Environment, during the reporting period were as follows. These expense and income items are included in the transferee Department's Statement of Comprehensive Income:

	2016 \$'000	2015 \$'000
<b>Revenues</b>		
Recognised by Tourism Tasmania	...	25,006
Recognised by the Department of Premier and Cabinet	...	33,641
Recognised by the Department of Primary Industries, Parks, Water and Environment	326	...
<b>Total revenues</b>	<b>326</b>	<b>58,647</b>
<b>Expenses</b>		
Recognised by Tourism Tasmania	...	25,196
Recognised by the Department of Premier and Cabinet	...	32,750
Recognised by the Department of Primary Industries, Parks, Water and Environment	3,448	...
<b>Total expenses</b>	<b>3,448</b>	<b>57,946</b>

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

## Note 13: Cash Flow Reconciliation

### 13.1 Cash and deposits

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

	2016 \$'000	2015 \$'000
<b>Special Deposits and Trust Fund balance:</b>		
T466 Mines deposit account	5,753	5,804
T524 State Growth Operating account	84,917	56,213
T636 Princes Wharf No 1 management account	78	62
T661 Traffic Management operating account	45	44
T790 Government Guarantees Reserve account	966	774
T796 Abt Railway account	782	880
T801 Taxi Industry administration account	325	253
T941 Fire Relief account	2	1
T797 Intelligent Island Project account	71	162
<b>Total</b>	<b>92,939</b>	<b>64,192</b>
<b>Other cash held:</b>		
Commonwealth Bank account – Queenstown (Abt Railway)	5,814	2,268
Petty cash	13	12
<b>Total</b>	<b>5,827</b>	<b>2,280</b>
<b>Total cash and deposits</b>	<b>98,766</b>	<b>66,472</b>

### 13.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2016 \$'000	2015 \$'000
Net result from transactions	52,991	16,035
Depreciation and amortisation	84,422	85,731
Decrease (increase) in Receivables	(1,851)	1,029
Decrease (increase) in other financial assets	665	5,337
Increase (decrease) in Employee entitlements	(4,267)	328
Increase (decrease) in Payables	2,503	992
Increase (decrease) in Other liabilities	467	(3,139)
Less: contributions received	(27,691)	(250)
Less: non-operational capital funding – recurrent appropriation	(249)	(1,633)
Less: non-operational capital funding – works & services appropriation	(34,729)	(59,642)
Less: non-operational capital funding – Australian Government grants	(52,866)	(30,472)
<b>Net cash from (used by) operating activities</b>	<b>19,395</b>	<b>14,316</b>

### 13.3 Acquittal of Capital Investment and Special Capital Investment Funds

The Department received Works and Services Appropriation funding and revenues from Special Capital Investment Funds to fund specific projects.

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

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

#### (a) Project expenditure

	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<b>Capital Investment Program</b>			
<i>National Highway System</i>			
Bass Highway - Birlee to Exton	...	5,070	...
Bridge renewal program	4,810	3,651	...
Brooker Highway – Elwick, Goodwood, Howards Roads	11,100	6,460	1,600
Contingency fund – Australian Government	600	...	...
Domain Highway planning	4,000	68	...
Heavy Vehicle Safety and productivity	400	201	...
Huon Highway / Summerleas Road	6,840	1,269	...
Infrastructure Development - Continuing Projects	...	452	943
Infrastructure Maintenance	7,300	7,945	8,220
Midland Highway	59,578	25,642	17,038
North East Freight Roads	2,287	891	5,693
Port Sorell Main Road	...	...	88
Road Safety and Traffic Management Works	4,300	2,284	1,477
Tasman Ramps	11,988	11,239	979
<i>State Funded Projects</i>			
Arthur Highway	...	204	4,135
Asset Management	5,321	4,187	2,464
Bass Highway/Stanley Highway Junction	...	...	249
Bell Bay Intermodal Terminal	...	17	85
Bell Bay Main Road port access	...	38	16
Bridge Strengthening on Esk and Tasman Hwys	500	135	...
Brighton Bypass	...	...	29
Brooker, Elwick, Goodwood, Howards Roads	1,000	2,796	...
Bruny Island Main Road	300	42	64
Colebrook Main Road	500	597	...
Environmental Management	545	545	556
Esk Main Road	1,000	110	173
Ferry Road Kettering	...	...	825
Forward Planning	1,125	3,932	...
Hadspen Bridge walkway	100	...	...
Huon Highway upgrade	...	11	1,232
Huon Highway - Glendevie	...	3,305	60
Infrastructure Development - Continuing Projects	128	959	4,361
Infrastructure Maintenance	57,929	61,029	56,644
Highland Lakes Road	...	32	45
Launceston Northbank	675	675	...

	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
Midland Highway	5,000	5,958	1,981
Murchison Highway	1,000	531	1,435
Murchison Highway Upgrade	...	360	5,501
North East Freight Roads	...	...	2,736
Port Sorell Main Road	...	...	263
Program Management	1,032	643	4,053
Richmond Link Road	...	56	1,403
Road Safety and Traffic Management	8,359	7,864	11,983
South Arm Highway/Rokeby Main Road	6,000	6,907	12,334
Strategic Policy and Planning	2,807	2,462	2,906
Tarkine Drive	...	240	3,688
Tasman Highway Scottsdale to Launceston	...	100	874
Tasman Highway, St Helen's Point Road	850	...	...
Tasmanian Museum and Art Gallery Building Roof Maintenance	460	111	...
West Coast Roads, Strahan	...	576	...
West Tamar Highway Bradys Lookout	...	85	162
<b>Total cash outflows</b>	<b>207,834</b>	<b>169,679</b>	<b>156,295</b>

#### (b) Classification of cash flows

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

	2016 \$'000	2015 \$'000
<b>Cash outflows</b>		
Other cash payments		
Maintenance	66,646	54,246
Other (overheads, management, systems)	7,292	9,979
Payments for acquisition of assets	95,741	92,070
<b>Total cash outflows</b>	<b>169,679</b>	<b>156,295</b>

# Note 14: Financial Instruments

## 14.1 Risk exposures

### (a) Risk management policies

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

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

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

The Department does not hold any derivative financial instruments.

### (b) Credit risk exposures

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

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

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Department's maximum exposure to credit risk. The Department is not exposed to credit risk of any significance.

The following tables analyse financial assets that are past due but not impaired:

Analysis of financial assets that are past due at 30 June 2016 but not impaired				
	Past due 31 to 60 days	Past due 61 to 90 days	Past due over 90 days	Total
	\$'000	\$'000	\$'000	\$'000
Receivables	69	31	93	<b>193</b>
Loan advances	...	...	...	...
Analysis of financial assets that are past due at 30 June 2015 but not impaired				
	Past due 31 to 60 days	Past due 61 to 90 days	Past due over 90 days	Total
	\$'000	\$'000	\$'000	\$'000
Receivables	67	83	395	<b>545</b>
Loan advances	3	4	59	<b>66</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)
<b>Financial Liabilities</b>		
Payables	Recognised upon the receipt of a good or service that has not been paid for, measured at face value	Settled within 30 days
Interest bearing liabilities	Bank loans and other loans are initially measured at fair value, net of transaction costs. These loans are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis. The Department regularly reviews its contractual outflows to ensure that there is sufficient cash available to meet contracted payments.	Contractual payments made on a regular basis.
Monies held in Trust	Recognised upon receipt of monies, measured at face value	At call
Revenue received in advance	Recognised upon receipt of monies, measured at face value	Expended by 30 September of the following year in terms of section 8A of the <i>Public Account Act 1986</i>

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

## 2016

Maturity analysis for financial liabilities:								
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
<b>Financial liabilities</b>								
Payables	10,680	...	...	...	...	...	10,680	10,680
Interest bearing liabilities	470	...	...	...	...	54,272	54,742	54,742
Monies held in Trust	7,054	...	...	...	...	...	7,054	7,054
<b>Total</b>	<b>18,204</b>	...	...	...	...	<b>54,272</b>	<b>72,476</b>	<b>72,476</b>

## 2015

Maturity analysis for financial liabilities:								
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
<b>Financial liabilities</b>								
Payables	8,177	...	...	...	...	...	8,177	8,177
Interest bearing liabilities	470	...	...	...	...	40,043	40,513	40,513
Monies held in Trust	7,201	...	...	...	...	...	7,201	7,201
<b>Total</b>	<b>15,848</b>	...	...	...	...	<b>40,043</b>	<b>55,891</b>	<b>55,891</b>

### (d) Market risk

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

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

	2016 \$'000	2015 \$'000
<b>Fixed rate instruments</b>		
Financial assets	...	...
Financial liabilities	(15,000)	(15,000)
<b>Total</b>	<b>(15,000)</b>	<b>(15,000)</b>
<b>Variable rate instruments</b>		
Financial assets	53,954	50,719
Financial liabilities	(307)	(331)
<b>Total</b>	<b>53,647</b>	<b>50,388</b>

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

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

	Statement of Comprehensive Income		Equity	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
	\$'000	\$'000		
<b>30 June 2016</b>				
Cash and deposits	207	(207)	...	...
Loan advances	333	(333)	...	...
Monies held in Trust	(3)	3	...	...
Interest bearing facilities	(150)	150	...	...
<b>Net sensitivity</b>	<b>387</b>	<b>(387)</b>	...	...
<b>30 June 2015</b>				
Cash in Special Deposits and Trust Fund	108	(108)	...	...
Loan advances	399	(399)	...	...
Monies held in Trust	(3)	3	...	...
Interest bearing facilities	(150)	150	...	...
<b>Net sensitivity</b>	<b>354</b>	<b>(354)</b>	...	...

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2015.

## 14.2 Categories of Financial Assets and Liabilities

	2016 \$'000	2015 \$'000
<b>Financial assets</b>		
Cash and deposits	98,766	66,472
Loans and receivables	34,235	43,682
<b>Total</b>	<b>133,001</b>	<b>110,154</b>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	65,422	55,891
<b>Total</b>	<b>65,422</b>	<b>55,891</b>

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

## 14.3 Reclassifications of Financial Assets

The Department has not reclassified any financial assets.

## 14.4 Derecognition of Financial Assets

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

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

	Carrying Amount 2016 \$'000	Net Fair Value 2016 \$'000	Carrying Amount 2015 \$'000	Net Fair Value 2015 \$'000
<b>Financial assets</b>				
Cash at bank	5,827	5,827	2,268	2,268
Cash in Special Deposits and Trust Fund	92,939	92,939	64,192	64,192
Receivables	5,585	5,585	3,734	3,734
Loan advances	33,282	33,271	39,948	39,986
<b>Total financial assets</b>	<b>137,633</b>	<b>137,622</b>	<b>110,142</b>	<b>110,180</b>
<b>Financial liabilities</b>				
Trade creditors	10,680	10,680	8,177	8,177
Interest bearing facilities	54,742	49,918	40,513	35,219
Other financial liabilities:				
Monies held in Trust	7,054	7,054	7,201	7,201
<b>Total financial liabilities</b>	<b>72,476</b>	<b>67,652</b>	<b>55,891</b>	<b>50,597</b>

## 14.6 Net Fair Values of Financial Assets and Liabilities

2016

	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
<b>Financial assets</b>				
Cash at bank	...	5,827	...	5,827
Cash in Special Deposits and Trust Fund	...	92,939	...	92,939
Receivables	...	...	5,585	5,585
Loan advances	...	...	33,271	33,271
<b>Total financial assets</b>	<b>...</b>	<b>98,766</b>	<b>38,856</b>	<b>137,622</b>
<b>Financial liabilities</b>				
Trade creditors	...	...	10,680	10,680
Interest bearing facilities	...	...	49,918	49,918
Other financial liabilities:				
Monies held in Trust	...	...	7,054	7,054
<b>Total financial liabilities</b>	<b>...</b>	<b>...</b>	<b>67,652</b>	<b>67,652</b>

## 2015

	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net air Value Total \$'000
<b>Financial assets</b>				
Cash at bank	...	2,268	...	2,268
Cash in Special Deposits and Trust Fund	...	64,192	...	64,192
Receivables	...		3,734	3,734
Loan advances	...		39,986	39,986
<b>Total financial assets</b>	...	<b>66,460</b>	<b>43,720</b>	<b>110,180</b>
<b>Financial liabilities</b>				
Trade creditors	...	...	8,177	8,177
Interest bearing facilities	...	...	35,219	35,219
Other financial liabilities:				
Monies held in Trust	...	...	7,201	7,201
<b>Total financial liabilities</b>	...	...	<b>50,597</b>	<b>50,597</b>

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

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

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

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

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

#### *Financial Assets*

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

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

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

#### *Financial Liabilities*

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

## Note 15: Details of Consolidated Entities

### 15.1 List of Entities

The following entities have been consolidated by the Department:

Entity	Ownership Interest	Proportion of Ownership Interest
Tasmania Development and Resources	State of Tasmania	100%
The Tasmanian Museum and Art Gallery	State of Tasmania	100%
Abt Railway Ministerial Corporation	State of Tasmania	100%
Forest Practices Authority (consolidated within the Administered Financial Statements)	State of Tasmania	100%

## Note 16: Notes to Administered Statements

### 16.1 Explanations of Material Variances between Budget and Actual Outcomes

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

#### (a) Schedule of Administered Income and Expenses

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Grants revenue	(i)	109	5,220	5,111	4689%
Other revenue	(ii)	28,032	15,044	(12,988)	(46%)
Employee benefits	(iii)	...	1,479	(1,479)	(100%)
Supplies and consumables	(iv)	136	1,927	1,791	1316%
Transfers to the Consolidated Fund	(v)	81,133	67,125	(14,008)	(17%)

#### Notes to Schedule of Administered Income and Expenses variances

(i) Grants revenue is above original budget due to Australian Government funding receipts for the Forest Contractors financial support program (\$3.2M), Abt Railway Commonwealth funding for capital improvements (\$0.6M) and annual appropriation funding to Forest Practices Authority by way of grant (\$1.4M).

(ii) Other revenue is below original budget resulting from a reduction in Mineral Royalties (\$13.0M) due to tightening commodities markets and diminishing mining profits.

(iii) This variance reflects the budget exclusion of Forest Practices Authority salaries funded from revenues (ie budgets only include salaries funded from the consolidated fund).

(iv) This variance partly reflects the budget exclusion of Forest Practices Authority expenses funded from revenues (ie budgets only include expenses funded from the consolidated fund) - \$0.5M. Secondly budget treats the revenue/production cost of custom number plates and other costs incurred in the collection of administered revenues on a net basis, therefore no budget for these expenditures is provided. However, Australian Accounting Standards do not allow for the aggregation of revenues and expenditures (+\$0.8M). Thirdly, \$0.4M of consultancy expenses related to Forestry strategic programs funded by the Australian Government.

(v) Transfers to the Consolidated Fund is below budget due to \$13.0M shortfall in Mineral Royalties collection.

## (b) Schedule of Administered Assets and Liabilities

	Note	Budget \$'000	2016 Actual \$'000	2015 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Receivables	(i)	97	1,855	27	(1,758)	(1,828)
Other liabilities	(ii)	1,537	2,635	944	1,098	1,691

### Notes to Schedule of Administered Assets and Liabilities Variances

(i) Receivables are above original budget due to un-receipted Motor Registry revenue collections for 30 June 2016 (\$1.8M). Normal practice is to receipt this revenue before close of business for the financial year, however the process was delayed until the first day in the new financial year.

(ii) Other liabilities are over original budget due to monies collected on behalf of third parties (eg MAIB, Fire Levy, Stamp Duty) but not remitted to the respective parties at the end of the financial year, and held in trust. Larger collections on 30 June 2016, hence greater holding than prior year. Refer note 17.

## (c) Schedule of Administered Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Grants revenue	(i)	109	5,220	5,111	4,689%
Other cash receipts	(ii)	28,032	15,116	(12,916)	(46%)
Employee benefits	(iii)	...	(1,491)	(1,491)	(100%)
Other cash payments	(iv)	(136)	(2,070)	(1,934)	1,422%
Transfers to the Consolidated Fund	(v)	(81,133)	(67,125)	14,008	(17%)

### Notes to Schedule of Administered Cash Flow variances

(i) Grants revenue is above original budget due to Australian Government funding receipts for the Forest Contractors financial support program (\$3.2M), Abt Railway Commonwealth funding for capital improvements (\$0.6M) and annual appropriation funding to Forest Practices Authority by way of grant (\$1.4M).

(ii) Other cash receipts is below original budget resulting from a reduction in Mineral Royalties (\$13.0M) due to tightening commodities markets and diminishing mining profits.

(iii) This variance reflects the budget exclusion of Forest Practices Authority salaries funded from revenues (ie budgets only include salaries funded from the consolidated fund).

(iv) This variance partly reflects the budget exclusion of Forest Practices Authority expenses funded from revenues (ie budgets only include expenses funded from the consolidated fund) - \$0.5M. Secondly budget treats the revenue/production cost of custom number plates and other costs incurred in the collection of administered revenues on a net basis, therefore no budget for these expenditures is provided. However, Australian Accounting Standards do not allow for the aggregation of revenues and expenditures (+\$0.8M). Thirdly, \$0.4M of consultancy expenses related to Forestry strategic programs funded by the Australian Government.

(v) Transfers to the Consolidated Fund is below budget due to \$13.0M shortfall in Mineral Royalties collection.

## 16.2 Administered revenue from Government

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

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

	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
<i>Continuing operations</i>			
Appropriation revenue - recurrent			
Current year	87,474	79,644	82,229
<b>Total</b>	<b>87,474</b>	<b>79,644</b>	<b>82,229</b>

## 16.3 Administered Grants

	2016 \$'000	2015 \$'000
<i>Continuing operations</i>		
Tasmanian Forestry Agreement	3,161	9,141
Grants from other Government Department	1,416	1,388
Industry contributions	26	16
<b>Total</b>	<b>4,603</b>	<b>10,545</b>
<i>Non-operational capital funding</i>		
Grants from the Australian Government	617	...
<b>Total</b>	<b>617</b>	<b>...</b>
<b>Total revenue from grants</b>	<b>5,220</b>	<b>10,545</b>

## 16.4 Administered State taxation

	2016 \$'000	2015 \$'000
Vehicle Registration Fees	39,470	38,168
<b>Total</b>	<b>39,470</b>	<b>38,168</b>

## 16.5 Administered Sales of goods and services

	2016	2015
	\$'000	\$'000
<b>Goods</b>		
Mineral Land Rentals	1,011	947
Custom Plates	912	650
<b>Services</b>		
MAIB Commission	2,285	2,267
Registration and Licensing	130	152
Forest Practice Plan fees	645	491
Forest Practice consulting fees	70	103
Other	87	100
<b>Total</b>	<b>5,140</b>	<b>4,710</b>

## 16.6 Administered Fees and fines

	2016	2015
	\$'000	\$'000
<b>Regulatory Fees</b>		
Public Vehicle Licensing	476	1,655
Fees from Mineral Lands	732	1,025
Driver Licensing	8,081	8,271
<b>Fines</b>		
Weighbridge	1	3
Other	8	5
<b>Total</b>	<b>9,298</b>	<b>10,959</b>

## 16.7 Administered other revenue

	2016	2015
	\$'000	\$'000
Mineral Royalties	15,036	22,972
Other	8	87
<b>Total</b>	<b>15,044</b>	<b>23,059</b>

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

## 16.8 Administered Employee benefits

	2016	2015
	\$'000	\$'000
Wages and salaries	1,281	1,292
Long service leave	41	65
Superannuation	157	169
Fringe Benefits Tax	...	8
<b>Total</b>	<b>1,479</b>	<b>1,534</b>

Superannuation expenses relating to defined benefits schemes relate to payments into the Consolidated Fund. The amount of the payment is based on an agency contribution rate determined by the Treasurer, on the advice of the State Actuary. The current contribution is 12.75 per cent (2015: 12.5 per cent) of salary.

Superannuation expenses relating to the defined contribution scheme are paid directly to superannuation funds at a rate of 9.5 per cent (2015: 9.25 per cent) of salary. In addition, departments are also required to pay into the Consolidated Fund a "gap" payment equivalent to 3.25 per cent (2015: 3.5 per cent) of salary in respect of employees who are members of contribution schemes.

## 16.9 Administered Depreciation and amortisation

### (a) Depreciation

	2016	2015
	\$'000	\$'000
Plant and equipment	...	5
<b>Total</b>	<b>...</b>	<b>5</b>

### (b) Amortisation

	2016	2015
	\$'000	\$'000
Intangibles	1	...
<b>Total</b>	<b>1</b>	<b>...</b>
<b>Total depreciation and amortisation</b>	<b>1</b>	<b>5</b>

## 16.10 Administered Supplies and consumables

	2016	2015
	\$'000	\$'000
Audit fees – financial audit	3	3
Operating Lease costs	95	103
Consultants	533	513
Property services	14	30
Maintenance	...	21
Communications	11	13
Information technology	51	54
Travel and transport	88	55
Advertising and promotion	21	18
Contractor payments	174	362
Personalised number plate production costs	416	407
Other supplies and consumables	521	173
<b>Total</b>	<b>1,927</b>	<b>1,752</b>

## 16.11 Administered Grants and subsidies

	2016	2015
	\$'000	\$'000
<b>Grants</b>		
National Road Transport Commission: Local Government Contribution	1,500	1,500
Tasmanian Racing Assistance	...	29,296
Private Forests Tasmania	1,490	1,473
Forest Practices Authority	1,416	1,388
Contribution to Marine and Safety Tasmania	2,092	1,004
Tasmanian Railway Pty Ltd	41,892	16,834
Abt Railway	5,117	5,409
Forest Contractors financial support program	2,485	7,981
Government contribution to the Tasmanian Symphony Orchestra	1,608	1,519
Tasmanian Icon program – Tasmanian Symphony Orchestra	500	500
Ten Days on the Island	1,330	1,304
Theatre Royal	178	178
<b>Total Grants</b>	<b>59,608</b>	<b>68,386</b>
<b>Subsidies</b>		
Student-Only Passenger Services	17,139	15,449
Conveyance Allowances	1,290	1,460
Pensioner Air Travel Subsidy	9	10
Transport Access Scheme	5,118	4,927
<b>Total Subsidies</b>	<b>23,556</b>	<b>21,846</b>
<b>Total</b>	<b>83,164</b>	<b>90,232</b>

## 16.12 Administered Other expenses

	2016	2015
	\$'000	\$'000
Workers Compensation	3	5
Bad debts written off	...	22
Miscellaneous expenses	41	6
<b>Total</b>	<b>44</b>	<b>33</b>

### 16.13 Administered Receivables

	2016	2015
	\$'000	\$'000
Receivables	1,857	27
Less: Provision for impairment	(2)	...
<b>Total</b>	<b>1,855</b>	<b>27</b>
Sales of goods and services (inclusive of GST)	...	24
GST receivable	43	...
Other receivables	1,812	3
<b>Total</b>	<b>1,855</b>	<b>27</b>
Settled within 12 months	1,855	27
Settled in more than 12 months	...	...
<b>Total</b>	<b>1,855</b>	<b>27</b>
Reconciliation of movement in provision for impairment of administered receivables	2016	2015
	\$'000	\$'000
Carrying amount at 1 July	...	1
Increase/(decrease) in provision recognised in profit or loss	2	(1)
<b>Carrying amount at 30 June</b>	<b>2</b>	<b>...</b>

### 16.14 Administered other financial assets

	2016	2015
	\$'000	\$'000
Accrued revenue	66	54
Accrued interest	15	10
<b>Total</b>	<b>81</b>	<b>64</b>
Settled within 12 months	81	64
<b>Total</b>	<b>81</b>	<b>64</b>

### 16.15 Administered other assets

	2016	2015
	\$'000	\$'000
Prepayments	6	16
<b>Total</b>	<b>6</b>	<b>16</b>
Settled within 12 months	6	16
<b>Total</b>	<b>6</b>	<b>16</b>

## 16.16 Administered Payables

	2016	2015
	\$'000	\$'000
Creditors	9	208
Accrued expenses	635	2
<b>Total</b>	<b>644</b>	<b>210</b>
Settled within 12 months	644	210
<b>Total</b>	<b>644</b>	<b>210</b>

Settlement is usually made within 30 days.

## 16.17 Administered Employee benefits

	2016	2015
	\$'000	\$'000
Accrued salaries	...	54
Annual leave	71	74
Long service leave	201	181
<b>Total</b>	<b>272</b>	<b>309</b>
Settled within 12 months	99	154
Settled in more than 12 months	173	155
<b>Total</b>	<b>272</b>	<b>309</b>

## 16.18 Administered Other liabilities

	2016	2015
	\$'000	\$'000
<b>Other liabilities</b>		
Monies held in trust	2,635	944
<b>Total</b>	<b>2,635</b>	<b>944</b>
Settled within 12 months	2,635	944
<b>Total</b>	<b>2,635</b>	<b>944</b>

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

## 16.19 Schedule of Administered Commitments

	2016	2015
	\$'000	\$'000
<b>By type</b>		
<i>Lease Commitments</i>		
Operating leases	82	180
<b>Total lease commitments</b>	<b>82</b>	<b>180</b>
<b>By maturity</b>		
<i>Operating lease commitments</i>		
One year or less	82	125
From one to five years	...	55
<b>Total operating lease commitments</b>	<b>82</b>	<b>180</b>
<b>Total</b>	<b>82</b>	<b>180</b>

Note: Commitments are GST exclusive where relevant.

The majority of the Department's leases are represented by land and building rental costs and motor vehicles leased through the government's fleet manager. The rentals on leased premises generally contain renewal options that extend the lease to match the current lease periods. These range from 2 to 14 years. The total lease commitment excludes local government and other executory costs where they are paid directly to a party other than the lessor. These costs are included elsewhere in the Department's expenditures.

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

## 16.20 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.

	2016	2015
	\$'000	\$'000
Special Deposits and Trust Fund balance	1,551	1,912
<b>Total</b>	<b>1,551</b>	<b>1,912</b>
<b>Other cash held</b>		
National Australia Bank term deposit	1,200	1,200
Tascorp Interest Bearing Deposit	764	74
<b>Total</b>	<b>1,964</b>	<b>1,274</b>
<b>Total cash and deposits</b>	<b>3,515</b>	<b>3,186</b>

## 16.21 Reconciliation of Administered Net Result to Net Cash from Administered Operating Activities

	2016 \$'000	2015 \$'000
Net operating result from transactions	76	475
Depreciation and amortisation	1	5
Decrease (increase) in Receivables	(1,828)	70
Decrease (increase) in Accrued revenue	(17)	(44)
Decrease (increase) in Prepayments	10	(16)
Increase (decrease) in Employee entitlements	(37)	5
Increase (decrease) in Payables	434	(74)
Increase (decrease) in Other liabilities	1,631	214
<b>Net cash from (used by) operating activities</b>	<b>270</b>	<b>635</b>

## 16.22 Administered Financial Instruments

### 16.23 Risk exposures

#### (a) Risk management policies

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

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

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

The Department does not hold any derivative financial instruments.

#### (b) Credit risk exposures

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

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
<b>Financial Assets</b>		
Receivables (including Tax assets)	Recognised upon the provision of a good or service and the issuance of an invoice or claim eg BAS, measured at face value	Payment terms generally 30 days. Collectability of receivables is reviewed at balance date and a provision for impairment raised when collection of a debt is judged to be doubtful.
Cash and deposits	Recognised upon receipt of cash, measured at face value	At call
Other financial assets (eg accrued revenue)	Recognised upon the accrual of the future benefit, measured at face value	Majority of accrued revenues are settled within 6 months

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Department's maximum exposure to credit risk. The Department is not exposed to credit risk of any significance.

The following tables analyse financial assets that are past due but not impaired:

Analysis of financial assets that are past due at 30 June 2016 but not impaired				
	Past due 31 to 60 days \$'000	Past due 61 to 90 days \$'000	Past due over 90 days \$'000	Total \$'000
Receivables	...	...	...	...

Analysis of financial assets that are past due at 30 June 2015 but not impaired				
	Past due 31 to 60 days \$'000	Past due 61 to 90 days \$'000	Past due over 90 days \$'000	Total \$'000
Receivables	2	...	...	2

### (c) Liquidity risk

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

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

#### 2016

Maturity analysis for financial liabilities:								
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
<b>Financial liabilities</b>								
Payables	644	...	...	...	...	...	644	644
Monies held in Trust	2,635	...	...	...	...	...	2,635	2,635
<b>Total</b>	<b>3,279</b>	...	...	...	...	...	<b>3,279</b>	<b>3,279</b>

#### 2015

Maturity analysis for financial liabilities:								
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
<b>Financial liabilities</b>								
Payables	210	...	...	...	...	...	210	210
Monies held in Trust	944	...	...	...	...	...	944	944
<b>Total</b>	<b>1,154</b>	...	...	...	...	...	<b>1,154</b>	<b>1,154</b>

#### (d) Market risk

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

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

	2016	2015
	\$'000	\$'000
<b>Fixed rate instruments</b>		
Financial assets	1,200	1,200
Financial liabilities	...	...
<b>Total</b>	<b>1,200</b>	<b>1,200</b>
<b>Variable rate instruments</b>		
Financial assets	764	74
Financial liabilities	...	...
<b>Total</b>	<b>764</b>	<b>74</b>

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

	Sensitivity Analysis of Department's Exposure to Possible Changes in Interest Rates:			
	Statement of Comprehensive Income		Equity	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
	\$'000	\$'000	\$'000	\$'000
<b>30 June 2016</b>				
Cash and deposits	20	(20)	...	...
<b>Net sensitivity</b>	<b>20</b>	<b>(20)</b>	...	...
<b>30 June 2015</b>				
Cash and deposits	13	(13)	...	...
<b>Net sensitivity</b>	<b>13</b>	<b>(13)</b>	...	...

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2015.

## 16.24 Categories of Administered Financial Assets and Liabilities

	2016	2015
	\$'000	\$'000
<b>Financial assets</b>		
Cash and deposits	3,515	3,186
Receivables and accrued revenue	1,936	91
<b>Total</b>	<b>5,451</b>	<b>3,277</b>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	3,279	1,154
<b>Total</b>	<b>3,279</b>	<b>1,154</b>

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

## 16.25 Reclassifications of Administered Financial Assets

The Department has not reclassified any financial assets.

## 16.26 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.

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

	Carrying Amount 2016	Net Fair Value 2016	Carrying Amount 2015	Net fair Value 2015
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Cash and deposits	3,515	3,515	3,186	3,186
Receivables	1,855	1,855	27	27
Other financial assets:				
Accrued revenue	81	81	64	64
<b>Total financial assets</b>	<b>5,451</b>	<b>5,451</b>	<b>3,277</b>	<b>3,277</b>
<b>Financial liabilities</b>				
Trade creditors	644	644	210	210
Other financial liabilities:				
Monies held in Trust	2,635	2,635	944	944
<b>Total financial liabilities</b>	<b>3,279</b>	<b>3,279</b>	<b>1,154</b>	<b>1,154</b>

## 16.28 Net Fair Values of Administered Financial Assets and Liabilities

2016	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
<b>Financial assets</b>				
Cash at Tascorp	...	764	...	764
National Australia Bank term deposit	...	1,200	...	1,200
Cash in Special Deposits and Trust Fund	...	1,551	...	1,551
Receivables	...	...	1,855	1,855
Other financial assets:				
Accrued revenue and interest	...	...	81	81
<b>Total financial assets</b>	...	<b>3,515</b>	<b>1,936</b>	<b>5,451</b>
<b>Financial liabilities</b>				
Trade creditors	...	...	644	644
Other financial liabilities:				
Monies held in Trust	...	2,635	...	2,635
<b>Total financial liabilities</b>	...	<b>2,635</b>	<b>644</b>	<b>3,279</b>
<b>2015</b>				
	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
<b>Financial assets</b>				
Cash at Tascorp	...	74	...	74
National Australia Bank term deposit	...	1,200	...	1,200
Cash in Special Deposits and Trust Fund	...	1,912	...	1,912
Receivables	...	...	27	27
Other financial assets:				
Accrued revenue and interest	...	...	64	64
<b>Total financial assets</b>	...	<b>3,186</b>	<b>91</b>	<b>3,277</b>
<b>Financial liabilities</b>				
Trade creditors	...	...	210	210
Other financial liabilities:				
Monies held in Trust	...	944	...	944
<b>Total financial liabilities</b>	...	<b>944</b>	<b>210</b>	<b>1,154</b>

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

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

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

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

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

### Administered Financial Assets

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

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

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

### Financial Liabilities

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

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

Account/Activity	Opening balance \$'000	Net transactions during 2015-16 \$'000	Closing balance \$'000
Monies collected on behalf of external bodies through Motor Registrations			
Less: Monies collected through Motor Registrations transferred to external bodies	879	299,744	937
		(299,686)	
Agreement for the Conservation of Albatrosses and Petrels (ACAP)	560	(141)	419
Brand Tasmania Council Incorporated	21	(3)	18
Mine Rehabilitation Bonds	5,804	(51)	5,753
Bookmakers Bonds	28	(28)	...
Pacific National Compensation Fund	60	1	61
Provision for land acquisition	1,084	...	1,084

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

- » Motor tax;
- » Duties;
- » Motor Accidents Insurance Board premiums;
- » State Fire Service levy; and
- » Federal Interstate Registration Scheme payments.

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

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

## Note 18: Events Occurring After Balance Date

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 2016.

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## Note 19: Other Significant Accounting Policies and Judgements

### 19.1 Objectives and Funding

The Department of State Growth was established on 1 July 2014 to aggressively and strategically pursue jobs, growth and opportunity for Tasmanians. The Department of State Growth actively pursues and promotes investment, facilitates major projects, supports business and industry to grow and ensures strategic investment in infrastructure. The Department also works closely with business and industry to address barriers to growth; reduce red and green tape; provide a skilled workforce; develop our creative and cultural industries; and ensure efficient, cost effective transport and logistics systems.

The Department of State Growth was largely an amalgamation of the former Department of Infrastructure Energy and Resources (DIER) and the former Department of Economic Development, Tourism and the Arts (DEDTA). The part of the Department of Education known as Skills Tasmania was amalgamated with the Department of State Growth. The part of the Department of State Growth known as Sport and Recreation Tasmania was amalgamated with the Department of Premier and Cabinet. The statutory authority Tourism Tasmania a division of the former DEDTA became a State authority in its own right. The departmental restructure took effect from 1 July 2014. The administrative change resulted in changing DIER's name to the Department of State Growth from 1 July 2014.

The Department provides portfolio support for the following Ministers:

Minister for Tourism, Hospitality and Events

Minister for State Growth

Minister for Energy

Minister for Infrastructure

Minister Mining

Minister for Resources

Minister for the Arts

Minister for Forestry

Minister for Planning and Local Government

Minister for Information Technology and Innovation

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

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

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

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

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

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## 19.2 Basis of Accounting

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

- » Australian Accounting Standards issued by the Australian Accounting Standards Board and Interpretations; and
- » The Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990*.

The Financial Statements were signed by the Acting Secretary on 12 August 2016, and re-signed by the Secretary on 23 September 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 that are relevant to its operations and effective for the current annual reporting period. These include:

- » 2013 9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Operative dates: Part A Conceptual Framework – 20 December 2013; Part B Materiality – 1 January 2014; Part C Financial Instruments – 1 January 2015]* - The objective of this Standard is to make amendments to the Standards and Interpretations listed in the Appendix:
  - (a) as a consequence of the issue of Accounting Framework AASB CF 2013 1 *Amendments to the Australian Conceptual Framework*, and editorial corrections, as set out in Part A of this Standard;
  - (b) to delete references to AASB 1031 *Materiality* in other Australian Accounting Standards, and to make editorial corrections, as set out in Part B of this Standard; and
  - (c) as a consequence of the issuance of IFRS 9 *Financial Instruments – Hedge Accounting* and amendments to IFRS 9, IFRS 7 and IAS 39 by the IASB in November 2013, as set out in Part C of this Standard.

There is no financial impact.

- » 2015-1 *Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 & AASB 140]* – The objective of this Standard is to make amendment to Australian Accounting Standards that arise from the issuance of International Financial Reporting Standard *Annual Improvements to IFRSs 2012-2014 Cycle* by the IASB. This Standard applies to annual reporting periods beginning on or after 1 January 2016. The Department has determined that the potential impact is nil.
- » AASB 2015 2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]* – The objective of this Standard is to amend AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. This Standard applies to annual reporting periods beginning on or after 1 January 2016. This has resulted in some changes in the presentation of these financial statements.
- » AASB 2015 3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* - The objective of this Standard is to effect the withdrawal of AASB 1031 *Materiality* and to delete references to AASB 1031 in the Australian Accounting Standards, as set out in paragraph 13 of this Standard. This Standard is applicable to annual reporting periods beginning on or after 1 July 2015. The Department has determined that the potential impact is nil.

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

The following applicable Standards have been issued by the AASB and are yet to be applied:

- » AASB 15 *Revenue from Contracts with Customers* – The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, an uncertainty of revenue and cash flows arising from a contract with a customer. This Standard applies to annual reporting periods beginning on or after 1 January 2017. Where an entity applies the Standard to an earlier annual reporting period, it shall disclose that fact. It is anticipated that there will not be any financial impact.
- » 2010-7, 2014-7 and 2014-8 *Amendments to Australian Accounting Standards arising from AASB 9* – The objective of these Standards is to make amendments to various standards as a consequence of the issuance of AASB 9 *Financial Instruments* in December 2010. The Department has not yet determined the potential effect of the revised Standard on the Department's Financial Statements.
- » 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15* – The objective of this Standard is to make amendments to Australian Accounting Standards and Interpretations arising from the issuance of AASB 15 *Revenue from Contracts with Customers*. This Standard applies to annual reporting periods beginning on or after 1 January 2017, except that the amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply to annual reporting periods beginning on or after 1 January 2018. This Standard shall be applied when AASB 15 is applied. The Department has not yet determined the potential effect of the revised Standard on the Department's Financial Statements.
- » 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* - The objective of this Standard is to extend the scope of AASB 124 *Related Party Disclosures* to include not-for-profit public sector entities. This Standard applies to annual reporting periods beginning on or after 1 July 2016. There will be no material financial impact, however there will be additional disclosures.
- » 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15* – The objective of this Standard is to amend the mandatory effective date of AASB 15 *Revenue from Contracts with Customers* so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. The Department has not yet determined the potential effect of the revised Standard on the Department's Financial Statements.
- » 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* – The objective of this Standard is to amend AASB 107 *Statement of Cash Flows* to require entities preparing statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This Standard applies to annual periods beginning on or after 1 January 2017. The impact is increased disclosure in relation to cash flows and non-cash changes.
- » AASB 16 *Leases* – The objective of this Standard is to introduce a single lessee accounting model and require a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to leases. The 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 been adjusted to reflect any changes in accounting policy or the adoption of new standards. Details of the impact of changes in accounting policy on comparative figures are at Note 19.5.

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

Restructures of Outputs within the Department (internal restructures) that do not affect the results shown on the face of the Financial Statements are reflected in the comparatives in the Output Schedules at Note 2.

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## 19.9 Budget Information

Budget information refers to original estimates as disclosed in the 2015-16 Budget Papers and is not subject to audit.

## 19.10 Rounding

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

## 19.11 Departmental Taxation

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

## 19.12 Goods and Services Tax

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

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



## Independent Auditor's Report

### To Members of the Tasmanian Parliament

### Department of State Growth

### Financial Statements for the Year Ended 30 June 2016

### Report on the Financial Statements

I have audited the accompanying financial statements of Department of State Growth (the Department), which comprise the statement of financial position as at 30 June 2016 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Secretary of the Department.

### Auditor's Opinion

In my opinion the Department's financial statements:

- (a) present fairly, in all material respects, its financial position as at 30 June 2016 and its financial performance, cash flows and changes in equity for the year then ended
- (b) are in accordance with the *Financial Management and Audit Act 1990* and Australian Accounting Standards.

### *The Responsibility of the Secretary for the Financial Statements*

The Secretary of the Department is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and Section 27 (1) of the *Financial Management and Audit Act 1990*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the

...1 of 2

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audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, I considered internal control relevant to the Secretary's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Secretary, as well as evaluating the overall presentation of the financial statements.

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

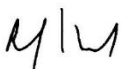
My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in the Department's financial statements.

### **Independence**

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements.

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.

### **Tasmanian Audit Office**



Rod Whitehead  
**Auditor-General**  
Hobart  
26 September 2016

...2 of 2

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## ABT RAILWAY MINISTERIAL CORPORATION

### Statement of Comprehensive Income for the year ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000
<i>Continuing operations</i>			
<b>Revenue and other income from transactions</b>			
Revenue from Government			
Appropriation revenue - capital	1.3(a)(b)	4,560	5,060
Australian Government Grants	1.3(a)(b)	868	409
Sales of goods and services	1.3(c), 3.1	3,273	2,259
Other revenue	1.3(d), 3.2	157	71
<b>Total revenue and other income from transactions</b>		<b>8,858</b>	<b>7,799</b>
<b>Expenses from transactions</b>			
Employee benefits	1.4(a)	2,474	2,309
Superannuation	1.4(a)	225	203
Depreciation and amortisation	1.4(b)	1,645	1,416
Supplies and consumables:	1.4(c)		
Consultants		21	51
Property services		58	69
Communications		35	35
Maintenance		123	250
Travel and transport		8	17
Advertising and promotion		132	120
Operating lease costs		75	83
Other supplies and consumables	4.1	1,936	1,773
Other expenses	1.4(c), 4.2	...	48
<b>Total expenses from transactions</b>		<b>6,732</b>	<b>6,374</b>
<b>Net result from transactions (net operating balance)</b>		<b>2,126</b>	<b>1,425</b>
<i>Net result from continuing operations</i>		<b>2,126</b>	<b>1,425</b>
<b>Net result</b>		<b>2,126</b>	<b>1,425</b>
<b>Comprehensive result</b>		<b>2,126</b>	<b>1,425</b>

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

## ABT RAILWAY MINISTERIAL CORPORATION

### Statement of Financial Position as at 30 June 2016

	Notes	2016 \$'000	2015 \$'000
<b>Assets</b>			
<i>Financial assets</i>			
Cash and deposits	1.6(a), 7.1	6,601	3,151
Receivables	1.6(b)	24	12
Prepayments		522	481
Goods & Services Tax		48	54
<i>Non-financial assets</i>			
Inventory	1.6(c)	113	79
Plant and equipment	1.6(d), 5.1	4,784	5,298
Land & Buildings	1.6(d), 5.1	4,799	5,008
Infrastructure	1.6(d), 5.1	22,278	23,038
<b>Total assets</b>		<b>39,169</b>	<b>37,121</b>
<b>Liabilities</b>			
Payables	1.7(a), 6.1	276	201
Income in Advance	6.3	116	83
Employee benefits	1.7(b), 6.2	297	257
Monies held in Trust		...	226
<b>Total liabilities</b>		<b>689</b>	<b>767</b>
<b>Net assets</b>		<b>38,480</b>	<b>36,354</b>
<b>Equity</b>			
Accumulated funds		29,917	27,791
Reserves		8,563	8,563
<b>Total equity</b>		<b>38,480</b>	<b>36,354</b>

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

## ABT RAILWAY MINISTERIAL CORPORATION

### Statement of Cash Flows for the year ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000
		Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Revenue from Government			
Appropriation revenue - recurrent		4,560	5,060
Australian Government Grants		868	409
Other cash receipts		3,554	2,413
<b>Total cash inflows</b>		<b>8,982</b>	<b>7,882</b>
<b>Cash outflows</b>			
Employee benefits		(2,885)	(2,522)
Supplies and consumables		(2,485)	(3,131)
<b>Total cash outflows</b>		<b>(5,370)</b>	<b>(5,653)</b>
<b>Net cash from (used by) operating activities</b>	7.2	<b>3,612</b>	<b>2,229</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Payments for acquisition of non-financial assets		(162)	(1,579)
<b>Total cash outflows</b>		<b>(162)</b>	<b>(1,579)</b>
<b>Net cash from (used by) investing activities</b>		<b>(162)</b>	<b>(1,579)</b>
<b>Net increase (decrease) in cash held and cash equivalents</b>		<b>3,450</b>	<b>650</b>
<b>Cash and deposits at the beginning of the reporting period</b>		<b>3,151</b>	<b>2,501</b>
<b>Cash and deposits at the end of the reporting period</b>	7.1	<b>6,601</b>	<b>3,151</b>

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

## ABT RAILWAY MINISTERIAL CORPORATION

### Statement of Changes in Equity for the year ended 30 June 2016

	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
Balance as at 1 July 2015	8,563	27,791	36,354
Comprehensive result	...	2,126	2,126
Balance as at 30 June 2016	8,563	29,917	38,480

	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
Balance as at 1 July 2014	8,563	26,366	34,929
Comprehensive result	...	1,425	1,425
Balance as at 30 June 2015	8,563	27,791	36,354

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

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# Notes to and forming part of the Special Purpose Financial Statements for the year ended 30 June 2016

## Note I: Significant Accounting Policies

### 1.1 Objectives and Funding

The Abt Railway Ministerial Corporation (the Ministerial Corporation) is a body corporate, established by the *Abt Railway Development Act 1999*.

The main activity of Abt Railway is passenger and freight services between Queenstown Station and Regatta Point Station at Strahan. The railway provides the only means of access between Lowana and Lower Landing (Teepookana Plateau), which is State Forest under the control of Forestry Tasmania (FT).

### 1.2 Basis of Accounting

As there are no users dependent on a general purpose financial report, the financial statements are therefore a special purpose financial report that has been prepared in order to meet the financial reporting obligations of the Corporation.

These Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 116 'Property Plant and Equipment'.

The financial statements have been prepared as a going concern.

The financial statements were signed by the Delegate of the Minister on 12 August 2016.

### 1.3 Income from transactions

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

#### (a) Revenue from Government

Appropriations, whether recurrent or capital, are recognised as revenues in the period in which the Ministerial Corporation gains control of the appropriated funds. All grants received in 2016 financial year are non capital grants

#### (b) Grants

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

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

#### (c) Sales of goods and services

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

#### (d) Other revenue

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

## 1.4 Expenses from transactions

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

### (a) Employee benefits

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

### (b) Depreciation and amortisation

All applicable Non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential.

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

Asset	Estimated Useful Life (years)	Depreciation Rate (per annum)	Method
Tracks, bridges, structures, culverts and station	40	2.50%	Straight Line
Railway carriages	30	3.33%	Straight Line
Locomotives	25	4.00%	Straight Line
Turntables, ramps, shelters	20	5.00%	Straight Line
Buildings	20	5.00%	Straight Line
Rail wagons	5	20.00%	Straight Line
Plant and equipment	5	20.00%	Straight Line

### (c) Other expenses

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

## 1.5 Other Economic Flows included in Net Result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

### (a) Gain/(loss) on non-financial assets

Gains or losses from the disposal of Non-financial assets are recognised when control of the assets has passed from the Ministerial Corporation.

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## 1.6 Assets

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

### (a) Cash and deposits

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund.

### (b) Receivables

Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value. Impairment losses are recognised when there is an indication that there is a measurable decrease in the collectability of receivables.

### (c) Inventories

Inventories held for distribution are valued at cost adjusted, when applicable, for any loss of service potential.

### (d) Infrastructure, property, plant and equipment

#### (i) Valuation basis

ABT Railway infrastructure comprises of the rail track, bridges, culverts, sidings, ramps and earthworks. Railway infrastructure is revalued every 5 years on a depreciated replacement cost basis, with the last valuation completed in 2012. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

Land and buildings are recorded at fair value less accumulated depreciation, and are revalued every 5 years by the Valuer General, the last valuation completed in 2012.

Railway Rolling Stock is revalued every 5 years on a depreciated replacement cost basis, with the last valuation completed in 2012. Replacement cost is based on the estimated current cost to build similar assets, which are depreciated on a straight line basis on the expired proportion of the estimated useful life of the assets.

The next valuation is required on 30th June 2017.

#### (ii) Asset recognition threshold

The asset capitalisation threshold adopted by the Ministerial Corporation is \$5,000. Assets valued at less than \$5,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

## 1.7 Liabilities

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

### (a) Payables

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

### (b) Employee benefits

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.

## Note 2: Events after Balance

There have been no events subsequent to balance date which would have a material effect of the Ministerial Corporation's Financial Statements as at 30 June 2016.

## Note 3: Income from transactions

### 3.1 Sales of goods and services

	2016 \$'000	2015 \$'000
Ticket sales – West Coast Wilderness Railway	2,543	1,695
Café sales	560	459
Retail sales	170	105
<b>Total</b>	<b>3,273</b>	<b>2,259</b>

### 3.2 Other revenue

	2016 \$'000	2015 \$'000
Interest Received	42	11
Miscellaneous revenue	115	60
<b>Total</b>	<b>157</b>	<b>71</b>

## Note 4: Expenses from transactions

### 4.1 Other supplies and consumables

	2016 \$'000	2015 \$'000
Insurance	700	750
Other supplies and consumables	1,236	1,023
<b>Total</b>	<b>1,936</b>	<b>1,773</b>

### 4.2 Other expenses

	2016 \$'000	2015 \$'000
Other employment expenses	...	48
<b>Total</b>	<b>...</b>	<b>48</b>

## Note 5: Assets

### 5.1 Infrastructure, property, plant and equipment

#### (a) Carrying amount

	Note	2016 \$'000	2015 \$'000
<b>Plant and equipment:</b>			
<b>Plant and equipment (at cost)</b>			
At cost		1,752	1,674
Less: Accumulated depreciation		(502)	(195)
<b>Total</b>	1.6(d)(i)	<b>1,250</b>	<b>1,479</b>
<b>Railway Rolling Stock (at fair value)</b>			
At fair value		6,760	6,760
Less: Accumulated depreciation		(3,226)	(2,941)
<b>Total</b>	1.6(d)(i)	<b>3,534</b>	<b>3,819</b>
<b>Total Plant and equipment</b>		<b>4,784</b>	<b>5,298</b>
<b>Land and Buildings:</b>			
<b>Land (at fair value)</b>			
At fair value		1,100	1,100
<b>Total</b>	1.6(d)(i)	<b>1,100</b>	<b>1,100</b>
<b>Buildings (at fair value)</b>			
At fair value		4,476	4,462
Less: Accumulated depreciation		(777)	(554)
<b>Total</b>	1.6(d)(i)	<b>3,699</b>	<b>3,908</b>
<b>Total Land and Buildings</b>		<b>4,799</b>	<b>5,008</b>
<b>Abt Railway infrastructure (at fair value)</b>			
At fair value		33,239	33,169
Less: Accumulated depreciation		(10,961)	(10,131)
<b>Total</b>	1.6(d)(i)	<b>22,278</b>	<b>23,038</b>
<b>Total infrastructure, property, plant and equipment</b>		<b>31,861</b>	<b>33,344</b>

#### (b) Reconciliation of infrastructure, property, plant and equipment

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

2016	Land \$'000	Buildings \$'000	Railway Rolling Stock \$'000	Abt Railway Infras- tructure \$'000	Plant and Equipment \$'000	Total \$'000
Carrying value at 1 July 2015	1,100	3,908	3,819	23,038	1,479	33,344
Additions		14		70	78	162
Disposals						
Depreciation		(223)	(285)	(830)	(307)	(1,645)
Net transfers						
Carrying value at 30 June 2016	1,100	3,699	3,534	22,278	1,250	31,861

2015	Land \$'000	Buildings \$'000	Railway Rolling Stock \$'000	Abt Railway Infras- tructure \$'000	Plant and Equipment \$'000	Total \$'000
Carrying value at 1 July 2014	1,100	4,131	4,082	23,664	204	33,181
Additions	...			201	1,378	1,579
Disposals						
Depreciation	...	(223)	(263)	(827)	(103)	(1,416)
Net transfers	...	...				
Carrying value at 30 June 2015	1,100	3,908	3,819	23,038	1,479	33,344

## Note 6: Liabilities

### 6.1 Payables

	2016 \$'000	2015 \$'000
Creditors	233	99
Payroll Liabilities	43	102
<b>Total</b>	<b>276</b>	<b>201</b>
Settled within 12 months	276	201
<b>Total</b>	<b>276</b>	<b>201</b>

Settlement is usually made within 30 days

## 6.2 Employee benefits

	2016 \$'000	2015 \$'000
Accrued salaries	27	12
Annual leave	153	132
Long service leave	117	113
<b>Total</b>	<b>297</b>	<b>257</b>
Settled within 12 months	244	214
Settled in more than 12 months	53	43
<b>Total</b>	<b>297</b>	<b>257</b>

## 6.3 Income in Advance

Income in Advance is from advance ticketing sales where customers have prepaid their ticket and have yet to receive the service. The income is recognised in the period when the service is provided.

# Note 7: Cash Flow Reconciliation

## 7.1 Cash and deposits

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

	2016 \$'000	2015 \$'000
Special Deposits and Trust Fund balance	782	880
<b>Total Special Deposits and Trust Fund</b>	<b>782</b>	<b>880</b>
<b>Deposits:</b>		
Commonwealth Bank cheque account (Queenstown)	780	2,268
Commonwealth Bank online saver	5,034	...
Till Float & Petty Cash (Queenstown)	5	3
<b>Total Deposits</b>	<b>5,819</b>	<b>2,271</b>
<b>Total Cash and deposits</b>	<b>6,601</b>	<b>3,151</b>

## 7.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2016 \$'000	2015 \$'000
Net result	2,126	1,425
<i>Non-cash expenses</i>		
Decrease (Increase) in Stock	(34)	(69)
Depreciation and amortisation	1,645	1,416
Increase (decrease) in monies held in trust	(226)	...
Decrease (increase) in Receivables	(6)	(53)
Decrease (increase) in Prepayments	(41)	(481)
Increase (decrease) in Employee entitlements	40	(26)
Increase (decrease) in Payables	75	(66)
Increase (decrease) in Income in Advance	33	83
<b>Net cash from (used by) operating activities</b>	<b>3,612</b>	<b>2,229</b>

## Note 8: Commitments and Contingent Liabilities

### 8.1 Schedule of Commitments

	2016 \$'000	2015 \$'000
<b>By type</b>		
<i>Capital commitments</i>		
Plant and Equipment	12	50
Railway Infrastructure	541	937
<b>Total capital commitments</b>	<b>553</b>	<b>987</b>
<i>Lease Commitments</i>		
Operating leases	105	56
<b>Total lease commitments</b>	<b>105</b>	<b>56</b>
<b>By maturity</b>		
<i>Capital commitments</i>		
One year or less	553	987
<b>Total capital commitments</b>	<b>553</b>	<b>987</b>
<i>Operating lease commitments</i>		
One year or less	50	30
From one to five years	55	26
<b>Total operating lease commitments</b>	<b>105</b>	<b>56</b>
<b>Total</b>	<b>658</b>	<b>1,043</b>

Operating leases were for the following vehicles:

- » Toyota Landcruiser Prado
- » Volkswagon Amarok
- » Nissan X Trail
- » Holden Colorado
- » Subaru Forester
- » Subaru Forester
- » Hydraulic Power Pack

### 8.2 Contingent Assets and Liabilities

The Ministerial Corporation has not identified nor recognised any contingent assets or liabilities as at 30 June 2016.

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## Certification of Financial Statements for the year ended 30 June 2016

The accompanying special purpose financial statement of Abt Railway Ministerial Corporation is in agreement with the relevant accounts and records and has been prepared in compliance with the *Abt Railway Development Act 1999* to present fairly the financial transactions for the year ended 30 June 2016 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.



**Bob Rutherford**

(Delegate of the Minister)

Date 12 August 2016

**Independent Auditor's Report**

**To Members of the Tasmanian Parliament**

**Abt Railway Ministerial Corporation**

**Special Purpose Financial report for the Year Ended 30 June 2016**

**Report on the Special Purpose Financial report**

I have audited the accompanying special purpose financial report (the financial report) of Abt Railway Ministerial Corporation (the Corporation), which comprises the statement of financial position as at 30 June 2016 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement of compliance by the Delegate of the Minister.

**Auditor's Opinion**

In my opinion the Corporation's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2016, and its financial performance, cash flows and changes in equity for the year then ended
- (b) is in accordance with the *Abt Railway Development Act 1999* and Australian Accounting Standards to the extent described in note 1.2.

**Basis of Presentation and Restrictions on Distribution**

Without modifying my opinion, I draw attention to note 1.2 to the financial report, which describes the purpose of the financial report and the basis of presentation. The financial report is a special purpose financial report prepared for the purpose of fulfilling responsibilities under the Section 31 of the *Abt Railway Development Act 1999*. As a result, the financial report may not be suitable for another purpose.

*The Responsibility of the Delegate of the Minister for the Financial Report*

The Delegate of the Minister is responsible for the preparation and fair presentation of the financial report and has determined that the basis of preparation as described in note 1.2 to the financial report, which is a special purpose framework, is appropriate to meet the Corporation's financial reporting requirements under Section 31 of the *Abt Railway Development Act 1999*. The Delegate of the Minister's responsibility includes establishing and maintaining internal controls relevant to the

...1 of 2

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preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, I considered internal control relevant to the Delegate of the Minister's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Delegate of the Minister, as well as evaluating the overall presentation of the financial report.

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

#### **Independence**

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements.

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.

#### **Tasmanian Audit Office**



Rod Whitehead  
**Auditor-General**

Hobart  
19 September 2016

...2 of 2

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.  
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

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Department of State Growth  
Head Office – Hobart  
22 Elizabeth Street, Hobart, TAS 7000 Australia  
GPO Box 536, Hobart, TAS 7001 Australia  
Phone: 1800 030 688  
Fax: 03 6233 5800  
Email: [info@stategrowth.tas.gov.au](mailto:info@stategrowth.tas.gov.au)  
Web: [www.stategrowth.tas.gov.au](http://www.stategrowth.tas.gov.au)  
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