Attachment A

Financial Statements 2025–26

Department of State Growth



Department of State Growth

Tasmanian Government

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STATEMENT OF CERTIFICATION

The accompanying Financial Statements of the Department of State Growth are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016* to present fairly the financial transactions for the year ended 30 June 2026 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.



Shane Gregory

ACTING SECRETARY

27 September 2026

Statement of Comprehensive Income for the year ended 30 June 2026

	Notes	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Income from continuing operations				
Revenue from Government				
Appropriation revenue - operating	6.1	670,111	545,121	594,380
Appropriation revenue - capital	6.1	231,245	208,820	211,865
Appropriation revenue - rollover	6.1	37,101	37,101	46,109
Grants	6.2	278,548	289,458	395,216
Sales of goods and services	6.3	8,032	12,196	13,042
Fees and fines	6.4	18,198	21,362	20,829
Interest	6.5	7,768	8,118	6,011
Contributions received	6.6	...	15,925	6,824
Other revenue	6.7	22,631	25,111	12,537
Total revenue from continuing operations		**1,273,634**	**1,163,212**	**1,306,813**
Net gain/(loss) on non-financial assets	7.1	4	(5,760)	(18,634)
Net gain/(loss) on financial instruments and statutory receivables/payables	7.2	...	(4,565)	(927)
Total income from continuing operations		**1,273,638**	**1,152,887**	**1,287,252**
Expenses from continuing operations				
Employee benefits	8.1	115,239	120,200	121,532
Depreciation and amortisation	8.2	132,465	163,350	159,910
Supplies and consumables	8.3	161,047	187,373	178,710
Grants and subsidies	8.4	684,318	548,422	556,699
Finance costs	8.5	8,658	4,639	3,725
Contribution provided	8.6	...	4,900	2,756
Other expenses	8.7	1,564	5,318	4,758
Total expenses from continuing operations		**1,103,291**	**1,034,202**	**1,028,090**
Net result from continuing operations		**170,347**	**118,685**	**259,162**
Net result		**170,347**	**118,685**	**259,162**
Other comprehensive income				
Items that will not be reclassified to net result in subsequent periods				
Changes in physical asset revaluation reserve	12.1	150,835	490,557	412,396
Asset transfer to state entity		...	...	(49,502)
Administrative restructure taken directly to equity	12.2	...	...	3,276
Total other comprehensive income		**150,835**	**490,557**	**366,170**
Comprehensive result		**321,182**	**609,242**	**625,332**

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

Budget information refers to original estimates.

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 2026

	Notes	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Assets				
Financial assets				
Cash and deposits	13.1	93,531	100,163	96,207
Receivables	9.1	13,712	8,863	11,519
Loan advances	9.2	177,184	152,662	144,695
Equity investments	9.3	10,493	10,492	10,492
Other financial assets	9.4	357	8,324	6,699
Non-financial assets				
Inventories	9.5	3,831	3,454	4,049
Property, plant and equipment and artwork	9.6	837,825	931,221	868,255
Right-of-use assets	9.7	1,658	2,331	3,801
Infrastructure	9.8	7,958,333	8,285,546	7,744,311
Intangibles	9.9	2,042	13,909	7,310
Other assets	9.10	12,374	3,409	12,671
Total assets		**9,111,340**	**9,520,374**	**8,910,009**
Liabilities				
Payables	10.1	36,323	7,731	10,364
Lease liabilities	10.2	1,958	2,662	3,441
Borrowings	10.3	118,321	108,671	103,196
Employee benefits	10.4	30,176	33,621	30,847
Provisions	10.5	6,609	7,015	6,891
Other liabilities	10.6	38,594	35,593	39,431
Total liabilities		**231,981**	**195,293**	**194,170**
Net assets		**8,879,359**	**9,325,081**	**8,715,839**
Equity				
Contributed capital		...	403,438	403,438
Reserves	12.1	3,899,619	4,500,902	4,010,345
Accumulated funds		4,979,740	4,420,741	4,302,056
Total equity		**8,879,359**	**9,325,081**	**8,715,839**

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

Budget information refers to original estimates.

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 2026

	Notes	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Cash flows from operating activities		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash inflows				
Appropriation receipts - operating		668,137	545,072	592,894
Appropriation receipts - capital		81,817	120,744	95,832
Appropriation receipts - other		37,101	37,101	46,109
Grants		135,151	170,129	134,572
Sales of goods and services		8,037	10,956	12,239
Fees and fines		18,198	21,362	20,829
GST receipts		16,898	73,108	86,746
Interest receipts		7,768	7,815	7,818
Other cash receipts		22,631	30,849	11,567
Total cash inflows		**995,738**	**1,017,137**	**1,008,606**
Cash outflows				
Employee benefits		(114,990)	(117,732)	(117,146)
Grants and subsidies		(684,243)	(548,432)	(556,709)
Supplies and consumables		(161,255)	(180,076)	(205,175)
Interest payments		(8,748)	(4,599)	(3,678)
Contribution provided		...	(4,900)	(2,756)
GST payments		(16,899)	(71,206)	(84,123)
Other cash payments		(1,564)	(5,321)	(4,687)
Total cash outflows		**(987,699)**	**(932,266)**	**(974,274)**
Net cash from (used by) operating activities	13.2	**8,039**	**84,871**	**34,332**
Cash flows from investing activities				
Cash inflows				
Proceeds from the disposal of non-financial assets		4	...	...
Receipts from non-operational capital funding - operating		1,974	49	1,486
Receipts from non-operational capital funding - capital		149,428	88,076	116,033
Receipts from Australian Government funding		143,397	119,329	255,756
Cash inflow on administrative restructure		...	...	3,656
Repayment of loans by other entities		89,185	46,349	51,937
Total cash inflows		**383,988**	**253,803**	**428,868**
Cash outflows				
Payments for acquisition of non-financial assets		(310,117)	(277,854)	(361,885)
Loans made to other entities		(87,855)	(58,464)	(79,077)
Payments for investments		...	...	...
Total cash outflows		**(397,972)**	**(336,318)**	**(440,962)**
Net cash from (used by) investing activities		**(13,984)**	**(82,515)**	**(12,094)**

Cash flows from financing activities				
Cash inflows				
Proceeds from borrowings		100,643	116,929	15,000
Trust receipts		...	4,945	2,884
Total cash inflows		**100,643**	**121,874**	**17,884**
Cash outflows				
Repayment of borrowings		(102,991)	(111,494)	(2,214)
Trust payments		...	(8,780)	(546)
Total cash outflows		**(102,991)**	**(120,274)**	**(2,760)**
Net cash from (used by) financing activities		**(2,348)**	**1,600**	**15,124**
Net increase (decrease) in cash and cash equivalents held		**(8,293)**	**3,956**	**37,362**
Cash and deposits at the beginning of the reporting period		**101,824**	**96,207**	**58,845**
Cash and deposits at the end of the reporting period	13.1	**93,531**	**100,163**	**96,207**

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

Budget information refers to original estimates.

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 2026

	Notes	Contributed Equity	Reserves	Accumulated funds	Total Equity
2026		**$'000**	**$'000**	**$'000**	**$'000**
Balance as at 1 July 2025		**403,438**	**4,010,345**	**4,302,056**	**8,715,839**
Net result		...	...	118,685	**118,685**
Other comprehensive income – revaluation reserve	12.1	...	490,557	...	**490,557**
Total comprehensive result		**...**	**490,557**	**118,685**	**609,242**
Balance as at 30 June 2026		**403,438**	**4,500,902**	**4,420,741**	**9,325,081**

	Notes	Contributed Equity	Reserves	Accumulated funds	Total Equity
2025		**$'000**	**$'000**	**$'000**	**$'000**
Balance as at 1 July 2024		**449,664**	**3,597,949**	**4,042,894**	**8,090,507**
Net result		...	...	259,162	**259,162**
Other comprehensive income – revaluation reserve	12.1	...	412,396	...	**412,396**
Total comprehensive result		**...**	**412,396**	**259,162**	**671,558**
Administrative restructure - Contributions by owners	12.2	3,276	**...**	**...**	**3,276**
Asset Transfer to state entity*		(49,502)	**...**	**...**	**(49,502)**
Total		**(46,226)**	**...**	**...**	**(46,226)**
Balance as at 30 June 2025		**403,438**	**4,010,345**	**4,302,056**	**8,715,839**

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 2026

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Note 1 Administered Financial Statements

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

1.1 Schedule of Administered Income and Expenses

	Notes	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Administered revenue				
Revenue from Government				
Appropriation revenue – operating	16.2	210,497	211,044	91,122
Grants	16.3	59,138	43,747	2,970
State taxation	16.4	62,223	62,207	59,611
Sales of goods and services	16.5	6,056	6,262	6,602
Fees and fines	16.6	11,498	11,838	10,670
Other revenue	16.7	65,300	93,272	72,370
Total administered revenue		**414,712**	**428,370**	**243,345**
Net gain/(loss) on financial instruments and statutory receivables/payables		...	...	43
Total administered income		**414,712**	**428,370**	**243,388**
Administered expenses				
Employee benefits	16.8	...	91	135
Supplies and consumables	16.9	136	2,861	1,144
Grants and subsidies	16.10	269,499	254,741	89,266
Transfers to the Public Account		145,077	172,626	146,338
Other expenses	16.11	...	...	5,058
Total administered expenses		**414,712**	**430,319**	**241,941**
Administered net result		**...**	**(1,949)**	**1,447**
Administered comprehensive result		**...**	**(1,949)**	**1,447**

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

Budget information refers to original estimates.

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

1.2 Schedule of Administered Assets and Liabilities

	Notes	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Administered assets				
Administered financial assets				
Cash and deposits	16.17	(2,193)	3,908	5,207
Receivables	16.12	824	9	141
Other financial Assets	16.13	574	578	1,177
Total administered assets		**(795)**	**4,495**	**6,525**
Administered liabilities				
Payables	16.14	...	...	608
Employee benefits	16.15	2	5	3
Other liabilities	16.16	807	1,380	855
Total administered liabilities		**809**	**1,385**	**1,466**
Administered net assets		**(1,604)**	**3,110**	**5,059**
Administered equity				
Contributed capital		...	(4,061)	(4,061)
Accumulated funds		(1,604)	7,171	9,120
Total administered equity		**(1,604)**	**3,110**	**5,059**

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

Budget information refers to original estimates.

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

1.3 Schedule of Administered Changes in Equity

	Contributed Equity	Accumulated surplus / deficit	Total Equity
	$'000	$'000	$'000
Balance as at 1 July 2025	**(4,061)**	**9,120**	**5,059**
Total comprehensive result	...	(1,949)	**(1,949)**
Balance as at 30 June 2026	**(4,061)**	**7,171**	**3,110**

	Contributed Equity	Accumulated surplus / deficit	Total Equity
	$'000	$'000	$'000
Balance as at 1 July 2024	**(4,061)**	**7,673**	**3,612**
Total comprehensive result	...	1,447	1,447
Balance as at 30 June 2025	**(4,061)**	**9,120**	**5,059**

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.

Output Group 1 – Industry and Business Growth

	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Income from continuing operations			
Revenue from appropriation	79,280	63,065	95,798
Other revenue from government	6,774	6,474	10,043
Grants	32,087	26,749	6,689
Sales of goods and services	595	518	2,654
Interest	7,768	7,594	5,785
Other revenue	2,320	164	583
Total revenue from continuing operation	**128,824**	**104,564**	**121,552**
Net gain/(loss) on disposal of non-financial assets	...	(137)	(102)
Net gain/(loss) on financial assets	...	(3,881)	118
Total income from continuing operations	**128,824**	**100,546**	**121,568**
Expenses from continuing operations			
Employee Entitlements	26,317	24,744	26,078
Depreciation and Amortisation	2,603	885	809
Grants and subsidies	92,883	64,593	54,928
Supplies and Consumables:			
Consultants	2,530	2,070	2,311
Property Services	1,047	758	716
Maintenance	334	439	339
Communications	346	272	298
Information Technology	879	1,751	2,219
Travel and Transport	1,330	1,368	1,601
Advertising and Promotion	667	854	1,422
Audit Expenses	...	134	119
Operating Lease costs	...	2,433	1,903
Other Supplies and Consumables	(8,228)	(2,384)	(330)
Borrowing costs	5,775	4,507	3,599
Contributions Provided	...	...	2,551
Other expenses	741	824	684
Total expenses from continuing operations	**127,224**	**103,248**	**99,247**
Net result from continuing operations	**1,600**	**(2,702)**	**22,321**
Other comprehensive income			
Changes in physical asset revaluation reserve	3,604	...	...
Total other comprehensive income	**3,604**	**...**	**...**
Comprehensive result	**5,204**	**(2,702)**	**22,321**

	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Expense by output			
1.1 Office of the Coordinator-General	19,925	9,006	39,530
1.2 Industry & Business Development	92,956	83,903	59,717
1.3 Trade	14,343	10,339	...
Total	**127,224**	**103,248**	**99,247**
Net Assets			
Total assets deployed for Output Group		185,177	183,250
Total liabilities incurred for Output Group		117,460	111,505
Net assets deployed for Output Group 1		**67,717**	**71,745**

Output Group 2 – Infrastructure and Transport Services

	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Income from continuing operations			
Revenue from appropriation	61,767	43,502	48,386
Other revenue from government	3,932	3,932	20,457
Revenue from appropriation - capital	...	...	...
Grants	12,737	19,795	36,327
Sales of goods and services	5,807	9,380	8,431
Fees and fines	18,198	21,362	20,829
Interest	...	391	190
Other revenue	13,064	28,248	10,396
Total revenue from continuing operation	**115,505**	**126,610**	**145,016**
Net gain/(loss) on disposal of non-financial assets	3	(146)	(4,225)
Net gain/(loss) on financial assets	...	1	1
Total income from continuing operations	**115,508**	**126,465**	**140,792**
Expenses from Expenses from continuing operations			
Employee Entitlements	27,609	34,904	38,740
Depreciation and Amortisation	660	4,889	4,470
Grants and subsidies	39,468	27,749	37,931
Supplies and Consumables:			
Consultants	1,469	2,191	3,922
Property Services	98	644	635
Maintenance	13,240	2,631	1,403
Communications	93	2,617	2,469
Information Technology	15,812	3,810	5,365
Travel and Transport	287	1,349	1,283
Advertising and Promotion	642	2,005	2,077
Audit Expenses	...	138	133
Operating Lease costs	...	2,858	2,484
Other Supplies and Consumables	11,864	8,690	18,211
Borrowing costs	...	64	61
Contributions Provided	...	...	2
Other expenses	464	2,361	2,410
Total expenses from continuing operations	**111,706**	**96,900**	**121,596**
Net result from continuing operations	**3,802**	**29,565**	**19,196**
Other comprehensive income			
Changes in physical asset revaluation reserve	136,211	907	(243)
Total other comprehensive income	**136,211**	**907**	**(243)**
Comprehensive result	**140,013**	**30,472**	**18,953**
Expense by output			
2.1 Infrastructure Tasmania	36,062	40,320	56,911
2.2 Road User Services	43,652	42,954	44,491
2.3 Passenger Transport	31,992	13,626	20,194
Total	**111,706**	**96,900**	**121,596**

	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Net Assets			
Total assets deployed for Output Group		461,307	380,413
Total liabilities incurred for Output Group		11,297	11,897
Net assets deployed for Output Group		**450,010**	**368,516**

Output Group 3 – Skills, Training and Workforce Growth

	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Income from continuing operations			
Revenue from appropriation	133,469	116,786	126,367
Other revenue from government	4,387	4,387	1,304
Grants	73,010	48,114	49,386
Sales of goods and services	(158)	909	128
Other revenue	...	186	99
Total revenue from continuing operation	**210,708**	**170,382**	**177,284**
Net gain/(loss) on disposal of non-financial assets	...	(53)	(39)
Net gain/(loss) on financial assets	...	...	...
Total income from continuing operations	**210,708**	**170,329**	**177,245**
Expenses from continuing operations			
Employee Entitlements	9,484	12,294	11,033
Depreciation and Amortisation	...	275	245
Grants and subsidies	199,483	151,648	165,026
Supplies and Consumables:			
Consultants	27	548	234
Property Services	751	117	125
Maintenance	54	34	44
Communications	90	94	107
Information Technology	156	1,313	843
Travel and Transport	169	755	816
Advertising and Promotion	54	76	56
Audit Expenses	...	53	32
Operating Lease costs	...	866	664
Other Supplies and Consumables	487	(959)	(2,328)
Borrowing costs	53	23	22
Contributions Provided	...	...	1
Other expenses	121	293	267
Total expenses from continuing operations	**210,929**	**167,430**	**177,187**
Net result from continuing operations	**(221)**	**2,899**	**58**
Other comprehensive income			
Other changes taken directly to equity	...	...	...
Total other comprehensive income	**...**	**...**	**...**
Comprehensive result	**(221)**	**2,899**	**58**
Expense by output			
3.1 Skills & Workforce Growth	210,929	167,430	177,187
Total	**210,929**	**167,430**	**177,187**

	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Net Assets			
Total assets deployed for Output Group		2,005	840
Total liabilities incurred for Output Group		3,773	3,262
Net assets deployed for Output Group		**(1,768)**	**(2,422)**

Output Group 4 – Resources Policy and Regulatory Services

	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Income from continuing operations			
Revenue from appropriation	15,558	11,411	13,481
Other revenue from government	227	227	247
Grants	1,170	4	14
Sales of goods and services	100	28	194
Other revenue	776	82	3
Total revenue from continuing operation	**17,831**	**11,752**	**13,939**
Net gain/(loss) on disposal of non-financial assets	...	(53)	(39)
Net gain/(loss) on financial assets	...	...	...
Total income from continuing operations	**17,831**	**11,699**	**13,900**
Expenses from continuing operations			
Employee Entitlements	8,176	9,781	10,342
Depreciation and Amortisation	352	470	406
Grants and subsidies	7,160	913	1,143
Supplies and Consumables:			
Consultants	1	122	360
Property Services	732	242	264
Maintenance	83	198	243
Communications	75	102	111
Information Technology	322	927	1,084
Travel and Transport	94	528	585
Advertising and Promotion	...	54	76
Audit Expenses	1	35	32
Operating Lease costs	...	866	664
Other Supplies and Consumables	854	(1,178)	(624)
Borrowing costs	...	23	22
Contributions Provided	...	...	1
Other expenses	13	368	368
Total expenses from continuing operations	**17,863**	**13,451**	**15,077**
Net result from continuing operations	**(32)**	**(1,752)**	**(1,177)**
Other comprehensive income			
Administrative restructure taken directly to equity	...	...	3,528
Total other comprehensive income	**...**	**...**	**3,528**
Comprehensive result	**(32)**	**(1,752)**	**2,351**
Expense by output			
4.1 Forestry Policy & Reform	6,849	1,848	1,614
4.2 Minerals Resources	11,014	11,603	13,463
Total	**17,863**	**13,451**	**15,077**

	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Net Assets			
Total assets deployed for Output Group		36,188	39,350
Total liabilities incurred for Output Group		29,463	32,713
Net assets deployed for Output Group		**6,725**	**6,637**

Output Group 5 – Cultural and Tourism Development

	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Income from continuing operations			
Revenue from appropriation	175,190	122,622	136,465
Other revenue from government	14,191	14,191	3,725
Grants	400	2,539	2,943
Sales of goods and services	1,478	1,088	1,223
Contributions Received	...	11,951	6,824
Interest	...	133	36
Other revenue	5,732	2,691	1,422
Total revenue from continuing operation	**196,991**	**155,215**	**152,638**
Net gain/(loss) on disposal of non-financial assets	...	(49)	(313)
Net gain/(loss) on financial assets	...	(685)	(1,046)
Total income from continuing operations	**196,991**	**154,481**	**151,279**
Expenses from continuing operations			
Employee Entitlements	22,831	22,092	22,099
Depreciation and Amortisation	1,979	1,139	1,764
Grants and subsidies	153,111	104,827	111,128
Supplies and Consumables:			
Consultants	963	4,775	513
Property Services	1,415	1,418	1,535
Maintenance	866	591	516
Communications	318	281	234
Information Technology	270	749	1,102
Travel and Transport	323	672	572
Medical, Surgical and Pharmacy Supplies	6	...	...
Advertising and Promotion	414	390	438
Audit Expenses	12	66	70
Operating Lease costs	37	794	722
Lease costs not subject to AASB 16	10	...	...
Other Supplies and Consumables	15,657	4,574	3,713
Borrowing costs	2,466	22	21
Contributions Provided	...	...	201
Other expenses	156	795	516
Total expenses from continuing operations	**200,834**	**143,185**	**145,144**
Net result from continuing operations	**(3,843)**	**11,296**	**6,135**
Other comprehensive income			
Changes in physical asset revaluation reserve	11,020	13,885	48,921
Asset transfer to state entity	...	...	(49,502)
Total other comprehensive income	**11,020**	**13,885**	**(581)**
Comprehensive result	**7,177**	**25,181**	**5,554**
Expense by output			
5.1 Tasmanian Museum & Art Gallery	15,119	14,837	16,298
5.2 Arts Industry Development	14,126	10,401	11,011
5.3 Screen Industry Development	2,637	2,575	2,668
5.4 Events and Hospitality	35,143	31,448	33,590
5.5 Visitor Economy Support	37,296	27,822	20,899
5.6 Sport and Recreation	96,513	56,102	60,678

	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Total	**200,834**	**143,185**	**145,144**
Net Assets			
Total assets deployed for Output Group		572,976	546,791
Total liabilities incurred for Output Group		8,550	8,330
Net assets deployed for Output Group		**564,426**	**538,461**

Output Group 6 – Subsidies and Concessions

	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Income from continuing operations			
Revenue from appropriation	137,666	133,725	128,438
Other revenue from government	3,100	3,100	...
Sales of goods and services	...	18	...
Total revenue from continuing operation	**140,766**	**136,843**	**128,438**
Expenses from continuing operations			
Grants and subsidies	140,311	136,231	127,556
Supplies and Consumables:			
Consultants	...	1	1
Maintenance	...	312	152
Advertising and promotion	...	1	5
Other Supplies and Consumables	455	1,823	275
Other expenses	...	...	1
Total expenses from continuing operations	**140,766**	**138,947**	**127,990**
Net result from continuing operations	**...**	**(2,104)**	**448**
Expense by output			
6.1 Shipping and Ferry Subsidies	1,819	1,689	2,399
6.2 General Access Services	95,993	97,518	88,691
6.3 School Bus Services	42,902	39,740	36,900
6.4 Construction of Street in Towns	52	...	...
Total	**140,766**	**138,947**	**127,990**
Net Assets			
Total assets deployed for Output Group		(1,384)	7
Total liabilities incurred for Output Group		1,331	92
Net assets deployed for Output Group		**(2,715)**	**(85)**

Output Group 7 – Renewables, Climate and Future Industries Tasmania

	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Income from continuing operations			
Revenue from appropriation	34,551	24,730	20,134
Other revenue from government	220	220	514
Grants	730	26	11
Other revenue	728	...	...
Total revenue from continuing operation	**36,229**	**24,976**	**20,659**
Net gain/(loss) on disposal of non-financial assets	...	...	(11)
Total income from continuing operations	**36,229**	**24,976**	**20,648**
Expenses from continuing operations			
Employee Entitlements	11,113	10,874	9,119
Depreciation and Amortisation	128	...	17
Grants and subsidies	18,592	7,004	7,200
Supplies and Consumables:			
Consultants	29	1,068	1,970
Property Services	97	...	...
Maintenance	1	...	...
Communications	63	14	28
Information Technology	555	78	33
Travel and Transport	22	70	105
Advertising and Promotion	...	1,151	1,937
Audit Expenses	88	...	...
Operating Lease costs	560	...	...
Lease costs not subject to AASB 16	5	...	...
Other Supplies and Consumables	4,872	3,171	2,051
Other expenses	54	84	226
Total expenses from continuing operations	**36,179**	**23,514**	**22,686**
Net result from continuing operations	**50**	**1,462**	**(2,038)**
Net result	**50**	**1,462**	**(2,038)**
Other comprehensive income			
Other changes taken directly to equity	...	...	...
Total other comprehensive income	**...**	**...**	**...**
Comprehensive result	**50**	**1,462**	**(2,038)**
Expense by output			
7.1 Energy and Renewables	26,697	16,519	15,791
7.2 Climate Change	9,482	6,995	6,895
Total	**36,179**	**23,514**	**22,686**
Net Assets			
Total assets deployed for Output Group		6,308	6,152
Total liabilities incurred for Output Group		1,511	1,757
Net assets deployed for Output Group		**4,797**	**4,395**

Output Group 8 – Housing and Planning

	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Income from continuing operations			
Revenue from appropriation	32,630	29,280	22,808
Other revenue from government	4,270	4,570	8,117
Grants	...	11,178	1,850
Other revenue	...	162	...
Total revenue from continuing operation	**36,900**	**45,190**	**32,775**
Total income from continuing operations	**36,900**	**45,190**	**32,775**
Expenses from continuing operations			
Employee Entitlements	2,606	1,856	1,155
Grants and subsidies	33,310	41,502	31,617
Supplies and Consumables:			
Consultants	124	...	65
Communications	...	6	4
Information Technology	...	3	3
Travel and Transport	...	2	5
Advertising and Promotion	...	1	7
Lease costs not subject to AASB 16	79	...	...
Other Supplies and Consumables	416	22	1,854
Borrowing Costs	364		
Other expenses	...	5	15
Total expenses from continuing operations	**36,899**	**43,397**	**34,725**
Net result from continuing operations	**1**	**1,793**	**(1,950)**
Net result	**1**	**1,793**	**(1,950)**
Other comprehensive income			
Administrative restructure taken directly to equity	...	...	(252)
Total other comprehensive income	**...**	**...**	**(252)**
Comprehensive result	**1**	**1,793**	**(2,202)**
Expense by output			
8.1 Housing and Planning	34,679	41,103	33,365
8.2 State Planning Office	2,220	2,294	1,360
Total	**36,899**	**43,397**	**34,725**
Net Assets			
Total assets deployed for Output Group		126	(1,802)
Total liabilities incurred for Output Group		481	370
Net assets deployed for Output Group		**(355)**	**(2,172)**

Output Group 90 – COVID-19 Response

	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Income from continuing operations			
Revenue from appropriation	...	...	2,503
Total revenue from continuing operation	**...**	**...**	**2,503**
Expenses from continuing operations			
Grants and subsidies	...	...	545
Supplies and Consumables:			
Other Supplies and Consumables	...	...	1,958
Total expenses from continuing operations	**...**	**...**	**2,503**
Net result from continuing operations	**...**	**...**	**...**
Comprehensive result	**...**	**...**	**...**
Expense by output			
90.20 Rapid Response Skills Initiative	...	...	2,500
90.24 Small Business Sustainability And Recovery Grants	...	...	3
Total	**...**	**...**	**2,503**
Net Assets			
Total assets deployed for Output Group		...	33
Total liabilities incurred for Output Group		...	12
Net assets deployed for Output Group		**...**	**21**

Output Group – Capital Investment Program

	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Income from continuing operations			
Revenue from appropriation - capital	231,245	208,820	211,865
Other revenue from government	...	...	1,702
Grants	158,414	181,053	297,996
Sales of goods and services	210	255	412
Contributions Received	...	3,974	...
Other revenue	11	(6,422)	34
Total revenue from continuing operation	**389,880**	**387,680**	**512,009**
Net gain/(loss) on disposal of non-financial assets	1	(5,322)	(13,905)
Total income from continuing operations	**389,881**	**382,358**	**498,104**
Expenses from continuing operations			
Employee Entitlements	7,103	3,655	2,966
Depreciation and Amortisation	126,743	155,692	152,199
Grants and subsidies	...	13,955	19,625
Supplies and Consumables:			
Consultants	...	6,814	4,958
Property Services	...	86	419
Maintenance	86,704	89,329	72,143
Communications	...	593	567
Information Technology	...	2,226	1,435
Travel and Transport	...	123	206
Advertising and Promotion	...	167	62
Audit Expenses	...	14	8
Operating Lease costs	...	11	11
Other Supplies and Consumables	326	25,977	27,065
Contributions Provided	...	4,900	...
Other expenses	15	588	271
Total expenses from continuing operations	**220,891**	**304,130**	**281,935**
Net result from continuing operations)	**168,990**	**78,228**	**216,169**
Net result	**168,990**	**78,228**	**216,169**
Other comprehensive income			
Changes in physical asset revaluation reserve	...	475,765	363,718
Total other comprehensive income	**...**	**475,765**	**363,718**
Comprehensive result	**168,990**	**553,993**	**579,887**
Net Assets			
Total assets deployed for Output Group		8,257,671	7,754,975
Total liabilities incurred for Output Group		21,427	24,232
Net assets deployed for Output – Capital Investment Program		**8,236,244**	**7,730,743**
Expense by output			
Active Transport	...	1,242	...
Bass Highway Corridor	...	595	...

	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Bus Stop Upgrades	...	179	527
Channel Highway Bypass of Huonville	...	283	...
Cycling Infrastructure	...	...	3,895
Cygnet Township Safety Upgrade	...	700	...
Domain Highway Planning	...	...	25
Elphin Sports Centre	...	104	120
Festival Infrastructure - PW1	...	27	112
Glenora road Upgrade	...	...	500
Greater Hobart Traffic Solution	...	88	1,537
Infrastructure Maintenance	88,077	96,783	72,484
Infrastructure Stimulus Funding	...	...	38
Midland Highway	...	...	424
Network Planning	126,070	152,679	151,921
New Bridgewater Bridge	...	3,122	149
New Southern Tasmanian Sporting Facilities	...	1,258	1,638
Northern Suburbs Community Recreation Hub Project	...	879	1,604
Program Management	160	10,008	9,809
Remote Roads Pilot Funding	...	3,993	4,929
Road Safety Projects	1,648	24,628	17,657
Roads of Strategic Importance	...	169	...
Roads Package to Support Tasmania's Visitor Economy	...	344	733
Safer Local Roads Program	...	1,723	6,655
State Road Upgrades – Northern Region	...	625	175
Targeting Congestion Package	...	600	265
Tasmanian AFL Package – High Performance Centre	...	...	2,968
TMAG Building Maintenance	1,000	66	212
Traffic Management and Engineering Services	3,936	3,449	3,512
Urban Congestion Fund	...	586	48
Total	**220,891**	**304,130**	**281,937**

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

	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Total comprehensive result of Output Groups	**321,182**	**609,242**	**625,332**
Reconciliation to comprehensive result			
Expenses unallocated to Output Groups (accruals)	...	...	...
Comprehensive result	**321,182**	**609,242**	**625,332**

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

	2026 Actual $'000	2025 Actual $'000
Total net assets deployed for Output Groups	**9,325,081**	**8,715,839**
Reconciliation to net assets		
Assets unallocated to Output Groups (overheads)	...	...
Liabilities unallocated to Output Groups (overheads)	...	...
Net assets	**9,325,081**	**8,715,839**

2.4 Administered Output Schedule

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

Output Group – Grants and Subsidies

	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Administered revenue and other income from transactions			
Revenue from appropriation	210,497	211,044	91,122
Grants	59,138	43,747	1,120
Other revenue	...	6	2
Total administered revenue and other income from transactions	**269,635**	**254,797**	**92,244**
Administered expenses from transactions			
Employee Entitlements	...	46	44
Grants and subsidies	269,499	255,169	89,266
Supplies and Consumables:			
Other Supplies and Consumables	136	...	5,216
Total administered expenses from transactions	**269,635**	**255,215**	**94,526**
Administered net result from transactions (net operating balance)	**...**	**(418)**	**(2,282)**
Total administered comprehensive result	**...**	**(418)**	**(2,282)**
Administered expense by output			
91.001 Homes Tasmania	189,506	175,484	28,673
91.580 Government Contribution to TSO	2,453	2,453	2,418
91.598 NTC: Local Government Contribution	5,000	5,000	1,500
91.599 Payment in Accordance with Section 5 of the Roads & Jetties	1,300	1,376	6,468
91.621 Payments for Forest Practices Authority	1,838	1,838	1,802
91.624 Conveyance Allowance	1,630	698	784
91.625 Pensioner Air Travel Subsidy	10	9	12
91.626 Transport Access Scheme	4,518	4,977	5,234
91.643 Marine and Safety Tasmania	1,449	1,449	2,317
91.739 Private Forests Tasmania	1,936	1,936	1,898
91.751 10 Days on the Island	1,510	1,510	1,480
91.878 Theatre Royal	1,061	1,061	1,040
91.882 Tasmanian Railway Pty Ltd	22,200	22,200	21,900
91.883 West Coast Wilderness Railway	15,250	15,250	11,000
91.884 Sustainable Timber Tasmania CSO	8,000	8,000	8,000
91.885 Macquarie Point Development Corporation	5,000	5,000	...
91.886 Stadiums Tasmania	6,974	6,974	...
Total	**269,635**	**255,215**	**94,526**
Net Assets			
Total assets deployed for Output – Grants and Subsidies		...	...
Total liabilities incurred for Output – Grants and Subsidies		...	...
Net assets deployed for Output – Grants and Subsidies		**...**	**...**

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

	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Total administered comprehensive result of Output Groups	**...**	**(418)**	**(2,282)**
Reconciliation to administered net surplus (deficit)			
Administered revenue collections	145,077	172,626	146,338
Transfers to the Public Account	(145,077)	(172,626)	(146,338)
Other administered transactions (ie unallocated to Output Groups)	...	(1,531)	3,729
Administered comprehensive result	**...**	**(1,949)**	**1,447**

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

	2026 Actual $'000	2025 Actual $'000
Total administered net assets deployed for Output Groups	**...**	**...**
Reconciliation to administered net assets		
Assets unallocated to Output Groups	4,495	6,525
Liabilities unallocated to Output Groups	1,385	1,466
Administered net assets	**3,109**	**5,059**

Note 3 Expenditure under Australian Government Funding Arrangements

	State Funds	Australian Govt Funds	State Funds	Australian Govt Funds
	2026 Actual $'000	2026 Actual $'000	2025 Actual $'000	2025 Actual $'000
National Partnership Payments				
Business, Industry and Resources				
Regional Recovery Partnerships	...	...	...	2,375
Securing Future Nyrstar Operations	23,000	20,000	...	...
Energy and Emissions Reduction				
Marinus Link	...	...	...	11
Housing and Planning				
Housing Support Program - To states	...	19,319	...	1,850
Municipal and Essential Services Transition Fund - Cape Barren Island	...	25	...	...
National Agreement on Social Housing and Homelessness	...	38,250	...	...
Social Housing Accelerator Payment	...	32,234	...	...
Social Housing Energy Performance Initiative	...	3,691	...	2,969
Infrastructure & Transport				
Active Transport Fund	...	1,242	...	...
Black Spot Project	...	811	...	5,908
Bridgewater Bridge	11,185	47,550	21,495	177,440
Growing Regions Program	...	4,132	...	200
Infrastructure Stimulus Funding	...	181	788	2,226
Launceston City Deal - Tamar River	...	1,750	...	7,750
Nation Building program - Heavy Vehicle Safety	1,156	...	288	...
Nation Building program - Road	9,980	57,350	40,116	29,086
National Water Grid Fund	...	411	...	...
Regional Precincts and Partnerships Program	...	1,405	...	...
Remote Roads Pilot Funding	...	5,062	...	3,860
Road Corridors	17,105	18,781	12,696	28,014
Roads of Strategic Importance	10,897	17,955	14,021	21,686
Safer Local Roads	...	8,173	...	7,035
Tasman Bridge Upgrade	1,406	2,740	522	950
Temporary Assistance for Tasmanian Exporters	...	50	...	...
The Hillcrest Permanent Memorial	...	57	...	...
Thriving Suburbs Program	...	1,270	...	...
Trial Wetlands	...	902	50	716

Urban Congestion Fund	93	2,356	976	5,849
Skills and Jobs				
Closing the Gap (SPP1004).	2,000	550	...	...
Energising Tasmania	...	147	...	937
Fee Free TAFE	...	2,585	...	4,589
Job Trainer Fund	72	20	...	230
National Skill Agreement (NSA) - Ensuring Access	5	...	...	...
National Skills Agreement	...	35,711	...	33,519
North-West Tasmania Job Ready Generation	...	628	...	24
NSA - Improved Completions - Especially for Priority Groups	3,950	42	...	...
NSA - TAFE Leadership Networks	90	90	...	...
Skilling Australians Fund	...	3,955	...	9,395
TAFE technology fund	...	2,200	...	300
Total	**80,939**	**331,625**	**90,952**	**346,919**

Note that previous year figures have been restated to reflect a change to Australian Government classifications.

Additional details of capital expenditures included in the above note are included within Note 13.4.

Note 4 Explanations of Material Variances between Budget and Actual Outcomes

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

4.1 Statement of Comprehensive Income

	Note	Budget $'000	Actual $'000	Variance $'000	Variance %
Appropriation revenue - operating	(a)	670,111	545,121	(124,990)	(19%)
Appropriation revenue - capital	(b)	231,245	208,820	(22,425)	(10%)
Sales of goods and services	(c)	8,032	12,196	4,164	52%
Fees and fines	(d)	18,198	21,362	3,164	17%
Contributions received	(e)	...	15,925	15,925	...
Net gain/(loss) on non-financial assets	(f)	4	(5,760)	(5,764)	...
Net gain/(loss) on financial instruments and statutory receivables/payables	(g)	...	(4,565)	(4,565)	...
Depreciation and amortisation	(h)	132,465	163,350	30,885	23%
Supplies and consumables	(i)	161,047	187,373	26,326	16%
Grants and subsidies	(j)	684,318	548,422	(135,896)	(20%)
Finance costs	(k)	8,658	4,639	(4,019)	(46%)
Contribution provided	(l)	...	4,900	4,900	...
Other expenses	(m)	1,564	5,318	3,754	240%
Changes in physical asset revaluation reserve	(n)	150,835	490,557	339,722	225%

Notes to Statement of Comprehensive Income variances

(a) Variance reflects revised cashflow of Budget Initiatives including AFL High Performance Centre ($11.5m), Launceston City Deal ($8.0m), Dial Regional Sports Complex ($7.5m), Derwent River Ferry Service ($6.5m) and Tasmanian Symphony Orchestra Capital Funding ($4.0m).

(b) Variance reflects revised cashflow of the Capital Investment Program including Northern Suburbs Community Recreation Hub ($8.1m), Glenorchy Sports Centre ($4.9m) and Roads of Strategic Importance ($4.1m).

(c) Variance primarily reflects higher than anticipated (in Original Budget) Abt Railway ticketing and sales.

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

(e) Variance reflects unanticipated (in Original Budget) donations and bequests.

(f) Variance reflects the write-off of replaced bridge assets.

(g) Variance reflects unanticipated (in Original Budget) provision for impairment and bad debt write-offs.

(h) Variance reflects higher than budgeted (in Original Budget) roads and bridges infrastructure depreciation.

(i) Variance is primarily attributable to differences between the classification of actual expenditure and the budget. This includes expenditure on professional services associated with major projects, including the National Automated Access Systems project ($6.2 million) and the AFL High Performance Centre ($4.0 million).

(j) Variance reflects revised cashflow of Budget Initiatives including AFL High Performance Centre ($11.5m), Launceston City Deal ($8.0m), Dial Regional Sports Complex ($7.5m) and Tasmanian Symphony Orchestra Capital Funding ($4.0m).

(k) Variance reflects lower than anticipated costs of borrowing from TASCORP by Tasmania Development and Resources.

(l) Variance relates to unbudgeted (in Original Budget) transfers to other Tasmanian Government departments.

(m) Variance reflects the budget classification of expenses for workers compensation and other employee expenses.

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

4.2 Statement of Financial Position

	Note	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000	Budget Variance $'000	Actual Variance $'000
Cash and deposits	(a)	93,531	100,163	96,207	6,632	3,956
Receivables	(b)	13,712	8,863	11,519	(4,849)	(2,656)
Loan advances	(c)	177,184	152,662	144,695	(24,522)	7,967
Other financial assets	(d)	357	8,324	6,699	7,967	1,625
Property, plant and equipment and artwork	(e)	837,825	931,221	868,255	93,396	62,966
Right-of-use assets	(f)	1,658	2,331	3,801	673	(1,470)
Intangibles	(g)	2,042	13,909	7,310	11,867	6,599
Other assets	(h)	12,374	3,409	12,671	(8,965)	(9,262)
Payables	(i)	36,323	7,731	10,364	(28,592)	(2,633)
Lease liabilities	(j)	1,958	2,662	3,441	704	(779)
Borrowings	(k)	118,321	108,671	103,196	(9,650)	5,475
Employee benefits	(l)	30,176	33,621	30,847	3,445	2,774
Other liabilities	(m)	38,594	35,593	39,431	(3,001)	(3,838)

Notes to Statement of Financial Position variances

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

(b) Variance reflects lower than anticipated (Original Budget) receivables which is predominately Tax Assets.

(c) Variance reflects lower than anticipated (Original Budget) loans disbursed through Tasmania Development and Resources (TDR).

(d) Variance primarily reflects investment activities by TMAG Trustees which was categorised as investments in the 2025-26 Budget.

(e) Variance primarily relates to building additions for the Northern Suburbs Community Recreation Hub and the JackJumpers High Performance Centre as well as the revaluation of Heritage Assets.

(f) Variance primarily relates to the accumulated depreciation of right of use assets.

(g) Variance reflects higher than anticipated (Original Budget) purchase of intangible assets, including purchases relating to the Common Ticketing Program.

(h) Variance prior year actual and to Original Budget primarily relates to the budget including estimates for the prepayment of progress claims for the New Bridgewater Bridge.

(i) Variance to Original Budget primarily relates to the budget including accrued expense estimates for the New Bridgewater Bridge.

(j) Variance reflects higher than anticipated (Original Budget) value of lease arrangements.

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

(l) Variance to budget and prior year employee benefits primarily relates to an increase in the levels of accrued annual leave and long service leave held at year end.

(m) Variance reflects lower than anticipated (Original Budget) balance of monies held in trust.

4.3 Statement of Cash Flows

	Note	Budget $'000	Actual $'000	Variance $'000	Variance %
Appropriation receipts - operating	(a)	668,137	545,072	(123,065)	(18%)
Appropriation receipts - capital	(b)	81,817	120,744	38,927	48%
Grants	(c)	135,151	170,129	34,978	26%
Sales of goods and services	(d)	8,037	10,956	2,919	36%
Fees and fines	(e)	18,198	21,362	3,164	17%
GST receipts/payments (net)	(f)	(1)	1,902	1,903	...
Other cash receipts	(g)	22,631	30,849	8,218	36%
Grants and subsidies	(h)	(684,243)	(548,432)	135,811	(20%)
Interest payments	(i)	(8,748)	(4,599)	4,149	(47%)
Contribution provided	(j)	...	(4,900)	(4,900)	...
Other cash payments	(k)	(1,564)	(5,321)	(3,757)	240%
Receipts from non-operational capital funding - operating	(l)	1,974	49	(1,925)	(98%)
Receipts from non-operational capital funding - capital	(m)	149,428	88,076	(61,352)	(41%)
Receipts from Australian Government funding	(n)	143,397	119,329	(24,068)	(17%)
Repayment of loans by other entities	(o)	89,185	46,349	(42,836)	(48%)
Payments for acquisition of non-financial assets	(p)	(310,117)	(277,854)	32,263	(10%)
Loans made to other entities	(q)	(87,855)	(58,464)	29,391	(33%)
Proceeds from borrowings	(r)	100,643	116,929	16,286	16%
Trust receipts	(s)	...	4,945	4,945	...
Repayment of borrowings	(t)	(102,991)	(111,494)	(8,503)	8%
Trust payments	(u)	...	(8,780)	(8,780)	...

Notes to Statement of Cash Flows variances

(a) Variance reflects revised cashflow of Budget Initiatives including AFL High Performance Centre ($11.5m), Launceston City Deal ($8.0m), Dial Regional Sports Complex ($7.5m), Derwent River Ferry Service ($6.5m) and Tasmanian Symphony Orchestra Capital Funding ($4.0m).

(b) Variance reflects lower than anticipated (in Original Budget) capitalisation of capital expenses.

(c) Variance primarily reflects higher than anticipated funding from the Australian Government.

(d) Variance primarily reflects higher than anticipated (in Original Budget) Abt Railway ticketing and sales.

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

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

(g) Variance reflects higher than anticipated (in Original Budget) reimbursements from Department of Treasury and Finance for projects including Common Ticketing project ($5.8m), Launceston City Deal ($14m) and East and West Tamar Highway Corridors ($1.4m).

(h) Variance reflects revised cashflow of Budget Initiatives including AFL High Performance Centre ($11.5m), Launceston City Deal ($8.0m), Dial Regional Sports Complex ($7.5m) and Tasmanian Symphony Orchestra Capital Funding ($4.0m).

(i) Variance reflects lower than budgeted costs of borrowing from TASCORP by Tasmania Development and Resources (TDR).

(j) Variance relates unbudgeted (in Original Budget) transferers to other Tasmanian Government departments.

(k) Variance reflects the budget classification of payments for workers compensation and other employee expenses.

(l) Variance reflects Original Budget classification of appropriation split between Appropriation receipts – operating and Receipts from non-operational capital funding – operating.

(m) Variance reflects lower than anticipated (in Original Budget) capitalisation of capital expenses, as well as revised cashflow of Capital Investment Program including Northern Suburbs Community Recreation Hub ($8.1m), Glenorchy Sports Centre ($4.9m) and Roads of Strategic Importa nce ($4.1m).

(n) Variance reflects Original Budget classification of appropriation split between grants (receipts) and Receipts from Australian Government funding.

(o) Variance reflects lower than originally anticipated repayment of TDR loan advances, including the loan for Supporting Jobs at INCAT which was repaid in July 2026.

(p) Variance reflects lower than anticipated capitalisation of expenditure as well as revised cashflow of Capital Investment Program including Northern Suburbs Community Recreation Hub ($8.1m), Glenorchy Sports Centre ($4.9m) and Roads of Strategic Importance ($4.1m).

(q) Variance reflects lower than anticipated (in Original Budget) disbursement of TDR loan advances.

(r) Variance reflects higher than anticipated (Original Budget) borrowings required from TASCORP in order to fund the activities of TDR.

(s) Variance in trust receipts reflects the receipts into the Mines Deposit Account.

(t) Variance reflects higher than anticipated (Original Budget) repayment of borrowings to TASCORP from TDR activities.

(u) Variance in trust payments reflects payments from the Mines Deposit Account.

Note 5 Underlying net result

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

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

	Notes	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Net result from continuing operations		**170,347**	**118,685**	**259,165**
Less impact of: Non-operational capital funding				
Revenue from Government – capital	6.1	149,428	88,076	116,033
Revenue from Australian Government	13.2	266,241	119,329	255,756
Contributions received - assets acquired for nil consideration	6.6	…	14,529	5,812
Total		**415,669**	**221,934**	**377,601**
Underlying Net result from continuing operations		**(245,322)**	**(103,249)**	**(118,436)**

Note 6 Revenue

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

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

6.1 Revenue from Government

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

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

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

The Budget information is based on original estimates.

	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Continuing operations			
Appropriation revenue – operating			
Current year	670,111	545,121	594,380
	670,111	**545,121**	**594,380**
Appropriation revenue - capital	81,817	120,744	95,832
Appropriation Rollover under section 23 of the *Financial Management Act 2016*	37,101	37,101	44,407
Total revenue from Government from continuing operations	**118,918**	**157,845**	**140,239**
Non-operational capital funding			
Capital Services	149,428	88,076	116,033
Appropriation Rollover under section 23 of the *Financial Management Act 2016*	...	...	1,702
Total	**149,428**	**88,076**	**117,735**
Total Revenue from Government	**938,457**	**791,042**	**852,354**

6.2 Grants

Grants revenue, where there is a sufficiently specific performance obligation attached, are recognised when the department satisfies the performance obligation and transfers the promised goods or services. The department typically satisfies its performance obligations when the corresponding expenditure is incurred, more bespoke grants will detail how the performance obligations are to be satisfied within the grant documentation. The

department recognises revenue associated with performance obligations as performance obligations are deemed to be met, typically revenue is received as a reimbursement and can be recognised on receipt.

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

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

	2026 Actual $'000	2025 Actual $'000
Grants with sufficiently specific performance obligations		
Grants from the Australian Government	83,140	61,008
Grants from the Tasmanian Government	17,306	14,141
Industry contributions	2,485	1,858
Total	**102,931**	**77,007**
Grants to acquire/construct a recognisable non-financial asset		
Grants from the Australian Government	185,934	318,209
Grants from the Tasmanian Government	593	...
Total	**186,527**	**318,209**
Total revenue from Grants	**289,458**	**395,216**

6.3 Sales of goods and services

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

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

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

	2026 $'000	2025 $'000
Goods	5,419	5,667
Services	1,328	2,620

Abt Railway ticketing sales and retail revenue	2,996	2,168
Rental revenue	2,453	2,587
Total	**12,196**	**13,042**

6.4 Fees and fines

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

	2026 $'000	2025 $'000
Road Safety Levy	20,819	19,972
Other	543	857
Total	**21,362**	**20,829**

6.5 Interest

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

	2026 $'000	2025 $'000
Interest – loan advances	8,118	6,011
Total	**8,118**	**6,011**

6.6 Contributions received

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

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

	2026 $'000	2025 $'000
Fair value of additions to TMAG Collections at no cost	10,555	5,812
TMAG Donations and bequests	1,396	1,012
Roads transferred from councils at no cost	3,974	...
Total	**15,925**	**6,824**

6.7 Other revenue

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

	2026	2025
	$'000	$'000
Administrative support charge – Tourism Tasmania	903	903
Administrative support charge – Macquarie Point Development Corporation	144	142
Investment revenue[1]	516	515
Reimbursement and Recoveries[2]	22,512	10,305
Miscellaneous revenue	1,036	672
Total	**25,111**	**12,537**

[1] Investment revenue reflects TMAG investment portfolio market value change.

[2] Reimbursement and recoveries includes reimbursement $21.2m state funding appropriated to Treasury for the Common Ticketing project ($5.8m), Launceston City Deal ($14m) and East and West Tamar Highway Corridors ($1.4m).

Note 7 Net Gain/(Losses)

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

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

Key Judgement

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

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

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

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

	2026	2025
	$'000	$'000
Write off of replaced Land under Roads assets	...	(12,390)
Write off of replaced bridge assets	(5,322)	(885)
Write off of traffic signals replaced/upgraded	(441)	(329)
Net gain/(loss) on disposal of land and buildings	...	(4,729)
Net gain/(loss) on disposal of plant and equipment	4	(174)
Net gain/(loss) on disposal of Heritage Assets	...	(127)

Net gain/(loss) on the disposal of Abt Railway Rolling Stock	(1)	...
	(5,760)	**(18,634)**

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

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

Key Judgement

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

For other financial instruments that are not trade receivables, contract assets or lease receivables, the department has measured the expected credit loss based on an assessment of each individual loan's financial circumstances, including the borrower's ability and likelihood to meet repayment obligations.

	2026	**2025**
	$'000	**$'000**
Impairment reversals/(losses) of:		
Loans advance impairments	(3,851)	227
Loans advance write off (not previously impaired)	(30)	(109)
Equity investments (Screens Tasmania)	(683)	(1,047)
Receivables	(1)	2
Total net gain/(loss) on financial instruments	**(4,565)**	**(927)**

Note 8 Expenses from transactions

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

8.1 Employee benefits

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

(a) **Employee expenses**

	2026	**2025**
	$'000	**$'000**
Wages and salaries	84,404	85,227
Annual leave	9,022	9,126
Long service leave	2,645	2,225
Sick leave	4,203	3,891
Superannuation - defined contribution scheme	13,533	12,863
Superannuation - defined benefit scheme	3,566	3,746

Other post-employment benefits	1,172	2,862
Other employee expenses	1,141	946
Other employee benefits - Fringe Benefits Tax	514	646
Total	**120,200**	**121,532**

Superannuation expenses relating to defined benefit schemes relate to payments into the Public Account. The amount of the payment is based on a department contribution rate determined by the Treasurer, on the advice of the State Actuary. The current department contribution is 12.95 per cent (2024-25: 12.95 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 12 per cent (2024-25: 11.5 per cent) of salary. In addition, departments are also required to pay into the Consolidated Fund a “gap” payment equivalent to 3.45 per cent (2024-25: 3.45 per cent) of salary in respect of employees who are members of contribution schemes.

(b) Remuneration of key management personnel

2026	**Short-term benefits**		**Long-term benefits**			
	Salary	**Other benefits**	**Superannuation**	**Other benefits & Long-service Leave**	**Termination benefits**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Key management personnel						
Office of the Co-ordinator General:						
John Perry, Co-ordinator General	505	159	63	20	...	747
Department of State Growth						
Craig Limkin, Secretary	454	(13)	57	13	...	511
Micheal Mogridge, Deputy Secretary, Economic Development (from 15/9/25)	174	72	23	50	...	319
Christian Gillies, Deputy Secretary, Strategy, Housing, Infrastructure and Planning (from 15/12/25)	172	10	22	...	...	204
Brett Stewart, Deputy Secretary, Creative Industries, Sport and Visitor Economy	244	32	29	1	...	306
Cynthia Heydon, Deputy Secretary, Transport	250	61	37	4	...	352
Vanessa Pinto, Deputy Secretary, Renewables Climate and Future Industries Tasmania and Resources	297	43	36	4	...	380
Angela Conway, Deputy Secretary, Business Services (until 13/4/26)	164	39	22	(8)	...	217
Acting key management personnel						
Office of the Co-ordinator General:						
Dennis Hendriks, Co-ordinator General (from 16/9/25)	149	64	22	(7)	...	228
Department of State Growth						
Shane Gregory[1], Secretary (from 7/3/26)	142	...	17	...	...	159
Angela Conway, Secretary (various)	22	23	4	(1)	...	48

Jenna Cairney, Deputy Secretary, Economic Development (until 5/9/25)	38	5	7	(1)	...	49
Martin Crane, Deputy Secretary, Transport (25/8/25 to 30/9/25)	7	3	1	(4)	...	7
Danielle Harris, Deputy Secretary, Business Services (various)	50	17	7	16	...	90
Denise McIntyre, Deputy Secretary, Strategy, Housing, Infrastructure and Planning (1/7/25 to 31/8/25)	34	13	6	(12)	...	41
Alex Paterson, Deputy Secretary, Business Services (various)	31	16	5	1	...	53
Anthony Reid, Deputy Secretary, Strategy, Housing, Infrastructure and Planning (various)	73	29	12	6	...	120
Andrew Smythe, Deputy Secretary, Creative Industries, Sport and Visitor Economy (various)	26	4	4	1	...	35
Total	**2,832**	**577**	**374**	**83**	**...**	**3,866**

[1] Shane Gregory transferred on a temporary basis to Department of State Growth from 7 March 2026. Mr Gregory's salary and superannuation are paid by the Department of Premier and Cabinet and reimbursed by Department of State Growth. All other benefits remain with the Department of Premier and Cabinet.

2025	**Short-term benefits**		**Long-term benefits**		**Termination benefits**	**Total**
	Salary	**Other benefits**	**Superannuation**	**Other benefits & Long-service Leave***		
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Key management personnel						
Office of the Co-ordinator General:						
John Perry, Co-ordinator General	487	55	58	40	...	640
Department of State Growth						
Craig Limkin, Secretary	439	67	53	10	...	569
Cynthia Heydon, Deputy Secretary, Transport (from 2/9/24)	236	29	30	...	...	295
Angela Conway, Deputy Secretary, Business Services	233	50	30	8	...	321
Kate Kent, Deputy Secretary, Creative Industries, Sport and Visitor Economy (until 30/8/24)	46	1	6	...	9	62
Brett Stewart, Deputy Secretary, Creative Industries, Sport and Visitor Economy (from 19/8/24)	186	38	21	11	...	256
Brett Stewart, Deputy Secretary, Strategy, Housing, Infrastructure and Planning (until 19/8/24)	45	6	5	2	...	58
Denise McIntyre, Deputy Secretary, Strategy, Housing, Infrastructure and Planning (from 2/9/24)	197	26	26	31	...	280
Acting key management personnel						
Department of State Growth						
Denise McIntyre, Deputy Secretary, Transport (until 1/9/24)	51	5	7	6	...	69

Cairney, Jenna L, Deputy Secretary, Business and Jobs (1/7/24 to 30/6/25)	219	32	25	4	...	280
David Sudmalis, Deputy Secretary, Creative Industries, Sport and Visitor Economy (1/7/24 to 1/9/24)	43	6	5	1	...	55
Andrew Smythe, Deputy Secretary, Strategy, Housing, Infrastructure and Planning (various)	33	3	4	...	...	40
Mark Bowles, Chief Executive Officer - Renewables Climate and Future Industries Tasmania (until 31/1/25)	164	11	27	...	73	275
Vanessa Pinto , Chief Executive Officer - Renewables Climate and Future Industries Tasmania (from 17/2/25)	97	51	11	13	...	172
Adrian Christian, Chief Executive Officer - Renewables Climate and Future	22	3	2	(4)	...	23
Total	**2,498**	**383**	**310**	**122**	**82**	**3,395**

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

Remuneration during 2025-26 for key personnel is set by the *State Service Act 2000.* Remuneration and other terms of employment are specified in employment contracts. Remuneration includes salary, motor vehicle and other non-monetary benefits. Long-term employee expenses include long service leave, superannuation obligations and termination payments. Fringe benefits have been reported at the grossed up reportable fringe benefits amount. The Fringe Benefits Tax (FBT) year runs from 1 April to 31 March each year, any FBT attributable to key management personnel is reported on that basis.

Acting Arrangements

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

Terminations

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

(c) Related party transactions

AASB 124 *Related Party Disclosures* requires related party disclosures to ensure that the financial statements contain disclosures necessary to draw attention to the possibility that the department's financial results may have been affected by the existence of related parties and by transactions with such parties.

This note is not intended to disclose conflicts of interest for which there are administrative procedures in place.

The extent of information disclosed about related party transactions and balances is subject to the application of professional judgement by the department. It is important to understand that the disclosures included in this note will vary depending on factors such as the nature of the transactions, the relationships between the parties to the transaction and the materiality of each transaction. Those transactions which are not materially significant by their nature, impact or value, in relation to the department's normal activities, are not included in this note.

The aggregate value of related party transactions and outstanding balances (if any) is as follows:

	2026 Aggregate value of transactions $'000	30 June 2026 Total amount outstanding or committed $'000
Voluntary non-reciprocal donations to TMAG	1	...
Total	**1**	**...**

	2025 Aggregate value of transactions $'000	30 June 2025 Total amount outstanding or committed $'000
Voluntary non-reciprocal donations to TMAG	1	...
Total	**1**	**...**

8.2 Depreciation and amortisation

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

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

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

Asset		***Estimated Useful Life (years)***	***Depreciation Rate (per annum)***	***Method***
Road Infrastructure:				
Earthworks		Unlimited	Nil	NA
Pavement base –	category 1	40	2.50%	Straight Line
	category 2	45	2.22%	Straight Line
	category 3	60	1.67%	Straight Line
	category 4	65	1.54%	Straight Line
	category 5	70	1.43%	Straight Line
(Note: road categories are determined by freight carrying task, ie category 1 the highest freight task, category 5, the lowest)				
Pavement sub-base –	categories 1 to 3	70	1.43%	Straight Line
	categories 4 and 5	80	1.25%	Straight Line

Surface, seal – category 1	12	8.33%	Straight Line
category 2	15	6.67%	Straight Line
category 3	15	6.67%	Straight Line
category 4	18	5.56%	Straight Line
category 5	20	5.00%	Straight Line
category 5 unsealed	15	6.67%	Straight Line
Bridge Infrastructure:			
Bridges over water	25 - 100	1.00% - 4.00%	Parabolic
Bridges over roads, pedestrian bridges, culverts	70 - 100	1.00% - 1.43%	Parabolic
Truss bridges	83 - 250	1.20% - 0.40%	Parabolic
Masonry Arch structures	250	0.40%	Parabolic
Major structures	70 - 100	1.00% - 1.43%	Parabolic
Retaining walls and gantries	50 - 70	1.43% - 2.00%	Parabolic
Traffic Signal Installations: (Residual value 10% applies to all traffic signals assets)			
Cable	50	2.00%	Straight Line
Above and below ground	30	3.33%	Straight Line
Electronics	25	4.00%	Straight Line
Site Hardware	10	10.00%	Straight Line
Buildings	20 - 80	1.25% - 5.00%	Straight Line
Leasehold improvements	5 - 12	8.33% - 20.00%	Straight Line
Electrical, technical and office equipment	5	20.00%	Straight Line
Plant	5 - 25	4.00% - 10.00%	Straight Line
Computer Hardware	3	33.33%	Straight Line
Marine Vessels and Equipment (Residual value 10%)	4	25.0%	Straight Line
Abt Railway Infrastructure:			
Tracks, bridges, structures, culverts and station buildings	20 - 100	1.00% - 5.00%	Straight Line
Railway carriages	30 - 75	1.33% - 3.33%	Straight Line
Locomotives	25	4.00%	Straight Line
Buildings	20 - 30	3.33% - 5.00%	Straight Line
Rail wagons	5	20.00%	Straight Line

Road Infrastructure

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

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

Bridge Infrastructure

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

Present Value = Replacement Cost x $(1-(age/life)^2)$

Intangible Assets

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

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

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

(a) **Depreciation**

	2026	2025
	$'000	$'000
Plant and equipment	1,249	1,321
Abt Railway Rolling Stock	268	256
Aerodromes	1	2
Traffic signal installations	904	769
Buildings	2,546	2,867
Road infrastructure	113,648	110,223
Bridges	42,034	41,954
Other infrastructure	1,567	1,484
Right-of-use assets	936	844
Total	**163,153**	**159,720**

(b) **Amortisation**

	2026	2025
	$'000	$'000
Intangibles	12	12
Leasehold improvements	185	178
Total	**197**	**190**
Total depreciation and amortisation	**163,350**	**159,910**

8.3 Supplies and consumables

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

	2026 $'000	2025 $'000
Audit fees – financial audit	284	268
Audit fees – internal audit	156	126
Operating lease costs	7,828	6,448
Consultants	17,589	14,334
Property services	3,265	3,694
Maintenance	93,535	74,840
Communications	3,979	3,818
Information technology	11,437	12,084
Travel and transport	4,867	5,173
Advertising and promotion	4,699	6,080
Legal expenses	979	893
Contractor payments (non road-works)	21,015	33,026
Other supplies and consumables	17,742	17,926
Total	**187,373**	**178,710**

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

8.4 Grants and subsidies

Grant and subsidies expenditure is recognised to the extent that:

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

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.

	2026 $'000	2025 $'000
Grant Name		
Active Tasmania grants	35,344	42,293
Advanced manufacturing grants	838	1,500
AFL Tasmania	5,000	5,000
Antarctic contributions and grants	513	530
Arts grants	7,925	9,093
Building Project Support Fund	2,714	4,036
Business and industry assistance	6,021	10,010
Business Events Attraction Fund	1,000	900

Capital Investment Programs grants	3,620	8,631
City Deal Launceston	...	22,550
Climate change grants	3,856	3,669
Coastal pathway project	...	218
Copper Mines of Tasmania	...	795
Energy and renewables grants	2,871	3,556
Event Attraction Fund	5,470	3,931
Event Tasmania major event partnership program	17,351	16,868
Events Tasmania grants	3,099	493
Events Tasmania special partnerships	4,887	11,555
Forestry grants	659	426
Growing Regions Program	3,744	...
High Vis Army	2,890	2,140
Housing and planning grants	41,702	31,617
Innovation grants	375	350
Macquarie Point Development Corporation	...	5,000
Menzies Icon	500	500
Mineral resources grants	246	710
Other contributions	3,007	2,968
Other grants	1,360	60
Regional precincts and partnerships program	2,666	...
Science and technology grants	222	1,227
Screen Tasmania grants	972	1,241
Securing future Nyrstar operations	43,000	...
Skilled migration and international education	18	10
Skills and workforce grants	48,787	27,501
Small business grants	867	3,650
Stadiums Tasmania	...	1,900
Tamar estuary	14,639	22,020
Tasmanian Institute of Sport grants	657	533
Tasmanian Leaders Program	217	214
TasTAFE	2,173	29,750
Thriving Suburbs Program	1,270	...
Ticket to Play	1,438	1,231
Ticket to Wellbeing	407	758
Tourism and hospitality grants	19,936	18,697
Trade and international relations	1,378	1,440
Transport and road safety grants	17,197	18,578
Total Grants	**310,836**	**318,149**
Subsidy		
Apprentice and trainee subsidies	3,534	3,600
Business energy efficiency subsidy	20	18
Derwent river ferry service	1,540	1,831
Energy and renewables grants	500	...

General access bus services	96,454	90,402
Shipping and ferry subsidies	1,303	2,208
Student only bus services	40,049	37,903
Vocational education training (VET) delivery	94,186	102,588
Total Subsidies	**237,586**	**238,550**
Total grants and subsidies	**548,422**	**556,699**

8.5 Finance costs

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

Finance costs include:

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

	2026	2025
	$'000	$'000
Interest expense		
Interest on loans	4,448	3,543
Interest on leases	189	180
Total	**4,637**	**3,723**
Other finance costs		
Penalty interest on late payments to creditors	2	2
Total	**2**	**2**
Total finance costs	**4,639**	**3,725**

8.6 Contribution Provided

Contributions provided free of charge by the department, to another entity, are recognised as an expense when fair value can be reliably determined

	2026	2025
	$'000	$'000
Voluntary transfer of activities between government entities	4,900	2,756
Total	**4,900**	**2,756**

8.7 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.

	2026 $'000	2025 $'000
Workers compensation	1,724	1,260
Other employee expenses (including training/development, WH&S, recruitment)	1,639	1,800
Miscellaneous expenses	1,955	1,698
Total	**5,318**	**4,758**

Note 9 Assets

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

9.1 Receivables

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

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

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

	2026 $'000	2025 $'000
Receivables	8,909	11,565
Less: Expected credit loss	(46)	(46)
Total	**8,863**	**11,519**
Sales of goods and services	1,605	2,354
Fees and fines	19	24
Tax assets	7,239	9,141
Other receivables	...	...
Total	**8,863**	**11,519**
Settled within 12 months	8,817	11,473
Settled in more than 12 months	46	46
Total	**8,863**	**11,519**

Reconciliation of change in expected credit loss for receivables	2026 $'000	2025 $'000
Carrying amount at 1 July	**46**	**48**
Increase/(decrease) in provision recognised in profit or loss	...	(2)
Carrying amount at 30 June	**46**	**46**

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

9.2 Loan advances

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

	2026 $'000	2025 $'000
Section 35 Loans Administered by TDR	50,423	40,929
Section 37 Loans Administered by TDR[1]	49,099	45,000
Tasmanian Development Act 1983	766	321
Agrigrowth Loan Program	1,962	1,768
Drought Dairy Recovery Concessional Program & Drought Recovery – Non-Debt	708	808
Flood Recovery Rural	...	8
Farm Business Concessional Loan scheme - Dairy Recovery & Drought Assistance	2,850	4,417
Tourism Accommodation Refurbishment Loan Scheme	341	1,325
Farm Business Concessional Loan scheme - Dairy Recovery - JUL 2017 & Drought Assistance - JUL 2017	3,194	4,125
Heritage Renewal Loan Scheme	...	97
Agrigrowth Loan Scheme - Young Farmers	15,044	20,997
Federal Refinance Loans	191	191
COVID-19 Interest Free Business Support Loan Scheme	3,185	4,455
Business Growth Loan Scheme	5,117	4,237
Building Construction Support & Construction S35	7,551	8,312
Tourism Development Loan Scheme	7,240	7,092
Regional Tourism Loan Scheme	9,878	1,839
Screen Tasmania Loans	230	230
Arts Loans	808	987
Less: Provision for impairment	(5,925)	(2,443)
Total	**152,662**	**144,695**
Settled within 12 months	54,752	69,233

Settled in more than 12 months	97,910	75,462
Total	**152,662**	**144,695**

[1] Section 37 loan advances includes $45 million loan to Incat, for which repayment in full was received on 21 July 2026.

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

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

Reconciliation of change in provision for impairment of other financial assets	**2026 $'000**	**2025 $'000**
Carrying amount at 1 July	**2,443**	**2,670**
Loan advances - New Impairments	4,005	436
Loan advances - Impairments reversed	(153)	(663)
Loan advances - Write back of impaired interest to revenue	(370)	...
Carrying amount at 30 June	**5,925**	**2,443**

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
- 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.

	2026 $'000	**2025 $'000**
Listed equity Investments		
Group 6 Metals Limited, formerly known as King Island Scheelite[1]	10,492	10,492
Unlisted equity Investments		
Unlisted equity instruments	16,820	16,820
Less: Provision for impairment	(16,820)	(16,820)
Total	**10,492**	**10,492**

Settled within 12 months	...	...
Settled in more than 12 months	10,492	10492
Total	**10,492**	**10,492**

(a) Listed Equity Investments designated as at fair value through other comprehensive income

	Fair value as at 30 June 2026	Dividend income recognised during 2026
	$'000	$'000
Group 6 Metals Limited, formerly known as King Island Scheelite	10,492	...
Total	**10,492**	**...**

(b) Reconciliation of change in equity investments

	2026	2025
	$'000	$'000
Carrying amount at 1 July	10,492	...
Addition	...	10,492
Gain/(loss) on revaluation of equity instrument through other comprehensive income	...	...
Carrying amount at 30 June	**10,492**	**10,492**

(c) Reconciliation of change in provision for impairment of equity investments	2026 $'000	2025 $'000
Carrying amount at 1 July	**16,820**	**16,003**
Increase/(decrease) in provision recognised in net result	...	817
Carrying amount at 30 June	**16,820**	**16,820**

[1] At reporting date Group 6 Metals Limited shares remained suspended from trading on the ASX. As no quoted market price was available and there was insufficient observable market evidence to reliably determine fair value, no fair value adjustment was recognised within the financial statements for 2025-26 with the investment therefore carried at existing value being acquisition cost.

Subsequent to reporting date, the ASX lifted the suspension from the commencement of trading on 30 July 2026. As trading resumed after the reporting date, this has been treated as a non-adjusting subsequent event, and no adjustment has been made to the amounts recognised in these financial statements.

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.

	2026	2025
	$'000	$'000
Accrued revenue	2,372	1,132
Investments*	5,918	5,537
Other current assets	34	30
Total	**8,324**	**6,699**
Settled within 12 months	8,324	6,699
Total	**8,324**	**6,699**

*Investments $5.918 million relates to surplus cash invested by TMAG Trustees.

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.

	2026	2025
	$'000	$'000
Inventory held for sale – Tasmanian Museum and Art Gallery (TMAG)	83	88
Inventory held for sale – Abt Railway	166	156
Inventory held for use – DSG	3,205	3,805
Total	**3,454**	**4,049**
Consumed within 12 months	3,454	4,049
Total	**3,454**	**4,049**

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

Property, plant and equipment and artwork

(i) Valuation basis

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

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

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

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

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

(ii) Subsequent costs

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

(iii) Asset recognition threshold

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

(iv) Revaluations

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

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

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

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

Heritage and cultural assets

(i) Valuation basis

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

(ii) Asset recognition threshold

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

(iii) Revaluations

Heritage and cultural assets are subject to an annual internal review and assessment process utilising the expertise of people charged with management and oversight of the collection. In the event management or the Board consider the carrying amount of an asset or collections materially differ from attributed fair value, an external revaluation will be sought. Only items registered in the collections are recognised for valuation purposes. Collections are valued on the following basis:

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

(iv) Highest and best use

A characteristic of many heritage and cultural assets is that they have few or no alternative uses because there are natural, legal and financial restrictions on their use and disposal. Therefore, the highest and best use is the

current existing use, in combination with other related heritage assets or on a stand-alone basis. Where an alternative use is feasible within the existing socio-political environment, then the asset may be valued at a higher alternative use.

(a) **Carrying amount**

	2026 $'000	2025 $'000
Land holdings		
Land (including land under buildings) Level 2 - at fair value	71,152	73,652
Land (including land under buildings) Level 3 - at fair value	6,178	2,204
Rural properties - at option value	507	620
Rail Corridor land - at fair value	151,934	151,272
Total	**229,771**	**227,748**
Buildings		
Level 2 - at fair value	78,407	78,408
Level 3 - at fair value	113,852	60,359
Less: Accumulated depreciation	(7,144)	(4,601)
Total	**185,115**	**134,166**
Aerodromes		
At fair value	165	165
Less: Accumulated depreciation	(5)	(4)
Total	**160**	**161**
Plant and equipment		
At cost	13,106	12,119
Less: Accumulated depreciation	(7,764)	(6,583)
Total	**5,342**	**5,536**
Abt Railway rolling stock		
At fair value	8,188	7,436
Less: Accumulated depreciation	(963)	(693)
Total	**7,225**	**6,743**
Traffic Signal installations		
At fair value	23,862	22,658
Less: Accumulated depreciation	(3,045)	(2,204)
Total	**20,818**	**20,454**
Leasehold improvements		
At cost	2,281	2,115
Less: Accumulated depreciation	(1,302)	(1,118)
Total	**979**	**997**

Heritage and cultural assets and Artwork		
At fair value	477,286	452,746
Total	**477,286**	**452,746**
Work in progress (at cost)		
Buildings	4,053	19,126
Plant and equipment	51	130
Abt Railway rolling stock	422	448
Leasehold improvements	...	...
Heritage and cultural assets and Artwork	...	...
Total	**4,526**	**19,704**
Total property, plant and equipment, artwork, heritage and cultural assets	**931,221**	**868,255**

Land and buildings

Land and buildings revaluations were based on the most recent valuations undertaken by the Valuer-General as publicly available on the Land Information System Tasmania's (LIST) website. TDR's were undertaken by Knight Frank Tasmania as at 30 June 2022. TMAG used valuations undertaken by independent valuers Opteon Property Group Pty Ltd as at 30 June 2025.

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

Land - Rural properties

Rural properties are valued as at 30 June 2026 to fair value. Fair value of these properties equates to the option prices deemed on the individual properties. These option prices are the amounts receivable should the tenants exercise the option to purchase the freehold title.

Land - Rail Corridor land

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

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

Aerodrome

The Aerodrome is located in Cape Barren Island. The department currently administers a grant deed with the Aboriginal Land Council of Tasmania (ALCT) and the Cape Barren Island Aboriginal Association to undertake routine maintenance and minor works on roads and the aerodrome. The latest revaluation undertaken by the department was based on the most recent valuations undertaken by the Valuer-General as publicly available on the Land Information System Tasmania's (LIST) website as at 30 June 2025. This revaluation did not result in any change in values.

Abt Railway rolling stock

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

Traffic Signals installations

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

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

The internal review and assessment process was completed in June 2026 by TMAG's Registrar who has been closely involved in the collection valuations since 2008 and incorporates an impairment assessment, utilises the judgement of internal experts and takes into consideration AASB 13 Fair Value Measurement. The definition of fair value is defined in AASB 13 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. It is based on the principle of an exit price and refers to the price an entity expects to receive when it sells an asset, or the price an entity expects to pay when it transfers a liability.

Artwork

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

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

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

(b) Reconciliation of changes (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:

2026

	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)	Aero-dromes Level 3 (Specific purpose use)	Plant and equipment (including computer equipment)	Abt Railway Rolling Stock Level 3 (Specific purpose use)	Traffic Signal installations Level 3 (specific purpose use)	Lease-hold improve-ments	Heritage and cultural assets and Artwork Level 3	WIP	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Carrying value at 1 July	**73,652**	**154,096**	**74,735**	**59,431**	**161**	**5,536**	**6,743**	**20,454**	**997**	**452,746**	**19,704**	**868,255**
Additions	122	1,600	...	34,367	...	959	725	1,710	166	100	4,088	43,837
Contributions received	...	...	...	...	...	...	...	...	...	10,555	...	10,555
Disposals/write offs	(250)	(112)	...	4	...	(18)	(1)	(441)	...	...	...	(818)
Net additions/(deletions) through transfers	...	...	...	...	...	...	...	...	...	...	...	...
Reclassification of assets	...	...	...	...	...	...	...	...	...	...	...	...
Transfers in from/(to) WIP	...	...	...	19,126	...	114	26	...	...	...	(19,266)	...
Gains/losses recognised in other comprehensive income		...	...	...	...	...	...	...	...	...	...	...
Revaluation increments/(decrements)	...	662	...	...	...	...	...	...		13,885	...	14,547
Depreciation & amortisation	...	...	(2,298)	(250)	(1)	(1,249)	(268)	(904)	(185)	...	...	(5,155)
Carrying value at 30 June	**73,524**	**156,246**	**72,437**	**112,678**	**160**	**5,342**	**7,225**	**20,819**	**978**	**477,286**	**4,526**	**931,221**

2025	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)	Aero-dromes Level 3 (Specific purpose use)	Plant and equipment (including computer equipment)	Abt Railway Rolling Stock Level 3 (Specific purpose use)	Traffic Signal installations Level 3 (specific purpose use)	Lease-hold improve-ments	Heritage and cultural assets and Artwork Level 3	WIP	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Carrying value at 1 July	**69,516**	**156,126**	**74,054**	**88,097**	**163**	**5,824**	**5,066**	**20,316**	**1,175**	**427,513**	**9,012**	**856,862**
Additions	...	...	88	38	...	1,408	1,933	1,236	...	143	12,105	16,951
Contributions received	...	...	...	...	...	...	...	...	...	5,812	...	5,812
Disposals/write offs	(3,117)	(30)	(1,621)	...	...	(174)	...	(329)	...	(127)	...	(5,398)
Net additions/(deletions) through transfers		(5,351)	...	(42,680)		(1,472)	...	...	...	...	...	(49,503)
Reclassification of assets	...	...	...	...	...	...	...	...	...	...	...	...
Transfers in from/(to) WIP	...	...	103	...	...	1,282	...	...	...	28	(1,413)	...
Gains/losses recognised in other comprehensive income		...	...	...	...	...	...	...	...	...	...	...
Revaluation increments/(decrements)	7,253	3,351	4,058	14,896	...	(11)	...	...	...	19,377	...	48,924
Depreciation & amortisation	...	...	(1,947)	(920)	(2)	(1,321)	(256)	(769)	(178)	...	...	(5,393)
Carrying value at 30 June	**73,652**	**154,096**	**74,735**	**59,431**	**161**	**5,536**	**6,743**	**20,454**	**997**	**452,746**	**19,704**	**868,255**

(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	507	A – option price in individual contracts	Nil alternatives	Option prices are locked in individual contracts
Land - Rail Corridor – specific purpose/use land	151,934	A – market value of adjacent land per square metre	$0.01 - $453 per sq metre	Increase / decrease in rates per square metre would increase / decrease the fair value
		B – discount factor on market value of adjacent land to reflect specialised nature of asset	30%	Increase / decrease in discount rate would decrease / increase the fair value
Land – Abt Railway – specific purpose, including rail reserve	2,193	A – reference to available evidence in each location related to local economic and property market conditions	Highly variable due to location	Reliance on valuer's professional judgement
Buildings – specific purpose/use	112,678	A – Physical depreciation and obsolescence adjustments	Variable	Reliance on valuer's professional judgement
		B – useful life of specialised buildings	20 to 30 years	Increase / decrease in useful life would increase / decrease the fair value
Aerodromes – specific purpose/use	160	A – market value of land	Highly variable due to location	Increase / decrease in replacement costs would increase / decrease the fair value
		B - labour and materials cost to replace	Highly variable due to location	Increase / decrease in useful life would increase / decrease the fair value
		C – useful life of specialised buildings	20 years	
Abt Railway Rolling Stock – specific purpose/use	7,225	A – Physical depreciation and obsolescence adjustments	Variable	Reliance on valuer's professional judgement
		B – useful life of rolling stock	5 – 75 years	Increase / decrease in useful life would increase / decrease the fair value
Traffic Signal installations – specific purpose/use	20,819	A – labour costs to replace	$2,000 to $52,000 /site	Increase / decrease in replacement costs would increase / decrease the fair value
		B – materials costs to replace	$3,000 to $130,000 /site	Increase / decrease in replacement costs would increase / decrease the fair value
		C – useful life of installation components	10 – 50 years	Increase / decrease in useful life would increase / decrease the fair value
Heritage and cultural assets and Artwork	477,286	A – independent specialist valuation	Nil - alternatives	Reliance on valuer's professional judgement

9.7 Right-Of-Use Assets

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

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

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

(a) **Carrying amount**

	2026	2025
	$'000	$'000
Buildings		
Level 2 - at fair value	5,052	5,379
Less: Accumulated depreciation	(3,373)	(2,457)
Total	**1,679**	**2,922**
Plant and equipment and vehicles (including computer equipment)		
At cost	1,033	1,387
Less: Accumulated depreciation	(381)	(508)
Total	**652**	**879**
Total property, plant and equipment	**2,331**	**3,801**

(b) **Reconciliation of changes**

2026	Buildings	Plant, equipment & vehicles	Total
	$'000	$'000	$'000
Carrying value at 1 July	**2,922**	**879**	**3,801**
Additions	...	15	15
Depreciation and amortisation	(730)	(206)	(936)
Other changes - CPI adjustments	(513)	(36)	(549)
Carrying value at 30 June	**1,679**	**652**	**2,331**

2025	Buildings	Plant, equipment & vehicles	Total
	$'000	$'000	$'000
Carrying value at 1 July	**1,441**	**144**	**1,585**
Additions	**659**	**776**	**1,435**
Depreciation and amortisation	(687)	(158)	(845)
Other changes - CPI adjustments	1,509	117	1,626
Carrying value at 30 June	**2,922**	**879**	**3,801**

9.8 Infrastructure

Revaluations

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

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

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

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

Road Infrastructure

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

- land use
- traffic volumes
- national highway as the Australian Government demands a higher standard.

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

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

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

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

Pavement sub-base and base – pavement has been split into two separate components, sub-base and base recognising the different useful life and service capacity characteristics for each part of the pavement. Whilst pavement thicknesses vary according to category of road, as an example a category 1 road (major highways) which typically have a 550mm deep pavement, the bottom sub-base is 350mm deep, and the upper base is 200mm deep. Useful life of the sub-base is between 70 and 80 years, while the useful life of the base is between 40 and 70 years.

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

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

Bridge Infrastructure

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

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

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

Land Under Roads and within Road Reserves

Land under roads and within road reserves value is determined by the Valuer-General every five years from the most recent valuations of land titles adjoining and within a 200-metre corridor of the state road network. The Valuer General provides average values per hectare or square metre for the urban and non-urban sectors in each Municipality, and the department inputs the average values into the land areas in each sector and Municipality. The last full revaluation was completed as at 30 June 2025.

During 2025-26, the Office of the Valuer-General undertook sampling of land use classifications in the vicinity of roads and identified changes in classification across portions of the portfolio. As a result, approximately 14 per cent of the Land Under Roads portfolio was reclassified, predominantly from Primary Production to Residential land use categories. This reclassification was primarily responsible for the increase in the fair value of Land Under Roads of $338.7 million, reflecting the higher valuation rates applicable to residential land.

Abt Railway Infrastructure

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

Property Acquired for Roadworks

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

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

Valuer-General Sale Valuation

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

Valuer-General Rates Valuation

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

Department of State Growth Valuation

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

(a) **Carrying amount**

	2026 $'000	2025 $'000
Roads		
At fair value	7,619,429	7,370,753
Less: Accumulated depreciation	(3,023,096)	(2,800,401)
Total	**4,596,333**	**4,570,352**
Land Under Roads and within Road Reserves		
At fair value	1,010,178	671,399
Total	**1,010,178**	**671,399**
Bridges		
At fair value	3,543,648	2,807,459
Less: Accumulated depreciation	(1,138,179)	(1,170,006)
Total	**2,405,469**	**1,637,453**
Abt Railway Infrastructure		
At fair value	38,143	36,035
Less: Accumulated depreciation	(5,385)	(3,818)
Total	**32,758**	**32,217**
Works in progress		
Roads at Cost	232,816	182,668
Bridges at Cost	4,098	648,743
Abt Railway Infrastructure at Cost	3,894	1,479
Total	**240,808**	**832,890**
Total infrastructure	**8,285,546**	**7,744,311**

(b) **Reconciliation of changes**

2026	Roads	Land Under Roads and within Road Reserves	Bridges	Abt Railway Infrastructure	WIP	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Carrying value at 1 July	**4,570,352**	**671,399**	**1,637,453**	**32,217**	**832,890**	**7,744,311**
Capital Improvements	70,771	...	72,157	1,862	79,032	223,822
Contributions received	3,974	...	...	...	...	3,974
Additions	...	...	...	...	...	...
Disposals	...	...	(5,322)	...	...	(5,322)
Transfers to/(from) WIP	23,895	...	647,219	...	(671,114)	...
Impairment loss	...	...	...	...	...	...
Revaluation increments/(decrements)	40,989	338,779	95,996	246	...	476,010
Depreciation & amortisation	(113,648)	...	(42,034)	(1,567)	...	(157,249)
Carrying value at 30 June	**4,596,333**	**1,010,178**	**2,405,469**	**32,758**	**240,808**	**8,285,546**

2025	Roads	Land Under Roads and within Road Reserves	Bridges	Abt Railway Infrastructure	WIP	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Carrying value at 1 July	**4,591,938**	**462,424**	**1,649,558**	**26,783**	**478,457**	**7,209,160**
Capital Improvements	55,816	...	4,226	1,025	277,547	339,826
Contributions received	...	...	...	...	...	...
Disposals	...	(12,390)	(885)	...	...	(14,487)
Transfers to/(from) WIP	...	...	...	5,747	(5,747)	...
Impairment loss	...	...	...	...	...	...
Revaluation increments/(decrements)	115,846	221,365	26,508	(246)	...	363,473
Depreciation & amortisation	(110,223)	...	(41,954)	(1,484)	...	(153,661)
Transfers between classes	(83,025)	...	...	392	82,633	...
Carrying value at 30 June	**4,570,352**	**671,399**	**1,637,453**	**32,217**	**832,890**	**7,744,311**

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

Description	Fair value at 30 June	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
	$'000			
Road Infrastructure	4,596,333	A – labour and materials cost to replace	$62 to $300 per sq metre depending on component and road category	Increase / decrease in replacement costs would increase / decrease the fair value
		B – useful life of road components	15 years to unlimited	Increase / decrease in useful life would increase / decrease the fair value
		C – annual indexation factor (Jacobs construction price index)	3.02%	Increase / decrease in indexation factor would increase / decrease the fair value
Land under Roads	1,010,178	A – market value of adjacent land per square metre	$0.01 - $623 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	2,405,469	A – labour and materials cost to replace	$1,937 to $11,192 per sq metre	Increase / decrease in replacement costs would increase / decrease the fair value
		B – useful life of bridges	25 – 250 years	Increase / decrease in useful life would increase / decrease the fair value
		C – annual indexation factor (Jacobs construction price index)	3.02%	Increase / decrease in indexation factor would increase / decrease the fair value
Abt Railway Infrastructure	32,758	A – Physical depreciation and obsolescence adjustments	Variable	Reliance on valuer's professional judgement
		B – useful life of infrastructure	20 – 100 years	Increase / decrease in useful life would increase / decrease the fair value

9.9 Intangibles

An intangible asset is recognised where:

- it is probable that an expected future benefit attributable to the asset will flow to the department
- 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**

	2026 $'000	2025 $'000
Intangibles with a finite useful life (at cost)		
Motor Registry System	17,503	17,503
Other software systems	2,586	2,586
Less: Accumulated amortisation	(18,787)	(18,775)
	1,302	1,314
Work in progress (at cost)	12,607	5,996
Total intangible assets	**13,909**	**7,310**

(b) **Reconciliation of changes**

2026	Intangibles $'000	WIP $'000	Total $'000
Carrying value at 1 July	**1,313**	**5,997**	**7,310**
Additions	...	6,611	6,611
Depreciation & amortisation	(12)	...	(12)
Carrying value at 30 June	**1,301**	**12,608**	**13,909**

2025	Intangibles $'000	WIP $'000	Total $'000
Carrying value at 1 July	**1,325**	**873**	**2,198**
Additions	...	5,124	5,124
Depreciation & amortisation	(12)	...	**(12)**
Carrying value at 30 June	**1,313**	**5,997**	**7,310**

9.10 Other assets

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

(a) **Carrying amount**

	2026 $'000	2025 $'000
Prepayments	3,133	12,395
Other assets	276	276
Total	**3,409**	**12,671**
Recovered within 12 months	2,942	12,387
Recovered in more than 12 months	467	284
Total	**3,409**	**12,671**

(b) **Reconciliation of changes**

	2026 $'000	2025 $'000
Carrying amount at 1 July	**12,671**	**12,155**
Additions	2,972	12,387
Settled/consumed	(12,234)	(11,871)
Carrying amount at 30 June	**3,409**	**12,671**

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.

	2026 $'000	2025 $'000
Creditors	6,498	3,635
Accrued expenses	1,233	6,729
Total	**7,731**	**10,364**
Settled within 12 months	7,731	10,364

Settled in more than 12 months	...	…
Total	**7,731**	**10,364**

Settlement is usually made within 14 days.

10.2 Lease Liabilities

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

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

The department has entered into the following leasing arrangements:

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

	2026	2025
	$'000	$'000
Current		
Lease liabilities	892	921
Non-current		
Lease liabilities	1,770	2,520
Total	**2,662**	**3,441**

Maturity analysis of lease liabilities

	2026	2025
	$'000	$'000
One year or less	892	921
From one to five years	1,770	2,520
More than five years	...	...
Total	**2,662**	**3,441**

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

The following amounts are recognised in the Statement of Comprehensive Income

	2026	2025
	$'000	$'000
Interest on lease liabilities included in note 8.5 (Interest on Leases)	189	180
Lease expenses included in note 8.3 (Operating Lease Costs)		
Variable lease payments	934	809
Net expenses from leasing activities	**1,123**	**989**

10.3 Borrowings

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

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

(a) **Carrying amount**

	2026	2025
	$'000	$'000
Loans from the Tasmanian Government	470	940
Loans from the Australian Government	6,712	9,256
Loans from TASCORP[1]	101,489	93,000
Total	**108,671**	**103,196**

(b) **Maturity schedule**

	2026	2025
	$'000	$'000
One year or less	53,682	79,715
From one to five years	54,989	23,481
Total	**108,671**	**103,196**

[1] Loans from TASCORP includes $45 million in borrowings related to Incat, of which $42 million was repaid on 27 July 2026.

Under the *Tasmanian Public Finance Corporation Act 1985*, the government has provided a guarantee of Tasmania Development and Resources' borrowings from TASCORP. As at 30 June 2025, this support was limited to a maximum amount of $170.0 million.

10.4 Employee benefits

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

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

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

	2026	2025
	$'000	$'000
Accrued salaries	4,564	4,607
Annual leave	10,670	9,170
Long service leave	14,532	13,646
Other employee provisions	3,855	3,424
Total	**33,621**	**30,847**
Expected to settle within 12 months	14,613	14,286
Expected to settle in more than 12 months	19,008	16,561
Total	**33,621**	**30,847**

10.5 Provisions

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

(a) Carrying amount

	2026	2025
	$'000	$'000
Compulsory acquisition of land for roadworks	7,015	6,891
Total	**7,015**	**6,891**
Settled within 12 months	7,015	6,891
Settled in more than 12 months	...	
Total	**7,015**	**6,891**

(b) Reconciliation of changes in provisions

	2026	2025
	$'000	$'000
Balance at 1 July	**6,891**	**6,689**
Additions/increases	124	202
Settled acquisitions	...	...
Balance at 30 June	**7,015**	**6,891**

10.6 Other liabilities

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

	2026	2025
	$'000	$'000
Revenue received in advance		
Other revenue received in advance	735	723
Other liabilities		
Monies held in trust	31,635	35,470
Suspense accounts	2,749	2,878
PAYG withholding tax liability over year end	119	69
Employee benefits – on costs	347	278
Other	8	13
Total	**35,593**	**39,431**
Settled within 12 months	35,361	39,252
Settled in more than 12 months	232	179
Total	**35,593**	**39,431**

Monies held in Trust are primarily Mines Deposit Accounts ($26.158m), which are held by the department in trust as mine rehabilitation bonds, and monies held in Provision for Land Acquisitions ($5.377m).

Note 11 Commitments and Contingencies

11.1 Schedule of Commitments

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

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

	2026	2025
	$'000	$'000
By type		
Capital commitments		
Infrastructure – Roads and Bridges	177,926	224,212
Total capital commitments	**177,926**	**224,212**
Commitments held with Finance-General		
Major office accommodation	89,315	72,722
Motor vehicle fleet (base usage charge)	2,157	2,263
Other – low value assets	770	1005
Total Commitments held with Finance-General	**92,242**	**75,990**

Other commitments		
Loan commitments	8,508	20,033
Program/project commitments	938,833	922,491
Total other commitments	**947,341**	**942,524**
Total	**1,217,509**	**1,242,726**
By maturity		
Capital commitments		
One year or less	82,006	86,293
From one to five years	95,920	137,918
More than five years	...	...
Total capital commitments	**177,926**	**224,211**
Commitments held with Finance-General		
One year or less	10,178	8,941
From one to five years	41,619	37,442
More than five years	40,445	29,608
Total Commitments held with Finance-General	**92,242**	**75,991**
Other commitments		
One year or less	393,915	367,460
From one to five years	548,993	571,073
More than five years	4,433	3991
Total other commitments	**947,341**	**942,524**
Total	**1,217,509**	**1,242,726**

Commitments for 2025 have been restated to reflect GST inclusive amount.

The department has lease arrangements for property, plant and equipment where the lessor retains substantially all ownership risks and benefits. Lease payments are recognised as an expense on a straight-line basis over the lease term. Lease income from arrangements where the department is the lessor is recognised on the same basis.

Capital commitments primarily relate to the maintenance and development of state and national road and bridge infrastructure. State roads commitments are funded through Tasmanian Government capital appropriations and unspent funds carried forward from prior years. National roads commitments are funded by the Australian Government through programs including Nation Building, Strategic Regional and Black Spot initiatives.

Lease commitments mainly comprise land and building leases and motor vehicles leased through the government's fleet manager. Property leases generally include renewal options and have terms ranging from two to twenty years. Lease commitments exclude local government rates and other executory costs paid directly to third parties, which are recognised separately in the department's expenses. Vehicle lease commitments are based on the average age of the fleet and a standard lease term of 36 months.

Loan commitments represent approved loans that had not been drawn down by clients as at 30 June.

Program and project commitments represent funding approved for clients that may be payable beyond one year. Payment is subject to eligible expenditure being incurred, funding conditions being met, and claims being

submitted and approved. The amounts disclosed represent the department's estimated commitment as at 30 June.

All commitments disclosed are GST inclusive.

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.

	2026 $'000	2025 $'000
Quantifiable Contingent Liabilities		
Asbestos removal from traffic signal sites:		
This involves the identification and removal of any asbestos from approximately 1,000 traffic signal sites, predominantly pits, associated with traffic signals. The nature and location of the individual traffic signal sites will have a significant impact on the cost of any remediation with the cost range from a few hundred dollars per site to more than $10,000 for some complex sites. The extent of work on each site will be based on individual assessment which creates significant uncertainty about the final cost.	1,298	1,670
Since late 2015 the Tasmanian Government has remained committed to a $25 million financial assistance package to Copper Mines of Tasmania, through TDR, to support the potential reopening of the Mt Lyell Copper Mine, subject to due diligence.	25,000	25,000
Total quantifiable contingent liabilities	**26,298**	**26,670**

(b) Unquantifiable Contingencies

At 30 June 2026 the department had a number of legal claims against it for:

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

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

Loans approved by Tasmania Development and Resources but not contractually executed as at 30 June have not been disclosed as commitments or contingencies. At reporting date, no binding agreements were in place and no enforceable obligations existed for either party.

Note 12 Reserves

12.1 Reserves

2026	Land and land under roads	Rail corridor land	Buildings	Aero-dromes	Plant and Equipment	Traffic Signals	Road Infras-tructure	Bridges	Other Infras-tructure	Artwork	Heritage and Cultural assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Asset revaluation reserve												
Balance at 1 July	**410,306**	**101,714**	**28,935**	**851**	**6,565**	**8,498**	**2,272,336**	**1,087,867**	**13,335**	**46**	**79,892**	**4,010,345**
Revaluation increments/ (decrements)	338,779	662	...	...	...	...	40,989	95,996	246	...	13,885	490,557
Balance at 30 June	**749,085**	**102,376**	**28,935**	**851**	**6,565**	**8,498**	**2,313,325**	**1,183,863**	**13,581**	**46**	**93,777**	**4,500,902**

2025	Land	Rail corridor land	Buildings	Aero-dromes	Plant and Equipment	Traffic Signals	Road Infras-tructure	Bridges	Other Infras-tructure	Artwork	Heritage and Cultural assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Asset revaluation reserve												
Balance at 1 July	**178,341**	**101,711**	**9,981**	**851**	**6,576**	**8,498**	**2,156,490**	**1,061,359**	**13,581**	**46**	**60,515**	**3,597,949**
Revaluation increments/ (decrements)	231,965	3	18,954	...	(11)	...	115,846	26,508	(246)	...	19,377	**412,396**
Balance at 30 June	**410,306**	**101,714**	**28,935**	**851**	**6,565**	**8,498**	**2,272,336**	**1,087,867**	**13,335**	**46**	**79,892**	**4,010,345**

(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

Net assets received under a restructuring of administrative arrangements are designated as contributions by owners and adjusted directly against equity. Net assets relinquished are designated as distributions to owners. Net assets transferred are initially recognised at the amounts at which they were recognised by the transferring department immediately prior to the transfer.

12.2 (a) Forest Policy

As a result of a restructuring of State Service (Restructuring) Order 2024, the department assumed responsibility for forest policy functions on 1 July 2024.
In respect of activities assumed, the net book values of assets and liabilities transferred to the department from the Department of Natural Resources and Environment Tasmania for no consideration and recognised as at the date of transfer were:

	2026	2025
	$'000	$'000
Contribution by owners		
Cash and deposits	...	3,637
Total assets recognised	...	3,637
Employee entitlements	...	107
Provisions	...	1
Other liabilities	...	2
Total liabilities recognised	...	110
Net assets (liabilities) assumed on restructure	**...**	**3,527**

12.2 (b) State Planning Office

As a result of a restructuring of State Service (Restructuring) Order (No. 2) 2024, the department assumed responsibility for State Planning Office on 1 November 2024.
In respect of activities assumed, the net book values of assets and liabilities transferred to the department from the Department of Premier and Cabinet for no consideration and recognised as at the date of transfer were:

	2026	2025
	$'000	$'000
Contribution by owners		
Cash and deposits	...	19
Total assets recognised	...	19
Employee entitlements	...	270
Total liabilities recognised	...	270
Net assets (liabilities) assumed on restructure	**...**	**(251)**

	2026	2025
	$'000	$'000
Revenue		
Recognised by Department of Premier and Cabinet - *1 July 2024 - 31 October 2024*	...	693

Recognised by Department of State Growth - *1 November 2024 - 30 June 2025*	...	1,630
Total revenues	**...**	**2,323**

Expenses

Recognised by Department of Premier and Cabinet - *1 July 2024 - 31 October 2024*	...	546
Recognised by Department of State Growth - *1 November 2024 - 30 June 2025*	...	1,630
Total expenses	**...**	**2,176**

12.2 (c) Strategic Regional Partnerships

As a result of a restructuring of State Service (Restructuring) Order (No. 2) 2024, the department assumed responsibility for Strategic Regional Partnerships on 1 November 2024.
In respect of activities assumed, the net book values of assets and liabilities transferred to the department from the Department of Premier and Cabinet for no consideration and recognised as at the date of transfer were:

	2026	2025
	$'000	**$'000**
Contribution by owners		
Cash and deposits	...	...
Total assets recognised	...	...
Employee entitlements	...	...
Provisions	...	...
Other liabilities	...	...
Total liabilities recognised	...	...
Net assets (liabilities) assumed on restructure	**...**	**...**

	2026	2025
	$'000	**$'000**
Revenue		
Recognised by Department of Premier and Cabinet - *1 July 2024 - 31 October 2024*	...	27
Recognised by Department of State Growth - *1 November 2024 - 30 June 2025*	...	3,313
Total revenues	**...**	**3,340**

Expenses

Recognised by Department of Premier and Cabinet - *1 July 2024 - 31 October 2024*	...	27
Recognised by Department of State Growth - *1 November 2024 - 30 June 2025*	...	3,313
Total expenses	**...**	**3,340**

Note 13 Cash Flow Reconciliation

13.1 Cash and deposits

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

	2026 $'000	2025 $'000
Specific Purpose Account balances		
S524 Department of State Growth Financial Management Account	50,784	49,395
External Bank accounts – Abt Railway Ministerial Corporation	14,087	8,055
Petty cash and Float – Abt Railway Ministerial Corporation	9	8
Commonwealth Bank account – Tasmanian Museum and Art Gallery	428	58
S117 Tasmanian Forests Agreement	3,308	3,508
Total Specific Purpose Account balances	**68,616**	**61,024**
Agency Trust Accounts		
T466 Mines Deposit Account	26,158	29,670
T003 Provision for Land Acquisition Account	5,389	5,513
Total	**31,547**	**35,183**
Total cash and deposits	**100,163**	**96,207**

13.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2026 $'000	2025 $'000
Net results	**118,685**	**259,165**
Depreciation and amortisation	163,350	159,910
(Gain) loss on non-financial assets	5,760	18,634
Interest capitalised	(263)	(1,807)
Impairment adjustments	4,565	927
Decrease (increase) in Receivables	2,657	2,192
Decrease (increase) in Other Financial Assets	(1,625)	(1,201)
Decrease (increase) in Inventories	595	(238)
Decrease (increase) in Right of Use Asset	534	(2,215)
Decrease (increase) in Prepayments	9,262	(516)
Increase (decrease) in Employee entitlements	2,774	5,446
Increase (decrease) in Payables	(2,633)	(26,159)
Increase (decrease) in Lease liabilities	(779)	1,554
Increase (decrease) in Other liabilities	(3)	(2,273)
Less: contributions received (non cash)	(10,555)	(5,812)
Less: non-operational capital funding – recurrent appropriation	(49)	(1,486)

Less: non-operational capital funding - works & services appropriation	(88,076)	(116,033)
Less: non-operational capital funding – Australian Government grants	(119,329)	(255,756)
Net cash from (used by) operating activities	**84,871**	**34,332**

13.3 Reconciliation of liabilities arising from financing activities

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

2026	**Borrowings**	**Monies Held in Trust**
	$'000	**$'000**
Balance as at 1 July 2025	**103,196**	**35,470**
Trust receipts	...	4,945
Trust payments	...	(8,780)
Other changes	40	...
Changes from financing cash flows:		
Cash Received	116,929	...
Cash Repayments	(111,494)	...
Balance as at 30 June 2026	**108,671**	**31,635**

2025	**Borrowings**	**Monies Held in Trust**
	$'000	**$'000**
Balance as at 1 July 2024	**90,363**	**33,132**
Trust receipts	...	2,884
Trust payments	...	(546)
Other changes	47	...
Changes from financing cash flows:		
Cash Received	15,000	...
Cash Repayments	(2,214)	...
Balance as at 30 June 2025	**103,196**	**35,470**

13.4 Acquittal of Capital Investment and Specific Purpose Accounts

The department received Capital Appropriation funding and revenues from Specific Purpose Accounts to fund specific projects.
Cash outflows relating to these projects are listed below by category.
Budget information refers to original estimates.

(a) **Project expenditure**

	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Capital Investment Program			
National Highway Projects			
Active Transport	...	1,242	...
Algona Interchange and Kingston Bypass	2,000	...	...
Bass Highway Corridor	8,131	5,368	1,796
Channel Highway Bypass of Huonville	2,185	2,185	6,058
East and West Tamar Highway Corridors	4,106	9,360	28,014
Greater Hobart Traffic Solution	1,254	2,740	950
Infrastructure Maintenance	20,231	40,370	17,269
Infrastructure Stimulus Funding	512	181	2,226
Midland Highway	1,750	5,664	4,710
New Bridgewater Bridge	57,788	47,550	177,440
Northern Suburbs Community Recreation Hub Project	6,555	7,622	2,445
Remote Roads Pilot Funding	4,653	5,062	3,860
Road Safety Projects	20,162	19,179	7,529
Roads of Strategic Importance	9,563	10,584	18,477
Safer Local Roads Program	8,565	8,173	7,035
South East Traffic Solution	5,000	1,620	1,176
Tasman Highway Corridor	6,764	9,804	236
Urban Congestion Fund	2,750	2,356	5,849
State Funded Projects			
Active Transport	...	...	3,895
Algona Interchange and Kingston Bypass	546	326	1,065
Arthur Highway Corridor	1,717	525	388
Bass Highway Corridor	7,029	5,089	4,741
Bruny Island Landside Infrastructure	...	358	590
Bus Stop Upgrades	2,213	2,296	1,445
Channel Highway Bypass of Huonville	1,195	505	4,255
Cygnet Township Safety Upgrade	1,000	700	...
Devonport to Cradle Mountain Corridor	1,001	...	50
Dial Regional Sports Complex	...	...	(263)
Domain Highway Planning	...	...	25
East and West Tamar Highway Corridors	1,616	3,977	3,176
Elphin Sports Centre	500	188	36

Extending the Great Eastern Drive – Binalong Bay Road	...	37	112
Festival Infrastructure - PW1	100	100	148
Freight Access Bridge Upgrade	...	276	17
Glenora Road Upgrade	250	...	500
Greater Hobart Traffic Solution	2,942	4,878	11,501
Huntingfield Roundabout Improvements	...	363	1,676
Infrastructure Maintenance	87,838	89,157	84,954
Infrastructure Stimulus Funding	142	139	154
Launceston and Tamar Valley Traffic Vision	646	532	758
Lyell Highway Corridor	431	...	...
Midland Highway	5,952	5,658	245
Mountain River Intersection Upgrade	2,644	454	243
Network Planning	1,600	608	2,039
New Bridgewater Bridge	11,185	11,185	21,495
New Park and Ride Facilities	1,733	11,293	1,929
New Southern Tasmanian Sporting Facilities	23,155	20,007	2,608
Northern Park and Ride	846	125	154
Northern Suburbs Community Recreation Hub Project	22,167	14,052	11,672
Program Management	5,822	8,435	7,407
Ridgley Highway	...	0	...
Road Safety Projects	11,954	15,522	13,267
Roads of Strategic Importance	12,558	8,414	2,669
Roads Package to Support Tasmania's Visitor Economy	838	389	801
Rokeby Stage 3 - Pass Road to Oakdowns	1,787	3,960	1,824
Safer Local Roads Program	1,855	1,156	288
South East Traffic Solution	600	799	9,722
Stanley Highway Tourism Upgrades	3,000	110	935
State Road Upgrades – Northern Region	1,665	1,143	280
State Road Upgrades – Southern Region	4,321	1,743	2,918
Targeting Congestion Package	3,182	675	810
Tasman Highway Corridor	1,765	8,592	6,743
Tasmanian AFL Package – High Performance Centre	...	...	2,966
TMAG Building Maintenance	2,500	66	302
Traffic Management and Engineering Services	3,800	3,449	3,512
Urban Congestion Fund	5,987	5,273	2,249
West Tamar Highway Traffic Solution	...	...	89
Total cash outflows	**402,049**	**411,614**	**501,456**

(b) **Classification of cash flows**

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

	2026	2025
	$'000	$'000
Cash outflows		
Supplies and consumables:		
Maintenance	129,526	36,764
Other supplies and consumables	24,039	94,738
Payments for acquisition of assets	258,049	369,954
Total cash outflows	**411,614**	**501,456**

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
- market risk.

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

The department does not hold any derivative financial instruments.

(b) **Credit risk exposures**

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

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

Receivables age analysis - expected credit loss

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

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June 2025 and 30 June 2026 are as follows.

Expected credit loss analysis of receivables as at 30 June 2026

	Not past due	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91+ days	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Expected credit loss rate (A)	0.00%	0.00%	0.00%	0.00%	5.00%	
Total gross carrying amount (B)	...	290	266	91	925	**1,572**
Expected credit loss (A x B)	...	...	...	...	(46)	**(46)**

Expected credit loss analysis of receivables as at 1 July 2025

	Not past due	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91+ days	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Expected credit loss rate (A)	0.00%	0.00%	0.00%	0.00%	5.00%	
Total gross carrying amount (B)	1,317	100	5	18	914	**2,354**
Expected credit loss (A x B)	...	...	...	...	(46)	**(46)**

(c) Liquidity risk

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

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

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:

2026

Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	7,731	...	...	...	...	...	7,731	7,731
Borrowings - Interest bearing	46,500	54,989	...	...	...	...	101,489	101,489
Borrowings - Non-interest bearing	7,182	...	...	...	...	...	7,182	7,182
Monies held in Trust	31,635	...	...	...	...	...	31,635	31,635
Total	**93,048**	**54,989**	**...**	**...**	**...**	**...**	**148,037**	**148,037**

2025

Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	10,364	...	...	...	...	...	10,364	10,364
Borrowings - Interest bearing	78,000	...	15,000	...	...	...	93,000	93,000
Borrowings - Non-interest bearing	1,715	4,476	4,005	...	...	...	10,196	10,196
Monies held in Trust	35,470	...	...	...	...	...	35,470	35,470
Total	**125,549**	**4,476**	**19,005**	**...**	**...**	**...**	**149,030**	**149,030**

(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:

	2026	2025
	$'000	$'000
Fixed rate instruments		
Financial assets	10,492	10,492
Less Financial liabilities	(54,989)	(93,000)
Total	**(44,497)**	**(82,508)**
Variable rate instruments		
Financial assets	164,504	152,676
Less Financial liabilities	(46,500)	...
Total	**118,004**	**152,676**

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
2026				
Cash and deposits	59	(59)	59	(59)
Investments	105	(105)	105	(105)
Loan advances	1,586	(1,586)	1,586	(1,586)
Borrowings	(1,015)	1,015	(1,015)	1,015
Net sensitivity	**735**	**(735)**	**735**	**(735)**
2025				
Cash and deposits	55	(55)	55	(55)
Investments	105	(105)	105	(105)
Loan advances	1,471	(1,471)	1,471	(1,471)
Borrowings	(930)	930	(930)	930
Net sensitivity	**701**	**(701)**	**701**	**(701)**

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2025.

14.2 Categories of Financial Assets and Liabilities

AASB 9 Carrying amount	2026 $'000	2025 $'000
Financial assets		
Amortised cost	273,264	260,472
Total	**273,264**	**260,472**
Financial Liabilities		
Financial liabilities measured at amortised cost	148,037	149,030
Total	**148,037**	**149,030**

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

14.3 Derecognition of Financial Assets

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

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

	Carrying Amount 2026 $'000	Net Fair Value 2026 $'000	Carrying Amount 2025 $'000	Net Fair Value 2025 $'000
Financial assets				
Cash held in Agency Trust Accounts	31,547	31,547	35,183	35,183
Cash held in Specific Purpose Accounts	68,615	68,615	61,024	61,024
Receivables	1,625	1,625	2,379	2,379
Loan advances	152,662	152,662	144,695	144,695
Equity investments	10,492	10,492	10,492	10,492
Other financial assets	8,323	8,323	6,699	6,699
Total financial assets	**273,264**	**273,264**	**260,472**	**260,472**
Financial liabilities				
Trade creditors	7,731	7,731	10,364	10,364
Borrowings	108,671	109,406	103,196	104,361
Other financial liabilities:				
Monies held in Trust	31,635	31,635	35,470	35,470
Total financial liabilities	**148,037**	**148,772**	**149,030**	**150,195**

14.5 Net Fair Values of Financial Assets and Liabilities

2026	Net Fair Value Level 1 $'000	Net Fair Value Level 2 $'000	Net Fair Value Level 3 $'000	Net fair Value Total $'000
Financial assets				
Cash held in Agency Trust Accounts	31,547	...	...	31,547
Cash held in Specific Purpose Accounts	68,615	...	...	68,615
Receivables	...	1,625	...	1,625
Loan advances	...	152,662	...	152,662
Equity investments	...	10,492	...	10,492
Other financial assets	...	8,323	...	8,323
Total financial assets	**100,163**	**173,102**	**...**	**273,264**
Trade creditors	...	7,731	...	7,731
Borrowings	...	109,406	...	109,406
Other financial liabilities:				
Monies held in Trust	...	31,635	...	31,635
Total financial liabilities	**...**	**148,772**	**...**	**148,772**

2025	Net Fair Value Level 1 $'000	Net Fair Value Level 2 $'000	Net Fair Value Level 3 $'000	Net fair Value Total $'000
Financial assets				
Cash held in Agency Trust Accounts	35,183	...	...	35,183
Cash held in Specific Purpose Accounts	61,024	...	...	61,024
Receivables	...	2,379	...	2,379
Loan advances	...	144,695	...	144,695
Equity investments	...	10,492	...	10,492
Other financial assets	...	6,699	...	6,699
Total financial assets	**96,207**	**164,265**	**...**	**260,472**
Financial liabilities				
Trade creditors	...	10,364	...	10,364
Borrowings	...	104,361	...	104,361
Other financial liabilities:				
Monies held in Trust	...	35,470	...	35,470
Total financial liabilities	**...**	**150,195**	**...**	**150,195**

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).

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

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

Financial Assets

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

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

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

Financial Liabilities

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

Note 15 Details of Consolidated Entities

15.1 List of Entities

The following entities have been consolidated by the department:

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

Note 16 Notes to Administered Statements

Budget information refers to original estimates as disclosed in the 2025-26 Budget Papers.

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

16.1 Explanations of Material Variances between Budget and Actual Outcomes

(a) **Schedule of Administered Income and Expenses**

	Note	Budget $'000	Actual $'000	Variance $'000	Variance %
Grants	(i)	59,138	43,747	(15,391)	(26.03%)
Other revenue	(ii)	65,300	93,272	27,972	42.84%
Supplies and consumables	(iii)	136	2,861	2,725	2,003.68%
Transfers to the Public Account	(iv)	145,077	172,626	27,549	18.99%

Notes to Schedule of Administered Income and Expenses variances

(i) Variance reflects lower than anticipated (in Original Budget) reimbursement of Australian Government funds to Home Tasmania.

(ii) Variance reflects higher than anticipated Mining Royalty Income.

(iii) Variance reflects a higher than anticipated (in Original Budget) transfer of funds relating to custom vehicle plate (Tasplates) sales.

(iv) Variance relates to higher transfers to the Public Account due to higher than anticipated Mining Royalty Income.

(b) **Schedule of Administered Assets and Liabilities**

	Note	Budget $'000	2026 Actual $'000	2025 Actual $'000	Budget Variance $'000	Actual Variance $'000
Cash and deposits	(i)	(2,193)	3,908	5,207	6,101	(1,299)
Receivables	(ii)	824	9	141	(815)	(132)
Other financial Assets	(iii)	574	578	1,177	4	(599)
Payables	(iv)	...	...	608	...	(608)
Other liabilities	(v)	807	1,380	855	573	525

Notes to Schedule of Administered Assets and Liabilities Variances

(i) Variance reflects a historical a cash deficit which subsequently been cleared. The deficit was associated with payments to Island councils in accordance with section 5 of the *Roads and Jetties Act 1935*.

(ii) Variance reflects the lower than anticipated (in Original Budget) receivables for deferred Mining Royalties.

(iii) Variance to prior year actuals relates to lower royalty income relating to June.

(iv) Variance reflects timing of payments relating to custom vehicle plate sales for June 2025 transactions which did not occur in 2026.

(v) Variance reflects a higher than anticipated cash position relating to third party revenue collections for the Motor Registry System.

16.2 Administered revenue from Government

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

	2026 Budget $'000	2026 Actual $'000	2025 Actual $'000
Continuing operations			
Appropriation revenue - recurrent			
Current year	210,497	211,044	91,122
Total	**210,497**	**211,044**	**91,122**

16.3 Administered Grants

For significant Accounting Policies relating to Administered Grants please refer to note 6.2.

	2026 $'000	2025 $'000
Commonwealth recurrent grants	43,747	2,970
Total	**43,747**	**2,970**

16.4 Administered state taxation

	2026 $'000	2025 $'000
Vehicle Registration Fees	62,207	59,611
Total	**62,207**	**59,611**

16.5 Administered Sales of goods and services

	2026	2025
	$'000	$'000
Goods		
Mineral Land Rentals	1,616	1,483
Custom Plates	2,553	2,393
Services		
MAIB Commission	2,089	2,718
Registration and Licensing	4	8
Total	**6,262**	**6,602**

16.6 Administered Fees and fines

	2026	2025
	$'000	$'000
Regulatory Fees		
Vehicle escorts	1	1
Public Vehicle Licensing	13	17
Fees from Mineral Lands	1,914	1,595
Driver Licensing	9,883	9,033
Fines		
Weighbridge	27	19
Other	(1)	6
Total	**11,838**	**10,670**

16.7 Administered other revenue

	2026	2025
	$'000	$'000
Mineral Royalties	93,159	70,472
Other Revenue	113	1,898
Total	**93,272**	**72,370**

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

	2026	2025
	$'000	$'000
Wages and salaries	71	103
Annual leave	4	13
Long service leave	...	2
Sick leave	3	3
Superannuation - defined contribution scheme	10	13
Superannuation - defined benefit scheme	...	1
Other employee benefits	3	...
Total	**91**	**135**

Superannuation expenses relating to defined benefit schemes relate to payments into the Public Account. The amount of the payment is based on a department contribution rate determined by the Treasurer, on the advice of the State Actuary. The current department contribution is 12.95 per cent (2024-25: 12.95 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 12 per cent (2024-25: 11.5 per cent) of salary. In addition, departments are also required to pay into the Consolidated Fund a "gap" payment equivalent to 3.45 per cent (2024-25: 3.45 per cent) of salary in respect of employees who are members of contribution schemes.

16.9 Supplies and consumables

	2026	2025
	$'000	$'000
Personalised number plate production costs	1,156	1,120
Other supplies and consumables*	1,705	24
Total	**2,861**	**1,144**

*Including $1.675 million rebalancing funds that were initially incorrectly allocated as controlled expenditure.

16.10 Administered Grants and subsidies

	2026	2025
	$'000	$'000
Grants		
Forest Practices Authority	1,838	1,800
Homes Tasmania	175,485	28,673
Marine and Safety Tasmania	1,449	2,317
Macquarie Point Development Corporation	5,000	...
National Road Transport Commission: Local Government Contribution	5,000	1,500
Payment in Accordance with Section 5 of the Roads & Jetties Act	1,376	1,251
Private Forests Tasmania	1,936	1,898
Stadiums Tasmania	6,974	...
Sustainable Timber Tasmania	8,000	8,000
Tasmanian Railway Pty Ltd	22,200	21,900

Tasmanian Symphony Orchestra	2,453	2,418
Ten Days on the Island	1,510	1,480
Theatre Royal	1,061	1,040
West Coast Wilderness Railway	15,250	11,000
Total Grants	**249,532**	**83,277**
Subsidies		
Conveyance Allowance	652	740
Pensioner Air Travel Subsidy	9	12
Transport Access Scheme	4,548	5,237
Total Subsidies	**5,209**	**5,989**
Total	**254,741**	**89,266**

16.11 Administered Other expenses

	2026	2025
	$'000	$'000
Payments in accordance with section 5 of the *Roads and Jetties Act 1935*	...	4,908
Miscellaneous Expenses	...	150
Total	**...**	**5,058**

16.12 Administered Receivables

	2026	2025
	$'000	$'000
Receivables	10	141
Less: Expected credit loss	(1)	...
Total	**9**	**141**
Sales of goods and services (inclusive of GST)	11	142
Less: Provision for impairment	(1)	...
GST receivable	(1)	(1)
Total	**9**	**141**
Settled within 12 months	9	141
Total	**9**	**141**

Reconciliation of change in expected credit loss for administered receivables	2026	2025
	$'000	$'000
Carrying amount at 1 July	**...**	**(43)**
Increase/(decrease) in provision recognised in profit or loss	(1)	43
Carrying amount at 30 June	**(1)**	**...**

For ageing analysis of administered financial assets past due but not impaired please refer to Note 16.18.

16.13 Administered Other Financial Asset

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

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

	2026	2025
	$'000	$'000
Accrued revenue	578	1,177
Total	**578**	**1,177**
Settled within 12 months	578	1,177
Total	**578**	**1,177**

16.14 Administered Payables

For significant Accounting Policy information relating to Administered Payables please refer to Note 10.1.

	2026	2025
	$'000	$'000
Trade Creditors	...	428
Accrued Expenses	...	180
Total	**...**	**608**
Expected to settle within 12 months	...	608
Expected to settle in more than 12 months	...	...
Total	**...**	**608**

16.15 Administered Employee Benefit Liabilities

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

	2026	2025
	$'000	$'000
Accrued salaries	3	1
Annual leave	...	1
Long Service Leave	2	1
Total	**5**	**3**
Expected to settle within 12 months	5	3
Expected to settle in more than 12 months	...	...
Total	**5**	**3**

16.16 Administered Other liabilities

	2026	2025
	$'000	$'000
Other liabilities		
Monies held in trust	1,380	855
Total	**1,380**	**855**
Settled within 12 months	1,380	855
Total	**1,380**	**855**

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).

16.17 Administered Cash and deposits

Administered Cash and deposits includes the balance of the Specific Purpose Accounts held by the department, and other cash held, which are administered or held in a trustee capacity or agency arrangement.

	2026	2025
	$'000	$'000
S524 State Growth Financial Management Account	3,908	5,207
Total	**3,908**	**5,207**

16.18 Risk exposures

(a) Risk management policies

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

- credit risk
- liquidity risk
- market risk.

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

The department does not hold any derivative financial instruments.

(b) Credit risk exposures

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

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

Receivables age analysis - expected credit loss

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

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June 2026 and 30 June 2025 are as follows.

Expected credit loss analysis of receivables as at 30 June 2026

	Not past due	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91+ days	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Expected credit loss rate (A)	0.00%	0.00%	0.00%	0.00%	5.00%	
Total gross carrying amount (B)	...	...	...	...	10	**10**
Expected credit loss (A x B)	...	...	...	...	1	**1**

Expected credit loss analysis of receivables as at 30 June 2025

	Not past due	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91+ days	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Expected credit loss rate (A)	0.00%	0.00%	0.00%	0.00%	5.00%	
Total gross carrying amount (B)	...	133	1	2	7	**143**
Expected credit loss (A x B)	...	...	...	...	...	**...**

(c) Liquidity risk

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

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Liabilities		
Payables	Recognised upon the receipt of a good or service that has not been paid for, measured at face value	Settled within 30 days
Monies held in Trust	Recognised upon receipt of monies, measured at face value	At call

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

2025-26

Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	...	...	...	...	...	...	...	...
Monies held in Trust	1,380	...	...	...	...	...	1,380	1,380
Total	**1,380**	**...**	**...**	**...**	**...**	**...**	**1,380**	**1,380**

2025

Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	608	...	...	...	...	...	608	608
Monies held in Trust	855	...	...	...	...	...	855	855
Total	**1,463**	**...**	**...**	**...**	**...**	**...**	**1,463**	**1,463**

(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:

	2026	2025
	$'000	$'000
Variable rate instruments		
Financial assets	...	...
Less financial liabilities	(1,380)	(855)
Total	**(1,380)**	**(855)**

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

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

	Statement of Comprehensive Income		Equity	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
	$'000	$'000	$'000	$'000
30 June 2026				
Monies held in trust	14	(14)	14	(14)
Net sensitivity	**14**	**(14)**	**14**	**(14)**
30 June 2025				
Monies held in trust	9	(9)	9	(9)
Net sensitivity	**9**	**(9)**	**9**	**(9)**

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

16.19 Categories of Administered Financial Assets and Liabilities

AASB 9 Carrying amount	2026	2025
	$'000	$'000
Financial assets		
Amortised cost	4,495	6,525
Total	**4,495**	**6,525**
Financial Liabilities		
Financial liabilities measured at amortised cost	1,380	1,463
Total	**1,380**	**1,463**

There has been no change, during the period or 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.

16.20 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.

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

	Carrying Amount 2026 $'000	Net Fair Value 2026 $'000	Carrying Amount 2025 $'000	Net Fair Value 2025 $'000
Financial assets				
Cash in Specific Purpose Accounts	3,908	3,908	5,207	5,207
Receivables	9	9	141	141
Other financial assets	578	578	1,177	1,177
Total financial assets	**4,495**	**4,495**	**6,525**	**6,525**
Financial liabilities				
Other financial liabilities:				
Payables	...	...	608	608
Monies held in Trust	1,380	1,380	855	855
Total financial liabilities	**1,380**	**1,380**	**1,463**	**1,463**

16.22 Net Fair Values of Administered Financial Assets and Liabilities

2026	Net Fair Value Level 1 $'000	Net Fair Value Level 2 $'000	Net Fair Value Level 3 $'000	Net fair Value Total $'000
Financial assets				
Cash in Specific Purpose Accounts	...	3,908	...	3,908
Receivables	...	9	...	9
Other financial assets		578		578
Total financial assets	**...**	**4,495**	**...**	**4,495**
Financial liabilities				
Other financial liabilities:				
Payables		...		...
Monies held in Trust	...	1,380	...	1,380
Total financial liabilities	**...**	**1,380**	**...**	**1,380**

2025	Net Fair Value Level 1 $'000	Net Fair Value Level 2 $'000	Net Fair Value Level 3 $'000	Net fair Value Total $'000
Financial assets				
Cash in Specific Purpose Accounts	...	5,207	...	5,207
Receivables	...	141	...	141
Other financial assets		1,177		1,177
Total financial assets	**...**	**6,525**	**...**	**6,525**
Financial liabilities				
Other financial liabilities:				
Payables		608		608
Monies held in Trust	...	855	...	855
Total financial liabilities	**...**	**1,463**	**...**	**1,463**

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).
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	Net transactions during 2025-26	Closing balance
	$'000	$'000	$'000
Monies collected on behalf of external bodies through Motor Registrations (refer below), Net transactions is made up of:	941	436,490	
Net monies transferred to external bodies		(435,780)	**1,651**
Agreement for the Conservation of Albatrosses and Petrels (ACAP)	3,996	143	**4,139**
Mine Rehabilitation Bonds	26,670	(512)	**26,158**
Pacific National Compensation Fund	72	(72)	**...**
Provision for land acquisition	5,513	(124)	**5,389**

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

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

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

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

Note 18 Events Occurring After Balance Date

Machinery of Government

On 2 July 2026, the Department of State Growth was renamed Building Tasmania. The renaming was administrative in nature and had no impact on the department's operations, governance arrangements, assets, liabilities, income or expenses. Accordingly, no adjustments were required to the amounts recognised in these financial statements.

Subsequent to the reporting date, responsibility for the Climate Change Office will transfer to the Department of Natural Resources and Environment Tasmania on 13 August 2026. Further significant machinery-of-government changes are expected to take effect on 3 December 2026. As these events occur after the reporting date, they have not been reflected in the amounts recognised in these financial statements. Any resulting impacts will be recognised in the period in which the changes take effect.

Liberty Bell Bay

Following the reporting date, there has been a significant deterioration in the financial position of Liberty Bell Bay Pty Ltd (LBB), a borrower of the state.

At the second creditors' meeting held on 3 August 2026, creditors resolved to place LBB into liquidation. Ernst and Young (EY) was appointed liquidator and has commenced a process to realise the company's assets. The liquidator has advised that no return is expected to unsecured creditors and that returns to secured creditors are currently estimated to be between 0 and 25 cents in the dollar. These estimates exclude any proceeds recovered by the state from the sale of manganese ore located at the LBB site, over which the state has separately appointed a receiver.

The total outstanding loan balance as at 5 August 2026, including accrued interest and recovery costs was approximately $24.6 million. The ultimate recoverable amount remains uncertain and will depend upon the outcome of the receiver's sale process, liquidation proceedings, asset realisations, and associated legal and administration costs.

Group 6 Metals Limited

On 30 June 2026, the equity investment in Group 6 Metals Limited was carried at acquisition cost as the shares remained suspended from ASX trading and fair value could not be reliably determined. Trading resumed on 30 July 2026, for further details refer to Note 9.3.

Note 19 Other Significant Accounting Policies and Judgements

19.1 Objectives and Funding

The department was established on 1 July 2014 to strategically pursue jobs, growth and opportunity for Tasmanians. The department actively pursues and promotes investment, facilitates major projects, supports business and industry to grow and ensures strategic investment in infrastructure. The department also works closely with business and industry to address barriers to growth; reduce red and green tape; provide a skilled workforce; develop our creative and cultural industries; and ensure efficient, cost effective transport and logistics systems.

The department provides portfolio support for the following Ministers:

- Minister for the Arts
- Minister for Business, Industry and Resources
- Minister for Energy and Renewables
- Minister for Environment and Climate Change
- Minister for Housing and Planning
- Minister for Infrastructure and Transport
- Minister for Innovation, Science and the Digital Economy
- Minister for Skills and Jobs
- Minister for Small Business, Trade and Consumer Affairs
- Minister for Sport
- Minister for Tourism, Hospitality and Events

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
- facilitate mineral exploration and land management of Tasmanian land and offshore waters.

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

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

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

19.2 Basis of Accounting

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

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

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

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

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

19.3 Reporting Entity

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

Refer to Note 15 for Consolidated Entities.

19.4 Functional and Presentation Currency

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

19.5 Changes in Accounting Policies

(a) Impact of new and revised Accounting Standards

In the current year, the department adopted all new and revised Australian Accounting Standards and Interpretations relevant to its operations and effective for the current reporting period.

This included *AASB 2026-1 Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements*, which introduces additional illustrative guidance relating to disclosures about impairment assessments and provisions.

The adoption of this Standard did not have a material impact on the department's accounting policies, financial position, financial performance or cash flows.

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

The following Standards and amendments have been issued but are not yet effective and have not been early adopted by the department:

- *AASB 18 Presentation and Disclosure in Financial Statements*
- *AASB 2024-2 Amendments to AAS – Classification and Measurement of Financial Instruments*

The department's preliminary assessment indicates that these Standards are not expected to have a material impact on the recognition or measurement of its assets, liabilities, income or expenses. The main impact is expected to be additional presentation and disclosure requirements.

19.6 Activities Undertaken Under a Trustee or Agency Relationship

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

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

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

19.7 Foreign Currency

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

19.8 Comparative Figures

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

19.9 Budget Information

Budget information refers to original estimates as disclosed in the 2025-26 Budget Papers.

19.10 Rounding

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

19.11 Departmental Taxation

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

19.12 Goods and Services Tax

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

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

Note 20 Independent Auditor's Report



Independent Auditor's Report

To the Members of Parliament

The Department of State Growth

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Department of State Growth (the Department), which comprises the statement of financial position as at 30 June 2026, statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification signed by the Secretary of the Department.

In my opinion, the accompanying financial statements:

(a) present fairly, in all material respects, the Department's financial position as at 30 June 2026 and its financial performance and its cash flows for the year then ended

(b) are in accordance with the *Financial Management Act 2016* and Australian Accounting Standards.

Basis for Opinion

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

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

documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

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

Responsibilities of the Secretary for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

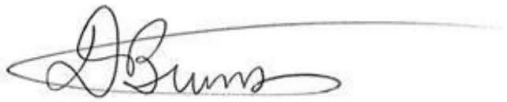
As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

uncertainty exists related to events or conditions that may cast significant doubt on the Department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Department to cease to continue as a going concern.

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

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



Derek Burns
Assistant Auditor General
Delegate of the Auditor-General

28 September 2026
Hobart



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