

DEPARTMENT OF TREASURY AND FINANCE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

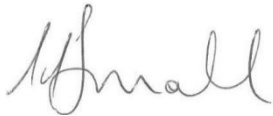
TABLE OF CONTENTS

Statement of Certification.....	2
Statement of Comprehensive Income for the year ended 30 June 2021	3
Statement of Financial Position as at 30 June 2021	4
Statement of Cash Flows for the year ended 30 June 2021	5
Statement of Changes in Equity for the year ended 30 June 2021	6
Notes to and forming part of the Financial Statements for the year ended 30 June 2021	7

STATEMENT OF CERTIFICATION

The accompanying Financial Statements of the Department of Treasury and Finance and related bodies 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 2021 and the financial position as at the 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.

A handwritten signature in black ink, appearing to read 'T Ferrall', written in a cursive style.

Tony Ferrall
Accountable Authority

27 September 2021

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Income from continuing operations				
Revenue from Government				
Appropriation revenue - operating	5.1	49 646	46 259	45 169
Appropriation revenue - capital	5.1	...	...	877
Other revenue from Government	5.1	1 275	918	1 061
Grants	5.2	2 602	1 602	16
Fees and fines	5.3	6 511	7 357	6 705
Other revenue	5.4	1 132	1 359	1 437
Total revenue from continuing operations		61 166	57 495	55 264
Net gain/(loss) on non-financial assets	6.1	...	(4)	(51)
Total income from continuing operations		61 166	57 491	55 213
Expenses from continuing operations				
Employee benefits	7.1	35 893	34 413	34 020
Depreciation and amortisation	7.2	1 092	1 275	1 234
Supplies and consumables	7.3	11 208	15 649	13 154
Grants and subsidies	7.4	4 652	6 498	5 117
Transfers to the Public Account		1 310	275	604
Other expenses	7.5	7 592	260	250
Total expenses from continuing operations		61 747	58 370	54 380
Net result from continuing operations		(581)	(879)	833
Net result		(581)	(879)	833
Comprehensive result		(581)	(879)	833

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

Budget information refers to original estimates and has not been subject to audit. The Office of the Tasmanian Economic Regulator has been excluded from the above budget information. A reconciliation is provided in Note 18.11 of the accompanying notes.

Explanations of material variances between budget and actual outcomes are provided in Note 3 of the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Assets				
<i>Financial Assets</i>				
Cash and cash equivalents	12.1	7 938	8 521	8 491
Receivables	8.1	286	227	544
Other financial assets	8.2	577	784	382
<i>Non-financial assets</i>				
Leasehold improvements	8.3	80	75	106
Property, plant and equipment	8.3	541	690	750
Heritage assets	8.3	158	155	158
Intangible assets	8.4	8 918	8 060	8 418
Other assets	8.5	420	558	489
Total assets		18 918	19 070	19 338
Liabilities				
Payables	9.1	595	838	652
Employee benefit liabilities	9.2	8 645	8 834	8 412
Other liabilities	9.3	88	58	55
Total liabilities		9 328	9 730	9 119
Net assets		9 590	9 340	10 219
Equity				
Reserves	11.1	11	11	11
Accumulated funds		9 579	9 330	10 208
Total equity		9 590	9 340	10 219

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

Budget information refers to original estimates and has not been subject to audit. The Office of the Tasmanian Economic Regulator has been excluded from the above budget information. A reconciliation is provided in Note 18.11 of the accompanying notes.

Explanations of material variances between budget and actual outcomes are provided in Note 3 of the accompanying notes.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Cash flows from operating activities				
<i>Cash inflows</i>				
Appropriation receipts - operating		49 646	46 259	44 470
Appropriation receipts - capital		...	...	877
Appropriation receipts - other		1 275	918	...
Fees and fines		6 494	7 641	6 371
Grants		2 602	1 277	...
GST receipts		1 600	1 762	1 577
Other cash receipts		1 132	1 387	1 397
Total cash inflows		62 749	59 244	54 692
<i>Cash outflows</i>				
Employee benefits		(31 325)	(30 173)	(29 722)
Superannuation		(4 207)	(3 816)	(3 697)
GST payments		(1 600)	(1 835)	(1 593)
Grants and subsidies		(4 652)	(6 498)	(5 117)
Supplies and consumables		(11 215)	(15 533)	(13 202)
Transfers to Public Account		(1 310)	(274)	(604)
Other cash payments		(7 591)	(258)	(248)
Total cash outflows		(61 900)	(58 387)	(54 183)
Net cash from / (used by) operating activities	12.2	849	857	509
Cash flows from investing activities				
<i>Cash inflows</i>				
Proceeds from the disposal of non-financial assets		...	1	2
Total cash inflows		...	1	2
<i>Cash outflows</i>				
Payments for acquisition of non-financial assets		(1 347)	(828)	(1 471)
Total cash outflows		(1 347)	(828)	(1 471)
Net cash from / (used by) investing activities		(1 347)	(827)	(1 470)
Net increase / (decrease) in cash held and cash equivalents		(498)	30	(961)
Cash and deposits at the beginning of the reporting period		8 436	8 491	9 451
Cash and cash equivalents at the end of the reporting period	12.1	7 938	8 521	8 491

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

Budget information refers to original estimates and has not been subject to audit. The Office of the Tasmanian Economic Regulator has been excluded from the above budget information. A reconciliation is provided in Note 18.11 of the accompanying notes.

Explanations of material variances between budget and actual outcomes are provided in Note 3 of the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

2021	Reserves	Accumulated	Total
	\$'000	Funds	Equity
	\$'000	\$'000	\$'000
Balance as at 1 July 2020	11	10 208	10 219
Net Result	...	(879)	(879)
Other comprehensive income	...	...	...
Total comprehensive result	...	(879)	(879)
Balance as at 30 June 2021	11	9 329	9 340

2020	Reserves	Accumulated	Total
	\$'000	Funds	Equity
	\$'000	\$'000	\$'000
Balance as at 1 July 2019	11	9 375	9 386
Net Result	...	833	833
Other comprehensive income	...	...	...
Total comprehensive result	...	833	833
Balance as at 30 June 2020	11	10 208	10 219

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 2021

Note 1	Administered Financial Statements.....	10
1.1	Schedule of Administered Income and Expenses	10
1.2	Schedule of Administered Assets and Liabilities.....	11
1.3	Schedule of Administered Changes in Equity.....	12
Note 2	Departmental Output Schedules	13
2.1	Output group information.....	13
2.2	Reconciliation of total output groups comprehensive result to Statement of Comprehensive Income.....	18
2.3	Reconciliation of total output groups net assets to Statement of Financial Position	18
2.4	Administered Output Schedule.....	19
2.5	Reconciliation of total administered output groups comprehensive result to Schedule of Administered Income and Expenses	26
2.6	Reconciliation of total administered output groups net assets to Schedule of Administered Assets and Liabilities.....	26
Note 3	Explanations of Material Variances between Budget and Actual Outcomes.....	27
3.1	Statement of Comprehensive Income	27
3.2	Statement of Financial Position.....	28
3.3	Statement of Cash Flows.....	29
Note 4	Underlying Net result.....	30
Note 5	Revenue.....	31
5.1	Revenue from Government.....	31
5.2	Grants	32
5.3	Fees and fines	32
5.4	Other revenue	32
Note 6	Net Gains/(losses).....	33
6.1	Net gain/(loss) on non-financial assets.....	33
Note 7	Expenses.....	34
7.1	Employee benefits	34
7.2	Depreciation and amortisation.....	36
7.3	Supplies and consumables.....	37
7.4	Grants and subsidies.....	37
7.5	Other expenses	37
Note 8	Assets.....	38
8.1	Receivables.....	38
8.2	Other financial assets	38
8.3	Property, plant and equipment.....	39
8.4	Intangible assets	41
8.5	Other assets	41
Note 9	Liabilities.....	42
9.1	Payables	42

9.2	Employee benefit liabilities	42
9.3	Other liabilities	42
Note 10	Commitments and Contingencies	43
10.1	Schedule of commitments	43
10.2	Contingent assets and liabilities.....	44
Note 11	Reserves	44
11.1	Reserves	44
Note 12	Cash Flow Reconciliation	45
12.1	Cash and cash equivalents	45
12.2	Reconciliation of Net Result to Net Cash from Operating Activities	45
12.3	Acquittal of Capital Investment and Special Capital Investment Funds	45
Note 13	Financial Instruments	46
13.1	Risk exposures.....	46
13.2	Categories of Financial Assets and Liabilities	48
Note 14	Details of Consolidated Entities	48
14.1	List of entities.....	48
Note 15	Notes to Administered Statements.....	49
15.1	Administered Expenditure under Australian Government Funding Arrangements.....	49
15.2	Explanations of Material Variances between Budget and Actual Outcomes	50
15.3	Administered Underlying Net result.....	53
15.4	Administered Revenue from Government	53
15.5	Administered Grants	54
15.6	Administered State taxation	54
15.7	Administered Sales of goods and services	55
15.8	Administered Investment income	55
15.9	Administered Other revenue	55
15.10	Administered Net gain/(loss) on non-financial assets.....	55
15.11	Administered Net gain/(loss) on financial instruments and statutory receivables/payables	56
15.12	Administered Superannuation Expenses	56
15.13	Administered Depreciation and amortisation.....	56
15.14	Administered Supplies and consumables.....	56
15.15	Administered Grants and subsidies	57
15.16	Administered Finance costs	59
15.17	Administered Receivables.....	59
15.18	Administered Contract assets and liabilities.....	60
15.19	Administered Equity investments	61
15.20	Administered Other financial assets.....	62
15.21	Administered Assets held for sale	63
15.22	Administered Property, plant and equipment.....	64
15.23	Administered Right-of-use assets.....	66
15.24	Administered Infrastructure.....	66

15.25	Administered Other assets	67
15.26	Administered Payables	67
15.27	Administered Lease liabilities.....	68
15.28	Administered Interest bearing liabilities	69
15.29	Administered Superannuation	69
15.30	Administered Other liabilities.....	76
15.31	Tasmanian Risk Management Fund.....	76
15.32	Schedule of Administered Commitments	78
15.33	Schedule of Administered Quantifiable Contingencies	79
15.34	Schedule of Administered Unquantifiable Contingencies	79
15.35	Administered Reserves	80
15.36	Administered Cash and cash equivalents	81
15.37	Administered Financial instruments	82
15.38	Categories of Administered Financial assets and liabilities.....	86
15.39	Comparison between carrying amount and net fair value of financial assets and liabilities.....	87
15.40	Net fair value of Administered Financial assets and liabilities.....	87
Note 16	Transactions and Balances Relating to a Trustee or Agency Arrangement.....	88
16.1	Activities undertaken under a trustee or agency arrangement.....	88
Note 17	Events Occurring After Balance Date.....	88
Note 18	Other Significant Accounting Policies and Judgements	88
18.1	Objectives and funding	88
18.2	Basis of accounting.....	89
18.3	Reporting entity.....	89
18.4	Functional and presentation currency	89
18.5	Changes in accounting policies	89
18.6	Foreign currency	90
18.7	Comparative figures.....	90
18.8	Rounding	90
18.9	Departmental taxation	90
18.10	Goods and services tax.....	90
18.11	Budget Information	90

Note I ADMINISTERED FINANCIAL STATEMENTS

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

I.1 SCHEDULE OF ADMINISTERED INCOME AND EXPENSES

	Notes	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Administered revenue				
Revenue from Government				
Appropriation revenue - operating	15.4	920 711	609 477	635 263
Appropriation revenue - capital	15.4	5 600	1 208	2 334
Other revenue from Government	15.4	36 024	11 533	8 670
Grants	15.5	3 438 478	3 680 114	3 317 845
State taxation	15.6	1 099 533	1 252 210	1 144 058
Sales of goods and services	15.7	134 391	134 440	126 728
Investment income	15.8	422 531	404 407	549 493
Other revenue	15.9	115 752	129 390	113 069
Total revenue from continuing operations		6 173 020	6 222 779	5 897 461
Net gain/(loss) on non-financial assets	15.10	3 189	6 178	8 686
Net gain/(loss) on financial instruments and statutory receivables/payables	15.11	86 315	184 082	(86 716)
Total income from continuing operations		6 262 524	6 413 038	5 819 430
Administered expenses				
Superannuation	15.12	304 302	305 617	336 179
Depreciation and amortisation	15.13	49 082	49 979	53 212
Supplies and consumables	15.14	344 125	114 797	101 696
Grants and subsidies	15.15	704 321	520 278	437 650
Finance costs	15.16	26 930	35 121	7 558
Transfers to the Public Account		6 459 370	5 796 540	5 387 196
Total administered expenses		7 888 130	6 822 332	6 323 490
Administered net result		(1 625 606)	(409 294)	(504 060)
Administered other comprehensive income				
Gain/(loss) on revaluation of equity instruments designated through other comprehensive income	15.19	(98 811)	297 280	(499 990)
Net actuarial gains/(losses) on superannuation defined benefit plans	15.29	(1 189 625)	1 217 472	(44 729)
Net actuarial gains/(losses) on Tasmanian Risk Management Fund liability	15.31	...	(42 238)	(9 409)
Changes in physical assets revaluation reserve	15.22	...	11 595	...
Other movements taken directly to equity		(1)	...	...
Total administered other comprehensive income		(1 288 437)	1 484 109	(554 128)
Administered comprehensive result		(2 914 043)	1 074 814	(1 058 188)

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 15.2 of the accompanying notes.

I.2 SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

	Notes	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Administered assets				
<i>Administered financial assets</i>				
Cash and cash equivalents	15.36	1 121 016	1 482 251	1 212 540
Receivables	15.17	104 460	150 207	96 408
Equity investments	15.19	4 811 764	5 295 885	4 843 899
Other financial assets	15.20	732 661	652 099	518 633
<i>Administered non-financial assets</i>				
Assets held for sale	15.21	791	1 071	572
Property, plant and equipment	15.22	141 970	147 092	137 971
Right-of-use assets	15.23	218 819	274 609	279 591
Infrastructure	15.24	37 368	27 656	21 747
Other assets	15.25	2 716	4 792	1 469
Total administered assets		7 171 565	8 035 661	7 112 831
Administered liabilities				
Payables	15.26	10 815	35 088	20 332
Lease liabilities	15.27	222 634	291 990	285 889
Interest bearing liabilities	15.28	3 353 187	1 691 692	740 002
Contract liabilities	15.18	133 297	245 038	216 984
Superannuation	15.29	11 461 430	9 066 592	10 265 615
Other liabilities	15.30	264 264	999 397	952 960
Total administered liabilities		15 445 627	12 329 797	12 481 781
Administered net assets (liabilities)		(8 274 062)	(4 294 136)	(5 368 951)
Administered equity				
Asset Revaluation Reserve	15.35	27 010	22 187	10 592
Accumulated funds		(8 301 072)	(3 763 248)	(4 529 188)
Other reserves	15.35	...	(553 075)	(850 355)
Total administered equity		(8 274 062)	(4 294 136)	(5 368 951)

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

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

Explanations of material variances between budget and actual outcomes are provided in note 15.2 of the accompanying notes.

1.3 SCHEDULE OF ADMINISTERED CHANGES IN EQUITY

2021	Other Reserves	Asset Revaluation Reserve	Accumulated Funds	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2020	(850 355)	10 592	(4 529 188)	(5 368 951)
Net Result	...	...	(409 294)	(409 294)
Other comprehensive income	...	...	1 175 234	1 175 234
Revaluation increment/(decrement)	297 280	11 595	...	308 875
Total comprehensive result	(553 075)	22 187	(3 763 248)	(4 294 136)
Transactions as owners				
Equity transfer received from Sustainable Timber Tasmania	...	...	5 050	5 050
Equity transfer to the Tasmanian Railway Pty Ltd	...	...	(5 050)	(5 050)
Total Transactions as owners	...	...	...	...
Balance as at 30 June 2021	(553 075)	22 187	(3 763 248)	(4 294 136)
2020	Other Reserves	Asset Revaluation Reserve	Accumulated Funds	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2019	(350 365)	27 010	(4 007 307)	(4 330 662)
Net Result	...	...	(504 060)	(504 060)
Other comprehensive income	(499 990)	...	(54 138)	(554 128)
Total comprehensive result	(499 990)	...	(558 198)	(1 058 188)
Transfer of disposed asset	...	(16 417)	16 417	...
Transactions as owners				
Equity transfer received from Department of Primary Industries, Parks, Water and Environment	...	...	50 000	50 000
Equity transfer to the Department of Primary Industries, Parks, Water and Environment	...	...	(30 100)	(30 100)
Total Transactions as owners	...	...	19 900	19 900
Balance as at 30 June 2020	(850 355)	10 592	(4 529 188)	(5 368 951)

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

Budget information refers to original estimates as disclosed in the 2020-21 Budget Papers and is not subject to audit.

Output group 1 - Financial and Resource Management Services

	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Income from continuing operations			
Revenue from appropriation	11 503	10 967	9 747
Other revenue from Government	...	85	901
Grants	802	170	...
Fees and fines	2 414	2 442	2 511
Other revenue	1 039	1 185	1 173
Total revenue from continuing operations	15 758	14 849	14 331
Net gain/(loss) on sale of non-financial assets	...	(1)	(14)
Total income from continuing operations	15 758	14 848	14 317
Expenses from continuing operations			
Employee entitlements	12 357	11 228	11 355
Depreciation and amortisation	299	386	368
Supplies and consumables	2 544	2 527	2 416
Grants	...	1	1
Other expenses	82	88	85
Total expenses from continuing operations	15 282	14 230	14 225
Net result from continuing operations	476	618	92
Net result	476	618	92
Other comprehensive income			
Items that may be reclassified to net result in subsequent periods			
Gain/(loss) taken to equity	...	...	...
Total other comprehensive income	...	...	...
Comprehensive result	476	618	92
Expense by output			
1.1 Budget development and management	3 480	3 241	2 931
1.2 Financial management and accounting services	3 706	3 523	3 591
1.3 Shareholder advice on government businesses	2 665	2 686	2 921
1.4 Government property and accommodation services	2 342	2 110	1 993
1.5 Government procurement services	3 089	2 670	2 804
Total	15 282	14 230	14 240
Net assets			
Total assets deployed for Financial and Resource Management Services	...	10 036	8 110
Total liabilities incurred for Financial and Resource Management Services	...	(3 093)	(2 903)
Net assets deployed for Financial and Resource Management Services	...	6 943	5 207

Output group 2 - Economic and Fiscal Policy Advice

	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Income from continuing operations			
Revenue from appropriation	7 733	7 962	5 489
Other revenue from Government	...	411	...
Fees and fines	63	141	...
Other revenue	27	48	40
Total revenue from continuing operations	7 823	8 562	5 529
Net gain/(loss) on sale of non-financial assets	...	(1)	(8)
Total income from continuing operations	7 823	8 561	5 521
Expenses from continuing operations			
Employee entitlements	7 155	7 187	4 759
Depreciation and amortisation	313	256	184
Supplies and consumable	1 325	1 243	746
Grants	...	1	...
Other expenses	47	51	38
Total expenses from continuing operations	8 840	8 738	5 728
Net result	(1 017)	(177)	(207)
Other comprehensive income			
Items that may be reclassified to net result in subsequent periods			
Gain/(loss) taken to equity	...	...	...
Items that will not be reclassified to net result in subsequent periods			
Changes in property plant and equipment revaluation surplus	...	...	...
Total other comprehensive income	...	...	...
Comprehensive result	(1 017)	(177)	(207)
Expense by output			
2.1 Economic Policy Advice	2 277	2 561	1 357
2.2 Regulatory Policy	2 438	3 768	3 153
2.3 Intergovernmental Financial Matters	4 125	2 409	1 224
Total	8 840	8 738	5 734
Net assets			
Total assets deployed for Economic and Fiscal Policy Advice	...	2 135	1 833
Total liabilities incurred for Economic and Fiscal Policy Advice	...	(1 724)	(1 192)
Net assets deployed for Economic and Fiscal Policy Advice	...	411	641

Output group 3 - Revenue, Superannuation and Regulatory Management Services

	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Income from continuing operations			
Revenue from appropriation	28 247	25 166	27 818
Other revenue from Government	...	...	...
Fees and fines	1 481	382	735
Other revenue	66	126	216
Total revenue from continuing operations	29 794	25 674	28 769
Net gain/loss on sale of non-financial assets	...	(2)	(29)
Total income from continuing operations	29 794	25 672	28 740
Expenses from continuing operations			
Employee entitlements	16 333	15 950	17 861
Depreciation and amortisation	480	633	683
Supplies and consumables	4 794	9 604	9 968
Grants	2	1	2
Transfer	1 310	274	604
Other expenses	7 463	120	127
Total expenses from continuing operations	30 382	26 582	29 237
Net result from continuing operations	(588)	(910)	(497)
Net result	(588)	(910)	(497)
Other comprehensive income			
Items that may be reclassified to net result in subsequent periods			
Financial asset measured at fair value through other comprehensive income:	...	...	...
Gain/(loss) taken to equity	...	...	...
Total other comprehensive income	...	...	...
Comprehensive result	(588)	(910)	(497)
Expense by output			
3.1 Tax administration and revenue collection	7 581	8 123	9 180
3.2 Regulation and administration of liquor and gaming	6 394	5 028	7 823
3.4 Office of the Superannuation Commission	14 527	11 720	12 264
3.5 Administration of Grants, subsidies and concessions	1 879	1 711	...
Total	30 381	26 582	28 267
Net assets			
Total assets deployed for Revenue, Superannuation and Regulatory Management Services	...	5 776	7 446
Total liabilities incurred for Revenue, Superannuation and Regulatory Management Services	...	(4 913)	(5 024)
Net assets deployed for Revenue, Superannuation and Regulatory Management Services	...	863	2 422

Output group 4 - Community Assistance

	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Income from continuing operations			
Revenue from appropriation	2 163	2 163	2 115
Fees and fines	2 553	4 392	3 459
Total revenue from continuing operations	4 716	6 555	5 574
Total income from continuing operations			
	4 716	6 555	5 574
Expenses from continuing operations			
Employee entitlements	48	48	45
Supplies and consumables	760	824	14
Grants and subsidies	4 651	6 495	5 114
Total expenses from continuing operations	5 459	7 367	5 174
Net result from continuing operations			
	(744)	(812)	400
Net result			
	(744)	(812)	400
Other comprehensive income			

Total other comprehensive income			

Comprehensive result			
	(744)	(812)	400
 Expense by output			
4.2 Public Trustee Community Service Obligation	2 163	2 163	2 115
4.3 Community Support Levy	3 296	5 204	3 059
Total	5 459	7 367	5 174
 Net assets			
Total assets deployed for Community Assistance	...	86	898
Total liabilities incurred for Community Assistance	...	...	...
Net assets deployed for Community Assistance	...	86	898

Output group 89 - Government Maintenance Program - COVID-19 Response

	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Income from continuing operations			
Grants	...	1 432	16
Total revenue from continuing operations	...	1 432	16
Other gains/(losses)	...	...	...
Total income from continuing operations	...	1 432	16
Expenses from continuing operations			
Supplies and consumables	1 785	1 451	16
Total expenses from continuing operations	(1 785)	1 451	16
Net result from continuing operations	(1 785)	(19)	...
Net result	(1 785)	(19)	...
Other comprehensive income	...	...	...
Total other comprehensive income	...	...	...
Comprehensive result	(1 785)	(19)	...
Expense by output			
89.1 - Government Maintenance Program - COVID-19 Response	(1 785)	1 451	16
Total	(1 785)	1 451	16
Net assets			
Total assets deployed for Government Maintenance Program - COVID-19 Response	...	...	16
Total liabilities incurred for Government Maintenance Program - COVID-19 Response	...	...	...
Net assets deployed for Government Maintenance Program - COVID-19 Response	...	...	16

Output group 92 - Capital Investment Program

	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Income from continuing operations			
Revenue from Special Capital Investment Funds	877
Other revenue from Government	...	421	160
Other revenue	8
Total revenue from continuing operations	...	421	1 045
Total income from continuing operations	...	421	1 045
Expenses from continuing operations			
Employee benefits
Total expenses from continuing operations
Net result from continuing operations	...	421	1 045
Net result	...	421	1 045
Comprehensive result	...	421	1 045
Expense by output			
92.1 Budget Information Management Systems Project
Total
Net assets			
Total assets deployed for Capital Investment Program	...	1 037	1 037
Total liabilities incurred for Capital Investment Program
Net assets deployed for Capital Investment Program	...	1 037	1 037

2.2 RECONCILIATION OF TOTAL OUTPUT GROUPS COMPREHENSIVE RESULT TO STATEMENT OF COMPREHENSIVE INCOME

	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Total Comprehensive result of Output Groups	(581)	(879)	833
Comprehensive result	(581)	(879)	833

2.3 RECONCILIATION OF TOTAL OUTPUT GROUPS NET ASSETS TO STATEMENT OF FINANCIAL POSITION

	2021 Actual \$'000	2020 Actual \$'000
Total net assets deployed for Output Groups	9 340	10 119
Net assets	9 340	10 119

2.4 ADMINISTERED OUTPUT SCHEDULE

Budget information refers to original estimates as disclosed in 2020-21 Budget Papers and has not been subject to audit.

Output group 1 - Debt Servicing and Management

	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Administered income			
Revenue from appropriation	22 786	13 060	4 132
Total administered revenue	22 786	13 060	4 132
Total administered income			
Administered expenses from continuing operations			
Finance costs	21 928	19 723	2 617
Total administered expenses	21 928	19 723	2 617
Administered net result	858	(6 663)	1 516
Other movements taken to equity	(1)	...	...
Administered comprehensive result	857	(6 663)	1 516
Administered expense by output			
I.1 Debt Servicing	21 365	19 435	1 741
I.2 Interest on Sundry Deposits	563	288	876
I.3 Debt Management	...	...	...
Total	21 928	19 723	2 617
Administered net assets			
Total administered assets deployed for Debt Servicing and Management	633 552	933 524	657 380
Total administered liabilities incurred for Debt Servicing and Management	(3 355 264)	(2 369 520)	(1 434 955)
Administered net assets deployed for Debt Servicing and Management	(2 721 712)	(1 435 996)	(777 575)

Output group 2 - Employee Related Costs

	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Administered income			
Revenue from appropriation	307 090	288 445	292 954
Other revenue	111 000	120 076	109 238
Total administered revenue	418 090	408 521	402 192
Total administered income	418 090	408 521	402 192
Administered expenses from continuing operations			
Superannuation	304 302	305 617	336 133
Supplies and consumables	200	...	...
Total administered expenses	304 502	305 617	336 133
Administered net result	113 588	102 904	66 059
Administered other comprehensive income			
Administered items that will not be reclassified to net result in subsequent periods			
Net actuarial gains/(losses) on superannuation defined benefit plans	(1 189 625)	1 217 472	(44 729)
Total administered other comprehensive income	(1 189 625)	1 217 472	(44 729)
Administered comprehensive result	(1 076 037)	1 320 376	21 330
Administered expense by output			
2.1 Superannuation and Pensions	304 502	305 617	336 133
Total	304 502	305 617	336 133
Administered net assets			
Total administered assets deployed for Employee Related Costs	17 873	2 809	8 532
Total administered liabilities incurred for Employee Related Costs	(11 462 301)	(9 069 417)	(10 269 802)
Administered net assets deployed for Employee Related Costs	(11 444 428)	(9 066 608)	(10 261 270)

Output group 3 - Government Businesses

	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Administered income			
Revenue from appropriation	120 718	74 759	107 995
Other revenue from Government	6 155	1 000	1 350
Investment income	30 596	17 141	31 737
Other revenue	...	1 400	...
Total administered revenue	157 469	94 300	141 082
Other gain/(loss)	...	...	...
Total administered income	157 469	94 300	141 082
Administered expenses from continuing operations			
Grants and subsidies	17 170	12 559	29 014
Total administered expenses	17 170	12 559	29 014
Administered net result	140 299	81 741	112 069
<i>Administered other comprehensive income</i>			
Administered items that will not be reclassified to net result in subsequent periods			
Gain/(loss) on revaluation of equity investments	(98 811)	297 280	(499 990)
Total administered other comprehensive income	(98 811)	297 280	(499 990)
Administered comprehensive result	(98 811)	379 021	(387 921)
Administered expense by output			
3.1 Sustainable Timber Tasmania	2 000	2 000	2 000
3.2 State Fire Commission	12 596	8 008	27 014
3.4 Government Businesses	2 574	2 551	...
Total	17 170	12 559	29 014
Administered net assets			
Total administered assets deployed for Government Businesses	4 763 791	5 243 111	4 812 979
Administered net assets deployed for Government Businesses	4 763 791	5 243 111	4 812 979

Output group 4 - Miscellaneous

	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Administered income			
Revenue from appropriation	127 085	30 656	38 927
Other revenue from Government	9 721	2 587	2 050
Grants	1 786	...	2 795
Sales of goods and services	134 230	134 359	126 649
Other revenue	1 036	1 901	...
Total administered revenue	273 858	169 503	170 420
Net gain/(loss) of non-financial assets	3 189	6 178	8 686
Net gain/(loss) on statutory receivables/payables	(6 486)		
Total administered income	270 561	175 681	179 106
Administered expenses from continuing operations			
Other employee expenses			...
Depreciation and amortisation	49 082	49 979	53 212
Grants and subsidies	18 123	12 164	18 623
Finance costs	5 002	15 398	4 941
Supplies and consumables	198 732	110 940	101 550
Other expenses	...	...	...
Total administered expenses	270 939	188 481	178 325
Administered net result	(378)	(12 800)	781
Administered items that will not be reclassified to net result in subsequent periods			
Net actuarial gains/(losses) on Tasmanian Risk Management Fund	...	(42 238)	(9 409)
Changes in physical assets revaluation surplus	...	11 595	...
Total administered other comprehensive income	...	(30 643)	(9 409)
Administered comprehensive result	(378)	(43 443)	(8 628)
Administered expense by output			
4.1 Information and Communication Technology	11 376	11 381	13 773
4.2 Treasurer's Reserve	80 000	...	...
4.3 Miscellaneous	4 394	1 162	3 176
4.4 Payment to Australian Taxation Office: GST Administration	12 803	13 093	13 591
4.5 Tasmanian Risk Management Fund	80 937	91 985	73 716
4.6 Fleet Management Services	16 642	16 608	14 943
4.7 Property Management Services	56 587	53 693	55 815
4.8 Infrastructure Investment Project Planning	2 000	...	317
4.9 Ex Gratia Assistance	6 200	559	2 993
Total	270 939	188 481	178 325
Administered net assets			
Total administered assets deployed for Miscellaneous	656 777	730 139	700 268
Total administered liabilities incurred for Miscellaneous	(485 983)	(617 330)	547 474
Administered net assets deployed for Miscellaneous	170 794	112 809	152 794

Output group 89 - Public Building Maintenance Fund

	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Administered income			
Revenue from appropriation	50 597	42 373	6 451
Total administered revenue	50 597	42 373	6 451
Total administered income	50 597	42 373	6 451
Administered expenses from continuing operations			
Grants and subsidies	50 597	42 373	6 451
Total administered expenses	50 597	42 373	6 451
Administered net result	...	...	...
Administered comprehensive result	...	...	...
Administered expense by output			
89.1 Public Building Maintenance Program	50 597	42 373	6 451
Total	50 597	42 373	6 451
Administered net assets			
Total administered liabilities incurred for Public Building Maintenance Fund	(346)	(1 121)	(3 057)
Administered net assets deployed for Public Building Maintenance Fund	(346)	(1 121)	(3 057)

Output group 90 - COVID-19 Response and Recovery

	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Administered income			
Revenue from appropriation	149 740	16 040	787
Other revenue form Government	9 440	422	...
Total administered revenue	159 180	16 462	787
Total administered income	159 180	16 462	787
Administered expenses from continuing operations			
Supplies and consumables	145 000	3 561	...
Grants and subsidies	14 180	13 394	799
Total administered expenses	159 180	16 955	799
Administered net result	...	(493)	(12)
Administered comprehensive result	...	(493)	(12)
Administered expense by output			
90.1 Youth Employment Scheme	280	...	...
90.2 Local Government \$200 million Interest Free Loans	3 400	404	...
90.3 COVID-19 Provision	145 000	3 561	...
90.4 Small Business Electricity Waiver	500	410	799
90.8 Tasmanian HomeBuilder Grant	10 000	12 580	...
Total	159 180	16 955	799
Administered net assets			
Total administered assets deployed for COVID-19 Response	50 000	...	50 000
Total administered liabilities incurred for COVID-19 Response	...	...	...
Administered net assets deployed for COVID-19 Response	50 000	...	50 000

Output group 91 - Administered Payments

	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Administered income			
Revenue from appropriation	142 695	144 144	184 017
Other revenue from Government	3 708	2 824	689
Grants	571 750	417 435	245 876
Sales of goods and services	161	81	80
Total administered revenue	718 314	564 484	430 662
Total administered income	718 314	564 484	430 662
Administered expenses from continuing operations			
Supplies and consumables	193	287	185
Grants and subsidies	604 251	439 788	382 764
Total administered expenses	604 444	440 075	382 949
Administered net result	113 870	124 409	47 713
<i>Administered other comprehensive income</i>			
Administered items that will not be reclassified to net result in subsequent periods	...	...	...
Total administered other comprehensive income	...	...	...
Administered comprehensive result	113 870	124 409	47 713
Administered expense by output			
Extension of Pensioner Concessions	226	171	197
Energy Retailer Concession	43 003	44 700	41 964
Management of Australian Government Funding	457 935	292 871	193 406
Water and Sewerage Concessions and Subsidies	8 593	8 739	8 353
Payroll Tax Assistance	4 849	5 068	7 675
Payments under <i>Local Government (Rates and Charges Remissions) Act 1991</i>	17 675	18 155	23 017
Other Grants and Subsidies	2 285	339	5 178
Local Government Grants	43 277	45 469	82 903
First Home Owners Builders Assistance	16 020	17 980	13 713
Launceston Flood Levee	...	...	...
National Disaster Relief and Recovery	10 581	6 583	6 542
Total	604 444	440 075	382 949
Administered net assets			
Total administered assets deployed for Administered Payments	183 679	307 125	252 152
Total administered liabilities incurred for Administered Payments	(141 734)	(272 409)	(226 493)
Administered net assets deployed for Administered Payments	41 945	34 716	25 660

Capital Investment Program

	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Administered income			
Revenue from appropriation - capital	5 600	1 208	2 334
Other revenue from Government	7 000	4 700	4 581
Total administered revenue	12 600	5 908	6 915
Total administered income	12 600	5 908	6 915
Administered expenses from continuing operations	...	...	...
Administered net result	12 600	5 908	6 915
Administered comprehensive result	12 600	5 908	6 915
Administered net assets			
Total administered assets deployed for Capital Investment Program	37 368	27 656	21 747
Total administered liabilities incurred for Capital Investment Program	...	...	...
Administered net assets deployed for Capital Investment Program	37 368	27 656	21 747

2.5 RECONCILIATION OF TOTAL ADMINISTERED OUTPUT GROUPS COMPREHENSIVE RESULT TO SCHEDULE OF ADMINISTERED INCOME AND EXPENSES

	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Total administered net result of Output Groups	(907 600)	1 779 115	(319 503)
Reconciliation to administered net surplus (deficit)			
Finance-General Revenue	4 452 927	5 092 240	4 648 096
Less Transfers to the Public Account	(6 459 370)	(5 796 540)	(5 387 196)
Administered comprehensive result	(2 914 043)	1 074 814	(1 058 188)

2.6 RECONCILIATION OF TOTAL ADMINISTERED OUTPUT GROUPS NET ASSETS TO SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Total administered net assets deployed for Output Groups	(9 102 587)	(5 085 434)	(5 978 722)
Reconciliation to administered net assets			
Assets unallocated to Output Groups	828 525	791 298	609 772
Liabilities unallocated to Output Groups	...	...	...
Administered net assets/(liabilities)	(8 274 062)	(4 294 136)	5 368 950

Note 3 EXPLANATIONS OF MATERIAL VARIANCES BETWEEN BUDGET AND ACTUAL OUTCOMES

Budget information refers to original estimates as disclosed in the 2020-21 Budget Papers and is not subject to audit.

Variations are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and \$50 000.

3.1 STATEMENT OF COMPREHENSIVE INCOME

	Notes	2021 Budget \$'000	2021 Actual \$'000	Variance \$'000	Variance %
Other revenue from Government	(a)	1 275	918	(356)	(28)
Grants	(b)	2 602	1 602	(1 000)	(38)
Fees and fines	(c)	6 511	7 357	846	13
Other revenue	(d)	1 132	1 359	227	20
Depreciation and amortisation	(e)	1 092	1 275	183	17
Supplies and consumables	(f)	11 208	15 649	4 441	40
Grants and subsidies	(g)	4 652	6 498	1 846	40
Transfers to the Public Account	(h)	1 310	275	(1 035)	(79)
Other expenses	(i)	7 592	260	(7 332)	(97)

Notes to Statement of Comprehensive Income variances

- (a) The decrease in Other revenue from Government primarily reflects lower than expected Treasury operating costs, and resultant lower appropriations from the Public Account.
- (b) The decrease in Grants reflects lower than expected expenditure associated with the Digital Transformation Priority Program (PARAMIS Project) and the Public Building Maintenance Program resulting in lower recovery of grant funding.
- (c) The increase in Fees and fines is due to the increase in Community Support Levy fees.
- (d) The increase in Other revenue is primarily due to additional receipts associated with the whole-of-government Microsoft software agreement.
- (e) The increase in Depreciation and amortisation is due to the additional purchases of information and communication technology equipment during 2020-21.
- (f) The increase in Supplies and consumables relative to the Budget reflects the inclusion of actual superannuation fund administration fees (recognised as Other expenses for Budget purposes).
- (g) The increase in Grants and subsidies is primarily due to an increase in Community Support Levy expenditure following the easing of COVID-19 restrictions on hotels and clubs in Tasmania.
- (h) The decrease in Transfers to the Public Account reflects lower than budgeted liquor fees as a result of the waiver of liquor licencing fees until 2 April 2021, as part of the Government's COVID-19 Response and Recovery Measures.
- (i) The decrease in Other expenses reflects the classification of actual superannuation fund administration fees as Supplies and Consumables.

3.2 STATEMENT OF FINANCIAL POSITION

Budget estimates for the 2020-21 Statement of Financial Position were compiled prior to the completion of the actual outcomes for 2020-21. As a result, the actual variance from the Original Budget estimate will be impacted by the difference between estimated and actual opening balances for 2020-21. The following variance analysis therefore describes major movements between the 30 June 2020 and 30 June 2021 actual balances.

	Notes	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and cash equivalents	(a)	7 938	8 521	8 491	583	30
Receivables (includes tax assets)	(b)	286	227	544	(59)	(317)
Other financial assets	(c)	577	784	382	207	402
Property, plant and equipment	(d)	541	690	750	149	(60)
Intangible assets	(e)	8 918	8 060	8 418	(858)	(357)
Other assets	(f)	420	558	489	138	69
Payables	(g)	595	838	652	243	186
Employee benefit liabilities	(h)	8 645	8 834	8 412	189	422
Other liabilities	(i)	88	58	55	(30)	3

Notes to Statement of Financial Position variances

- (a) The increase in Cash and cash equivalents compared to Budget primarily reflects a higher than expected opening balance as at 1 July 2020 due to the lower than expected drawdown of funds in 2019-20.
- (b) The lower than budgeted Receivables is primarily due to the timing of contract management fees collection.
- (c) The increase in Other financial assets in 2020-21 reflects accrued grant income associated with the Public Building Maintenance Program.
- (d) The increase in Property, plant and equipment in 2021 compared to Budget is due to additional purchases of information and communication technology equipment. The decrease in Property, plant and equipment from 2020 to 2021 is due to depreciation exceeding additions.
- (e) The decrease in Intangible assets in 2021 compared to Budget reflects the revised timing of the PARAMIS Project and resultant lower project costs during 2021.
- (f) The increase in Other assets is due to the timing of invoicing on contractual arrangements for consultancy contracts and property occupancy contracts that lead to prepayments at year end.
- (g) The increase in Payables is due to increased accounts received in July relating to 2020-21, primarily for information and communication technology expenditure.
- (h) The increase in Employee benefit liabilities is primarily due to unexpected increases in annual leave retained by Treasury staff during 2020-21.
- (i) The decrease in Other liabilities is primarily due to the Budget estimating revenue received in advance that wasn't realised.

3.3 STATEMENT OF CASH FLOWS

	Notes	2021 Budget \$'000	2021 Actual \$'000	Variance \$'000	Variance %
Appropriation receipts - operating	(a)	49 646	46 259	(3 387)	(7)
Grants	(b)	2 602	1 277	(1 352)	(50)
Fees and fines	(c)	6 494	7 641	1 147	18
GST receipts	(d)	1 600	1 762	162	10
Other Revenue	(e)	1 132	1 387	255	22
Employee Benefits	(f)	(35 532)	(33 989)	1 543	(4)
Grants and subsidies	(g)	(4 652)	(6 498)	(1 846)	40
Transfers to the Public Account	(h)	(1 310)	(274)	1 036	(79)
Supplies and consumables	(i)	(11 215)	(15 533)	(4 318)	39
GST payments	(j)	(1 600)	(1 835)	(235)	15
Other expenses	(k)	(7 591)	(258)	7 333	(97)

Notes to Statement of Cash Flows variances

- (a) The decrease in Appropriation receipts - operating primarily reflects lower than expected Treasury operating costs.
- (b) Grants are below budget in 2020-21 due to lower than expected expenditure associated with the Digital Transformation Priority Program (PARAMIS Project) and the Public Building Maintenance Program, resulting in lower recovery of grant funding.
- (c) The increase in Fees and fines reflects higher than expected collection of the Community Service Levy.
- (d) The increase in GST receipts reflects GST credits and/or refunds associated with additional supplies and consumables expenditure.
- (e) The increase in Other revenue is primarily due to additional receipts associated with the whole-of-government Microsoft software agreement.
- (f) The decrease in employee benefits to budget reflects larger than expected vacancy levels for the Department during the first part of 2020-21.
- (g) The increase in Grants and subsidies reflects higher than expected Community Service Levy fees following the easing of COVID-19 restrictions on hotels and clubs in Tasmania.
- (h) The decrease in Transfers to the Public Account reflects lower than originally expected liquor fees as a result of the waiver of liquor licencing fees until 2 April 2021, as part of the Government's COVID-19 Response and Recovery Measures.
- (i) The increase in Supplies and consumables reflects the inclusion of actual superannuation fund administration fees (recognised as Other expenses for Budget purposes).
- (j) The increase in GST payments reflects GST paid on additional supplies and consumables.
- (k) The decrease in Other expenses reflects the classification of actual Superannuation fund administration fees as Supplies and Consumables.

Note 4 UNDERLYING NET RESULT

The Underlying Net result from continuing operations is a measure, which removes the distorting impact of one-off Non-operational capital funding. Non-operational capital funding includes one-off Australian Government funding for specific capital projects and other non-operational capital related funding received from the Australian Government.

The Department has not recognised any non-operational capital funding or other one-off transactions relating to funding for capital projects. Accordingly, the underlying net result does not differ from the net result reported in the Statement of Comprehensive Income.

Note 5 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.

5.1 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. 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 and Items Reserved by Law.

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

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

	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Continuing operations			
Appropriation revenue - operating			
Current year	49 646	46 259	45 169
	49 646	46 259	45 169
Appropriation revenue - capital	...	...	877
Other revenue from Government			
Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year	...	...	1 061
Appropriation Rollover under section 23 of the <i>Financial Management Act 2016</i>	1 275	918	...
Total revenue from Government from continuing operations	50 921	47 177	47 107

5.2 GRANTS

Grants revenue, where there is a sufficiently specific performance obligation attached, is recognised when the Department satisfies the performance obligation and transfers the promised goods or services. The Department typically satisfies its performance obligations when services have been completed and invoiced under contract terms. The Department recognises revenue associated with performance obligations using the output method based on direct measurement of the value of goods or services transferred to date in comparison with the remaining goods or services to be provided.

	2021 \$'000	2020 \$'000
Grants with sufficiently specific performance obligations		
Public Building Maintenance Fund	1 455	16
Public Account Reporting and Management Information System	147	...
Total	1 602	16

5.3 FEES AND FINES

Revenue from fees and fines is recognised on an accrual basis.

	2021 \$'000	2020 \$'000
Fees		
Contract management fees	2 442	2 510
Community Support Levy	4 392	3 459
Liquor licensing revenue	277	607
Gaming regulation revenue	246	128
Total	7 357	6 705

5.4 OTHER REVENUE

Revenue from miscellaneous sources is recognised when it is earned and controlled by the Department and can be deployed for the achievement of its objectives.

	2021 \$'000	2020 \$'000
Recovery of expenses	1 238	1 221
Board Fees	114	114
Other	7	102
Total	1 359	1 437

Note 6 NET GAINS/(LOSSES)

6.1 NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS

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

Key Judgement

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

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

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

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

	2021	2020
	\$'000	\$'000
Net gain/(loss) on disposal of physical assets	(4)	(51)
Total net gain/(loss) on non-financial assets	(4)	(51)

Note 7 EXPENSES

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

7.1 EMPLOYEE BENEFITS

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

(a) Employee expenses

	2021	2020
	\$'000	\$'000
Wages and salaries	27 103	26 780
Annual leave	2 010	2 065
Long service leave	740	564
Sick leave	364	422
Superannuation - defined contribution scheme	3 102	2 967
Superannuation - defined benefit schemes	731	758
Maternity leave	70	109
Other employee expenses	291	355
Total	34 413	34 020

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 Minister for Finance, on the advice of the State Actuary. The current department contribution is 12.95 per cent (2020: 12.95 per cent) of salary.

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

(b) Remuneration of key management personnel

2021	Short-term benefits		Superannuation	Long-term benefits		Termination benefits	Total
	Salary	Other benefits		Other benefits & Long-service leave			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Key management personnel</i>							
Tony Ferrall, Secretary	474	18	45	(5)	...	...	532
James Craigie, Deputy Secretary	241	20	23	6	...	...	290
Fiona Calvert, Deputy Secretary	246	13	32	6	...	...	297
Emsada Babic, Deputy Secretary, ceased employment 9 March 2021	115	15	15	...	...	...	145
Jonathon Root, Deputy Secretary	210	17	20	(3)	...	...	244
Total	1 286	83	135	4	...	...	1 508
<hr/>							
2020	Short-term benefits		Superannuation	Long-term benefits		Termination benefits	Total
	Salary	Other benefits		Other benefits & Long-service leave			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Key management personnel</i>							
Tony Ferrall, Secretary	478	18	27	12	...	...	535
James Craigie, Deputy Secretary	235	17	22	57	...	...	331
Emsada Babic, Deputy Secretary	154	17	20	(5)	...	...	186
Fiona Calvert, Deputy Secretary, appointed 30 March 2020 Acting Deputy Secretary from 1 July 2019 - 29 March 2020	225	13	29	(5)	...	...	262
Jonathon Root, Deputy Secretary	214	17	20	1	...	...	252
Anton Voss, Deputy Secretary, ceased employment 27 September 2019	70	9	7	...	...	...	86
Total	1 376	91	125	60	...	...	1 652

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

Remuneration during 2020-21 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 and superannuation obligations.

Acting Arrangements

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

(c) Related party transactions

There are no significant related party transactions requiring disclosure.

7.2 DEPRECIATION AND AMORTISATION

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

Key estimate and judgement

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

Vehicles	2-5 years
Plant and equipment	3-10 years
Buildings	40 years
Leasehold improvements	3-20 years
Computer and office equipment	3-5 years

In accordance with AASB 138 *Intangible Assets*, computer software intangible assets are amortised on a straight-line basis, as the pattern of consumption cannot be determined reliably.

Major amortisation rates are:

Computer software	3-10 years
-------------------	------------

(a) Depreciation

	2021	2020
	\$'000	\$'000
Plant and equipment	295	260
Total	295	260

(b) Amortisation

	2021	2020
	\$'000	\$'000
Intangible assets	949	944
Leasehold improvements	31	31
Total	980	975
Total depreciation and amortisation	1 275	1 234

7.3 SUPPLIES AND CONSUMABLES

	2021 \$'000	2020 \$'000
Audit fees - financial audit	324	336
Audit fees - internal audit	166	77
Consultants	1 090	408
Maintenance and Property Services	3 329	1 725
Communications	488	427
Information technology	2 483	2 074
Travel and transport	233	295
Advertising and promotion	33	30
Other supplies and consumables	7 504	7 782
Total	15 649	13 154

Audit fees paid or payable to the Tasmanian Audit Office for the audit of the Department's financial statements were \$224 480 (2019-20: \$217 940).

7.4 GRANTS AND SUBSIDIES

Grant and subsidies expenditure is recognised to the extent that:

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

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

	2021 \$'000	2020 \$'000
Grants		
Community Support Levy grants	4 335	3 002
Community Service Obligations		
The Public Trustee	2 163	2 115
Total	6 498	5 117

Grant expenditure is represented by the distribution of the Community Support Levy to the Department of Communities Tasmania. Communities Tasmania provides administrative support for grant programs for: the provision of services to compulsive gamblers and for the benefit of charitable organisations; community education on gambling matters and activities in the category of other health services.

The Department is responsible for Community Service Obligation payments to the Public Trustee, which provides assistance in the administration of Absolute Estates, Continuing Trust and Life Tenancy Estates, Minor Trusts and Assets for Represented Persons.

7.5 OTHER EXPENSES

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

	2021 \$'000	2020 \$'000
Salary on-costs		
Workers Compensation	260	250
Total	260	250

Note 8 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.

8.1 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.

	2021 \$'000	2020 \$'000
Tax assets	218	116
Other receivables	9	428
Total	227	544
Settled within 12 months	227	544
Total	227	544

For ageing analysis of the financial assets, refer to note 13.1.

8.2 OTHER FINANCIAL ASSETS

Other financial assets are classified and measured at amortised cost. Impairment losses are recorded in the Statement of Comprehensive Income. Any gain or loss arising on derecognition is recognised directly in net results and presented in other gains/(losses).

The Department recognises an allowance for an expected credit loss for all debt financial assets not held at fair value through profit and loss is being recognised. 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.

	2021 \$'000	2020 \$'000
Accrued revenue	784	382
Total	784	382
Settled within 12 months	784	382
Settled in more than 12 months	...	...
Total	784	382

8.3 PROPERTY, PLANT AND EQUIPMENT

Key estimate and judgement

(i) Valuation basis

Property, plant and equipment is recorded at fair value less accumulated depreciation. All assets within a class of assets are measured on the same basis.

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

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

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

The recognised fair value of non-financial assets is classified according to the fair value hierarchy that reflects the significance of the inputs used in making these measurements.

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

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

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

(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 \$5 000 exclusive of GST.

Assets valued at less than the threshold amount 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 exceed the threshold total).

(iv) Revaluations

The Department has adopted a revaluation threshold of \$50 000. Non-current assets measured at fair value are revalued with sufficient regularity to ensure the carrying amount of each asset does not differ materially from fair value at reporting date. Independent valuations are obtained at least every five years.

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

Heritage assets were last revalued on a fair value basis as at 30 June 2019. The revaluation was independently conducted by Ashmore Antiques Auctions.

All assets held by Finance-General are disclosed in the Schedule of Administered Assets and Liabilities as administered assets, as Finance-General is responsible for administering whole-of-government activities. The Department's administered Land and buildings were revalued by the Valuer-General, on a fair value basis, as at 30 June 2021.

(a) Carrying amount

	2021 \$'000	2020 \$'000
Leasehold improvements		
At cost	1 257	1 257
Less: Accumulated amortisation	(1 182)	(1 151)
Less: Improvement disposals	...	...
Total	75	106
Plant, equipment and vehicles		
At cost	2 122	1 982
Less: Accumulated depreciation	(1 432)	(1 232)
Total	690	750
Heritage assets		
At fair value	158	186
Disposals	(3)	(28)
Total	155	158
Total Property, plant and equipment	920	1 014

The revaluation of heritage assets as at 30 June 2019 was independently conducted. The valuer was A F Colman of Ashmore Antiques Auctions. The revaluation was based on an approximate cost based on knowledge and skills through Heritage collections within Tasmania. Revaluations are shown on a gross basis where a replacement cost basis of valuations has been used. Asset revaluations based on a market basis have been disclosed on a net basis.

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

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

2021	Leasehold improvements \$'000	Plant, equipment & vehicles \$'000	Heritage assets Level 3 \$'000	Total \$'000
Carrying value at 1 July	106	750	158	1 014
Additions	...	237	...	237
Fair value of assets recognised	...	...	...	...
Depreciation and amortisation	(31)	(295)	...	(326)
Revaluation	...	...	...	...
Loss on disposal	...	(1)	(3)	(4)
Carrying value at 30 June	75	690	155	920

2020	Leasehold improvements \$'000	Plant, equipment & vehicles \$'000	Heritage assets Level 3 \$'000	Total \$'000
Carrying value at 1 July	137	601	186	924
Additions	...	434	...	434
Depreciation and amortisation	(31)	(260)	...	(290)
Loss on disposal	...	(25)	(28)	(53)
Carrying value at 30 June	106	750	158	1 014

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

	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
Heritage assets	155	A - description and location B - approximate age C - values represent an approximate cost)	Valuing these assets is an inexact science and it is not likely, that alternative values, applying other inputs would result in a materially different value.	The values are based on knowledge and skill set of the valuer which are likely to increase / decrease inputs. As a result, it is likely that values will increase / decrease.

8.4 INTANGIBLE ASSETS

An intangible asset is recognised where:

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

Where no active market exists, intangible assets are valued at cost less any accumulated amortisation and any accumulated impairment losses.

(a) Carrying amount

	2021 \$'000	2020 \$'000
Intangible assets with a finite useful life		
Software at cost	13 306	10 828
Less: Accumulated amortisation	(5 416)	(4 467)
Work in progress (at cost)	170	2 056
Total	8 060	8 418

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

	2021 \$'000	2020 \$'000
Carrying amount at 1 July	8 418	8 324
Additions	421	...
Work in progress at cost	170	1 037
Depreciation / amortisation expense	(949)	(944)
Carrying amount at 30 June	8 060	8 418

8.5 OTHER ASSETS

(a) Carrying amount

	2021 \$'000	2020 \$'000
Other current assets		
Prepayments	558	489
Total	558	489
Recovered within 12 months	554	478
Recovered in more than 12 months	4	11
Total	558	489

Note 9 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.

9.1 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.

	2021 \$'000	2020 \$'000
Creditors	5	(5)
Accrued expenses	833	656
Paid Parental Leave Scheme liabilities	...	1
Total	838	652
Settled within 12 months	838	652
Settled in more than 12 months	...	...
Total	838	652

Settlement is usually made within 30 days.

9.2 EMPLOYEE BENEFIT LIABILITIES

Key estimate and judgement

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid.

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

	2021 \$'000	2020 \$'000
Accrued salaries	649	503
Annual leave	2 368	2 398
Long service leave	5 708	5 425
Other - Purchased Leave Scheme	19	23
Other - SSALS Provision	90	64
Total	8 834	8 412
Expected to settle wholly within 12 months	3 849	3 761
Expected to settle wholly after 12 months	4 985	4 651
Total	8 834	8 412

9.3 OTHER LIABILITIES

	2021 \$'000	2020 \$'000
Other liabilities		
Employee benefit liabilities – on-costs	58	55
Total	58	55
Settled within 12 months	22	23
Settled in more than 12 months	36	33
Total	58	55

Note 10 COMMITMENTS AND CONTINGENCIES

10.1 SCHEDULE OF COMMITMENTS

Commitments represent those contractual arrangements entered into 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, these are recognised as an expense when incurred in the Statement of Comprehensive Income.

	2021 \$'000	2020 \$'000
By type		
Lease commitments		
Short-term and/or low-value leases	...	3
Total lease commitments	...	3
Other commitments		
Community Service Obligation - Public Trustee	2 212	2 163
Fifth Social and Economic Impact Study of Gambling in Tasmania	...	817
Budget Management Information System Support	390	390
Total other commitments	2 602	3 370
By maturity		
Operating lease commitments		
One year or less	...	3
From one to five years	...	...
More than five years	...	...
Total operating lease commitments	...	3
Other commitments		
One year or less	2 602	3 370
From one to five years	...	...
More than five years	...	...
Total other commitments	2 602	3 370
Total	2 602	3 373

The Department occupies office accommodation at Parliament Square in Hobart, Kirksway Place in Hobart, and Henty House in Launceston. Lease rentals are generally based on negotiated agreements that reflect the current market rent rates paid for comparable buildings within the precinct. There are no formal lease agreements in place and therefore they are not included in Commitments. The lease liability and right-of-use asset for these major office accommodations are recognised on the Finance-General Statement of Financial Position, on behalf of the Crown. The Department recognises the outgoings associated with the occupation of major office accommodation expenses when incurred.

The commitment to the Public Trustee represents the Community Service Obligation agreement for the Public Trustee to provide administration services for the 2021-22 year.

There is no commitment in 2020-21 for the Social and Economic Impact Study of Gambling in Tasmania. A further tender process will be commenced closer to the legislated timing for the next study as required under the *Gaming Control Act 1993*.

The commitment for the Department's Budget Management System includes system licencing, hosting and support provided by Performa Software Pty Ltd.

10.2 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.

The Department has no quantifiable contingencies for year ended 30 June 2021.

(b) Unquantifiable Contingencies

The Department has no unquantifiable contingencies for the year ended 30 June 2021.

Note 11 RESERVES

11.1 RESERVES

2021	Heritage & cultural assets \$'000	Total \$'000
Reserves		
Balance at beginning of financial year	11	11
Balance at end of financial year	11	11
Asset revaluation reserve		
Balance at beginning of financial year	11	11
Revaluation increments / (decrements)	...	...
Balance at end of financial year	11	11
2020	Heritage & cultural assets \$'000	Total \$'000
Reserves		
Balance at beginning of financial year	11	11
Balance at end of financial year	11	11
Asset revaluation reserve		
Balance at beginning of financial year	11	11
Revaluation increments / (decrements)	...	...
Balance at end of financial year	11	11

(a) Nature and purpose of reserves

Asset revaluation reserve

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

Note 12 CASH FLOW RECONCILIATION

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

12.1 CASH AND CASH EQUIVALENTS

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

	2021 \$'000	2020 \$'000
Specific Purpose Account balances		
S525 Financial Management Account	8 520	8 490
Total	8 520	8 490
Other cash held		
Cash Floats	|	|
Total	|	|
Total Cash and cash equivalents	8 521	8 491

12.2 RECONCILIATION OF NET RESULT TO NET CASH FROM OPERATING ACTIVITIES

	2021 \$'000	2020 \$'000
Net result	(879)	833
Depreciation and amortisation	1 275	1 234
(Gain) loss on non-financial assets	4	53
Decrease (increase) in Receivables	418	(395)
Decrease (increase) in Prepayments	(69)	56
Decrease (increase) in Accrued revenue	(402)	(28)
Decrease (increase) in Tax assets	(102)	18
Increase (decrease) in Employee benefit liabilities	422	601
Increase (decrease) in Payables	186	(104)
Increase (decrease) in Other liabilities	3	(1 759)
Net cash from (used by) operating activities	857	509

12.3 ACQUITTAL OF CAPITAL INVESTMENT AND SPECIAL CAPITAL INVESTMENT FUNDS

In 2019-20 the Department received Capital Appropriation funding and revenues from Special Capital Investment Funds to fund a specific project.

Cash outflows relating to this project are listed below.

(a) Project expenditure

	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Capital Investment Program			
Budget Information Management Systems	1 037
Total	1 037

(b) Classification of cash flows

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

	2021 \$'000	2020 \$'000
Cash outflows		
Payments for acquisition of assets	...	1 037
Total cash outflows	...	1 037

Note 13 FINANCIAL INSTRUMENTS

13.1 RISK EXPOSURES

(a) Risk management policies

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

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

The Accountable Authority 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.

(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, 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 Asset		
Receivables/Other financial assets	Receivables are recognised at the nominal amounts due, less any provision for impairment. Other financial assets are recognised at the amount receivable. Collectability of debts is reviewed on a monthly basis. Provisions are made when collection of the debt is judged to be less, rather than more, likely.	Credit terms are generally 30 days.
Cash and cash equivalents	Cash and deposits are recognised at face value. It is a requirement for any changes in deposit strategy to be approved by the Treasurer.	Cash means notes, coins and any deposits held at call with a bank or financial institution.

The carrying amount of financial assets recorded in the Financial Statements, net of any allowances for losses, represents the Department's maximum exposure to credit risk without taking into account of any collateral or other security.

Expected credit loss analysis of receivables

The simplified approach is used to measure expected credit losses. This uses a lifetime expected loss allowance for all trade receivables. Expected credit losses for financial assets have not been recognised in the current year (2019-20: Nil).

(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, 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 Liabilities		
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. The Department regularly reviews budgeted cash outflows to ensure that there is sufficient cash to meet all obligations.	Settlement is usually made within 14 days

Maturity analysis for financial liabilities

The following tables detail the undiscounted cash flows payable by the Department by the 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:

2021	1 year \$'000	2 years \$'000	3 years \$'000	4 years \$'000	5 years \$'000	5+ years \$'000	Undiscounted Total \$'000	Carrying Amount \$'000
Financial liabilities								
Payables	838	...	...	...	...	...	838	838
Total	838	...	...	...	...	...	838	838

2020	1 year \$'000	2 years \$'000	3 years \$'000	4 years \$'000	5 years \$'000	5+ years \$'000	Undiscounted Total \$'000	Carrying Amount \$'000
Financial liabilities								
Payables	652	...	...	...	...	...	652	652
Total	652	...	...	...	...	...	652	652

(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.

As at 30 June 2021, there is no interest rate exposure on controlled activities, as all financial instruments are non-interest bearing.

13.2 CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

	2021	2020
	\$'000	\$'000
Financial assets		
Cash and cash equivalents	8 521	8 491
Financial assets measured at amortised cost	1 012	926
Total	9 533	9 417
Financial Liabilities		
Financial liabilities measured at amortised cost	838	652
Total	838	652

Note 14 DETAILS OF CONSOLIDATED ENTITIES

14.1 LIST OF ENTITIES

The Office of the Tasmanian Economic Regulator is not controlled by the Department and has not been consolidated. However, OTTER is included as an Output in the Departments budget figures disclosed in the 2020-21 Budget Papers.

Note 15 NOTES TO ADMINISTERED STATEMENTS

15.1 ADMINISTERED EXPENDITURE UNDER AUSTRALIAN GOVERNMENT FUNDING ARRANGEMENTS

	State Funding		Australian Government Funding	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
National Partnership Program				
<i>Via appropriation</i>				
Natural Disaster Relief - Floods	3 759	7 844	...	...
Australian Government Contribution for Extension of Pension Concessions	171	197	...	...
<i>Agency Reimbursements by program type</i>				
<i>Health</i>				
Community Services	...	...	7	198
Education	...	...	1	9
Health	...	...	19 373	58 115
<i>Education</i>				
Education	...	...	12 467	17 177
<i>Finance-General</i>				
Environment	...	...	15 705	15 000
Local Government Grant Prepayment	...	...	40 949	...
Housing	...	...	25 160	...
<i>Communities Tasmania</i>				
Housing	...	...	...	2 513
Community Services	...	...	3 849	425
Health	...	...	4 019	4 435
<i>Justice</i>				
Community Service	...	...	1 022	1 006
Other - Community Legal Centres	...	...	216	195
Other - Community Legal Services	...	...	14 245	8 220
<i>Police, Fire and Emergency Management</i>				
Community Services	...	...	509	...
Environment	...	...	90	45
Other - Disaster Resilience	...	...	453	872
Other - Disaster Risk Reduction	...	...	489	...
Other - Bushfire Mitigation	...	...	39	143
Other - Provision of Fire Services	...	...	339	328
Other - Family Law Information Sharing	...	...	94	14
<i>Primary Industries, Parks, Water and Environment</i>				
Environment	...	...	6 627	10 695
Other - Tourism Icon Package	...	...	130	200
<i>State Growth</i>				
Education	...	...	...	...
Environment	...	...	1 047	731
Health	...	...	...	340
Infrastructure	...	...	125 429	64 326
Skills and Workforce	...	...	4 961	5 683
Other - Developing Demand Driver Infrastructure for the Tourism Industry	...	...	...	...
Other - Regional Tourism Infrastructure and Investment Fund	...	...	248	...
Total	3 930	8 041	277 469	190 669

15.2 EXPLANATIONS OF MATERIAL VARIANCES BETWEEN BUDGET AND ACTUAL OUTCOMES

Budget information refers to original estimates as disclosed in the 2020-21 Budget Papers and is not subject to audit.

Variations are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and \$5 million.

(a) Schedule of Administered Income and Expenses

	Notes	2021 Budget \$'000	2021 Actual \$'000	Variance \$'000	Variance %
Appropriation revenue - operating	(a)	920 711	609 477	(311 234)	(34)
Appropriation revenue - capital	(b)	5 600	1 208	(4 392)	(78)
Other revenue from Government	(c)	36 024	11 533	(24 491)	(68)
Grants	(d)	3 438 478	3 680 114	241 636	7
State taxation	(e)	1 099 533	1 252 210	152 677	14
Investment Income	(f)	422 531	404 407	(18 124)	(4)
Other revenue	(g)	115 752	129 390	13 638	12
Net gain/(loss) on non-financial assets	(h)	3 189	6 178	2 989	94
Supplies and consumables	(i)	344 125	114 797	(229 328)	(67)
Grants and subsidies	(j)	704 321	520 278	(184 043)	(26)
Finance costs	(k)	26 930	35 121	8 191	30
Transfers to the Public Account	(l)	6 459 370	5 796 540	(662 830)	(10)
Gain/(loss) on revaluation of equity investments	(m)	(98 811)	297 280	396 091	(400)
Net actuarial gain/(losses) on superannuation liability	(n)	(1 189 625)	1 217 472	2 407 097	(202)
Net gain/(loss) on Tasmanian Risk Management Fund	(o)	...	(42 238)	(42 238)	100

Notes to Schedule of Administered Income and Expenses variances

- (a) The decrease in Appropriation revenue - operating primarily reflects that the 2020-21 Budget included additional expenditure provisions in the Treasurer's Reserve and COVID-19 Provision to meet unforeseen expenditure requirements. The decrease also includes revised timing of cash flows associated with TasWater concessions, Tas Irrigation Pty Ltd, Public Building Maintenance Program and the Natural Disaster Relief Scheme and lower Debt Servicing and Reserved by Law superannuation expenditure.
- (b) The decrease in Appropriation revenue - capital is due to the timing of cash flows associated with the Digital Transformation Program.
- (c) The decrease in Other revenue from Government is due to lower than expected expenditure associated with the rollover of unexpended appropriations in the prior year, including revised timing of cash flows associated with the Digital Transformation Program, Metro Single Ticket System, Capital Investment Program - Essential Maintenance and Tas Irrigation Tranche 3. The decrease also reflects lower than budgeted expenditure from the COVID-19 Provision and Treasurer's Reserve.
- (d) The increase in Grants reflects an increase in revenue received from the Australian Government for GST. This increase is partially offset by lower than expected National Partnership Payment revenue due to changes in the timing of recognition in revenue.
- (e) The increase in State taxation primarily reflects increases in Payroll tax, Land tax and Conveyance duty.
- (f) The decrease in Investment income primarily reflects a lower interest-earning rate on investments together with lower investments following the first instalment payment for the purchase of TT-Line's new vessels.
- (g) The increase in Other revenue primarily reflects increased superannuation contributions from agencies.
- (h) The increase in Net gain/(loss) on non-financial assets reflects an increase in Motor Vehicle disposals.
- (i) The decrease in Supplies and consumables primarily reflects lower than expected expenditure. The 2020-21 Budget was prepared during a period of uncertainty due to the COVID-19 pandemic and included an

increase in the Treasurer's Reserve and a COVID-19 Provision to meet unforeseen expenditure. The impact of COVID-19 was less than first anticipated.

- (j) The decrease in Grants and subsidies expenditure primarily reflects revised expenditure relating to National Partnership Agreements.
- (k) The increase in Finance costs reflects the revaluation of lease liabilities including the interest costs under AASB 16 Leases.
- (l) The decrease in Transfers to the Public Account primarily reflects the final Public Account outcome.
- (m) The Gain/(loss) on revaluation of equity investments reflects the total net assets of Government Businesses and State-Owned Companies as at 30 June 2021.
- (n) The Net gain on superannuation liability reflects an actuarial gain based on an increase in the discount rate compared to a budgeted decrease in the discount rate.
- (o) The Net loss on Tasmanian Risk Management Fund reflects the latest actuarial valuation provided by the State's Actuary.

(b) Schedule of Administered Assets and Liabilities

Budget estimates for the 2020-21 Schedule of Administered Assets and Liabilities were compiled prior to the completion of the actual outcomes for 2020-21. As a result, the actual variance from the Original Budget estimate will be impacted by the difference between estimated and actual opening balances for 2020-21. The following variance analysis therefore includes major movements between the 30 June 2020 and 30 June 2021 actual balances.

	Notes	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and deposits	(a)	1 121 016	1 482 251	1 212 540	361 235	269 711
Receivables	(b)	104 460	150 207	96 408	45 747	53 799
Equity investments	(c)	4 811 764	5 295 885	4 843 899	484 121	451 986
Other financial assets	(d)	732 661	652 099	518 633	(80 562)	133 466
Assets held for sale	(e)	791	1 071	572	280	499
Infrastructure	(f)	37 368	27 656	21 747	(9 712)	5 908
Other assets	(g)	2 716	4 792	1 469	2 076	3 323
Right-of-use assets	(h)	218 819	274 609	279 591	55 790	(4 982)
Payables	(i)	10 815	35 088	20 332	24 273	14 756
Interest bearing liabilities	(j)	3 353 187	1 691 692	740 002	(1 661 495)	951 690
Superannuation	(k)	11 461 430	9 066 592	10 265 615	(2 394 838)	(1 199 022)
Other liabilities	(l)	264 264	999 397	952 960	735 133	46 437
Lease liabilities	(m)	222 634	291 990	285 889	69 356	6 101
Contract liabilities	(n)	133 267	245 038	216 984	111 771	28 055

Notes to Schedule of Administered Assets and Liabilities variances

Variances between Original Budget and 2021 Actual

- (a) The increase in Cash and deposits primarily reflects higher than budgeted cash held in the Public Account and the timing of new borrowings undertaken.
- (b) The increase in receivables is a result of higher than anticipated accruals associated with State Taxes, an increase debtors associated with the timing of Fleet Management and property services expenses, partially offset by a decrease in contract accruals at year-end.
- (c) The increase in Equity investments primarily reflects the Net Assets of Government Businesses and State-owned Companies.
- (d) The decrease in Other financial assets to budget primarily reflects lower investments relating to the TT-Line Vessel Replacement Fund and a decrease in the tax assets associated with Government Businesses.
- (e) The increase in Assets held for sale primarily reflects higher than forecast Government fleet vehicle stock on hand with the State's auctioneer.

- (f) The decrease in Infrastructure reflects reduced expenditure due to the revised timing of the Digital Transformation Program since Budget.
- (g) The increase in Other assets reflects higher than budgeted prepayments related to major office accommodation.
- (h) The increase in Right-of-use assets primarily reflects the inclusion of additional major office accommodation lease agreements to reflect the total whole-of-Government major office accommodation leases.
- (i) The increase in Payables primarily reflects higher than anticipated accruals relating to the timing of Tasmanian Risk Management Fund claims payments, rates remissions and the timing of RBF pension claims.
- (j) The decrease in Interest bearing liabilities primarily reflects lower than forecast borrowings with the Tasmanian Public Finance Corporation.
- (k) The decrease in Superannuation reflects the latest actuarial valuation provided by the State's Actuary. The decrease is primarily due to an increase in the discount rate used to value the Superannuation liability.
- (l) The increase in Other liabilities primarily reflects the movement in Tasmanian Risk Management Fund outstanding claim liabilities and rental revenue received in advance from agencies for lease of major office accommodation.
- (m) The increase in lease liabilities primarily reflects the inclusion of additional major office accommodation lease agreements.
- (n) The increase in Contract liabilities primarily reflects an increase in the revenue received in advance liability associated with National Partnership Agreements and reflects the timing adherence to the performance obligations associated with those Agreements.

Variances between 2020 Actual and 2021 Actual

- (a) The increase in Cash and deposits primarily reflects an increase in the balance of cash held in the Public Account and the timing of new borrowings undertaken.
- (b) The increase in receivables is a result of higher than anticipated accruals associated with State Taxes, an increase debtors associated with the timing of fleet management and property services revenue.
- (c) The increase in Equity investments primarily reflects the Net Assets of Government Owned Businesses and State-owned Companies.
- (d) The increase in Other financial assets is primarily due to an increase in the tax assets associated with Government Businesses compared to the prior year partially offset by a lower closing balance relating to the TT-Line Vessel Replacement Fund.
- (e) The increase in Assets held for sale primarily reflects an increase in Government fleet vehicle stock on hand with the State's auctioneer.
- (f) The increase in Infrastructure is due to expenditure under the Digital Transformation Program including \$4.7 million funding for Justice Connect and \$1 million towards the Child and Youth Services System.
- (g) The increase in Other assets reflects prepayments for property management leasing costs related to major office accommodation.
- (h) The decrease in the Right-of-use assets is due primarily to depreciation partially offset by additional major office accommodation leases.
- (i) The increase in Payables primarily reflects higher than anticipated accruals relating to the timing of Tasmanian Risk Management Fund claims payments, rates remissions and the timing of RBF pension claims.
- (j) The increase in Interest bearing liabilities primarily reflects an increase in total borrowings held with the Tasmanian Public Finance Corporation (Tascorp) from the prior year.
- (k) The decrease in Superannuation reflects the latest actuarial valuation provided by the State's Actuary. The decrease is primarily due to an increase in the discount rate used to value the Superannuation liability.

- (l) The increase in Other liabilities primarily reflects the movement in Tasmanian Risk Management Fund outstanding claim liabilities and rental revenue received in advance from agencies for lease of major office accommodation.
- (m) The increase in lease liabilities primarily reflects the inclusion of additional major office accommodation lease agreements during 2020-21.
- (n) The increase in Contract liabilities primarily reflects an increase in the revenue received in advance liability associated with National Partnership Agreements and reflects the timing adherence to the performance obligations associated with those Agreements.

15.3 ADMINISTERED UNDERLYING NET RESULT

The Department has not recognised any administered non-operational capital funding or other one-off transactions relating to funding for capital projects. Accordingly, the Administered underlying net result does not differ from the Administered net result reported in the Schedule of Administered Income and Expenses.

15.4 ADMINISTERED REVENUE FROM GOVERNMENT

For significant Accounting Policies relating to Administered Revenue from Government please refer to note 5.1.

	2021 Budget \$'000	2021 Actual \$'000	2020 Actual \$'000
Continuing operations			
Appropriation revenue - operating			
Current year	603 696	302 923	332 411
Items Reserved by Law			
Superannuation benefits payable under the <i>Solicitor-General Act 1983</i>	271	272	269
Payments under the Public Sector Superannuation Reform (Parliametary Superannuation) Regulations 2016	1 059	948	966
Superannuation benefits payable under the <i>Judges' Contributory Pensions Act 1968</i>	1 900	1 910	1 884
Payments to Municipalities under the <i>Local Government (Rates and Charges Remissions) Act 1991</i>	17 675	18 315	17 484
Superannuation benefits payable under the <i>Public Sector Superannuation Reform Act 2016</i>	295 998	284 998	282 138
Superannuation benefits payable under the <i>Governor of Tasmania Act 1982</i>	112	111	111
	920 711	609 477	635 263
Appropriation revenue - capital	5 600	1 208	2 334
Other revenue from Government			
Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year	...	...	8 670
Appropriation Rollover under section 23 of the <i>Financial Management Act 2016</i>	36 024	11 533	...
	41 624	12 741	11 004
Total revenue from Government	962 335	622 218	646 267

15.5 ADMINISTERED GRANTS

Grants revenue, where there is a sufficiently specific performance obligation attached, is recognised when the Department satisfies the performance obligation and transfers the promised goods or services. In 2020-21 payments that meet this requirement are those made from the Australian Government to the State under National Partnership Agreements. The Department recognises revenue as agencies achieve performance obligations or over time as agencies make progress towards the delivery of outputs as required under specific NPAs. Agencies are reimbursed in arrears after costs have been incurred and obligations have been met or progressed.

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

	2021 \$'000	2020 \$'000
Grants with sufficiently specific performance obligations		
National Partnership Payments		
Health services	23 393	62 890
Education	12 468	17 186
Community services	51 249	1 629
Housing	25 160	2 513
Infrastructure services	169 179	81 927
Environmental services	30 468	40 441
Skills and workforce development	4 961	5 031
Other services	59 608	34 259
	376 486	245 876
Grants without sufficiently specific performance obligations		
General Purpose Grants		
GST Revenue	2 604 830	2 401 924
Specific Purpose Payments		
Grant to the State for Local Government	79 194	79 194
Education	552 084	521 542
Skills and workforce development	32 914	32 366
Disability services	...	28
Affordable housing	34 606	34 120
National Disaster Relief and Recovery Arrangements	...	2 795
	3 303 628	3 071 968
Total	3 680 114	3 317 845

15.6 ADMINISTERED STATE TAXATION

Revenue from State taxation is recognised upon the first occurrence of either:

- receipt by the State of a taxpayer's self-assessed taxes; or
- the time the obligation to pay arises.

	2021 \$'000	2020 \$'000
Payroll tax	382 340	346 425
Land tax	129 767	124 860
Motor vehicle tax	100 139	101 058
Financial transactions tax	514 194	467 795
Gambling taxes	112 471	89 517
Guarantee fees	13 299	14 404
Total	1 252 210	1 144 058

15.7 ADMINISTERED SALES OF GOODS AND SERVICES

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

	2021 \$'000	2020 \$'000
Fleet management reimbursement from agencies	14 815	15 789
Risk management contributions from agencies	83 332	75 140
Property related income	36 293	35 800
Total	134 440	126 728

15.8 ADMINISTERED INVESTMENT INCOME

Dividend and tax equivalent payments from Government businesses are recognised as administered revenue on the date that the right to receive payment is established.

	2021 \$'000	2020 \$'000
Dividends	295 425	451 066
Tax equivalent income	97 884	86 309
Rates equivalents	4 585	4 573
Interest income	6 514	7 544
Total	404 407	549 493

15.9 ADMINISTERED OTHER REVENUE

For significant Accounting Policies relating to Other revenue please refer to note 5.4.

	2021 \$'000	2020 \$'000
Superannuation contributions from agencies and authorities	120 077	109 238
Other	9 314	3 831
Total	129 390	113 069

15.10 ADMINISTERED NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS

For significant Accounting Policies relating to Net gain/(loss) on non-financial assets please refer to note 6.1.

	2021 \$'000	2020 \$'000
Net gain/(loss) on disposal of property, plant, equipment and vehicles	6 178	3 045
Net gain/(loss) on disposal of land and buildings	...	5 640
Total net gain/(loss) on non-financial assets	6 178	8 686

15.11 ADMINISTERED NET GAIN/(LOSS) ON FINANCIAL INSTRUMENTS AND STATUTORY RECEIVABLES/PAYABLES

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

Key Judgement

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

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

	2021 \$'000	2020 \$'000
Impairment of statutory receivables	44	485
Movement in deferred Income Tax Equivalents	184 038	(87 201)
Total net gain/(loss) on financial instruments and statutory receivables	184 082	(86 716)

15.12 ADMINISTERED SUPERANNUATION EXPENSES

	2021 \$'000	2020 \$'000
Employer service cost	143 917	156 185
Interest cost	190 055	213 918
Expected return on plan assets	(28 442)	(33 963)
Other	87	39
Total	305 617	336 179

15.13 ADMINISTERED DEPRECIATION AND AMORTISATION

For significant Accounting Policies relating to Depreciation and amortisation please refer to note 7.2.

	2021 \$'000	2020 \$'000
Plant, equipment and vehicles	15 417	14 965
Buildings	624	1 097
Leasehold improvements	3 601	5 463
Right-of-use assets	30 336	31 687
Total	49 979	53 212

15.14 ADMINISTERED SUPPLIES AND CONSUMABLES

For significant Accounting Policies relating to Supplies and consumables please refer to note 7.3.

	2021 \$'000	2020 \$'000
GST administration contribution	13 093	13 591
Tasmanian Risk Management Fund	91 923	73 686
Fleet management	1 191	1 161
Property management	3 889	12 776
Other	4 702	482
Total	114 797	101 696

15.15 ADMINISTERED GRANTS AND SUBSIDIES

For significant Accounting Policies relating to Grants and subsidies please refer to note 7.4.

	2021 \$'000	2020 \$'000
Grants		
National Partnership Payments	236 520	190 669
Local Government grants	79 194	79 194
First Home Builder Assistance	30 560	13 713
Natural Disaster Relief and Recovery	6 543	6 497
Payroll Tax assistance	5 068	7 675
Tasmanian Government Radio Network	11 275	13 242
State Fire Contribution	8 008	27 406
Energy Rebates for Business	650	3 942
Public Building Maintenance Program	57 087	9 508
Other	7 337	10 412
	442 242	362 258
Subsidies		
Water and Sewerage Community Service Obligation concessional payments	12 271	8 379
Energy Retailer Concession Community Service Obligation	44 453	41 825
Payments under the <i>Local Government (Rates and Charges Remissions) Act 1991</i>	19 138	23 017
Sustainable Timber Tasmania	2 000	2 000
Other	175	171
	78 037	75 392
Total	520 278	437 650

National Partnership Payments

National Partnership Payments are time-limited agreements between the State and the Australian Government to support the delivery of specific outcomes or projects and/or facilitate the implementation or reward the delivery of national reforms. NPPs are conditional (tied) funding which must only be spent for purposes agreed with the Australian Government.

Local Government Grants

Local Government Financial Assistance Grants consist of two Australian Government funding components, general purpose (base grant) funding, and identified local road (road grant) funds. Under the Australian Government's *Local Government (Financial Assistance) Act 1995*, the Australian Government each year provides financial assistance grants to the states for on passing as general purpose grants to local government. The base grant funding is distributed amongst states and territories based on population share, whereas the road grant funding is distributed amongst states and territories according to proportions historically agreed to by all jurisdictions.

The financial assistance grant funds are distributed amongst councils on the basis of recommendations made by the State Grants Commission (the Commission) to the Treasurer and ultimately approved by the Australian Government Minister for Local Government. The Commission is required to make its recommendations for the distribution of the funds in accordance with the National Principles currently in force under the Australian Government Act. Six National Principles currently apply for determining the distribution of the base grant funding, including the three key principles of horizontal fiscal equalisation, effort neutrality and minimum grant. The National Principle for determining the distribution of the road grant funding is asset preservation.

First Home Builder Assistance

In line with changes to the First Home Owner Scheme (FHOS) principles in the Intergovernmental Agreement on Federal Financial Relations, the Government has chosen to target the FHOS to new homes only under the "Newly Constructed Scheme". This focus is expected to support the creation and retention of skilled tradespeople in the Tasmanian building industry.

In 2020-21 the First Home Owner Grant was \$20 000 until 31 March 2021, it was then increased to \$30 000.

Natural Disaster Relief and Recovery

This Scheme provides for payments to local government authorities that face the eligible costs of restoring or replacing essential public assets which have been damaged as a direct result of a disaster, to a pre-disaster standard. Disasters for which relief is available are determined at the national level and include any one of, or a combination of, the following natural hazards: bushfire; earthquake; flood; storm; cyclone; storm surge; landslide; tsunami; meteorite strike or tornado.

Payroll Tax Assistance

Payroll Tax Assistance Grants provide financial assistance to organisations subject to various eligibility criteria and include the targeted Payroll Tax Rebate for trainees, apprentices and youth employees.

Tasmanian Government Radio Network

The purpose of this Grant is to provide funding for the Tasmanian Government Radio Network upgrade, administered by the Department of Police, Fire and Emergency Management.

State Fire Contribution

The State Fire Commission received an annual appropriation of \$8.0 million in 2020-21.

Energy Rebates for Business

The Government provides funding to cushion businesses from the impact of continuing high wholesale electricity prices in the National Electricity Market.

Public Building Maintenance Program

The Government's Public Building Maintenance Program provides funding for critical maintenance on public buildings and other publically owned assets. The Program is part of the Response and Recovery Measures announced in 2019-20 in response to the COVID-19 pandemic.

Other Grants

Other grants expenditure primarily reflects support for Accelerated Local Government Capital Programs, Tasracing Pty Ltd, City Deal Launceston and the Tasmanian Cycle Tourism Strategy.

Water and Sewerage Community Service Obligations Concession Payments

Under the *Water and Sewerage Industry (Community Service Obligation) Act 2009*, concessions are made available to eligible low-income households and pensioners to assist them in meeting the cost of services provided by TasWater. Payments are made to TasWater which passes the benefit on to concession card holders as lower service charges. Persons eligible for the concession are current holders of a Health Care Card, Pensioner Concession Card or a Department of Veterans' Affairs Repatriation Health Gold Card.

Energy Retailer Concession

In accordance with the provisions of the *Electricity Supply Industry Act 1995*, the Government entered into a community service obligation agreement with authorised electricity retailers to provide concessions to eligible low-income earners and pensioners to assist them in meeting the cost of electricity. Payments are made to electricity retailers, who pass the benefit on to eligible customers through lower service charges.

Payments under the Local Government (Rates and Charges Remissions) Act 1991

In accordance with the provisions of the *Local Government (Rates and Charges Remissions) Act 1991*, local authorities are required to remit 30 per cent of council rates and charges levied on eligible pensioners, up to an annual maximum, for their principal place of residence. This is indexed annually by the Consumer Price Index. Local authorities are subsequently reimbursed from Finance-General. Eligible pensioners are residential property owners who must hold a current Australian Government Pensioner Concession Card.

Sustainable Timber Tasmania

During 2020-21, Sustainable Timber Tasmania was provided with a contribution of \$2.0 million to maintain its firefighting capacity and assist with wildfire fighting costs.

15.16 ADMINISTERED FINANCE COSTS

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

Finance costs include:

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

	2021 \$'000	2020 \$'000
Interest expense		
Interest on bank overdraft and loans	19 591	1 889
Interest on lease liabilities	15 242	4 793
Other interest expense	288	876
Total	35 121	7 558

15.17 ADMINISTERED RECEIVABLES

For significant Accounting Policies relating to Receivables please refer to note 8.1.

	2021 \$'000	2020 \$'000
Receivables	151 180	97 424
Less: Expected credit loss	(972)	(1 016)
Total	150 207	96 408
Contractual receivables		
User charges	3 734	333
Trade receivables	109	88
Accrued interest income	155	207
Other receivables	17 498	21 831
Total	21 496	22 459
Statutory receivables		
State taxes	129 869	73 374
GST	(1 158)	575
Total	128 711	73 949
Total	150 207	96 408
Settled within 12 months	150 207	96 408
Settled in more than 12 months	...	...
Total	150 207	96 408

(a) Reconciliation of movement in expected credit loss for receivables

	2021 \$'000	2020 \$'000
Carrying amount at 1 July	1 016	1 501
Amounts written off during the year	...	...
Amounts recovered during the year	...	...
Increase/(decrease) in provision recognised in profit or loss	(45)	(485)
Carrying amount at 30 June	972	1 016

15.18 ADMINISTERED CONTRACT ASSETS AND LIABILITIES

A Contract Liability relates to the Department's obligation to transfer goods or services to a customer for which the Department has received consideration.

The Administered contract liability relates solely to funding received under National Partnership Agreements which are administered on behalf of Agencies. Receipts from the Australian Government under these agreements are held within a Specific Purpose Account. Agencies are reimbursed from this account in arrears after costs have been incurred and performance obligations have been met or progressed over time in accordance with specific NPAs. Payments to agencies from this Account result in a decrease to the Contract Liability.

2021	Australian Government Funding \$'000
Contract liabilities	
Balance at 1 July 2020	216 984
Balance at 30 June 2021	245 038

2020	Australian Government Funding \$'000
Contract liabilities	
Balance at 1 July 2019	242 416
Balance at 30 June 2020	216 984

2021	2021 \$'000	2020 \$'000
Revenue from performance obligations met during the current period	376 486	245 876
Revenue from performance obligations partially satisfied in the current period	...	...

Revenue paid under NPAs is recognised as performance obligations are met through the achievement of outputs, milestones and reimbursement of costs incurred. As this results in revenue being recognised over time, a specific transaction price allocated to unsatisfied performance obligations as at 30 June 2021 is not required, as per AASB 15(120).

15.19 ADMINISTERED EQUITY INVESTMENTS

Financial assets with cash flows that are not solely payments of principal and interest are generally classified and measured at fair value through profit or loss. However, the Department has elected to classify irrevocably its unlisted equity investments as designated at fair value through other comprehensive income. The Department has made this election as these unlisted equity investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. These investments are carried at fair value with changes in fair value recognised in other comprehensive income. On disposal any balance in the financial asset reserve is transferred to accumulated funds and is not reclassified to profit or loss. Dividends associated with the equity investments are recognised in profit and loss when the right of payment has been established and it can be reliably measured.

Control of the investment rests with the responsible Minister rather than with Finance-General. Accordingly, Government owned businesses are not consolidated in the Financial Statements and are recognised as an administered equity investment. This policy is consistent with the principles of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. Fully consolidated Financial Statements are contained in the Treasurer's Annual Financial Report.

	2021 \$'000	2020 \$'000
State Owned Companies		
Aurora Energy Pty Ltd	62 220	18 915
Metro Tasmania Pty Ltd	55 810	51 548
Tasmanian Ports Corporation Pty Ltd	237 476	244 284
Tasmanian Irrigation Pty Ltd	11 205	40 561
Tasmanian Railway Pty Ltd	146 426	124 495
Tasracing Pty Ltd	44 807	38 059
Tasmanian Networks Pty Ltd	1 027 001	1 012 615
TT-Line Company Pty Ltd	407 246	371 289
Statutory Authority		
Macquarie Point Development Corporation	78 643	67 710
Government Business Enterprises		
Sustainable Timber Tasmania	179 170	181 486
Hydro Tasmania	1 750 026	1 527 849
Motor Accidents Insurance Board	652 525	469 504
Port Arthur Historic Site Management Authority	41 831	36 607
Private Forests Tasmania	1 898	2 346
Tascorp	528 600	607 700
The Public Trustee	11 001	8 932
Other		
Tasmanian Water and Sewerage Corporation Pty Ltd	60 000	40 000
Total	5 295 885	4 843 899

The following table provides a reconciliation of the movement in the Equity investment in Government-owned businesses, measured as the consolidated value of their net assets.

	2021 Actual \$'000	2020 Actual \$'000
Balance as at 1 July	4 843 899	5 243 987
Equity contributions	154 706	99 902
Gain/(loss) on revaluation of equity instruments	297 280	(499 990)
Balance as at 30 June	5 295 885	4 843 899

Unlisted Administered Equity investments designated as at fair value through other comprehensive income

	Fair value at 30 June 2021	Dividend income recognised during 2020-21
	\$'000	\$'000
State Owned Companies		
Aurora Energy Pty Ltd	62 220	...
Metro Tasmania Pty Ltd	55 810	...
Tasmanian Ports Corporation Pty Ltd	237 476	4 619
Tasmanian Irrigation Pty Ltd	11 205	...
Tasmanian Railway Pty Ltd	146 426	...
Tasracing Pty Ltd	44 807	...
Tasmanian Networks Pty Ltd	1 027 001	26 738
TT-Line Company Pty Ltd	407 246	16 235
Statutory Authority		
Macquarie Point Development Corporation	78 643	...
Government Business Enterprises		
Sustainable Timber Tasmania	179 170	...
Hydro Tasmania	1 750 026	115 000
Motor Accidents Insurance Board	652 525	32 635
Port Arthur Historic Site Management Authority	41 831	...
Private Forests Tasmania	1 898	2 000
Tascorp (including Mersey Community Hospital dividend \$86.638 million)	528 600	98 090
The Public Trustee	11 001	108
Other		
Tasmanian Water and Sewerage Corporation Pty Ltd	60 000	...
Total	5 295 885	295 425

15.20 ADMINISTERED OTHER FINANCIAL ASSETS

(a) Tascorp Investment

This reflects the TT-Line Vessel Replacement Fund which has been invested with Tascorp.

(b) Advances - other

Loans to agencies are valued at face value and recognised as an asset in the Schedule of Administered Assets and Liabilities. There is currently one existing interest free loan to agencies.

(c) Deferred Income Tax assets

Deferred income tax liabilities of Government Business Enterprises and State-owned Companies recognised in accordance with the National Taxation Equivalence Regime are recognised as an asset in the Schedule of Administered Assets and Liabilities.

	2021	2020
	\$'000	\$'000
Tascorp investment - TT-Line Vessel Replacement Fund	62 352	82 543
Advances - other	2 820	3 290
Deferred income tax assets	586 927	432 800
Total	652 099	518 633
Settled within 12 months	62 822	83 013
Settled in more than 12 months	589 277	435 620
Total	652 099	518 633

15.21 ADMINISTERED ASSETS HELD FOR SALE

Assets held for sale (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale. Immediately before classification as held for sale, fair value assets (or components of a disposal group) are remeasured at the lower of carrying amount and fair value less costs to sell.

(a) Carrying value

	2021	2020
	\$'000	\$'000
Plant, equipment and vehicles	1 071	572
Total	1 071	572
Settled within 12 months	1 071	572
Total	1 071	572

Plant, equipment and vehicles held for sale represents the motor vehicles that were identified for disposal as at 30 June. Once identified for disposal, these vehicles are sent to auction for public sale.

(b) Fair value measurement of assets held for sale (including fair value levels)

2021	Carrying value at 30 June	Fair value measurement at end of reporting period		
		Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
Plant, equipment and vehicles	1 071	...	1 071	...
Total	1 071	...	1 071	...
2020	Carrying value at 30 June	Fair value measurement at end of reporting period		
		Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
Plant, equipment and vehicles	572	...	572	...
Total	572	...	572	...

Plant, equipment and vehicles held for sale are valued at carrying amount. The process of acquisition and disposal in the market is managed by experienced fleet managers who set relevant depreciation rates to reflect the utilisation of the vehicles ensuring the carrying value of vehicles remains at fair value.

15.22 ADMINISTERED PROPERTY, PLANT AND EQUIPMENT

For significant Accounting Policies relating to Property, plant and equipment please refer to note 8.3.

(a) Carrying amount

	2021 \$'000	2020 \$'000
Land		
At independent valuation 30 June 2021	14 900	11 250
Total	14 900	11 250
Buildings		
At independent valuation 30 June 2021	31 450	24 950
Less: Accumulated depreciation	...	(821)
Total	31 450	24 129
Leasehold improvements		
At cost	43 593	43 224
Less: Accumulated depreciation	(11 658)	(8 057)
	31 935	35 167
Work in progress (at cost)	...	...
Total	31 935	35 167
Total Land and Buildings	78 285	70 546
Plant, equipment and vehicles		
At cost	97 181	92 305
Less: Accumulated depreciation	(28 374)	(24 880)
Total	68 807	67 425
Total Property, plant and equipment	147 092	137 971

Land and Buildings were independently valued by the Valuer-General on 30 June 2021.

Land and Buildings were revalued either at market value using observable inputs in an active market or using a market-summated approach having regard to qualitative and quantitative market evidence.

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

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

2021	Land Level 2 (vacant land in active markets) \$'000	Buildings Level 2 (general office building) \$'000	Leasehold Improvements \$'000	Plant, equipment & vehicles \$'000	Total \$'000
Carrying value at 1 July	11 250	24 129	35 167	67 425	137 971
Additions	...	...	369	27 139	27 508
Disposals	...	...	...	(9 269)	(9 269)
Assets held for sale	...	...	...	(1 071)	(1 071)
Depreciation and amortisation	...	(624)	(3 601)	(15 417)	(19 642)
Revaluation increments (decrements)	3 650	7 945	...	...	11 595
Carrying value at 30 June	14 900	31 450	31 935	68 807	147 092

2020	Land Level 2 (vacant land in active markets) \$'000	Buildings Level 2 (general office building) \$'000	Leasehold Improvements \$'000	Plant, Equipment & vehicles \$'000	Total \$'000
Carrying value at 1 July	14 050	46 885	40 288	65 486	166 710
Additions	...	...	342	28 733	29 075
Disposals	(2 800)	(21 659)	...	(11 257)	(36 757)
Assets held for sale	...	...	...	(572)	(572)
Depreciation and amortisation	...	(1 097)	(5 463)	(14 965)	(20 484)
Carrying value at 30 June	11 250	24 129	35 167	67 425	137 971

15.23 ADMINISTERED 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 and 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.

2021	Buildings \$'000
Carrying value at 1 July	279 591
Additions	19 173
Disposals / derecognition	...
Depreciation and amortisation	(30 336)
Adjustment for change in discount rate	6 181
Carrying value at 30 June	274 609

2020	Buildings \$'000
Carrying value at 1 July	292 246
Additions	2 809
Disposals / derecognition	...
Depreciation and amortisation	(32 687)
Adjustment for change in discount rate	16 222
Carrying value at 30 June	279 591

15.24 ADMINISTERED INFRASTRUCTURE

(a) Carrying amount

	2021 \$'000	2020 \$'000
At Cost: Optic Fibre Cable	30 473	30 473
Less: Provision for impairment	(30 473)	(30 473)

At Cost - Project Unify	11 888	11 888
At Cost - Digital Transformation Priority Expenditure	15 768	9 859
Total	27 656	21 747
Total	27 656	21 747

During 2008-09, the Optic Fibre Cable was assessed as being impaired. The impairment arose as a result of the Strategic Partnership Agreement between Aurora Energy Pty Ltd (now TasNetworks Pty Ltd) and the Government where the Agreement provides TasNetworks with exclusive access to the cable for no return. The cable will therefore not provide future economic benefits to Finance-General. This resulted in the recognition of an impairment loss for the full value of the asset. During 2020-21, there were no changes which would affect this assessment. Consequently, the Optic Fibre Cable remains fully impaired as at 30 June 2021.

15.25 ADMINISTERED OTHER ASSETS

For significant Accounting Policies relating to Other assets please refer to note 8.5.

	2021 \$'000	2020 \$'000
Other current assets		
Prepayments	4 792	1 469
Total	4 792	1 469
Settled within 12 months	4 792	1 469
Total	4 792	1 469

15.26 ADMINISTERED PAYABLES

For significant Accounting Policies relating to Payables please refer to note 9.1.

	2021 \$'000	2020 \$'000
Accrued expenses	35 088	20 332
Total	35 088	20 332
Settled within 12 months	35 088	20 332
Total	35 088	20 332

Settlement is usually made within 14 days.

15.27 ADMINISTERED LEASE LIABILITIES

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

The Department has entered into the following leasing arrangements:

Class of right-of-use asset	Details of leasing arrangements	
Land and Buildings	The Department is responsible for administering the Whole-of-Government Office Accommodation lease contracts. The Department's exposure to future cash outflows due to variable lease payments, lease extensions/termination options, residual value guarantees, restrictions or covenants imposed by leases, and sale and leaseback transactions is minimal.	
	2021	2020
	\$'000	\$'000
Current		
Lease liabilities	25 490	29 828
Non-current		
Lease liabilities	266 500	256 061
Total	291 990	285 889

The following amounts are recognised in the Schedule of Administered Income and Expenses:

	2021	2020
	\$'000	\$'000
Interest on lease liabilities included in note 15.16	15 242	4 793
Net expenses from leasing activities	15 242	4 793

15.28 ADMINISTERED INTEREST BEARING LIABILITIES

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

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

Finance-General administers debt on behalf of the Government which takes the form of facilities taken out with the Tascorp. The Financial Agreement Debt, which related to the State's outstanding housing related debt, was waived by the Australian Government during 2020-21.

The debt holdings with Tascorp have been valued at historical capital value with no adjustment made to reflect changes in market interest rates. The borrowing portfolio consists of fixed rate borrowings. Interest expense is brought to account on an accrual basis.

Historical capital value represents the present value of the cash flows associated with the service and eventual repayment of financial assets and liabilities, such present value being determined by discounting the cash flows at the rate implicit in the original contract or arrangement. The term historical capital value equates with present value. In the case of securities issued at a discount, historical capital value represents the proceeds of a loan transaction, or the cost of acquisition of a financial asset, plus the amortised discount. For securities issued at a premium, the amortised premium is subtracted from the original proceeds or cost to obtain the historical capital value.

Discounts and premiums are amortised over the life of the related financial instrument on the basis of yield at purchase, with the amortisation being taken to the Schedule of Administered Income and Expenses as part of finance costs.

Loans from Tascorp undertaken during 2020-21, are Semi Annual bond loans to increase the Government's cash holdings as a result of expected Public Account funding requirements.

(a) Carrying amount

	2021	2020
	\$'000	\$'000
Loans from Tascorp	1 691 692	740 002
Total	1 691 692	740 002

15.29 ADMINISTERED SUPERANNUATION

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense when they fall due.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Key estimate and judgement

Finance-General's superannuation obligations, in respect of the contributory service of current and past government employees, are recognised at the latest actuarial assessment of the members' entitlements, net of scheme assets. The valuation is determined by discounting to present value, the gross benefit payments at a current, market-determined, risk-adjusted discount rate appropriate to the respective plan.

Actuarial gains or losses arising from the actuarial revaluation of superannuation liabilities are recognised in the Schedule of Administered Income and Expenses.

(a) Type of plan

Unfunded liabilities arise under the *Public Sector Superannuation Reform Act 2016*, the former *Parliamentary Superannuation Act 1973*, the former *Parliamentary Retiring Benefits Act 1985* and the *Judges' Contributory Pensions Act 1968*. All of these schemes are now closed to new membership.

In November 2002, Parliament approved legislation that repealed the *Parliamentary Superannuation Act 1973* and the *Parliamentary Retiring Benefits Act 1985* with effect from 31 December 2002. The scheme details have been reproduced as regulations, namely the *Public Sector Superannuation Reform Regulations 2017*. The legislation transferred the Parliamentary Superannuation Fund and the Parliamentary Retiring Benefits Fund as sub-funds of the Retirement Benefits Fund. This decision, which followed a recommendation from the Parliamentary Superannuation and Retirement Benefits Trust to take such action, has not altered the benefits payable to Parliamentary Superannuation Fund or Parliamentary Retiring Benefits Fund members, but has provided administrative efficiencies and reduced costs.

The Public Sector Superannuation Reform Act created the Superannuation Commission with effect from 1 April 2017 and transferred the trustee responsibility from the former Retirement Benefits Fund to the Commission, from that date. The functions and powers of the Commission are specified in the Public Sector Superannuation Reform Act and the Public Sector Superannuation Reform Regulations.

The Superannuation Commission is supported by the Office of the Superannuation Commission, which is a branch of the Department of Treasury and Finance (Output 3.4).

These schemes, which are now all closed to new entrants, provide superannuation arrangements for public sector employees generally, Members of Parliament, the judiciary and statutory legal officers.

(i) Retirement Benefits Fund Scheme

The RBF Scheme was established under the *Retirement Benefits Act 1970*, but was continued under the *Retirement Benefits Act 1982*, the *Retirement Benefits Act 1993* and the Public Sector Superannuation Reform Act. Scheme details are contained in the Public Sector Superannuation Reform Regulations.

The RBF contributory scheme is an unfunded defined benefit scheme. Members contribute between five per cent and 15 per cent of salary, and voluntary contributions may be made. This scheme was closed to new entrants from 15 May 1999, with new employees appointed on or after that date initially becoming members of the RBF non-contributory scheme.

The RBF non-contributory scheme was an unfunded accumulation (or defined contribution) scheme for those employees not eligible to join the contributory scheme. The employer contributions in respect of non-contributory employees were at the rate required by the Australian Government's *Superannuation Guarantee (Administration) Act 1992*. The scheme was closed on 25 April 2000, with the establishment of the fully funded Tasmanian Accumulation Scheme to replace it.

Payments to the RBF to cover the employer liability component for pensioners and lump sum benefits with respect to retiring employees are met from the Public Account.

In making an employer contribution to the Public Account, individual agencies discharge their superannuation liability, which is then met by the Crown.

An independent actuarial assessment is undertaken into the RBF Scheme as at 30 June each financial year. In the valuation, the Actuary includes liabilities of Government Business Enterprises, State-owned Companies and other statutory authorities, as part of the overall RBF Scheme valuation. These liabilities are excluded from the administered liabilities of the Department, as these authorities carry their own provisions for superannuation and separately report liabilities in their financial statements.

The net liability in respect of Budget agencies as at 30 June each year is based on the latest available actuarial assessment, which was undertaken as at that date.

The division between the current and non-current liability as at 30 June each year is based upon anticipated superannuation expenditure during the ensuing financial year.

As a consequence of the *Public Sector Superannuation Reform Act 1999*, the RBF defined benefit scheme was closed to new entrants with effect from 15 May 1999. New public sector employees appointed after that date are now members of an alternative complying superannuation scheme of their choice. Thus, there are no liabilities pertaining to employees covered by these arrangements.

(ii) Parliamentary Superannuation Fund

The Parliamentary Superannuation Fund is a defined benefit pension scheme established under the provisions of the former *Parliamentary Superannuation Act 1973*, and continued under the Public Sector Superannuation Reform Regulations, and is the older of the two Parliamentary schemes in operation. The scheme was closed to new members in 1985, but was maintained for parliamentarians who, having been first elected before that date, were subsequently re-elected to Parliament after a period out of office. The 1999 reforms closed this scheme to parliamentarians re-elected as described above and therefore allows no parliamentarians to re-enter the scheme.

The Parliamentary Superannuation Fund is fully in pension phase.

An actuarial valuation of the scheme was undertaken as at 30 June 2021.

(iii) Parliamentary Retiring Benefits Fund

The Parliamentary Retiring Benefits Fund is a closed defined benefit lump sum scheme established under the provisions of the former *Parliamentary Retiring Benefits Act 1985* and continued under the *Public Sector Superannuation Reform Regulations 2017*. The scheme covered those members of Parliament first elected after 12 November 1985 and before 1 July 1999.

There are no members left in the Scheme at 30 June 2021, with the Scheme holding a residual balance.

(iv) Judges' Scheme

Superannuation arrangements for judges are specified in the *Judges' Contributory Pensions Act 1968*.

The Judges' Scheme is a defined benefit scheme that was closed to new entrants with effect from 1 July 1999. Prior to that date, the Solicitor General, the Director of Public Prosecutions and the Master of the Supreme Court were also members of this Scheme. Judges and statutory legal officers appointed after that date become members of Tasmanian Accumulation Scheme unless they elect to join a private complying superannuation scheme.

The Judges' Scheme is an unfunded scheme in respect of employer contributions, with all the benefits being met by the Government on an emerging cost basis.

The Judges' Scheme is fully in pension phase.

(b) Superannuation liability

	Retirement Benefits Fund Scheme		Parliamentary Superannuation Schemes		Judges' Contributory Pensions		Total Liability	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Present value of defined benefit obligation	11 066 610	12 029 930	20 055	22 617	32 048	35 720	11 118 713	12 088 266
Fair value of plan assets	(2 046 427)	(1 817 604)	(5 693)	(5 047)	...	...	(2 052 120)	(1 822 651)
(Surplus)/deficit	9 020 183	10 212 325	14 362	17 570	32 048	35 720	9 066 592	10 265 615
Settled within 12 months	301 452	289 851	993	1 059	2 303	2 305	304 748	293 216
Settled in more than 12 months	8 718 731	9 922 474	13 369	16 511	29 745	33 414	8 761 844	9 972 399
Total	9 020 183	10 212 325	14 362	17 570	32 048	35 719	9 066 592	10 265 615

(c) Reconciliation of movements in present value of Superannuation liability

	Retirement Benefits Fund Scheme		Parliamentary Superannuation Schemes		Judges' Contributory Pensions		Total Liability	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July	12 029 930	12 040 430	22 617	23 470	35 720	37 516	12 088 266	12 101 416
Included in profit or loss								
Current service cost	143 917	156 185	...	...	...	...	143 917	156 185
Interest cost	189 152	212 854	350	410	553	654	190 055	213 918
	333 069	369 038	350	410	553	654	333 972	370 103
Included in other comprehensive income								
Actuarial loss (gain) arising from:								
Demographic assumptions	...	(7 500)	...	44	...	80	...	(7 376)
Financial assumptions	(903 886)	(491)	(1 115)	(87)	(1 553)	643	(906 554)	65
Experience	(16 110)	(10 723)	(433)	139	(372)	(873)	(16 914)	(11 457)
	(919 996)	(18 715)	(1 548)	96	(1 925)	(149)	(923 469)	(18 768)
Other								
Contributions by plan participants	36 659	39 223	...	...	...	...	36 659	39 223
Benefits paid	(412 835)	(399 816)	(1 364)	(1 359)	(2 300)	(2 302)	(416 499)	(403 476)
Other	(217)	(231)	...	...	...	...	(217)	(231)
	(376 392)	(360 824)	(1 364)	(1 359)	(2 300)	(2 302)	(380 057)	(364 485)
Balance at 30 June	11 066 610	12 029 930	20 055	22 617	32 048	35 720	11 118 713	12 088 266

(d) Reconciliation of movements in plan assets

	Retirement Benefits Fund Scheme		Parliamentary Superannuation Schemes		Judges' Contributory Pensions		Total Liability	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July	1 817 604	1 924 461	5 047	4 948		...	1 822 651	1 929 409
Expected Return on Plan Assets	28 365	33 878	77	85		...	28 442	33 963
Actuarial (loss)/gain	289 133	(64 861)	983	394		...	290 116	(64 467)
Employer contributions	287 717	284 950	950	979	2 300	2 302	290 967	288 231
Contributions by plan participants	36 659	39 223	...	...		...	36 659	39 223
Benefits paid	(413 835)	(399 816)	(1 364)	(1 359)	(2 300)	(2 302)	(416 499)	(403 476)
Other	(217)	(231)	...	...		...	(217)	(231)
Balance at 30 June	2 046 427	1 817 604	5 693	5 047	...	...	2 052 120	1 822 651

(e) Plan assets at fair value

Retirement Benefits Fund Scheme	Level 1 (Quoted in active market)		Level 2 (Observable inputs, not quoted)		Level 3 (Unobservable inputs)		Total Fair value at 30 June	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents
Equity instruments	732 621	661 608	...	...	732 621	661 608
Debt instruments	509 560	458 036	...	...	509 560	458 036
Derivatives	151 436	136 320	...	...	151 436	136 320
Property/Infrastructure	...	63 616	96 182	327 169	556 628	170 855	652 810	561 640
Balance at 30 June	...	63 616	1 489 799	1 583 133	556 628	170 855	2 046 427	1 817 604

Parliamentary Superannuation Schemes	Level 1 (Quoted in active market)		Level 2 (Observable inputs, not quoted)		Level 3 (Unobservable inputs)		Total Fair value at 30 June	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents
Equity instruments	1 493	1 838	...	...	1 493	1 838
Debt instruments	1 038	1 272	...	...	1 038	1 272
Derivatives	308	379	...	...	308	379
Property/Infrastructure	...	176	196	909	1 133	475	1 329	1 560
Balance at 30 June	...	176	3 035	4 398	1 133	475	4 168	5 049

(f) Key actuarial assumptions

	Retirement Benefits Fund		Parliamentary		Judges' Contributory	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Discount rate	2.15	1.60	1.60	1.60	2.15	1.60
Expected rate of salary increases	3.00	3.00	...	...	...	...
Expected rate of pensions increases	2.25	2.25	2.25	2.25	3.00	3.00

(g) Weighted average durations

	Retirement Benefits Fund	Parliamentary	Judges' Contributory
	Scheme	Superannuation Schemes	Pensions
	2021	2021	2021
Weighted average durations of the defined benefit obligation (in years)	14.3	9.9	8.7

(h) Sensitivity analysis

	Base Case	Scenario A	Scenario B	Scenario C	Scenario D
		-1.0% pa discount rate	+1.0% pa discount rate	-1.0% pa inflation increase rate	+1.0% pa inflation increase rate
	2021	2021	2021	2021	2021
Retirement Benefits Fund Scheme					
Discount rate (% pa)	2.15	1.15	3.15	2.15	2.15
Pension increase rate (% pa)	2.25	2.25	2.25	1.25	3.25
Defined benefit obligation (\$'000)	11 066 610	12 798 741	9 679 522	9 928 260	12 442 708
Parliamentary Superannuation Schemes					
Discount rate (% pa)	1.60	0.60	2.60	1.60	1.60
Pension increase rate (Parliamentary Superannuation fund only) (% pa)	2.25	2.25	2.25	1.25	3.25
Salary increase rate (Parliamentary Retiring Benefits Fund only) (% pa)	...	...	...	...	...
Defined benefit obligation (\$'000)	20 055	22 159	18 260	18 327	22 036
Judges Contributory Pensions					
Discount rate (% pa)	2.15	1.15	2.15	2.15	2.15
Pension increase rate (% pa)	3.00	3.00	3.00	2.00	4.00
Defined benefit obligation (\$'000)	32 048	34 963	29 507	29 635	34 754

(i) Amounts recognised in Schedule of Administered Income and Expenses

	2021	2020
	\$'000	\$'000
Expenses		
Employer service cost	143 917	156 185
Interest cost	190 055	213 918
Expected return on plan assets	(28 442)	(33 963)
Other	87	39
Total	305 617	336 179
Other comprehensive income		
Actuarial (gains)/losses	(1 217 472)	44 729
Total	(911 885)	380 908

(j) Funding arrangements

Contributions to the Superannuation Commission in respect of defined benefit schemes are made on an emerging cost basis.

15.30 ADMINISTERED OTHER LIABILITIES

For significant Accounting Policies relating to Other liabilities please refer to note 9.3.

	2021	2020
	\$'000	\$'000
Other liabilities		
Deposits held on behalf of agencies	664 763	690 242
Accrued interest expense	8 866	1 438
Tasmanian Risk Management Fund outstanding claims liability	321 371	258 010
Other	4 396	3 270
Total	999 396	952 960
Settled within 12 months	748 924	747 354
Settled in more than 12 months	250 473	205 606
Total	999 397	952 960

15.31 TASMANIAN RISK MANAGEMENT FUND

The Tasmanian Risk Management Fund is the Tasmanian Government's self-insurance fund which was established on 1 January 1999 to provide a whole-of-government approach to funding and managing specific identifiable insurable liabilities of inner Budget agencies.

The Department is responsible for the administration of the Fund and an inter-agency Steering Committee serves as a consultative forum through which agencies can provide input into the operations of the Fund and feedback to Treasury, the Fund Agent and the Actuary.

The Fund operates on a cost recovery basis with participant contributions set to ensure that adequate financial provision for the cost of risk now and in the future. The level of assets and liabilities in each risk category is taken into account when determining annual contributions. Any shortfall in assets will be addressed in future contributions to ensure that the Fund meets its objective of holding sufficient assets to meet claim costs.

(a) TRMF Concise Income Statement for the year ended 30 June 2021

	2021 \$'000	2020 \$'000
Revenue and other income		
Agency contributions	85 553	77 936
Investment income	756	2 746
Total revenue and other income	86 309	80 682
Expenses from transactions		
Claim expenses	87 611	69 777
Other expenses	4 338	3 906
Total expenses	91 949	73 682
Net result	(5 640)	7 000
Other comprehensive income		
Net actuarial gain/(loss) of the Tasmanian Risk Management Fund	(42 238)	(9 409)
Total other economic flows included in net result	(42 238)	(9 409)
Net Result	(47 879)	(2 409)

(b) TRMF Concise Balance Sheet as at 30 June 2021

	2021 \$'000	2020 \$'000
Assets		
<i>Financial Assets</i>		
Cash and cash equivalents	290 868	276 497
Receivables	3 097	2 375
Total assets	293 966	278 872
Liabilities		
<i>Financial Liabilities</i>		
Payables	1 148	1 536
Outstanding claims	321 371	258 010
Employee entitlements	84	85
Total liabilities	322 603	259 631
Net assets (liabilities)	(28 638)	19 241
Equity		
Accumulated funds	(26 638)	19 241
Total equity	(26 638)	19 241

(c) Outstanding Claims Liabilities

	2021 \$'000	2020 \$'000
Claims Liabilities		
Personal injury	157 716	122 879
Property	16 887	10 627
Motor vehicle	517	224
General liability	6 091	4 320
Medical liability	140 160	119 960
Total	321 371	258 010
Settled within 12 months	70 898	52 404
Settled in more than 12 months	250 473	205 606
Total	321 371	258 010

(d) Timing of estimated claim expenditure

Based on information provided by the Actuary, the Tasmanian Risk Management Fund has recognised a total provision of \$321 million. For all insurance risks, the actual claim costs are uncertain. Even a modest deviation from the central estimate basis can have a material effect on the net outstanding liability. The timing of estimated expenditure is based on claims experience. The schedule below shows the average time to settle for each risk category:

Category	Average Settlement
Workers compensation	2.6 years
Personal accident cover	<1 year
Property risk	<1 year
Motor vehicle risk	<1 year
General liability	>1 year
Medical liability	6.0 years

(e) Reconciliation of movements in provision

2021	Workers' compensation \$'000	Medical liability \$'000	Other liabilities \$'000	Total \$'000
Balance at 1 July	122 835	119 958	15 215	258 008
Claims paid	(50 011)	(4 464)	(5 677)	(60 152)
Increase in provision	57 959	12 513	10 806	81 278
Actuarial losses/(gains)	26 892	12 151	3 192	42 238
Balance at 30 June	157 675	140 160	23 536	321 372

2020	Workers' compensation \$'000	Medical liability \$'000	Other liabilities \$'000	Total \$'000
Balance at 1 July	112 820	120 000	6 868	239 688
Claims paid	(45 216)	(7 122)	(1 178)	(53 516)
Increase in provision	46 564	11 707	4 157	62 428
Actuarial losses/(gains)	8 667	(4 627)	5 369	9 409
Balance at 30 June	122 835	119 958	15 215	258 008

The provision for workers' compensation does not reconcile with the personal injury liability, which also includes provision for personal accident and aero-medical retrieval activities.

Workers' compensation and medical claim liabilities are the only risk categories with discounting applied. As a consequence, the remaining risk categories are not shown in the reconciliation of movements in provisions.

15.32 SCHEDULE OF ADMINISTERED COMMITMENTS

For significant Accounting policies relating to Commitments and contingencies please refer to Note 10.

	2021 \$'000	2020 \$'000
By type		
Capital commitments		
Vehicles	20 294	5 758
Building works	331	253
Total capital commitments	20 625	6 011
By maturity		
Capital commitments		
One year or less	20 625	6 011
Total capital commitments	20 625	6 011
Total	20 625	6 011

15.33 SCHEDULE OF ADMINISTERED QUANTIFIABLE CONTINGENCIES

	2021 \$'000	2020 \$'000
Quantifiable contingent liabilities		
Contingent Claims		
Appeals	925	674
Total Administered quantifiable contingent liabilities	925	674

The Appeals relate to tax assessments currently under appeal in the Supreme Court or Magistrates Court.

	2021 \$'000	2020 \$'000
Quantifiable contingent assets		
GST Credits	16 656	18 879
Appeals	112	109
Total quantifiable contingent assets	16 768	18 988

Prior to the sale of TOTE Tasmania to Tattsbet Limited, TOTE Tasmania had accrued \$41.7 million in GST credits for previously overpaid GST. The contingent asset represents the unutilised component of GST credits as at 30 June 2021. Under the sale agreement, Tatts Group Limited agreed to remit the value of those GST credits to the Government as and when they are utilised by Tatts Group Limited after completion of the sale.

15.34 SCHEDULE OF ADMINISTERED UNQUANTIFIABLE CONTINGENCIES

Finance-General has an unquantifiable contingent liability related to the superannuation obligations of Government Business Enterprises and Statutory Authorities.

Finance-General has an unquantifiable contingent liability related to the explicit support for the borrowings of Government businesses and other participating authorities provided to the Tascorp by the Treasurer on 15 June 2020.

As at 30 June 2021, Finance-General had in place a number of indemnities under various sale agreements relating to the divestment of Government businesses. Treasury is of the opinion that these indemnities are unlikely to arise and the amounts are not quantifiable.

15.35 ADMINISTERED RESERVES

2021	Financial Assets \$'000	Land and Buildings \$'000	Total \$'000
Asset revaluation reserve			
Balance at beginning of financial year	...	10 592	10 592
Revaluation increments / (decrements)	...	11 595	11 595
Balance at end of financial year	...	22 187	22 187
Other Reserves - Financial Asset			
Balance at beginning of financial year	(850 355)	...	(850 355)
Revaluation increments / (decrements)	297 280	...	297 280
Balance at end of financial year	(553 075)	...	(553 075)

2020	Financial Assets \$'000	Land and Buildings \$'000	Total \$'000
Asset revaluation reserve			
Balance at beginning of financial year	...	27 010	27 010
Transfer of reserve for disposed asset	...	(16 417)	(16 417)
Balance at end of financial year	...	10 592	10 592
Other Reserves - Financial Asset			
Balance at beginning of financial year	(350 365)	...	(350 365)
Revaluation increments / (decrements)	(499 990)	...	(499 990)
Balance at end of financial year	(850 355)	...	(850 355)

(a) Nature and purpose of reserves

Asset revaluation reserve

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

Financial asset reserve

Financial asset reserves is used to record increments and decrements on the revaluation of the Government's investment in Government Business Enterprises and State-owned Companies designated as fair value through other comprehensive income.

15.36 ADMINISTERED CASH AND CASH EQUIVALENTS

Administered Cash and cash equivalents 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.

	2021 \$'000	2020 \$'000
Westpac Banking Corporation	1 040 587	212 757
Tascorp Investments	441 664	999 782
Total cash and cash equivalents	1 482 251	1 212 540

The Tascorp Investments included the \$380 million proceeds of an overnight end-of-year borrowing as at 30 June 2020. There was no overnight borrowing as at 30 June 2021.

Accounts Administered by Finance-General

	2021 \$'000	2020 \$'000
S118 TT-Line Vessel Replacement Fund	62 352	82 543
S513 Finance-General Financial Management Account	6 798	10 694
S722 Australian Government Funding Management Account	244 978	216 984
S775 Rosetta Landslip Account	599	530
S825 Payroll Provision Account	...	8 519
J839 State Debt Management Account ¹	268 760	(39 826)
S847 Tasmanian Risk Management Fund Account	290 868	276 497
S905 Government Car Fleet Account	10 812	6 322
S019 COVID-19 Funding Management Account	...	50 000
Total cash and cash equivalents	885 168	612 263

¹ The balance of the State Debt Management Account reflects the impact of the Public Account Outcome and Borrowings undertaken during the year. Approval for an overdraft has been provided under section 14 of the Financial Management Act.

Cash Held in a Trustee capacity or as part of an Agency Arrangement

	2021 \$'000	2020 \$'000
T702 Unclaimed Monies Account	51 730	48 472
Total cash and cash equivalents	51 730	48 472

15.37 ADMINISTERED FINANCIAL INSTRUMENTS

(a) Risk management policies

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

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

The Accountable Authority 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.

(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, 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 Asset		
Contractual receivables	Contractual receivables are recognised at the nominal amounts due, less any provision for bad and doubtful debts. Collectability of debts is reviewed on a monthly basis. Provisions are made when collection of the debt is judged to be less rather than more likely.	Credit terms are generally 30 days.
Cash and cash equivalents	Cash and cash equivalents are recognised at face value. It is a requirement for any changes in deposit strategy to be approved by the Treasurer. Currently only highly liquid, low risk cash based investment products, transacted with or via Tascorp, or at call cash held with Westpac, are approved.	Cash means notes, coins and any deposits at call with a bank or financial institution.
Other financial assets	Other financial assets includes the TT-Line Vessel Replacement Fund. The investment of the Fund is recognised as a deposit with Tascorp.	Finance-General has beneficial ownership of the Fund's assets, including exposure to all risks and rewards, which includes any applicable credit risk. This will be minimised by detailed oversight by Treasury's Financial Assets and Borrowings Management Committee.

The carrying amount of financial assets recorded in the Financial Statements, net of any allowances for losses, represents Finance-General's maximum exposure to credit risk without taking into account of any collateral or other security.

Expected credit loss analysis of receivables

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

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

2021	Not past due \$'000	Past due 1-30 days \$'000	Past due 31-60 days \$'000	Past due 61-90 days \$'000	Past due 91+ days \$'000	Total \$'000
Expected credit loss rate (A)	0.66%	1.20%	2.00%	5.00%	20.00%	0.98%
Total gross carrying amount (B)	98 026	...	15	3	1 630	99 674
Expected credit loss (A x B)	647	...	...	...	326	972

2020	Not past due \$'000	Past due 1-30 days \$'000	Past due 31-60 days \$'000	Past due 61-90 days \$'000	Past due 91+ days \$'000	Total \$'000
Expected credit loss rate (A)	1.01%	2.12%	0.00%	0.00%	24.09%	1.07%
Total gross carrying amount (B)	94 674	225	...	...	227	95 126
Expected credit loss (A x B)	956	5	...	...	55	1 016

(c) Liquidity risk

Liquidity risk is the risk that Finance-General 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, 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 Liabilities		
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 Finance-General becomes obliged to make future payments as a result of a purchase of assets or services Finance-General regularly reviews budgeted cash outflows to ensure that there is sufficient cash to meet all obligations.	Settlement is usually made within 14 days.
Interest bearing liabilities	Bank loans and other loans are initially measured at fair value, net of transaction costs. Bank loans and other loans are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis. Finance-General regularly reviews its contractual outflows to ensure that there is sufficient cash available to meet contracted payments.	Contractual payments made on a regular basis.

Financial Instrument	Accounting and strategic policies (including recognition criteria, measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Guarantees	Financial guarantee contract liabilities are measured initially at fair value and subsequently at the higher of fair value or the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.	Guarantees relate to financing obligations of government businesses and Statutory authorities.
Lease contract liabilities	<p>A lease liability must be recognised for lease contracts or contracts that contain a lease where the term is more than 12 months, unless it is of low value.</p> <p>Finance-General recognises a liability for lease payments for Major Office Accommodation and an associated right-of-use asset that are initially recognised at cost then measured at present value as at the reporting date.</p> <p>Finance-General regularly reviews its lease invoicing arrangements with agencies to ensure that there is sufficient cash to meet specific lease payments.</p>	Lease contracts and contracts that contain a lease for Major Office Accommodation
Customer Contract Liabilities	<p>A liability is recognised where cash is received from customers under contracts with sufficiently specific performance obligations where those obligations have not yet been delivered or achieved. Revenue is recognised upon achievement or progress over time towards delivery of contractual obligations has occurred.</p> <p>Finance-General holds funds received from the Australian Government under National Partnership Agreements in a Specific Purpose Account within the Public Account. The account is monitored to ensure that sufficient cash is available to reimburse agencies for delivery against obligations under individual agreements.</p>	Payments made under contracts with sufficiently specific performance obligations.

Maturity analysis for financial liabilities

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:

2021	1 year	2 years	3 years	4 years	5 years	5+ years	Undiscounted Total	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities								
Payables	35 088	...	...	...	...	...	35 088	35 088
Borrowings	1 692	...	191 000	...	345 000	1 154 000	1 691 692	1 691 692
Lease Liability	25 490	25 580	23 678	23 074	19 711	174 457	291 990	291 990
Contract Liability	14 167	...	...	...	...	230 871	245 038	245 038
Total	76 437	25 580	214 678	23 074	364 711	1 559 328	2 263 808	2 263 808

2020	1 year	2 years	3 years	4 years	5 years	5+ years	Undiscounted Total	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities								
Payables	20 332	...	...	...	...	...	20 332	20 332
Borrowings	...	200 000	...	191 000	...	349 002	740 002	740 002
Lease Liability	29 828	28 374	23 470	20 943	20 677	162 597	285 889	285 889
Contract Liability	10 741	18 533	34 456	10 855	18 646	123 753	216 984	216 984
Total	60 901	24 907	57 926	222 798	39 323	635 352	1 263 207	1 263 207

(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:

	2021 \$'000	2020 \$'000
Fixed rate instruments		
Financial assets	2 820	3 290
Financial liabilities	1 691 692	740 002
Total	(1 688 872)	(736 712)
Variable rate instruments		
Financial assets	1 544 603	1 295 083
Financial liabilities	...	...
Total	1 544 603	1 295 083

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

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

	Profit or Loss		Equity	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
30 June 2021				
Financial assets	14 137	(14 137)	...	...
Less: Financial liabilities	...	...	...	...
Net sensitivity	14 137	(14 137)	...	...
30 June 2020				
Financial assets	8 251	(8 251)	...	...
Less: Financial liabilities	...	...	...	...
Net sensitivity	8 251	(8 251)	...	...

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2020.

15.38 CATEGORIES OF ADMINISTERED FINANCIAL ASSETS AND LIABILITIES

	2021 \$'000	2020 \$'000
Financial assets		
Financial assets at fair value through other comprehensive income - Equity investments designated on initial recognition	5 295 885	4 843 899
Amortised cost	86 669	108 292
Cash and deposits	1 482 251	1 212 540
Total	6 864 805	6 164 731
Financial Liabilities		
Financial liabilities measured at amortised cost	2 263 808	1 260 271
Total	2 263 808	1 260 271

15.39 COMPARISON BETWEEN CARRYING AMOUNT AND NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

	Carrying amount 2021 \$'000	Net fair value 2021 \$'000	Carrying amount 2020 \$'000	Net fair value 2020 \$'000
Financial assets				
Cash at bank	1 482 251	1 482 251	1 212 540	1 212 540
Cash in Specific Purpose Accounts	...	...	...	...
Contractual Receivables	21 497	21 497	22 459	22 459
Other financial assets:				
Equity Investments	5 295 885	5 295 885	4 843 899	4 843 899
Tascorp Investments	62 352	62 457	82 543	82 630
Advances	2 820	2 820	3 290	3 290
Total financial assets	6 864 805	6 864 910	6 164 731	6 164 818
Financial liabilities (recognised)				
Finance lease liabilities	291 990	291 990	285 889	285 889
Trade Creditors	35 088	35 088	20 332	20 332
Other financial liabilities:				
Borrowings	1 691 692	1 695 157	740 002	749 907
Contract Liabilities	245 038	245 038	216 984	216 984
Total financial liabilities (recognised)	2 263 808	2 267 273	1 263 207	1 273 112

15.40 NET FAIR VALUE OF ADMINISTERED FINANCIAL ASSETS AND LIABILITIES

2021	Net fair value Level 1 \$'000	Net fair value Level 2 \$'000	Net fair value Level 3 \$'000	Net fair value total \$'000
Financial assets				
Financial assets at fair value through other comprehensive income	...	5 295 885	...	5 295 885
Total financial assets	...	5 295 885	...	5 295 885

2020	Net fair value Level 1 \$'000	Net fair value Level 2 \$'000	Net fair value Level 3 \$'000	Net fair value total \$'000
Financial assets				
Financial assets at fair value through other comprehensive income	...	4 843 899	...	4 843 899
Total financial assets	...	4 843 899	...	4 843 899

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

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

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

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

Note 16 TRANSACTIONS AND BALANCES RELATING TO A TRUSTEE OR AGENCY ARRANGEMENT

16.1 ACTIVITIES UNDERTAKEN UNDER A TRUSTEE OR AGENCY ARRANGEMENT

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.

Account / Activity	Opening balance	Net transactions during 2020-21	Closing balance
	\$'000	\$'000	\$'000
Government Economic Regulator Account	587	(348)	239

Note 17 EVENTS OCCURRING AFTER BALANCE DATE

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

Note 18 OTHER SIGNIFICANT ACCOUNTING POLICIES AND JUDGEMENTS

18.1 OBJECTIVES AND FUNDING

The Department's objectives are to improve the well-being of Tasmanians by providing:

- high quality advice and service delivery to the Premier/Treasurer, Minister for Finance and our other stakeholders, and
- effective and efficient administration of our financial, property and regulatory responsibilities.

The Department is structured to meet the following outcomes:

- the Premier/Treasurer, Minister for Finance and other key clients receive efficient and effective financial and resource management services;
- the Government receives sound and timely economic and fiscal policy advice; and
- statutory bodies receive high quality regulatory and revenue management services.

Departmental activities 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, as reported at note 2.4.

The Department is a Tasmanian Government not-for-profit entity that is predominantly funded through Parliamentary appropriations, under two separate Divisions, Treasury and Finance and Finance-General. The activities of Treasury and Finance are controlled, while the activities of Finance-General are administered on behalf of the Government. The Department also provides services on a fee for service basis, as outlined in note 5.3.

The Financial Statements encompass all funds through which the Department controls resources to carry out its functions, with the exception of the activities of the Office of the Tasmanian Economic Regulator. The Tasmanian Economic Regulator is required to prepare a separate financial report in accordance with *the Economic Regulator Act 2009*, *Water and Sewerage Industry Act 2008*, *Electricity Supply Industry Act 1995* and the *Gas Act 2000*.

18.2 BASIS OF ACCOUNTING

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

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

The Financial Statements were signed by the Accountable Authority on 12 August 2021.

Compliance with the Australian Accounting Standards 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 18.5.

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.

The Department has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

COVID-19 is a disease caused by a new form of coronavirus which causes respiratory infections. COVID-19 was declared a worldwide pandemic by the World Health Organisation in March 2020. COVID-19 and the measures taken to slow the spread of the virus, have had a significant impact on global economies. The Department has considered the impact of COVID-19 in preparing the financial statements.

18.3 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.

The Department must provide a list of entities whose transactions and balances are included in its Consolidated Financial Statements in note 14.1.

18.4 FUNCTIONAL AND PRESENTATION CURRENCY

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

18.5 CHANGES IN ACCOUNTING POLICIES

(a) Impact of new and revised Accounting Standards

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

There are no new Standards issued by the AASB that are relevant to the operations of the Department.

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

In the current year, the Department has not applied any new or revised Standards and Interpretations issued by the Australian Accounting Standards Board that are not yet effective.

All other new or revised Standards and Interpretations issued by the Australian Accounting Standards Board that are not yet effective have been determined to be either not applicable to the Department's activities, or have no material impact on the Financial Statements.

18.6 FOREIGN CURRENCY

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date.

18.7 COMPARATIVE FIGURES

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards. Details of the impact of changes in accounting policy on comparative figures are at note 18.5.

18.8 ROUNDING

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

18.9 DEPARTMENTAL TAXATION

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

18.10 GOODS AND SERVICES TAX

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax, except where the GST incurred is not recoverable from the Australian Taxation Office. 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.

18.11 BUDGET INFORMATION

Budget information refers to original estimates as disclosed in the 2020-21 Budget Papers and is not subject to audit.

OTTER is included in the Department's budget figures disclosed in the 2020-21 Budget Papers. However, OTTER has been excluded from budget information and actual figures in the 2020-21 Financial Statements. The Tasmanian Economic Regulator is required to prepare separate financial reports in accordance with the *Economic Regulator Act 2009*, *Water and Sewerage Industry Act 2008*, *Electricity Supply Industry Act 1995* and *the Gas Act 2000*. A reconciliation to the 2020-21 Budget Papers is included below.

Reconciliation of 2020-21 Budget Papers to the Department's Budget

	Budget \$'000
Comprehensive result	(608)
Adjustments for OTTER	
Plus impact of Revenue and other income from transactions	
Fees and fines	(1 809)
Other revenue	(405)
	(2 214)
Plus impact of Expenses from transactions	
Employee benefits	1 463
Supplies and consumables	364
Depreciation	...
Other expenses	414
	2 241
Comprehensive result – Department only	(581)
Net assets/(liabilities)	9 719
Adjustments for OTTER	
Plus impact of Assets	
Cash and cash equivalents	(636)
Other financial assets	(135)
	(771)
Plus impact of Liabilities	
Employee Benefits	257
Payables	5
Other liabilities	380
	642
Net assets/(liabilities) – Department only	9 590
Net increase/(decrease) in cash and cash equivalents held	(503)
Adjustments for OTTER	
Plus impact of Cash inflows	
Fees and fines	(1 809)
Other receipts	(405)
	(2 214)
Plus impact of Cash outflows	
Employee benefits	1 441
Supplies and consumables	364
Other payments	414
	2 219
Net increase/(decrease) in cash and cash equivalents held – Department only	(498)