

# ANNUAL REPORT

# 2010/11



COVER IMAGE: NEW BRIDGE FOR ULVERSTONE

*Ulverstone's new Leven River Bridge sits alongside the old bridge as construction nears completion. Work began on the new bridge in March 2010 and it was opened to two lanes of traffic in July 2011. The old bridge was scheduled for demolition by September 2011. The new bridge will form a significant architectural feature and focal point for the Ulverstone Wharf redevelopment.*

October 2011

Hon David O'Byrne, MP  
Minister for Infrastructure  
Parliament House  
HOBART 7000

Hon Bryan Green, MP  
Minister for Energy and Resources  
Minister for Racing  
Parliament House  
HOBART 7000

Hon Nick McKim, MP  
Minister for Sustainable Transport  
Parliament House  
HOBART 7000

Dear Ministers

In accordance with Section 36 of the *State Service Act 2000* and Section 27 of the *Financial Management and Audit Act 1990*, I am pleased to submit for your information and presentation to Parliament, the Annual Report of the Department of Infrastructure, Energy and Resources for the year ended 30 June 2011.

The Financial Statements and the certificate of the Auditor-General are included.

The Annual Report of the Director of Energy Planning, required under Section 13 of the *Energy Coordination and Planning Act 1995*; the Report and Financial Statements of the Abt Railway Ministerial Corporation, required under Section 31 of the *Abt Railway Development Act 1999*; and the Annual Report of the Rail Safety Regulator, required under Section 149 of the *Rail Safety Act 2009*, are also included.

Yours sincerely

A handwritten signature in black ink, appearing to read 'N. McIlfatrick', with a large circular flourish at the end.

Norm McIlfatrick  
SECRETARY

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# DEPARTMENT OF INFRASTRUCTURE, ENERGY AND RESOURCES

The Department of Infrastructure, Energy and Resources provides infrastructure and related services for the social and economic development of Tasmania.

The Department reports to the Minister for Infrastructure, Hon David O'Byrne MP; the Minister for Energy and Resources and the Minister for Racing, Hon Bryan Green MP; and the Minister for Sustainable Transport, Hon Nick McKim MP.

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

- enhance infrastructure decision-making across Government;
- facilitate a safe, sustainable and efficient transport system that enhances economic and social development, in the context of the challenges of climate change;
- promote reliable, efficient, safe and sustainable energy systems;
- facilitate forest policy for Tasmania's sustainable forestry practices and forest industries;

- facilitate mineral exploration and land management of Tasmanian land and offshore waters; and
- maintain probity and integrity in the racing industry.

Outputs of the Department of Infrastructure, Energy and Resources are provided under the following Output Groups:

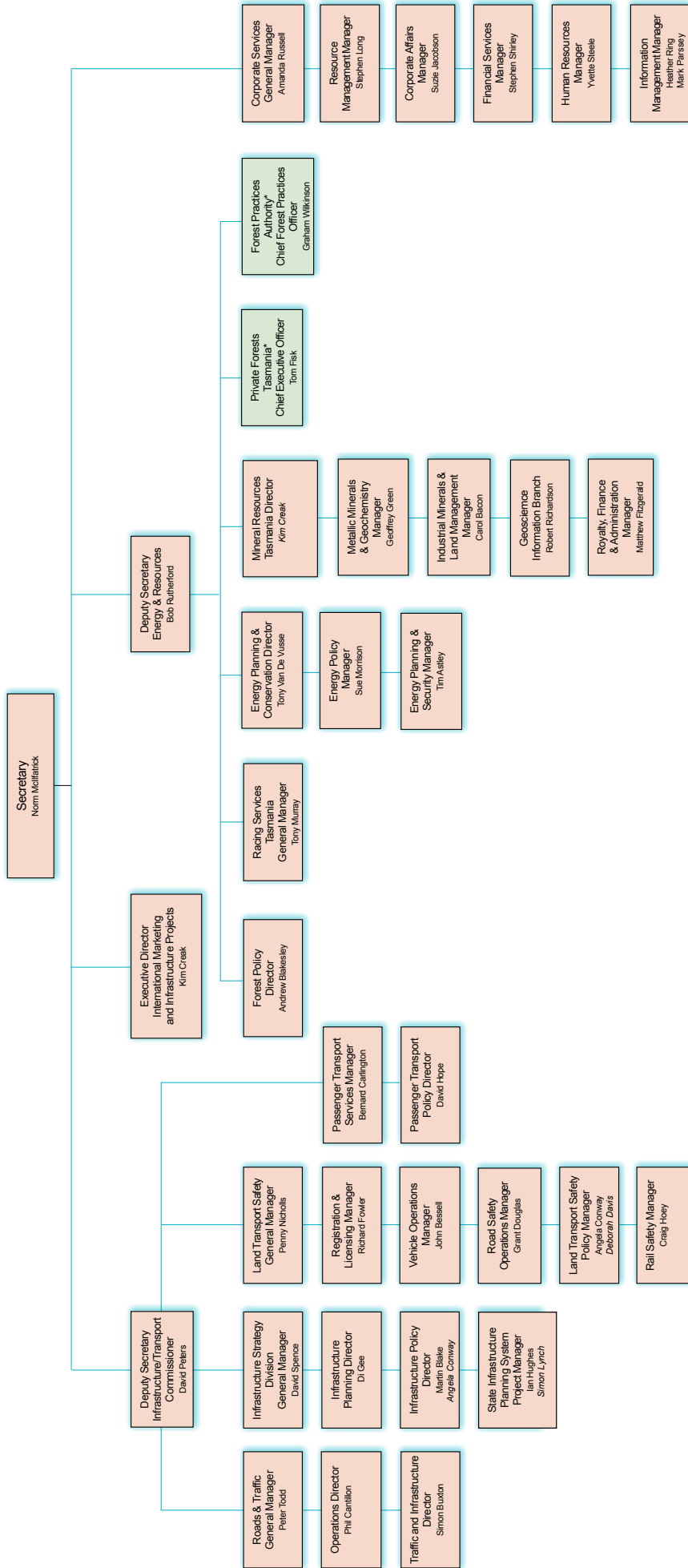
- Output Group 1 – Infrastructure;
- Output Group 2 – Energy Advisory and Regulatory Services;
- Output Group 3 – Mineral Resources Management and Administration;
- Output Group 4 – Support for the Minister for Energy and Resources;
- Output Group 5 – Racing Policy and Regulation; and
- Output Group 6 – Transport Subsidies and Concessions.

The Department also administers a Grants and Subsidies program, manages an infrastructure Capital Investment program and exercises functions and powers under the *Abt Railway Development Act 1999*.



# Department of Infrastructure, Energy and Resources

(As at 30 June 2011)



Note: Names in italics identifies acting in Role  
 \*Please note: Forest Practices Authority and Private Forests Tasmania are statutory authorities that receive support from DIER in relation to budget and human resource matters.



We reached the end of the financial year in good shape, having met our budget challenge for 2010/11, which gives us a strong foundation to face the challenges of the 2011/12 financial year and beyond.

The Department will be implementing a number of savings and revenue strategies to reduce our operational budget by \$4.1 million in 2011/12, progressing to \$6.6 million in 2014/15. Our portfolio Ministers have supported us in taking a three-year view in approaching the challenge. A key focus area will be the continuation of our program of business improvement projects, with strong involvement by our people giving me confidence these challenges can be met.

### A focus on Engagement

At a time of significant challenge, communications with employees and their involvement in the change process is critical. The 2010/11 financial year commenced with a significant financial challenge following the 2010 budget, and the mid-year financial report signalled further tough times ahead. Our investment in a number of business improvement projects that commenced during the year will be critical to ensuring employees have a say in the way forward for our Agency. The common objective is to identify and implement process and system improvements to best position the Agency to meet our stakeholder and customer commitments into the future. In addition, this year we increased our focus on regular communications with employees; improvement to information management; tight management of recruitment with an eye on future challenges; and we have continued to invest in improvements to our service delivery chains.

## SECRETARY'S OVERVIEW

The Department of Infrastructure, Energy and Resources (DIER) continues to play a leading role in the regulation, creation and maintenance of Tasmania's transport infrastructure and in the provision of expert services and policy in the Energy, Resources and Racing sectors.

Following the announcement in November 2010 of Treasurer Michael Aird's resignation, and the subsequent promotion of Lara Giddings to the Treasury portfolio, the Department welcomed David O'Byrne as the new Minister for Infrastructure. Our other Ministers remain unchanged – Deputy Premier Bryan Green in the Energy & Resources and Racing portfolios and Nick McKim in Sustainable Transport.

### The Budget Challenge

One of the most significant challenges faced by the Department this financial year has been the management of our budget to help meet the Government's objective of returning the State Budget to a sustainable financial position.

### Managing Workplace Diversity and Disability Action Plan

DIER's Workplace Diversity Policy and Plan focuses on fostering a workplace that values and utilises the diversity of our people. We have a culture of considering public and workplace accessibility and integrating diversity principles in appropriate policy and programs. As an example, a recent senior manager's road trip with a person with disability contributed to a change in perspective in the DIER maintenance team. Walking in another person's shoes contributed to excellent results in the upgrading of rest areas on the Bass Highway and Midland Highway. These popular sites will now be accessible for the entire community.

### The Brighton Bypass and Transport Hub

At a cost in excess of \$247 million, the Brighton Bypass and Brighton Transport Hub are the largest State Government transport construction projects undertaken in decades. These projects will provide a state-of-the-art integrated transport hub and dual carriageway bypass of the towns of Brighton and Pontville.

Work has been completed on the southern section of the Brighton Bypass and all major structures have been completed for the Brighton Transport Hub. Negotiations for the operation and management of the Brighton Transport Hub will be finalised in the 2011/12 financial year.

The Department began work in April 2011 on the Jordan River crossing section of the Brighton Bypass northern section. A 70-metre bridge costing \$12.7 million, added to the project scope, will span a significant levee deposit discovered during our investigations so that its important Aboriginal cultural heritage values are not disturbed.

DIER and our contractors are employing innovative and costly techniques to enable the construction of the Jordan River crossing without physically impacting on the levee. This has been a confronting and difficult period for DIER, our contractors and the Aboriginal community. However, I remain convinced that all the options put forward by the Tasmanian Aboriginal Centre have been thoroughly investigated by the State and Australian Governments, leading to a decision that the modified construction plan is the most practical and feasible option to protect the site, and to deliver the objective of a safe and efficient transport facility for all Tasmanians.

## Flood damage to roads

The year 2009 was Tasmania's wettest year on record, and that rain had a significant impact on our roads. Since then Tasmania has witnessed five significant flooding events, three of which have occurred since January 2011.

This combination of events, following many years of unprecedented dryness, resulted in serious unforeseeable damage to our road infrastructure - especially in eastern and north-eastern Tasmania.

One of the most severely damaged road links was St Marys Pass and this was our first priority for repairs. These were completed ahead of schedule, thanks to excellent work under very challenging terrain and weather conditions in a combined effort by DIER employees and our contractor, Hazell Bros.

At 30 June work was under way on investigating options for improved general and emergency road access for communities in North-East Tasmania. This work is being done in close partnership with the Break O'Day Council and recognises the needs of the community in relation to safety, predictability, resilience and certainty of access.

### FLOOD DAMAGE REPAIRS

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## Road safety

During 2010 the Tasmanian Road Safety Council, Road Safety Task Force and Community Road Safety Partnerships Program were combined with other road safety functions to form the Road Safety Advisory Council (RSAC).

The inaugural meeting of the RSAC was held in October 2010. The RSAC has an independent Chair, Mr John Gledhill. The Council provides advice to the Minister for Infrastructure on road safety policy through an evidence-based approach, it initiates public and community education campaigns, has oversight of initiatives implemented under the *Tasmanian Road Safety Strategy 2007-2016* and endorses expenditure priorities from road safety levy funds.

## Mining

Mineral Resources Tasmania, by providing information on areas of high mineral resource potential in Tasmania, encourages private sector exploration which is essential to the development of new operations. By ensuring an adequate return from our mineral resources, all Tasmanians can share the benefits of our mineral wealth.

The mineral extraction and processing sector is Tasmania's largest export industry, amounting to 50% of mercantile exports in 2010 worth over \$1.5 billion. This sector has recovered rapidly from the 2008 global downturn, with royalty revenue collected for the State by MRT totalling \$45.3 million in 2010/11.

According to Australian Bureau of Statistics, expenditure on mineral exploration in Tasmania for the year to 31 March 2011 was \$34.7 million, up 129% on the \$16.3 million in the previous year. Over this period, Tasmania's share of Australian exploration expenditure increased from 0.78% to 1.31% - by far the highest rate of increase of any Australian jurisdiction.

## Energy

In spite of persistent low inflows over the past decade, Tasmanian electricity supply has not been disrupted and confidence in Tasmania's energy security has been maintained. It is also worth remembering that even through the very dry years up to 2009 Tasmania still obtained over 70% of its electricity from hydro energy.

At the end of the 2010/11 financial year the hydro storages had recovered to 46.0%, which is 9.7% above the same time last year. This increase was assisted by net imports over Basslink, the nearly continuous operation of the Aurora Energy Tamar Valley (AETV) power plant and input from the Woolnorth wind farm.

Both Basslink and the AETV will continue to afford a high level of supply security to the Tasmanian community by providing significant support to the State's hydro system and reducing the risks to electricity supply during periods of prolonged low rainfall.

## Forestry

The Tasmanian forestry sector is an important contributor to the economic prosperity of Tasmania and is critical to many communities around the State. The sector has recently been undergoing major market-driven changes, requiring corresponding changes to policy and regulatory settings to support the industry's transition to ensure it remains innovative and sustainable.

Following the November 2010 Federal elections the Australian Government requested assistance from the Tasmanian Government to implement its Tasmanian Forest Contractors Assistance package. DIER's Forest Policy Branch developed, implemented and managed a \$5.4 million Forest Contractors Financial Support program to assist contractors to maintain financial viability during the severe industry market downturn experienced throughout the year. The program was successfully completed with 53 businesses receiving assistance.

In an attempt to resolve the conflict over forests in Tasmania, a major focus in 2010/11 has been on the formulation of a Tasmanian Forests Statement of Principles, to provide the framework for an eventual agreement. The process has been overseen by an independent facilitator, Mr Bill Kely.

## Racing

Major focus areas for Racing Services Tasmania in 2010/11 were the development and implementing of legislation to effect changes to the race fields regulatory framework and implementing a new thoroughbred licensing and registration system.

The important task of scrutiny of this key industry continued, with increased racing industry compliance activity during the year. Given the significant changes to the industry structure in the sector, I was pleased to see the development of a maintenance plan that provides Racing Services Tasmania employees with an improved and safer working environment at racing facilities state-wide.

As this Annual Report closes off the chapter on the 2010/11 financial year and "opens the books" on the 2011/12 year, I am confident that our planning and continued efforts will result in strong results in coming years.

Our people are the key as we approach the new challenges ahead with the high degree of professionalism and responsiveness which characterises the efforts of all Divisions across this Agency.

I wish to thank all employees in the Department, and our key contractors and suppliers, for their commitment, hard work and enthusiastic contributions over the past year.



Norm McIlfratrick  
SECRETARY

# Output Group 1 INFRASTRUCTURE



# 1.1 INFRASTRUCTURE STRATEGY

## Tasmanian Infrastructure Strategy

The Tasmanian Infrastructure Strategy, released in February 2010, provides a strategic approach to infrastructure planning, provision and use in Tasmania, and encompasses the key infrastructure sectors of transport, digital, energy and water.

The Strategy encourages greater co-ordination between infrastructure sectors and provides for the setting of a clearer definition of roles, responsibilities and transparency in planning and providing infrastructure, including the need for better integrating land use and infrastructure decision-making.

To support this coordination task, the Tasmanian Infrastructure Advisory Council has been established. The role of the Council is to provide advice to the Government about current and future infrastructure policy planning and delivery opportunities and efficient use of economic infrastructure networks corridors and assets, and to oversee the implementation of the Tasmanian Infrastructure Strategy. Members include key infrastructure providers in the transport, energy, water and digital sectors and representatives from local government and business organisations. Mr Philip Marcus Clark AM was appointed as the inaugural Chairperson of the Council in March 2011, and the first meeting was held in May 2011.

## Congestion in Greater Hobart

DIER has prepared a report on congestion in Greater Hobart in response to recent proposals for major infrastructure responses, such as tunnels, to be investigated to solve congestion issues. The report discusses the influences of congestion and identifies parts of the road network in Greater Hobart which are experiencing delays and capacity constraints. The report more importantly outlines DIER's approach to managing congestion. DIER is focused on carefully planning our roads and ensuring that existing infrastructure and services operate more efficiently and are safe. This approach includes a mixture of system-wide approaches and corridor-specific initiatives.

The system-wide approach focuses on increasing the attractiveness and use of public transport, walking and cycling through the establishment of the Passenger Transport Innovation Program and managing demand for travel. DIER is also undertaking corridor-specific approaches which focus on improving traffic flow on key urban arterials, such as long-term planning through the Brooker Highway Transport Plan, targeted infrastructure upgrades and non-infrastructure solutions.

## Southern Integrated Transport Plan

The Department, in collaboration with the Southern Tasmanian Councils Authority and the 12 member councils, released the Southern Integrated Transport Plan in December 2010. The Plan is the third and final regional integrated transport plan to be developed in Tasmania.

It provides the strategic framework for planning and investing in Southern Tasmania's regional transport system over the next 20 years – focusing on high priority issues, the resolution of which will deliver the greatest benefit to the region's communities and businesses.

The Plan includes a five-year action plan to support its implementation. The action plan will be updated annually and overseen by a joint State-local government steering committee. The steering committee is due to meet later in 2011 to discuss progress on the action plan.

## Capital City Plan

In December 2009, the Council of Australian Governments (COAG) announced national reforms to strategic capital city planning. The objective is for the nation's capital cities to be globally competitive, productive, sustainable, liveable, socially inclusive, and well prepared to meet future challenges and growth.

The national reforms aim to ensure that capital city strategic planning systems meet agreed national criteria and will require the delivery of a capital city plan by 1 January 2012. The Commonwealth will link future infrastructure funding to the national criteria.

The Department has been involved in the project through stakeholder workshops organised by the Tasmanian Planning Commission in late 2010 and early 2011. The State Architect has responsibility for preparing the strategic plan in conjunction with the TPC. The Department has also been involved through the interdepartmental committee in mapping the various policies, strategies and initiatives from existing documents as part of the preparation of the strategic plan, including the Southern Integrated Transport Plan, the Tasmanian Urban Passenger Transport Framework and the Tasmanian Walking and Cycling for Active Transport Strategy.

The Plan is required to include a long-term (15-30 year) integrated strategic plan along with a medium-term (5-15 year) prioritised infrastructure and land use plan and a near-term (up to 5 years) prioritised infrastructure project plan. The Department will need to be involved in the preparation of the medium and near-term infrastructure plans, with a particular focus on transport-related projects and initiatives to integrate with the land use planning policies supporting both greenfield and infill development areas. The Department will also need to ensure that the key urban freight corridors and integrated transit corridors are protected by the Plan. The Capital City Plan will need to be finalised by late 2011.

## Brooker Highway Transport Plan

The Brooker Highway carries some of the highest traffic volumes on Tasmania's road network and currently southern sections incur short-term peak period congestion.

During 2010 and 2011 the Brooker Highway Transport Plan was developed by a collaborative working group made up of representatives from the Brighton, Glenorchy City and Hobart City Councils and members from the Infrastructure Strategy and Roads and Traffic Divisions of DIER.

The Plan provides a future vision for the Highway and identifies a set of guiding objectives including improvements to road safety, freight efficiency and travel time reliability, local connectivity and residential amenity. The Plan also identifies priority projects and initiatives over the short (up to 3 years), medium (3 to 10 years) and long (10-25 years) term.

Initial priorities (the first 3 years) include:

- Finalise strategic planning and design options for intersection upgrades between Berriedale Road and Howard Road
- Complete intersection upgrades based on final design options, including Howard Road / Elwick Road / Goodwood Road intersections primarily to improve capacity and efficiency, and Foreshore Road intersection primarily to improve safe access to Montrose Bay High School
- Enhancements to traffic signal co-ordination to improve traffic flow and travel time reliability
- Improved linkages and signage, for both vehicles and pedestrians, to developments along the Glenorchy foreshore, including the Glenorchy Art and Sculpture Park, Museum of Old and New Art and Wilkinsons Point

The signing of the Brooker Highway Partnership Agreement in April 2011 brought together the Government and three southern Tasmanian Councils in formally endorsing the Brooker Highway Transport Plan.

Work on the initial priorities has begun, and Government will continue to work with the councils involved to ensure that the plan objectives are met and priority projects implemented, with an evaluation of the plan every two years to ensure it remains current and meets the needs of the parties.

The Brooker Highway Partnership Agreement complements the Midland Highway Partnership Agreement which was signed in December 2010.

## Midland Highway Partnership Agreement

In December 2010 the State Government joined the Mayors of seven Councils to sign a Partnership Agreement on the future of the Midland Highway between Hobart and Launceston. The Agreement recognises the economic importance of the highway as a freight corridor, sets out a shared long-term vision for the highway, and a plan for management and strategic upgrading of the highway to meet current and future transport needs.

The vision, priorities and plans have been developed on evidence-based research with emphasis on road-user safety, improved freight efficiency, travel reliability on the urban approaches and asset performance.

## Tasmanian Freight Strategy

The Tasmanian Freight Strategy will set out the Tasmanian Government's actions to develop Tasmania's future freight system, to move freight efficiently and effectively. The Tasmanian Freight Strategy focuses on the Tasmanian Government's role as the owner, manager and regulator of the networks and infrastructure that freight is transported on.

The Department is currently working on the Strategy, and it is anticipated that a draft strategy will be released for public comment in late 2011.

The Tasmanian Freight Strategy will:

- Develop and refine Tasmanian transport policies to meet local challenges;
- Guide the application of national transport reforms, policies and strategies in light of the needs and requirements for the Tasmanian freight system;
- Provide an integrated strategy for road and rail networks and ports infrastructure as part of Tasmania's freight system;
- Facilitate the efficient movement of freight in Tasmania and optimise the use of the existing networks;
- Consider the priority for freight on the network in the context of competing demands and identify and protect freight network options where necessary to ensure future capacity, flexibility and certainty;
- Identify key action areas to shape the future freight system;
- Manage and mitigate any adverse impacts of freight planning and operations on communities and the environment; and
- Facilitate financial stability of the Tasmanian freight system and provide a policy environment that encourages private sector investment.

## State Land Use Planning Reforms

There have been a number of recent reforms to land use planning in the State including the Regional Planning Initiative, the review of Planning Directive No.1, and the release of the statewide planning codes for public comment.

The Regional Planning Initiative will see the delivery of regional land use strategies for the three regions and new local planning schemes. The initiative has been established through agreements between the State Government and the respective councils and regional bodies. The State Government has provided \$2.25 million in funding to the Regional Planning Initiative for the drafting of the three regional land use strategies and the new planning schemes. Under the initiative all planning schemes will need to be in accordance with the declared land use strategy, the statewide planning scheme template (Planning Directive No.1), and the statewide planning codes.

Each region has now prepared a draft regional land use strategy and the Department has been involved with each through the provision of transport-related data, mapping, comments and suggested revisions. The Department has provided specific mapping and comments to the regions on the key regional freight networks and integrated transit corridors to assist in the identification of new greenfield and infill development areas and to ensure that they are appropriately protected into the future. The Southern Regional Land Use Strategy has received conditional support from the Department and was endorsed by the twelve member councils on 28 June 2011. The Strategy has now been submitted to the Minister for Planning with a recommendation

that it be declared a regional land use strategy under the *Land Use Planning and Approvals Act 1993*.

The next phase of the Regional Planning Initiative will include the drafting of the regional model planning schemes and the drafting of the local planning schemes. The Department will need to be further involved through these processes to ensure that the regional transport-related issues identified in the strategies are appropriately incorporated in model planning schemes and local planning schemes, including the provision of appropriate zoning adjacent to major transport assets.

Planning Directive No.1 provides the statewide template for planning schemes with the revised version coming into operation on 1 June 2011. The TPC has also released a suite of statewide planning codes for public comment, one of which is the Road and Railway Assets Code. The Road and Railway Assets Code has been under development by the Department for a number of years and was submitted to the TPC for inclusion in the suite of statewide planning codes. The aim of the Code is to protect the safety and efficiency of the road and rail networks and maintain opportunities for the future development of road and rail infrastructure.

Specific provisions have been prepared to reduce amenity conflicts with adjacent land uses and development. Following revisions made by the TPC, the Department commented on the Code as part of the public consultation period and made a submission at the TPC public hearings on 1 July 2011. Further work was undertaken in July 2011 in conjunction with the TPC to finalise the Code before release as a new planning directive.

## State Road Noise Strategy

The State Road Noise Strategy was released by the Department in June 2011. It provides high-level policy and planning guidance on the impacts of road noise and how these impacts can be managed over time to improve or protect amenity values while maintaining the integrity and function of the transport network.

Management of transport noise on the State road network is undertaken by DIER in compliance with the *Environmental Management and Pollution Control Act 1994*. This requires an approach that demonstrates best practice environmental management of transport infrastructure and operations.

The *Environmental Protection Policy (Noise) 2009* (submitted to Parliament by the Environment Protection Authority) identified the development of a transport noise strategy. DIER has developed the State Road Noise Strategy in line with the policy and in consultation with the EPA.

The purpose of the Strategy is to guide DIER in management of the State road network. In planning, designing and managing the State road network, DIER's objectives are to:

- Minimise the number of people exposed to unreasonable levels of transport noise;
- Manage noise levels on new and upgraded transport infrastructure to ensure that future noise levels remain acceptable; and
- Reduce amenity conflicts and ensure long-term corridor viability by protecting major transport corridors from

incompatible uses (for example, noise sensitive uses such as houses, schools and hospitals) and promoting good building design.

The Strategy provides guidance for noise impacts created by new roads and major upgrades, working within a framework of delivering outcomes that are feasible and reasonable. It considers the issues and constraints associated with noise impacts on existing roads and identifies long-term strategies for management and amelioration.

DIER is currently developing internal guidelines to aid the management and implementation of noise mitigation measures for new or upgraded transport projects.

## National and State Transport Counter Terrorism Security

DIER continues to work with other Government departments, other State jurisdictions and industry to fulfil the Tasmanian Government's obligations and responsibilities for counter-terrorism security in the transport sector.

Ongoing and collaborative working arrangements are crucial to addressing security issues and in developing and implementing nationally consistent security frameworks and measures.

These frameworks and measures are provided and promoted to Tasmanian industry sectors when and where appropriate in accordance with local risk and threat assessments.

## National Transport Reform

At the national level, DIER continued to participate in the development and implementation of national transport reforms:

- Progressing jurisdictional implementation policy for the Performance Based Standards Scheme (PBS Scheme) and the national Quad-Axle Policy approved by Australian Transport Ministers.
- Participation in the review of the National Transport Commission (NTC) through a submission to the review and through engagement with NTC officers.
- Participation on the National Economic Framework for an Efficient Transportation Marketplace (NEFETM) working group.
- Participation on the Workforce Skills and Planning working group.
- Participation on the working group progressing the COAG Road Reform Plan (CRRP) for heavy vehicle charging developing the Incremental Pricing Scheme (including national road pricing principles).
- Tasmania is currently working with the Australian Government and jurisdictions to develop the necessary legislation, processes and procedures to facilitate implementation of single, national systems for the regulation of rail safety and heavy vehicles. A National Partnership Agreement on a national heavy vehicle regulator is required to be signed by COAG and implemented by 1 January 2013.

- In October 2010 Parliament passed legislation to implement the national model Heavy Vehicle Driver Fatigue Management, Heavy Vehicle Speed Compliance and Intelligent Access Program in Tasmania. Commencement of this legislation is on hold pending implementation of the National Heavy Vehicle Regulator in January 2013.
- In December 2009, the Council of Australian Governments (COAG) agreed to establish a single national rail safety regulator by the end of 2012. The national rail safety regulator will be hosted in South Australia. COAG will consider an Intergovernmental Agreement to formalise the arrangements for a single national rail regulator in the second half of 2011.
- DIER also continued to participate in the review, development and implementation of a number of national registration and licensing measures.

## Furneaux Shipping

The Government works closely with the Flinders Council and the Furneaux Group communities on achieving appropriate shipping services. Shipping services to Flinders Island are being provided by the market on a commercial basis.

The Government released the Furneaux Islands Shipping Policy Statement in June 2010 which was developed in consultation with the Flinders Island Council, Cape Barren Island Community Association and the Furneaux Group Shipping Committee on behalf of the island communities. The Policy articulates the Government's long-term policy objectives for shipping services and identifies the most appropriate delivery models for meeting these objectives. Under the agreed arrangements, the Government remains responsible for ensuring long and short-term shipping outcomes for Flinders and Cape Barren Islands.

The Government provides safety net arrangements to ensure minimum levels of shipping services to Flinders Island and Cape Barren Island.

The Government has recognised that the demand for services from Cape Barren Island is unlikely to be provided on a commercial basis. Following an invitation to quote process, the Transport Commission entered into an arrangement with Furneaux Freight to provide a once every four week service. Quotations are being sought for the renewal of this service for financial year 2011/12.

## King Island Shipping

Shipping services to King Island are being provided by the market on a commercial basis. DIER has prepared a draft King Island Shipping Policy which has been referred to the King Island Council for consideration and response. The Policy articulates the Government's long-term policy objectives for shipping services and identifies the most appropriate delivery models for meeting these objectives. Under the proposed arrangements, the Government remains responsible for ensuring long and short-term shipping outcomes for King Island. There continues to be regular interaction between the Council and DIER on shipping issues.

## Transport Policy

DIER has begun developing an Integrated Transport Policy for Tasmania.

The Policy is one of the key actions identified by the Tasmanian Infrastructure Strategy. The Policy will provide an integrated framework that sets the Government's overall strategic direction and priorities for the transport system. The development of the Policy underpins the Government's shift from traditional mode-based transport decision-making to a more integrated model that supports the delivery of 'one transport system', as advocated by the TIS.

One of the Policy's key goals is to improve the coordination and efficiency of transport policy outcomes across modes and between decision-makers within the system.

It is envisaged that the Policy will:

- Provide stakeholders, both internal and external to Government, with a central reference document that explains the Government's vision, high-level objectives, policy principles and priority actions and strategies for the transport system;
- Better align transport system objectives both within the transport portfolio and across other key Government agencies under a single high-level 'umbrella' policy, with the aim of improving overall coordination and consistency;
- Act as a 'roadmap' for current and emerging transport policy priorities so that it is clear how the various strategies, actions and programs (e.g. freight productivity, road safety and passenger transport) contribute to the Government's broader strategic transport objectives;
- Identify strategic transport policy gaps or inconsistencies at the system-wide level and outline priority areas for action to address these; and
- Set out an implementation plan for embedding the vision, objectives and principles in decision-making across the system to improve the coordination and consistency of transport outcomes.

## State Infrastructure Planning System (SIPS)

The State Infrastructure Planning System (SIPS) is a Geographic Information System (GIS)-based mapping and analytical system that supports the modelling of current and future infrastructure demand to inform infrastructure policy and planning decision-making across Tasmania.

SIPS currently supports high priority whole-of-government activities in addition to ongoing core infrastructure planning and analysis projects within the Department.

The outputs delivered from these projects include:

- Electronic mapping and presentation of results from the Kids Come First Report.
- Health indicator support and mapping: *A Snapshot of Early Childhood Development in Tasmania 2011*.
- Profiling and identification of *Child and Family Centre locations* across Tasmania.
- Identification of accessible, affordable housing locations and future planning.

- Mapping support to Southern Tasmanian Councils Association regional planning project.
- Scope, build and test a Statewide Freight projection model for infrastructure planning.
- Formulation, design and validation processes for the Journey to Work destination zone boundaries for the 2011 ABS census.
- Mapping, database and maintenance support activities for the Infrastructure Strategy, Passenger Transport and Roads and Traffic Divisions of DIER.

## 1.2 RAIL SAFETY

The *Rail Safety Act 2009* establishes an accreditation system that ensures railway operators have the competence and capacity to manage risks to safety as far as is reasonably practicable. The Rail Safety Regulator is the independent statutory officer charged with managing the accreditation system and ensuring compliance with the Act.

The *Rail Safety Act 2009* and the *Rail Safety Regulations 2010* commenced on 24 November 2010, repealing the *Rail Safety Act 1997* and the *Rail Safety Regulations 1999*.

In December 2009, the Council of Australian Governments (COAG) agreed to establish a single national rail safety regulator by the end of 2012. The national rail safety regulator will be hosted in South Australia.

COAG will consider an Intergovernmental Agreement to formalise the arrangements for the single national rail regulator in the second half of 2011.

Highlights in rail safety for 2010/11 included:

- A full redesign and update of the rail safety website ([www.transport.tas.gov.au/safety/railsafety](http://www.transport.tas.gov.au/safety/railsafety));
- Publication of a range of rail safety regulatory and industry guidance material;
- The Rail Safety Unit, in conjunction with TasRail, jointly funded level crossing safety radio advertisements during Rail Safety Week in 2010; and
- The establishment (by TasRail) of a Level Crossing Safety Committee.

The Annual Report of the Rail Safety Regulator, required under Section 149 of the *Rail Safety Act 2009*, is provided elsewhere in this Report.

## 1.3 ROAD SAFETY

### Tasmanian Road Safety Strategy 2007-2016

Launched in June 2007, the Strategy provides a 10 year strategic direction for road safety initiatives in Tasmania. The Strategy is evidence-based, uses the Safe System, best practice approach to road safety and draws upon the experiences of countries that have successfully reduced road trauma, such as Sweden.

The long-term vision of the Strategy is the elimination of fatalities and serious injuries caused by road crashes in Tasmania, and in the short-term it has adopted the road safety targets of Tasmania Together:

- by 2010: 20% reduction in serious injuries and fatalities from 2005;
- by 2015: 20% reduction in serious injuries and fatalities from 2010; and
- by 2020: 20% reduction in serious injuries and fatalities from 2015.

The first target has been exceeded with a reduction in serious injuries and fatalities by 32.5%.

To achieve these targets, the Strategy outlines four key strategic directions that are evidence based, achievable and that will be likely to deliver the greatest reductions in serious injuries and fatalities. They are:

- Safer Travel Speeds;
- Best Practice Infrastructure;
- Increased Safety For Young Road Users; and
- Enhanced Vehicle Safety.

The Strategy also identifies a number of complementary and ongoing initiatives which support the effort to eliminate serious casualty crashes on our roads.

Details of initiatives under each of the strategic directions are outlined in the first three-year Action Plan (2007-10). The second Action Plan (2011-2013) is being finalised.

The Road Safety Levy funds initiatives under the Strategy. Introduced in December 2007, the levy is a revenue source expressly for the purpose of improving road safety in accordance with the Strategy.

#### FOOTBALL CLUB ALCOHOL MANAGEMENT PARTNERSHIP

In May a partnership promoting a new Football Alcohol Management Strategy was launched at Windsor Park in Launceston. DIER is working with the Liquor and Gaming Branch (Department of Treasury and Finance), Good Sports (Australian Drug Foundation) and AFL Tasmania to encourage football clubs to develop policies that better manage the way they sell and consume alcohol and support their players and patrons. Safe transport plans and initiatives to promote safe driving practices will be a core component of this partnership.

Pictured are: Stuart Fox and Grant Birchall (Hawthorn Football Club), Greg Squires (Liquor & Gaming Branch), Jane Crosswell (Good Sports) and Penny Nicholls (DIER) at the launch.



All projects funded by the levy contribute to the reduction of road trauma in Tasmania. Since October 2010, oversight of levy expenditure has been undertaken by the Road Safety Advisory Council (and prior to that by the Tasmanian Road Safety Council).

In 2010/11 the levy raised about \$9.5 million for road safety initiatives, with around three-quarters of this allocated to best practice infrastructure projects.

Recent reports on projects funded by the Road Safety Levy are available from the Road Safety Advisory Council's website at [www.rsac.tas.gov.au](http://www.rsac.tas.gov.au)

## STRATEGIC DIRECTION 1 - SAFER TRAVEL SPEEDS

### Fast Facts:

- Faster vehicle speeds increase the likelihood of a crash occurring and the severity of any injuries sustained in a crash.
- Speeds just 5 km/h above the speed limit in 60 km/h zones and above are sufficient to double the risk of an injury crash occurring.
- Reducing travel speeds is highly cost-effective, and small reductions in average vehicle speeds have consistently been shown to reduce deaths and injuries.
- Ensuring vehicle speeds match the safety of the road environment is an essential element of a safe road system.

Projects during 2010/11 included:

- *Electronic speed limit signs (ESLS) at 40 km/h school zones* – As at 30 June 2011, 420 ESLS had been installed around the State, covering 172 schools. Some 700 signs at about 240 school sites are scheduled to be installed by February 2012.
- *Safer shared urban spaces with local government* – The Government is partnering with local councils to improve road safety through traffic calming and speed management treatments in shared urban spaces. Local councils make a dollar-for-dollar contribution to the program. Projects in 2010/11 were completed by Hobart and Devonport City Councils.
- *Variable speed limits – installation of a Variable Speed Limit on the Tasman Highway* (a high crash location). This is scheduled for completion in late 2011.
- *Demonstration of Safer Travel Speeds in Kingborough* – In September 2007, the Kingborough Safer Speeds (KiSS) Demonstration saw the rural default speed limit reduced from 100 km/h to 90 km/h on sealed roads and from 100 km/h to 80 km/h on unsealed roads. The Kingborough Council remains supportive of the demonstration continuing and there has been strong community support for the reduced speed limits.
- *Tasman Safer Speeds Trial* – In December 2008 the Tasman Safer Speeds trial, as with Kingborough, saw the rural default speed limits in the Tasman municipality reduced from 100 km/h to 90 km/h on sealed roads and

from 100 km/h to 80 km/h on unsealed roads. A 24 month evaluation of the trial was conducted by the Monash University Accident Research Centre and community support remains strong.

- *Safer Rural Travel Speeds* - This proposal would result in reduced travel speeds on rural roads. Higher standard rural roads would retain a 100 km/h speed limit while lower standard sealed roads would be reduced to 90 km/h and unsealed roads to 80 km/h. Preparation of the Regulatory Impact Statement and community consultation on the Safer Rural Travel Speeds proposal was undertaken. This included 26 stakeholder forums conducted across Tasmania, market research and written submissions. Additional projects are underway to develop engineering criteria for roads to retain 100 km/h and new signage for this proposal, which is due to be considered by Government in late 2011.

## STRATEGIC DIRECTION 2 - BEST PRACTICE INFRASTRUCTURE

### Fast Facts:

- The design and installation of best practice infrastructure on the road network plays a key role in creating a safer road environment.
- Human error in the road environment is inevitable. Where possible, infrastructure should accommodate this error and minimise the consequences.
- Best practice infrastructure projects provide significant and long-lasting reductions in serious casualties.
- Infrastructure initiatives funded by the Road Safety Levy are evidence-based and are selected because they will achieve the greatest reduction in fatalities and serious injuries.

Projects during 2010/11 included:

- *Flexible safety barriers* - The installation of flexible safety barriers is a key initiative funded by the Road Safety Levy. Research shows that the use of flexible safety barriers has the ability to achieve up to a 90 percent reduction in serious road trauma caused by head-on and run-off road crashes. Flexible safety barriers absorb a substantial amount of physical energy generated by a crash impact, and so they are highly effective in reducing the severity of injuries sustained by vehicle occupants in a crash.

During 2010/11, flexible safety barriers were installed at the following locations:

- West Tamar Highway (south of Beaconsfield)
- Mersey Main Road (Tarleton)
- Brooker Highway (Granton)
- East Tamar Highway (north of Dilson)
- *Motorcycle safety measures* – During 2010/11 various locations were identified for treatment where loose gravel increases the risk of motorcyclists running off the road. Warning signs have been proposed for other locations. Work is scheduled to start later in 2011.



- Other infrastructure works – During 2010/11, work has been done at a number of locations to provide additional shoulder sealing and enhanced delineation to improve the visibility of edge and centre lines at night. Other treatments included tree removal and audible centre and edge line markings.
- Development of the 2010/11 infrastructure program – During 2010/11, scoping and design work was undertaken for best practice infrastructure projects to be considered in 2011/12. Projects were selected for possible inclusion based on crash data and the cost-effectiveness of treatments in reducing the likelihood and severity of crashes.

### STRATEGIC DIRECTION 3 - INCREASED SAFETY FOR YOUNG ROAD USERS

#### Fast Facts:

- Young road users aged 16-25 years are heavily over-represented in Tasmanian crash statistics, and are the largest group of road user casualties in Tasmania.
- Young drivers are among the most vulnerable road users, particularly during the first month and also during the first 6-12 months of unsupervised driving.
- Young drivers' over-representation in crashes is usually attributed to three factors:
  - Inexperience: it takes time for driving skills to be mastered and integrated;
  - Risk-taking and impulsiveness; and
  - Increased risk exposure: including speeding, night driving and drink-driving.

Projects during 2010/11 included:

- Road Safety Education in Secondary Schools – Supporting materials and a professional development program for schools and teachers are being developed. These will assist the implementation and delivery of the accredited road safety education courses in secondary schools in 2011/12.
- Support to establish programs to assist learners to accumulate supervised driving hours – A number of Learner Driver Mentor Programs have been established through the Community Road Safety Partnerships program. These programs link volunteer supervisory drivers with socially and/or economically disadvantaged novice drivers. They play a valuable role in assisting disadvantaged novice drivers to gain supervised driving experience.

### STRATEGIC DIRECTION 4 - ENHANCED VEHICLE SAFETY

#### Fast Facts:

- Improving the safety features of light vehicles has enormous potential to reduce serious road trauma.
- If everyone drove the safest car in each vehicle class, road trauma involving light vehicles could be reduced by an estimated 26%.
- Improving the safety of light-vehicle fleets will improve the safety of individuals during work-related travel.
- Including enhanced vehicle safety features in fleet vehicles also benefits the broader community as many fleet vehicles are later sold on to other road users.

Project during 2010/11:

- Australasian New Car Assessment Program (ANCAP) – contribution to the national ANCAP program of crash testing and consumer awareness about choosing safer vehicles.

### COMPLEMENTARY INITIATIVES

#### Fast Facts:

- A number of road safety initiatives complement the four key Strategic Directions under the Strategy.
- New and emerging technologies may offer considerable safety benefits in addressing some of the key contributing factors to serious casualty crashes, such as speed and alcohol.
- Trials of innovative technology enable the most promising road safety solutions to be assessed under Tasmanian conditions.
- A very small portion of levy revenue is expended on technical management and coordination of projects delivered under the Strategy.

Projects during 2010/11 included:

- National Road Safety Strategy 2011-2020 – DIER contributed to working groups developing the National



Road Safety Strategy. The national strategy closely aligns with the Tasmanian Road Safety Strategy, and was launched by the Australian Transport Council in May 2011. Further information can be found at: [http://www.infrastructure.gov.au/roads/safety/national\\_road\\_safety\\_strategy/index.aspx](http://www.infrastructure.gov.au/roads/safety/national_road_safety_strategy/index.aspx)

- Ongoing initiatives – Throughout the year DIER continued to work on the ongoing initiatives outlined in the Strategy's first three-year Action Plan.
- Development of 2011- 2013 Action Plan – DIER has been working on the development of a second action plan to set priorities for initiatives under the Strategy for the next three years. This will take into account current research and evaluation to ensure the most cost-effective, evidence-based road safety initiatives are implemented.
- Alcohol Interlocks – A preliminary design of the Tasmanian Alcohol Interlock Program was completed and is being refined. This follows extensive analysis of the Tasmanian context and the systems in place in other jurisdictions.
- Targeted Road Rules Public Awareness Campaign – Community Service Announcements were aired highlighting the changes to child restraint laws. Other Road Rule reminder advertisements were developed and broadcast in 2010/11.

## National Transport Reforms

At the national level DIER continued to participate in the development and implementation of national transport reform through the National Transport Commission (NTC).

- Tasmania is currently working with the Australian Government and jurisdictions to develop the necessary legislation, processes and procedures to facilitate implementation of single, national systems for the regulation of rail safety and heavy vehicles. A National Partnership Agreement on a national heavy vehicle regulator is required to be signed by COAG and implemented by 1 January 2013.
- In October 2010 Parliament passed legislation to implement the national model Heavy Vehicle Driver Fatigue Management, Heavy Vehicle Speed Compliance and Intelligent Access Program in Tasmania. Commencement of this legislation is on hold pending implementation of the National Heavy Vehicle Regulator in January 2013.

## Australian Road Rules

In December 2010 the Australian Road Rules (ARRs) were amended to include the compulsory use of either a forward facing child restraint with an inbuilt harness, or an approved booster seat with a lap-sash seatbelt (that is properly adjusted and fastened) for children aged 4 to under 7 years. Other minor amendments were made to the Australian Road Rules, including provisions relating to disabled person parking.

DIER continued its participation in the national process to maintain the ARRs, helping to ensure intended policy is reflected and that rules remain up to date and free from anomalies.

## Cycling Safety

The Road Safety Advisory Council continues to promote safer cycling through media advertising; public education and sponsorship such as the 'Share the Roads' media campaign, Agfest promotion, and Launceston Cycling Classic sponsorship. Safety is an integral feature of the high level transport strategy that focuses on cycling and walking as part of the Urban Passenger Transport Framework.

## Road Safety Advisory Council

During 2010 the Tasmanian Road Safety Council, Road Safety Task Force and Community Road Safety Partnerships Program were combined with other road safety functions to form the Road Safety Advisory Council (RSAC).

The inaugural meeting of the RSAC was in October 2010. The RSAC has an independent Chair, Mr John Gledhill. Other members include the Secretary of the Department of Infrastructure, Energy and Resources, the Commissioner of Police, CEO of the Motor Accidents Insurance Board, CEO of the Local Government Association of Tasmania, CEO of the Royal Automobile Club of Tasmania, President of the Tasmanian Motorcycle Council, President of the Tasmanian Bicycle Council, a road safety expert from the Monash University Accident Research Centre and an independent marketing expert.

RSAC provides advice to the Minister for Infrastructure on road safety policy through an evidence-based approach, public and community education campaigns, oversight of initiatives implemented under the Tasmanian Road Safety Strategy 2007-2016 and its Action Plans and the expenditure of the road safety levy.

## Community Road Safety

DIER actively involves communities in road safety projects through its Community Road Safety Partnerships (CRSP) program, which has been operating successfully since 2003. Currently 27 municipalities are engaged in the CRSP program, which encourages local councils and their community networks to address local issues aligned to the Tasmanian Road Safety Strategy 2007-2016.

CRSP helps to organise planned activity at the local level, targeting high risk behaviour in key focus areas such as speeding, drink driving, inattention/distraction, fatigue, vehicle safety and safety of young drivers and motorcyclists.

The Tasmanian Government has recognised the positive role the CRSP program has played in community engagement and education, and will continue to fund the program in 2011/12 and beyond.

Key community road safety projects included:

### Safer Travel Speeds

- The CRSP program has helped several Tasmanian municipalities to purchase or hire Digital Speed Display (DSD) or Variable Message (VMS) trailers to complement local speed reduction programs. The trailers display vehicle speeds on an electronic board as vehicles pass, alerting the driver to their actual travel speed or display a message advising drivers of adverse road conditions



#### BOOST FOR DRIVER MENTORING

The State Government has supported Driver Mentoring Tasmania with funding of \$100,000 to appoint a Statewide Co-ordinator to continue helping young people who have difficulty accessing a suitable vehicle and responsible supervisory driver to obtain their driver licence. Pictured (from left) are: Richard Lang, Treasurer of Driver Mentoring Tasmania, Infrastructure Minister David O'Byrne and Chris Clark, Public Officer with Driver Mentoring Tasmania.

requiring an adjustment to vehicle speed. To maximise use of the trailers, some communities have partnered with local service clubs, such as the Kingston Lions Club, to manage the operations of the DSD on a weekly basis, ensuring key events and locations are targeted.

- The Circular Head CRSP Committee initiated a 'Look Out For Your Mates' program to highlight the dangers of speeding in the town centre. Messages were reinforced with banners, stickers and on electronic message boards at various locations around the municipality. A large billboard located in Smithton also promoted the key messages, which aimed to encourage the community to take care of each other when on the road.
- The George Town CRSP is focusing on the 'Costs of Speeding', involving the use of speed trailers, crashed car displays, posters in businesses, newspaper and community newsletter articles.

### Driving to the conditions

- The What's Around the Corner? program, previously introduced to Meander Valley, has now spread to the West Coast and Dorset. These local campaigns encourage road users to be wary of unexpected road activity or conditions. They highlight the fact that 'you don't know what's around the corner', that you may encounter, farm machinery, school buses, farmers moving livestock, recreational cyclists, wildlife and visitors unfamiliar with the road.

Campaign messages are promoted through local radio and newspapers, posters, coffee cup holders and on place mats and banners at local tourist attractions and cafes. With support from the Tourism Brochure Exchange Company the West Coast What's Around the Corner? flyer has also been included on the brochure stands on the two Spirit of Tasmania vessels.

- The CRSP program continues to encourage tourists to slow down and to 'drive to conditions' on roads around King Island and has supported the reprint of the Drive to Survive mirror tags, which are placed in all of the P & A Car Rental hire cars. Feedback from tourists has indicated that the road safety messages are very useful reminders to them before they begin driving around the island.
- The 'Be Alert' road safety initiative, aimed at raising driver awareness of high risk road behaviour, aims to influence drivers to adopt safer behaviour and attitudes, especially relating to speeding, driving to conditions, drink-driving and inattention. The campaign involves 'Be Alert' signage on the Southern Outlet which will be an ongoing message

supported by interchangeable messages, such as 'Watch Your Speed', 'Don't Drink and Drive' and 'Drive to Conditions' which will be displayed at different times of the year.

- The Kingborough Council will also complement this campaign by using its variable message board trailer and the digital speed display trailer, along with vehicle and bicycle helmet stickers to provide consistent messages to drivers
- The Heavy Going program operates in George Town, Break O'Day, Dorset, and West Tamar municipalities. In October 2010 the Heavy Going road safety campaign was extended into the Meander Valley municipality when launched at Pages Transport at Carrick. This CRSP initiative aims to have light vehicle and heavy vehicle drivers acknowledge mutual rules and courtesies when sharing the road. Truck operators in Meander Valley are being invited to join the campaign and to support it by displaying "Heavy Going, Be Patient Drive Safely" stickers on their trucks.

### Drink driving

- The 'Alcolizers on Loan' initiative, introduced in Glamorgan Spring Bay, has now expanded to North-West Tasmania. Through the CRSP program alcolizers (or breath testers) are made available for loan to local hotels and sporting clubs. Bar staff offer free breath testing and information about alcohol and driving to patrons in local hotels and sporting clubs.
- The Who's Des Tonight initiative, developed in Burnie, aims to encourage people to plan ahead and travel with a driver who has not consumed alcohol. The designated driver program was adopted by West Tamar in 2009 and was launched in the greater Launceston area, including Meander Valley in 2010. In April 2011 the Circular Head CRSP Committee, in conjunction with their new local Liquor Accord, introduced 'Des' to the municipality.
- In recent years free breath testing has been provided at a number of community events across Tasmania including, the UTAS 'O Week' in Hobart, Health Expo at UTAS in Launceston, Circular Head Show, Hobart and Launceston Cups, Festivale Launceston, Devonport Taste the Harvest Festival and Clarence Jazz Festival.

Patrons attending these events are given the opportunity to check their Blood Alcohol Concentration (BAC) levels while consuming alcohol. Patrons were also provided with information about alternative travel plans in order to reduce their risk of driving under the influence of alcohol.

- DIER's CRSP program is working with the Liquor and Gaming Branch (Department of Treasury and Finance), Good Sports (Australian Drug Foundation) and AFL Tasmania to encourage football clubs to develop policies that better manage the way they sell and consume alcohol and support their players and patrons. Safe transport plans and initiatives to promote safe driving practices will be a core component of this partnership.
- DIER is responsible for educating first-year provisional drivers apprehended with alcohol in their system. These drivers are often ordered by the Magistrates' Court to attend a specific program, 'Alcohol and Your Responsibilities', which is conducted by road safety consultants of the Road Safety Operations Branch.

## Inattention/Distraction and fatigue

- The Circular Head CRSP Committee, under the banner of their 'Look After Your Mates' initiative, continues to highlight the dangers of using mobile phones when driving, using a billboard and the variable message trailer to display messages at various locations around the municipality.
- A local competition by the media classes of Circular Head Christian School and Smithton High School challenged students to create a 30-second advertisement for radio on the dangers of distraction when driving. The project was organised by the Circular Head CRSP Committee. The aim of the competition was to get students thinking about the danger of distractions while driving. The winning entry was played on local radio to the rest of the community.
- The 'Drowsy Drivers are Dangerous Drivers' fatigue project, which started in Glamorgan Spring Bay has now expanded to four East Coast municipalities. Recently Sorell and Tasman joined Glamorgan Spring Bay and Break O'Day CRSP groups in offering the program. 'Drowsy Drivers' venues provide free coffee and local safe driving tips to visitors and tourists.
- In 2010 the Sorell Council and local Youth Task Force conducted the Southern Beaches Big Gig in the Gardens. As part of the event a CRSP road safety activity was included, where young locals entered a competition to identify driver distraction factors. A mobile phone, CD, spider, coffee cup and fast food package were concealed in the interior of a crashed car for the observers to find as part of a competition. The activity provided an opportunity to target young novice drivers and passengers.

## Safety of Young Drivers

- Learner Licence Assistance Programs (LLAPs) have been developed with more than 50 organisations to support community members to pass the learner licence assessment.

The program provides opportunities for a range of clients, including migrants and those with low literacy levels or learning difficulties, to access community assistance to pass the driver knowledge test. A Memorandum of Understanding has been developed so that these organisations can conduct the pre-learner licence driver knowledge test in a supportive environment.



### PUTTING LEARNERS ON THE RIGHT ROAD

*The Greenlight Learner Driver Mentor Program was launched at Goodwood by Labor Member for Denison, Scott Bacon. It aims to help disadvantaged learner drivers to gain their 50 hours of supervised driving on their way to gaining their provisional licence. Greenlight is supported with funding from DIER and the new vehicle to be used by participants was purchased with funding from the Cars For Communities program operated by the Department of Premier and Cabinet.*

*Bridget Stewart (Greenlight coordinator) is pictured passing the keys to learner driver Natalie Coppock while Cate Poole (mentor driver) and Scott Bacon MP watch on at the launch.*

- Learner Driver Mentor Programs (LDMPs) have been operating in Tasmanian communities for several years. These community-run, voluntary programs provide disadvantaged learner drivers with the opportunity to develop their on-road driving experience. The primary focus of these programs is to help novice drivers who have limited opportunity to access a suitable vehicle and responsible supervisory driver to accrue on-road driving experience.
- The Glenorchy CRSP, in partnership with Tasmania Police and Ambulance Services, Motorsafe Tasmania and the Derwent Entertainment Centre, has continued to work with Mission Australia's U-turn initiative, now having road safety education and awareness as an integral part of the 10-week program.
- The "Don't End Up Dead" Initiative was generated from the findings of the Glenorchy Safety Forum 2010. Speed, alcohol and distraction were identified as the three main road safety concerns in the community, particularly among young drivers. The Glenorchy Youth Task Force took on the challenge to come up with an educational medium that could be used to get the safety message on to the street and that would appeal to the youth of Glenorchy. The Youth Task Force has developed a local car air freshener which will be distributed to young drivers through youth networks.
- DIER continues to promote the 'Keys to Ps' program widely across Tasmanian communities. The program has been designed to follow up classroom road safety education and prepare parents and their pre-learner driver students for the challenging process of achieving the necessary skills to pass their provisional licence assessment.

## Motorcyclist safety

The Kentish CRSP, in partnership with the Motor Accidents Insurance Board, launched the 'MY RIDE' campaign in 2010. The campaign is aimed at educating locals and tourists on the unique features of central Tasmania's road conditions.

In addition, it encourages riders to wear high visibility protective clothing and reminds riders of techniques to avoid collisions. A focal part of the campaign is the Ride Kentish Safely brochure which provides important local information about riding on Kentish roads. Through the work of the Kentish CRSP Committee the brochures are available at many community outlets including tourist information outlets, local shops and petrol stations.

## Seniors Programs

- Road Safety workshops for seniors continue to be offered as part of CRSP programs across Tasmania. These sessions, which are often conducted in conjunction with Seniors Week activities, are designed to help older drivers to drive safely for longer. The sessions include health issues, changes in road rules and general driver safety.
- In response to an increased number of crashes involving senior pedestrians the Glenorchy CRSP have developed and continues to circulate an informative pedestrian brochure which outlines 10 tips for walking safely on local roads. The brochure, specifically aimed at vulnerable people with mobility and access issues, was circulated widely through local networks.

## Safer Vehicles

- A number of CRSP groups have worked closely with the RACT to promote vehicle safety checks as part of 'driving to conditions' programs. These sessions allow the community to have tyres, wipers and batteries checked to ensure their car is safe on the road, particularly for winter driving.
- The Devonport Mersey Community Care Association adopted a comprehensive fleet safety policy and program aimed at protecting their volunteer drivers. Early in 2010, a series of driver workshops was conducted and ongoing support continues through the provision of generalised road safety messages and campaigns.

## School Road Safety Education

- DIER has been working closely with the Department of Education (DoE) to revise its existing road safety resource. The resource contains information regarding the Tasmanian Qualifications Authority (TQA) Road Safety Education courses, teacher background material and student learning experiences. To further support teachers, a web based version of the resource has been produced which also provides access to multi-media material that will enhance students' learning experiences. Schools are also encouraged to engage with community partners, such as the Brain Injury Association of Tasmania, ParaQuad and Tasmania Police to add value to the learning experience.

## School Crossing Patrol Officers

- DIER manages about 100 School Crossing Patrol Officers (SCPOs) throughout Tasmania. The SCPOs service about 65 sites and are primarily based in Greater Hobart, Launceston, Devonport, Burnie, Smithton, George Town, Ulverstone, Perth and Margate.

- Electronic Speed Limit Signs continue to be installed at locations where SCPOs operate. The new signs more closely reflect peak pedestrian movements and coincide with the SCPOs' hours of operation.

## Roadside Crash Markers

- The Roadside Crash Marker program has been developed through a partnership between DIER and participating local government authorities. Crash markers are designed to raise awareness of road trauma at the sites of fatal and serious injury crashes. They are installed to remind drivers that everyone is at risk of a crash and to slow down and take care. The crash markers are designed to give motorists a first hand reminder of the dangers involved with driving and target crash factors such as speed, inattention, inexperience and drink driving. With the support of the Coroner's Office, next-of-kin family members are informed about the program and notified of the intention to place a fatality marker. Serious injury markers are installed at the request of individuals who have been involved in a crash. Currently 15 municipalities are involved. In the past year Tasman, West Coast and Central Coast Councils have introduced the program.



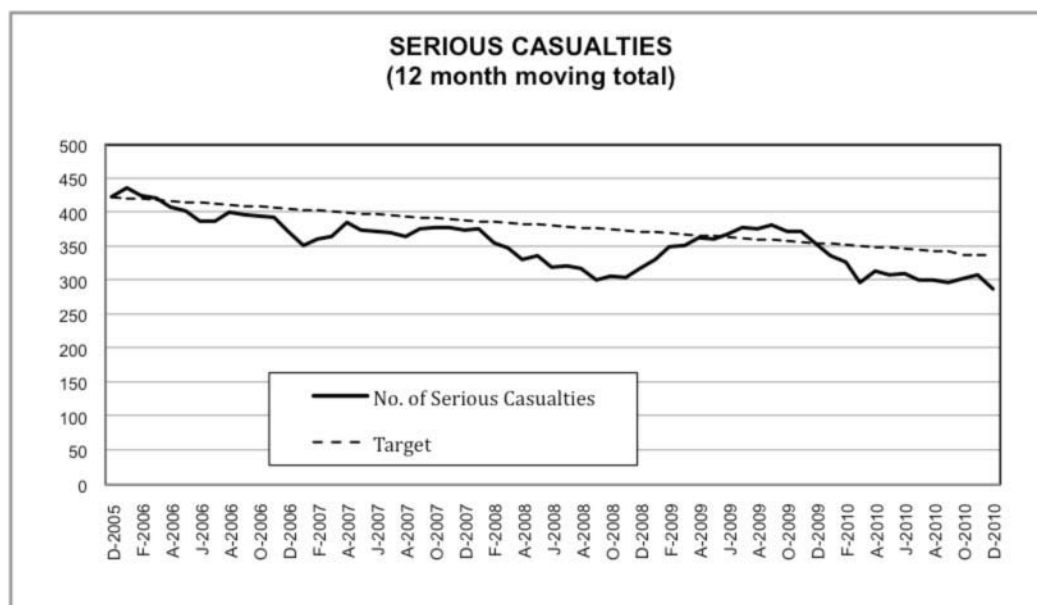
### BE ALERT LAUNCH

The Minister for Infrastructure, David O'Byrne, and the Kingborough Mayor, Graham Bury, braved the elements in March to launch the Kingborough Road Safety Committee's latest speed education program, "Be Alert." The Minister and Mayor uncovered a new "Be Alert" sign located on the Southern Outlet, with the interchangeable message "Watch Your Speed." The program is sponsored by the State Government's Community Road Safety Partnerships program, Kingborough Council and the RACT. The interchangeable messages reflect road safety initiatives that run throughout the calendar year and address key target areas such as driving to conditions, schoolchildren's safety, inattention and drink driving.

Pictured (from left) are: Darren Moody (RACT), Mayor Graham Bury, Kingborough Road Safety Committee Chair Councillor Donna Sommerville and Minister David O'Byrne

# Statistics

## 1. Tasmania Together Targets and Actual Serious Casualties



## 2. Serious Casualties in Tasmania 2001-2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Serious Casualties	534	461	433	438	422	372	374	316	353	288

## 3. Serious Casualties by Road User Type 2001-2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Driver	223	241	208	196	190	149	169	139	139	122
Passenger	142	73	97	102	84	95	94	68	83	43
Pedestrian	53	53	38	44	44	30	27	26	31	32
Motorcycle Rider	95	79	73	75	75	76	65	65	74	74
Motorcycle Pillion	2	2	2	1	4	4	1	3	2	2
ATV Rider	0	1	0	1	4	4	11	7	10	3
ATV Pillion	0	0	0	0	1	0	0	0	1	1
Bicyclist	15	8	13	15	17	12	7	8	13	10
Other/Not Stated	4	4	2	4	3	2	0	0	0	1
<b>Total</b>	<b>534</b>	<b>461</b>	<b>433</b>	<b>438</b>	<b>422</b>	<b>372</b>	<b>374</b>	<b>316</b>	<b>353</b>	<b>288</b>

#### 4. Serious Casualties by Age Group and Sex 2001-2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Female</b>										
Under 17	26	14	8	12	17	16	18	7	11	9
17-29	49	52	46	43	44	42	38	29	36	18
30-49	45	50	40	47	44	31	28	38	25	28
50-64	23	24	17	21	19	18	19	13	18	12
Over 64	32	16	27	37	19	20	13	23	19	13
<b>Male</b>										
Under 17	37	23	31	24	33	19	23	14	21	16
17-29	133	117	113	114	92	102	93	87	95	77
30-49	103	93	78	86	99	81	85	56	61	70
50-64	37	46	27	25	27	25	32	30	40	26
Over 64	35	20	38	22	25	17	22	15	27	17
Not Stated	14	6	8	7	3	1	3	4	0	2
<b>Total</b>	<b>534</b>	<b>461</b>	<b>433</b>	<b>438</b>	<b>422</b>	<b>372</b>	<b>374</b>	<b>316</b>	<b>353</b>	<b>288</b>

#### 5. Serious Casualties by Crash Type 2001-2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Multi-vehicle</b>										
From adjacent directions	36	26	41	35	31	21	24	22	19	15
From opposing direction	109	88	90	77	63	94	74	58	63	56
From same direction	37	27	22	25	18	18	9	18	12	14
Overtaking	3	11	5	19	27	11	23	4	15	10
Manoeuvring	27	19	13	16	20	18	29	28	31	18
<b>Passenger and Misc</b>										
Pedestrian	49	54	35	43	42	32	26	26	31	33
Passenger and Misc	19	12	14	7	14	5	3	2	3	2
<b>Single Vehicle</b>										
Off path	234	204	198	207	198	162	177	150	172	129
On path	20	20	15	9	9	11	9	8	7	11
<b>Total</b>	<b>534</b>	<b>461</b>	<b>433</b>	<b>438</b>	<b>422</b>	<b>372</b>	<b>374</b>	<b>316</b>	<b>353</b>	<b>288</b>

## 6. Serious Casualties by Crash Factors 2001-2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Alcohol	89	73	63	105	88	77	86	93	91	70
Animal on road	4	14	8	1	4	4	8	8	4	15
Asleep – fatigue	17	19	18	16	25	30	43	15	25	10
Distraction – external to vehicle	8	6	7	9	19	17	32	30	35	41
Distraction – in vehicle	5	3	4	10	14	19	12	13	12	12
Drugs	17	7	15	9	32	38	62	48	53	30
Exceeding speed limit	4	9	13	22	49	65	45	59	53	30
Excessive speed for conditions/circumstances	98	86	89	103	111	110	73	74	81	68
Fail to give way	30	24	34	23	19	29	25	36	31	25
Fail to obey traffic signals	4	10	8	2	3	6	5	7	2	6
Fail to observe road signs and markings	50	47	40	55	31	12	17	18	25	18
Improper overtaking	8	8	13	15	17	8	21	7	27	14
Inattentiveness	138	150	127	175	186	145	147	163	160	78
Inexperience	48	44	46	58	78	98	107	93	126	101
Other	159	118	117	0	0	0	0	0	0	0
Other obstruction on road	0	6	6	5	6	8	12	6	12	15
Pedestrian on road	43	40	27	42	35	22	22	19	28	28
Reversing without care	9	7	7	2	6	4	4	5	3	5
Road defect	17	13	22	21	22	29	18	23	19	19
Turning without care	16	2	6	10	7	15	12	19	22	18
Unwell – infirm	10	9	16	28	26	37	32	40	41	35
Using a mobile phone	0	0	0	0	2	2	3	1	1	2
Vehicle defect	11	16	23	33	23	18	28	21	50	17

Source: Crash Data Manager

Notes: Serious casualties include fatalities and serious injuries.

In July 2005 data was migrated from the old Traffic Accident Database and mapped to the new Crash Data Manager.

More than one crash factor may be associated with a serious casualty. Prior to July 2005 up to two crash factors were associated with a serious casualty.

Crash factors may be amended following advice from Tasmania Police or the Coroner.



## 1.4 REGISTRATION AND LICENSING

During 2010/11, a series of key strategies was developed to deliver business more efficiently in an effort to maximise road safety outcomes for the Tasmanian community.

### National Involvement

At a national level, DIER continued to participate in the review, development and implementation of a number of national registration and licensing measures including working with other jurisdictions, agencies and working groups to:

- move towards uniform national policy and increased harmonisation in relation to registration and licensing matters through membership of the Austroads Registration and Licensing Taskforce and its sub-groups;
- adopt a national licensing system for public passenger vehicle drivers, as agreed to by the Council of Australian Governments (COAG);
- assist in working towards a national registration system for heavy vehicles in accordance with the Council of Australian Governments (COAG) direction.
- develop nationally recognised training courses for each class of heavy vehicle driving instructor, a national set of driving competencies that will form new heavy vehicle training courses and assessments for each class of heavy vehicle, and new eligibility criteria and requirements associated with heavy vehicle driver licensing;
- establish a nationally recognised training course and literacy assessment standard for new taxi drivers (introduced in August 2010);
- develop a new national approach to recognise pending suspensions (such as accrual of demerit points, administrative, monetary penalties) so that a holder cannot avoid the suspension by transferring their demerit points;
- review the national "Assessing Fitness to Drive Guidelines" which set the minimum medical standards for medical practitioners to assess applicants for a light and/or commercial (including heavy vehicle) licence;
- develop a National Personal Property Security Register to record financial interests on motor vehicles;
- develop and implement new criteria for the assessment of written-off vehicles to further reduce the risk of motor vehicle theft and ensure that vehicles are not repaired when it is unsafe to do so. This will include amendments to primary legislation and the development of a nationally consistent notification form;
- assist in strategies aimed at increased detection of stolen vehicles; and
- assist in the review of overseas licensing in those countries where driver licences are recognised.

### Motor Registry System

DIER has a program of quarterly releases which include improvements to enquiry screens, fixes to improve data integrity and provision of self-service screens to dealers and the use of barcodes to shorten transaction times for key transactions. In addition, a review of business processes is underway identifying efficiencies and alternative delivery channels to support the large customer base of the Motor Registry System. A maintenance contract is in place with a software development company based in Hobart for the ongoing maintenance and development of this important strategic asset.

### Driving Assessors

The focus this year has been on continuing to bed down the assessments implemented in April 2009 and ensuring consistency of assessment practices statewide through on-road auditing, peer assessment and training. A contract has been established to conduct an evaluation of the novice assessments and the associated documentation to ensure they are continuing to meet expected outcomes. A key information source for the evaluation will be statistics collected from around 22,500 novice assessments since implementation.

Driving Assessors have provided a number of presentations to external stakeholders including:

- Learner Driver Mentor Programs – which explained the assessment criteria, the standard and the process to progress through the graduated driver licensing system.
- Tasmanian Youth Conference – presentation to conference delegates on the Graduated Driver Licensing Scheme (GDLS), the structure of the driving assessments and the individual criteria and how they are assessed.
- Learner Licence Assistance Programs – including a presentation to Burnie LINC staff on how to conduct a Driver Knowledge Test and issue the relevant certificate.
- Launceston College and Elizabeth College – advice on the GDLS, awareness of the available support tools and information regarding driving assessments.
- Students at St Patrick's College and Brooks High School - advice on safe driving practices and the two driving assessments in conjunction with Keys to P's sessions conducted by Road Safety Consultants.
- Students at Sheffield High School – a follow-up from a Keys to P's session conducted by Road Safety Consultants focusing on the assessment processes.
- Smithton Community Centre – the GDLS and advice on how to conduct a Driver Knowledge Test and issue certificates.
- Mersey Community Care Association – information and advice to mentor drivers in conjunction with Road Safety Consultants and Officers of the Migrant Resource Centre (Devonport) to assist in establishing a Learner Driver Mentor Program and provide advice on the standard required of novice drivers to progress through the GDLS and how the assessment is marked.

- Migrant Resource Centre (Launceston) – advice on the GDLS, structure of the assessments, assessment criteria, available support tools (including translators) and conducting mentor driver mock assessments.
- AGFEST - advice and assistance to the public in relation to driving assessment issues and road rules.

## Older Driver Licensing

A review of Tasmania's Older Driver Licensing System has been conducted. From public consultation and coupled with research, a number of recommendations have been made including the removal of the mandatory on-road driving assessment for drivers aged 85 years or more.

## Licence Card Tender

A Digitised Licence Tender has been awarded which will deliver new photo and signature capture equipment and software along with new security features for licence cards, particularly driver licences.

## Heavy Vehicle Handbook

A new handbook publication was developed to provide road safety information to heavy vehicle drivers.

## Novice Publications

The novice kit was reviewed and republished along with the implementation of a new novice brochure about obtaining learner and provisional licences.

## Unregistered/Uninsured Vehicles

Work continued on developing strategies to reduce the number of unregistered and uninsured vehicles on Tasmanian roads, including improving the efficiency and effectiveness of enforcement activity.

In collaboration with its key partner, the Motor Accidents Insurance Board (MAIB), work on this activity continues to address unregistered vehicles on Tasmanian roads and their potential risks to the community.

Ongoing strategies include:

- Deployment of Transport Inspectors on non-enforcement unregistered/uninsured activities, including regular statewide joint operations with Tasmania Police.
- Use of Automatic Number Plate Recognition (ANPR) technology to detect unregistered/uninsured vehicles and those driven by unlicensed drivers.
- Use of ANPR in data collection situations leading to operators of vehicles detected driving an unregistered vehicle being sent a warning notice advising that the vehicle was detected and asking that they register the vehicle or risk incurring a fine of up to a maximum of \$2,600.
- Public advertising via collaboration with RACT advertising on their roadside assistance vehicles, back of envelopes and through mobile advertising on Metro buses in all major cities. This advertising ensures

the travelling public is aware of the risks of driving an unregistered/uninsured vehicle.

- Reminder letters being sent to operators of all vehicles for which registration has expired for 21 days.
- Targeting interstate vehicles that are being used on Tasmanian roads for periods longer than provided for in legislation and facilitating the re-registration of these vehicles in Tasmania

## Personalised Registration Plates

TasPlates offers a broad range of personalised registration plates to Tasmanian motorists. The TasPlates scheme involves an arrangement between the State Government and the private sector for the marketing, sale and administration of personalised registration plates. Aspects of the scheme include an online option for ordering and payment, broader plate designs and pricing structure. This includes replacing the annual fee arrangement with a one-off fee. DIER continues to work with TasPlates on new initiatives.

## Concessions

A system is in place to ensure only those eligible to receive a concession do so. The system includes validating concessions against Centrelink.

## Transport Enquiry Service

The Transport Enquiry Service provides information to a range of customers on registration and licensing matters, including support for vehicle operations and passenger transport issues. More than 600 queries are received and answered each day. Information is provided over the telephone, and through facsimile and internet enquiries.

### Current Licensed Tasmanian Drivers 367,655

Drivers can hold more than one licence type and class (for example a full heavy vehicle licence and a novice learner motorcycle licence).

LICENCE TYPE AND CLASS		CLASS TOTAL
Car	Full	266,889
	L1	9,681
	L2	9,869
	P1	6,041
	P2	11,716
	Learner (other than Novice)	163
Motorcycle	Full	41,902
	Learner	1,799
	P1	1,382
	P2	1,496
Heavy	Full	62,726
	Learner	487

## Vehicle Registrations

Vehicle Type	Total
Ambulance	152
Bus	2,163
Car	203,589
Earth Moving Machinery	1,938
Fire Units	559
Motorcycle	14,877
Road Construction	473
Tow Truck	59
Trailer	90,891
Utility	50,115
ATV	2,427
Campers	4,390
Caravan	9,051
Farm Tractor	5,796
Horse Float	2,848
Other	4,087
Station Wagon	91,661
Tractor	808
Truck	39,391
Van	13,192
<b>Grand Total</b>	<b>538,467</b>

## 1.5 VEHICLE OPERATIONS

### Enforcement Strategy for Road Transport in Tasmania

DIER continues to work with road transport operators to ensure levels of self-compliance with road laws continue at a high level.

### Transport Inspectors

Strong enforcement action is taken by Transport Inspectors if breaches of road law are detected. Targeted enforcement action is also taken if a particular operator is found to be regularly breaching the law.

The safety of Transport Inspectors working in the field has been enhanced by the introduction of GPS tracking and mobile data terminals to patrol vehicles. The system, provided under an agreement with Tasmania Police, allows vehicle locations to be monitored and provides access to important client information at roadside locations.

### Heavy Vehicle Safety

Seminars to introduce the VicRoads Heavy Vehicle Rollover Prevention Program to heavy vehicle operators in Tasmania were held during the year with over 200 industry representatives attending.

DIER continues to work with the industry and the Heavy Truck Safety Advisory Council (HeTSAC) on strategies to increase rollover prevention awareness within the truck industry, focusing on key areas most at risk. This includes



#### TRANSPORT INSPECTORS DO THEIR BIT

When they're not busy performing their usual enforcement duties, Transport Inspectors can sometimes be found donating blood to the Red Cross. Pictured are Northern Transport Inspectors doing their bit to help boost supplies at the Launceston Blood Bank.

working with peak industry associations, registered training organisations and purchasers of transport services to encourage the delivery of rollover prevention training for heavy vehicle drivers and trainers. Improving heavy vehicle stability continues to be a key focus of the Council.

## Approved Inspection Stations (AIS)

The AIS scheme continues to operate successfully with about 180 AISs in place around Tasmania, of which 16 are approved to conduct heavy vehicle and public passenger vehicle inspections. All vehicle examiners are required to sit and pass a knowledge test and submit a National Police Check every three years. Refresher training is offered quarterly in respective regions for those examiners who wish to attend.

## Over Size/Over Mass (OS/OM) Permits

There continued to be a steady growth in the number of OS/OM permits being requested during 2010/11. A crane industry reference group has been formed and work is well advanced on the development of State Road Crane Networks.

## Vehicle Modifications

There continues to be a significant growth in the number of vehicle modification applications received. A high percentage of these applications relate to seating changes to vehicles, and these are mostly as a consequence of vehicle examiners taking a more stringent approach when inspecting vehicles.

## Vehicle Defect Notice System

Systems put in place last year have provided efficiencies in the clearance of defect notices, especially for clients who have lost or mislaid the original.

## Transport Operator Accreditation Scheme

DIER continues to monitor the performance of accredited operators participating in the public passenger sector in Tasmania in relation to vehicle and passenger safety.

# 1.6 TRAFFIC MANAGEMENT AND ENGINEERING SERVICES

## Tasmanian Road Safety Strategy – Best Practice Infrastructure

The provision of best practice infrastructure on the road network plays a key role in creating a safe road environment. Best practice infrastructure is particularly important on high speed routes with high traffic volumes.

The Road Safety Levy funds a program that included the following projects on which construction was underway at year end:

- Safety improvements on the East Derwent Highway between Cassidy's Road and Baskerville, consisting of shoulder sealing, the addition of three dedicated right-turn lanes at junctions to reduce intersection crashes and reduction of the severity of the S-curve near the Cassidy's Road junction. This project will reduce run-off-road casualty crashes.
- Safety improvements on the West Tamar Highway south of Beaconsfield, including shoulder sealing, right-turn facilities and flexible safety barrier. This project will reduce run-off-road casualty crashes.
- Provision of audible centreline markings on the undivided carriageway on the Bass Highway between Launceston and Burnie, to reduce head-on casualty crashes.

## Safer Roads Program

This program provided \$2 million for road safety and traffic efficiency improvements on the State road network. DIER uses its Crash Data Manager computer system to identify locations with a high incidence of crashes. Problem locations are subject to detailed crash analysis and thorough on-site inspections to identify the treatment that best addresses the site's specific crash characteristics. Candidate schemes across Tasmania are then prioritised to maximise the number of crashes that can be prevented with the available funding.

## Nation Building Black Spot Program

This is an Australian Government Program that funds road safety improvements on both State and Council roads that have a high incidence or risk of casualty crashes. Typical treatments include roundabouts, median treatments, improved delineation and roadside hazard reduction. The 2010/11 program comprised 26 schemes worth \$1.8 million.

## High Productivity Vehicle Gazetted Network Review

The Department completed a review of the High Productivity Vehicle route network with the Heavy Productivity Management Strategy published on the Department's website in June 2011. The review was a major undertaking, with over 2,500 kilometres assessed.

## Transport Systems Group

The Transport Systems Group changed its name from the Traffic Signals Section during 2010/11 to reflect the use of intelligent transport systems (ITS) on Tasmanian roads. Several Intelligent Transport systems that have been or are about to be completed are:

- Electronic Speed Limit Signs (ESLS) at schools;
- Variable Speed Limit System, Tasman Highway;
- Road Weather Stations at Constitution Hill, Vince's Saddle and Tunnel Hill;
- Dilston Bypass ITS system;
- Roundabout Metering signals at Midway Point;
- Over-Height Vehicle Detection, Bridgewater;



#### TRANSPORT INSPECTORS ON THE JOB AT AGFEST

DIER's Vehicle Operations Branch was represented at this year's Agfest by Transport Inspectors from the North and North-West as part of the overall display of Working for a Safer Tasmania. Pictured are Transport Inspectors Wayne Rice and Tim Chugg ready to answer questions on heavy vehicle compliance issues. The focus of the display was the Volvo Seat Belt Simulator – a Volvo truck cab mounted on a frame that can tilt 60 degrees to either side to simulate a rollover.

- Vehicle Queuing Warning, Rokeby;
- Electronic 'Trucks Must Enter' Signs at weighbridges; and
- CCTV Camera, vehicle detectors and electronic advanced warning sign at the Denison Canal.

There are currently 275 traffic signals sites throughout Tasmania with about 70% connected to the Sydney Coordinated Adaptive Traffic System (SCATS). SCATS enables remote adjustment of signal timings, fault reporting and traffic counts.

Funding was approved in 2009/10 to upgrade 70% of traffic signals to highly efficient Extra Low Voltage (ELV) Light Emitting Diode (LED) technology. ELV/LED signals have a life expectancy of more than 10 years and fail gradually (known as graceful degradation) over a period of months and not suddenly like incandescent globes.

At 30 June 2011, 26% of sites have been upgraded. Despite some supply issues, it is planned to increase the installation of ELV/LED signals to achieve 70% installation of traffic signals by 30 June 2013.

### Stakeholder Engagement Unit

The Stakeholder Engagement Unit facilitates public involvement in the consultation process on projects and provides information to the community about road construction and maintenance projects.

Public contact activities were a feature of major road and bridge projects, providing advice to the community and consultation with key stakeholders. The activities included newspaper and radio advertising, letters, special signage, brochures, posters, displays, meetings, presentations, workshops, property owner visits and web publications.

### Public Displays

- Midland Highway Improvement Projects display at the Brighton Show which included the:
  - Bridgewater Bridge Refurbishment Project

- Brighton Bypass Project
- Bagdad Bypass Planning Project
- Bridgewater Bridge Replacement Planning Project

### Special Events

- Commencement Events
  - Laying the first paver at the Brighton Transport Hub
- Completion Events –
  - East Tamar Highway- Dilston Bypass
  - Lyell Highway Projects
  - Illawarra Main Road
  - Bridgewater Bridge Refurbishment

### Internet Road Project Information

Information and updates were provided on the DIER website for a number of key infrastructure projects, including:

- Bagdad Bypass Planning
- Bridgewater Bridge Refurbishment
- Bridgewater Bridge Replacement Planning
- Brighton Bypass
- Brooker Highway
- Bruny Island Main Road
- East Tamar Highway – Dilston Bypass
- East Derwent Highway – Baskerville Rd to Cassidy's Rd
- Illawarra Main Road
- Kingston Bypass
- Leven River Bridge Replacement
- West Tamar Highway – Flowery Gully

## 1.7 PASSENGER TRANSPORT

### Light Rail Business Case

Work on a Business Case began in March 2011 to identify and develop a passenger rail proposal in Hobart's Northern Suburbs using the existing rail corridor. The business case has focused on analysing a proposal that best balances value for money with delivering meaningful benefits to Hobart's Northern Suburbs. The Business Case was expected to be completed in August 2011.

A Community Advisory Panel was established to support DIER in delivering the Business Case. Membership of the Panel included representatives from Hobart, Glenorchy and Brighton Councils, the University of Tasmania, the Hobart Northern Suburbs Rail Action Group, the Planning Institute, Future Transport Tasmania, Metro Tasmania and the Sullivans Cove Waterfront Authority.

ACIL-Tasman and Hyder Consulting were appointed to develop the Business Case, following a public tender process that was advertised nationally.

Stage 1 of the Business Case found that a service operating beyond Claremont would not be viable, as there would be a significant increase in operating costs beyond Claremont and a comparatively small, dispersed population. Consequently, inclusion of the line north of Claremont would inevitably undermine the overall strength of the project in benefit-cost terms.

Stage 2 examined technical aspects of the light rail service and concluded that a diesel-powered light rail service from a Hobart terminus at Mawson Place to Claremont would have a lowest feasible cost of approximately \$80 million. A service powered by overhead electrification would cost an additional \$12 million. The consultants concluded that battery-power technology was insufficiently tested and would carry an unacceptable cost risk.

The consultants confirmed that the rail line, in its current condition, is unsuitable for passenger rail services, even if operated at low speeds. It was estimated that the cost of track upgrading is approximately \$33 million, which would allow maximum travel speeds slightly above 60 km/h and a typical transit time from Claremont to Hobart of 22 minutes.

The Stage 3 Report focused on the economic modelling required to assess benefits and costs of a light rail system. The model analysed changes in travel patterns by comparing the costs to the user of travelling by different modes.

In terms of an alternative transport option, the main limitation of the rail service was found to be its relatively low average speed of 45km/h. Without a distinct travel time saving, existing car users are considered unlikely to transfer from their car to rail services in Hobart.

A relatively low Benefit-Cost Ratio is generated even when assuming significant modal shift to rail, in spite of the lack of a travel time advantage. This suggests that there are influences other than travel time, in particular the total population in the rail corridor catchment, that are restricting

the maximum Benefit-Cost Ratio achievable under current circumstances.

The Business Case will be finalised and presented to the Minister early in 2011/12.

### Park and Ride

The State Government has allocated funding of \$650,000 a year (\$750,000 in 2009/10 and 2010/11) to research and develop park and ride facilities in major Tasmanian urban areas. Funding of this initiative began in 2009/10.

Activities to date have seen:

- The establishment of a trial park and ride facility at Denison St, Kingston. This has involved the upgrading of existing parking facilities (in collaboration with Kingborough Council) and the provision of funding to enable an increase in the number of Metro Tasmania services operating to and from this facility. The additional services began operation on 2 August 2010. The initial 12-month trial of this facility has been extended to allow the completion of the passenger facilities (shelters, bicycle storage facilities, lighting).

In parallel with the Kingston park and ride trial, DIER is undertaking a multi-focused park and ride study which has seen the:

- Commissioning of market research (in the form of a telephone-based survey) to assist the Department to quantify the potential take-up of park and ride facilities in Greater Hobart and Greater Launceston, and the factors likely to influence the level of use of park and ride facilities;
- Development of a methodology to identify potential sites for park and ride facilities;
- Application of this methodology to identify a number of potential locations for park and ride trials, in both Greater Hobart and Launceston; and
- The engagement of the engineering consultancy firm GHD to provide technical advice in relation to a number of the identified land parcels and to develop concept plans for the possible construction of park and ride facilities at these locations.

An evaluation of the trial facility in Denison St will be undertaken in 2011/12. It is expected that construction of additional park and ride facilities will be undertaken in 2011/12 and beyond.

### Passenger Transport Act Review / Safe Community Transport Review

In Tasmania, the primary piece of legislation governing the passenger transport industry is the *Passenger Transport Act 1997* (PTA) and its associated regulations. DIER is currently undertaking a complete review of this legislation.

Originally, the Safe Community Transport Review (SCTR) was being undertaken in parallel with the broader Passenger Transport Act Review. However, as a number of the legislative issues having a direct bearing on the regulation of community transport lie within the PTA, during 2010/11 both Reviews were merged into a single process.

The PTA review began in late 2008. The aim is to develop and implement a contemporary legislative framework, which is clear in its intent, to support the safe, sustainable and affordable delivery of passenger transport services. This Review now incorporates the aims of the SCTR, which are to ensure that the community sector can maintain appropriate levels of service, while also properly managing its safety obligations to some of the most vulnerable members of our society. An important goal of the Review is to avoid placing an unreasonable regulatory burden on charitable and not-for-profit organisations.

Temporary exemptions from a range of legal obligations that apply to passenger transport providers continue to remain in place for community transport service providers while the Review is being undertaken.

In September 2010, DIER released a suite of Discussion Papers featuring a range of policy proposals, issues for consideration and questions for stakeholders in both the commercial and community transport sectors. These documents formed the basis of intensive consultation through the remainder of 2010. Provisional policy positions arising from this process were then considered by Cabinet, and a new PTA is being drafted. It is expected that this Bill will be considered during the Spring 2011 Session of Parliament.

## Taxis and Luxury Hire Car Industries Reforms

The third release of owner-operator taxi licences under the *Taxi and Luxury Hire Car Industries Act 2008* began on 18 September 2010, with the calling of a tender for these licences on that date. Thirteen owner-operator taxi licences were made available for the Hobart taxi area, five for the Launceston taxi area and one for every other taxi area. All 13 Hobart area licences were purchased through the tender, together with one Flinders Island area licence. Licences unsold at tender remain available for sale from the Transport Commission until the 2011 tender is called.

Wheelchair accessible taxi (WAT) licences have been available on application (to appropriately qualified operators who have a compliant vehicle) since the commencement of the Act on 24 September 2008. Since that date to 1 June 2011, 16 new WAT licences have been issued, including one in a non-metropolitan area (Huon Valley).

## Car Pooling

The Tasmanian Government is conducting a pilot web-based car pooling system for State Government employees undertaking journeys for work. The SmartShare website was launched on 3 November 2010 and was created by Inicio Solutions Limited, the operators of the ShareMyCar website.

The site cost \$16,200 to establish and is being trialled for 12 months.

The aim of the trial is to test the effectiveness of the website in improving the efficiency of the State Government vehicle fleet, by better co-ordinating travel of State Government employees making similar journeys for work purposes. Use of the website is voluntary.

## Community Awareness Activities

For the Review of the *Passenger Transport Act*, DIER prepared a suite of discussion papers addressing a range of policy issues relating to the legislation. These papers were made publicly available on 4 September 2010 as part of the second major round of consultation for this project. Consultation on these papers was undertaken by DIER, and included face-to-face meetings with numerous representatives of the community transport sector. Stakeholders were asked to lodge submissions by 29 October 2010. A total of 20 submissions were received and DIER held subsequent discussions with stakeholders as required.

In February 2011, a document providing general information about the operation of the taxi and luxury hire car industries was published on DIER's internet site. One of the aims of the document was to promote community awareness about regulations pertaining to passengers' rights and responsibilities while travelling in taxis. The document also featured information on the rights of drivers in respect of issues such as requesting payment in advance of a hiring.

## Passenger Transport Services

DIER administers a range of transport assistance programs and manages contracts to provide core passenger services throughout the State. Highlights for 2010/11 included:

- The replacement of all Tasmanian Disability Parking Permits issued under the Transport Access Scheme (TAS) with the new Australian Disability Parking Permit, a new nationally standardised design incorporating a range of improved security features that makes it easier for permit holders travelling interstate. The full re-issue was undertaken in September 2010 with all TAS members being supplied with the new permit.
- Completion of the last phase of the implementation of the new contract structure for public bus services recommended in the Core Passenger Services Review (2007) and the realignment of the Budget figures to reflect this structure. Contracts and budgets are now based on the type of service being delivered under contract (rural school bus, urban fringe service or metropolitan bus), vehicle standard and service frequency rather than the category of passenger carried.
- The commencement of a trial of WiFi on 16 general access bus services operating on major routes. It is expected that this will provide improved services to students and other commuters to enable them to research, study, communicate and engage in business while travelling on public transport.
- The funding of 13 separate Service Development Plans submitted by operators of contracted public bus services to trial new or extended services on evenings, weekends and between peaks, in response to market research and community consultation which suggested potential for commercially viable expansion.

The Passenger Transport Services Branch provided ongoing administration of 491 individual contracts for the delivery of regular passenger transport services for the general public, students and students with special needs. It also managed two shipping contracts, for services to Cape Barren Island and Bruny Island.

The Branch provided concession approvals for 15,388 students eligible for free travel to and from school on fare

charging bus services and made conveyance allowance payments to 636 parents or guardians of 864 students who need to travel more than 5 kilometres to the nearest school or bus route.

The Branch processed 4829 applications for membership in the Transport Access Scheme and made subsidy payments on 491,419 taxi and WAT trips taken by eligible TAS members.

## Passenger Transport Concessions

Program	Item Reported	Detail	%
TAS	Membership applications received	4,829	
	Applications approved	4,245	87.9
	Applications refused	232	4.8
	Current applications received since 1 June 2011	352	7.3
	Applications processed within 28 days of receipt	4,208	87.14
	Disability Parking Permits (Individuals) on issue*	25,913	
	Disability Parking Permits (Organisations) on issue	82	
	Taxi concession permits valid for standard taxis (50% concession on metered fare)*	16,025	
	Taxi concession permits for members totally wheelchair reliant (60% concession on metered fare when travelling in a wheelchair accessible taxi)*	2,216	
	Taxi concession subsidy trips claimed (total)	491,419	
	* Standard taxis	412,674	83.97
	* WATS (incl trip fees)	78,745	16.03
	Taxi concession subsidy cost	\$4,208,479	
	*Standard taxis	\$2,710,649	64.4
	*WATS (incl trip fees)	\$1,497,830	35.6
	Average subsidy	\$8.56	
	Standard taxi	\$6.56	
WATS (incl trip fees)	\$19.02		
Bus Passes	Bus passes valid for free travel in 2011	15,388	
	Free travel authorisations accessed via Metro Greencards	6,986	45.38
Conveyance Allowance	Families benefitting from the allowance in 2010 school year	636	
	Students covered by approved applications	864	
	Total cost of conveyance allowance for 2010	\$1,567,923	
	Average benefit per eligible family	\$2,465	
Age Pensioner Air Travel – Bass Strait Islands	Cost of concession of 50% of one return trip per year to Northern Tasmania	\$8,928	
	Claims paid	48	
	Average claim cost	\$186	

\* Persons holding taxi fare concession permits are also currently eligible for the issue of an Australian Disability Parking Permit, and are included in the number of Disability Parking Permits (individuals) on issue. Total current TAS membership is not the aggregate of the permits of each type.



## 1.8 PASSENGER TRANSPORT INNOVATION

The State Government has allocated \$6 million over two years, commencing in 2010/11, for the Passenger Transport Innovation Program. Investment under the program is aimed at delivering immediate improvements in passenger transport, and also planning for long-term change.

Investment is being guided by the strategic direction set out by the *Tasmanian Urban Passenger Transport Framework*, which was released by the State Government on 30 January 2010.

The program has been designed as a set of co-ordinated activities over the short and long term. These include targeted projects to improve the amenity and convenience of public transport, an increased focus on active transport planning (including funding to deliver local cycling and walking projects), and long-term strategic planning for key transport corridors and metropolitan centres.

The projects undertaken in 2010/11, based on the action areas identified in the *Framework*, were:

Action Area	Project	Budget (\$1000)
Moving Minds	Travel Behaviour Change	300
Moving Places	Integrated Transit Corridor Planning	400
	Greater Launceston Metropolitan Passenger Transport Plan	50
Moving People	Service Development Plans	1,000
	Off Bus Infrastructure	690
	Wi-Fi On Buses	85
Moving Legs	Urban Cycling and Pedestrian Network	125
	Local Cycling Infrastructure Development Fund	75
Moving Policies	Urban Travel Demand Model	75
	Metro Carbon Study	35

### Travel Behaviour Change

This project is the first step in a potential broader program aiming to achieve a significant and measurable reduction in the number of single-occupant car journeys made by people travelling to and from workplaces in Greater Hobart. Such a program has never been implemented in Tasmania before. The first stage will focus on DIER staff across Hobart, providing a trial of a behaviour change approach that could be applied to other workplaces, both within and outside State Government.

A Project Manager was appointed in April 2011 and a consultant was subsequently selected to prepare a tailored Workplace Travel Plan for DIER in Hobart. During 2011/12 it is anticipated that this Plan will be completed and implemented, including supporting initiatives such as the establishment of a network of behaviour change 'champions' and refinement of on-line car-pooling facilities.

### Integrated Transit Corridor Planning

This project aims to enhance the sustainability of the urban public transport system through focused improvements in frequency and quality along major transport corridors, underpinned by supportive land use changes in the areas adjacent to those corridors. Full development of integrated corridors is intended to include transit priority measures, enhanced residential densities and effective integration with walking and cycling infrastructure.

A Project Manager was appointed in May 2011. Work was undertaken to identify suitable corridors (initially in Hobart) and the relative priority of these corridors for improvement and re-development. It has been confirmed that the Main Road from Hobart CBD to Glenorchy will be the first Integrated Transit Corridor to be subject to detailed examination. It is expected that public consultation on a plan for Main Road will occur in early 2012.

### Greater Launceston Metropolitan Passenger Transport Plan

This project will see the development of an integrated, long-term plan to guide passenger transport in the Greater Launceston Metropolitan area. The Plan will provide a counterpart to the work completed by DIER in 2009 on passenger transport in the Greater Hobart area, which formed the basis for the *Tasmanian Urban Passenger Transport Framework*.

A Greater Launceston Metropolitan Passenger Transport Plan will include:

- A review of transport demand drivers;
- A review of land use patterns, including residential areas and future growth areas; key activity and employment centres;
- Identification of key passenger transport corridors and assets (transit corridors, park and ride);
- A review and identification of local transport linkages and opportunities.

DIER is participating in the Launceston City Council Launceston's *Retail Audit and Activity Centres Strategy*, which will have linkages to the Plan. A project manager has been appointed and scoping work will be undertaken in conjunction with the Launceston City Council.



#### CYCLIST-FRIENDLY TASMAN BRIDGE

Premier David Bartlett was joined by Cabinet colleagues David O'Byrne and Nick McKim in November 2010 to officially open a new shared cycling and footpath ramp to replace 24 steps at the western end of the Tasman Bridge. Local bicycle groups had been campaigning for the ramp for some time.

### Service Development Plans

Service Development Plans are a key feature of all public passenger transport contracts issued for non-metropolitan general access services. Operators are required to develop and submit plans which are directed towards identifying opportunities to deliver new, expanded or extended passenger services. Where there are services with potential but largely unproven demand, operators have been invited to submit funding proposals to cover the costs of service trials.

A key component of these Plans and proposals is the requirement for operators to indicate how they engaged with their local communities, to outline their approach to consultation and market research, and the degree to which they have been able to attract local support and partnerships.

Twelve-month trials have been initiated for new or expanded public bus services over the following corridors:

- Port Arthur to Hobart
- Swansea to Hobart
- Huon Valley to Hobart
- Campania to Hobart
- Maydena, Lachlan & Ouse to New Norfolk

- Beauty Point to Launceston
- Cressy to Launceston
- St Helens to Launceston
- Evandale to Launceston
- West Coast to Launceston
- Ulverstone to Devonport
- New Norfolk to Hobart
- Bridport to Launceston
- Port Sorell to Devonport

### Off-bus infrastructure: urban fringe areas

This project supports the trialling of additional bus services through the Service Development Program project, by improving the visibility and amenity of public transport infrastructure in key locations on the major non-urban bus corridors. It will also increase the proportion of non-urban bus stops in Tasmania that meet the requirements of the *Disability Standards for Accessible Public Transport 2002*.

During 2010-11, a methodology for identifying priority bus stops for upgrade was confirmed, with an initial focus on approximately 15 sites across Tasmania.

A Grant Deed for stop upgrades was signed with one Council (Huon Valley), while a further six Grant Deeds covering 12 population centres in other Council areas reached the draft stage. All site upgrades were agreed through consultation with the relevant Council and bus operator.

During 2011/12, bus stop upgrades are expected to be completed across a total of 24 regional population centres that receive general access bus services. This process will require agreement between DIER and individual Councils on the future management of the new bus stop infrastructure.

## Wi-Fi on Buses

As part of an initial 12-month trial, 16 buses operated by three different operators delivering public transport services over seven medium to long distance routes have been equipped with Wi-Fi gateways. Each bus is equipped to support up to 30 concurrent users.

The Wi-Fi trial includes services on the Midland Highway, East Coast, Tasman Peninsula, Derwent Valley and Huon Valley. Each route should experience a high level of coverage with minimal dropouts, and automatic reconnection should drop outs occur.

As the services cater to high numbers of students, content filtering consistent with that implemented under the Department of Education internet policy has been adopted. The purpose of trialling free Wi-Fi access is to assess the impact of the availability of free internet access on public transport attractiveness and use.

## Tasmanian Walking and Cycling for Active Transport Strategy

The Greater Hobart Household Travel Survey 2010 indicates that many car-based trips are for distances of less than 3km. There is therefore potential to replace at least some of these car-based trips with more active and sustainable modes of transport such as walking and cycling. The survey indicates that currently 20% of trips are made by walking, but less than 1% of trips are undertaken by bike.

The Tasmanian Walking and Cycling for Active Transport Strategy is a key component of the Tasmanian Urban Passenger Transport Framework. The Strategy aims to create a safe, accessible and well connected transport system that encourages and supports more people to walk and cycle to complete at least some of their daily journeys.

- The Strategy focuses on seven linked priority areas:
- Land use systems that encourage walking and cycling;
- Improved infrastructure and facilities to support walking and cycling;
- Improved safety for pedestrians and cyclists;
- Improved policy and planning that ensures that walking and cycling needs are considered;

- Better co-ordination and collaboration with stakeholders;
- Better understanding of walking and cycling needs and patterns; and
- Creating a walking and cycling culture.
- As part of the implementation of the Strategy:

The Department is currently working with local government, bicycle advocacy groups and other community stakeholders to identify principal urban (transport-oriented) cycling routes in Launceston, Hobart and the Burnie/Devonport areas. The information gained through these processes will be used to inform future Government investment in cycling infrastructure.

The Cycling for Active Transport – Local Infrastructure Development Fund will provide \$150,000 over the next two financial years to assist local government and community groups to identify and develop local cycling connector routes and associated facilities and programs that enable people to cycle for transport.

A trial is underway to explore the viability of installing bike racks on Metro buses, and support is being provided for installation of bike storage facilities at public transport nodes and stops. These initiatives aim to assist people to combine 'active transport' and public transport modes.

DIER is providing input through the Regional Land Use Planning Initiative process and through local area Structure Plans processes to ensure that future developments provide for, support and encourage people to use active transport modes such as walking and cycling.

## Greater Hobart Urban Travel Demand Model

Development of the Greater Hobart Urban Travel Demand Model began during the second half of the 2010/11 financial year. The model is being developed under the Passenger Transport Innovation Program.

To meet the broader challenges to the transport system identified in the Tasmanian Urban Passenger Transport Framework, there is a need to make investments in the transport system that are integrated with a range of linked initiatives. To make these investments, there is a need to better understand the urban passenger task: where people are travelling to and from, why and how they are travelling. An understanding of the task is critical in developing workable and effective solutions that meet the community's travel needs.

Urban travel demand models are typically used to assess projects, strategies and policies with a long-term time horizon (generally between 5 and 20+ years). A travel demand model is applied to estimate the changes in travel behaviour from initiatives such as:

- Road improvements (such as adding lanes to highways, urban bypasses, tunnels);
- Infrastructure improvements (such as light rail, bus priority and dedicated lanes, interchanges and park and ride stations);

- Passenger transport service changes (such as improved frequencies, transit times, interchange times, fare changes);
- Transport costs (such as changing parking costs and supply, impact of congestion on travel demand, induced travel associated with major road improvements, fuel price);
- Land use planning (such as urban expansion, infill development, decentralisation of employment centres and service delivery changes); and

- Travel demand management (such as change initiatives – work; school; and home-based, staggered working hours, peak spreading due to lower levels of service).

It is likely that the model will provide much of the evidence base for future infrastructure investments, demand management measures and other solutions and reforms needed to develop an efficient, effective and sustainable passenger transport system in future years.

## Performance Information – Output Group 1

Performance Measure <sup>1,2</sup>	Unit Of Measure	2008/09 ACTUAL	2009/10 ACTUAL	2010/11 ACTUAL	2010/11 TARGET
<i>Tasmanian Infrastructure Strategy</i> actions achieved within published timeframes, where the Department is the lead Agency <sup>3</sup>	%	na	na	na	100
Rail Safety compliance audits completed within agreed audit timeframes	%	100	100	100	100
Schools participating in road safety education (using the Year 9 and 10 Road Risk Reduction resource) <sup>4</sup>	%	65	65	na	na
Nominated teachers attending professional development for the Year 9 and 10 Road Risk Reduction resource <sup>4</sup>	%	100	90	na	na
Increasing the number of Local Government Community Road Safety Partnerships <sup>5</sup>	Number	25	25	27	26
Motor Registry System availability	%	98	99	99	99
Transport Enquiry Service – percentage of calls answered	%	83	89	97	95
Vehicles found to be unregistered of those checked <sup>6</sup>	%	0.78	0.92	0.72	0.50 - 0.75
Heavy vehicles found overweight	%	4.77	4.8	4.49	7.00
Linemarking program achieved by the end of the financial year	%	100	100	76*	100
Blackspot interventions in accordance with the program	%	100	100	47**	100
Wheelchair Accessible Taxis (WATs) licensed	Number	46	57	61	55
Bus contracts qualifying for a capital payment	%	80.4	82.5	85.7	85.0

1. The Department is progressing a comprehensive review of its performance measures to incorporate the recommendations of the Auditor-General's Report on Public Sector Performance Information (April 2008). Revised performance measures will be reflected in future Budget Papers and Annual Reports.

2. 'na' indicates that data is not available or measurement has not yet commenced.

3. This performance measure is 'na' as the projects listed in the *Tasmanian Infrastructure Strategy*, commenced in 2009/10, are categorised 0-3 years and technically not due yet.

4. The Government allocated \$180 000 over four years (2006 to 2010) for the development and implementation of a road safety education resource. In September 2009 the Government announced it would seek to have Road Safety Education as an accredited Tasmanian Certificate of Education (TCE) course by the end of 2010 and that from 2011 every public school will offer the courses to Year 10 state school students. Any reporting from 2010-11 will be determined in consultation with the Department of Education.

5. There are 29 local government authorities in Tasmania.

6. This measure is based upon Automatic Number Plate Recognition cameras in accordance with the Memorandum of Understanding between the Department and the Motor Accidents Insurance Board (MAIB)

\* Wet weather delayed and restricted the window of opportunity for the contractor to complete scheduled work

\*\* Projects delivered by local councils – 12 out of 26 have not been completed on time largely due to delays associated with community consultation/support



#### SAFER HIGHWAY LINK

*Pictured under construction is the new Illawarra roundabout at the Poatina Main Road junction in Northern Tasmania. The roundabout, completed in June 2011, is situated at what has been a significant crash site for many years. Illawarra Main Road is a crucial link between the Midland and Bass Highways, especially for freight moving to and from the North-West Coast.*

## CAPITAL INVESTMENT PROGRAM

### Major infrastructure investment project highlights for 2010/11 included:

- Brighton Bypass Southern contract - completion
- Bridgewater Bridge Refurbishment Project - completion
- Lyell Highway between Granton and New Norfolk - completion
- Brighton Transport Hub – substantial completion
- Dilston Bypass– substantial completion
- Kingston Bypass – continuing construction
- Leven River Bridge – continuing construction
- Brighton Bypass Northern contract – continuing construction

### Pre-construction work

- Arthur Highway Iron Creek Bridge Replacement
- Bass Highway Mackenzie Drive Somerset Right Turn Lane Construction
- Bass Highway North of Gannons Hill Rd and West of Westbury
- Bridge re-instatement – Dean Brook and Manuka Bridges
- Brooker Highway – Granton

- East Derwent Hwy – Saundersons Rd
- Frankford Main Road/Woodbury Lane, Thirstane Junction Remodelling
- Heavy Vehicle Warning Signs
- Illawarra Rd Springfield to Forest Lodge - Pavement Rehabilitation and Shoulder Sealing
- Lake Secondary Road (\$0.11 million of a \$2.5 million project)
- Midland Highway, Breadalbane Roundabout
- Midland Highway South Esk River Bridge Strengthening
- Mudwalls Secondary Road – North of Colebrook (\$0.3 million of an \$8 million project)
- North East Freight Roads (\$1.65 million of a \$42.5 million project)
- Ridgley Highway Road Reinstatement (\$0.3m of a \$4 million project)
- Sheffield Main Road – South of Sheffield - Removal of Dip
- West Tamar Highway near Bradys Lookout (\$0.29 million of a \$9 million project)
- Bass Highway – Cam River Bridge Cathodic Protection Installation

**Commencement of road and bridge construction work included:**

- East Derwent Highway- Cassidy's Road to Baskerville upgrade (\$1.0 million of a \$2 million project)
- Emu River Bridge Strengthening project (\$0.27 million of a \$3.0 million Heavy Vehicle Safety Strategy Productivity Program)
- Ferry Main Road Kettering – Waste Water Treatment Plant (\$1.04 million of an \$8 million project)
- Midland Highway from Bridge Road to Macquarie River- pavement reinstatement (\$0.49 million of a \$0.84 million project)
- Midland Highway at Mona Vale Junction - pavement reinstatement (\$0.19 million of a \$0.36 million project)
- West Tamar Highway South of Beaconsfield (Flowery Gully) (\$2.07 million of a \$3.5 million project)

**Completion of works included:**

- Bridgewater Bridge Refurbishment Project (\$4.66 million of a \$14 million project)
- Brighton Bypass Southern contract (\$20.10 million of a \$176 million project)
- Brighton Transport Hub – substantial completion (\$25.07 million of a \$77.3 million project)
- Bruny Island Road Sealing (\$2.69 million of a \$4.9 million project)

- Dilston Bypass – substantial completion (\$28.47 million of a \$60 million project)
- Domain Highway Queens Walk (\$0.17 million of a \$0.21 million project)
- East Derwent Highway- Yolla Street (\$0.78 million of a \$0.8 million project)
- Illawara Main Rd (Poatina Main Road Roundabout, Bishopsbourne Road to Wickford Road Improvements (\$3.7 million of a \$6.2 million project)
- Lyell Highway between Granton and New Norfolk (\$2.16 of a \$14 million project);
- Midland Highway Bagdad to Launceston - audible line and edge marking
- Richmond Road - Duckhole Rivulet road widening and shoulder sealing (\$0.21 million of a \$0.30 million project)
- Tasman Bridge (south-east approach) bicycle facility (\$0.4 million project)
- Implementation of projects identified under the Tasmanian Road Safety Strategy Program (\$4.49 million)
- Pavement resurfacing across all regions of the State (\$10.3 million); and
- Maintenance of critical bridges and structures across the State (\$4.42 million)



**EAST TAMAR HIGHWAY UPGRADE CELEBRATED**

*The East Tamar Highway upgrade between Launceston and Bell Bay, including the Dilston Bypass, was officially opened on 7 June 2011 by the Minister for Infrastructure, David O'Byrne (pictured left), and the Federal Member for Bass, Geoff Lyons. The project will benefit more than 6000 motorists, including around 700 heavy vehicles, using this stretch of road daily, as well as improve access to the busy port of Bell Bay.*



## CIP ACHIEVEMENTS FOR 2010/11

### Brighton Bypass and Brighton Transport Hub

At a cost in excess of \$247 million, the Brighton Bypass and Brighton Transport Hub form the largest State Government construction project ever undertaken. The projects will provide a state-of-the-art integrated transport hub and dual carriageway bypass of the towns of Brighton and Pontville.

Work has been completed on the southern section of the Brighton Bypass and all major structures have been completed for the Brighton Transport Hub. The work was done as a joint venture with John Holland/Hazell Bros who delivered the project from the junction of the East Derwent Highway to just north of the Brighton Industrial Estate, including the Brighton Transport Hub. Negotiations for the operation and management of the Brighton Transport Hub will be finalised in the 2011/12 financial year.

### Continuation of the Northern Brighton Bypass and commencement of a Bridge across the Jordan River levee

The Brighton Bypass northern contract construction work has progressed solidly through the joint venture with VEC/Thiess with major achievements on key bridge works and various structures such as the Strathallan Bridge and Rifle Range Road Bridges. Construction of the bridge over the Jordan River levee has now commenced and is expected to be completed during 2012. The 70-metre bridge costing \$12.7 million will span the levee so that its important Aboriginal cultural heritage values are not disturbed. DIER and its contractors are employing innovative and costly techniques to enable the construction of the Jordan River crossing without physically impacting on the levee.



#### KINGSTON BYPASS NEARING COMPLETION

Construction work on the \$42 million Kingston Bypass began in April 2010 and excellent progress is being made. The Bypass will improve access onto the highway, reduce queuing during peak periods and improve access into the central business district of Kingston. Work is ahead of schedule and likely to be completed by the end of 2011.



## Substantial progress on the construction of the Kingston Bypass

Construction work on the \$42 million Kingston Bypass began in April 2010 and excellent progress is being made. The Kingston Bypass will improve access onto the highway, reduce queuing during peak periods and improve access into the central business district of Kingston. The bypass route leaves the existing Channel Highway near Kingston High School north of Summerleas Road, passes under Summerleas Road, then to the west of residential and light industrial areas where it rejoins the Channel Highway near the existing Algona Main Road roundabout. Work is ahead of schedule and likely to be completed by the end of 2011.

## Substantial progress on the construction of the new Leven River Bridge

Construction work on the new Leven River Bridge began in March 2010 and work progressed well with two lanes of traffic moving to the new bridge in July 2011. The old bridge is scheduled for demolition by September 2011.

## Emergency Management

During 2010/11 emergency management planning and operational groups were consolidated into one unit within the Department.

The combined unit's work has centred in the main on the significant flooding events in the latter six months of the financial year. The wet weather events in January, February, March and April of 2011 created a number of landslip issues across the state. Areas of greatest concern included:

- St Marys Pass;
- Locations between St Helens and Scottsdale, in particular Weldborough Pass; and
- Elephant Pass.

Work on St Marys Pass has been completed and remediation works later moved to Elephant Pass and Weldborough Pass. These sites will continue to be closely monitored.

Other work has included cross-Agency liaison, planning and development of emergency management in the State to ensure a holistic and well integrated operational system is in place now and into the future.

### NEW BRIDGE FOR ULVERSTONE

*Ulverstone's new Leven River Bridge sits alongside the old bridge as construction nears completion. Work began on the new bridge in March 2010 and it was opened to two lanes of traffic in July 2011. The old bridge was scheduled for demolition by September 2011. The new bridge will form a significant architectural feature and focal point for the Ulverstone Wharf redevelopment.*

*Also pictured is progress on the bridge before the two halves met.*

## Completion of the Dilston Bypass

The Dilston Bypass was officially opened on Tuesday 7 June 2011 by Minister for Infrastructure, David O'Byrne, and Federal Member for Bass, Geoff Lyons. Some minor works still need to be completed over the coming months but the project is substantially finished. Work to be completed includes:

- Road sealing at the top end of the northern junction and the southern end of the bypass
- Line marking
- Installation of flexible safety barriers.

## Completion of the Lyell Highway between Granton and New Norfolk

A special ceremony was held on 25 January 2011 to celebrate the completion of a \$14 million upgrade of the Lyell Highway between Granton and New Norfolk. The upgrade has improved safety and road standard and reduced future maintenance costs. This project posed significant design and engineering challenges due to the limited scope for widening with high, steep terrain on the southern side of the highway and the Derwent River with deep river silts on the northern side.





A key focus has been working with Southern and North-East maintenance contractors to ensure an integrated approach to emergency management. Ongoing work is being carried out with Forestry Tasmania to determine whether Forestry Tasmania roads can be used for future emergency events.

### Kettering Waste Water Treatment Plant

A shared waste water treatment plant has been constructed on land owned by the Oyster Cove Inn to service current and future developments at the Inn and the Kettering Ferry terminal. The new system will be fully commissioned in early 2011/12. The plant will treat sewage from the Kettering Ferry Terminal, Oyster Cove Inn and Oyster Cove Marina, providing significant environmental benefits in Little Oyster Cove. The design of the system allows for effluent reuse for irrigation of lawns and garden beds at the Oyster Cove Inn

### Completion of planning for Bagdad Bypass

Bagdad Bypass is the northernmost of the Midland Highway Improvements projects, extending 16.4km between Pontville and Dysart. Planning for this project has been completed and the Project Proposal Report has been submitted to the Australian Government.

### Planning for Bridgewater Bridge Replacement

Bridgewater Bridge is the southernmost of the Midland Highway Improvements projects, extending from the Midland Highway/East Derwent highway junction to the Brooker Highway. The project will provide a level of service consistent with both the Brooker Highway and the Brighton bypass. Planning is substantially complete, with a Project Proposal Report to be submitted to the Australian Government in December 2011.

### North East Freight Roads

The Project Proposal Report (Scoping) submitted to the Australian Government was approved early in the financial year and planning work began on the package of projects. Following initial scoping the approval of the Australian Government was obtained for a revised package of projects.

### WELDBOROUGH PASS DAMAGE

*A section of the Tasman Highway at Weldborough Pass was one of the hardest hit by flood damage this year. Although later reopened to heavy vehicles it remained reduced to one lane under traffic signals until permanent repairs could be made as the result of a major landslide. Work was expected to start in September and be completed by the end of the calendar year.*

Scoping works continued on Bridport Main Road, Tasman Highway, Camden Road and Mathinna Bridge replacements resulting in a Project Proposal Report (Delivery) being submitted to the Australian Government for a \$7.5 million package of early works to replace five bridges on Mathinna Plains and Evercreech Roads.

### Tasman Highway Ramps

A Project Proposal Report (Scoping) has been submitted to the Australian Government and funds secured for the scoping of improvements to access onto the Tasman Highway between the Tasman Bridge and Mornington Interchange. This scoping work will be undertaken over the period 2011-13

### Community Roads & West Coast Roads Packages

Implementation of the program for the scoping of projects under the Community Roads Package and the West Coast Roads Package continued.

Projects in the scoping phase in 2010/11 included:

- Richmond Heavy Vehicle Link Road – substantially complete
- Rokeby Main Road, Oceana Drive to Pass Road – substantially complete
- Huon Highway Overtaking Lanes – substantially complete
- Ferry Main Road – substantially complete
- Tasman Highway, Scottsdale - commenced
- Arthur Highway, Dunalley to Murdunna & Taranna to Port Arthur - commenced
- Esk Main Road - commenced
- Bass Highway/Mersey Main Road – scoping completed
- Tasman Highway/Coles Bay Road – scoping completed



#### LYELL HIGHWAY UPGRADE COMPLETED

A special ceremony was held on 25 January 2011 to celebrate the completion of a \$14 million upgrade of the Lyell Highway between Granton and New Norfolk. The upgrade has improved safety and road standard and reduced future maintenance costs. This project posed significant design and engineering challenges due to the limited scope for widening with high, steep terrain on the southern side of the highway and the Derwent River with deep river silts on the northern side. Pictured (from left) are Derwent Valley Mayor Martyn Evans, Deputy Mayor Craig Farrell and Infrastructure Minister David O'Byrne.

### Forward Planning Program

The Forward Planning Program will identify and scope projects for consideration for funding by the State and Australian Governments and inclusion in forward works programs. The forward planning funding allows projects to be fully investigated and scoped prior to the commitment of delivery funds, in accordance with the requirements of the Structured Infrastructure Investment Review Process. In 2010/11 funds have been expended primarily on the collection of survey data, with most scoping works to commence in 2012/13 following completion of scoping for the Community Roads projects.

Forward Planning projects commenced in 2010/11 include:

- Montrose Bay High School Access – concept design completed
- Batman Highway – survey procured
- Midland Highway
  - Symmons Plains – aerial photography and survey procured
  - Mona Vale – aerial photography and survey procured
  - Esk Main Road Junction – aerial photography and survey procured
  - Perth to Breadalbane – aerial photography and survey procured

Projects commencing in 2011/12 include:

- Hobart CBD Traffic Modelling: Development of a traffic model for the Hobart CBD, to test different traffic management scenarios arising from the Sullivan's Cove Master Plan, Gehl Report and public transport initiatives. The project is partially funded by the Passenger Transport Innovation Fund and Hobart City Council.
- Brooker Highway – Strategic Review: The Brooker Highway Transport Plan identified a strategic review of the Brooker Highway between Berriedale Road and Howard Road as a key short term action. This project will also include the development of a traffic model for the full length

of the Brooker Highway between Berriedale Road and the Domain Highway. The outcome of this project will be a strategic plan with projects to meet future traffic demand identified and prioritised for further scoping.

- Launceston Traffic Management: DIER is working with the Launceston City Council on the analysis of traffic management issues in Launceston and the identification and prioritisation of a suite of projects. The project will tie in with the Regional Land Use Plan and the Passenger Transport Study being undertaken by the Infrastructure Strategy Division. The project is being jointly funded by DIER and Launceston City Council.
- Best Practice Cost Estimating Procedures: Two workshops were conducted on the Australian Government's *Best Practice Cost Estimation Standard for Publicly Funded Road and Rail Construction*. The Standard has been implemented for all projects in the Planning & Design Section. Development of cost estimating procedures and tools to support the use of the Standard on all DIER projects will commence in 2011/12, incorporating experience gained during the current financial year. The implementation of the Standard will result in a significant improvement in the accuracy of cost estimates and recognition of risk in all project phases.
- Batman Highway: This project will assess options for upgrading of the Batman Highway to cater for its heavy freight task. Survey data was collected in 2010/11.

### Bridge Strengthening on the National Network for Quad Axle Vehicles in Tasmania

Tasmania is supporting national quad axle policy by the controlled introduction of Quad axle vehicles to the State through strengthening of five bridges on major links of the National Network for access by Higher Productivity and Higher Mass Limits quad axle vehicles. It is intended that quad axle group vehicles will operate primarily on freight routes to shuttle high-density loads; or to move heavy containers between ports, railheads and freight centres.

Strengthening of two bridges has been completed with the remaining three bridges to be completed in the 2011/12 financial year. A total of \$1.5 million has been provided by the Australian Government and approximately \$1.9 million will be provided from State Government funding.

### Crane Access on State Road Network

The Department is reviewing crane access to the State Road Network based on the capacity of the bridges. The review considers a performance assessment of Tasmania's stock of bridges and the allowable additional masses adopted by other State Road Authorities.

The review is likely to reduce the driveable extent of road network access for some heavy cranes within the crane fleet. Where cranes are not granted a driving permit, these journeys may need to be undertaken through use of a suitable low loader.

A new crane access approach is to be devised with consideration of methods in use by other jurisdictions. The Department has formed a crane industry reference group, involving key industry representatives, to ensure that there is adequate consultation during the review.

The first meeting of the group was held in December 2010 to inform all participants of the issues and establish the review process. Meetings are ongoing and progressing towards a new crane network access and permitting system. It is anticipated to be operational prior to the end of 2011.



## TASMANIAN ROAD NETWORK

The Tasmanian Road Network comprises the following infrastructure assets:

Table 1: Tasmanian State Road Network

	2009/10	2010/11
Roads (road km) <sup>1</sup>	3651	3660
Structures (No.) <sup>2</sup>	1240	1254
Land (ha) <sup>3</sup>	7902	9101

Notes: Changes since 2009/10

1. Dilston and Brighton Bypasses included
2. Dilston and Brighton Bypasses included
3. Different/new methodology for determining the land area used

### The Capital Investment Program Key Performance Indicators (KPIs) are:

- **The Road Maintenance Effectiveness (RME) indicator**
- **The Smooth Travel Exposure (STE) indicator**
- The International Roughness Index (IRI) is a unit expressing road surface roughness. Roughness is a ride comfort indicator - the lower the roughness, the smoother the ride.

A Roughness level less than 4.2 IRI will normally provide acceptable travel conditions.

A Roughness level greater than 5.33 IRI would provide less desirable travel conditions in most circumstances\*

\*As per Austroads National Performance Indicators

Table 2 below provides comparative information on these two key effectiveness indicators for the Roads Program.

**Table 2: Road Maintenance Effectiveness and Smooth Travel Exposure**

Measure	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Road Maintenance Effectiveness - 4.2 IRI (\$'000)	3.1	2.9	2.9	3.0	3.5	4.1	4.4	4.4	4.4	4.4
Road Maintenance Effectiveness - 5.33 IRI (\$'000)	2.8	2.6	2.6	2.8	3.3	3.8	4.1	4.1	4.1	4.1
Smooth Travel Exposure - 4.2 IRI (%)	95.4	95.7	96.6	97.3	97.7	97.5	97.3	97.3	98.1	98.1
Smooth Travel Exposure - 5.33 IRI (%)	99.2	99.4	99.4	99.7	99.7	99.4	99.5	99.5	99.6	99.6

**Notes:**

- The Road Maintenance Effectiveness (RME) indicator represents the cost of maintaining one lane kilometre of the road to a set target roughness condition. The trend observed is caused by increasing maintenance cost inflation.
- The Smooth Travel Exposure (STE) indicator represents the percentage of the network travel undertaken by vehicles (on sealed roads only) with lower roughness than the nationally specified level.
- 2010/11 survey was only on selected roads (not full network)

### Pavement Condition Data Surveys

The condition data is used in the effective management of the road asset. Knowing the past and existing road condition and road usage helps to understand how the road performs, its deterioration and the impact of various rehabilitation and maintenance treatments. It also assists in assigning funds to target sections of the road network and optimise investment in the road asset.

- Laser Profiler Survey

The Summer 2011 pavement surface condition survey collected roughness, rutting and surface texture data on the National Network roads.

- Videography Survey

The network video is available to DIER staff at all offices. The network video provides full coverage of the State Road network as at 2010, the National Network roads as at 2011. New software acquired has enabled measurement of road widths, etc. from the video.

- RoadCrack Survey

A whole network survey was conducted in summer 2011. One lane on each carriageway and ramps were tested. The RoadCrack monitors location, extent and severity of the surface cracks.

### Upgrade of Weigh-in-Motion (WIM) and Permanent Traffic Counters

The long term program of upgrading the traffic monitoring equipment has continued in 2010/11. Four new permanent traffic counter sites, one WIM (Dilston Bypass) and two bicycle counters (Tasman Bridge) have been installed. Remote downloading of traffic data from the sites has been further progressed. Provision for further work in 2011/12 is planned.

### Traffic Statistics Module

The 2003-2011 traffic data is available through the Department's Traffic Statistics Module (TSM). This includes traffic volume data such as Annual Average Daily Traffic numbers and information on types of vehicles, such as percentage of commercial vehicles. A new upgrade of the TSM to enhance reporting is being planned.

### Road and Bridge Asset Valuation


A major review of Road and Bridge Asset valuation methodology was conducted in 2010/11 affecting the sealed roads depreciation and land valuation calculations. The 2011 asset valuation figure is \$3,623 million.

### Community Consultation Activities

The Traffic & Infrastructure Branch initiated quarterly meetings with a reference group from the Huon Valley Council to discuss a broad range of road safety, planning and maintenance issues in the municipality.

The Branch also undertook extensive community and stakeholder consultation during the financial year. Activities included:

- Community information sessions for Bagdad Bypass, Bridgewater Bridge, Rokeby Main Road, Ferry Main Road and Richmond Heavy Vehicle Link Road;
- Presentations to local Government officers and elected members for Bagdad Bypass, Bridgewater Bridge, Rokeby Main Road, Ferry Main Road, Huon Highway Overtaking Lanes and Richmond Heavy Vehicle Link Road



**Output Group 2**  
**ENERGY ADVISORY AND  
REGULATORY SERVICES**

## Overview

The Office of Energy Planning and Conservation (OEPC) supports the Director of Energy Planning in meeting his responsibilities as specified in the *Energy Co-ordination and Planning Act 1995*. The Director's principal duties are to assist the Minister for Energy and Resources in relation to the provision of energy in Tasmania, and advising the Minister on all aspects of energy policy. The OEPC is also responsible for supporting the Minister in his portfolio responsibilities relating to the Tasmanian and national energy sector.

The OEPC's goals and objectives align with Goals 1, 16, 19, 20, 23 and 24 of the Tasmania *Together* vision. In summary, the OEPC's objective is to ensure that Tasmanians will continue to have sufficient supplies of safe and reliable energy delivered on a sustainable and efficient basis, and that Tasmania will benefit from the ongoing development of Australia's national energy markets.

The OEPC achieves this by:

- Providing sound policy and planning advice on all aspects of energy to the Minister, Director of Energy Planning, DIER management and Government;
- Helping to maintain an efficient and effective regulatory structure for Tasmanian energy;
- Ensuring there is an adequate degree of planning and coordination for Tasmanian energy;
- Co-ordinating energy related initiatives, tasks and programs required of the public service, including supply emergency preparedness; and
- Monitoring the energy supply situation in Tasmania and providing advice on its management and mitigation through the Director of Energy Planning (see Report of the Director of Energy Planning).

## Achievements against Priorities for 2010/11

OEPC achievements in 2010/11 included:

- Continued support to the Ministerial Council on Energy (MCE), the Standing Committee of Officials (SCO), and the Council of Australian Governments (COAG) in the area of national energy market reforms, and advancing Tasmanian interests in such reforms. One of the milestones in these reforms was the passage through the South Australian Parliament of the legislation to give effect to the National Energy Customer Framework;
- Helping to develop Tasmanian policy and initiatives in anticipation of climate change and energy efficiency related policies;
- Substantial contribution to the Tasmanian Government submission to the Prime Minister's Task Group on Energy Efficiency;
- Providing Tasmanian specific feedback to AEMC, AEMO and AER reviews;
- Compiling reliable historical data and developing a capacity for analysis of supply and demand of energy in Tasmania to inform an annual Tasmanian State of Energy Report;

- Reviewing supply risk management plans and supply emergency preparedness in conjunction with electricity and gas industry participants and other relevant stakeholders, and undertake similar planning for petroleum products;
- Provision of information to the Expert Panel established under the *Electricity Supply Industry Expert Panel Act 2010*.

## National Energy Market Reforms

The creation of national markets for electricity and gas has produced a more competitive and efficient energy industry in Australia. While the current Australian energy sector is working well, the reform process is continuing.

The national reforms, captured in the Australian Energy Market Agreement (AEMA), concern the development of a single national regulatory regime for electricity and gas. The OEPC has been active in numerous working groups to advance Tasmania's interests in this process and continues to operate within a broad policy network to ensure jurisdictional energy regulatory arrangements are consistent with, and complementary to, the national energy regulatory framework.

The main area of the national reform process over the past year has been the finalisation of the National Energy Customer Framework (NECF), culminating in the passage of the National Energy Retail Law by the Parliament of South Australia, the lead legislator for national energy market legislation.

This workstream has included active participation in the Retail Policy Working Group, and the Network Policy Working Group, and the Jurisdictional Implementation Group, which all report through the Energy Market Reform Working Group to the Standing Committee of Officials and the Ministerial Council on Energy. Following on from the passage of the legislation by the South Australian Parliament in March 2011, there has been a further significant workstream on implementation at the State level, including legislative gap analysis and consideration of transitional issues,

Jurisdictions have agreed to a uniform implementation date, for the NECF, currently scheduled for 1 July 2012. The process for implementation is complex for many jurisdictions, including Tasmania, and will require careful consideration of transitional provisions and jurisdictional variations to ensure that the benefits of the NECF are rolled out to customers while at the same time ensuring minimal disruption.

Included within the NECF is the National Connections Framework (NCF), which will establish new rules for customer electricity connections, aimed at improving the efficiency, equity and transparency of the connection process.

As part of the implementation, OEPC will, in conjunction with Treasury and the Office of the Economic Regulator, undertake a review of the remaining energy regulatory functions post the implementation of the current national energy market reform program.

Tasmania is broadly supportive of the NECF policy position as, overall, it is not a dissimilar match for significant components of Tasmania's current retail and distribution framework. For any matters that do represent significant

differences from the current regulatory environment, the OEPC is working to ensure the implementation of appropriate arrangements to enable a smooth transition to the national framework.

The Australian Energy Market Operator (AEMO) was established as part of a Council of Australian Governments (CoAG) initiative to establish a single, industry-funded national energy market operator for both electricity and gas. Amendments to the National Electricity Law (NEL) and National Gas Law (NGL) to effect the establishment of AEMO were passed by the South Australian Parliament in June 2008, and AEMO officially commenced operation on 1 July 2009.

The OEPC was involved in the establishment of AEMO through its representation on the AEMO Legal Working Group, which developed the AEMO legislation, the Governance Documents Reference Group, which drafted the AEMO Constitution and other governance documents, and the AEMO Implementation Steering Committee, which oversaw the entire implementation process.

The OEPC represents the State on the national Smart Meters Working Group (SMWG). The SMWG is responsible for developing the policy and legislative framework to facilitate and support the accelerated roll-out and trials of smart meters across the National Energy Market (NEM) where it can be demonstrated that the benefits outweigh the costs.

The key area of work for the past financial year has been the Consumer Protection and Safety review. The response to submissions on the Smart Meter Consumer Protection and Safety Review Policy Paper One was released in December 2010 and dealt with the current status and policy positions with respect to NECF related smart meter consumer protection issues. A draft of the Smart Meter Consumer Protection and Safety Review Policy Paper Two, which deals with non-NECF consumer protection and safety issues was developed during the course of the year by SMWG representatives, and will be released for public consultation in the first half of 2010/11.

At this stage, the State Government has not committed to a roll-out of smart meters in Tasmania until the results of any pilots, trials and roll-outs in other jurisdictions are assessed in 2012 and when there is a verifiable net benefit to the Tasmanian community.

The OEPC also represents Tasmania on the Network Policy Working Group (NPWG). The NPWG is responsible for developing a national regulatory framework for electricity and gas distribution networks. Recent and current NPWG work includes investigation of Scale Efficient Network Extension and Inter Regional Transmission Charging, both of which are going through the rule change process managed by the Australian Energy Market Commission (AEMC). The AEMC is also currently carrying out a stage 3 review of Demand Side Participation in the NEM. Other NPWG work streams include investigation of a Gas Reimbursement Scheme, a National Contestability Framework for customer connections, Separation of Generation and Transmission Ownership in the NEM, and reviewing reliability standards.

## Tasmanian Energy Regulations

In 2010/11 work continued on considering the energy regulatory functions that will remain the responsibility of State and Territory jurisdictions under the terms of Annexure 2 of the AEMA.

The OEPC will continue to review Tasmanian energy regulatory functions that will remain a State responsibility to ensure they continue to meet legislative objectives as efficiently as possible and are optimised to function effectively as part of the broader national regulatory framework.

A key input to this task is the NECF. The task will be progressed further following the finalisation of the NECF and the development of the comprehensive implementation program. Tasmania is expected to transition to the NECF in line with other jurisdictions, on 1 July 2012.

## Planning and Coordination

In assisting the Director of Energy Planning to fulfil his statutory energy planning and coordination responsibilities, the OEPC plays a key role in the Electricity Technical Advisory Committee (ETAC).

ETAC is established under section 12 of the *Energy Coordination and Planning Act 1995*. The primary role of ETAC is to handle non-market technical issues raised by the Minister for Energy or the Director of Energy Planning. It provides a high level Tasmanian forum for discussing and resolving technical issues and also helps Tasmanian electricity industry participants to develop co-ordinated responses to matters of a technical nature. ETAC also provides a forum for the dissemination of information related to the technical operation and performance of the electricity supply system. The Committee reports regularly to the Director of Energy Planning.

During the past year ETAC has been primarily concerned with the capacity of the Tasmanian electricity network to incorporate large scale wind farms, how to improve automated voltage control and the level of inertia required in the Tasmanian system.

## Emissions Trading, Energy Efficiency, Carbon Price and Renewable Energy

Since the energy industry is Australia's major source of greenhouse gas emissions, the OEPC works with the Tasmanian Office of Climate Change and other relevant government agencies to inform the Government on a range of emissions reduction and energy sustainability issues and policies.

The OEPC continues to represent the Tasmanian Government on the Energy Efficiency Working Group (E2WG) which has responsibility for National Framework for Energy Efficiency (NFEE) under the Ministerial Council on Energy (MCE).

NFEE commenced in December 2004, with a second stage approved by MCE in December 2007. NFEE is a range of policy measures focusing on demand-side energy efficiency opportunities, increasing the use of energy

efficient technologies and processes, and overcoming the barriers to the wider uptake of energy efficiency. It covers building energy efficiency, commercial/industrial energy efficiency, appliance and equipment energy efficiency, training and accreditation and increasing awareness. The Commonwealth and State Governments jointly fund NFEE measures.

In July 2009 COAG agreed to the National Strategy on Energy Efficiency (NSEE) with the signing of the National Partnership Agreement on Energy Efficiency. The NSEE covers 37 initiatives encompassing energy efficiency in buildings, appliances, transport and across industry, business and government and incorporates NFEE measures into its scope. As a result, the MCE has a major responsibility for the delivery of the NSEE and an important ongoing role in energy efficiency policy in Australia.

OEPC through its membership of E2WG, which now continues to drive national policy development of those elements of the NFEE that have been incorporated into the NFEE measures has taken an active role in participating in national energy efficiency policy development. In particular, OEPC has provided input into the consideration of establishing a nationally consistent mandatory disclosure scheme for residential building energy, greenhouse and water performance. OEPC also participates on the Data Working Group (DWG), which undertakes projects to improve data upon which national and jurisdictional energy efficiency policy development, reporting and benchmarking can be based. In 2010-11 OEPC continued to monitor developments in the establishment of standards of energy efficiency performance for appliances and equipment, which is undertaken on national basis through the Equipment Energy Efficiency (E3) program. OEPC consults with Workplace Standards Tasmania on issues relating to the adoption of new standards.

Throughout 2010/11 OEPC also represented Tasmania in other policy matters within the wider scope of the NSEE. In particular, this included work on the development of the National Building Energy Standard Setting, Assessment and Rating Framework and the assessment and development of national legislation to determine and establish minimum energy performance standards for appliances and equipment. OEPC engages with the Tasmanian Climate Change Office, the Department of Premier and Cabinet and relevant line agencies within the Tasmanian Government on policy relating to the implementation of the NSEE measures that fall within the MCE's scope.

In 2010, Prime Minister Kevin Rudd established a Task Group to investigate ways to create a "step change" in Australia's energy efficiency efforts. The Task Group has now provided its report to the Australian Government. OEPC led the development of Tasmanian Government input into the Prime Minister's Task Group on Energy Efficiency.

OEPC also continued to monitor and assess progression towards the establishment of a national carbon price scheme.

At a local level in March 2011 OEPC commenced a project to address the gap between general information provided to the community on energy efficiency and more specific



information to assist people looking to buy, rent, renovate or build a home to better understand what actions they can undertake to reduce energy use and make their homes more energy efficient. This project is entitled the Residential Energy Guides project and is scheduled to be completed by September 2011.

In addition, OEPC continues to monitor and provide policy into the development of state based energy efficiency initiatives through its liaison with other Tasmania Government agencies, in particular the Tasmanian Office of Climate Change and the Department of Economic Development, Tourism and the Arts.

## Tasmanian Energy Directory Project

Data collection has historically been done within the energy businesses. However, with disaggregation and diversification of the supply industry and the introduction of new participants, there is a need for the OEPC to have comprehensive data to inform the advice it gives to Government.

The State of Energy Report will fulfil this need by collating information from various sources and providing an annual snapshot of energy supply and consumption in Tasmania, including analysis of historical trends and future challenges (such as climate change and the cost of energy). It is planned to release the first Report early in the 2011/2012 financial year.



## Energy Supply Emergency Response Planning

The OEPC supports the Minister in meeting his responsibilities for electricity, natural gas and petroleum emergency management in Tasmania. The OEPC also represents Tasmanian interests in the development of national emergency management arrangements covering the supply of electricity, natural gas and petroleum products, and is working to ensure the consistency of national arrangements with State emergency response plans.

The Committee to Coordinate the Response to Energy Supply Emergencies (CCRESE) is the overarching committee with responsibility for advising the Minister on how to coordinate the response to electricity, natural gas and petroleum products supply emergencies and the need for voluntary or mandatory supply restrictions. The CCRESE has continued to maintain an oversight role over its four sub-committees: the Electricity Supply Emergency Coordination Committee (ESECC), the Natural Gas Supply Emergency Coordination Committee (NGSECC), the Petroleum Products Supply Emergency Coordination Committee (PPSECC) and the Water Shortage Advisory Committee (WSAC).

The sub-committees have all met during the past year with their primary concerns being reviews of sector specific emergency management plans, reviewing communication plans, supporting members' participation in exercises and discussing the findings of those exercises.

Following the establishment of AEMO, the MCE requested the Energy Security Working Group to undertake a review of national energy sector emergency management arrangements. The OEPC is part of this Working Group. The Working Group has provided advice to the MCE on its potential role in energy emergency management and is now working on developing a set of high level policies for managing multi jurisdictional and multi-fuel emergencies.

Under the arrangements for the National Electricity Market (NEM), a Jurisdictional System Security Coordinator (JSSC) is appointed in order to provide guidelines in relation to the shedding and restoration of electricity loads in a major supply shortfall. These guidelines are given to AEMO to help it maintain power system security and to ensure a prompt return to normal supply. The position of Tasmanian JSSC is held by the Director of Energy Planning and is supported by OEPC.

In Tasmania, the JSSC is also responsible for development of guidelines for the preparation of emergency management plans for all licensed entities in the electricity supply industry. The guidelines provide for a biannual independent review of the emergency preparedness of each entity. During 2010/11 a review was undertaken on Transend, Aurora Energy and Hydro Tasmania with reviews of Aurora Energy's retail division and Aurora Energy Tamar Valley currently underway. The review highlighted a few areas for improvement, mostly in formalising currently informal processes that have been shown to work well. CCRESE and its sub-committees along with the Office of the Tasmanian Economic Regulator are monitoring the entities progress at responding to the recommendations found in the review

Tasmania participates on an annual basis in an AEMO coordinated emergency exercise involving all jurisdictions. The objective is to test and exercise emergency arrangements and provide a basis for the continual improvement of emergency preparedness. One of the recommendations from recent exercises was to improve the process by which learnings from the exercises were followed up and implemented. As a result AEMO has formed the National Electricity Market Emergency Management Forum. The JSSC represents Tasmania on this Forum with support from OEPC.

National exercises to test responses to gas supply shortages are run annually by the National Gas Emergency Response



Advisory Committee (NGERAC) on which the OEPC represents Tasmania. A number of projects have started as a result of the exercises, including changes to the National Gas Emergency Procedures. NGERAC has representatives from the Australian Government, the State and Territory Governments and the natural gas industry.

Tasmania's supplies of petroleum products are largely dependent on mainland refining and distribution facilities and arrangements. Planning is closely linked with national arrangements except for minor local emergencies.

The OEPC represents Tasmania on the National Oil Supplies Emergency Committee (NOSEC). NOSEC is the main executive channel through which Australian Governments, in cooperation with industry, formulate the overall management response to a widespread fuel shortage. NOSEC reports to the MCE and comprises officials from the Australian Government, the State and Territory Governments and the oil industry.

Subsequent to the amendment of the *Liquid Fuel Emergency Act 1998* (LFE Act) in December 2007, NOSEC provided input into the Liquid Fuel Emergency Guidelines 2008 and the Liquid Fuel Emergency (Activities – Essential Users) Determination 2008. With the enactment of those pieces of subordinate legislation, NOSEC commenced a revision of the National Liquid Fuel Emergency Response Plan (NLFERP). Exercises to test understanding of the NLFERP have been undertaken. The PPSECC is considering the changes to the NLFERP and will factor them into changes to the Tasmanian specific plans.

## Bass Strait Islands Energy Project

To help reduce residents' energy demands and to reduce the cost to the taxpayer through the Community Service Obligation (CSO), the previous Government allocated \$350,000 in December 2009 for energy efficiency projects on the Bass Strait Islands (BSI). This fund has been managed by OEPC.

In early 2010, OEPC liaised with both BSI Councils, as well as other stakeholders, in developing stage one of a project for Councils to administer the delivery of rebates for solar hot water systems to residents of the Bass Strait Islands. Formal agreements between Flinders Council and the Crown, and King Island Council and the Crown, were signed on 18 June and 21 June 2010 respectively.

The solar hot water initiative ended on 31 May 2011, with some late installations awaiting completion. Participants received a rebate of \$1000 through the program. Most participants were also eligible for the \$1000 Commonwealth Solar Hot Water Rebate.

Installation of solar hot water systems for residential customers has been the main focus of the project to date. OEPC is currently developing stage-two initiatives to complement the solar hot water initiative with the aim of further reducing the cost in CSO, and benefiting communities on the Bass Strait Islands.

The Government allocated funds to Flinders and King Island Councils to administer the initiative. Flinders Council administered 51 rebates, and King Island Council

administered 74 rebates. The Councils were allowed to recover reasonable costs for administering this phase of the program, and OEPC recovered some small legal cost associated with establishing the schemes.

The remaining funds will be used for a second round of initiatives to be completed in 2011/12.

## Renewable Energy Fund – King and Flinders Islands

This initiative was assigned to the OEPC in the 2010/11 State Budget.

The 2010/11 State Budget allocated \$1,000,000 spread evenly over four years to the then portfolio of Sustainable Transport and Alternative Energy to support renewable energy initiatives on the Bass Strait Islands.

Electricity on the Bass Strait Islands comes mainly from diesel generators, is costly to produce and carbon intensive. Tasmanian taxpayers fund most of the costs through a CSO, but the remaining price paid by businesses and residents on the Islands is still higher than that paid by consumers in the rest of Tasmania.

At the same time the Bass Strait Islands are blessed with excellent opportunities in renewable energy. Not only wind energy, but also solar, wave and tidal energy and various forms of biomass.

The objectives of the fund are to reduce carbon emissions and reduce reliance on diesel generated electricity in order to will help reduce the cost of living on the Bass Strait Islands.

The initiative also aims to reduce the burden which Tasmania's taxpayers shoulder in funding the CSO paid by Treasury to Hydro. The CSO subsidises diesel generated electricity to the tune of between \$6 million – \$8 million a year on the islands.

Reducing reliance on diesel on the islands equates to ongoing cost savings for the island communities as well as the Tasmanian community as a whole. For this reason it is appropriate that this funding round continues. The response to, and benefits of, this first round of funding will, of course, be evaluated before assessing the timing for the future rounds.

The fund was implemented as a contestable grant fund. The grant fund was opened for applications on 25 March 2011, and closed to applications on 20 May 2011. OEPC received 18 applications for funding. The total value of funds requested is \$ 1.31 million.

The first two years worth of funding were available for grant allocations for July 2011 assessments. The program will continue in 2011/12.

## Tasmanian Oil Price Vulnerability Study

The Tasmanian Government recognises that it is important to gain a greater understanding of how the Tasmanian community and economy might be affected by any oil price "shocks" or cumulative increases in the price of oil, and how any identified risks might be best mitigated. Recent world events have demonstrated that this concern is also timely and prudent.

The 2010/11 Budget provided \$250,000 for the Tasmanian Oil Price Vulnerability Study to gain a greater understanding of risks to the Tasmanian economy and community from large, sudden or sustained increases in oil prices, and what can be done either now or in the event to manage and mitigate such risks.

The risks of oil price shocks and long term steep increases arise from complex causes, including geopolitical factors, and we have seen evidence of these before and during the course of 2010/11.

The Study has the potential to lead to better outcomes for Tasmanians than would otherwise happen. Within Tasmania the pattern of settlement is highly dispersed. Furthermore there are sections of the community for whom the cost of getting to work or to services such as medical treatment already consumes a significant proportion of their income.

The Study is therefore focusing on identifying actions that the Tasmanian Government, industries, organisations and the community can sensibly do to manage these risks.

To gain a greater insight into the impacts of oil price shocks on Tasmania, the Study commissioned the Centre of Policy Studies, Monash University to undertake cross sectoral scenario modelling. The modelling reinforced the view that, in comparison with the rest of Australia, a large or prolonged increase in oil prices would have negative short and long term consequences for the Tasmanian economy, some particular industries and vulnerable sectors of the community, especially with regard to employment.

Facilitated workshops were held in May and June, 2011 in Hobart with key business, industry, environmental and social stakeholders to discuss the modelling results and possible mitigation measures.

The Tasmanian Oil Price Vulnerability Study will be completed in the second half of 2011. Further information on the Study can be found at [http://www.dier.tas.gov.au/energy/latest\\_news](http://www.dier.tas.gov.au/energy/latest_news)

## Other Outputs and Initiatives

- Review of policy on feed-in tariffs for distributed renewable electricity generation.
- Levying the National Electricity Markets Charge (NEMC) on Aurora Networks. The NEMC enables the State to meet its commitments to the operations of the Australian Energy Markets Commission (AEMC).

## Establishment of an Expert Panel

The past decade has seen significant change in the Tasmanian energy industry. There have been many major reforms including the establishment of three Government owned energy businesses, the introduction of alternative energy sources such as gas and wind power and the joining of the National Electricity Market through the Basslink cable.

The Government considers that a key point in the ongoing energy reform process has been reached and that it is appropriate for an independent review of the industry now be undertaken. The Government therefore established an Expert Panel to undertake this review under the provisions of the *Electricity Supply Industry Expert Panel Act 2010*.

The Expert Panel comprises three independent members with strong expertise in the energy industry. Candidates for the Expert Panel were identified through the established Government Business Board selection process and approved by Cabinet.

The terms of reference, timetable and processes for the Expert Panel are all on the public record.

## Legislation in 2010/11

No legislation was completed during this financial year; however OEPC has been undertaking gap analysis and other preparatory work to support the introduction of the National Energy Customer Framework in 2012.

## Performance Measures

Performance Measure	Unit of Measure	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Target
<b>Policy Advice</b>		Actual			
Provision of effective support to the Government by providing information and advice to enable informed decision making	Satisfaction	2009/10	4	4	≥4
<b>National Energy Development</b>		Actual			
Promote and protect Tasmanian interests in national energy market developments and reforms	Outcomes	2010/11	4	4	≥4
<b>Emergency Preparedness</b>		Actual			
Maintain adequate frameworks to deal with major emergencies in electricity, gas or oil	Adequacy	2010/11	4	4	≥4

### Notes:

From 2007/08 the measures have been assessed using a five point scale where four is rated 'good'. The ratings are assessed by the key stakeholders, being the Minister for Energy and the Director of Energy Planning. In relation to national developments feedback is sought from the Standing Committee of Officials.

# REPORT OF THE DIRECTOR OF ENERGY PLANNING

The Director of Energy Planning is a statutory position established pursuant to Section 4 of the *Energy Co-ordination and Planning Act 1995* (the Act). The Director of Energy Planning provides advice to the Minister for Energy on all aspects of energy policy affecting Tasmania, and assists in planning and co-ordinating the provision of energy in the State. This report is provided in accordance with Section 13 of the Act.

The Minister for Energy appointed me as the Director of Energy Planning in June 2007. I am assisted in this capacity by the Office of Energy Planning and Coordination (OEPC) in the Department of Infrastructure, Energy and Resources, and I thank them for their support.

## Overview

In 2010/11 a number of significant events occurred affecting the Tasmanian energy industry, including:

- Return to average inflows into Hydro Tasmania's storage catchments;
- Further significant increases in electricity prices;
- Continuing influence of the Renewable Energy Target Scheme;
- Extension of contestability to a further tranche of Tasmanian electricity customers;
- Significant progress on the National Energy Customer Framework (NECF), a single national regulatory regime for electricity and gas; and
- Start of a review into the Tasmanian electricity industry intended to provide advice to Parliament on the way forward.

I would also like to note the announcement in July 2011 of the Clean Energy Bill and associated carbon tax initiatives by the Australian Government.

## Planning and Co-ordination

An Energy Technical Advisory Committee (ETAC) was established in 2007 to assist me in fulfilling my statutory duties with respect to energy planning and coordination.

The primary role of ETAC is to handle non-market technical issues raised by the Minister for Energy or myself. It provides a high level Tasmanian forum for discussing and resolving technical issues and also helps Tasmanian electricity industry participants to develop coordinated responses to matters of a technical nature and mutual concern.

ETAC also provides a forum for the dissemination of information related to the technical operation and performance of the electricity supply system. The Committee regularly reports to me on its progress.

During the past year ETAC has been primarily concerned with the capacity of the Tasmanian electricity network to incorporate large scale wind farms, how to improve automated voltage control and the level of inertia required in the Tasmanian system.

Another aide to enable better informed energy planning and coordination is the Tasmanian Energy Directory Project. This is being developed by the OEPC. The aim of the project is to improve the quality and accessibility of factual information to policy makers and interested others. This will help to inform development and assessment of policy and regulatory frameworks that promote timely and efficient investment in Tasmania's energy industry.

## Risk Monitoring

The Committee to Coordinate the Response to Energy Supply Emergencies (CCRESE), of which I am Chair, is a statutory body established under Part 6 of the *Electricity Supply Industry Act 1995* and Section 12 of the *Energy Co-ordination and Planning Act 1995*. CCRESE plays a key role in advising the Minister on the adequacy of the current and future energy supply situation and the State's capacity to meet its ongoing energy demands.

Throughout the year, CCRESE has monitored the adequacy of future electricity supply for Tasmania, with the assistance of the major electricity entities and the Australian Energy Market Operator (AEMO). CCRESE and its subcommittee, the Water Shortage Advisory Committee (WSAC), have particularly focused on the management of risks associated with low hydro water storage levels and the continuity of Tasmania's electricity supply.

Water storages were consistently within the preferred operating levels all year - that is, between 30 and 50 per cent full of energy. This reduced the need for regular briefings from Hydro Tasmania and allowed CCRESE and WSAC to look at the broader issues of triggers and responses during periods of future low water storages.

In spite of persistent low inflows over the past decade, Tasmanian electricity supply has not been disrupted and confidence in Tasmania's energy security has been maintained. It is also worth remembering that even though the last few years have been particularly dry, Tasmania has still obtained over 70% of its electricity from hydro energy.

It is pleasing to note that at the end of the 2010/11 financial year the hydro storages were 46.0%, which is 9.7% above the same time last year.

This increase was assisted by net imports over Basslink, the nearly continuous operation of the Aurora Energy Tamar Valley (AETV) power plant and input from the Woolnorth wind farm.

Both Basslink and the AETV will continue to afford a high level of supply security to the Tasmanian community by providing significant support to the State's hydro system and reducing the risks to electricity supply during periods of prolonged low rainfall.

## Emergency Preparedness

In recent years there have been several significant disruptions to energy supplies on mainland Australia. These have highlighted to Australian and State Governments the need for a coordinated approach to emergency preparedness and management.

The OEPC represents Tasmania's interests in the development of national emergency management arrangements covering the supply of electricity, natural gas and petroleum products. The OEPC is also working to ensure the consistency of State emergency response plans with national arrangements. Through CCRESE and its various sub-committees, State plans for handling electricity, natural gas and petroleum product supply emergencies are currently being reviewed and updated to ensure their consistency with national plans, with each other, and with other state emergency management plans.

Responsible authorities in Tasmania continue to work on improving the State's preparedness to respond to an electricity supply emergency. This work is undertaken in conjunction with AEMO and with Jurisdictional System Security Co-ordinators (JSSC) from other States. Under National Electricity Market (NEM) arrangements, a JSSC is appointed in order to provide guidelines in relation to the shedding and restoration of electricity loads in a major supply shortfall. I currently hold this position in Tasmania and am supported in this role by OEPC.

With respect to natural gas supply emergencies, Energy Ministers signed a Memorandum of Understanding in June 2005 in relation to a National Gas Emergency Response Protocol. The protocol provides for the establishment of the National Gas Emergency Response Committee (NGERAC). The membership of NGERAC consists of state jurisdictional representatives and a representative of each of the major gas industry associations.

For liquid fuel emergencies, Energy Ministers signed an Inter-Governmental Agreement in October 2006 which established the National Oil Supplies Emergency Committee (NOSEC) and required the development of a National Liquid Fuel Emergency Response Plan. This plan has recently seen a major overhaul and has been followed by an exercise to test its understanding by relevant officials in each state and territory. The OEPC provides support to me in this area.

## Competition

In accordance with Government policy, electricity retail contestability has been phased into the Tasmanian electricity market since July 2006. Contestable customers are able to choose retailers other than Aurora Energy (retail), thereby promoting competition for customers amongst electricity retailers. There are now 5 licensed electricity retailers in Tasmania, with AGL Sales Pty Ltd gaining a licence in the past year.

The Government has phased in contestability of customers to allow a smooth transition into the market. Since July 2006, the following tranches of customers have become contestable:

- 1 July 2007, second tranche of customers (consumption in excess of 4 GWh per annum);
- 1 July 2008, third tranche of customers (more than 75 GWh pa);
- 1 July 2009, fourth tranche of customers (more than 0.15 GWh pa); and
- 1 July 2011, fifth tranche of customers (more than 50 MWh pa).

AETV provides substantial on-island competition in the Tasmanian electricity generation sector. Comprising a 203MW combine cycle gas turbine, three 40MW open cycle gas turbines and one 60MW open cycle gas turbine, AETV has reduced pressure on the State's water reserves and reliance on imported electricity from mainland Australia. Including AETV there are now 10 licensed electricity generators in Tasmania.

The reticulated natural gas market also continues to grow and provides an important element of inter-fuel competition and choice for energy users. More than 42,000 small commercial and residential customers in 43 Tasmanian suburbs and towns have the potential to access natural gas. There are 2 licensed natural gas retailers in Tasmania - Tas Gas Retail and Aurora Energy - both competing for business. Around 8,250 customers have already connected to natural gas.

## Energy Efficiency

The OEPC continues to represent the Tasmanian Government on the Energy Efficiency Working Group (E2WG). This has responsibility for National Framework for Energy Efficiency (NFEE) under the (outgoing) Ministerial Council on Energy (MCE).

The Commonwealth, State and Territory Governments jointly fund NFEE which is a range of policy measures encompassing building energy efficiency, commercial/ industrial energy efficiency, appliance and equipment energy efficiency, training and accreditation and increasing awareness.

There is a new National Strategy on Energy Efficiency which largely consists of the previous NFEE measures. The MCE and its successors is likely to have a major responsibility in the delivery of the NSEE and an important ongoing role in energy efficiency policy in Australia.

## Renewable Energy

One of my statutory roles as Director of Energy Planning is promoting the development of renewable energy.

During 2011 Hydro Tasmania and the China Light and Power Group completed the disaggregation of their six-year wind development joint venture, Roaring 40s. Hydro Tasmania will continue to operate existing wind farms at Studland Bay and Bluff Point (previously known as Woolnorth) in Tasmania. In addition, the Musselroe Bay 168MW proposal has obtained all necessary development approvals.

Further wind farm developments are planned around the State, including White Rock wind farm development on Robbins Island near Smithton.

US power company NP Power has submitted a proposal for a wind farm at Cattle Hill on the eastern shore of Lake Echo. The wind farm would be made up of up to 100 towers, and be capable of powering 60,000 homes. The proposal is progressing, with NP Power anticipating awarding tenders for construction in the first quarter of 2012. This proposal would represent a total investment of ~\$500 million in Tasmania.

The geology in Tasmania is favourable for 'hot rocks' geothermal energy, with prospective sites relatively close to transmission infrastructure. Geothermal energy has the potential to produce large quantities of emissions free, renewable and sustainable energy. Currently six special exploration licences have been issued by Mineral Resources Tasmania.

There are various municipal level programs underway in Tasmania to promote the uptake of renewable energy, particularly solar hot water. One example of this is the Bass Strait Islands Project, where \$350,000 has been made available by the Government. The project is designed to reduce the Islands' carbon footprint and reduce the amount of electricity consumed, therefore lowering electricity costs.

Electricity on the Bass Strait Islands comes mainly from diesel generators and so is costly to produce and carbon intensive. Tasmanian taxpayers fund most of the costs through a Community Service Obligation (CSO), but the remaining price paid by businesses and residents on the Islands is still higher than that paid by consumers in the rest of Tasmania.

At the same time the Bass Strait Islands are blessed with excellent opportunities in renewable energy. Not only wind energy, but also solar, wave and tidal energy and various forms of biomass.

In the 2010 Budget the Government announced a \$1 million Renewable Energy Fund for the Bass Strait Islands over four years to promote renewable energy initiatives. This initiative was assigned to the OEPC to set up and administer.

The fund is being implemented as a contestable grant fund. It was opened for applications on 25 March 2011, and 18 applications were received, of which it was possible to fund seven applications out of year 1 and year 2 funds combined.

## National Energy Market Reforms

The development of Australian electricity and gas markets is continuing at a national level, with leadership and policy direction provided by the MCE, assisted by the Standing Committee of Officials, with representation from all States, Territories and the Commonwealth. Tasmanian officials have helped to design the new regime in the national interest and to ensure the needs of the Tasmanian energy market are taken into account.

In the latter part of 2011 the Ministerial Council on Energy (MCE) will be replaced by a new Council of Australian Governments (COAG) Standing Council on Energy and Resources.

Tasmania is an active participant in shaping the emerging national framework for energy regulation. A nationally consistent scheme will reduce regulatory costs by having

uniform requirements for industry participants. Participants will not have to comply with differing and sometimes conflicting regulatory regimes, leading to more efficient operations and lower costs, with the result being more competitive and efficient electricity prices.

The Government will ensure that the national retail regime for electricity will meet the needs of Tasmanian customers. Consideration of whether and when Tasmania moves to full retail contestability for electricity will be integrated with the transition to the national framework, to ensure the best outcome for Tasmanians within the national scheme. Following the passage of the legislation in South Australia, the lead legislator for national energy market reforms, Tasmania is working towards implementation of the National Energy Customer Framework in line with all other NEM jurisdictions, currently scheduled for 1 July 2012.

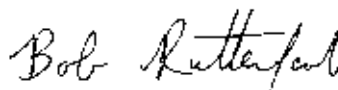
The State has maintained its 'light-handed' regulatory approach for gas in order to facilitate the growth of the gas industry, thereby providing increased competition in energy, choice of fuel, cost savings for consumers and increased energy security. This approach is consistent with the view that in Tasmania, natural gas is a competitive energy source seeking entry to an already well established and mature energy market dominated by electricity.

## Emissions Trading and Climate Change Policy

Tasmania has a lower emissions profile than other Australian States as most of its electricity comes from renewable energy sources. Tasmania can be the leading State in reducing its greenhouse intensity and the first in Australia to reach a level of emissions per capita that is consistent with sensible risk management and environmental sustainability. The State Government has already committed to a target for Tasmania to reduce its emission levels by 60 per cent from 1990 levels by 2050.

The OEPC assists the Tasmanian Climate Change Office (TCCO) within the Department of Premier and Cabinet.

In conclusion, the past year has been one of significant achievements and challenges for the energy industry in Tasmania. The changing and challenging environment in which the energy sector operates highlights the need for a robust energy framework for Tasmania. In order to meet future challenges and grasp opportunities, work will continue to ensure that the energy needs of the Tasmanian community are met safely and reliably, and in a timely, efficient, cost-effective and sustainable manner.



BOB RUTHERFORD

**Director of Energy Planning**

## Output Group 3

# MINERAL RESOURCES MANAGEMENT AND ADMINISTRATION



The primary role of Mineral Resources Tasmania (MRT) is to ensure that Tasmania's natural mineral resources are managed in a sustainable way now, and for future generations, in accordance with the goals of Tasmania *Together*, and to ensure that there is a fair and sustainable return to the community when mineral or petroleum resources are developed.

A high level of mineral exploration activity is essential for the future development of the mineral sector and for the economic well-being of Tasmania. The mineral extraction and processing sector is Tasmania's largest export industry, amounting to 50% of mercantile exports in 2010 (worth \$1.593 billion) (ABS figures) after the impact of reduced commodity prices. Royalty revenue collected for the State by MRT totalled \$45.3 million in 2010/11.

MRT, by providing information on areas of high mineral resource potential in Tasmania, encourages private sector exploration which is essential to the development of new operations. By ensuring an adequate return from our mineral resources, all Tasmanians can share the benefits of our mineral wealth.

Metal prices generally rose during the first part of the year, although the positive effect of the rises was partly negated by the strong appreciation of the Australian dollar against the US dollar. The price of gold in US dollars rose strongly throughout the year but was more volatile in Australian dollars. The price of other commodities tended to stabilise in the middle part of the year before showing some indication of decline towards the end of 2010/11.

The major initiatives and issues affecting MRT in 2010/11 included:

- Completing the compilation of all geological mapping undertaken in North East Tasmania and King Island as part of the *TasExplore* initiative, completion and publication of most resulting geological reports on North-East Tasmania, and completion of a first pass 3D geological model of North-East Tasmania.
- The return of private investment in mineral exploration to pre-Global Financial Crisis levels with consequent pressure on tenement management and geological staff, exacerbated in the latter case by the retirement of a number of staff members.
- Acquisition of aeromagnetic data off the East Coast of Tasmania as part of a joint National Geoscience Agreement project with Geoscience Australia.
- Enhancing the provision of geoscientific data through the Tasmanian Information on Geoscience and Exploration Resources (TIGER) system.
- Undertaking a series of promotional activities to further encourage the continuing upsurge in mineral exploration in Tasmania, albeit on a reduced scale.
- Providing resources for environmental monitoring of exploration and mining tenements, and for the inspection of mines and quarries.
- Continuation of the royalty audit program to ensure tenement holders are paying in accordance with legislation.

The major issues and initiatives for 2011/12 are to:

- Begin work under a new government initiative to increase the attractiveness of western Tasmania for mineral exploration, as well as upgrading the 3D geological model of the region.
- Participate in the development of a three-dimensional geological model of south-east Australia (SEA-3D) by a project team from Geoscience Australia, GeoScience Victoria and MRT working under a joint National Geoscience Agreement.
- Continue updating data for the Tasmanian Information on Geoscience and Exploration Resources (TIGER) system.
- Undertake a series of promotional activities to encourage mineral exploration in Tasmania, including the promotion of the three-dimensional model of geological structure and major mineralising pathways of Tasmania.
- Continue to produce land stability maps of urban areas in Tasmania, in line with the guidelines developed following the Thredbo disaster.
- Continue to provide resources for environmental monitoring of exploration and mineral tenements, and for inspection of mines and quarries.
- Continue the rehabilitation of abandoned mining sites in Tasmania.
- Continue the royalty audit program.

## Status of Tasmania's Mineral Industry

The recovery in mineral exploration investment, which began in 2009/10, was maintained through the year. Sixty-one Exploration Licence applications and two Offshore Mineral Exploration Licence applications were received during the year. Seventy Exploration Release Areas (ERAs) were advertised during the year, with 23 licences being awarded from these ERAs.

According to Australian Bureau of Statistics (ABS) data, expenditure on mineral exploration for the year to 31 March 2011 was \$34.7 million, up 129% on the \$16.3 million for the corresponding period of the previous year. Over this period, Tasmania's share of Australian exploration expenditure increased from 0.78% to 1.31%, by far the highest rate of increase of any Australian jurisdiction. ABS data show that \$17.3 million, or 49.9% of total expenditure, was spent on the search for new deposits, well above the Australian average of 36.6%, further underlining industry perceptions of Tasmania's potential for new economic deposits.

The Minerals and Metals Group (MMG) Rosebery mine continued to operate profitably during the year, and continued successful exploration in the year to June 2010 resulted in increases in resources of zinc by 11.5%, in lead by 24.5%, in copper by 9.3%, in silver by 23.0% and in gold by 26.3%. The MMG-owned Avebury nickel mine remained on care and maintenance throughout the year, but the company completed a \$3 million review of the operation during the year, including a drilling campaign to establish more resources.



Bass Metals Ltd completed development of the Fossey zone zinc-lead deposit, south of the Hellyer mine and commenced production of ore and zinc, lead and copper concentrates during the year. Production from the Que River mine ceased, but further production from Que River and Hellyer, as well as resumption of tailings retreatment and processing to concentrates at the Hellyer mill, are under consideration for the future.

Grange Resources Limited is expanding the open-cut mine at Savage River and is strongly profitable following further increases in iron ore pellet prices. The current mine plan extends to 2026, but there is potential for a further ten years operation.

Bluestone Mines Tasmania Joint Venture Pty Limited, which owns and operates the Renison Bell underground tin mine, is a partnership between the ASX-listed Metals X Limited (Metals X), and YT Parksong Australia Holdings Pty Ltd (YTPAH), a wholly-owned subsidiary of the world's largest tin producer, the Yunnan Tin Group and Parksong Holdings, a Hong Kong registered company. The mine operated profitably throughout the year, during which production of copper-silver concentrate began for the first time in the mine's history. A 12,300-metre drilling campaign made several significant intersections of tin and copper and a resource recalculation is underway.

King Island Scheelite Limited has recalculated resources for a higher grade underground mining operation instead of the expanded open cut originally envisaged. The company now plans to resume production in late 2012 with the treatment of tailings to recover a scheelite concentrate. Underground ore production from the Dolphin mine is expected to start in early 2014.

Unity Mining Limited (formerly Bendigo Mining) has doubled the resources at the Henty gold mine through a major and ongoing exploration program and the mine life has been extended to at least a four further years. Recent exploration drilling has intersected ore grade gold at Red Hills, two kilometres north-east of the mine.

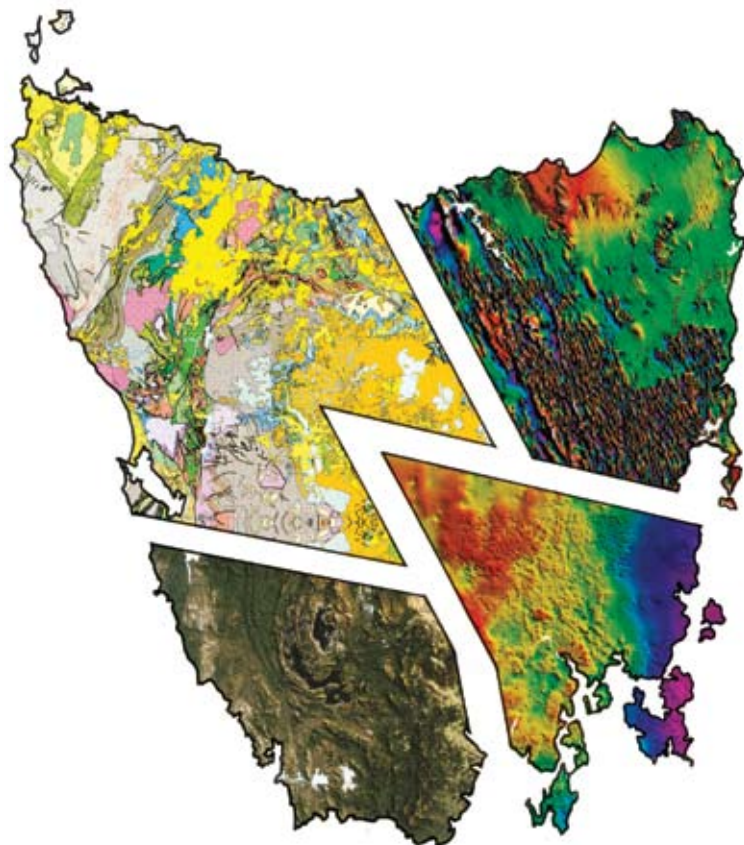
Copper Mines of Tasmania continues to examine the feasibility of developing the Western Tharsis deposit and the Mt Lyell mine continues to operate profitably.

The receiver of Van Dieman Mines Pty Ltd failed to attract a purchaser for the alluvial tin assets in the Gladstone area.

Tasmanian Advanced Minerals Pty Ltd continued silica flour extraction from tenements at Corinna and Blackwater with silica flour treatment at its plant near Wynyard. The company has been granted a new mining lease at Hawkes Creek in North-West Tasmania.

Exploration successes during the year included:

- the completion of a successful scoping study into developing tin, tungsten and magnetite resources at Mount Lindsay, north of Renison Bell, by Venture Minerals Limited to be followed by a full feasibility study;
- further progress towards developing a nickel laterite deposit near Beaconsfield by Proto Resources and Investments Ltd, including an application for a mining lease;



- ore grade gold intersections at Red Hills by Unity Mining Ltd;
- commencement of a feasibility study into mining hematite and magnetite at the Nelson Bay River by Shree Minerals Ltd;
- definition of ore grade tin resources at Queen Hill, Zeehan, by Stellar Resources Ltd, with a scoping study to follow.

The Thylacine and Yolla gasfields, which are both in Tasmanian waters, continue to produce gas which is piped to Victoria. Two petroleum exploration wells were drilled in Tasmanian offshore waters: Silvereye-1 and Craigow-1, both in the Bass Basin. Neither well encountered commercial hydrocarbons. Four offshore seismic surveys and one seabed sampling survey were undertaken during the year

## Promotion of Mineral and Petroleum Potential

The Tasmanian Government provided \$67,800 in 2010/11 to actively market mineral exploration and development opportunities in Tasmania, both as a part of the Team Australia marketing group and as a separate delegation. Because of financial restraints, no visits were made to Canada or London during the year.

Two senior DIER staff met with Chinese companies in Shanghai and provincial areas in August and were joined by the Minister for Energy and Resources for a week at the Shanghai World Expo. Two DIER personnel attended the Australia–China Mining Investment Seminar in Beijing and China Mining 2010 Congress in Tianjin in November, as well as meeting with Chinese companies in Beijing and Hong Kong.

Presentations were made at the Tasmanian Minerals Conference at Launceston in May, and to the Association of Mineral Exploration Companies Convention in Perth in June.

Regular two-monthly updates on exploration progress in Tasmania were provided to the international Society of Economic Geologists newsletter as part of a global review of mineral exploration.

Promotional missions and functions were conducted in Perth, Sydney and Melbourne by officials from DIER. During these visits, there was continued strong positive feedback on the mineral potential, infrastructure and business climate in Tasmania, as well as on the geoscientific programs conducted by MRT.

These promotions have been successful and continue to play an important role in attracting new mineral exploration companies to Tasmania, as well as stimulating interest in potential new mining and processing projects and in existing mining operations that were available for investment.

## Collection, Integration, Interpretation, Publication and Presentation of Data

Verification, upgrading and loading of information into the TIGER system continued. The TIGER system has a single geoscience data model with user interfaces for geohazards, geophysics, drilling, mineral deposits, geoscience maps, samples and geochemistry. Other information available includes geology, mineral tenements and documents held by MRT, and general information for MRT and DIER clients. As information is added to the MRT website clients are encouraged to access this information via the website in a self-service manner rather placing a formal order with MRT which both slows the supply of information and requires MRT staff resources to fulfil.

The recorded volume of downloads from the MRT website totalled 58,459 gigabytes, compared with a total of 9796 gigabytes in the previous year. Approximately 43,728 gigabytes of this resulted from downloads to one site in the month of January. After discounting this exception, the total download volume of 14,731 gigabytes is substantially higher than in the previous year.

This heightened level of downloads from the MRT website is attributed to the increase in the nature and volume of information available which allows clients to download required information. In addition the rapidly increasing level of mineral exploration activity following the period of financial constraint can be expected to also have some effect.

Development and maintenance of the TIGER system was successfully carried out using a combination of contractors and MRT staff. In addition to data being accessed from the MRT website, 101 data packages were distributed on CD to clients.

Through the Government Geoscience Information Committee MRT has been a major participant in the AuScope GRID project and is now using WFS to deliver mineral occurrence data (using Earth ResourceML), and drill hole location data (using GeoSciML).

The conversion of MRT's 1:250 000 and 1:500 000 scale digital geology maps from the AGD66 datum to the GDA94 datum has been completed. The conversion of the 1:25 000 scale digital geology maps is progressing well, with over 200 of the 207 maps already converted.

The geology of the five map tiles in North-East Tasmania (Ben Nevis, Giblin, Blessington, Nunamara and Mathinna) was amended during the year and compilations completed, completing the *TasExplore* (TIGER Initiative) project mapping for the region. Ten reports and products have now been completed for the project and three others are in an advanced state of preparation. A total of 37 map tiles in North-East Tasmania were amended as a direct result of the *TasExplore* project.

The focus of the *TasExplore* work was mapping geological subdivisions within the Mathinna Supergroup, the main host for gold deposits in the region. Seven formations (geological subdivisions) have been recognised west of Scottsdale and this has enabled better definition of the controls on gold localisation. A three-dimensional geological model has been upgraded for this area as has the detailed model constructed for the linear zone of gold deposits extending from Alberton to Mathinna. A model has been constructed for the Scamander area.

On King Island, the Stokes sheet has been compiled. Mapping of Pearshape is almost complete.

Work on the interpretation of the geochemistry and genesis of the Savage River iron deposit has been completed and a report is in preparation. This work has important implications for future exploration of the Arthur Lineament of North-West Tasmania.

Under a joint National Geoscience Agreement project with Geoscience Australia approximately 32 000 line kilometres of aeromagnetic data have been acquired from the continental shelf off the East Coast of Tasmania over an area extending from Musselroe Point to 100 kilometres south of Tasman Island. This data will be used as input in the development of a revised three-dimensional geological model of Tasmania.

There was significantly decreased activity on the HyLogger in 2010/11 following the resignation of the technician, who is yet to be replaced. Scanning of 607 metres of core, representing four drill holes, was completed and results from two holes were processed to publication quality.

A regional landslide mapping project, the Tasmanian Landslide Map Series, is the main geohazard related activity undertaken by MRT with maps of the Launceston, Hobart, Glenorchy and North West Coast areas being completed in previous years. The northern Tamar Valley landslide mapping project, covering the area between the mouth of the River Tamar and just north of Launceston, is making good progress, and publication is scheduled for this calendar year. Funding assistance from the Australian and Tasmanian governments through the Natural Disaster Mitigation Program (NDMP) has supported these projects.

These landslide maps are assisting local government and geotechnical practitioners to make informed decisions on planning and development issues, especially given the pressure for development of marginal lands around our cities.

MRT provided assistance with the development of the landslide component of the draft Statewide Codes produced by the Tasmanian Planning Commission as part of a major planning review in Tasmania. MRT assisted the Australian Geomechanics Society in organising the Landslide Risk Management 'Risky Roadshow' in Hobart, which 50 members

of the planning and geotechnical communities attended. A case study on landslide zoning was presented by a MRT staff member at this meeting and a paper has been submitted for publication in the proceedings.

MRT has commenced the initial phases of a project to produce a Statewide Landslide Planning Overlay. Computer programming code has been developed that will allow susceptibility modelling of very large spatial datasets to create the overlay. Work is underway on advanced debris flow modelling of Mt Wellington (a NDMP project). With the support of a consortium of local and Tasmanian Government agencies, MRT commissioned the procurement of LiDAR and orthoimagery of the Hobart area which will allow revision of the geology and recognition of past landslides on the flanks of Mt Wellington, and more accurate modelling of debris flows and flash floods down to the shoreline.

The TIGER Geohazards (landslide) database forms a critical data foundation for the landslide mapping project and to service enquiries from stakeholders. There are currently about 2500 records in the database, including details of damage caused by landslides. More records are added as each landslide map area is completed. This database has recently been web-enabled to allow greater access to our information by the community.

Historically, MRT has monitored a number of active landslides in Tasmania that have affected roads, railways and subdivisions. The School Creek landslide at Taroona and the Lawrence Vale landslides at South Launceston are the only landslides currently being monitored. The inclinometers on the two landslides at South Launceston have recorded no movement since they were installed in 2005. The near real-time landslide monitoring facility at Taroona continues to record intermittent movement. Above average rain falls have occurred in 2009/10 and 2010/11, both of which were La Nina years. Analysis of the data collected from Taroona shows strong relationships between rainfall, the consequent rise in groundwater pressure and landslide movement, allowing for an improved understanding of landslide performance that in

turns leads to more accurate hazard and risk analyses, and risk management strategies.

MRT is involved with a major risk management study, managed by the Kingborough Council, of the Taroona landslide complex. Funding from the Natural Disaster Mitigation Program is being used to compile information on infrastructure and damage records into a single repository. MRT is contributing to the project by providing technical advice through the development of funding applications, membership of the steering committee, revising the geological interpretation of the area, developing a 3D geological model, and interacting with consultants. Application for funding for subsequent stages of the project has been submitted.

## Mining Leases

The *Mineral Resources Development Act 1995* provides for the State to grant titles for the extraction of minerals from mines and quarries. Titles are issued for larger scale operations with appropriate rehabilitation bonds and conditions. Shorter terms are preferred for small-scale remote operations to provide for regular environmental review.

At the end of 2010/11 there were 567 granted mining leases with 32 leases in the application stage. During the year applications were received for 22 new leases and 36 lease renewals. There are currently 21 applications yet to be granted and 110 renewals being processed. The number of pending renewals is a significant reduction compared to the same time last year.

## Mining Tribunal

The Mining Tribunal dealt with matters affecting licences and leases held by Great South Land Minerals Ltd, Stonehenge Metals Ltd, B3 (Bell Bay Bluestone) Pty Ltd, Merdon Exploration Pty Ltd, M E Phelan and Cresswell's Transport Pty Ltd. Two matters are still to be resolved.



## Protection of Strategic Extractive Resources

It is imperative that planning processes include the consideration of strategic extractive resources. There has been an increase in cases where planning approvals that would potentially sterilise strategic extractive resources have been made. MRT continues to take an active role in guiding planning decisions to ensure the protection of these resources. This includes adopting a strategic approach to development of a planning overlay identifying strategic extractive resources and their associated buffers. Work on this is progressing.

## Rehabilitation of Mining Lands Trust Fund

The main activities during 2010/11 were mine shaft safety at a number of sites and remediation of historic tin mine tailings at Royal George. Mine shafts at Lefroy, Scamander/ St Helens, Beulah, Rossarden, Mt Nicholas and Zeehan were either covered or back-filled to provide for public safety. Remediation works were continued at Royal George with further application of lime and fertiliser to tailings, installation of drainage control structures, cultivation and vegetation work. Follow-up work, including revegetation and weed management, on rehabilitation sites at Balfour and gravel pits in the Dip Range Regional Reserve, was also undertaken. Approximately \$190,000 was spent on Trust Fund projects during 2010/11.

## Royalty Assessment

MRT is responsible for the collection of mineral royalties from Crown land tenements. Royalty is a payment to the community for the purchase of non-renewable resources.

The Tasmanian royalty regime operates under two systems depending on the type of resource recovered. Companies

producing a metallic mineral or coal pay under a two-tiered system, where royalty is paid on the net sales and profits earned from the operation. Royalty on the recovery of industrial minerals and construction materials on Crown leases is set on a per cubic metre or per tonne basis. The Tasmanian Government recently announced an increase in the royalty cap from 5.0 to 5.5% of net sales.

MRT conducts a royalty audit program to ensure tenement holders are paying royalty in accordance with the *Mineral Resources Development Act 1995*. The audit program concentrates on the metallic mines which pay royalty based on net sales and profits.

Mineral royalty revenues for 2010/11 were \$45.3 million, an improvement over the \$34.7 million collected in the previous financial year which was still impacted by the global financial crisis and the resulting decline in commodity prices. The 2010/11 receipts represent the highest royalty revenue per annum collected to date, the previous high being the \$41.4 million collected for 2007/08.

Mineral royalty revenue is expected to remain at around the 2010/11 level for the coming years based on prices remaining strong with continued demand for commodities from the developing Asian markets, despite the high value of the Australian dollar. An improvement in prices and the recommissioning of the Avebury nickel mine would impact positively on expected revenues.

## Community Awareness Activities

The petrologist liaised with lapidary clubs and companies, the Tasmanian Minerals Council and the general public with regard to lapidary and gem and mineral collecting matters. He represented MRT at gem and mineral shows in both Hobart and Zeehan, and presented talks to several school and community groups during the year. Two TV programs, featuring Nascar driver Marcos Ambrose promoting Tasmania as a destination for mineral collecting and highlighting MRT's core library, were screened in the USA.

## Performance Information – Output Group 3

Performance Measure <sup>1</sup>	Unit of Measure	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Target
Area covered by modern remote sensing data with subsequent 1:25 000 scale geological mapping coverage	%	45.1	49.0	53.6	53.0
Programmed abandoned mining lands rehabilitation projects completed	%	97	83	95	100



## Output Group 4

# SUPPORT FOR THE MINISTER FOR ENERGY AND RESOURCES

The Department provides the Minister for Energy and Resources with advice on forest policy.

This Output Group is delivered by Departmental officers in liaison with industry and other Government departments, business enterprises, statutory authorities and state-owned companies.

## Achievements for 2010/11

- The Forest Policy Branch provides high level strategic advice to the Minister and Secretary on a range of resource-related policy initiatives of governments, including support to the Ministerial Councils and their Standing Committees on Primary Industries and Natural Resource Management.
- The major focus in 2010/11 was on the Tasmanian Forests Statement of Principles process. Support was provided to the Tasmanian Co-ordinator General in considering the implications of the Statement of Principles and reports by the Government's independent facilitator, Mr Bill Kelty.
- Following the November 2010 Federal elections the Australian Government requested assistance from the Tasmanian Government to implement its Tasmanian Forest Contractors Assistance package. The Forest Policy Branch developed, implemented and managed a \$5.4 million Forest Contractors Financial Support program to assist contractors to maintain financial viability during the severe industry market downturn experienced throughout the year. The program was successfully completed with 53 businesses receiving assistance. A final report was prepared for the Australian Government and posted on the Department's Forests website.
- The Forest Policy Branch has a lead role in the co-ordination across the Tasmanian Government of implementation and reporting of commitments under the Tasmanian Regional Forest Agreement (RFA), and the Tasmanian Community Forest Agreement (TCFA). An annual report on implementation of the Tasmanian Community Forest Agreement commitments was prepared and published on the Department's website.
- The second RFA five-year review for the period 2002-07 was completed in February 2008. The Department co-ordinates the continued implementation of the recommendations by the Tasmanian and Australian Governments in accordance with the joint response to the review recommendations released by the Governments in January 2010. Implementation of many of the recommendations has been completed. Preliminary preparations began for the third and final five-year review due in 2012.
- A major policy focus has been on the role that Tasmanian's forests may have in assisting the Tasmanian Government to meet its carbon emission reductions target. The Branch collaborated with the Tasmanian Climate Change Office in reviewing developments in international and national climate change policy related to forests and the development of a study to review Tasmania's forest carbon stocks.
- The Department administers the *Forestry (Fair Contracts Code) Act 2001*. The Department undertook a review of the Act and the 2003 Forestry Fair Contract Code to determine options for implementation of the State Government's election commitments to improve the fairness of forestry contracts and to provide a low cost mediation service. Progress was delayed pending the outcomes of the Statement of Principles process.
- Staff in the Forest Policy Branch participated in the Forests and Forest Industry Council, the Forest Practices Advisory Council, the Vegetation Management Policy Advisory Group, the Tasmanian Biosecurity Committee, the Conservation Compensation Committee and the development of national and State climate change policies.

Performance Measure <sup>1</sup>	Unit of Measure	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Target
<b>User Satisfaction Survey <sup>2</sup></b>					
Set and maintain high standards in administrative process and policy development that meet the needs of the end-user:					
Minister	Satisfaction	Satisfied	Satisfied	Satisfied	Satisfaction
Agency	Satisfaction	Satisfied	Satisfied	Satisfied	Satisfaction

1. The Department's performance measures have been revised following the Auditor-General's Report on Public Sector Performance Information (April 2008).

2. A User Satisfaction Survey seeks stakeholder feedback regarding the level of satisfaction perceived on such issues as quality, equity, efficiency and openness of the consultation process.

# Output Group 5

# RACING POLICY AND REGULATION



The focus of this Output Group is the regulation and direction of horse racing and greyhound racing and the regulation of betting by and with bookmakers. Racing Services Tasmania (RST) administers the *Racing Regulation Act 2004* in order to maintain the probity and integrity of the racing industry.

### Outputs within this Group include:

- support and provision of policy advice aimed at ensuring that Government requirements and expectations are met in relation to the regulation and integrity of the racing industry in Tasmania;
- registration of racing clubs;
- operation of the Stipendiary Stewards Panel;
- licensing and registration of industry participants and racing animals, as approved by the Director of Racing, pursuant to the rules of racing;
- handicapping for harness racing and grading for greyhound racing;
- registration and regulation of bookmakers and their agents;
- setting of integrity conditions applicable to Tasmanian race field information publication approvals;

- administrative support for the Tasmanian Racing Appeal Board and the Integrity Assurance Board; and
- administration of and monitoring compliance with legislation.

### Key Clients

The main users of this Output Group are the Minister for Racing, racing clubs, racing industry bodies and participants, bookmakers and their agents, Tasracing Pty Ltd, the Tasmanian Racing Appeal Board and the Integrity Assurance Board.

### How this Output Group is delivered

The Output is delivered by officers of the Department (based in Launceston and Hobart, as well as at various racing locations throughout the State) in close consultation with Tasracing Pty Ltd, racing clubs and industry representative bodies. There is also regular liaison with other divisions of the Department and relevant Government agencies.

### How this Output Group's Performance is Measured

The following performance measures reflect both the level of activity undertaken and the outcomes achieved by RST in providing high-level integrity to the Tasmanian racing industry.

## Performance Information – Output Group 5

Performance Measure <sup>1</sup>	Unit of Measure	2008/09 Actual	2009/10 Actual	2010/11 Actual	2010/11 Target
<b>Swabs taken by stewards</b>	Number	2910	3512	3600	3501
<b>Positive swabs to swabs taken</b>	%	0.30	0.23	0.28	0.28
<b>Suspensions, disqualifications and fines imposed by stewards on licensed persons</b>	Number	452	395	410	405
<b>Suspensions, disqualifications and fines appealed to the Tasmanian Racing Appeal Board</b>	Number	29	25	10	10
<b>Appeals to the Tasmanian Racing Appeal Board where conviction quashed</b>	Number	2	6	2	2
<b>Licence applications received</b>	Number	1652	1632	1650	1626
<b>Licence applications not referred to Licensing Panel approved within 14 days <sup>2</sup></b>	%	98	98	100	98
<b>Appeals to the Integrity Assurance Board <sup>3</sup></b>	Number	1	4	2	3
<b>Races handicapped <sup>4</sup></b>	Number	740	729	720	762
<b>Races handicapped requiring a redraw due to errors</b>	Number	2	0	1	1
<b>Races graded <sup>4</sup></b>	Number	1537	1569	1570	1572
<b>Races graded requiring a redraw due to errors</b>	Number	0	0	1	1

Notes:

1. In accordance with the Auditor-General's Report on *Public Sector Performance Information* (April 2008), the Department is progressing a comprehensive review of its performance measures to incorporate the Auditor General's recommendations. Revised performance measures will be reflected in future Budget Papers and Annual Reports.
2. Until 31 December 2008, interviews were conducted by Regulatory Panels. Following an industry restructure, interviews are now conducted by Racing Services Tasmania Licensing Panel.
3. The Integrity Assurance board was established on 1 January 2009.
4. The number of races conducted is determined by the Tasracing.



## Achievements against Priorities for 2010/11

The major priorities for RST in 2010/11 were –

- Developing and implementing legislation to effect changes to the race fields regulatory framework;
- Increasing racing industry compliance activity;
- Implementing a new thoroughbred licensing and registration system; and
- Developing a maintenance plan that provides RST staff with an improved and safer working environment at racing facilities statewide

### Race Fields Legislation

The rationale for race fields legislation is to require wagering operators to pay a fee for using racing events as a platform for their gambling services from which they profit.

When Parliament passed race fields legislation in 2008, a decision was made not to implement it immediately in order to monitor developments in other jurisdictions.

The legislation was eventually implemented on 1 July 2009, although a decision was taken by Government to temporarily defer the imposition of fees. This decision was based on the Solicitor-General's advice at that time having regard to interstate court determinations.

During 2010/11, RST was instrumental in developing policy advice and legislation to effect a number of changes to the existing Tasmanian race fields regime that were aimed at safeguarding the ongoing financial viability of the Tasmanian Racing Industry (TRI) in an increasingly competitive market.

Implementation of the *Racing Regulation (Race Fields) Amendment Act 2011* on 1 April 2011 –

- incorporated changes recommended by the Solicitor-General to address legal concerns over the existing race fields legislation as a consequence of NSW Federal Court decisions in 2010, particularly in terms of the imposition of product fees. The new legislation gave effect to a regulatory regime that has been designed to militate against a successful challenge to the statute in the courts;
- transferred responsibility for the race field information publication approval process and the administration of the race fields regime from the Director of Racing to Tasracing Pty Ltd. This transfer accorded with the Company's functions and powers in terms of corporate governance and strategic direction of the TRI and was also consistent with the approach taken in most other racing jurisdictions; and
- gave legal effect to the imposition of race field product fees from 1 November 2010. Income from these fees has always been identified as an additional future funding source for the TRI, separate to the \$27 million operational funding (indexed) which it receives from the Government each year.

The Director of Racing's responsibility for determining integrity conditions to be imposed by Tasracing on race field information publication approvals was preserved under the changes to the legislation. This has ensured the highest level of integrity of the TRI is retained.

## Compliance Activity

### Swabs

It is fundamental to the integrity of the Tasmanian racing industry that all racing animals and persons, when participating in races and trials, do so free of any prohibited substances.

RST has been able to increase its swabbing budget over the last few years as a result of increased funding, from \$190,000 in the 2008/09 financial year to \$326,150 in the 2010/11 financial year. Overall, this is a 70 percent increase in drug detection funding during that period.

The funding increase has translated to an additional 600 swabs being taken in 2009/10 plus a further 120 swabs in 2010/11. The focus of the additional swabbing included out-of-competition, human and whole of race meeting testing.

### Licences

Each year, RST undertakes a review of all licensing and registration fees for the three codes of racing, in consultation with industry and Tasracing and having regard to the applicable licensing fees and practices in other jurisdictions.

As a consequence of the review in early 2010, a number of significant changes were implemented for the 2010/11 season, including the introduction of a three-year licence option for greyhound participants.

The three-year licence translates to a 20 percent saving for industry participants who choose this option, in comparison to participants who elect to pay their licence fee on a 12-monthly basis for the same three-year period. This initiative has been well received by the greyhound industry, with approximately 300 participants (46 percent) taking up this licence option. It is anticipated that the numbers will steadily increase over the ensuing seasons as the significant time and costs savings are realised.

For the 2011/12 racing season, the Director of Racing has determined that, in line with usual practice, fees will increase in accordance with the *Fee Units Act 1997*.

### Greyhound Grading Schedule

During 2009/10, the Director of Racing initiated a comprehensive review of the greyhound Grading Schedule, with a view to updating and improving the Schedule to ensure 'best practice' grading of greyhounds for races.

The Director consulted widely with greyhound industry participants during his review. Key focus areas included integrity and transparency of process, quality of product, maximising wagering revenue and enhanced participant understanding of the Schedule.

The resultant revised Schedule, which was implemented in November 2010, has been well received by the greyhound industry.

### Harness Handicapping Policy Review

In conjunction with a review of the national handicapping rules by Harness Racing Australia (the national controlling authority for harness racing) in 2009, the Director of Racing initiated a review of the local harness handicapping policies.

The purpose of the review, which was undertaken in cooperation with the Tasmanian Harness Advisory Group, was to ensure that local policies were consistent with national handicapping rules as well as the programming policies determined by Tasracing.

Following extensive consultation with key stakeholders, changes were made to the local handicapping policies to address identified inconsistencies. The revised policies were implemented in September 2010.

Given the evolving nature of rules and policies, RST continually evaluates its policies in the context of national and local developments.

## Thoroughbred Licensing and Registration System

In early 2011 RST conducted a review of its thoroughbred licensing and registration system. The system, which has been in operation for a significant number of years, was identified as critical to RST's business process. Given its age and importance to one of RST's core functions, the review concluded it should be replaced as a matter of priority.

RST reviewed interstate options and identified that there was no national system available. For that reason, RST entered into an agreement to use the Racing Victoria Limited (RVL) *Sirius* system from the start of the 2011/12 racing season. *Sirius* was already utilised by RST stewards for integrity matters and, more recently, by Tasracing for stakes payments.

The integrated *Sirius* option will not only provide RST with a robust and modern licensing and registration tool, but also a sound platform if and when a national system is developed. Additionally, it facilitates the timely transfer of licensing and registration details with RVL in terms of industry participants racing in both jurisdictions.

## Maintenance Plan

As part of its ongoing divisional responsibilities in terms of OHS management and risk mitigation, RST is committed to providing its staff with an improved and safer working environment at racing facilities state wide.

During the reporting period, RST has reviewed all its OHS policies and, in this regard, has been working closely with Tasracing to review and upgrade the stewards' facilities at all Tasmanian racecourses.

RST and Tasracing have complementary roles in terms of safety and welfare issues that affect RST staff –

- Tasracing is responsible for developing and maintaining racing and training venues under its control, which encompasses stewards' facilities located at those venues; and
- RST, as a Division of DIER, is responsible for providing and maintaining a safe and healthy working environment for all its employees. The General Manager of the Division has a responsibility to ensure that OHS is incorporated into 'day-to-day' business activity.

Considerable progress has been made to date, with the replacement or upgrade of towers at a number of

racecourses around the State, including Tattersall's Park in Hobart and the TOTE Racing Centre in Launceston.

The OHS program for the coming year will focus on progressing the upgrade of stewards' facilities, including the replacement or upgrade of the remaining towers and the standardisation of swab rooms at all racecourses. RST will continue to work closely with Tasracing in this endeavour.

## Additional Achievements for 2010/11

### Greyhound Microchipping

In 2009 Greyhounds Australasia (GA), the peak national body for greyhound racing in Australia and New Zealand, determined that all greyhounds whelped on or after 1 January 2011 must be microchipped (in addition to having a tattoo in one ear) for identification purposes.

A Working Group, comprising representatives from Racing Services Tasmania (RST), Tasracing and the greyhound industry, was subsequently established to develop a Microchipping Implementation Plan for Tasmania.

As the microchipping is a significant integrity issue, RST assumed the lead role in terms of the consultation process and the coordination of the rollout. RST consulted extensively with veterinarians and industry about the microchipping process and the implementation of the new identification system. Seminars were held for industry participants in Hobart, Launceston and Devonport. These seminars were considered integral to the success of the implementation process.

Also in 2009, independent of GA's determination, legislation was passed by the Tasmanian Parliament amending the *Dog Control Act 2000* which would require all dogs over six-months old to be microchipped by 1 July 2011. The Tasmanian legislation effectively meant that all racing greyhounds whelped prior to 1 January 2011 would also need to be microchipped.

To lessen the economic impact of this initiative on the Tasmanian greyhound industry, approval was sought and given by the Minister for Local Government, Bryan Green, to exempt racing greyhounds whelped prior to 1 January 2011 from the microchipping requirements of the Dog Control Act. This request was made on the basis that all registered greyhounds were already easily identifiable and traceable utilising the existing record system maintained by RST.

RST, in consultation with the greyhound industry, identified and approved selected veterinary surgeries to be used by the industry for the implantation of the microchips. This approval system has been implemented so that RST can continue to have best practice integrity measures in place for the implanting of microchips in greyhounds.

The first greyhounds to be microchipped as part of GA's initiative were implanted in March/April 2011. The greyhound industry's response to the consultation and implementation process has been positive.

RST is awaiting final approval for its greyhound database to be recognised as an 'approved database' for maintaining microchip records of greyhounds, in accordance with the relevant legislation. Formal recognition of the existing

RST database will result in significant savings to industry participants who would otherwise be required to utilise a commercial registry in lieu of RST.

### National Conferences Hosted by Tasmania

RST hosted two national racing industry conferences during the 2010/11 reporting period.

In November 2010, the National Thoroughbred Chairmen of Stewards' Advisory Group met for two days at the Hotel Charles in Launceston. The Advisory Group, which has been in operation for the past 30 years, currently meets every six months to deal with such issues as national rule changes, safety of racing animals and jockeys, prohibited substances, betting trends and appeal decisions. These meetings are extremely beneficial not only in terms of national outcomes but also because they provide an opportunity to discuss issues which are faced in the day-to-day operation of the stewards' panels.

In March 2011, the Australasian Racing Appeals Tribunal Conference was conducted in Launceston at the same venue. These conferences have been conducted since the early 1990s and are generally held every 12 to 18 months. They were initiated as a joint enterprise of the then Tasmanian Chairman, the late John Kable QC, and a member of the Victorian Racing Appeal Tribunal, the late Judge Bruce McNab. The Australasian Racing Appeal Tribunal Conferences are attended by tribunal members, the majority of which are presiding judges and magistrates, from the various states and territories of Australia and New Zealand.

Guest speakers at this year's Conference included the Solicitor-General and former Deputy Chairperson of the Tasmanian Racing Appeal Board, Leigh Sealy, the Director of Racing, Tony Murray and DIER Deputy Secretary Bob Rutherford.

The conduct of national conferences provides a valuable forum for delegates to keep in touch with current and

emerging developments in other racing jurisdictions. It also encourages the sharing of information between the various states and territories, not only through the many formal sessions but also the informal interactions between the attending delegates.

### RST Website

In 2009 RST conducted a review of its website with a view to improving its communication with the racing industry and, in particular, enhancing the delivery of accurate and timely information via the Internet.

The review, which involved analysis of the existing website as well as consideration of key stakeholder views, enabled industry participants to access racing information on the website, including rules of racing, licensing and registration documents, race fields, race results, stewards' reports, Appeal Board decisions and general racing industry news.

A further redevelopment of the website was undertaken in 2010, which has resulted in a more modern, informative and functional website. It also permits participants to transact certain business with RST on a 24/7 basis, using either standard computers or more modern technology such as *iPhones* and *iPads*.

The success of the redeveloped website is highlighted by the web traffic for May 2011. During that month –

- nearly 5,000 'hits' were recorded;
- in excess of 11,000 pages were viewed;
- on average, users spent 2 minutes and 41 seconds on the site; and
- 18 percent of the traffic was generated by users accessing the site for the first time.

RST will continue to review and refine the website as part of its ongoing commitment to improving the accessibility of information for all industry participants.

## Statistical Information – Bookmakers

### Bookmakers Registered

Racing Year	Individual Bookmakers Registered	Total	Bookmaking Operations (including partnerships)	Clerks Registered #	Bookmaker's Agents Registered ^
			Telephone Betting endorsements		
2000/01	14	9	3	94	-
2001/02	15	10	3	117	-
2002/03	15	10	3	133	-
2003/04	16	11	2	134	-
2004/05	15	11	0	36	2
2005/06	15	13	2	-	13
2006/07	15	13	2	-	14
2007/08	17	15	2	-	17
2008/09	19*	17	4	-	8
2009/10	18*	16	2	-	14
2010/11	15*	13	2	-	8

# This class of registration was abolished with the commencement of the Racing Regulation Act 2004 on 1 January 2005.

\* Including one company registration

^ This class of registration was introduced with the commencement of the Racing Regulation Act 2004 on 1 January 2005.

## Bookmakers' Holdings

	2009/10 (1/7/09-30/6/10)	2010/11 (1/7/10-30/6/11)	Variation
<b>Number of Race Meetings</b>	268	210	-21%
Local Holdings	\$ 3,241,350	\$ 2,708,545	-16%
Mainland Holdings	\$ 621,857	\$ 303,788	-51%
<b>Total Holdings</b>	<b>\$ 3,863,207</b>	<b>\$ 3,012,333</b>	<b>-22%</b>

## Statistical Information – Licensing and Registration

### Licences Issued

	2008/2009 (1/8/08-31/7/09)	2009/2010 (1/8/09-31/7/10)	2010/2011 (1/8/10-31/7/11)
<b>Thoroughbred</b>			
Trainer (All Categories)	117	117	115
Jockey (All Categories) inc:	83	77	67
- Interstate Jockeys <sup>c</sup>	56	53	43
- Apprentice Jockey (inc. 2 on loan)	12	9	8
- Jockey A (Tasmanian Resident)	15	15	16
- Cross Country * (No longer have category)	0	0	0
- King Island ** (No longer have category)	0	0	0
- Trial Rider (New category)	9	18	25
- Riders' Agent>	1	1	1
Stable Employee (All Categories) inc:	291	302	317
- Stable Foreman	24	24	22
- Stable Foreman/Trackwork Rider*	19	15	15
- Stable Hand	191	199	209
- Stable Hand/Trackwork Rider	57	64	71
Trackwork Rider	20	18	11
Farrier (including restricted plating)	31	32	29
<b>Harness</b>			
Trainer	119	122	118
Driver	40	45	45
Trainer/Driver	102	101	94
Stablehand	170	147	148

	2008/2009 (1/8/08-31/7/09)	2009/2010 (1/8/09-31/7/10)	2010/2011 (1/8/10-31/7/11)
<b>Greyhound</b>			
Trainer (All Categories) inc:	191	207	196
-Trainer Public**	132	135	121
- Owner/Trainer**	59	72	75
- Owner	110	152	120
- Owner/Attendant**	75	89	77
- Attendant**	41	48	39
- Catcher	31	33	20
- Syndicate	13	15	13
- Syndicate Member^	27	52	46

< Required to be licensed in Tasmania effective 1/8/07 – in previous years permits to ride were granted in Tasmania for visiting jockeys, however, this was abolished with the implementation of Workers' Compensation Insurance.

\* Recording of separate statistics commenced 1/8/06

+ Category no longer exists

# New licence category effective 1/8/06

^ New licence category effective 1/8/07

> New license category effective 1/1/09

## Registrations Processed

	2008/2009 (1/8/08-31/7/09)	2009/2010 (1/8/09-31/7/10)	2010/2011 (1/8/10-31/7/11)
<b>Harness</b>			
Namings	165	164	159
Breeding Services	141	171	139
<b>Greyhound</b>			
Namings	286	241	289
Breeding Services	98	95	102

## Handicapping and Grading

### Handicapping of Harness Racing

	2008/2009 (1/8/08-31/7/09)	2009/2010 (1/8/09-31/7/10)	2010/2011 (1/8/10-31/7/11)
Race Meetings Held	91	91	93
Races Run	734	729	762
Nominations Processed	9113	8242	9380
Number of Starters	7306	6772	7575
Average Starters Per Race	9.95	9.29	9.94
Average Starters Per Meeting	80.30	74.41	81.45

## Grading of Greyhound Racing

	2008/2009 (1/8/08-31/7/09)	2009/2010 (1/8/09-31/7/10)	2010/2011 (1/8/10-31/7/11)
Race Meetings Held	154	157	156
Races Run	1537	1569	1572
Nominations Processed	18397	18377	18331
Number of Starters	11989	12210	12268
Average Starters Per Race	7.80	7.78	7.80
Average Starters Per Meeting	77.85	77.77	78.64

## Tasmanian Racing Appeal Board

### Appeals

	2008/2009 (1/8/08-31/7/09)	2009/2010 (1/8/09-31/7/10)	2010/2011 (1/8/10-31/7/11)
<b>Notices of Appeal Lodged:</b>	<b>29(2)*</b>	<b>25</b>	<b>10</b>
- Thoroughbred	9	5	3
- Harness	13(2)	15	7
- Greyhound	7	5	-
- Bookmaking +	-	-	-
<b>Appeals - Major #</b>	<b>10(2)</b>	<b>9</b>	<b>6</b>
<b>Appeals - Minor</b>	<b>18</b>	<b>16</b>	<b>3</b>
<b>Appeals Withdrawn</b>	<b>5</b>	<b>1</b>	<b>-</b>
<b>Appeals Pending</b>	<b>1</b>	<b>2</b>	<b>1</b>
<b>Appeals not within Jurisdictions/ Incompetent/Invalid</b>	<b>2</b>	<b>0</b>	<b>1</b>
<b>Appeals Determined</b>	<b>21(2)</b>	<b>22</b>	<b>8</b>
- Allowed in full (conviction quashed)	2	5	-
- Allowed in part (penalty reduced, increased or varied)	8	4	5
- Dismissed	11(2)	13	3
<b>Applications - Stay of Proceedings</b>	<b>19(2)</b>	<b>13</b>	<b>4</b>
- Granted	12(2)	9	3
- Declined	7	4	1
<b>Legal Representations/Advocate at Appeal Hearings</b>			
- Stewards	1	1	3
- Appellant	8	12	5
<b>Appeal Deposits Withheld</b>	<b>10</b>	<b>15</b>	<b>8</b>
- in full	0	0	0
- in part ^	10	15	8

\* Figures in ( ) brackets indicate appeals lodged in the previous season but dealt with in subsequent reporting period.

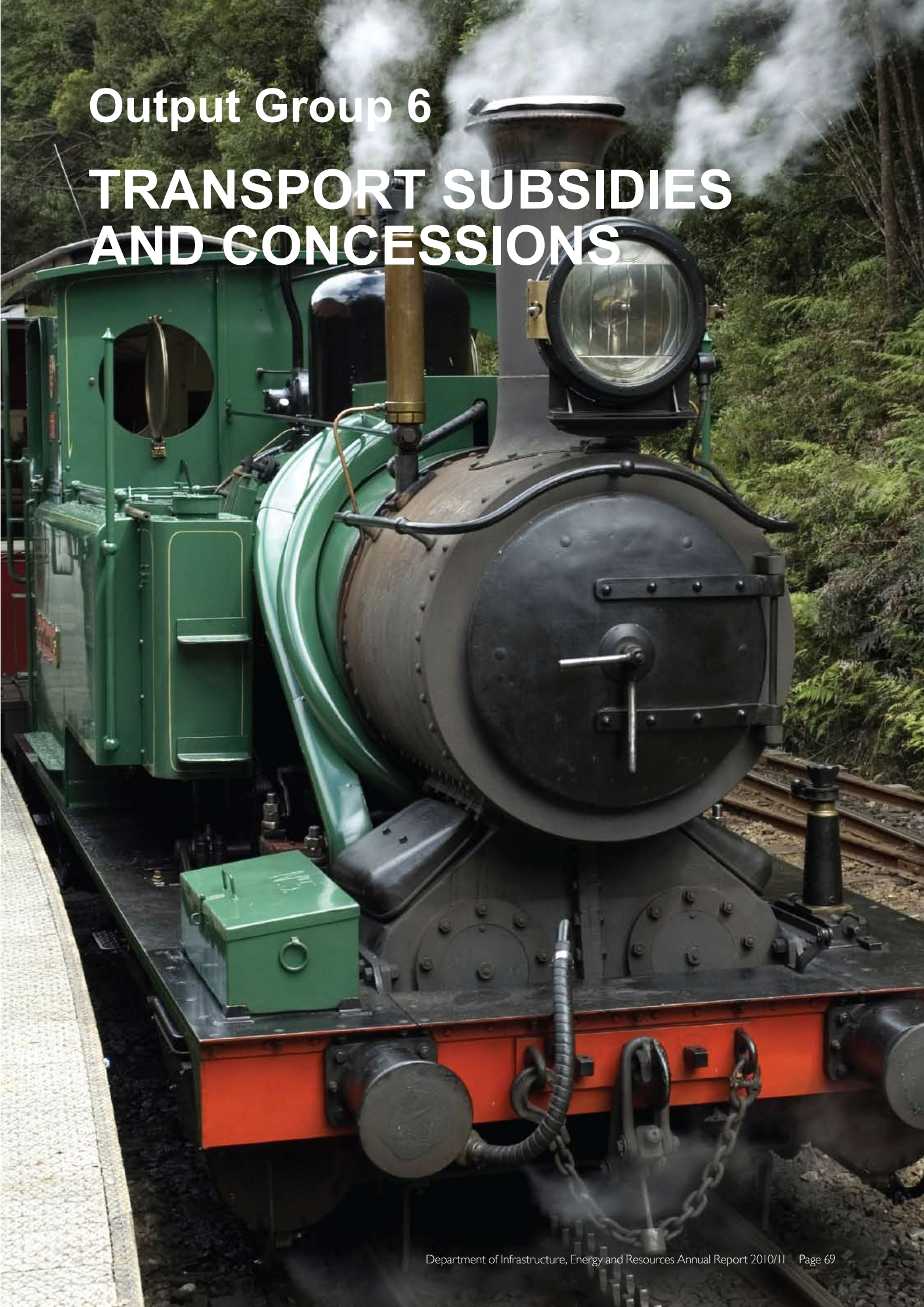
+ As at 1 January 2009 appeals in relation to bookmaking are heard by the Integrity Assurance Board.

# In relation to one appeal it was determined that there was no valid appeal against a warning off so therefore it did not fall into either category.

^ As at 1 January 2009 mandatory forfeiture of deposits apply.

## Output Group 6

# TRANSPORT SUBSIDIES AND CONCESSIONS



## Metropolitan Public Transport Services

Public bus services in the metropolitan areas of Hobart, Launceston, Devonport and Burnie are provided under contracts based on the delivery of a defined number of in-service kilometres and a fixed number of peak buses. The specific routes, timetables and span of hours delivered by the operators are required to conform to a defined set of service standards.

## Non-Metropolitan Public Transport Services

Public bus services to, from or between the metropolitan areas of Hobart, Launceston, Devonport and Burnie are provided under contracts based on a standard state-wide fare structure and the payment of 'top-ups' for the difference between the approved standard fare to which the operator would otherwise be entitled and the concession fare offered to eligible persons determined by Government policy.

## Rural and Special Needs School Buses

These "free to the user" services are provided to eligible students living in areas without other forms of publicly funded regular passenger transport that they might use to travel between home and school.

The 'free to the user' school bus system is part of a range of student transport assistance that includes both subsidised fare charging services and conveyance allowances. The type of assistance provided varies with circumstances and location.

## Bruny Island Ferry Service

Ferry services to and from Bruny Island are operated by the Bruny Island Ferry Company Pty Ltd. The company charters the MV Mirambeena, which is owned by the Crown, and provides the regular ferry service under a long-term contract administered by the Passenger Transport Services Branch. The contract for the ferry service commenced on 1 July 2008 and runs until 30 June 2013. A subsidy is paid to enable Bruny island residents and ratepayers to travel to and from the Island at fares below commercial rates.

## Furneaux Shipping

Furneaux Freight Pty Ltd provides a regular monthly shipping service to Cape Barren Island to ensure vital freight links between Cape Barren Island, Flinders Island and the Tasmanian mainland are maintained. Funding is also provided to enhance the standard of shipping facilities in the Furneaux Group.

## Administered Payments

### Contribution to Marine and Safety Tasmania

This contribution supports Marine and Safety Tasmania in carrying out its functions of managing the Government's non-commercial marine facilities and Tasmania's marine regulatory environment.

## Conveyance Allowance

The Department administers allowances paid to parents and guardians for the cost of transporting full-time students by private car to the nearest bus stop, or school, in areas that are not serviced by government subsidised bus services. Allowances are also paid to some Bass Strait Islands residents.

## National Transport Commission (NTC): Local Government Contribution

Under the reform measures that abolished local road tolls in favour of national heavy vehicle charges, \$1.5 million is provided annually from motor tax receipts to local government to compensate for loss of revenues from heavy vehicles.

## Payments on Behalf of the Forest Practices Authority

This payment represents the State Government's contribution to the Forest Practices Authority (FPA). The role of the FPA is to advance the objective of the State's forest practices system and to foster a cooperative approach towards policy development and management.

## Student-Only Regular Passenger Transport Services

School day-only, student-only bus services to, from or between the metropolitan areas of Hobart, Launceston, Devonport and Burnie are provided under contracts based on a standard state-wide fare structure and the payment of 'top-ups' for the difference between the approved standard fare to which the operator would otherwise be entitled and the student concession fare determined by Government policy.

## Pensioner Air Travel Subsidy

Aged pensioner residents of the Bass Strait Islands are entitled to an air fare subsidy when travelling between the Bass Strait Islands and Launceston or Hobart.

## Private Forests Tasmania

This payment represents the State Government's contribution to Private Forests Tasmania (PFT). PFT's objective is to facilitate and expand the development of the private forest resource in Tasmania in a manner that is consistent with sound forest land management practice.

## Tasmanian Racing Assistance

From 2009/10 the Government has separately funded the Tasmanian racing industry under a legally binding 20-year deed, which will provide secure funding and create certainty for the industry. The annual funding allocation of \$27 million (indexed from 2009/10) will allow Tasracing to facilitate key administration roles and functions, including the responsibility for the corporate governance, strategic direction and the promotion and the distribution of funding for the Tasmanian racing industry.



## Transport Access Scheme

A range of concessions and benefits are available under the Transport Access Scheme to people with permanent physical or intellectual disabilities to enable them to use the range of transport facilities available to the general community.

## Tasmanian Railway Pty Ltd

The Department provides Grant contributions to the Tasmanian Railway Pty Ltd on behalf of the Tasmanian Government. These Grant contributions provide for Tasmanian Railway Pty Ltd to manage, maintain and operate the Tasmanian rail network on a sustainable basis and also provide for critical annual maintenance of the Company's rolling stock assets.

# RAIL SAFETY ACT 2009 REPORT OF THE RAIL SAFETY REGULATOR

For the Period 1 July 2010 to 30 June 2011

## Purpose

Regulation of rail safety in Tasmania is administered under the *Rail Safety Act 2009* which commenced on 24 November 2010 and repealed the *Rail Safety Act 1997*. This report presents a summary of regulating activities for the period 1 July 2010 to 30 June 2011.

Section 149 of the Act requires that:

- The Rail Safety Regulator prepare an annual report in respect of a financial year;
- The Rail Safety Regulator is to submit to the Minister the annual report;
- The Minister is to cause copies of the annual report to be laid before each House of Parliament on or before 31 October.

## Rail Safety Regulator

Having been the Administering Authority under the repealed *Rail Safety Act 1997*, I was appointed as the Rail Safety Regulator under Section 174 of the Act on 24 November 2011. I am supported by the Rail Safety Unit within the Department of Infrastructure, Energy and Resources (DIER).

My functions as Regulator (under Section 148 of the Act) are to:

- administer, audit and review the accreditation regime under the Act;
- work with rail transport operators, rail safety workers, others involved in railway operations and corresponding Rail Safety Regulators to improve rail safety in the jurisdiction and nationally;
- provide information to corresponding Rail Safety Regulators, including information about causal factors of rail incidents, accreditation processes, investigation methods and risk assessment methodologies;
- collect and publish information relating to rail safety;
- provide, or facilitate the provision of, advice, education and training in relation to rail safety; and
- monitor, investigate and enforce compliance with the Act and the regulations.

Rail safety regulation in Australia is based on a co-regulatory model. Under this model, the Rail Safety Regulator does not approve or certify implementation of risk control or reduction but has an oversight role to review and audit rail safety activities of accredited railways. Rail infrastructure managers and rolling stock operators are responsible for assessing the risks associated with their railway operations and for establishing a safety management system to identify and control these risks.

## Summary of Industry Structure

As at 30 June 2011 there were 17 organisations which held rail safety accreditation in Tasmania. Railways in Tasmania are comprised of:

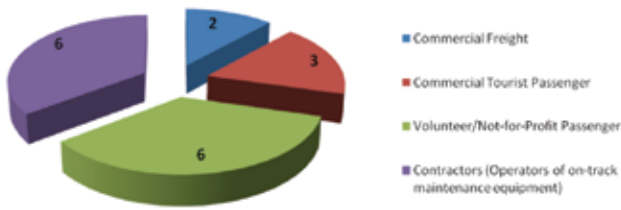
- A commercial freight network consisting of 632km of railway across the State. Tasmanian Railway Pty Ltd (TasRail) holds accreditation for the management of this railway infrastructure.

There is an additional 211km of non-operational track for which TasRail is also the accredited Rail Infrastructure Manager.

Two Rail Transport Operators hold accreditation for the operation of trains (freight only) on this network. Tasmanian Railway Pty Ltd (TasRail) is the only one which is active.

- Rolling Stock Operators providing contract infrastructure maintenance services to TasRail.
- Commercial tourist passenger rail operators. These consist of the following operators:
  - West Coast Wilderness Railway which operates the tourist passenger railway between Queenstown and Strahan,
  - Ida Bay Railway Pty Ltd operating tourist passenger trains at Lune River, and
  - Rail Track Riders Pty Ltd operating light pedal powered passenger vehicles on 2.5km of track at Maydena in the Derwent Valley.
- There are a number of volunteer, not-for profit organisations which conduct tourist passenger operations on their own short lengths of track which are not on the main commercial network.

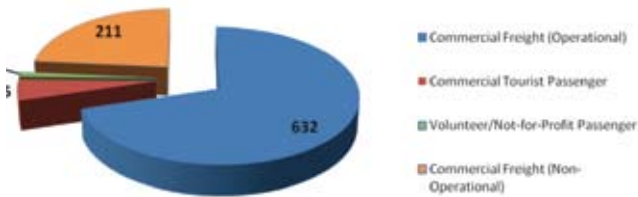
### Number of Accredited Rail Organisations Tasmania



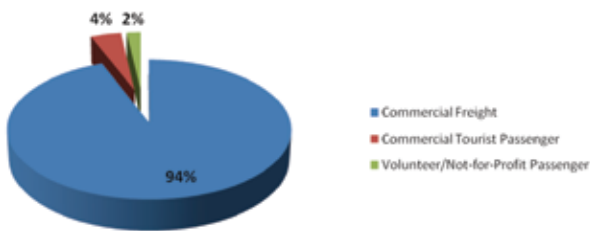
Tasmania has a total of 687 route kilometres of active railway. An aggregate total of approximately 820,000 km was travelled by trains during the 2010/11 financial year. There is a further 211 route kilometres of railway which is classified as non-operational and does not see train services.

The figures below indicate the track owned and kilometres travelled by each sector:

### Track Kilometres



### Break Down of Train Kilometres Travelled



## Accreditation

Under the Act, Rail Transport Operators are not permitted to carry out railway operations unless an appropriate accreditation or exemption from accreditation is held, or the railway operations are being undertaken on behalf of an operator that is accredited or exempt. The Act is applicable to any railway operations undertaken on a railway track having a gauge of 600mm or greater.

During the 2010/11 reporting period no applications were received for accreditation, variation or exemption. One Rail Transport Operator surrendered its rail safety accreditation.

## Accreditation Fees

Accredited Rail Transport Operators are required to pay an annual fee. This was set out in the *Rail Safety (Fees) Notice 2010* and published in the Gazette Notice on 10 November 2010. These were fixed rates regardless of the scale of operations of each accredited rail transport operator and returned \$3,000 in the 2010/11 financial year.

The accreditation fee structure was amended (to take effect 1 July 2011) to reflect the scale and nature of individual rail operators and a move towards fee revenue reflecting and offsetting the cost of rail safety regulation activities undertaken by the Regulator. Details of the fees are set out in the *Rail Safety (Fees) Notice 2011*.

## Audit and Compliance

Each year the Regulator develops and implements an annual audit program. The objective of this program is to maintain current knowledge of Rail Transport Operators' railway operations and their management of risk through the implementation of safety management systems required under the Act.

The program aims to audit every accredited organisation which is active in Tasmania once per year. Tasmania also participates in national audits of Rail Transport Operators who are accredited across multiple jurisdictions.



## Rail Transport Operators as at 30 June 2011

Rail Transport Operator	Rail Infrastructure Manager	Rolling Stock Operator
<b>Commercial Freight</b>		
Tasmanian Railway Pty Ltd (Tasrail)	✓	✓
South Spur Railway		✓
<b>Commercial Tourist Passenger</b>		
West Coast Wilderness Railway	✓	✓
Ida Bay Railway Pty Ltd	✓	✓
Rail Track Riders Pty Ltd	✓	✓
<b>Volunteer/Not-for-Profit Passenger</b>		
Van Diemen Light Railway Society Inc. (trading as Don River Railway)	✓	✓
Tasmanian Transport Museum Society Inc	✓	✓
Derwent Valley Railway Society Inc	✓	✓
Launceston Tramway Museum Society Inc	✓	✓
Wee Georgie Wood Steam Railway Inc	✓	✓
Redwater Creek Steam and Heritage Society Inc	✓	✓
<b>Contractors (Operators of On-Track Maintenance Equipment)</b>		
VEC Civil Engineering Pty Ltd		✓
QR Limited		✓
Downer EDI Works Pty Ltd		✓
McConnell Dowell Constructors (Aust) Pty Ltd		✓
John Holland Pty Ltd		✓
Coffey Rail Pty Ltd		✓

The Rail Safety Unit in Tasmania conducted thirteen audits during the 2010/11 reporting period and participated in one national audit of a rail transport operator. Four operators were not audited as they had not been active in Tasmania during the year.

The audits identified:

- Thirty-seven instances where Rail Transport Operators were not carrying out the content of their Safety Management System which forms the basis of their rail safety accreditation.
- Thirty-eight opportunities where Rail Transport Operators could improve their Safety Management Systems.
- Two improvement notices were issued by the Victorian Rail Safety Regulator during the national audit of a rail transport operator who holds accreditation in multiple jurisdictions including Tasmania.

During the reporting period one Prohibition Notice was issued under Section 102 of the Act.

## Rail Safety Occurrences

Under the Act Rail Transport Operators are required to report any notifiable occurrences to the Regulator. Notifiable Occurrences are defined in the Act and *Rail Safety Regulations 2010*.

The following table outlines the reported notifiable occurrences for the 2010/11 reporting period based on the classifications published in the Australian Transport Safety Bureau for publication in the *"Australian Rail Safety Occurrence Data"*.

More detailed descriptions of the occurrence categories are contained in the national *"Guideline for the Reporting of Notifiable Occurrences, Occurrence Notification – Standard One (ON-S1)"* which is available on the DIER website.

Data regarding fatalities and serious personal injuries is also provided to the Australian Transport Safety Bureau. There were two fatalities and three serious personal injuries during the reporting period, all occurring at level crossings.

## Summary of Notifiable Occurrences

Occurrence	Jul – Dec 2010	Jan-Jun 2011	Total
Running Line Derailments	9	7	16
Running Line Collisions			
with trains	0	0	0
with rolling stock	0	1	1
with person	0	0	0
with infrastructure	0	0	0
with road vehicle	0	0	0
Level Crossing Collisions			
with road vehicle	6	1	7
with person	0	2	2
Load Irregularities	0	0	0
Track Infrastructure Irregularities	20	40	54

### Investigations

During the reporting period, the Regulator has requested copies of investigation reports prepared by Rail Transport Operators into notifiable occurrences on forty-eight occasions. This includes incidents of lower severity than those published in the ATSB data. The purpose of reviewing these reports is to monitor trends in contributing factors and Rail Transport Operators' activities in managing the identified risks.

Since the commencement of the Act on 24 November 2010 the Regulator has issued seven notices to Rail Transport Operators under Section 67 of the Act (Requirement to Investigate Notifiable Occurrence).

### Safety Alerts

The Regulator publishes Safety Alerts to the rail industry to draw attention to safety issues which have come to the Regulator's attention from investigations and other sources, including interstate and international rail occurrences.

Three Safety Alerts were issued during the reporting period relating to:

- Use of Biomathematical Models in Managing Risks of Human Fatigue in the Workplace (30 July 2010)
- Rail Accident Investigation Board (UK) – Investigation Report into Serious Injury of a Guard on the Foxfield Light Railway (17 February 2011)
- Securing Rolling Stock with Handbrakes and Stop Blocks (18 April 2011)

### Education and Awareness

An integral part of the Rail Safety Unit's activities has been education and awareness to ensure Rail Transport Operators understand and comply with safety requirements, particularly with the commencement of the Act on 24 November 2010.

Twenty-five site visits and briefing sessions were conducted throughout the year with individual Rail Transport Operators regarding:

- Safety obligations and safety management system requirements under the new Act.
- Review of audit results and progress towards addressing findings.
- Review outcomes of incident investigation reports and associated safety actions.

Penny Nicholls  
Rail Safety Regulator

# THE ABT RAILWAY MINISTERIAL CORPORATION (WEST COAST WILDERNESS RAILWAY)

## Management

The *Abt Railway Development Act 1999* established the Abt Railway Ministerial Corporation (ARMC).

Section 6 of the Act sets out the functions of the ARMC as:

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

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

By Administrative Arrangements Order (No. 2) 2010, the Minister for Infrastructure assumed responsibility for the ARMC.

Pursuant to Section 8 of the Act, the functions and powers under the Act have been delegated to the DIER General Manager Roads & Traffic.

## Background

The railway was constructed in the 1890s by the Mt Lyell Mining and Railway Co Ltd to transport ore from its Queenstown mine to Macquarie Harbour, for export by ship. Increased maintenance costs and improved road transport to the North-West of the State made road transport of the ore a more cost effective option and the railway was closed in 1963.

In 1998, the Federal Government approved a grant of \$20.45 million from the Prime Minister's Federation Fund to enable restoration of the Railway as an iconic heritage tourist railway, with the State Government and the private sector providing the balance of the required funding.

The restored Abt Railway was renamed the West Coast Wilderness Railway and commenced full operation between Queenstown and Regatta Point in December 2002.

The assets of the West Coast Wilderness Railway are owned by the ARMC and include land, buildings, track infrastructure, 39 bridges, three Abt steam locomotives, two diesel locomotives, carriages and various other rolling stock items. These assets are leased to the West Coast Wilderness Railway (WCWR), a wholly owned subsidiary of The Federal Group. The initial lease is for 20 years, with two 10-year extension options.

WCWR operates both passenger train services and freight train services and functions as the 'Rail Infrastructure Manager' and 'Rolling Stock Officer' under the *Rail Safety Act*.

During the summer tourist peak and other most popular months, WCWR operates four train services daily; two from each of Queenstown Station and Strahan's Regatta Point Station, with changeover at Dubbil Barril Station. Depending on demand, a reduced train service is provided over the winter months.

As required under the Lease Agreement, WCWR operates a freight train service that provides access between Lowana and Lower Landing at the foot of the Teepookana Plateau, which is State Forest under the control of Forestry Tasmania (FT). As there is no road access, the Railway provides the only means of access for people and vehicles. FT licenses contractors to harvest Huon pine from the Plateau, an apiarist to extract leatherwood honey, along with other tourism operators. These activities require a number of special trains, mainly over the summer months.

The Federal Group at Strahan Village also operates a signature wilderness experience called the "Piners and Miners". This includes travel in a specially adapted 4WD hi-rail vehicle on the railway from Regatta Point to Hall's Creek and then by road to Kelly Basin on the banks of Macquarie Harbour, returning to Strahan by boat.

## Highlights 2010/11

- For the financial year to 30 June 2011, 33,000 passengers travelled on the Railway, including the "Piners and Miners", down some 20% on the previous year, due partly to reduced overall tourism visitation to the State and other events impacting directly on the railway operation.
- WCWR have continued their improvement initiatives in the Carswell Park Maintenance Facility in Queenstown and an extensive program of rail and sleeper replacement. WCWR also undertook the programmed replacement of a three-span timber bridge (Bridge 38) in November 2010.
- Major maintenance and strengthening work on the two well-wagons used for freight operations was undertaken by WCWR staff in the Carswell Park Workshop and funded by the ARMC.
- The signalisation of two road/rail crossings in Queenstown, funded by a Federal Government crossing safety initiative, was completed in February 2011 with WCWR work crews assisting with the civil engineering works.
- The Railway has experienced a number of challenges over the past 12 months. In addition to reduced tourists visiting the State, mentioned above, a severe weather event in March 2011 closed a portion of the Railway for over three months. This event contributed significantly to the reduced patronage and will impact on the WCWR operations for some months as its work crews continue track infrastructure repairs into the new financial year.

## General

Administration of the ARMC's functions and responsibilities and the management of the Railway assets incur costs, which include auditing of WCWR's compliance with the terms of the lease and asset maintenance, property management and reporting to Government.

The ARMC receives rental income from WCWR for the lease of its assets. This income is currently of the order of \$170,000 per annum. This is the only funding the ARMC receives to finance its affairs. Any surplus funds, after deduction of costs for management and administration, are put towards the benefit of the asset and associated Railway activities.

## Financial

In addition to the \$20.45 million allocated by the Federal Government to the project the State Government contributed additional funding of \$18 million.

A recent review puts the value of the assets owned by the ARMC at about \$45 million.

# CORPORATE SERVICES

## OVERVIEW

The Corporate Services Division's role is to provide a high standard of corporate support, policy advice and leadership to all Divisions of the Department. Corporate Services is a key support to assist the Agency in the achievement of its strategic objectives, and to lead organisational development efforts to make DIER an even better place to work. The Corporate Services Division delivers services in the areas of human resource management, finance, communication, legislation and planning, information and facilities management.

During 2010/11, the Division's priority focused on introducing initiatives aimed at streamlining key systems and policy frameworks, continuing a commitment to people and leadership development by building on the Pulse Check feedback, and aligning key business systems to assist people to do their business better. Meeting forward challenges will require a combined effort to align people, processes and systems, and this has been a key focus for the Corporate Services team this year and will be for the years ahead.

DIER invested in a number of business improvement projects commencing in 2010/11. The common objective is to identify and implement process and system improvements to best position the Agency to meet its stakeholder and customer commitments into the future. The Division continued to focus on organisational development initiatives, including development and re-skilling of our people, promoting and investing in a positive safety culture in the organisation and continued its pro-active approach to managing change. Corporate Services has played a significant role in alignment with whole-of-government information technology consolidation initiatives, working with

other government agencies on projects such as the whole-of-government email migration.

During 2010/11, major activities and achievements took place as a result of business improvement projects, management of information, communication, financial and resource management, system improvements and of course, investing in our people.

## Business Improvement Projects

A Business Improvement Projects Steering Committee of senior executive members was established to support these projects and ensure whole of Agency benefits continue to accrue. The following projects were initiated during 2010/11:

- Vehicle Registration and Licensing Process Improvement and Opportunities Review – Implementation projects, including consolidation of transport enquiries, including enhancement of internet resources to improve customer accessibility to information; and information handling improvements.
- The Information Management Branch collaborated with DIER's Infrastructure Strategy Division in a Spatial Capability Review and produced a report identifying future options and models. The development of a Business Case was recommended and will be completed in early 2011/12.
- Agency Communications Review to ensure collaborative communication across the Agency to provide greater risk management, efficiency and best practice internal and external communications.
- Business Support and Administrative Services Opportunities Review to identify business improvement opportunities through a review of processes and tasks undertaken within DIER to support the efficient and effective delivery of business outputs and outcomes.
- A review of processes in the Ministerial Liaison Unit to identify business improvements to best address the growing communication needs of stakeholders that see over 3,500 ministerial related enquiries a year. Improved electronic document management has resulted in a number of benefits, such as improving response times and reducing stationery use.

## Managing Information Improvements

The Division is responsible for the management of a significant amount of information and the focus in 2010/11 was on developing more efficient processes and systems.

- Considerable savings were achieved as a result of the rollout of multi-functional devices to consolidate output devices while also improving and maintaining a quality environment.
- The creation of a secure server environment for transfer of files outside DIER provided the opportunity to share files externally and considerable effort to increase the functionality of the corporate information management system [TRIM] was invested to support the Agency's business improvement initiatives. This work has enabled enhancements to improve electronic document management processes. For example, real results have

been seen in the Division's ability to manage around 3,570 ministerial related documents during 2010/11.

- Delivery of a new generation of software supported the enforcement efforts of DIER's Transport Inspectors. Continued improvements in the management of digital information, including the scanning and electronic distribution of incoming mail and the management of large document [hard copy] mail-outs to clients, was also achieved. Digitisation of records held in the DIER Library began.

## Communication

Major communication achievements during the year included:

- The introduction of a new search engine for the internet and intranet greatly improved the effectiveness of both sites. This has the added benefit of being able to understand, with a greater degree of certainty, the number of hits on specific pages and will contribute to the maximisation of business improvements.
- The development of communication protocols and launch of the newly created Road Safety Advisory Council brought with it a changed focus and a more collaborative arrangement with the creative side of road safety delivery.
- More proactive disclosure of information under the *Right to Information Act 2009* has reduced the volume of information released under 'assessed disclosure'. During 2010/11, over half of the applications for assessed disclosure were responded to as active disclosures.
- The development of the "Online Infrastructure Strategy" marked a major achievement with the departure from a static to a living document that can evolve to meet emerging issues, and new development was very much driven and delivered by the Corporate Affairs Branch.
- Completion of communication plans for both liquid petroleum and gas emergencies honours DIER's obligation as the lead agency for energy supply emergencies.

## Financial and Resource Management

- Significant effort to ensure that budget and resource allocation systems supported the Divisions to continue their key services and projects occurred in 2010/11. The coordination of the budget review cycle and key analysis of expenditures to meet reduced budget targets following the Government response to the Global Financial Crisis (GFC) was a key focus area for the Division in 2010/11. This included zero basing of all budgets across the Agency and development of ongoing systems to identify operational efficiencies.
- Continued upgrades to the Agency Financial Management Information System, enabling improved analysis and reporting across the Agency as well as greater access to on-line analysis by electronic storage of documents.
- Introduction of a new time billing methodology within the Roads Programs and a new project costing methodology across all other non-roads-related Divisions were implemented. A major restructure of Administered Payments and Transport Concession and Subsidies in Passenger Transport Services occurred.

- Corporate Services began a major accommodation project to move Transport Inspectors, Driver Assessors and Transport Systems Group staff to a more "fit for purpose" location, addressing significant occupational, health and safety issues.
- Continued implementation of policies aimed at reducing greenhouse gas emissions, including installation of timer switches for electrical appliances, recycling of waste and electrical/electronic items, provision of more space to store bicycles and reduced electricity use within DIER-controlled premises through lease negotiations.

## Risk Management

In recognition that risk management is an integral part of the management process, DIER has implemented a number of mechanisms for the management of risks associated with its activities, establishing risk management policies and associated mitigation strategies that address high risk areas.

During 2010/11 the Risk and Audit sub-committee of DIER's Executive Group oversaw the work of the Internal Audit provider on a range of projects consistent with the strategic risks identified previously and updated regularly. While a significant audit schedule was completed during the year, a significant focus of the sub-committee was the monitoring of DIER's Occupational Health and Safety responsibilities.

## OUR PEOPLE

The focus on organisational development initiatives continued to support DIER through the challenges of 2010/11.

### • Leadership Development

DIER's leadership development program is in its fourth year of implementation, with around 80 managers and senior executives participating in the program.

The current participants have completed a series of workshops, a number of leadership diagnostic tools and self-directed development activities.

A working group was established late in 2010 to develop a range of options for the future of the program, including the continued development of the current leadership groups, the implementation of the program further in DIER and the development of the Agency's emerging leaders. Two working group members obtained accreditation in the use of two of the program's diagnostic tools which provides DIER with greater flexibility and easier access to these tools.

Work has begun to embed the learnings from the program and to implement a range of resources and toolkits to support managers. The current leadership group is participating in a number of organisational sessions to assist in reinforcing concepts from the leadership program, including a workshop on the future of the program and participating in the Agency's strategic planning process.

### • Pulse Check

The *Pulse Check Survey* aims to strengthen employee engagement through seeking employees' views on the alignment between organisational vision and operational activities; and the effectiveness of communication, change management and leadership in DIER.

The 2010 Pulse Check provided an opportunity to monitor progress and improvements since 2008. Overall, DIER received a 64% positive rating across all questions (a positive result required a rating of 4 or 5 out of 5 on the rating scale). This is an improvement of 6% from the 2008 survey.

DIER's 2011 Pulse Check received a 67% positive rating across all questions. This is an improvement of 3% from 2010 and 9% from the 2008 survey.

The Agency is making good progress, with improving measures across all areas. The latest survey shows very strong results in 'alignment' which shows that DIER staff have a clear understanding of their role in the Agency and that they feel their contribution is valued. Another strong element is in the relationship between the direct manager and staff, together with results on the ability to maintain an appropriate and healthy work life balance.

Some of the key opportunities for improvement over the next 12 months include how we manage change, broadening career development options and the continuation of the Agency's leadership development program.

#### • Performance Management

DIER's current performance management system has been in place since December 2007, with 92% of DIER employees participating in a performance management and appraisal discussion in 2010/11.

A review of the Agency's performance management system began in late 2010. The objective of the review is to implement a revised performance management system that supports DIER's ability to meet its business goals and deliver services by maximising its organisational capacity through its people. The key areas of focus included:

- identifying opportunities for improvements in DIER's current performance management system (based on consultation undertaken with managers and employees);
- development of options for the integration of salary progression, advancement assessment and accelerated progression;
- identifying and implementing a core set of capabilities for DIER staff;
- establishing a greater link between performance and development; and
- further education of managers and employees around performance management and development.

Preliminary consultation was undertaken with managers and employees across DIER which identified a number of opportunities for improvement. A working group with representatives across the Agency is working with the Human Resources Branch on the review.

DIER has a separate performance management system for Senior Executive Service Officers and Engineers employed under the Agency's Engineers Industrial Agreement.

#### • Learning and Development

DIER is committed to the continuing development of its people. A range of corporate learning and development activities was provided during 2010/11, with a focus on leadership development, mental health and disability awareness sessions for managers and orientation sessions for new employees.

During 2010/11, eight employees were supported through the Study Assistance Program receiving study leave and/or financial assistance, and sponsorship was provided for one employee to attend the Public Sector Management Program.

In addition, DIER's professional engineers are provided with Professional Development Allowance and Professional Development Leave to assist them to achieve the competencies set out in DIER's Engineers Competency Framework.

#### • Workforce Information and Reporting

DIER's Executive Group has continued to be provided with:

- Monthly workforce reports focusing on employee numbers, recruitment and turnover;
- Quarterly reports detailing key human resource measures; and
- An extensive annual report including detailed workforce demographic data.

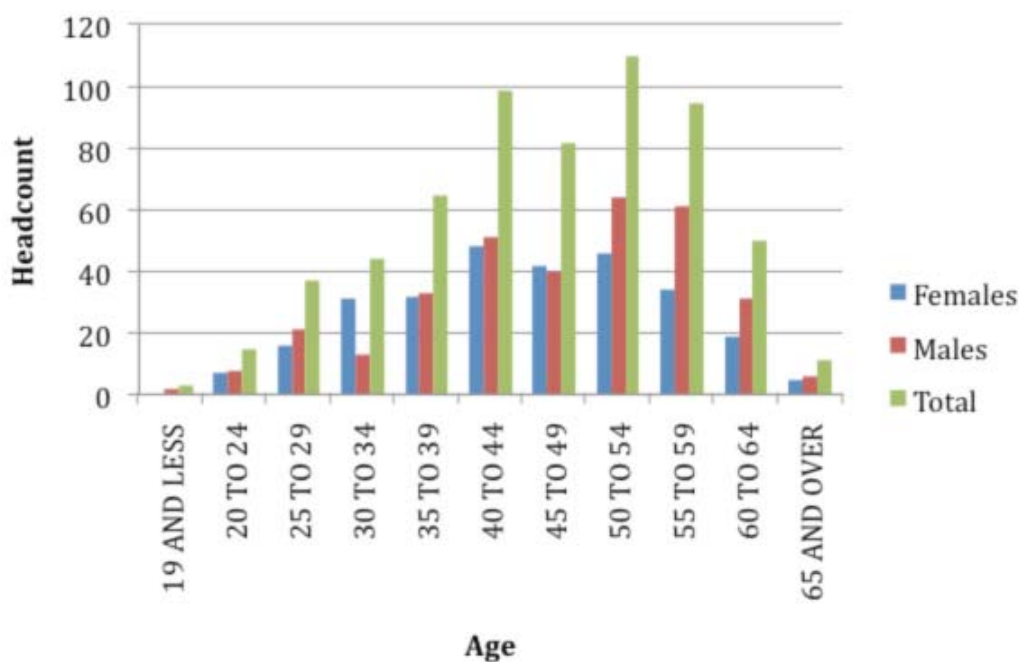
This information is used by the Executive Group to continually re-evaluate the effectiveness of DIER's human resource practices, strategies and workforce planning.



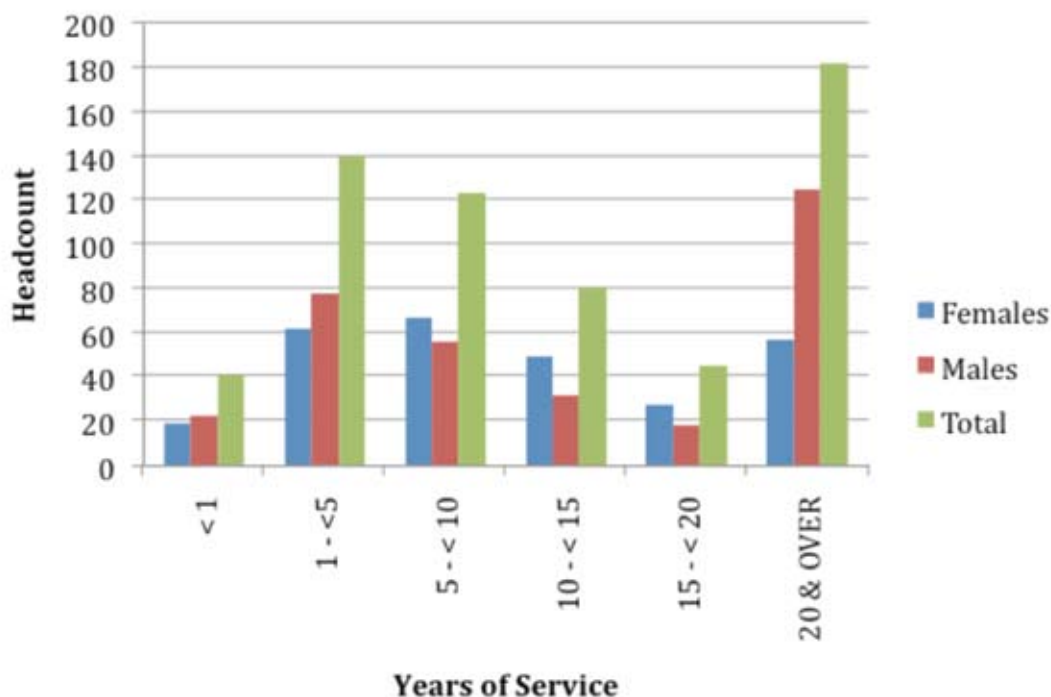
## Workforce Demographics & Employee Number Statistics as at 30 June 2011

<b>Employees – headcount and full time equivalent</b>	
Total number of employees (excluding board members and casuals)	610
Full time equivalent (FTE) employees	523.53
<b>Employees – by employment type</b>	
Permanent	573
Fixed Term	18
Senior Executive	19
<b>Employees – by employment condition</b>	
Full Time	447
Part Time	163
<b>Employee information – by gender</b>	
Males	330
Females	280
<b>Commencements and Separations</b>	
Commencements	64
Separations	71
<b>Flexible Work Options</b>	
Number of employees who accessed State Service Accumulated Service Leave System (SSALS)	5
Number of employees who accessed Maternity Leave	14
Number of employees who accessed leave without pay greater than 20 days	30
Number of part-time employees	163
Number of employees on Phased in Retirement plan	0

### DIER Age Profile – 30 June 2011



## DIER Length of Service Profile – 30 June 2011



### • Managing Workplace Diversity & Disability Action Plan

DIER's Workplace Diversity Policy and Plan focuses on fostering a workplace that values and utilises the diversity of its people. Through the 2005-2010 Disability Action Plan, DIER has undertaken significant development in the areas of equity, inclusiveness, access, autonomy and non-discrimination. DIER is now drafting the 2011-2015 Plan which will be finalised with input and advice from the Agency's Premier's Disability Advisory Council-nominated community member.

DIER has a culture of considering public and workplace accessibility and integrating diversity principles in appropriate policy and programs. A senior manager's road trip with a person with disability contributed to a change in perspective in the DIER maintenance team. Walking in another person's shoes contributed to excellent results in the upgrading of rest areas on the Bass Highway and Midland Highway. These popular sites will now be accessible for the entire community.

DIER continually aims to comply with guidelines enabling access to information on its internet site for people with a disability. Work is programmed over the next 18 months to comply with significant accessibility requirements by 30 December 2012.

### • Work Life Balance Framework

In recognising that flexible working arrangements improve productivity and client service, while providing employees with the opportunity to achieve a work-life balance, DIER continues to promote a work-life balance framework to enable employees to maximise flexible work arrangements. This framework includes provision for working flexible hours, including start and finish times, part-time work, phased in retirement and working from home.

### • Occupational Health & Safety (OH&S) - Safety Management System and Reporting

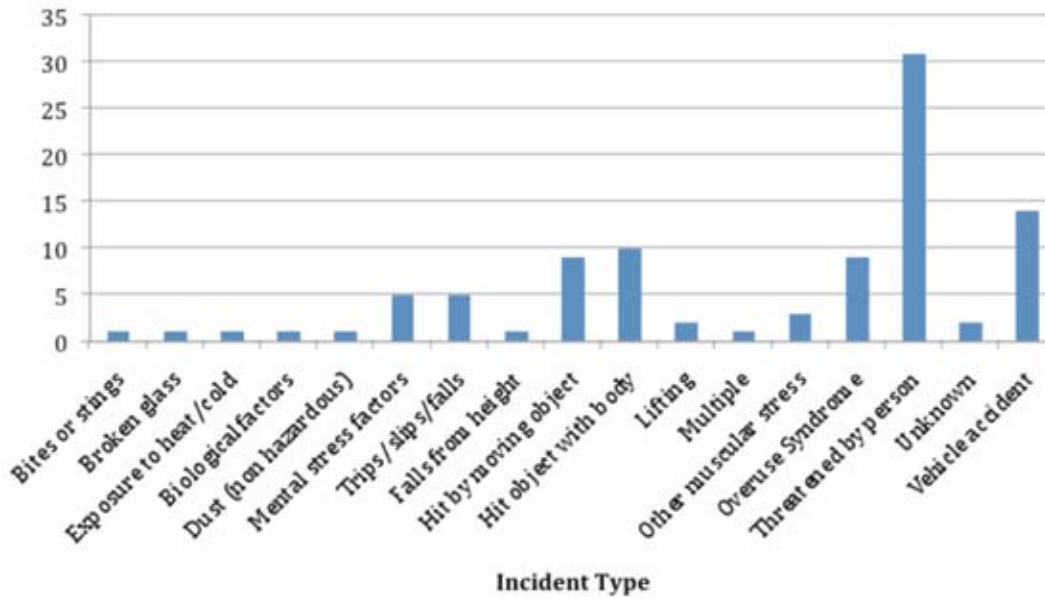
The Agency continues to improve workplace health and safety through the review and implementation of its safety management system and by integrating OH&S processes into everyday business and work activities. This year, the Agency has continued to address key OH&S issues and trends identified through OH&S audits and reporting.

Key issues being addressed include improvement in incident reporting; training; risk assessment processes; self-assessment audits; and development and implementation of procedures including defective plant and equipment tag-out procedures; and electrical safety in the workplace (testing and tagging guidelines).

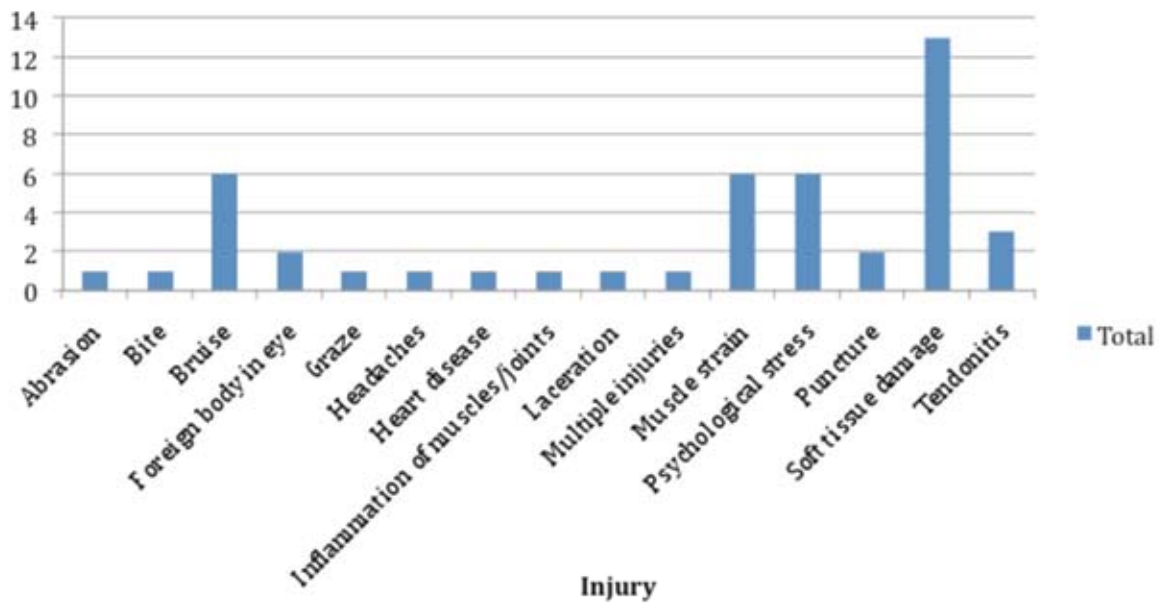
OH&S statistical reporting is continually being reviewed to assist with identifying OH&S trends and to inform DIER's Executive Management Group and Risk and Audit Committee of OH&S issues.

• Incident Count & Type

Ninety-seven incidents were reported in the 2010/11 period with 46 resulting in personal injury



• Injury Count & Type



• Employee Health and Wellbeing

The Agency is currently developing a holistic health and well-being policy and plan that focuses on health promotion and disease prevention.

The program has made significant movement in the development of a governance structure which will oversee the program; training of workplace coordinators; and completion of a needs assessment. The needs assessment assisted in identifying priority health and well-being issues for the Agency and included facilitation of employee focus groups, analysing surveys and reports.

Currently strategies are being developed to address the areas identified through the needs assessment with the workplace health and well-being program scheduled for implementation later in 2011.

• Workers Compensation

The Agency is meeting its Workers Compensation legislative obligations through the implementation and review of its Injury Management Plan in accordance with the requirements of the new Injury Management Model.

There were a total of 22 new Workers Compensation claims submitted in 2010/11 (compared with 15 for 2009/10) with 11 resulting in lost time.

As a result of all managed claims for 2010/11 a total of 1,730 lost time injury hours were recorded at a cost of \$61,566. The Agency is currently managing 22 claims of varying duration.

The Workers Compensation insurance contribution for 2010/11 was \$174,140 compared with \$201,728 for 2009/10.

# RIGHT TO INFORMATION STATISTICS

Status as at 30 June 2011

DIER has responded to a wide variety of requests for releasing information since the new *Right to Information Act 2009* commenced on 1 July 2010, choosing to release much of the requested information actively. The high number of refusals for information that is otherwise available, or will become available, reflects this approach.

DIER proactively provides information that is significant and of general interest to the public, through its Routine Disclosure Register on the DIER website, which is regularly updated. DIER will continue to focus on actively disclosing information to support the spirit of the *Right to Information Act 2009*.

<b>Section A: Number of Applications</b>	
1. Number of applications for assessed disclosure received	64
2. Number of applications for assessed disclosure accepted	59
3. Number of applications for assessed disclosure transferred or part transferred to another public authority	6
4. Number of applications withdrawn by the applicant	6
5. Number of applications for assessed disclosure determined	45
<b>Section B: Outcome of Applications</b>	
1. Number of determinations where the information applied for was provided in full.	7
2. Number of determinations where the information applied for was provided in part with the balance refused or claimed as exempt.	2
3. Number of determinations where all the information applied for was refused or claimed as exempt.	33
4. Number of applications where the information applied for was not in the possession of the public authority or Minister	3
<b>Section C: Reasons for Refusal</b>	
1. Refusal where information requested was not within the scope of the Act (s.5 - Not official business; s.11 - available at Archives Office and s.17 - Deferred).	0
2. S9, S12. Refusal where information is otherwise available or will become otherwise available in the next 12 months	31
3. S10, S19 Refusal where resources of public authority unreasonably diverted	0
4. S20 Refusal where application repeated; or Vexatious; or Lacking in definition after negotiation	1
<b>Section D: Exemptions</b>	
s.25 Executive Council Information	0
s.26 Cabinet Information	1
s.27 Internal briefing information of a Minister	1
s.28 Information not relating to official business	0
s.29 Information affecting national or state security, defence or international relations	0
s.30 Information relating to the enforcement of the law	1
s.31 Legal professional privilege	0
s.32 Information relating to closed meetings of council	0
s.34 Information communicated by other jurisdictions	0
s.35 Internal deliberative information	0
s.36 Personal information of a person other than the applicant	2

<b>Section D: Exemptions (continued)</b>	
s.37 Information relating to the business affairs of a third party	1
s.38 Information relating to the business affairs of a public authority	0
s.39 Information obtained in confidence	2
s.40 Information on procedures and criteria used in certain negotiations of public authority	0
s.41 Information likely to affect the State economy	0
s.42 Information likely to affect cultural, heritage and natural resources of the State	0
<b>Section E: Time to Make Decisions</b>	
1. Number of requests determined within the following timeframes (should also total the number of applications determined as in question A5).	
1 – 20 working days of the application being accepted.	37
More than 20 working days of the application being accepted.	8
2. Number of requests which took more than 20 working days to decide that involved an extension negotiated under s.15(4)(a).	5
3. Number of requests which took more than 20 working days to decide that involved an extension gained through an application to the Ombudsman under s.15(4)(b).	0
4. Number of requests which took more than 20 working days to decide that involved consultation with a third party under s.15(5)?	3
<b>Section F: Reviews</b>	
Internal Reviews (reviews by the Ombudsman)	
Number of internal reviews were requested in this financial year	1
Number of internal reviews were determined in this financial year	1
Number where the original decision upheld in full	1
Number where the original decision upheld in part	0
Number where the original decision reversed in full	0
External Reviews (reviews by the Ombudsman)	
Number of external reviews were requested in this financial year?	1
Number of external reviews were determined in this financial year?	1
Number where the original decision upheld in full?	1
Number where the original decision upheld in part?	0
Number where the original decision reversed in full?	0
Response by Division	
Corporate Services	21
Energy, Planning and Conservation	1
Infrastructure Strategy	4
Land Transport Safety	20

<b>Section F: Reviews (continued)</b>	
Mineral Resources	1
Passenger Transport	5
Roads and Traffic	6
Racing Services Tasmania	2
Land Transport Safety & Corporate Services (joint response)	1
Roads and Traffic & Corporate Services (joint response)	1

## **PUBLIC INTEREST DISCLOSURES ACT 2002**

The *Public Interest Disclosures Act 2002* (PID Act) commenced operation on 1 January 2004. The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies. The Act provides protection to persons who make disclosures in accordance with the Act, from reprisals and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

DIER's procedures for reporting disclosures of improper conduct or detrimental action by DIER or members, officers or employees of the public body are available at [www.dier.tas.gov.au](http://www.dier.tas.gov.au).

Disclosures may be made by people who are "public officers" with DIER, or by people who are or have been "contractors" with DIER for the supply of goods or services.

Since the commencement of the PID Act DIER has not received any disclosures either directly or indirectly via the Ombudsman.



## MAJOR CONTRACTS AND CONSULTANCIES

The Department of Infrastructure, Energy and Resources ensures that Tasmanian businesses are given every opportunity to compete for government business. It is the Department's policy to support Tasmanian businesses whenever they offer best value for money to the Government.

The following table summarises the level of participation by local businesses for contracts, tenders and/or quotations with a value of \$50,000 or over (excluding GST).

Total Number of Contracts Awarded	42
Total Number of Contracts Awarded to Tasmanian Businesses	34
Total Value of Contracts Awarded	\$115,642,416
Total Value of Contracts Awarded to Tasmanian Businesses	\$109,401,480
Total Number of Tenders called and/or quotation processes run	44
Total Number of bids and or written quotations received	139
Total Number of bids and or written quotations received from Tasmanian Businesses	98

Below is detailed information on consultancies and other contracts awarded with a value of \$50,000 or over (excluding GST).

Name of Contractor	Location of Contractor	Description of Contract	Period of Contract	Value of Initial Contract	Value of Option	Total value of contract \$
Abnote Australasia Pty Ltd	Highett, VIC	Contract No. 2010- Licence Card Production - Supply and Distribution Service	01/12/2010-30/11/2013	\$ 1,622,601	\$ 1,600,000	\$ 3,222,601
ACIL Tasman Pty Ltd	Melbourne, VIC	Contract No. 2065 - Hobart to Northern Suburbs Light Rail Business Case	14/03/2011 - 31/07/2011	\$ 226,688		\$ 226,688
AECOM Australia Pty Ltd	Hobart, TAS	Contract No. 2073 - Urban Travel Demand Model	11/04/2011 - 11/10/2011	\$ 250,000		\$ 250,000
Aldridge Electrical Industries	Taren Point, NSW	Variable Speed Limit Signs	15/06/2011 - 14/09/2011	\$ 420,677		\$ 420,677
Andrew Walter Constructions	Austins Ferry, TAS	Contract No. 2006 - Domain Highway - Queens Walk, Queens Domain, Hobart - Right Turn Lane Modifications	27/09/2010-06/12/2010	\$ 154,410		\$ 154,410
Andrew Walter Constructions	Austins Ferry, TAS	Contract No. 2008 - Lyell Highway - Tynwald Park Access - Right Turn Lane Modifications	30/08/2010-07/11/2010	\$ 96,202		\$ 96,202
Andrew Walter Constructions	Austins Ferry, TAS	Contract No. 2025 - West Tamar Highway - South of Beaconsfield - Safety Improvements	01/11/2010-01/05/2011	\$ 2,078,236		\$ 2,078,236
Assetlink Services Pty Ltd	West Ryde, NSW	Contract No. 2048 - Cleaning Services - 10Murray Street, Hobart	04/01/2011 - 03/01/2013	\$ 216,140	\$ 648,422	\$ 864,562

Name of Contractor	Location of Contractor	Description of Contract	Period of Contract	Value of Initial Contract	Value of Option	Total value of contract \$
Clarks Painting Services Pty Ltd	Latrobe, TAS	Contract No. 2052 Bridge Maintenance - Painting Fences and Structures - 2010/11	17/02/2011 - 26/05/2011	\$ 337,350		\$ 337,350
Downer EDI Works P/L	Austins Ferry, TAS	Contract No. 2028 - Road Specific Maintenance - Pavement Resurfacing 2010/11 - North East	21/09/2010-04/03/2011	\$ 2,379,442		\$ 2,379,442
Downer EDI Works P/L	Austins Ferry, TAS	Contract No. 2030- Road Specific Maintenance - Pavement Resurfacing 2010/11 - South	21/09/2010-04/03/2011	\$ 4,393,839		\$ 4,393,839
Downer EDI Works P/L	Austins Ferry, TAS	Contract No. 1292 - Illawarra Main Road - Bishopsbourne Road to Wickford - Road Reinstatement	01/11/2010-13/04/2011	\$ 1,804,524		\$ 1,804,524
Downer EDI Works P/L	Austins Ferry, TAS	Contract No. 1266 - East Derwent Highway - Cassidys Road to Baskerville Road - Road Widening and Junction Improvement	22/02/2011 - 13/06/2011	\$ 804,150		\$ 804,150
Downer EDI Works P/L	Austins Ferry, TAS	Contract No. 2040- State Road Network Maintenance Services - Southern Region	01/07/2011 - 30/06/2014	\$ 25,629,312	\$ 17,086,208	\$ 42,715,520
Downer EDI Works P/L	Austins Ferry, TAS	Contract No. 2054 - Sheffield Main Road - South of Sheffield - Removal of Dip - Road Construction	01/08/2011 - 20/11/2011	\$ 529,127		\$ 529,127
Eye Spy Signs P/L	Cambridge, TAS	Contract No. 2031 - Traffic Control Signs - Manufacture and Supply	30/08/2010-30/08/2012	\$ 155,794	\$ 155,794	\$ 311,588
Eye Spy Signs P/L	Cambridge, TAS	Contract No. 2079 - Arthur Highway - Sorell to Port Arthur - Upgrade of Direction Signs	28/03/2011 - 06/05/2011	\$ 86,882		\$ 86,882
GeoTas Pty Ltd	Moonah, TAS	Contract No. 2055 - Safety Barrier Works 2010/11 State Wide	10/01/2011 - 31/03/2011	\$ 299,219		\$ 299,219
Hazell Bros Group Pty Ltd	Derwent Park, TAS	Contract No. 2080- St Marys Pass and Weldborough Pass - Rehabilitation Works 2011	27/04/2011 - 19/07/2011	\$ 1,154,435		\$ 1,154,435
Marine & Civil Maintenance Pty Ltd	Camberwell East, VIC	Contract No. 2056 - Bass Highway - Emu River Bridge No. 1185 - Strengthening	16/03/2011 - 22/06/2011	\$ 436,778		\$ 436,778
RCCC Civil Contracting P/L		Contract No. 2037 - Channel Highway - Ferry Main Road Sewer Rising Main & Effluent Outfall	25/10/2010-19/12/2010	\$ 208,885		\$ 208,885
Red Jelly	Hobart, TAS	Contract No. 2053 - Advertising Services for the DIER's Road Safety Program	10/03/2011 - 31/12/2013	\$ 2,100,000		\$ 2,100,000



Name of Contractor	Location of Contractor	Description of Contract	Period of Contract	Value of Initial Contract	Value of Option	Total value of contract \$
Rexel Australia	Hobart, TAS	Contract No. 2032 - Provision of Mains Power Cable and Fibre Optic Cable	23/11/2010-23/01/2011	\$ 123,234		\$ 123,234
Roadways Pty Ltd	Glenorchy, TAS	Contract No. 2029 - Road Specific Maintenance - Pavement Resurfacing 2010/11 - North West	21/09/2010-04/03/2011	\$ 2,993,015		\$ 2,993,015
Roadways Pty Ltd	Glenorchy, TAS	Contract No. 2051 - East Derwent Highway - Gordons Hill Road to Yolla Street - South Bound Sealing	17/03/2011 - 28/04/2011	\$ 653,488		\$ 653,488
Spectran Pty Ltd	Derwent Park, TAS	Contract No. 2016 - Richmond Road - Duckhole Rivulet South of Richmond - Shoulder Widening and Access Improvements	31/08/2010-08/11/2010	\$ 164,989		\$ 164,989
Statewide Linemarking (Tas) Pty Ltd	Ulverstone, TAS	Contract No. 2034 - Road Specific Maintenance - Pavement Marking 2010/11 North West	08/12/2010-31/05/2011	\$ 252,571		\$ 252,571
Stornoway Maintenance Pty Ltd	Hobart, TAS	Contract No. 2041 - State Road Network Maintenance Services - North East Region	01/07/2011 - 30/06/2014	\$ 22,985,940	\$ 15,323,959	\$ 38,309,899
Stornoway Water Pty Ltd	Hobart, TAS	Contract No. 2038 - Channel Highway - Ferry Main Road, Kettering - Design and Construct Waste Water Treatment Plant and Associated Works	19/01/2011 - 30/04/2011	\$ 706,566		\$ 706,566
Structures Inspection	Devonport, TAS	Contract No. 2018 - Bridge Painting Specialist Inspection Services 2011-2014	22/02/2011 - 21/12/2014	\$ 215,100	\$ 143,400	\$ 358,500
Supalux Paint Co Pty Ltd	Melbourne, VIC	Contract No. 2035 - Road Specific Maintenance - Pavement Marking 2010/11 North East	08/12/2010-31/05/2011	\$ 545,549		\$ 545,549
TasSpan Pty Ltd	Latrobe, TAS	Contract No. 2049 - Heemskirk Development Road - Savage River Bridge - Timber Deck Replacement and Repairs	19/01/2011 - 27/05/2011	\$ 174,191		\$ 174,191
Transmax Pty Ltd	Gaythorne, QLD	Contract No. 2045 - Variable Speed Limit Control System	16/05/2011 - 30/06/2014	\$ 455,448		\$ 455,448
Treloar Transport Co.	Sheffield, TAS	Contract No. 2046 - Frankford Main Road - Woodbury Lane, Thirlstane - Remodel Junction	01/09/2011 - 01/11/2011	\$ 430,353		\$ 430,353
Vailsala Pty Ltd	Hawthorn, VIC	Contract No. 2060- Provision of Road Weather Information Systems	30/05/2011 - 25/07/2011	\$ 68,631		\$ 68,631

Name of Contractor	Location of Contractor	Description of Contract	Period of Contract	Value of Initial Contract	Value of Option	Total value of contract \$
VEC Civil Engineering P/L	Ulverstone, TAS	Contract No. 1252 - Cam River Bridge No. 243 - Cathodic Protection Installation	07/03/2011 - 10/07/2011	\$ 524,801		\$ 524,801
VEC Civil Engineering P/L	Ulverstone, TAS	Contract No. 2050- Bridge Maintenance - Concrete Repairs Statewide 2010-2011	09/03/2011 - 16/06/2011	\$ 387,247		\$ 387,247
Venarchie Contracting P/L	Mowbray, TAS	Contract No. 2019 - Golconda Road, Lilydale to Scottsdale - Farrellys Road Junction and Burns Road Junction - Roadworks	23/07/2010- 29/10/2010	\$ 205,158		\$ 205,158
Venarchie Contracting P/L	Mowbray, TAS	Contract No. 2042 - Midland Highway - Mona Vale Road to Ross Overtaking Lanes - Road Reinstatement	08/12/2010- 08/02/2011	\$ 1,204,827		\$ 1,204,827
Zaganite Specialised Coatings Pty Ltd	Glenorchy, TAS	Contract No. 2026 - Pavement Marking Local Roads - North	13/12/2010- 12/12/2012	\$ 642,047	\$ 600,000	\$ 1,242,047
Zaganite Specialised Coatings Pty Ltd	Glenorchy, TAS	Contract No. 2027 - Pavement Marking Local Roads - South	13/12/2010- 12/12/2012	\$ 625,401	\$ 600,000	\$ 1,225,401
Zaganite Specialised Coatings Pty Ltd	Glenorchy, TAS	Contract No. 2033 - Road Specific Maintenance - State Wide Thermoplastic and Southern Region Painted Pavement Marking 2010/11	08/12/2010- 31/05/2011	\$ 741,371		\$ 741,371



# Tasmania *Together* Government Activity Report 2010/11 – Department of Infrastructure, Energy and Resources

BENCHMARK	INITIATIVE	WHAT HAS BEEN ACHIEVED THIS YEAR (2010/11)	LEAD AGENCY
2.1.8 Road crash fatalities and serious injuries.	<i>Tasmanian Road Safety Strategy 2007-2016</i>	<p><b>Activities</b></p> <p>The Tasmanian Road Safety Strategy 2007-2016 was launched on 19 June 2007, providing the strategic direction for road safety initiatives in Tasmania for the next 10 years.</p> <p>The Strategy is evidence based and incorporates the most successful approaches from around the world that have the proven ability to reduce road trauma.</p> <p>The long-term vision of the Strategy is the elimination of fatalities and serious injuries caused by road crashes in Tasmania, and in the short-term it has adopted the road safety targets of Tasmania Together:</p> <p>by 2010: 20% reduction in serious injuries and fatalities from 2005;            by 2015: 20% reduction in serious injuries and fatalities from 2010;            and            by 2020: 20% reduction in serious injuries and fatalities from 2015.</p> <p>The first target has been exceeded with a reduction in serious injuries and fatalities by 32.5%.</p> <p>To achieve these targets, the Strategy outlines four key strategic directions that are evidence based, achievable and that will be likely to deliver the greatest reductions in serious injuries and fatalities. They are:</p> <p>Safer Travel Speeds;            Best Practice Infrastructure;            Increased Safety For Young Road Users; and            Enhanced Vehicle Safety.</p> <p>The Strategy also identifies a number of complementary and ongoing initiatives which support the effort to eliminate serious casualty crashes on our roads.</p> <p><b>Contribution towards Benchmark</b></p> <p>The first benchmark has been exceeded with a reduction in serious casualties of 32.5%.</p> <p>Initiatives delivered or in progress under the Strategy include the following practical measures:</p> <ul style="list-style-type: none"> <li>• Safer Rural Travel Speeds projects well underway on road assessment criteria and improved speed limit signage;</li> <li>• Roll-out of Electronic School Speed Limit signs rollout of signs two-thirds complete;</li> <li>• Installation of Flexible Safety Barrier, Shoulder Sealing, Right Hand Turn Facilities and Tree Removal on Tasmania's major highways and arterial roads;</li> <li>• Commencement of external evaluation of the new L2 and P1 driver assessments;</li> <li>• Design of alcohol interlock program nearing completion;</li> <li>• Public education campaign on road rules reminders.</li> </ul> <p>A new Action Plan 2011-2013 is currently being finalised and contains initiatives to build on the achievement of the first benchmark and meet the second benchmark.</p>	DIER

# Tasmania *Together* Government Activity Report 2010/11 – Department of Infrastructure, Energy and Resources

BENCHMARK	INITIATIVE	WHAT HAS BEEN ACHIEVED THIS YEAR (2010/11)	LEAD AGENCY
2.1.8 Road crash fatalities and serious injuries.	<i>Community Road Safety Partnerships (CRSP)</i>	<p><b>Activities</b></p> <p>The CRSP program has continued to consolidate and sustain impetus. Local road safety partnerships continue to operate in 25 municipalities and have expanded to 2 new municipalities (Central Highlands and Derwent Valley).</p> <p><b>Contribution towards Benchmark:</b></p> <p>The CRSP program contributes to achieving this Benchmark through:</p> <ul style="list-style-type: none"> <li>• Involving communities in local speed reduction programs using digital speed display / variable message sign trailers.</li> <li>• Expanding of the Roadside Crash Marker program to 15 municipalities.</li> <li>• Working with community organisations to implement Learner Licence Assistance Programs to assist people experiencing difficulties in obtaining a learner licence – now more than 50 organisations involved across Tasmania.</li> <li>• Supporting communities to establish Learner Driver Mentor Programs to assist disadvantaged learner drivers acquire the 50 hours practical driving experience – now 13 existing with 3 new programs established in the last 12 months.</li> <li>• Expanding the 'speeding / driving to conditions' program to new municipalities.</li> <li>• Expanding designated driver / alcohol awareness programs into the greater Launceston and Circular Head districts.</li> </ul> <p>Tasmanian Qualifications Authority (TQA) Road Safety Education courses are now conducted in most secondary schools across Tasmania.</p>	DIER
2.1.8 Road crash fatalities and serious injuries.	<i>Motorcycle Safety</i>	<p><b>Activities</b></p> <p>Improving motorcycle safety is recognised as an important way to improve road safety and reduce serious road trauma. The Tasmanian Motorcycle Safety Strategy addressed the main issues impacting on motorcycle safety and further work continues under the Tasmanian Road Safety Strategy.</p> <p><b>Contribution towards Benchmark</b></p> <p>The Tasmanian Motorcycle Council (TMC) is represented on the Tasmanian Road Safety Council (TRSC) and continues to provide the TRSC and DIER with advice on motorcycle safety issues.</p> <p>DIER has also been working with the TMC to identify and trial additional measures to maximise the safety of roadside barrier systems for motorcyclists:</p> <ul style="list-style-type: none"> <li>• 'Stack cushions', an energy absorbing padding, have been retrofitted to flexible safety barrier posts on the Mornington Interchange off-ramp from the Tasman Highway.</li> <li>• 'Rub rail', a metal strip that fits on the bottom section of steel 'w-beam' safety barrier and protects motorcyclists from hitting the barrier posts in the event of a crash, has been installed at high priority sites around the State, based on motorcycle crash data. Locations include the Channel Highway, Tasman Highway and Grass Tree Hill Road.</li> </ul>	DIER

# Tasmania *Together* Government Activity Report 2010/11 – Department of Infrastructure, Energy and Resources

BENCHMARK	INITIATIVE	WHAT HAS BEEN ACHIEVED THIS YEAR (2010/11)	LEAD AGENCY
2.1.8 Road crash fatalities and serious injuries.	<i>Heavy Vehicle Safety</i>	<p><b>Activities</b></p> <p>DIER has continued to work with the heavy and public passenger transport sectors to increase those sectors self-compliance with road law through education, compliance and enforcement activities.</p> <p>DIER is continuing to work with Industry and the Heavy Truck Safety Advisory Council on strategies to increase rollover prevention awareness within the truck industry, focusing on key areas most at risk. This includes working with peak industry associations, registered training organisations and purchasers of transport services to encourage the delivery of rollover prevention training for heavy vehicle drivers and trainers.</p> <p><b>Contribution towards Benchmark</b></p> <p>Safer heavy vehicle operations within Tasmania through increased industry self-compliance with road laws.</p> <p>Increased heavy vehicle industry awareness of road safety issues affecting their industry.</p>	DIER
10.8.3 Mineral exploration expenditure	<i>Promotion of Mineral Exploration in Tasmania</i>	<p><b>Activities</b></p> <p>The Government has a multi-pronged strategy to attract and increase the effectiveness of mineral exploration in Tasmania, which includes:</p> <ul style="list-style-type: none"> <li>• enhancement of the TIGER system through the deliverables of the four year TasExplore project, which has provided new geoscientific information over the North East and North West;</li> <li>• updating the 3D geological model and prospectivity analysis of Tasmania;</li> <li>• provision of seamless digital geological maps;</li> <li>• provision of information from a wide range of modern data collection programs delivered by the World Wide Web; and</li> <li>• drill core held at the Core Library, at Mornington.</li> </ul> <p>This strategy provides a set of tools that are used to promote the advantages of investing in Tasmania to Australian and overseas mineral exploration companies.</p> <p>In addition to producing new, high quality geoscientific data, the Department of Infrastructure, Energy and Resources (DIER) continues to pursue an active marketing and promotion campaign. Funding committed in the Budget to the Tasmanian Minerals Promotion Program is being utilised to strategically promote Tasmania at trade shows and conferences, on company-by-company head office visits in Australia and overseas, as well as presenting on Tasmanian prospectivity at overseas seminars.</p>	DIER

# Tasmania *Together* Government Activity Report 2010/11 – Department of Infrastructure, Energy and Resources

BENCHMARK	INITIATIVE	WHAT HAS BEEN ACHIEVED THIS YEAR (2010/11)	LEAD AGENCY
10.8.3 Mineral exploration expenditure (continued)	<i>Promotion of Mineral Exploration in Tasmania</i> (continued)	<p><b>Contribution towards Benchmark</b></p> <p>The annual promotional program is yielding results in the form of new investment and exploration projects in the State. In the year ending 31 March 2011, Tasmanian expenditure was 1.31 per cent of the national total, above the 2010 Tasmania <i>Together</i> target of 1.0 per cent. Expenditure on the search for new deposits was 49.9% of the total, well above the Australian average of 36.6%.</p> <p>In recent years exploration projects valued at over \$1 million per annum have been directly attracted by promotional activities conducted by DIER. These include major exploration projects in the west, northwest and northeast of Tasmania being conducted by explorers previously not active within Tasmania. In addition, the promotional activities have been successful in raising the profile of Tasmania as an exploration destination among the exploration community.</p> <p>The quality and currency of geoscience information is critical to maintaining credibility with the exploration community. In particular, the recently completed \$4.1 million government <i>TasExplore</i> initiative has upgraded the 3D geological model and prospectivity analysis of the State.</p>	DIER
1.1.7 Transport Accessibility	<i>Wheelchair Accessible Taxis (WAT) program</i>	<p><b>Activities</b></p> <p>Legislation passed by Parliament in late 2008 made two significant changes to the WAT program:</p> <ul style="list-style-type: none"> <li>• WAT licences are available on application, which enables a suitably qualified operator with a compliant vehicle to obtain a licence without charge; and</li> <li>• WAT operators are able to use a second-hand vehicle of appropriate standard to provide services in areas designated as remote.</li> </ul> <p><b>Contribution to Benchmark</b></p> <p>These changes in legislation have significantly reduced the cost of obtaining a WAT licence in remote areas of Tasmania, and provide a more streamlined process for WAT licences to be issued in all taxi areas. This will improve accessibility for wheelchair-reliant persons. Since the changes were introduced, to 1 June 2011, 16 new WAT licences have been issued, including one in a non-metropolitan area (Huon Valley). There are now 61 WAT licences on issue in Tasmania.</p>	DIER

# Tasmania *Together* Government Activity Report 2010/11 – Department of Infrastructure, Energy and Resources

BENCHMARK	INITIATIVE	WHAT HAS BEEN ACHIEVED THIS YEAR (2009/10)	LEAD AGENCY
1.1.7 Transport Accessibility	<i>Tasmanian Walking and Cycling for Active Transport Strategy</i>	<p><b>Activities</b></p> <p>The Strategy aims to create a safe, accessible and well connected transport system that encourages more people to walk and cycle as part of their everyday transport journeys to work, school and to access services and recreation facilities. The Strategy's focus includes improving land use systems to make it easier for people to walk and cycle for transport; developing infrastructure and facilities to support walking and cycling; and improving safety for pedestrians and cyclists.</p> <p><b>Contribution to Benchmark</b></p> <p>Walking and cycling are low cost transport modes, and creating environments and infrastructure that support people to walk and cycle for transport increases transport options, making it easier for people to get to the places they need to go.</p>	DIER
11.2.1 Area reduction of clear-felling in old-growth forests	<i>Tasmanian Community Forest Agreement</i>	<p><b>Activities</b></p> <p>The Tasmanian Government, through Forestry Tasmania, is continuing to implement the Tasmanian Community Forest Agreement (TCFA) program to develop alternatives to clear felling in old-growth forests on public land (State forests).</p> <p>The objective of the program was to reduce the area of old growth forest clear-felled on public land by implementing non-clear felling harvest techniques in a minimum of 80 per cent of the area of old growth harvested on State forest each year by 2010. Under the TCFA the Australian and Tasmanian Governments agreed to jointly fund a package of measures to assist Forestry Tasmania to achieve this objective.</p> <p>An Operating Plan for the Research into Alternatives to Clearfelling in Old-growth Forests was approved in May 2006 and is being implemented. The Plan includes research, over a five-year period, on variable retention silviculture, biodiversity implications, evaluation of risks to forest workers, effects on future yields, fire management aspects, economics and social acceptability. Variable retention is now a proven technique for harvesting in tall wet eucalypt forests as an alternative to clearfelling.</p> <p><b>Contribution to Benchmark</b></p> <p>In 2009/10 Forestry Tasmania clearfelled 580 hectares of old growth forest, the smallest area since records commenced. 1190 hectares were clearfelled in 2004/05 at the start of the TCFA program. Non-clear felling techniques were used for 56 per cent of old growth forest harvested in 2009/10.</p>	DIER

# LEGISLATION ADMINISTERED BY THE DEPARTMENT

## Minister for Infrastructure

*Abt Railway Development Act 1999*  
*Aerodrome Fees Act 2002*  
*Air Navigation Act 1937*  
*Civil Aviation (Carriers' Liability) Act 1963*  
*Common Carriers Act 1874*  
*Commonwealth Powers (Air Transport) Act 1952*  
*Damage by Aircraft Act 1963*  
*Emu Bay Railway (Operation and Acquisition) Act 2009*  
*Heavy Vehicle Road Transport Act 2009*  
*Highways Act 1951*  
*Marine and Safety Authority Act 1997*  
*Motor Vehicles Securities Act 1984*  
*Port Companies Act 1997*  
*Rail Company Act 2009*  
*Rail Infrastructure Act 2007*  
*Rail Safety Act 1997*  
*Rail Safety Act 2009*  
*Repeal of Regulations Postponement Act 2009*  
*Roads and Jetties Act 1935*  
*Tasmanian Ports Corporation Act 2005*  
*Traffic Act 1925*  
*Transport Act 1981*  
*TT-Line Arrangements Act 1993*  
*Vehicle and Traffic Act 1999*  
*Vehicle and Traffic (Transitional and Consequential) Act 1999*

## Motor Accidents Insurance Board

*Motor Accidents (Liabilities and Compensation) Act 1973*

## Minister for Energy and Resources

*Beauty Point Landslip Act 1970*  
*Electricity – National Scheme (Tasmania) Act 1999*  
*Electricity Supply Industry Act 1995*  
*except Part 2 and Divisions 3, 4, 5, 6, 8A and 10 of Part 3 (see Department of Treasury and Finance under the Treasurer)*

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

*Electricity Wayleaves and Easements Act 2000*

*Energy Co-ordination and Planning Act 1995*

*Forestry (Fair Contract Codes) Act 2001*

*Gas Act 2000*

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

*Gas Pipelines Act 2000*

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

*Lawrence Vale Landslip Act 1961*

*Mineral Resources Development Act 1995*

*Mining (Strategic Prospectivity Zones) Act 1993*

*National Gas (Tasmania) Act 2008*

*Petroleum Products Emergency Act 1994*

*Petroleum (Submerged Lands) Act 1982*

*Private Forests Act 1994*

*Rosetta Landslip Act 1992*

## Forestry Practices Authority

*Forest Practices Act 1985*

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

## Forestry Corporation

*Forestry Act 1920*

*Public Land (Administration and Forests) Act 1991*

*except Part 2 (see Department of Justice under the Minister for Planning)*

*Regional Forest Agreement (Land Classification) Act 1998*

*except Divisions 2 and 3 of Part 2 (see Department of Primary Industries, Parks, Water and Environment under the Minister for Environment, Parks and Heritage)*

*Timber Promotion Act 1970*



## Minister for Energy and Resources

*Beauty Point Landslip Act 1970*

## Minister for Racing

*Lyons Trusts Act 1993*

*Racing Regulation Act 2004*

*Racing Regulation Amendment (Governance Reform)  
(Transitional and Consequential Provisions) Act 2008*

*Racing Regulation (Transitional and Consequential Provisions)  
Act 2004*

*Racing (Tasracing Pty Ltd) Act 2009*

*Racing (Tasracing Pty Ltd) (Transitional and Consequential  
Provisions) Act 2009*

## Minister for Sustainable Transport

*Metro Tasmania Act 1997*

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

*Passenger Transport Act 1997*

*Passenger Transport (Consequential and Transitional)  
Act 1997*

*Passenger Transport (Transitional Regulations Validation)  
Act 2002*

*Repeal of Regulations Postponement Act 2010*

*Taxi and Luxury Hire Car Industries Act 2008*

## Legislation enacted in 2010/11

*Electricity Supply Industry Amendment Act 2010  
(No 34 of 2010)*

*Heavy Vehicle Road Transport Amendment Act 2010  
(No 27 of 2010)*

*Roads and Jetties Amendment Act 2010 (No 30 of 2010)*

*Vehicle and Traffic Amendment Act 2010 (No 28 of 2010)*

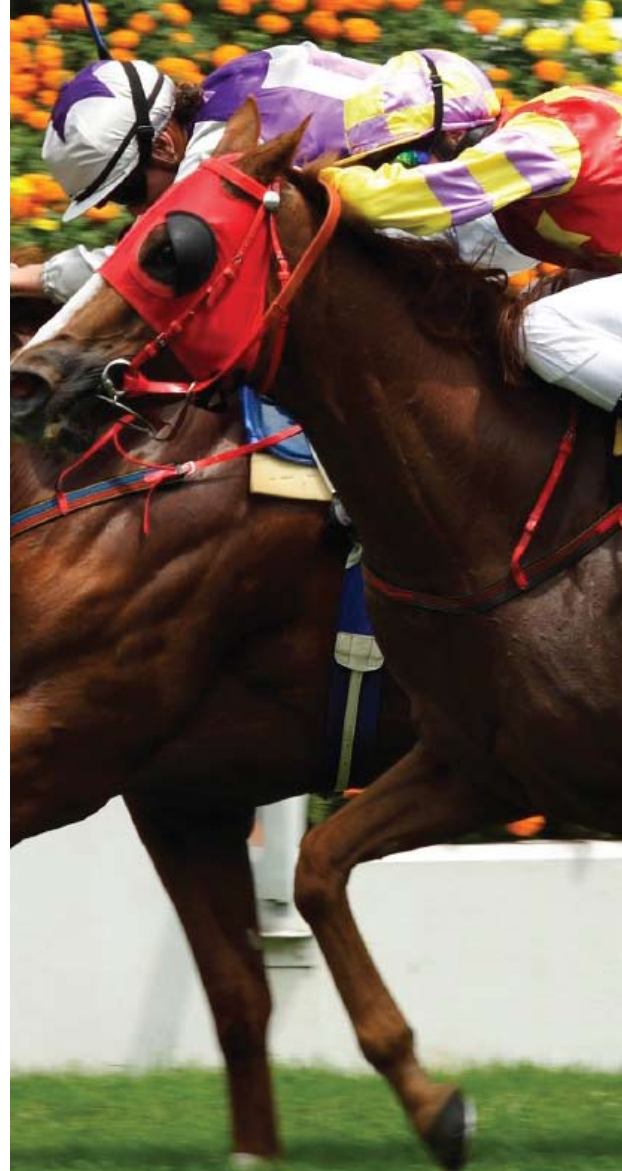
*Vehicle and Traffic and Related Legislation (Miscellaneous  
Amendments) Act 2010 [No 38 of 2010]*

*Racing Regulation Amendment (Race Fields) Act 2011  
(No 1 of 2011)*

*Repeal of Regulations Postponement Act 2011*

## Legislation repealed in 2010/11

*Repeal of Regulations Postponement Act 2009*



# DOCUMENTS PUBLISHED IN 2010/11

## Transport

Tasmanian Road Rules Handbook (ongoing) – Released May 2011

Novice Drivers' Training Kit – (ongoing) – Released April 2011

Tasmanian Motorcycle Riders' Handbook – (ongoing) – Released April 2011

Heavy Vehicle Handbook – Version 1 – Released September 2010

Vehicle Information Technical Bulletins and Manuals (ongoing).

Industry Newsletters, including safety bulletins (ongoing)

Tasmanian Road Safety Strategy Progress Report

Crash Statistics (ongoing)

Child Restraint Brochure – November 2009

Road Rule Fact Sheets – November 2009

Review of Gazetted High Productivity Vehicle Route Network, June 2011

A Review of Serious Casualty Motorcycle Crashes in Tasmania

Series of Discussion Papers for the Passenger Transport Act Review (published September 2011)

General information paper about the operation of the taxi and luxury hire car industries (February 2011).

## Mineral Resources

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# STATUTORY AND NON-STATUTORY BODIES

## Statutory Bodies

### Tasmanian Racing Appeal Board

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Established under Section 25 of the *Racing Act 1983* and continues under Section 23 the *Racing Regulation Act 2004*.

The Board is an independent body that adjudicates appeals against certain decisions of the stewards, Tasracing Pty Ltd and race clubs made pursuant to the Rules of Racing.

The Board comprises six members appointed by the Governor, and a secretary appointed by the Secretary of the Department.

Mr Tom Cox (Chairperson)  
Mr Simon Brown (Deputy Chairperson)  
Ms Kate Cuthbertson (Deputy Chairperson)

Mr Graham Elliott  
Mr Bernard McKay  
Dr Suzanne Martin

Mrs Glenda Attenborrow (Secretary)

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### Integrity Assurance Board

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*Established under Section 21 of the Racing Regulation Act 2004.*

*The Board is an independent body that adjudicates appeals against certain statutory decisions of the Director of Racing, Tasracing Pty Ltd and race clubs. The Board also adjudicates betting disputes.*

The Board comprises five members appointed by the Governor, and a secretary appointed by the Secretary of the Department.

Mrs Kate Brown (Chairperson)  
Ms Leigh Mackey (Deputy Chairperson)

Ms Madeleine Ogilvie  
Ms Eva Plachta  
Mr Rodney Lester

Mrs Glenda Attenborrow (Secretary)

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## Non Statutory Bodies

### Transport

Australian Bicycle Council  
Australian Motor Vehicle Certification Board  
Australian Motor Vehicle Certification Working Group  
Australian Road Rules Maintenance Group  
Austroads IAP Technical Feasibility and Standards Sub-Project Team  
Austroads National Exchange of Vehicle and Driver Information System (NEVDIS)  
Austroads Registration and Licensing Taskforce  
Austroads Registration and Licensing Taskforce (Registration and Licensing Policy Sub Group)  
Austroads Self Service Channel Group  
Committee for Advice on Recalls and Safety  
Forest Products Transport Council  
Heavy Truck Safety Advisory Council (HeTSAC)  
Heavy Vehicle Steering Committee  
Heavy Vehicle Training and Assessment Working Group  
National Motor Vehicle Theft Reduction Council  
National Road Safety Strategy Executive Group  
National Taxi Regulators Group  
National Transport Commission (NTC)  
Performance Based Standards Review Panel  
Rail Safety Policy and Regulation Group/Advisory Group  
Rail Safety Regulators Panel  
Rail Safety Regulation Reform Project Board  
Rail Safety Co-Regulation Group  
Road Safety Task Force (RSTF)  
SCOT Safety Standing Sub-Committee  
State Bicycle Advisory Committee  
Tasmanian Road Safety Council  
Technical Liaison Group  
Transport Operator Accreditation Board  
Transport Certification of Australia Board (TCA)

### Mineral Resources

ABS Mining Statistics User Advisory Group  
Australian Society of Exploration Geophysicists Data Standards Committee  
Chief Government Geologists Committee  
CODES Centre of Excellence in Ore Deposits Advisory Board  
CODES Centre of Excellence in Ore Deposits Science Planning Committee  
Government Geoscience Information Committee and associated working groups  
Mineral Exploration Working Group  
National Virtual Core Library Project Committee  
Natural Hazards Reference Group  
Rehabilitation of Mining Lands Trust Fund Committee

Savage River Rehabilitation Program Committee  
Standing Committee on Resources and Energy  
Tasmanian Geoconservation Database Reference Group  
Tasmanian Government Spatial Committee  
Tasmanian Statistical Advisory Committee

### Energy

Support is provided by OEPC to the Director of Energy Planning for his role as Chair of the Energy Policy Steering Committee (EPSC). EPSC provides coordinated whole of government advice to Ministers on high level and strategic issues in the energy sector.

The OEPC chairs and provides the secretariat for the following sub-committees of the Committee to Coordinate the Response to Energy Supply Emergencies (CCRESE):

- the Electricity Supply Emergency Coordination Committee (ESECC);
- the Natural Gas Supply Emergency Coordination Committee (NGSECC); and
- the Petroleum Products Supply Emergency Coordination Committee (PPSECC).

The OEPC also provides the secretariat for the Water Shortage Advisory Committee (WSAC).

The State Government was represented by the OEPC on the following national forums and groups reporting to the Ministerial Council on Energy (MCE):

- The Standing Committee of Officials;
- Energy Markets Reform Working Group;
- Energy Efficiency Working Group;
- Energy Security Working Group;
- Network Policy Working Group;
- Retail Policy Working Group;
- Smart Meters Working Group;
- National Oil Supplies Emergency Committee.

OEPC also represented the State on the following working groups:

- Senior Officials Group on Energy Efficiency under the COAG Climate Change and Water Taskforce;
- Senior Officials Group on Energy Efficiency – Building Framework Subgroup;
- National Working Group to establish legislation for Minimum Energy Performance Standards (MEPS) and labelling; and
- National Gas Emergency Response Advisory Committee.

The OEPC also participates in a range of forums with other agencies and industry stakeholders to develop energy policy and regulatory frameworks for energy in Tasmania.

OEPC provides support to the Jurisdictional System Security Coordinator (JSSC) & represents the JSSC on the National Energy Market Emergency Management Forum (NEMEMF) and the State is represented on the Energy Sector Group, reporting to the Critical Infrastructure Advisory Council (part of Commonwealth Attorney General).

# FINANCIAL STATEMENTS

## For the year ended 30 June 2011

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Department of Infrastructure, Energy and Resources  
Statement of Comprehensive Income for the year ended  
30 June 2011

	Notes	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Continuing operations</b>				
<b>Revenue and other income from transactions</b>				
Revenue from Government				
Appropriation revenue - recurrent	2.9(a), 7.1	173,599	105,051	93,083
Appropriation revenue - works and services	2.9(a), 7.1	189,212	73,721	90,920
Other revenue from Government	2.9(a), 7.1	52	...	...
Revenue from Special Capital Investment Funds	7.2	10,601	2,664	1,381
Grants	2.9(b), 7.3	1,069	1,708	1,714
Sales of goods and services	2.9(d), 7.4	618	1,533	1,361
Fees and fines	2.9(e), 7.5	9,984	10,195	10,009
Interest		75	679	1,399
Contributions received	2.9(g), 7.6	...	...	2,170
Other revenue	2.9(i), 7.7	1,046	5,064	2,759
<b>Total revenue and other income from transactions</b>		<b>386,256</b>	<b>200,615</b>	<b>204,796</b>
<b>Expenses from transactions</b>				
Employee benefits	2.10(a), 8.1	37,656	41,567	41,425
Depreciation and amortisation	2.10(b), 8.2	95,429	88,266	89,513
Supplies and consumables	8.3	47,580	69,988	82,275
Grants and subsidies	2.10(c), 8.4	65,290	65,179	61,600
Contributions provided	2.10(e), 8.5	...	...	225
Other expenses	2.10(f), 8.6	3,748	2,582	2,571
<b>Total expenses from transactions</b>		<b>249,703</b>	<b>267,582</b>	<b>277,609</b>
<b>Net operating result from continuing operations</b>		<b>136,553</b>	<b>(66,967)</b>	<b>(72,813)</b>
<b>Non-operational capital funding</b>				
Revenue from Government	2.9(a), 7.1	...	180,375	247,196
Revenue from Special Capital Investment Funds	7.2	...	8,550	13,470
<b>Total non-operational capital funding</b>		<b>...</b>	<b>188,925</b>	<b>260,666</b>
<b>Net result from transactions (net operating balance)</b>		<b>136,553</b>	<b>121,958</b>	<b>187,853</b>
<b>Other economic flows included in net result</b>				
Net gain/(loss) on non-financial assets	2.11(a)(d), 9.1	4	(149,702)	(15,892)
Net gain/(loss) on financial instruments and statutory receivables/payables	2.11(b), 9.2	...	(108)	(777)
<b>Total other economic flows included in net result</b>		<b>4</b>	<b>(149,810)</b>	<b>(16,669)</b>
<b>Net result from continuing operations</b>		<b>136,557</b>	<b>(27,852)</b>	<b>171,184</b>
<b>Net result</b>		<b>136,557</b>	<b>(27,852)</b>	<b>171,184</b>

Department of Infrastructure, Energy and Resources  
Statement of Comprehensive Income for the year ended  
30 June 2011 (continued)

Notes	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Other economic flows – other non-owner changes in equity</b>			
Changes in physical asset revaluation reserve 13.1	131,387	(999,189)	86,204
<b>Total other economic flows – Other non-owner changes in equity</b>	<b>131,387</b>	<b>(999,189)</b>	<b>86,204</b>
<b>Comprehensive result</b>	<b>267,944</b>	<b>(1,027,041)</b>	<b>257,388</b>

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 5 of the accompanying notes.

## Department of Infrastructure, Energy and Resources

### Statement of Financial Position as at 30 June 2011

	Notes	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Assets</b>				
<i>Financial assets</i>				
Cash and deposits	2.12(a), 10.1	12,915	17,190	37,627
Receivables	2.12(b), 10.2	2,116	6,742	8,682
Other financial assets	2.12(c), 10.3	7,719	37	105
<i>Non-financial assets</i>				
Plant and equipment	2.12(f), 10.4	11,316	23,806	23,588
Land and buildings	2.12(f), 10.4	25,968	74,921	71,932
Infrastructure	2.12(f), 10.5	5,032,576	3,658,328	4,707,501
Intangibles	2.12(h), 10.6	12,801	13,062	14,988
Other Assets	10.7	...	1,169	1,713
<b>Total assets</b>		<b>5,105,411</b>	<b>3,795,255</b>	<b>4,866,136</b>
<b>Liabilities</b>				
Payables	2.13(a), 11.1	7,742	8,114	16,217
Employee benefits	2.13(d), 11.2	11,496	11,129	10,804
Other liabilities	2.13(f), 11.3	2,450	5,947	3,360
<b>Total liabilities</b>		<b>21,688</b>	<b>25,190</b>	<b>30,381</b>
<b>Net assets (liabilities)</b>		<b>5,083,723</b>	<b>3,770,065</b>	<b>4,835,755</b>
<b>Equity</b>				
Contributed capital		(68,750)	(120,514)	(81,865)
Reserves	13.1	2,252,852	1,080,374	2,079,563
Accumulated funds		2,899,621	2,810,205	2,838,057
<b>Total equity</b>		<b>5,083,723</b>	<b>3,770,065</b>	<b>4,835,755</b>

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 5 of the accompanying notes.



## Department of Infrastructure, Energy and Resources

### Statement of Cash Flows for the year ended 30 June 2011

Notes	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Appropriation receipts - recurrent	173,599	105,005	93,756
Appropriation receipts - capital	189,212	74,282	90,686
Appropriations receipts - other	52	...	...
Receipts from Special Capital Investment Funds	10,601	1,653	1,381
Grants	1,069	1,693	2,157
Sales of goods and services	618	1,572	1,336
Fees and fines	9,984	10,195	10,015
GST receipts	10,398	35,592	32,483
Interest received	75	795	1,410
Other cash receipts	1,046	4,466	3,323
<b>Total cash inflows</b>	<b>396,654</b>	<b>235,253</b>	<b>236,547</b>
<b>Cash outflows</b>			
Employee benefits	(37,415)	(41,309)	(41,618)
Grants and subsidies	(65,290)	(64,804)	(61,536)
Supplies and consumables	(47,580)	(71,409)	(85,220)
GST payments	(10,399)	(33,216)	(34,715)
Other cash payments	(3,748)	(2,510)	(2,437)
<b>Total cash outflows</b>	<b>(164,432)</b>	<b>(213,248)</b>	<b>(225,526)</b>
<b>Net cash from (used by) operating activities</b>	<b>232,222</b>	<b>22,005</b>	<b>11,021</b>
	14.2		
<b>Cash flows from investing activities</b>			
<b>Cash inflows</b>			
Proceeds from the disposal of non-financial assets	4	...	18
Receipts from non-operational capital funding	...	192,387	260,666
<b>Total cash inflows</b>	<b>4</b>	<b>192,387</b>	<b>260,684</b>
<b>Cash outflows</b>			
Payments for acquisition of non-financial assets	(184,057)	(195,129)	(202,314)
Equity transfers to other Government entities	(68,750)	(38,649)	(81,865)
<b>Total cash outflows</b>	<b>(252,807)</b>	<b>(233,778)</b>	<b>(284,179)</b>
<b>Net cash from (used by) investing activities</b>	<b>(252,803)</b>	<b>(41,391)</b>	<b>(23,495)</b>
<b>Cash flows from financing activities</b>			
<b>Cash inflows</b>			
Trust receipts	...	833	2,125
<b>Total cash inflows</b>	...	<b>833</b>	<b>2,125</b>

Department of Infrastructure, Energy and Resources  
Statement of Cash Flows for the year ended 30 June 2011  
(continued)

	Notes	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Cash outflows</b>				
Trust payments		...	(1,884)	(325)
<b>Total cash outflows</b>		...	(1,884)	(325)
<b>Net cash from (used by) financing activities</b>		...	(1,051)	1,800
<b>Net increase (decrease) in cash and cash equivalents held</b>		(20,581)	(20,437)	(10,674)
<b>Cash and deposits at the beginning of the reporting period</b>		33,496	37,627	48,301
<b>Cash and deposits at the end of the reporting period</b>	14.1	12,915	17,190	37,627

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 5 of the accompanying notes.

Department of Infrastructure, Energy and Resources  
Statement of Changes in Equity for the year ended  
30 June 2011

	Notes	Contributed Equity \$'000	Reserves \$'000	Accumulated surplus / deficit \$'000	Total Equity \$'000
<b>Balance as at 1 July 2010</b>		<b>(81,865)</b>	<b>2,079,563</b>	<b>2,838,057</b>	<b>4,835,755</b>
Total comprehensive result		...	(999,189)	(27,852)	(1,027,041)
Transactions with owners in their capacity as owners:					
Equity contributions to Tasmanian Railway Pty Ltd		(38,064)	...	...	(38,064)
Equity contribution to Tasmanian Ports Corporation		(585)			(585)
<b>Total</b>		<b>(38,649)</b>	<b>(999,189)</b>	<b>(27,852)</b>	<b>(1,065,690)</b>
<b>Balance as at 30 June 2011</b>		<b>(120,514)</b>	<b>1,080,374</b>	<b>2,810,205</b>	<b>3,770,065</b>

	Notes	Contributed Equity \$'000	Reserves \$'000	Accumulated surplus / deficit \$'000	Total equity \$'000
<b>Balance as at 1 July 2009</b>		...	<b>1,993,359</b>	<b>2,620,343</b>	<b>4,613,702</b>
Adjustment due to change in accounting policy	2.5	...	...	46,530	46,530
		...	<b>1,993,359</b>	<b>2,666,873</b>	<b>4,660,232</b>
Total comprehensive result		...	86,204	171,184	257,388
Transactions with owners in their capacity as owners:					
Equity contributions to Tasmanian Railway Pty Ltd		(81,865)	...	...	(81,865)
<b>Total</b>		<b>(81,865)</b>	<b>86,204</b>	<b>171,184</b>	<b>175,523</b>
<b>Balance as at 30 June 2010</b>		<b>(81,865)</b>	<b>2,079,563</b>	<b>2,838,057</b>	<b>4,835,755</b>

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

## Notes to and forming part of the Financial Statements for the year ended 30 June 2011

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## Note 1 Administered Financial Statements

### 1.1 Schedule of Administered Income and Expenses

	Notes	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Administered revenue and other income from transactions</b>				
Revenue from Government				
Appropriation revenue - recurrent	2.9(a), 17.2	85,775	79,230	63,821
Grants	2.9(b), 17.3	417	363	154
State taxation	2.9(c), 17.4	30,033	33,002	31,503
Sales of goods and services	2.10(d), 17.5	41,299	52,385	40,133
Fees and fines	2.9(e), 17.6	10,802	9,212	8,999
Interest		...	111	65
Other revenue	2.9(i)	33	21	40
<b>Total administered revenue and other income from transactions</b>		<b>168,359</b>	<b>174,324</b>	<b>144,715</b>
<b>Administered expenses from transactions</b>				
Employee benefits	2.10(a), 17.7	983	1,923	1,958
Depreciation and amortisation	2.10(b), 17.8	1	27	22
Supplies and consumables	17.9	639	2,148	1,762
Grants and subsidies	2.10(c), 17.10	85,639	78,004	62,517
Transfers to the Consolidated Fund		81,139	91,143	79,166
Other expenses	2.10(f), 17.11	79	148	136
<b>Total administered expenses from transactions</b>		<b>168,480</b>	<b>173,393</b>	<b>145,561</b>
<b>Administered net operating result from transactions attributable to the State</b>		<b>(121)</b>	<b>931</b>	<b>(846)</b>
<b>Administered non-operational capital funding</b>				
Revenue from Government	2.9(a), 17.2	...	...	...
Grants	2.9(b), 17.3	...	...	...
<b>Total administered non-operational capital funding</b>		<b>...</b>	<b>...</b>	<b>...</b>
<b>Administered net result from transactions attributable to the State</b>		<b>(121)</b>	<b>931</b>	<b>(846)</b>
<b>Administered other economic flows in administered net result</b>				
Net gain/(loss) on sale of non-financial assets	17.12	1	...	360
Net gain/(loss) on financial instruments and statutory receivables/payables	17.13	...	(2)	...
<b>Total administered other economic flows included in net result</b>		<b>1</b>	<b>(2)</b>	<b>360</b>
<b>Administered net result</b>		<b>(120)</b>	<b>929</b>	<b>(486)</b>
<b>Administered comprehensive result</b>		<b>(120)</b>	<b>929</b>	<b>(486)</b>

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 17.1 of the accompanying notes.

## 1.2 Schedule of Administered Assets and Liabilities

	Notes	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Administered assets</b>				
<i>Administered financial assets</i>				
Cash and deposits	2.12(a), 17.22	2,395	4,163	3,027
Receivables	2.12(b), 17.14	721	181	264
Other financial assets	2.12(c), 17.15	725	46	420
<i>Administered non-financial assets</i>				
Property, plant and equipment	2.12(f), 17.16	46	27	37
Intangibles	2.12(h), 17.17	...	21	12
Other assets		...	5	...
<b>Total administered assets</b>		<b>3,887</b>	<b>4,443</b>	<b>3,760</b>
<b>Administered liabilities</b>				
Payables	2.13(a), 17.18	99	40	70
Employee benefits	2.13(d), 17.19	420	446	420
Other liabilities	2.13(f), 17.20	1,447	1,328	1,570
<b>Total administered liabilities</b>		<b>1,966</b>	<b>1,814</b>	<b>2,060</b>
<b>Administered net assets (liabilities)</b>		<b>1,921</b>	<b>2,629</b>	<b>1,700</b>
<b>Administered equity</b>				
Accumulated funds		1,921	2,629	1,700
<b>Total administered equity</b>		<b>1,921</b>	<b>2,629</b>	<b>1,700</b>

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 17.1 of the accompanying notes.



### 1.3 Schedule of Administered Cash Flows

	Notes	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Administered cash flows from operating activities</b>				
<b>Administered cash inflows</b>				
Appropriation receipts - recurrent		85,775	79,230	63,821
Taxation		30,033	33,003	31,503
Grants		417	375	177
Sales of goods and services		41,299	52,391	40,726
Fees and fines		10,802	9,259	9,079
Other cash receipts		33	92	19
<b>Total administered cash inflows</b>		<b>168,359</b>	<b>174,350</b>	<b>145,325</b>
<b>Administered cash outflows</b>				
Employee benefits		(968)	(1,897)	(1,930)
Grants and subsidies		(85,639)	(77,907)	(62,569)
Transfers to the Consolidated Fund		(81,139)	(91,143)	(79,166)
Other cash payments		(718)	(2,239)	(1,958)
<b>Total administered cash outflows</b>		<b>(168,464)</b>	<b>(173,186)</b>	<b>(145,623)</b>
<b>Administered net cash from (used by) operating activities</b>	17.23	<b>(105)</b>	<b>1,164</b>	<b>(298)</b>
<b>Administered cash flows from investing activities</b>				
<b>Administered cash inflows</b>				
Proceeds from the disposal of non-financial assets		1	...	360
Receipts from investments		...	...	360
<b>Total administered cash inflows</b>		<b>1</b>	<b>...</b>	<b>720</b>
<b>Administered cash outflows</b>				
Payments for acquisition of non-financial assets		(1)	(28)	...
<b>Total administered cash outflows</b>		<b>(1)</b>	<b>(28)</b>	<b>...</b>
<b>Administered net cash from (used by) investing activities</b>		<b>...</b>	<b>(28)</b>	<b>720</b>
<b>Net increase (decrease) in administered cash held</b>		<b>(105)</b>	<b>1,136</b>	<b>422</b>
<b>Administered cash and deposits at the beginning of the reporting period</b>		<b>2,500</b>	<b>3,027</b>	<b>2,605</b>
<b>Administered cash and deposits at the end of the reporting period</b>	17.22	<b>2,395</b>	<b>4,163</b>	<b>3,027</b>

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 17.1 of the accompanying notes.

#### 1.4 Schedule of Administered Changes in Equity

	Notes	Accumulated surplus / deficit \$'000	Total Equity \$'000
<b>Balance as at 1 July 2010</b>		<b>1,700</b>	<b>1,700</b>
Total comprehensive result	1.1	929	929
<b>Balance as at 30 June 2011</b>		<b>2,629</b>	<b>2,629</b>

	Notes	Accumulated surplus / deficit \$'000	Total Equity \$'000
<b>Balance as at 1 July 2009</b>		<b>2,186</b>	<b>2,186</b>
Total comprehensive result		(486)	(486)
<b>Balance as at 30 June 2010</b>		<b>1,700</b>	<b>1,700</b>

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

## Note 2 Significant Accounting Policies

### 2.1 Objectives and Funding

The Department of Infrastructure, Energy and Resources (the Department) provides infrastructure and related services for the social and economic development of Tasmania.

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

- enhance infrastructure decision-making across Government;
- facilitate a safe, sustainable and efficient transport system that enhances economic and social development, in the context of the challenges of climate change;
- promote reliable, efficient, safe and sustainable energy systems;
- facilitate forest policy for Tasmania's sustainable forestry practices and forest industries;
- facilitate mineral exploration and land management of Tasmanian land and offshore waters; and
- maintain probity and integrity in the racing industry.

The Department reports to the Minister for Infrastructure, Minister for Energy and Resources, the Minister for Racing, and the Minister for Sustainable Transport.

The Department also provides support to Ministers in relation to the Government's relationships with many Government Business Enterprises, State-owned Companies, and statutory authorities.

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

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

The Department is predominantly funded by parliamentary appropriations. Other funding sources include direct Commonwealth grants, industry grants and miscellaneous recoveries from various sources. The Forest Practices Authority is funded by industry contributions and parliamentary appropriations. The financial statements encompass all funds through which the Department controls resources to carry on its functions.

### 2.2 Basis of Accounting

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

- Australian Accounting Standards issued by the Australian Accounting Standards Board and Interpretations; and
- The Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990*.

The Financial Statements were signed by the Secretary on 15 August 2011.

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 2.5.

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.

## 2.3 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.

## 2.4 Functional and Presentation Currency

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

## 2.5 Changes in Accounting Policies

### (a) Impact of new and revised Accounting Standards

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

- *AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127* – This Standard introduces some minor terminology changes. There is no financial impact of applying these changes.
- *AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* – This Standard introduces small disclosure and classification changes. There is no financial impact of applying these changes.
- *AASB 1054 Australian Additional Disclosures* (applies to annual reporting periods beginning on or after 1 July 2011). This standard sets out the Australian specific disclosures for entities that have adopted Australian Accounting Standards that are additional to the requirements under International Financial Reporting Standards, including disclosures relating to the nature of the financial report, audit fees and the reconciliation of net operating cash flows to profit. The amendments, which become mandatory for the Department's 30 June 2012 financial statements, are not expected to have a significant impact on the financial statements.

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

The following applicable Standards have been issued by the AASB and are yet to be applied:

- *AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9* – The amendments require modification to the disclosure of categories of financial assets. It is not anticipated that there will be any financial impact.
- *AASB 1053 Application of Tiers of Australian Accounting Standards* – This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. The Standard does not have any financial impact on the Department. However, it may affect disclosures if reduced disclosure requirements apply.
- *AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* – This Standard makes amendments to introduce reduced disclosure requirements for certain types of entities. There is no expected financial impact of applying these changes, as the Department is likely to be considered a Tier 1 entity.
- *AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* – This Standard includes additional presentation and disclosure requirements for financial assets. It is not expected to have a financial impact.
- *AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9* – This Standard makes minor revisions, however it is not expected to have a financial impact.
- *AASB 2009-12 Amendments to Australian Accounting Standards* – This Standard introduces a number of terminology changes. There is no expected financial impact.

- AASB 2010-5 Amendments to Australian Accounting Standards – This Standard introduces terminology changes as well as presentation changes, however, there is no expected financial impact from these revisions.

## **2.6 Administered Transactions and Balances**

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.

Administered assets, liabilities, expenses and revenues are disclosed in Note 1 to the Financial Statements.

## **2.7 Activities Undertaken Under a Trustee or Agency Relationship**

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

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

Transactions and balances relating to a trustee or an agency arrangement are not recognised as departmental revenues, expenses, assets or liabilities in these Financial Statements. Details of these transactions are provided in Note 18.

## **2.8 Transactions by the Government as Owner – Restructuring of Administrative Arrangements**

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

## **2.9 Income from transactions**

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

### **(a) Revenue from Government**

Appropriations, whether recurrent or capital, are recognised as revenues in the period in which the Department gains control of the appropriated funds. Except for any amounts identified as carried forward in Notes 7.1 and 17.2, control arises in the period of appropriation.

### **(b) Grants**

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

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

### **(c) 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, pursuant to the issue of an assessment.

#### **(d) 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.

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

#### **(e) Fees and fines**

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

#### **(f) Interest**

Interest on funds invested is recognised as it accrues using the effective interest rate method.

#### **(g) Contributions received**

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

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

#### **(h) Investment Income**

Interest on funds invested is recognised as it accrues using the effective interest rate method.

#### **(i) Other revenue**

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

### **2.10 Expenses from transactions**

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

#### **(a) Employee benefits**

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

#### **(b) Depreciation and amortisation**

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

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

condition, and industry best practice. Depreciation methods as detailed below have not changed since the previous reporting period.

<b>Asset</b>	<b>Estimated Useful Life (years)</b>	<b>Depreciation Rate (per annum)</b>	<b>Method</b>
Road Infrastructure:			
Earthworks	Unlimited	Nil	NA
Pavement – category 1	40	2.50%	Straight Line
category 2	40	2.50%	Straight Line
category 3	50	2.00%	Straight Line
category 4	55	1.82%	Straight Line
category 5	60	1.67%	Straight Line
(Note: road categories are determined by freight carrying task, ie category 1 the highest freight task, category 5, the lowest)			
Surface, seal	15	6.67%	Straight Line
Bridge Infrastructure:			
Steel, Concrete	70	1.43%	Parabolic
Timber	25	4.00%	Parabolic
T-Beam	50	2.00%	Parabolic
Historic	250	0.40%	Parabolic
Major Structures	100	1.00%	Parabolic
Traffic Signal Installations:			
Cable	50	2.00%	Straight Line
Above and below ground	30	3.33%	Straight Line
Electronics	25	4.00%	Straight Line
Site Hardware	10	10.00%	Straight Line
Buildings	20	5.00%	Straight Line
Electrical and Office Equipment	5	20.00%	Straight Line
Technical Equipment	5	20.00%	Straight Line
Plant	10	10.00%	Straight Line
Computer Hardware	3	33.33%	Straight Line
Computer Software	3	33.33%	Straight Line
Motor Vehicles	5	20.00%	Straight Line
Marine Vessels and Equipment	15.67	6.38%	Straight Line
Abt Railway Infrastructure:			
Tracks, bridges, structures, culverts and station buildings	40	2.50%	Straight Line
Railway carriages	30	3.33%	Straight Line
Locomotives	25	4.00%	Straight Line
Turntables, ramps, shelters	20	5.00%	Straight Line
Rail wagons	5	20.00%	Straight Line

### *Road Infrastructure*

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

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

### Bridge Infrastructure

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

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

### Intangible Assets

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

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

<b>Asset</b>	<b>Estimated Useful Life (years)</b>	<b>Depreciation Rate (per annum)</b>	<b>Method</b>
Motor Registry System	10	10.00%	Straight Line
In-house computer software (egs RIMS, Contract Management System, Geomodeller)	3	33.33%	Straight Line

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

### (c) 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.

### (d) Borrowing costs

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

Borrowing costs include:

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

### (e) Contributions provided

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

### (f) Other expenses

Expenses from activities other than those identified above are recognised in the Income Statement 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.



## 2.11 Other economic flows included in net result

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

### (a) Gain/(loss) on sale of 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.

### (b) Impairment – Financial assets

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

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

All impairment losses are recognised in the Statement of Comprehensive Income.

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

### (c) Impairment – Non-financial assets

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

All impairment losses are recognised in Statement of Comprehensive Income.

### (d) Write down of assets measured at fair value

A revaluation decrement is recognised as an expense in the Statement of Comprehensive Income except to the extent that the decrement reverses a revaluation increment previously credited to, and still included in the balance of, an Asset Revaluation Reserve in respect of the same class of asset. In this case, it is debited direct to that Revaluation Reserve.

Where an increment reverses a revaluation decrement previously recognised as an expense in the Income Statement, in respect of that same class of Non-current assets, the revaluation increment is recognised as revenue.

### (e) Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows includes gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result, and from the revaluation of the present values of the long service leave liability due to changes in the bond interest rate.

## 2.12 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.

### (a) Cash and deposits

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund. Deposits are recognised at amortised cost, being their face value.

## **(b) Receivables**

Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value. Impairment losses are recognised when there is an indication that there is a measurable decrease in the collectability of receivables.

## **(c) Other financial assets**

Investments are initially recorded at fair value.

All investments are held to maturity and are measured at amortised cost using the effective interest method less any impairment losses subsequent to initial recognition.

## **(d) 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, the assets (or components of a disposal group) are remeasured in accordance with the Department's accounting policies. Thereafter the assets (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

## **(e) Equity investments**

Equity investments are initially recorded at cost based on the equity contributions made to State-owned Companies and Government Business Enterprises. Subsequent to initial recognition equity investments are measured at fair value through profit and loss.

Control of the investment rests with the responsible Minister rather than with the Department. Accordingly, equity investments in Government owned businesses are not consolidated in the Financial Statements and are recognised as an equity investment asset. 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*.

The change in the value of the investment is recorded as income or as an expense in the Statement of Comprehensive Income.

## **(f) Property, plant, equipment and infrastructure**

### *(i) Valuation basis*

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

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

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

### *Road Infrastructure*

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

land use;

traffic volumes; and

national highway as the Commonwealth Government demands a higher standard.

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

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

Full valuation occurs every 5 years, with the last valuation conducted in 2008. Values are indexed annually using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16).

#### *Bridge Infrastructure*

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

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

Full valuation occurs every 5 years, with the last valuation completed in 2007. Values are indexed annually using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16).

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

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

#### *Traffic Signals*

Traffic Signals assets are valued every 5 years by the Australian Valuation Office on a depreciated replacement cost basis, with the last valuation completed in 2007. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

#### *ABT Railway Infrastructure*

ABT Railway infrastructure comprises of the rail track, bridges, culverts, sidings, ramps and earthworks owned by the ABT Railway Ministerial Corporation. Railway assets are revalued every 5 years on a depreciated replacement cost basis, with the last valuation completed in 2007. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

#### *Property Acquired for Roadworks*

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

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

##### *Valuer-General Sale Valuation*

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

##### *Valuer-General Rates Valuation*

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

##### *Department of Infrastructure, Energy and Resources Valuation*

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

### *Rail Corridor Land*

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

The land is valued at either current Valuer-General valuation where one exists, or at the average rate per land area in each Municipality according to adjacent land zoning.

#### *(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. Assets valued at less than \$5,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

#### *(iv) Revaluations*

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

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

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

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

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

### **(g) Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both.

Investment property is recorded at fair value with any changes in the fair value being recorded as income or expenses in the Statement of Comprehensive Income.

Investment property is not depreciated.

### **(h) Intangibles**

An intangible asset is recognised where:

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

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

## 2.13 Liabilities

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

### (a) Payables

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

### (b) 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.

### (c) Provisions

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

### (d) Employee benefits

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June 2011, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Expected future payments are discounted using interest rates attaching, as at the reporting date, to Commonwealth Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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

### (e) Superannuation

The Department does not recognise a liability for the accruing superannuation benefits of Departmental employees. This liability is held centrally and is recognised within the Finance-General Division of the Department of Treasury and Finance.

During the reporting period, the Department paid 12.3 percent of salary in respect of contributory members of the Retirement Benefits Fund into the Superannuation Provision Account within the Special Deposits and Trust Fund. The Department paid the appropriate Superannuation Guarantee Charge into the nominated superannuation fund in respect of non-contributors. Under these arrangements the Department has no further superannuation liability for the past service of its employees.

### (f) Other liabilities

Liabilities other than those identified above are recognised in accordance with the general criteria noted above.

## **2.14 Leases**

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

The Department is prohibited by Treasurer's Instruction 502 *Leases* from holding finance leases.

## **2.15 Judgements and Assumptions**

In the application of Australian Accounting Standards, the Department is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the Department that have significant effects on the Financial Statements are disclosed in the relevant notes to the Financial Statements.

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.

## **2.16 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.

## **2.17 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 2.5.

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

Restructures of Outputs within the Department (internal restructures) that do not affect the results shown on the face of the Financial Statements are reflected in the comparatives in the Output Schedule at Notes 3.1 and 3.2.

## **2.18 Budget Information**

Budget information refers to original estimates as disclosed in the 2010-11 Budget Papers and is not subject to audit.

## **2.19 Rounding**

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. Where the result of expressing amounts to the nearest thousand dollars would result in an amount of zero, the financial statement will contain a note expressing the amount to the nearest whole dollar.

## **2.20 Departmental Taxation**

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

## **2.21 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.

## Note 3 Departmental Output Schedules

### 3.1 Output Group Information

Comparative information has not been restated for external administrative restructures.

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

#### Output Group 1 – Infrastructure

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Continuing operations</b>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	106,744	68,691	114,117
Grants	1,069	1,558	1,618
Sales of goods and services	516	1,052	753
Fees and fines	3,775	5,769	9,696
Other revenue	79	13	161
<b>Total revenue and other income from transactions</b>	<b>112,183</b>	<b>77,083</b>	<b>126,345</b>
<b>Expenses from transactions</b>			
Employee Entitlements	22,762	16,861	20,631
Depreciation and Amortisation	1,349	3,285	2,277
Grants and subsidies	5,185	1,449	89
Supplies and Consumables:			
Consultants	2,868	574	298
Property Services	1,472	274	351
Maintenance	3,673	...	...
Communications	881	1,142	893
Information Technology	2,729	2,299	2,423
Travel and Transport	662	345	282
Operating Lease costs	...	1,506	1,257
Advertising and Promotion	615	779	953
Other Supplies and Consumables	(1,393)	6,423	5,080
Other expenses	2,930	1,218	1,252
<b>Total expenses from transactions</b>	<b>43,733</b>	<b>36,155</b>	<b>35,786</b>
<b>Net operating result from continuing operations</b>	<b>68,450</b>	<b>40,928</b>	<b>90,559</b>
<b>Non-operational capital funding</b>			
Revenue from Government	...	12	...
<b>Total non-operational capital funding</b>	<b>...</b>	<b>12</b>	<b>...</b>
<b>Net result from transactions (net operating balance)</b>	<b>68,450</b>	<b>40,940</b>	<b>90,559</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on sale of non-financial assets	...	(590)	(76)
Net gain/(loss) on financial instruments and statutory receivables/payables	...	(101)	(77)
<b>Total other economic flows included in net result</b>	<b>...</b>	<b>(691)</b>	<b>(853)</b>
<b>Net result from continuing operations</b>	<b>68,450</b>	<b>40,249</b>	<b>89,706</b>
<b>Net result</b>	<b>68,450</b>	<b>40,249</b>	<b>89,706</b>

## Output Group 1 – Infrastructure (continued)

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Other economic flows – other non-owner changes in equity</b>			
Changes in physical asset revaluation reserve	...	2,341	...
<b>Total other economic flows – other non-owner changes in equity</b>	...	<b>2,341</b>	...
<b>Comprehensive result</b>	<b>68,450</b>	<b>42,590</b>	<b>89,706</b>
<b>Expense by output</b>			
1.1 Infrastructure Strategy	4,517	4,737	1,505
1.2 Rail Safety	522	488	392
1.3 Road Safety	8,000	6,502	5,999
1.4 Registration and Licensing	12,190	9,586	14,430
1.5 Vehicle Operations	3,568	4,153	4,068
1.6 Traffic Management and Engineering Services	7,586	7,397	6,424
1.7 Passenger Transport	3,850	2,879	2,968
1.8 Passenger Transport Innovation	3,500	1,104	...
<b>Total</b>	<b>43,733</b>	<b>36,846</b>	<b>35,786</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 1		138,471	143,959
Total liabilities incurred for Output Group 1		6,686	9,756
<b>Net assets deployed for Output Group 1</b>		<b>131,785</b>	<b>134,203</b>



## Output Group 2 – Energy Advisory and Regulatory Services

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Continuing operations</b>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	1,278	1,575	2,467
Grants	...	371	(758)
Fees and fines	465	...	...
Other revenue	1	(14)	506
<b>Total revenue and other income from transactions</b>	<b>1,744</b>	<b>1,932</b>	<b>2,215</b>
<b>Expenses from transactions</b>			
Employee Entitlements	1,005	1,054	1,075
Depreciation and Amortisation	...	2	2
Grants and subsidies	475	391	677
Supplies and Consumables:			
Consultants	149	(5)	235
Property Services	31	4	13
Communications	20	14	18
Information Technology	19	8	11
Travel and Transport	30	21	14
Operating Lease costs	...	43	62
Advertising and Promotion	28	...	...
Other Supplies and Consumables	(65)	572	497
Other expenses	54	48	105
<b>Total expenses from transactions</b>	<b>1,746</b>	<b>2,152</b>	<b>2,709</b>
<b>Net result from transactions (net operating balance)</b>	<b>(2)</b>	<b>(220)</b>	<b>(494)</b>
<b>Comprehensive result</b>	<b>(2)</b>	<b>(220)</b>	<b>(494)</b>
<b>Expense by output</b>			
2.1 Energy Policy and Advice	1,746	2,152	2,709
<b>Total</b>	<b>1,746</b>	<b>2,152</b>	<b>2,709</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 2		113	279
Total liabilities incurred for Output Group 2		272	412
<b>Net assets deployed for Output Group 2</b>		<b>(159)</b>	<b>(133)</b>

## Output Group 3 – Mineral Resources Management and Administration

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Continuing operations</b>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	5,823	6,919	6,206
Grants	...	310	15
Other revenue	776	1,559	2,384
<b>Total revenue and other income from transactions</b>	<b>6,599</b>	<b>8,788</b>	<b>8,605</b>
<b>Expenses from transactions</b>			
Employee Entitlements	4,004	4,410	4,171
Depreciation and Amortisation	350	273	363
Grants and subsidies	360	67	...
Supplies and Consumables:			
Consultants	81	87	50
Property Services	778	144	138
Communications	60	48	47
Information Technology	524	331	382
Travel and Transport	63	166	195
Operating Lease costs	...	632	1,123
Advertising and Promotion	138	37	38
Other Supplies and Consumables	(280)	764	509
Other expenses	224	277	250
<b>Total expenses from transactions</b>	<b>6,302</b>	<b>7,236</b>	<b>7,266</b>
<b>Net result from transactions (net operating balance)</b>	<b>297</b>	<b>1,552</b>	<b>1,339</b>
<b>Comprehensive result</b>	<b>297</b>	<b>1,552</b>	<b>1,339</b>
<b>Expense by output</b>			
3.1 Minerals Exploration and Land Management	3,189	4,435	3,972
3.2 Tenement Management of the Exploration and Minerals Industry	3,113	2,801	3,294
<b>Total</b>	<b>6,302</b>	<b>7,236</b>	<b>7,266</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 3		10,799	7,090
Total liabilities incurred for Output Group 3		1,347	1,274
<b>Net assets deployed for Output Group 3</b>		<b>9,452</b>	<b>5,816</b>

## Output Group 4 – Support for the Minister

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Continuing operations</b>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	3,357	8,294	396
Sales of goods and services	...	...	162
Other revenue	...	35	16
<b>Total revenue and other income from transactions</b>	<b>3,357</b>	<b>8,329</b>	<b>574</b>
<b>Expenses from transactions</b>			
Employee Entitlements	590	1,427	478
Depreciation and Amortisation	...	1	1,065
Grants and subsidies	1,000	6,101	
Supplies and Consumables:			
Consultants	2	25	...
Property Services	2	3	3
Communications	6	14	4
Information Technology	5	2	...
Travel and Transport	35	27	27
Operating Lease costs	...	50	13
Advertising and Promotion	1,750	7	...
Other Supplies and Consumables	(48)	569	(53)
Other expenses	20	70	28
<b>Total expenses from transactions</b>	<b>3,362</b>	<b>8,296</b>	<b>1,565</b>
<b>Net result from transactions (net operating balance)</b>	<b>(5)</b>	<b>33</b>	<b>(991)</b>
<b>Comprehensive result</b>	<b>(5)</b>	<b>33</b>	<b>(991)</b>
<b>Expense by output</b>			
4.1 Support for the Minister	3,362	8,296	1,565
<b>Total</b>	<b>3,362</b>	<b>8,296</b>	<b>1,565</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 4		...	...
Total liabilities incurred for Output Group 4		358	256
<b>Net assets deployed for Output Group 4</b>		<b>(358)</b>	<b>(256)</b>

## Output Group 5 – Racing Policy and Regulation

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Continuing operations</b>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	3,035	3,165	2,982
Sales of goods and services	2	1	1
Fees and fines	340	276	313
Other revenue	194	1	4
<b>Total revenue and other income from transactions</b>	<b>3,571</b>	<b>3,443</b>	<b>3,300</b>
<b>Expenses from transactions</b>			
Employee Entitlements	2,056	2,213	2,014
Depreciation and Amortisation	8	27	19
Grants and subsidies	273	3	23
Supplies and Consumables:			
Consultants	...	4	3
Property Services	185	11	4
Communications	55	51	54
Information Technology	68	157	113
Travel and Transport	171	121	97
Operating Lease costs	...	324	311
Advertising and Promotion	...	...	3
Other Supplies and Consumables	626	478	477
Other expenses	151	137	137
<b>Total expenses from transactions</b>	<b>3,593</b>	<b>3,526</b>	<b>3,255</b>
<b>Net result from transactions (net operating balance)</b>	<b>(22)</b>	<b>(83)</b>	<b>45</b>
<b>Comprehensive result</b>	<b>(22)</b>	<b>(83)</b>	<b>45</b>
<b>Expense by output</b>			
5.1 Racing Regulation	3,485	3,526	3,131
5.2 Racing Policy	108	...	124
<b>Total</b>	<b>3,593</b>	<b>3,526</b>	<b>3,255</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 5		379	420
Total liabilities incurred for Output Group 5		537	576
<b>Net assets deployed for Output Group 5</b>		<b>(158)</b>	<b>(156)</b>

## Output Group 6 – Transport Subsidies and Concessions

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Continuing operations</b>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	53,362	52,137	47,718
Reserved by Law	52	...	...
<b>Total revenue and other income from transactions</b>	<b>53,414</b>	<b>52,137</b>	<b>47,718</b>
<b>Expenses from transactions</b>			
Depreciation and Amortisation	...	358	235
Grants and subsidies	53,095	50,196	49,118
Supplies and Consumables:			
Other Supplies and Consumables	319	2,026	2,342
<b>Total expenses from transactions</b>	<b>53,414</b>	<b>52,580</b>	<b>51,695</b>
<b>Net result from transactions (net operating balance)</b>	<b>...</b>	<b>(443)</b>	<b>(3,977)</b>
<b>Comprehensive result</b>	<b>...</b>	<b>(443)</b>	<b>(3,977)</b>
<b>Expense by output</b>			
6.1 Bruny Island Ferry Service	640	998	876
6.2 Furneaux Shipping Contract	274	246	309
6.3 King Island Shipping	49	10	...
6.4 CSO: Payment to Metro Tas Pty Ltd	33,369	33,124	32,344
6.5 Payments to School Bus Operators: Contract Services	17,540	16,890	16,719
6.6 Urban Bus Service	1,490	1,312	1,397
6.7 Construction of Streets in Towns	52	...	50
<b>Total</b>	<b>53,414</b>	<b>52,580</b>	<b>51,695</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 6		1,496	2,370
Total liabilities incurred for Output Group 6		166	1,511
<b>Net assets deployed for Output Group 6</b>		<b>1,330</b>	<b>859</b>

## Output Group – Capital Investment Program

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Continuing operations</b>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	189,212	74,164	92,724
Grants	...	...	467
Sales of goods and services	100	480	222
Interest income	75	678	1,459
Fees and fines	5,404	4,148	...
Other revenue	...	3,471	1,680
<b>Total revenue and other income from transactions</b>	<b>194,791</b>	<b>82,941</b>	<b>96,552</b>
<b>Expenses from transactions</b>			
Employee Entitlements	7,239	12,382	8,612
Depreciation and Amortisation	91,702	83,739	85,947
Grants and subsidies	2,500	4,717	10,307
Supplies and Consumables:			
Consultants	...	6,914	4,898
Maintenance	31,819	...	...
Property Services	(1)	1,350	4,754
Communications	...	311	339
Information Technology	...	81	1,342
Travel and Transport	...	523	504
Operating Lease costs	...	1,061	1,224
Advertising and Promotion	...	30	30
Other Supplies and Consumables	(606)	43,467	55,175
Other expenses	369	595	780
<b>Total expenses from transactions</b>	<b>133,022</b>	<b>155,170</b>	<b>173,912</b>
<b>Net operating result from continuing operations</b>	<b>61,769</b>	<b>(72,229)</b>	<b>(77,360)</b>
<b>Non-operational capital funding</b>			
Revenue from Government	...	141,714	165,331
<b>Total non-operational capital funding</b>	<b>...</b>	<b>141,714</b>	<b>165,331</b>
<b>Net result from transactions (net operating balance)</b>	<b>...</b>	<b>69,485</b>	<b>87,971</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	...	(149,000)	(15,816)
Net gain/(loss) on financial instruments and statutory receivables/payables	...	(7)	...
<b>Total other economic flows included in net result</b>	<b>...</b>	<b>(149,007)</b>	<b>(15,816)</b>
<b>Net result</b>	<b>61,769</b>	<b>(79,522)</b>	<b>72,155</b>
<b>Other economic flows – other non-owner changes in equity</b>			
Changes in physical asset revaluation reserve	131,387	(999,309)	86,204
<b>Total other economic flows – other non-owner changes in equity</b>	<b>131,387</b>	<b>(999,309)</b>	<b>86,204</b>
<b>Comprehensive result</b>	<b>193,156</b>	<b>(1,078,831)</b>	<b>158,359</b>
<b>Expense by output</b>			
Arthur Hwy	...	78	...
Rokeby Main Road	...	524	...
West Tamar Highway Bradys Lookout	...	293	...
Huon Highway upgrade	...	156	...
Ferry Road Kettering	...	192	...
Richmond Link Road	...	94	...

## Output Group – Capital Investment Program (continued)

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Esk Main Road	...	27	...
Tasman Highway Scottsdale to Launceston	...	42	...
Lakes Secondary Road	...	117	...
West Tamar Highway Ecclestone Road signals	...	180	...
Westbury Industrial Estate	...	500	...
Murchison Highway upgrade	...	561	...
Strahan Esplanade	...	600	...
Formby Road	2,000	2,000	...
Brooker Highway	...	...	25
Infrastructure Development	21,751	148,153	83,619
Infrastructure Maintenance	58,570	41,039	44,211
Road Safety	11,427	2,408	2,385
Environmental	475	179	174
NBESP Black Spots	...	...	2,667
NBESP Heavy Vehicle Program	1,300	1,520	...
Macquarie Street Traffic Flow	...	...	4
Program Management	2,439	1,586	1,087
Asset Management	5,069	6,743	7,843
Strategic Policy	2,510	2,568	2,505
Rail Infrastructure Development	...	...	14,173
Rail Infrastructure Maintenance	...	...	4,005
Rail Administration	...	165	3,175
Rail - Capacity Improvements Rhyndaston	...	...	47
Rail - Main Line Improvements	...	...	234
Rail – West Coast Main Lines upgrades	...	...	3,932
Brighton Bypass	64,000	190	741
Bagdad Bypass	2,640	3,416	1,773
Bridgewater Bridge Refurbishment	...	1,634	1
Midlands Lyell Highway Junction	...	...	1
North East Freight Roads	1,800	...	...
Bruny Island Road Sealing	1,800	...	...
X-Ray Fluorescent Spectrophotometer	...	...	10
Brighton Transport Hub	14,680	111	...
Bell Bay Intermodal Terminal	3,920	...	...
Lyell Highway – Granton to New Norfolk	2,831	...	...
Illawarra Main Road	4,510	...	...
Jetties	600	600	1,300
Kingston Bypass	11,000	...	...
South Arm Road	2,695	...	...
<b>Total</b>	<b>216,017</b>	<b>215,676</b>	<b>173,912</b>
<b>Net Assets</b>			
Total assets deployed for Output – Capital Investment Program		3,636,775	4,712,002
Total liabilities incurred for Output – Capital Investment Program		13,612	16,254
<b>Net assets deployed for Output – Capital Investment Program</b>		<b>3,623,163</b>	<b>4,695,748</b>

## Output Group – Special Capital Investment Fund (SCIF) Allocations

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Continuing operations</b>			
<b>Revenue and other income from transactions</b>			
Revenue from Special Capital Investment Funds	10,601	2,465	1,381
<b>Total revenue and other income from transactions</b>	<b>10,601</b>	<b>2,465</b>	<b>1,381</b>
<b>Expenses from transactions</b>			
Employee Entitlements	...	...	5
Depreciation and Amortisation	2,020	...	...
Grants and subsidies	2,266	1,873	1,433
Supplies and Consumables:			
Consultants	...	...	5
Maintenance	245	...	...
Property Services	...	27	...
Advertising and Promotion	...	...	6
Other Supplies and Consumables	...	779	1
<b>Total expenses from transactions</b>	<b>4,531</b>	<b>2,679</b>	<b>1,450</b>
<b>Net operating result from continuing operations</b>	<b>6,070</b>	<b>(214)</b>	<b>(69)</b>
<b>Non-operational capital funding</b>			
Revenue from Special Capital Investment Funds	...	8,550	13,470
<b>Total non-operational capital funding</b>	<b>...</b>	<b>8,550</b>	<b>13,470</b>
<b>Net result from transactions (net operating balance)</b>	<b>6,070</b>	<b>8,336</b>	<b>13,401</b>
<b>Comprehensive result</b>	<b>6,070</b>	<b>8,336</b>	<b>13,401</b>
<b>Expense by output</b>			
Urban Renewal and Heritage Fund	2,451	2,059	465
Major Capital Projects Fund	150	575	985
Infrastructure Tasmania Fund	8,000	...	...
Road and Bridge Maintenance	...	45	...
<b>Total</b>	<b>10,601</b>	<b>2,679</b>	<b>1,450</b>
<b>Net Assets</b>			
Total assets deployed for Output – Special Capital Investment Fund		8,341	16
Total liabilities incurred for Output – Special Capital Investment Fund		270	342
<b>Net assets deployed for Output – Special Capital Investment Fund</b>		<b>8,071</b>	<b>(326)</b>



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

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Total comprehensive result of Output Groups</b>	<b>267,944</b>	<b>(1,027,066)</b>	<b>257,388</b>
<b>Reconciliation to comprehensive result</b>			
Revenues unallocated to Output Groups (accruals)	...	237	...
Expenses unallocated to Output Groups (accruals)	...	(212)	...
<b>Comprehensive result</b>	<b>267,944</b>	<b>(1,027,041)</b>	<b>257,388</b>

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

	2011 Actual \$'000	2010 Actual \$'000
<b>Total net assets deployed for Output Groups</b>	<b>3,773,126</b>	<b>4,835,755</b>
<b>Reconciliation to net assets</b>		
Assets unallocated to Output Groups	(1,119)	...
Liabilities unallocated to Output Groups	(1,942)	...
<b>Net assets</b>	<b>3,770,065</b>	<b>4,835,755</b>

### 3.4 Administered Output Schedule

Comparative information has not been restated for external administrative restructures.

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

#### Output Group – Grants and Subsidies

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Administered revenue and other income from transactions</b>			
Revenue from appropriation	85,775	79,230	62,509
Grants	172	364	153
Sales of goods and services	1,249	896	1,216
Fees and fines	...	36	29
Other revenue	25	107	75
<b>Total administered revenue and other income from transactions</b>	<b>87,221</b>	<b>80,633</b>	<b>63,982</b>
<b>Administered expenses from transactions</b>			
Employee Entitlements	983	1,881	1,851
Depreciation and Amortisation	1	20	15
Grants and subsidies	85,639	76,546	62,517
Supplies and Consumables:			
Consultants	6	157	145
Property Services	81	38	42
Communications	30	24	29
Information Technology	45	49	34
Travel and Transport	167	67	78
Operating Lease costs	...	226	225
Advertising and Promotion	...	1	...
Other Supplies and Consumables	310	356	341
Other expenses	79	146	140
<b>Total administered expenses from transactions</b>	<b>87,341</b>	<b>79,511</b>	<b>65,417</b>
<b>Administered net result from transactions (net operating balance)</b>	<b>(120)</b>	<b>1,122</b>	<b>(1,435)</b>
<b>Total administered comprehensive result</b>	<b>(120)</b>	<b>1,122</b>	<b>(1,435)</b>
<b>Administered expense by output</b>			
91.595 Payments to School Bus Operators: Route Services	26,440	23,234	23,840
91.598 National Road Transport Commission: Local Government Contribution	1,500	1,500	1,500
91.621 Payments for Forest Practices Authority	2,868	4,290	4,132
91.624 Conveyance Allowance	1,449	1,617	1,494
91.625 Pensioner Air Travel Subsidy	9	9	10
91.626 Transport Access Scheme	4,270	3,954	3,837
91.628 Pensioner, Aged and Unemployed Concessions	1,155	1,218	1,213
91.643 Contribution to Marine & Safety Authority	1,589	1,589	1,044
91.729 Tasmanian Racing Assistance	27,203	27,510	27,000
91.739 Private Forests Tasmania	1,393	...	1,347
91.882 Tasmanian Railway Pty Ltd	19,465	14,590	...
<b>Total</b>	<b>87,341</b>	<b>79,511</b>	<b>65,417</b>
<b>Net Assets</b>			
Total assets deployed for Output – Grants and Subsidies		1,344	1,594
Total liabilities incurred for Output – Grants and Subsidies		420	372
<b>Net assets deployed for Output – Grants and Subsidies</b>		<b>924</b>	<b>1,222</b>

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

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Total administered comprehensive result of Output Groups</b>	(120)	1,122	(1,435)
<b>Reconciliation to administered net surplus (deficit)</b>			
Administered revenue collections	81,139	91,181	78,682
Transfers to the Consolidated Fund	(81,139)	(91,143)	(79,166)
Other administered transactions (ie unallocated to Output Groups)	...	(231)	1,433
<b>Administered comprehensive result</b>	<b>(120)</b>	<b>929</b>	<b>(486)</b>

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

	2011 Actual \$'000	2010 Actual \$'000
<b>Total administered net assets deployed for Output Groups</b>	<b>924</b>	<b>1,222</b>
<b>Reconciliation to administered net assets</b>		
Assets unallocated to Output Groups	3,100	2,166
Liabilities unallocated to Output Groups	(1,395)	(1,688)
<b>Administered net assets</b>	<b>2,629</b>	<b>1,700</b>

## Note 4 Expenditure under Australian Government Funding Arrangements

	State Funds	Australian Govt Funds	State Funds	Australian Govt Funds
	2011 Actual \$'000	2011 Actual \$'000	2010 Actual \$'000	2010 Actual \$'000
National Partnership Payments				
Interstate Road Transport projects	...	368	...	304
Remote Renewable Power Generation program	136	350	525	188
Tasmanian Forest Contractors Financial Support program	...	5,578	...	...
Commonwealth Own Purpose Expenditures				
Strategic Regional Program (Roads)	52	7,978	...	1,660
Auslink Roads	54,158	101,555	43,169	122,523
Rail Rescue Package	33,740	18,914	82,489	27,050
Boom gates rails crossings projects	...	2,223	...	1,465
Heavy vehicle safety projects	354	426	...	1,183
Black Spot projects	...	1,376	...	5,224
<b>Total</b>	<b>88,440</b>	<b>138,768</b>	<b>126,183</b>	<b>159,597</b>

## Note 5 Explanations of Material Variances between Budget and Actual Outcomes

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

### 5.1 Statement of Comprehensive Income

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation receipts - recurrent	(a)	173,599	105,051	(68,548)	(39%)
Appropriation receipts - capital	(b)	189,212	73,721	(115,491)	(61%)
Receipts from Special Capital Investment Funds	(c)	10,601	2,664	(7,937)	(75%)
Receipts from non-operational capital funding	(d)	...	188,925	188,925	...
<b>Total funding</b>		<b>373,412</b>	<b>370,361</b>	<b>(3,051)</b>	<b>(1%)</b>
Grants	(e)	1,069	1,708	639	60%
Sales of goods and services	(f)	618	1,533	915	148%
Interest income	(g)	75	679	604	805%
Other revenue	(h)	1,046	5,064	4,018	384%
Employee benefits	(i)	37,656	41,567	3,911	10%
Supplies and consumables	(j)	47,580	69,988	22,408	47%
Other expenses	(k)	3,748	2,582	(1,166)	(31%)
Net gain/(loss) on non-financial assets	(l)	4	(149,702)	(149,706)	...
Changes in physical asset revaluation reserve	(m)	131,387	(999,189)	(1,130,576)	(860%)

#### Notes to Statement of Comprehensive Income variances

(a) to (d) Total funding receipts in line with original budget, however original budgets did not provide for allocation for capital funding in each category

(e) Increase in road safety advertising funding by MAIB and AEMC levy on Aurora Energy.

(f) General increases in taxi industry administration fees, roadworks recoveries and vehicle inspection station fees.

(g) Slower than expected expenditure of East Tamar Highway project funds resulting in higher balances earning interest.

(h) Receipt of reimbursement of costs associated with Brighton Transport Hub from Tas Rail \$2.2M, and higher than expected receipts of mine rehabilitation bonds.

(i) Budget overestimated the proportion of salaries in the roads program that are capitalised.

(j) Budget overestimated the proportion of road contractor expenses that would be capitalised, also see note (k) below.

(k) Reflects different allocations of expenses in practice to budgeted, ie expenses allocated in 'Supplies and Consumables' categories.

(l) Represents the write-off of the book value of replaced road assets such as Dilston by-pass, Sisters Hills and Brighton by-pass and Hub, and the profit and loss component (\$88.5M) of the revaluation decrement of land under roads (refer note 10.5).

(m) The Department's change in valuation methodology for sealed roads has resulted in a one-off increase to accumulated depreciation by \$569M, which is in effect a write-down of the net value of the road network by the same amount. The Valuer-General's change in valuation methodology for land under roads has resulted in a one-off write-down of \$621M (partly offset by a revaluation increment of \$63M), \$532M of which has been applied to asset revaluation reserve (refer note 10.5).

## 5.2 Statement of Financial Position

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Cash and deposits	(a)	12,915	17,190	4,275	33%
Receivables	(b)	2,116	6,742	4,626	218%
Other financial assets	(c)	7,719	37	(7,682)	(99%)
Plant and equipment	(d)	11,316	23,806	12,490	110%
Land and buildings	(e)	25,968	74,921	48,953	189%
Infrastructure	(f)	5,032,576	3,658,328	(1,374,248)	(27%)
Other Assets	(g)	...	1,169	1,169	...
Other liabilities	(h)	2,450	5,947	3,497	143%
Reserves	(i)	2,252,852	1,080,374	(1,172,478)	(520%)

### Notes to Statement of Financial Position variances

(a) Slower than expected expenditure of East Tamar Highway project funds resulting in higher unexpended balance remaining, together with larger than expected carried forward of appropriation under section 8A(2) of the Public Account Act 1986 (ref note (f) below).

(b), (c) and (g) Budget for Other financial assets includes Tax receivable and prepayments, which are reported in the Receivables and Other Assets categories respectively. The result of consolidating the three categories is 19% below budget, which primarily reflects a lower than expected GST refund due from the June 2011 BAS, and lower than expected prepayments.

(d) Reallocation of traffic signals assets from "other infrastructure" category.

(e) Predominantly the recognition of the rail corridor land in 2009-10, not included in the 2010-11 budget.

(f) Reflects changes to valuation methodologies for sealed roads and land under roads (refer to Note 10.5 for details). These changes have resulted in a one-off write-down of the net valuation of the road network by \$569M, and a one-off write-down of land under roads by \$621M

(h) Larger than expected carried forward of appropriation under section 8A(2) of the Public Account Act 1986.

(i) Reflects changes to valuation methodologies for sealed roads and land under roads (refer to Note 10.5 for details). These changes have resulted in a one-off write-down of asset revaluation reserve for road infrastructure by \$569M (partly offset by a revaluation increment of \$63M), and for land under roads by \$532M (refer note 13 Reserves).

## 5.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation receipts - recurrent	(a)	173,599	105,005	(68,594)	(40%)
Appropriation receipts - capital	(b)	189,212	74,282	(114,930)	(61%)
Receipts from Special Capital Investment Funds	(c)	10,601	1,653	(8,948)	(84%)
Receipts from non-operational capital funding	(d)	...	192,387	192,387	...
Total funding		373,412	373,327	(85)	0%
Grants	(e)	1,069	1,693	624	58%
Sales of goods and services	(f)	618	1,572	954	154%
Interest received	(g)	75	795	720	960%
Other cash receipts	(h)	1,046	4,466	3,420	327%
Employee benefits	(i)	(37,415)	(41,309)	(3,894)	10%
Supplies and consumables	(j)	(47,580)	(71,409)	(23,829)	50%
Other cash payments	(k)	(3,748)	(2,510)	1,238	(33%)
GST receipts/payments (net)	(l)	(1)	2,376	2,377	...
Equity transfers to other Government entities	(m)	(68,750)	(38,649)	30,101	(44%)
Trust receipts	(n)	...	833	833	...

Trust payments	(o)	...	(1,884)	(1,884)	...
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**Notes to Statement of Cash Flows variances**

(a) to (d) Total funding receipts in line with original budget, however original budgets did not provide for allocation for capital funding in each category

(e) Increase in road safety advertising funding by MAIB and AEMC levy on Aurora Energy.

(f) General increases in taxi industry administration fees, roadworks recoveries and vehicle inspection station fees.

(g) Slower expenditure of East Tamar Highway project funds than expected resulting in higher balances earning interest.

(h) Receipt of reimbursement of costs associated with Brighton Transport Hub from Tas Rail \$2.2M, and higher than expected receipts of mine rehabilitation bonds.

(i) Budget overestimated the proportion of salaries in the roads program that are capitalised.

(j) Budget overestimated the proportion of road contractor expenses that would be capitalised, also see note (k) below.

(k) Reflects different allocations of expenses in practice to budgeted, ie expenses allocated in 'Supplies and Consumables' categories.

(l) Reflects GST refund due from June payments.

(m) Adjustments to Tasmanian Railway Pty Ltd funding as a result of Federal Government adjustments to funding allocations to the State.

(n) Predominantly receipts of deposits for owner operator taxi licences.

(o) Repayment of \$1.1M of \$2M 'Rail Compensation Fund' to Pacific National, and transfer of successful owner operator taxi license deposits to revenue.

**Note 6 Events Occurring After Balance Date**

Nil

## Note 7 Income from transactions

### 7.1 Revenue from Government

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

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

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Continuing operations</b>			
Appropriation revenue - recurrent			
Current year	173,599	104,993	94,221
Items Reserved by Law:			
Contribution towards Construction of Streets in Towns by Municipal Councils ( <i>Local Government Act 1993</i> )	52	...	...
Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year	...	1,138	...
Less: Revenue received in advance	...	(1,080)	(1,138)
<b>Total</b>	<b>173,651</b>	<b>105,051</b>	<b>93,083</b>
Appropriation revenue – works and services	189,212	73,721	90,920
Revenue from Government - other			
Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year	...	...	...
Less: Revenue received in advance	...	...	...
<b>Total</b>	<b>189,212</b>	<b>73,721</b>	<b>90,920</b>
<b>Non-operational capital funding</b>			
Appropriation revenue - recurrent	...	38,661	673
Appropriation revenue – works and services	...	145,484	245,824
Revenue from Government - other			
Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year	...	...	699
Less: Revenue received in advance	...	(3,770)	...
<b>Total</b>	<b>...</b>	<b>180,375</b>	<b>247,196</b>
<b>Total revenue from Government</b>	<b>362,863</b>	<b>359,147</b>	<b>431,199</b>

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

## 7.2 Revenue from Special Capital Investment Funds

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

	2011 Actual \$'000	2010 Actual \$'000
<b>Continuing operations</b>		
Economic and Social Infrastructure Fund	37	24
Urban Renewal and Heritage Fund	106	...
Major Capital Projects Fund	2,521	1,357
<b>Total</b>	<b>2,664</b>	<b>1,381</b>
<b>Non-operational capital funding</b>		
Urban Renewal and Heritage Fund	538	550
Major Capital Projects Fund	8,012	12,920
<b>Total</b>	<b>8,550</b>	<b>13,470</b>
<b>Total revenue from Special Capital Investment Funds</b>	<b>11,214</b>	<b>14,851</b>

Details of total Special Capital Investment Funds revenues and expenses are provided as part of Note 3 Departmental Output Schedules. Details of total cash flows for each project are at Note 14.3.

## 7.3 Grants

	2011 \$'000	2010 \$'000
<b>Continuing operations</b>		
<b>Grants from the Australian Government</b>		
Specific grants - recurrent	...	(743)
<b>Total</b>	...	<b>(743)</b>
<b>Other grants</b>		
Industry contributions	1,708	2,457
<b>Total</b>	<b>1,708</b>	<b>2,457</b>
<b>Total revenue from Grants</b>	<b>1,708</b>	<b>1,714</b>

## 7.4 Sales of goods and services

	2011 \$'000	2010 \$'000
Goods	1,375	1,207
Services	158	154
<b>Total</b>	<b>1,533</b>	<b>1,361</b>



## 7.5 Fees and fines

	2011	2010
	\$'000	\$'000
Road Safety Levy	9,726	9,518
Racing Services	225	269
Other	244	222
<b>Total</b>	<b>10,195</b>	<b>10,009</b>

## 7.6 Contributions received

	2011	2010
	\$'000	\$'000
<b>Fair Value of assets assumed or liabilities transferred at no cost or for nominal consideration</b>		
Hylogger Rock Analysis machine provided by the Commonwealth	...	462
Land corridor associated with the Melba Line purchased by Tasmanian Railway Pty Ltd	...	1,680
Value of employee entitlements liability transferred to Tasmanian Railway Pty Ltd	...	28
<b>Total</b>	<b>...</b>	<b>2,170</b>

## 7.7 Other revenue

	2011	2010
	\$'000	\$'000
Reimbursement of costs associated with Brighton Transport Hub from TasRail	2,242	...
Miscellaneous revenue	2,822	2,759
<b>Total</b>	<b>5,064</b>	<b>2,759</b>

## Note 8 Expenses from transactions

### 8.1 Employee benefits

	2011 \$'000	2010 \$'000
Wages and salaries	36,282	36,403
Long service leave	906	1,118
Superannuation	4,065	3,518
Fringe Benefits Tax	314	386
<b>Total</b>	<b>41,567</b>	<b>41,425</b>

Superannuation expenses relating to defined benefits schemes relate to payments into the Superannuation Provision Account held centrally and recognised within the Finance-General Division of the Department of Treasury and Finance. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 12.3 per cent of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to the superannuation funds at a rate of nine per cent of salary. In addition, departments are also required to pay into the SPA a "gap" payment equivalent to 3.3 per cent of salary in respect of employees who are members of the contribution scheme.

### 8.2 Depreciation and amortisation

#### (a) Depreciation

	2011 \$'000	2010 \$'000
Plant and equipment	179	150
Marine vessels and equipment	358	235
Traffic signal installations	572	554
Buildings	370	421
Aerodromes	19	6
Computer equipment	497	486
Road infrastructure	83,279	84,649
Other infrastructure	938	938
<b>Total</b>	<b>86,212</b>	<b>87,439</b>

#### (b) Amortisation

	2011 \$'000	2010 \$'000
Intangibles	2,054	2,074
<b>Total</b>	<b>2,054</b>	<b>2,074</b>
<b>Total depreciation and amortisation</b>	<b>88,266</b>	<b>89,513</b>

### 8.3 Supplies and consumables

	2011 \$'000	2010 \$'000
Consultants	7,702	5,512
Property services	1,867	5,254
Communications	1,775	1,578
Information technology	3,286	4,780
Travel and transport	1,275	1,179
Advertising and promotion	986	1,229
Operating Lease costs	3,917	4,256
Other supplies and consumables	48,819	58,301
Audit fees – financial audit	139	171
Audit fees – internal audit	222	15
<b>Total</b>	<b>69,988</b>	<b>82,275</b>

### 8.4 Grants and subsidies

	2011 \$'000	2010 \$'000
<b>Grants</b>		
Roadworks – Grants to Councils	4,118	8,954
Urban Renewal & Heritage Fund – underground power lines grants to Councils	1,297	448
Major Capital Projects funding to Councils	575	985
Forest Contractors Financial Support program	5,362	...
Implement the Tasmanian Forest Industry Plan	350	...
Promote Tasmanian Timber	500	...
Racing Club and Stakes grants	...	25
Jetties funding to MAST	600	1,300
Other grants	1,765	...
<b>Total grants</b>	<b>14,567</b>	<b>11,712</b>
<b>Subsidies</b>		
Community Service Obligation: Payment to the Metro Tasmania Pty Ltd	33,124	32,344
Payments to School Bus Operators: Contract Services	16,891	16,828
Remote Renewable Power Generation Program	415	713
Other Subsidies	182	3
<b>Total subsidies</b>	<b>50,612</b>	<b>49,888</b>
<b>Total</b>	<b>65,179</b>	<b>61,600</b>

### 8.5 Contributions provided

	2011 \$'000	2010 \$'000
<b>Fair value of assets transferred at no cost or for nominal consideration</b>		
Value of property, plant and equipment transferred to Tasmanian Railway Pty Ltd	...	225
<b>Total</b>	<b>...</b>	<b>225</b>

## 8.6 Other expenses

	2011	2010
	\$'000	\$'000
Workers compensation	104	124
Payroll Tax	2,478	2,396
Other expenses	...	51
<b>Total</b>	<b>2,582</b>	<b>2,571</b>

## Note 9 Other economic flows included in net result

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

	2011	2010
	\$'000	\$'000
Write down of assets measured at fair value	(149,372)	(13,906)
Net gain/(loss) on disposal of physical assets	(330)	(1,986)
<b>Total net gain/(loss) on non-financial assets</b>	<b>(149,702)</b>	<b>(15,892)</b>

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

	2011	2010
	\$'000	\$'000
Impairment of:		
Statutory receivables	(108)	(777)
<b>Total net gain/(loss) on financial instruments</b>	<b>(108)</b>	<b>(777)</b>

## Note 10 Assets

### 10.1 Cash and deposits

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

	2011 \$'000	2010 \$'000
Special Deposits and Trust Fund balance	17,186	37,623
Petty Cash	4	4
<b>Total</b>	<b>17,190</b>	<b>37,627</b>

### 10.2 Receivables

	2011 \$'000	2010 \$'000
Receivables	7,713	9,550
Less: Provision for impairment	(971)	(868)
<b>Total</b>	<b>6,742</b>	<b>8,682</b>
Sales of goods and services (inclusive of GST)	37	35
Fees and fines (inclusive of GST)	...	1
Other receivables (inclusive of GST)	2,355	1,206
Tax assets	4,350	7,440
<b>Total</b>	<b>6,742</b>	<b>8,682</b>
Settled within 12 months	6,576	8,516
Settled in more than 12 months	166	166
<b>Total</b>	<b>6,742</b>	<b>8,682</b>

During 2010-11, several accounts receivable were assessed as being impaired due to changed debtor circumstances. The amount of the impairment loss is \$108,066 and is included in the net gain/loss included in Note 9.2.

During 2010-11, accounts receivable that were previously assessed as being impaired, were reversed and the amount of \$5,609 recovered. The amount of reversed impairment loss \$5,609 has been written out of the impairment provision.

<b>Reconciliation of movement in provision for impairment of receivables</b>	<b>2011 \$'000</b>	<b>2010 \$'000</b>
<b>Carrying amount at 1 July</b>	<b>(868)</b>	<b>(91)</b>
Amounts written off during the year	...	25
Amounts recovered during the year	5	10
Increase/(decrease) in provision recognised in profit or loss	(108)	(812)
<b>Carrying amount at 30 June</b>	<b>(971)</b>	<b>(868)</b>

### 10.3 Other financial assets

	2011 \$'000	2010 \$'000
Accrued revenue	24	105
Accrued interest	13	...
Less: Provision for impairment	...	...
<b>Total</b>	<b>37</b>	<b>105</b>
Settled within 12 months	37	105
Settled in more than 12 months	...	...
<b>Total</b>	<b>37</b>	<b>105</b>

### 10.4 Property, plant and equipment

#### (a) Carrying amount

	2011 \$'000	2010 \$'000
<b>Vacant land holdings</b>		
At fair value (30 June 2011)	11,666	11,121
<b>Total</b>	<b>11,666</b>	<b>11,121</b>
<b>Land under buildings</b>		
At fair value (30 June 2011)	1,700	1,574
<b>Total</b>	<b>1,700</b>	<b>1,574</b>
<b>Rail Corridor Land</b>		
At fair value (30 June 2011)	53,661	51,440
<b>Total</b>	<b>53,661</b>	<b>51,440</b>
<b>Buildings</b>		
At fair value (30 June 2011)	9,961	9,569
Less: Accumulated depreciation	(3,084)	(2,765)
<b>Total</b>	<b>6,877</b>	<b>6,804</b>
<b>Aerodromes</b>		
At fair value (30 June 2011)	1,072	1,030
Less: Accumulated amortisation	(55)	(37)
<b>Total</b>	<b>1,017</b>	<b>993</b>
<b>Plant and equipment</b>		
At cost	2,638	2,829
Less: Accumulated depreciation	(1,398)	(2,239)
<b>Total</b>	<b>1,240</b>	<b>590</b>
<b>Computer equipment</b>		
At cost	3,493	4,805
Less: Accumulated depreciation	(2,876)	(3,930)
<b>Total</b>	<b>617</b>	<b>875</b>
<b>Marine vessels and equipment</b>		
At fair value (30 June 2007)	6,400	6,400
Less: Accumulated depreciation	(1,065)	(706)
<b>Total</b>	<b>5,335</b>	<b>5,694</b>

<b>Abt Railway rolling stock</b>		
At fair value (30 June 2007)	6,600	6,600
Less: Accumulated depreciation	<u>(1,994)</u>	<u>(1,752)</u>
<b>Total</b>	<b>4,606</b>	<b>4,848</b>
<b>Traffic Signal installations</b>		
At fair value (30 June 2007)	22,147	21,614
Less: Accumulated depreciation	<u>(10,139)</u>	<u>(10,033)</u>
<b>Total</b>	<b>12,008</b>	<b>11,581</b>
<b>Total property, plant and equipment</b>	<b><u>98,727</u></b>	<b><u>95,520</u></b>

The latest revaluation of ABT Railway rolling stock as at 30 June 2007 was completed by the DIER Project Manager on a depreciated replacement cost basis. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

The latest revaluation of the Marine Vessel and Traffic Signal assets as at 30 June 2007 was completed by the Australian Valuation Office on a depreciated replacement cost basis. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

The latest revaluations of vacant land, land under buildings, rail corridor land, buildings and aerodromes are valued at the Valuer-General's latest published valuations updated as at 30 June 2010.

**(b) Reconciliation of movements**

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

<b>2011</b>	Vacant Land holdings	Land under Buildings	Rail Corridor Land	Buildings	Aero-dromes	Plant and equipment	Computer equipment	Marine Vessels and equipment	Abt Railway Rolling Stock	Traffic Signal installations
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying value at 1 July</b>	<b>11,121</b>	<b>1,574</b>	<b>51,440</b>	<b>6,804</b>	<b>993</b>	<b>590</b>	<b>875</b>	<b>5,694</b>	<b>4,848</b>	<b>11,581</b>
Additions	110	75		354		320	239			1,680
Disposals	(318)					(12)				(681)
Revaluation increments/(decrements)	753	51	2,221	89	42	120				
Impairment losses										
Assets held for sale										
Depreciation and amortisation				(370)	(18)	(178)	(497)	(359)	(242)	(572)
Net transfers										
Work in progress						400				
<b>Carrying value at 30 June</b>	<b>11,666</b>	<b>1,700</b>	<b>53,661</b>	<b>6,877</b>	<b>1,017</b>	<b>1,240</b>	<b>617</b>	<b>5,335</b>	<b>4,606</b>	<b>12,008</b>

<b>2010</b>	Vacant Land holdings	Land under Buildings	Rail Corridor Land	Buildings	Aero-dromes	Plant and equipment	Computer equipment	Marine Vessels and equipment	Abt Railway Rolling Stock	Traffic Signal installations
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying value at 1 July</b>	<b>12,878</b>	<b>2,248</b>	<b>46,530</b>	<b>9,087</b>	<b>999</b>	<b>391</b>	<b>667</b>	<b>5,929</b>	<b>5,091</b>	<b>10,911</b>
Additions	35		1,680	11		493	723			1,320
Disposals	(1,857)	(814)		(1,837)		(144)	(29)			(96)
Revaluation increments/(decrements)	65	140	3,230	(36)						
Impairment losses										
Assets held for sale										
Depreciation and amortisation				(421)	(6)	(150)	(486)	(235)	(243)	(554)
Net transfers										
Work in progress										
<b>Carrying value at 30 June</b>	<b>11,121</b>	<b>1,574</b>	<b>51,440</b>	<b>6,804</b>	<b>993</b>	<b>590</b>	<b>875</b>	<b>5,694</b>	<b>4,848</b>	<b>11,581</b>



## 10.5 Infrastructure

### Roads

#### (a) Carrying amount

	2011 \$'000	2010 \$'000
At fair value (30 June 2011)	4,017,211	3,895,960
Less: Accumulated depreciation	(1,865,034)	(1,240,586)
	<b>2,152,177</b>	<b>2,655,374</b>
Work in progress at cost	179,924	131,737
<b>Total</b>	<b>2,332,101</b>	<b>2,787,111</b>

#### (b) Reconciliation of movements

	2011 \$'000	2010 \$'000
<b>Carrying amount at 1 July</b>	<b>2,787,111</b>	<b>2,595,401</b>
Work in progress additions	148,054	131,737
Capital improvements	27,795	62,546
Deletions	(60,121)	(13,358)
Revaluation increments (decrements)	(506,429)	77,196
Depreciation expense	(64,309)	(66,411)
<b>Carrying amount at 30 June</b>	<b>2,332,101</b>	<b>2,787,111</b>

### Land Under Roads and within Road Reserves

#### (a) Carrying amount

	2011 \$'000	2010 \$'000
At fair value (30 June 2011)	191,717	812,939
	<b>191,717</b>	<b>812,939</b>
Work in progress at cost	...	...
<b>Total</b>	<b>191,717</b>	<b>812,939</b>

#### (b) Reconciliation of movements

	2011 \$'000	2010 \$'000
<b>Carrying amount at 1 July</b>	<b>812,939</b>	<b>810,434</b>
Additions	...	2,505
Disposals	...	...
Revaluation increments (decrements)	(621,221)	...
<b>Carrying amount at 30 June</b>	<b>191,718</b>	<b>812,939</b>

## Bridges

### (a) Carrying amount

	2011 \$'000	2010 \$'000
At fair value (30 June 2011)	1,131,795	1,103,309
Less: Accumulated depreciation	(18,970)	(18,238)
	<b>1,112,825</b>	<b>1,085,071</b>
Work in progress at cost	...	...
<b>Total</b>	<b>1,112,825</b>	<b>1,085,071</b>

### (b) Reconciliation of movements

	2011 \$'000	2010 \$'000
<b>Carrying amount at 1 July</b>	<b>1,085,071</b>	<b>1,083,511</b>
Additions	...	2,337
Capital improvements	10,031	12,304
Deletions	(69)	(451)
Revaluation increments (decrements)	36,762	5,608
Depreciation expense	(18,970)	(18,238)
<b>Carrying amount at 30 June</b>	<b>1,112,825</b>	<b>1,085,071</b>

## Abt Railway Infrastructure

### (c) Carrying amount

	2011 \$'000	2010 \$'000
At fair value (30 June 2007)	27,414	27,414
Less: Accumulated depreciation	(5,730)	(5,034)
<b>Total</b>	<b>21,684</b>	<b>22,380</b>

### (d) Reconciliation of movements

	2011 \$'000	2010 \$'000
<b>Carrying amount at 1 July</b>	<b>22,380</b>	<b>23,076</b>
Depreciation expense	(696)	(696)
<b>Carrying amount at 30 June</b>	<b>21,684</b>	<b>22,380</b>
<b>Total Infrastructure</b>	<b>3,658,328</b>	<b>4,707,501</b>

The latest revaluation of the Road asset as at 30 June 2008 was completed by DIER Asset Management Branch on a depreciated replacement cost basis. Replacement cost was calculated using most recent contract cost experience for Tasmanian road construction. Values are indexed annually between revaluations using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16). Current replacement cost is depreciated by the proportion of the asset that has been consumed.

During 2010-11 the Department engaged an external consultant to review its road valuation methodology, including the stratification of the components that form a road (earthworks, pavement and surface), and the useful lives of each component based on experience and data gathered in Tasmania and interstate. The methodology recommended by the consultants has resulted in an increase in the depreciated proportion of the asset, thereby decreasing the overall valuation of the asset based on its age. The methodology adopted by the Department is considered more accurate in terms of the estimation of the useful lives of the asset components, and reflects best practice. The adoption of this changed methodology in 2010-11 has resulted in a one-off increase to accumulated depreciation by \$569.8 million, which is in effect a write-down of the net value of the road network by the same amount, applied to asset revaluation reserve. The road replacement valuation is not affected by the changed methodology.

The methodology utilised by the Valuer-General in providing the Department with average rateable values per hectare or square metre for land under roads was reviewed by the Valuer-General during 2010-11 resulting in the adoption of a more accurate methodology employing GIS data that has become available in recent years. The background to this change in methodology was a resolution by the State Valuers-General to adopt an efficient and consistent methodology for valuing land under roads in all jurisdictions. The new methodology determines average values according to land use in each Municipality from the most recent valuations of land titles adjoining and within a 200 metre corridor of the State road network. The latest revaluation of Land under roads and within road reserves as at 30 June 2011 by the Valuer-General has resulted in a one-off write-down of the valuation as at 30 June 2011 of \$621.2 million, \$532.7 million of which has been applied to asset revaluation reserve, and \$88.5 million to the Statement of Comprehensive Income.

The latest revaluation of the Bridge assets as at 30 June 2007 was completed by DIER Asset Management Branch on a depreciated replacement cost basis, based on an independent valuation of the five major Tasmanian bridge structures completed by GHD Pty Ltd as at 18 June 2007. Values are indexed annually between revaluations using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16).

The latest revaluation of ABT Railway infrastructure as at 30 June 2007 was completed by the DIER Project Manager on a depreciated replacement cost basis. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

## 10.6 Intangibles

### (a) Carrying amount

	2011 \$'000	2010 \$'000
<b>Intangibles with a finite useful life (at cost)</b>		
RIMS Consolidation and RIMS 3 Development	322	322
Motor Registry System	17,504	17,504
Greyhound Racing STWDS System	20	20
Geomodeller Geology Modelling System	30	30
Contract Management System	350	350
ESLS Network Management system	25	25
HDM-4 software (asset management)	40	40
VyperNET system	72	72
Intelligent Case Management System	117	117
Contract Management System upgrade	207	...
TIGER system upgrade	122	...
Less: Accumulated amortisation	(5,747)	(3,693)
<b>Total</b>	<b>13,062</b>	<b>14,787</b>
<b>Work in progress (at cost)</b>		
Work-in-progress (Contract Management System upgrade)	...	143
Work-in-progress (TIGER system upgrade)	...	58
<b>Total</b>	...	<b>201</b>
<b>Total intangibles</b>	<b>13,062</b>	<b>14,988</b>

### (b) Reconciliation of movements

	2011 \$'000	2010 \$'000
<b>Carrying amount at 1 July</b>	<b>14,988</b>	<b>16,841</b>
Additions – internal development	128	201
Net transfers free of charge	...	20
Depreciation/ amortisation expense	(2,054)	(2,074)
<b>Carrying amount at 30 June</b>	<b>13,062</b>	<b>14,988</b>

The above listed Intangible assets are all in-house developed specialised computer software systems. Work in progress represents computer software undergoing internal development as at 30 June 2011, that have not yet been released into production.

Assets that have useful lives in excess of 5 years and whose cost meets the revaluation threshold will be valued at fair value in terms of the Department's five yearly revaluation cycle policy.

## 10.7 Other assets

	2011 \$'000	2010 \$'000
Prepayments	1,169	1,713
<b>Total</b>	<b>1,169</b>	<b>1,713</b>

## Note 11 Liabilities

### 11.1 Payables

	2011 \$'000	2010 \$'000
Creditors	6,792	12,664
Accrued expenses	1,322	3,553
<b>Total</b>	<b>8,114</b>	<b>16,217</b>
Settled within 12 months	8,114	16,217
Settled in more than 12 months	...	...
<b>Total</b>	<b>8,114</b>	<b>16,217</b>

Settlement is usually made within 30 days.

### 11.2 Employee entitlements

	2011 \$'000	2010 \$'000
Accrued salaries	1,088	789
Annual leave	3,509	3,466
Long service leave	6,532	6,549
<b>Total</b>	<b>11,129</b>	<b>10,804</b>
Settled within 12 months	10,162	9,608
Settled in more than 12 months	967	1,196
<b>Total</b>	<b>11,129</b>	<b>10,804</b>

### 11.3 Other liabilities

	2011 \$'000	2010 \$'000
<b>Revenue received in advance</b>		
Appropriation carried forward from current and previous years under section 8A of the <i>Public Account Act 1986</i>	3,770	1,138
Other revenue received in advance	1,098	93
<b>Other liabilities</b>		
Monies held in trust	1,079	2,129
<b>Total</b>	<b>5,947</b>	<b>3,360</b>
Settled within 12 months	5,947	3,360
Settled in more than 12 months	...	...
<b>Total</b>	<b>5,947</b>	<b>3,360</b>

## Note 12 Commitments and Contingencies

### 12.1 Schedule of Commitments

	2011 \$'000	2010 \$'000
<b>By type</b>		
<i>Capital commitments</i>		
Infrastructure – State Roads	9,692	62,127
Infrastructure – Nationals Roads	99,891	110,808
Other	...	...
<i>Total capital commitments</i>	<b>109,583</b>	<b>172,935</b>
<i>Lease Commitments</i>		
Operating leases	1,350	2,588
<i>Total lease commitments</i>	<b>1,350</b>	<b>2,588</b>
<b>By maturity</b>		
<i>Capital commitments</i>		
One year or less	70,711	131,834
From one to five years	38,872	41,101
More than five years	...	...
<i>Total capital commitments</i>	<b>109,583</b>	<b>172,935</b>
<i>Operating lease commitments</i>		
One year or less	1,032	2,046
From one to five years	289	511
More than five years	29	31
<i>Total operating lease commitments</i>	<b>1,350</b>	<b>2,588</b>
<b>Total</b>	<b>110,933</b>	<b>175,523</b>

NB: Commitments are shown as GST exclusive.

The majority of the Department's leases are represented by land and building rental costs and vehicle lease costs. The total lease commitment exclude local government and other executory costs where they are paid directly to a party other than the lessor. These costs are included elsewhere in the Department's expenditures.

The Department also has entered into contingent rental arrangements. Contingent rental costs relate to land and building leases, and in the main comprise local government charges and the periodic escalation of leases by the Consumer Price Index. Since Contingent Rentals cannot be reliably determined, they have been excluded in the calculations of Total Lease Commitments.

The Department does not have any purchase rights flowing from the lease of the land and buildings. Some buildings have renewal options exercisable by the lessee. There are no building leases that have renewal rights exercisable at the sole discretion of the lessor.

The minimum lease payment for vehicles is based on the average age of the vehicle fleet and a standard lease period of 30 months.

State Roads infrastructure commitments will be funded by capital appropriations by the State Government, together with funds provided and held over from prior years. Funding of commitments for National Roads is provided by the Australian Government through the AusLink, Strategic Regional and Blackspots programs.

## 12.2 Contingent Assets and Liabilities

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

### (a) Quantifiable contingencies

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

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

The Department has not identified any quantifiable contingent assets nor quantifiable contingent liabilities as at 30 June 2011.

### (b) Unquantifiable Contingencies

At 30 June 2011, the following unquantifiable contingent liabilities exist:

- A number of claims for limited access compensation;
- A number of acquisitions for current road projects which are at various stages of settlement;
- Contractual disputes which are not sufficiently clear or advanced to quantify;
- A number of claims relating to personal injury or damage caused to property (including vehicles) allegedly due to road works or road condition, and;
- Asbestos removal from up to 1000 traffic signal sites in Tasmania.

Due to the nature of the claims and the uncertainty as to the timing and quantum of potential settlement in each case, it is not possible to reliably measure these obligations in the Financial Statements.

## Note 13 Reserves

### 13.1 Reserves

	2011 \$'000	2010 \$'000
<b>Physical asset revaluation reserve</b>		
Balance at the beginning of financial year	2,079,563	1,993,359
Revaluation increments/(decrements):		
Roads Infrastructure	(506,507)	77,196
Land under Roads	(532,720)	...
Bridges	36,762	5,608
Traffic Signals	...	...
Vacant Land	753	66
Land under Buildings	51	140
Rail corridor land	2,220	3,230
Buildings	90	(36)
Aerodromes	42	...
Plant and Equipment	120	...
Other Infrastructure	...	...
Impairment losses	...	...
<b>Balance at end of financial year</b>	<b>1,080,374</b>	<b>2,079,563</b>

#### (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, as described in Note 2.12(f).

### 13.2 Asset revaluation reserve by class of asset

The balance within the Asset Revaluation Reserve for the following classes of assets is:

	2011 \$'000	2010 \$'000
Roads Infrastructure	770,673	1,277,180
Land under Roads	...	532,720
Bridges	284,375	247,612
Traffic Signals	3,043	3,043
Vacant Land	6,128	5,376
Land under Buildings	1,066	1,015
Rail corridor land	5,451	3,230
Buildings	2,396	2,307
Aerodromes	687	645
Plant and Equipment	4,124	4,004
Other Infrastructure	2,431	2,431
<b>Total</b>	<b>1,080,374</b>	<b>2,079,563</b>



## Note 14 Cash Flow Reconciliation

### 14.1 Cash and deposits

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

	2011 \$'000	2010 \$'000
<b>Special Deposits and Trust Fund balance</b>		
Special Deposits and Trust Fund balance	17,186	37,623
<b>Total</b>	<b>17,186</b>	<b>37,623</b>
<b>Other cash held</b>		
Petty cash	4	4
<b>Total</b>	<b>4</b>	<b>4</b>
<b>Total cash and deposits</b>	<b>17,190</b>	<b>37,627</b>

### 14.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2011 \$'000	2010 \$'000
Net result	(66,967)	(72,813)
Depreciation and amortisation	88,266	89,513
(Gain) loss on non-financial assets	330	(14,683)
Bad and doubtful debts	108	820
Decrease (increase) in Receivables	(1,150)	874
Decrease (increase) in other financial assets	612	1,318
Decrease (increase) in Tax assets	3,090	(2,859)
Increase (decrease) in Employee entitlements	325	(210)
Increase (decrease) in Payables	(2,965)	4,922
Increase (decrease) in Accrued expenses	(2,231)	1,958
Increase (decrease) in Other liabilities	2,587	2,181
<b>Net cash from (used by) operating activities</b>	<b>22,005</b>	<b>11,021</b>

### 14.3 Acquittal of Capital Investment and Special Capital Investment Funds

The Department received Works and Services Appropriation funding and revenues from Special Capital Investment Funds to fund specific projects.

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

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

**(a) Project expenditure**

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Capital Investment Program</b>			
<i>National Highway System</i>			
Infrastructure Development - Continuing Projects	18,763	29,361	20,825
Infrastructure Maintenance	7,500	7,500	6,280
Road Safety and Traffic Management Works	1,606	1,340	1,314
Bagdad Bypass	2,640	3,407	1,772
Brighton Bypass	64,000	58,224	78,928
Bridgewater Bridge Refurbishment	...	3,027	6,428
Kingston Bypass	1,000	4,456	7,729
Midlands – Lyell Hwy Junction	...	60	2,302
North East Freight Roads	1,800	1,652	1
Illawarra Main Road	3,100	1,839	(2)
NBESP Heavy Vehicle Routes	1,300	426	1,104
NBESP Black Spots	...	35	3,911
NBESP High Risk Rail Crossings	...	2,223	1,465
Rail - Infrastructure Development	...	...	15,408
Rail - Capacity improvements Rhyndaston	...	...	32
Rail - Main Line improvements	...	...	234
Rail - West Coast Mines upgrades	...	...	3,932
<i>State Funded Projects</i>			
Infrastructure Development - Continuing Projects	2,988	1,730	1,925
Lyell Hwy Granton to New Norfolk	2,831	2,163	4,886
South Arm Road - Shoreline to Police Academy	2,695	826	331
Macquarie St Traffic Flow	...	17	18
Brooker Hwy Stage 1	...	319	432
Central Highlands - Main Access Routes	...	209	2,945
Tasman Hwy - Sorell Traffic Management	...	2	2,174
Tea Tree Secondary Road	...	...	2,471
Old Beach - Clives/Fouche Junction	...	...	5
Brighton Transport Hub	14,680	22,838	23,947
Bruny Island road sealing	1,800	2,692	703
Formby Road Redevelopment	2,000	2,000	...
Illawarra Main Road	1,410	1,936	695
North East Freight Roads	...	124	...
Kingston Bypass	10,000	23,537	500
Bell Bay Intermodal Terminal	3,920	...	...
Bridgewater Bridge Refurbishment	...	1,634	...
NBESP Heavy Vehicle Routes	...	354	...
Arthur Highway	...	78	...
Rokeby Main Road	...	524	...
West Tamar Highway Bradys Lookout	...	293	...
Huon Highway Upgrade	...	157	...
Ferry Road Kettering	...	1,236	...
Mudwalls Road	...	302	...
Richmond Link Road	...	94	...
Esk Main Road	...	27	...
Tasman Highway Scottsdale to Launceston	...	42	...
Ridgley Main Road	...	303	...
Lakes Secondary Road	...	123	...
Bass Highway/Mersey Main Road Junction	...	68	...
Tasman Highway/Coles Bay Road Junction	...	58	...
West Tamar Highway Ecclestone Road Signal	...	180	...
Westbury Industrial Estate	...	500	...
Murchison Highway Upgrade	...	561	...

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Strahan Esplanade	...	600	...
Infrastructure Maintenance	51,070	50,372	53,178
Road Safety and Traffic Management	9,821	7,326	9,744
Environmental Management	475	179	174
Program Management	2,439	2,795	4,718
Asset Management	5,069	6,588	5,476
Strategic Policy and Planning	2,510	2,568	2,505
Jetties	600	600	1,300
Rail - Infrastructure Maintenance	...	...	5,118
Rail – Administration	...	(28)	2,950
X-Ray Fluorescent Spectrophotometer	...	...	330
<b>Total</b>	<b>216,017</b>	<b>249,477</b>	<b>278,188</b>
<b>Special Capital Investment Funds</b>			
<i>Economic and Social Infrastructure Fund</i>			
Road and Bridge Maintenance	...	45	17
<i>Major Capital Projects Fund</i>			
Better Roads	150	202	1,838
Brighton Transport Hub	8,000	8,000	9,500
North West Tourist Road	...	...	2,070
Iron Blow Lookout	...	160	40
Wynyard Wharf and Precinct	...	...	330
Smithton Wharf and Marina	...	...	220
Oakleigh Park Railway Crossing	...	250	250
Corinna Road	...	120	80
Spray Tunnel Car Park	...	45	15
<i>Urban Renewal and Heritage Fund</i>			
Light Rail Study	...	...	18
Oatlands Underground Power Lines	...	108	216
Stanley Underground Power Lines	116	116	174
Kingston Underground Power Lines	...	...	58
Tasman Bridge facilities upgrade	185	411	94
Cygnets Underground Power Lines	300	...	...
Leven River Wharf redevelopment	950	760	...
West Park Grove and Bass Highway Intercetion	900	761	...
Taxi Rank Shelter Castray Esplanade	...	82	...
<b>Total</b>	<b>10,601</b>	<b>11,060</b>	<b>14,920</b>
<b>Total cash outflows</b>	<b>226,618</b>	<b>260,537</b>	<b>293,108</b>

#### (b) Classification of cash flows

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

	2011 \$'000	2010 \$'000
<b>Cash outflows</b>		
Other cash payments		
Maintenance	52,806	79,705
Other (overheads, management, systems)	12,603	17,161
Payments for acquisition of assets	195,128	196,242
<b>Total cash outflows</b>	<b>260,537</b>	<b>293,108</b>

## Note 15 Financial Instruments

### 15.1 Risk exposures

#### (a) Risk management policies

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

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

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

The Department does not hold any derivative financial instruments.

#### (b) Credit risk exposures

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

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
<b>Financial Assets</b>		
Receivables (including Tax assets)	Recognised upon the provision of a good or service and the issuance of an invoice or claim eg BAS, measured at face value	Payment terms generally 30 days. Collectability of receivables is reviewed at balance date and a provision for impairment raised when collection of a debt is judged to be doubtful.
Cash and deposits	Recognised upon receipt of cash, measured at face value	At call
Other financial assets (eg accrued revenue)	Recognised upon the accrual of the future benefit, measured at face value	Majority of accrued revenues are settled within 6 months

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Department's maximum exposure to credit risk. The Department is not exposed to credit risk of any significance.

The following tables analyse financial assets that are past due but not impaired:

#### Analysis of financial assets that are past due at 30 June 2011 but not impaired

	Past due 31 to 60 days	Past due 61 to 90 days	Past due over 90 days	Total
	\$'000	\$'000	\$'000	\$'000
Receivables	230	5	580	815
Other Financial Assets	...	...	...	...

### Analysis of financial assets that are past due at 30 June 2010 but not impaired

	Past due 31 to 60 days	Past due 61 to 90 days	Past due over 90 days	Total
	\$'000	\$'000	\$'000	\$'000
Receivables	259	34	1,158	1,451
Other Financial Assets	...	...	...	...

### (c) Liquidity risk

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

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
<b>Financial Liabilities</b>		
Payables	Recognised upon the receipt of a good or service that has not been paid for, measured at face value	Settled within 30 days
Monies held in Trust	Recognised upon receipt of monies, measured at face value	At call
Revenue received in advance	Recognised upon receipt of monies, measured at face value	Expended by 30 September of the following year in terms of section 8A of the <i>Public Account Act 1986</i>

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

### 2011

#### Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
<b>Financial liabilities</b>								
Payables	8,114	...	...	...	...	...	8,114	8,114
Monies held in Trust	1,079	...	...	...	...	...	1,079	1,079
Revenue received in advance	4,868	...	...	...	...	...	4,868	4,868
<b>Total</b>	14,061	...	...	...	...	...	14,061	14,061

## 2010

### Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
<b>Financial liabilities</b>								
Payables	16,217	...	...	...	...	...	16,217	16,217
Monies held in Trust	2,129	...	...	...	...	...	2,129	2,129
Revenue received in advance	1,228	...	...	...	...	...	1,228	1,228
<b>Total</b>	<b>19,574</b>	...	...	...	...	...	<b>19,574</b>	<b>19,574</b>

### (d) Market risk

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

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

	2011 \$'000	2010 \$'000
<b>Fixed rate instruments</b>		
Financial assets	...	...
Financial liabilities	...	...
<b>Total</b>	...	...
<b>Variable rate instruments</b>		
Financial assets	1,710	30,173
Financial liabilities	(1,017)	(2,050)
<b>Total</b>	<b>693</b>	<b>28,123</b>

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

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

	Statement of Comprehensive Income		Equity	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
<b>30 June 2011</b>				
Cash in Special Deposits and Trust Fund	17	(17)	...	...
Monies held in Trust	(10)	10	...	...
<b>Net sensitivity</b>	<b>7</b>	<b>(7)</b>	...	...
<b>30 June 2010</b>				
Cash in Special Deposits and Trust Fund	302	(302)	...	...
Monies held in Trust	(21)	21	...	...
<b>Net sensitivity</b>	<b>281</b>	<b>(281)</b>	...	...

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2010.

## 15.2 Categories of Financial Assets and Liabilities

	2011 \$'000	2010 \$'000
<b>Financial assets</b>		
Cash and deposits	17,190	37,627
Loans and receivables	2,392	1,242
Tax assets	4,350	7,440
Accrued revenue and interest	37	105
<b>Total</b>	<b>23,969</b>	<b>46,414</b>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	14,061	19,574
<b>Total</b>	<b>14,061</b>	<b>19,574</b>

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

## 15.3 Reclassifications of Financial Assets

The Department has not reclassified any financial assets.

## 15.4 Derecognition of Financial Assets

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

## 15.5 Net Fair Values of Financial Assets and Liabilities

	2011		2010	
	Total Carrying Amount \$'000	Net Fair Value \$'000	Total Carrying Amount \$'000	Net Fair Value \$'000
<b>Financial assets</b>				
Cash and deposits	17,190	17,190	37,627	37,627
Receivables	6,742	6,742	8,682	8,682
Other financial assets				
Accrued revenue and interest	37	37	105	105
<b>Total financial assets</b>	<b>23,969</b>	<b>23,969</b>	<b>46,414</b>	<b>46,414</b>
<b>Financial liabilities (Recognised)</b>				
Trade creditors	8,114	8,114	16,217	16,217
Other financial liabilities				
Monies held in Trust	1,079	1,079	2,129	2,129
Revenue received in advance	4,868	4,868	1,228	1,228
<b>Total financial liabilities (Recognised)</b>	<b>14,061</b>	<b>14,061</b>	<b>19,574</b>	<b>19,574</b>

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

### *Financial Assets*

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

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

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

### *Financial Liabilities*

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

## **Note 16 Details of Consolidated Entities**

### **16.1 List of Entities**

The following entities have been consolidated by the Department:

<b>Entity</b>	<b>Ownership Interest</b>	<b>Proportion of Ownership Interest</b>
Abt Railway Ministerial Corporation	State of Tasmania	100%
Forest Practices Authority (consolidated within the Administered Financial Statements)	State of Tasmania	100%



## Note 17 Notes to Administered Statements

### 17.1 Explanations of Material Variances between Budget and Actual Outcomes

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

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

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
State taxation	(i)	30,033	33,002	2,969	10%
Sales of goods and services	(ii)	41,299	52,385	11,086	27%
Fees and fines	(iii)	10,802	9,212	(1,590)	(15%)
Employee benefits	(iv)	983	1,923	940	96%
Supplies and consumables	(v)	639	2,148	1,509	236%
Transfers to the Consolidated Fund	(vi)	81,139	91,143	10,004	12%

#### Notes to Schedule of Administered Income and Expenses variances

- (i) Greater than expected increase in Motor Tax collections within motor registrations.
- (ii) Predominantly Mineral Royalties \$9M over original budget due to better than expected market conditions in the mining industry.
- (iii) Lower than expected drivers licence fees.
- (iv) Incorrect treatment of Forest Practices Authority salaries in budget papers.
- (v) Includes payments to contractor for production of custom registration plates (Tasplates), however the budget only records the net profit from sales.
- (vi) Reflects over budget collections of administered revenues such as motor tax and mining royalties.

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

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Cash and deposits	(a)	2,395	4,163	1,768	74%
Receivables	(b)	721	181	(540)	(75%)
Other financial assets	(c)	725	46	(679)	(94%)

#### Notes to Schedule of Administered Assets and Liabilities Variances

- (a) Retention of \$1.5M funding for petroleum administration of behalf of the Commonwealth and larger cash holdings by Forest Practices Authority (FPA).
- (b) Reflects downturn in FPA revenues and improved control and actioning of outstanding debtors.
- (c) Reflects the disposal of financial asset (shares) prior year and reductions in accrued revenues due to downturn in FPA activity.

#### (c) Schedule of Administered Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Taxation	(i)	30,033	33,003	2,970	10%
Sales of goods and services	(ii)	41,299	52,391	11,092	27%
Fees and fines	(iii)	10,802	9,259	(1,543)	(14%)
Employee benefits	(iv)	(968)	(1,897)	(929)	96%
Transfers to the Consolidated Fund	(v)	(81,139)	(91,143)	(10,004)	12%
Other cash payments	(vi)	(718)	(2,239)	(1,521)	212%

## Notes to Schedule of Administered Cash Flow variances

- (i) Greater than expected increase in Motor Tax collections within motor registrations.
- (ii) Predominantly Mineral Royalties \$9M over original budget due to better than expected market conditions in the mining industry.
- (iii) Lower than expected drivers licence fees.
- (iv) Incorrect treatment of Forest Practices Authority salaries in budget papers.
- (v) Reflects over budget collections of administered revenues such as motor tax and mining royalties.
- (vi) Includes payments to contractor for production of custom registration plates (Tasplates), however the budget only records the net profit from sales.

### 17.2 Administered revenue from Government

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

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

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Continuing operations</b>			
Appropriation revenue - recurrent			
Current year	85,775	79,230	63,821
<b>Total</b>	<b>85,775</b>	<b>79,230</b>	<b>63,821</b>
Revenue from Government - other			
Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year	...	...	...
<b>Total</b>	<b>...</b>	<b>...</b>	<b>...</b>
<b>Total administered revenue from Government</b>	<b>85,775</b>	<b>79,230</b>	<b>63,821</b>

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

### 17.3 Administered Grants

	2011 \$'000	2010 \$'000
<b>Other grants</b>		
Grants from other Government Department	250	100
Industry contributions	113	54
<b>Total</b>	<b>363</b>	<b>154</b>

#### 17.4 Administered State taxation

	2011 \$'000	2010 \$'000
Vehicle Registration Fee	33,002	31,503
<b>Total</b>	<b>33,002</b>	<b>31,503</b>

#### 17.5 Administered Sales of goods and services

	2011 \$'000	2010 \$'000
<b>Goods</b>		
Mineral Royalties	45,358	34,343
Mineral Land Rentals	1,952	1,134
Custom Plates	711	784
<b>Services</b>		
MAIB Commission	2,144	2,093
Registration and Licensing	489	531
Other	1,731	1,248
<b>Total</b>	<b>52,385</b>	<b>40,133</b>

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

#### 17.6 Administered Fees and fines

	2011 \$'000	2010 \$'000
<b>Regulatory Fees</b>		
Public Vehicle Licensing	1,110	975
Fees from Mineral Lands	854	815
Driver Licensing	7,203	7,171
<b>Fines</b>		
Weighbridge	9	8
Other	36	30
<b>Total</b>	<b>9,212</b>	<b>8,999</b>

#### 17.7 Administered Employee benefits

	2011 \$'000	2010 \$'000
Wages and salaries	1,683	1,733
Long service leave	21	33
Superannuation	203	184
Fringe Benefits Tax	16	8
<b>Total</b>	<b>1,923</b>	<b>1,958</b>

Superannuation expenses relating to defined benefits schemes relate to payments into the Superannuation Provision Account held centrally and recognised within the Finance-General Division of the Department of Treasury and Finance. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 12.3 per cent of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to the superannuation funds at a rate of nine per cent of salary. In addition, departments are also required to pay into the SPA a "gap" payment equivalent to 3.3 per cent of salary in respect of employees who are members of the contribution scheme.

## 17.8 Administered Depreciation and amortisation

### (a) Depreciation

	2011 \$'000	2010 \$'000
Plant and equipment	9	9
<b>Total</b>	<b>9</b>	<b>9</b>

### (b) Amortisation

	2011 \$'000	2010 \$'000
Intangibles	18	13
<b>Total</b>	<b>18</b>	<b>13</b>
<b>Total depreciation and amortisation</b>	<b>27</b>	<b>22</b>

## 17.9 Administered Supplies and consumables

	2011 \$'000	2010 \$'000
Consultants	178	174
Property services	39	42
Communications	25	30
Information technology	57	34
Travel and transport	79	89
Advertising and promotion	36	18
Operating Lease costs	226	226
Other supplies and consumables	1,505	1,139
Audit fees – financial audit	3	10
<b>Total</b>	<b>2,148</b>	<b>1,762</b>

#### 17.10 Administered Grants and subsidies

	2011 \$'000	2010 \$'000
<b>Grants</b>		
National Road Transport Commission: Local Government Contribution	1,500	1,500
Tasmanian Racing Assistance	27,510	27,000
Private Forests Tasmania	1,378	1,347
Forest Practices Authority	1,321	1,269
Contribution to Marine and Safety Tasmania	1,589	1,044
Tasmanian Railway Pty Ltd	14,590	...
Other Grants	80	...
<b>Total Grants</b>	<b>47,968</b>	<b>32,160</b>
<b>Subsidies</b>		
Payments to School Bus Operators: Route Services	23,234	23,804
Conveyance Allowances	1,616	1,494
Pensioner Air Travel Subsidy	9	10
Transport Access Scheme	3,959	3,836
Pensioner, Aged and Unemployed Concessions (Private Operators)	1,218	1,213
<b>Total Subsidies</b>	<b>30,036</b>	<b>30,357</b>
<b>Total</b>	<b>78,004</b>	<b>62,517</b>

#### 17.11 Administered Other expenses

	2011 \$'000	2010 \$'000
Payroll Tax	117	117
Workers Compensation	3	3
Bad debts written off	28	...
Miscellaneous expenses	...	16
<b>Total</b>	<b>148</b>	<b>136</b>

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

	2011 \$'000	2010 \$'000
Total net gain/(loss) on non-financial assets	...	360
<b>Total net gain/(loss) on non-financial assets</b>	<b>...</b>	<b>360</b>

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

	2011 \$'000	2010 \$'000
Impairment of Statutory receivables	(2)	...
Reversal of impairment of Statutory receivables	...	...
<b>Total net gain/(loss) on financial instruments</b>	<b>(2)</b>	<b>...</b>

#### 17.14 Administered Receivables

	2011 \$'000	2010 \$'000
Receivables	185	270
Less: Provision for impairment	(4)	(6)
<b>Total</b>	<b>181</b>	<b>264</b>
Sales of goods and services (inclusive of GST)	119	142
Fees and fines (inclusive of GST)	42	99
Other receivables	20	23
<b>Total</b>	<b>181</b>	<b>264</b>
Settled within 12 months	181	264
Settled in more than 12 months	...	..
<b>Total</b>	<b>181</b>	<b>264</b>

During 2010-11, one debtor was assessed as being impaired. The impairment arose as a result of slow payment by small instalments. The amount of the impairment loss is \$1,543. During 2010-11, an account receivable totalling \$4,454 that was previously assessed as being impaired, was written-off as unrecoverable and the amount of \$4,454 written out of the impairment provision.

Reconciliation of movement in provision for impairment of administered receivables	2011 \$'000	2010 \$'000
<b>Carrying amount at 1 July</b>	<b>6</b>	<b>21</b>
Amounts written off during the year	(4)	(15)
Increase/(decrease) in provision recognised in profit or loss	2	...
<b>Carrying amount at 30 June</b>	<b>4</b>	<b>6</b>

#### 17.15 Administered other financial assets

	2011 \$'000	2010 \$'000
Accrued revenue	29	133
Accrued interest	17	287
Less: Provision for impairment	...	...
<b>Total</b>	<b>46</b>	<b>420</b>
Settled within 12 months	46	420
Settled in more than 12 months	...	...
<b>Total</b>	<b>46</b>	<b>420</b>

## 17.16 Administered Property, plant and equipment

### (a) Carrying amount

	2011 \$'000	2010 \$'000
<b>Plant and equipment</b>		
At cost	47	47
Less: Accumulated depreciation	(20)	(10)
<b>Total property, plant and equipment</b>	<b>27</b>	<b>37</b>

### (b) Reconciliation of movements

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

	2011 \$'000	2010 \$'000
<b>Plant, equipment and vehicles</b>		
<b>Carrying amount at 1 July</b>	<b>37</b>	<b>46</b>
Additions	...	...
Depreciation expense	(10)	(9)
<b>Carrying amount at 30 June</b>	<b>27</b>	<b>37</b>

## 17.17 Administered Intangible assets

### (a) Carrying amount

	2011 \$'000	2010 \$'000
<b>Intangibles with a finite useful life</b>		
FPA Cover Page software at cost	40	40
Numara Footprints software	27	...
Less: Accumulated amortisation	(46)	(28)
<b>Total intangibles</b>	<b>21</b>	<b>12</b>

### (b) Reconciliation of movements

	2011 \$'000	2010 \$'000
<b>Carrying amount at 1 July</b>	<b>12</b>	<b>25</b>
Additions – internal development	27	...
Amortisation expense	(18)	(13)
<b>Carrying amount at 30 June</b>	<b>21</b>	<b>12</b>

### 17.18 Administered Payables

	2011 \$'000	2010 \$'000
Creditors	37	38
Accrued expenses	3	32
<b>Total</b>	<b>40</b>	<b>70</b>
Settled within 12 months	40	70
Settled in more than 12 months	...	...
<b>Total</b>	<b>40</b>	<b>70</b>

Settlement is usually made within 30 days.

### 17.19 Administered Employee benefits

	2011 \$'000	2010 \$'000
Accrued salaries	43	38
Annual leave	146	119
Long service leave	257	263
<b>Total</b>	<b>446</b>	<b>420</b>
Settled within 12 months	412	383
Settled in more than 12 months	34	37
<b>Total</b>	<b>446</b>	<b>420</b>

### 17.20 Administered Other liabilities

	2011 \$'000	2010 \$'000
<b>Other liabilities</b>		
Monies held in trust	1,328	1,570
Other liabilities	...	...
<b>Total</b>	<b>1,328</b>	<b>1,570</b>
Settled within 12 months	1,328	1,570
Settled in more than 12 months	...	...
<b>Total</b>	<b>1,328</b>	<b>1,570</b>

Monies held in Trust are primarily third party revenues collected by the Department through motor registration receipts, held pending daily transfer to the owning third parties. Third parties include MAIB, State Revenue Office and Tasmania Fire Service (refer Note 18).



## 17.21 Schedule of Administered Commitments

	2011 \$'000	2010 \$'000
<b>By type</b>		
<i>Lease Commitments</i>		
Operating leases	481	674
<b>Total lease commitments</b>	<b>481</b>	<b>674</b>
<b>By maturity</b>		
<i>Operating lease commitments</i>		
One year or less	213	284
From one to five years	266	365
More than five years	2	25
<b>Total operating lease commitments</b>	<b>481</b>	<b>674</b>
<b>Total</b>	<b>481</b>	<b>674</b>

Note: Commitments are GST exclusive where relevant.

The majority of the Department's administered leases are represented by land and building rental costs and vehicle lease costs. The total lease commitment excludes local government and other executory costs where they are paid directly to a party other than the lessor. These costs are included elsewhere in the Department's expenditures.

Contingent Rental costs relate to land and building leases, and in the main comprise local government charges and the periodic escalation of leases by the Consumer Price Index. Since Contingent Rentals cannot be reliably determined, they have been excluded in the calculations of Total Lease Commitments.

There is no difference between the value of minimum lease payments and the value of Total Lease Commitments. The Department does not have any purchase rights flowing from the lease of the land and buildings. There are no building leases that have renewal rights exercisable at the sole discretion of the lessor.

The minimum administered lease payment for vehicles is based on the average age of the vehicle fleet and a standard lease period of 30 months.

## 17.22 Administered Cash and deposits

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

	2011 \$'000	2010 \$'000
Special Deposits and Trust Fund balance	3,071	2,167
<b>Total</b>	<b>3,071</b>	<b>2,167</b>
<b>Other cash held</b>		
Tascorp Interest Bearing Deposit	92	(140)
Commonwealth Bank Interest Bearing Deposit	...	1,000
Westpac Interest Bearing Deposit	1,000	...
<b>Total</b>	<b>1,092</b>	<b>860</b>
<b>Total cash and deposits</b>	<b>4,163</b>	<b>3,027</b>

## 17.23 Reconciliation of Administered Net Result to Net Cash from Administered Operating Activities

	2011 \$'000	2010 \$'000
Net result	931	(486)
Depreciation and amortisation	27	22
(Gain) loss from sale of non-financial assets	...	(360)
(Gain) loss on revaluation of equity investment	...	(22)
Decrease (increase) in Receivables	83	320
Decrease (increase) in Prepayments	(5)	6
Decrease (increase) in Accrued revenue	374	98
Increase (decrease) in Employee entitlements	26	30
Increase (decrease) in Payables	(30)	(29)
Increase (decrease) in Other liabilities	(242)	123
<b>Net cash from (used by) operating activities</b>	<b>1,164</b>	<b>(298)</b>

## 17.24 Administered Financial Instruments

### 17.25 Risk exposures

#### (a) Risk management policies

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

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

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

The Department does not hold any derivative financial instruments.

#### (b) Credit risk exposures

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

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
<b>Financial Assets</b>		
Receivables (including Tax assets)	Recognised upon the provision of a good or service and the issuance of an invoice or claim eg BAS, measured at face value	Payment terms generally 30 days. Collectability of receivables is reviewed at balance date and a provision for impairment raised when collection of a debt is judged to be doubtful.
Cash and deposits	Recognised upon receipt of cash, measured at face value	At call
Other financial assets (eg accrued revenue)	Recognised upon the accrual of the future benefit, measured at face value	Majority of accrued revenues are settled within 6 months

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Department's maximum exposure to credit risk. The Department is not exposed to credit risk of any significance.

The following tables analyse financial assets that are past due but not impaired:

**Analysis of financial assets that are past due at 30 June 2011 but not impaired**

	Past due 31 to 60 days	Past due 61 to 90 days	Past due over 90 days	Total
	\$'000	\$'000	\$'000	\$'000
Receivables	13	2	98	113
Other Financial Assets	...	...	...	...

**Analysis of financial assets that are past due at 30 June 2010 but not impaired**

	Past due 31 to 60 days	Past due 61 to 90 days	Past due over 90 days	Total
	\$'000	\$'000	\$'000	\$'000
Receivables	37	26	20	83
Other Financial Assets	...	...	...	...

**(c) Liquidity risk**

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

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
<b>Financial Liabilities</b>		
Payables	Recognised upon the receipt of a good or service that has not been paid for, measured at face value	Settled within 30 days
Monies held in Trust	Recognised upon receipt of monies, measured at face value	At call
Revenue received in advance	Recognised upon receipt of monies, measured at face value	Expended by 30 September of the following year in terms of section 8A of the <i>Public Account Act 1986</i>

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

## 2011

### Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
<b>Financial liabilities</b>								
Payables	40	...	...	...	...	...	40	40
Monies held in Trust	1,328	...	...	...	...	...	1,328	1,328
<b>Total</b>	<b>1,368</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>1,368</b>	<b>1,368</b>

## 2010

### Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
<b>Financial liabilities</b>								
Payables	70	...	...	...	...	...	70	70
Monies held in Trust	1,570	...	...	...	...	...	1,570	1,570
<b>Total</b>	<b>1,640</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>1,640</b>	<b>1,640</b>

### (d) Market risk

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

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

	2011 \$'000	2010 \$'000
<b>Fixed rate instruments</b>		
Financial assets	1,000	1,000
Financial liabilities	...	...
<b>Total</b>	<b>1,000</b>	<b>1,000</b>
<b>Variable rate instruments</b>		
Financial assets	92	131
Financial liabilities	...	...
<b>Total</b>	<b>92</b>	<b>131</b>

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

	<b>Sensitivity Analysis of Department's Exposure to Possible Changes in Interest Rates</b>			
	<b>Statement of Comprehensive Income</b>		<b>Equity</b>	
	<b>100 basis points increase</b>	<b>100 basis points decrease</b>	<b>100 basis points increase</b>	<b>100 basis points decrease</b>
<b>30 June 2011</b>				
Cash and deposits	11	(11)	...	...
<b>Net sensitivity</b>	<b>11</b>	<b>(11)</b>	...	...
<b>30 June 2010</b>				
Cash and deposits	11	(11)	...	...
<b>Net sensitivity</b>	<b>11</b>	<b>(11)</b>	...	...

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2010.

#### 17.26 Categories of Administered Financial Assets and Liabilities

	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>		
Cash and deposits	4,163	3,027
Loans and receivables	181	264
Accrued revenue and interest	46	420
<b>Total</b>	<b>4,390</b>	<b>3,711</b>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	1,368	1,640
<b>Total</b>	<b>1,368</b>	<b>1,640</b>

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

#### 17.27 Reclassifications of Administered Financial Assets

The Department has not reclassified any financial assets.

#### 17.28 Derecognition of Administered Financial Assets

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

## 17.29 Net Fair Values of Administered Financial Assets and Liabilities

	2011		2010	
	Total Carrying Amount \$'000	Net Fair Value \$'000	Total Carrying Amount \$'000	Net Fair Value \$'000
<b>Financial assets</b>				
Cash and Deposits	4,163	4,163	3,027	3,027
Receivables	181	181	264	264
Other financial assets				
Accrued revenue and interest	46	46	420	420
<b>Total financial assets</b>	<b>4,390</b>	<b>4,390</b>	<b>3,711</b>	<b>3,711</b>
<b>Financial liabilities (Recognised)</b>				
Trade creditors	40	40	70	70
Other financial liabilities				
Monies held in Trust	1,328	1,328	1,570	1,570
<b>Total financial liabilities (Recognised)</b>	<b>1,368</b>	<b>1,368</b>	<b>1,640</b>	<b>1,640</b>

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

### *Administered Financial Assets*

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

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

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

### *Financial Liabilities*

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

## Note 18 Transactions and Balances Relating to a Trustee or Agency Arrangement

Account/Activity	Opening balance	Net transactions during 2010-11	Closing balance
	\$'000	\$'000	\$'000
Monies collected on behalf of external bodies	1,630	261,400	1,420
Less: Monies transferred to external bodies		261,610	

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

- Motor tax;
- Duties;
- Motor Accidents Insurance Board premiums;
- State Fire Service levy; and
- Federal Interstate Registration Scheme payments.

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

## Certification of financial statements for the year ended 30 June 2011

The accompanying financial statements of the Department of Infrastructure, Energy and Resources are in agreement with the relevant accounts and records and have been prepared in compliance with Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990* to present fairly the financial transactions for the year ended 30 June 2011 and the financial position as at end of the year.

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



Norm McIlpatrick  
**SECRETARY**

Date: 22 September 2011





## **INDEPENDENT AUDITOR'S REPORT**

**To Members of the Parliament of Tasmania**

**DEPARTMENT OF INFRASTRUCTURE, ENERGY AND RESOURCES**

**Financial Statements for the Year Ended 30 June 2011**

I have audited the accompanying financial statements of the Department of Infrastructure, Energy and Resources (the Department), which comprise the statement of financial position as at 30 June 2011 the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Secretary of the Department.

### **Auditor's Opinion**

In my opinion the Department's financial statements:

- (a) present fairly, in all material respects, its financial position as at 30 June 2011 and its financial performance, cash flows and changes in equity for the year then ended; and
- (b) are in accordance with the *Financial Management and Audit Act 1990* and Australian Accounting Standards.

### *The Responsibility of the Secretary for the Financial Statements*

The Secretary of the Department is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and Section 27 (1) of the *Financial Management and Audit Act 1990*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Secretary's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Secretary, as well as evaluating the overall presentation of the financial statements.

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

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

### **Independence**

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. The *Audit Act 2008* further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

### **TASMANIAN AUDIT OFFICE**



E R De Santi  
**DEPUTY AUDITOR-GENERAL**  
**Delegate of the Auditor-General**

HOBART  
28 September 2011

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.  
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# HOW TO CONTACT US

## General Enquiries

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E-mail	<a href="mailto:info@dier.tas.gov.au">info@dier.tas.gov.au</a>
Website	<a href="http://www.dier.tas.gov.au">www.dier.tas.gov.au</a>
Head Office:	10 Murray Street, Hobart
General Enquiries	1300 135 513

## Emergency Contacts (24 Hour Service)

Roads and Bridges	1800 005 282
Traffic Signal Faults	1300 139 933

## Transport

Registration and Licensing	1300 851 225 (cost of a local call) 03 6233 5201 (interstate callers)
Roads and Bridges	1300 135 513
Passenger Transport	03 6233 5193

## Mineral Resources

General enquiries	03 6233 8377
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## Office of Energy Planning and Conservation

General enquiries	03 6233 2009
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## Racing Services Tasmania

General enquiries	03 6336 2450
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Contact numbers are also listed in the White Pages under 'Infrastructure, Energy and Resources'.





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Explore the possibilities

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