



Annual Report 2010-11

Submission to Ministers



1 Lara Giddings MP

Premier
Minister for the Arts

3 Scott Bacon MP

Minister for Tourism
Minister for Hospitality

2 David O'Byrne MP

Minister for Economic Development
Minister for Innovation, Science and Technology

4 Michelle O'Byrne MP

Minister for Sport and Recreation

Dear Ministers

In accordance with the requirements of *Section 36 of the State Services Act 2000* and *Section 27 of the Financial Management and Audit Act 1990*, I submit to you, for presentation to parliament, this report on the affairs and activities of the Department of Economic Development, Tourism and the Arts for the financial year ended 30 June 2011.

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

Yours sincerely

Mark Kelleher

Secretary
Department of Economic Development, Tourism and the Arts
October 2011

Department of Economic Development, Tourism and the Arts

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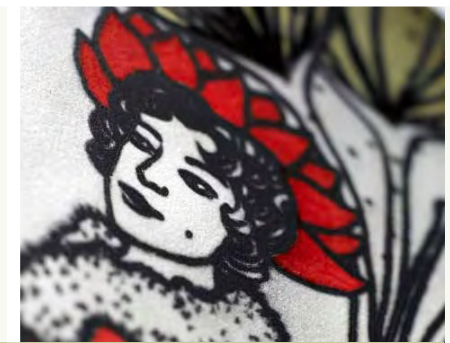
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About this publication



Each year the Department of Economic Development, Tourism and the Arts (department) is required by legislation to produce an annual report.

This report provides information for all stakeholders with an interest in economic development, culture, recreation, sport and tourism in Tasmania. It includes an overview of the operations, major initiatives and achievements, and performance of the department during the 2010-11 year.

This publication is presented in several sections:

Section	Purpose	Pages
Secretary	A message from our Secretary	5
About us	This introductory section provides an overall picture of the department – our purpose, values, role, organisational structure, stakeholders and strategic and policy context.	7
Our activities	This section provides a description of the major achievements of each of the department's divisions.	11
Statutory reporting	This section provides information on the administrative aspects of the department, including budget outputs and performance, management boards, our contribution to Tasmania Together; Right to Information requests, legislation, departmental policies, publications produced, and tenders and consultancies awarded by the department.	35
Financial Statements	This section provides the Financial Statements for the department for the 2010-11 financial year.	72
Contact us	A listing of departmental points of public access.	127

The following statutory authorities administered by the department prepare independent annual reports:

- » Tasmanian Development and Resources – in accordance with the requirements of Section 29E of the *Tasmanian Development Act 1983*
- » Tourism Tasmania – in accordance with the requirements of Section 41 of the *Tourism Tasmania Act 1996*
- » Tasmanian Museum and Art Gallery – in accordance with the requirements of Section 7 of the *Tasmanian Museum Act 1950*

All annual reports are available for download from the department's [website](#).

Message from the Secretary



There is no doubt the 2010-11 financial year has been a challenging one for the Tasmanian economy. However, as a department, we have continued to work hard to make a positive difference to Tasmanians' way of life, in economic development, tourism, the arts, and sport and recreation.

A number of critical projects have been brought to fruition with achievements we can be proud of in all areas of activity.

The department has continued to support Tasmanian businesses to grow and generate jobs, with Tasmanian and Australian Government initiatives such as the Regional Assistance Program and the North West and Northern Tasmania Innovation and Investment Fund now starting to deliver tangible results.

We have also strengthened our strategic approach internally, culminating in the delivery of the Economic Development Plan. This key government initiative charts a clear direction for the state's future economic priorities at the whole-of-economy, sectoral and regional levels over the next decade and beyond.

In addition, we have established three key organisational values to underpin how we do business. We have been successfully embedding them in a meaningful and practical way to help us work better together and sharpen our decisions and focus areas.

The department has also worked hard to increase awareness of the needs of people with disability through work in areas such as human resources, communications and facilities management. Our initiatives have been as varied as the business units that make up our diverse department. From disability arts grants programs to sport and recreation participation initiatives, we are committed to ensuring increased access to all the cultural resources our state has to offer Tasmanians and visitors alike.

Achievements

Achievements for 2010-11 include:

Economic Development

- » The department was active in promoting investment, assisting businesses to prosper and helping companies seek out market opportunities. This included:
 - » export assistance to 238 clients resulting in over \$14.7 million initial export contracts and 908 business matching opportunities
 - » 14 exhibitions, promotions and outbound trade missions, facilitating nine inbound missions across a range of sectors, and delivering seven exporter skills workshops with 123 participants
 - » assistance to 3 312 clients through the Enterprise Centres Tasmania network, resulting in \$11.4 million in business investment and 819 new jobs
 - » 115 successful grant applications totalling \$5.9 million to assist businesses to develop and grow

- » assistance to 18 employers to deal with business closure or workforce reduction and support for re-deployment of affected workers, as well as assessing requests for financial assistance and facilitating six assistance packages totalling \$12.27 million.

- » The department's Sectoral Development unit supported the growth and development of the dairy sector through a number of initiatives, including co-funding and assisting DairyTas to develop the 2011-15 Strategic Plan for the local dairy industry.
- » The department also engaged with a number of international companies regarding the potential to develop major resources projects in Tasmania, ranging from wind farms to silica and tin development.
- » Research, analysis and operational support was also provided to assist the Tasmanian Renewable Energy Industry Development Board to develop and deliver advice to the government on a Renewable Energy Strategy for Tasmania.
- » The Tasmanian Government's Innovation Strategy was launched in August 2010 and has now been embedded in the Economic Development Plan. Innovation will help us create jobs and wealth in our community as we grow Tasmania's new industries and future markets.
- » The department's Antarctic Tasmania, Science and Research unit drove the development of a Science and Research Sector Strategy, to provide support for public and other relevant research organisations to stimulate growth and investment in the sector.
- » The Digital Futures Advisory Council was formed to advise the government on developing Tasmania's digital economy and maximising National Broadband Network (NBN) opportunities.

Tourism

- » In May 2011, Tourism Tasmania welcomed a new CEO, Tony Mayell, and a new chairman of the Tourism Tasmania board, Grant Hunt.
- » An updated version of *Tourism 21: 2011-2013*, a joint strategic business plan agreed to between Tourism Tasmania and the Tourism Industry Council Tasmania, was released. It sets new 10-year goals including an 'industry potential goal' of a total visitor spend of \$4.39 billion by 2020.
- » Tourism Tasmania took 23 cooperative tactical campaigns to market, with a total media value of almost \$2.5 million. Tourism Tasmania's investment was only \$634 200 and these campaigns assisted in generating over \$4 million in sales of Tasmanian product.
- » Events Tasmania supported 119 events, which attracted around 41 000 visitors. Visitors stayed four nights on average and injected around \$33 million into the Tasmanian economy. This represents a five-to-one return on the Tasmanian Government's investment of over \$6 million.

Hospitality

- » The department's Liveable Places unit, in partnership with Skills Tasmania, coordinated the Hospitality Industry Skills Initiative to examine employment and workforce development in the hospitality industry, including skills and training. The findings from this work will inform hospitality in 2011-12.

The Arts

- » Arts Tasmania's Arts Grants Program distributed over \$2.8 million in funding to arts organisations, individual artists, small museums and galleries and Aboriginal artists through a range of grants and loans programs. An additional \$140 000 was distributed through the Arts and Disability Program in 2010-11.
- » The Tasmanian Museum and Art Gallery's redevelopment has progressed significantly, with the release of the architectural concept plan for the \$200 million project and the commencement of works for Stage One.

Preparatory works are now well underway and the announcement of the opening of tenders for construction works was announced in June 2011. In addition, after three years of registration, cataloguing and exhibition design, Markree House Museum and Garden was officially opened in June 2011.

- » In June 2011, the Screen Tasmania five-year plan was launched following extensive industry consultation. The new Screen Tasmania funding guidelines were also developed with input from, and released with the support of, the local industry. Screen Tasmania supported several projects in 2010-11, including a \$300 000 investment in the feature film *The Hunter*, which was shot on location in Tasmania in November and December 2010 and stars Hollywood actor Willem Dafoe.

Sport and Recreation

- » Sport and Recreation Tasmania delivered a successful series of grants programs, including \$3.7 million of grants towards 34 trail and bikeway developments throughout the state.
- » In February 2011 *Tasmania's plan for physical activity 2011-2012* was launched. The plan was developed by the Premier's Physical Activity Council, in consultation with the Tasmanian community, and sets a unifying direction and framework for action to increase Tasmanians' rates of participation in physical activity.

Corporate

- » The department's Secretariat worked with the Records Management and IT Business Systems teams to develop the new Secretariat Information Management System to use in the management of ministerial documentation.
- » The Web Services team ensured a coordinated approach to web development across all business units. The websites of Arts Tasmania, Tasmanian Museum and Art Gallery and the Department of Economic Development, Tourism and the Arts, as well as other smaller departmental sites, were fully redesigned during 2010-11.

These achievements form the building blocks as we look to the future and identify the work that lies ahead.

In conclusion

Despite the challenges experienced over the past 12 months, the outlook for growth of the Tasmanian economy, with its many comparative advantages, remains strong.

Our department has a key role to play in the state's future, whether it is promoting our unique qualities and island identity by showcasing Tasmanian art, culture and heritage, or promoting Tasmania as a great place to live, work, visit, trade with and invest.

The work we have done internally on our organisational values and strategic planning process will also be integral to driving change and achieving success and ensures our people are well placed to engage fully with the department's vision, goals and priorities.

The 2010-11 financial year saw a number of changes to the department's portfolio ministers. In December we welcomed Lara Giddings (Arts), David O'Byrne (Economic Development) and Brian Wightman (Sport and Recreation and Hospitality). In January, David O'Byrne assumed responsibility for the Innovation, Science and Technology portfolio.

Then, in May, Scott Bacon (Tourism and Hospitality) and Michelle O'Byrne (Sport and Recreation) added us to their portfolio responsibilities. Collectively they have demonstrated a great commitment to our organisation and it has been a pleasure to work alongside them.

I would therefore like to thank our ministers, parliamentary secretaries and board members for their support, as well as our department staff for their passion and effectiveness throughout the year.

Now, more than ever, it is our collective contribution which will ensure we continue to meet the challenges ahead and make a difference to the lives of Tasmanians in the years to come.



Mark Kelleher

Secretary
Department of Economic Development, Tourism and the Arts

About us

- Our purpose
- Why we are here
- Our values
- Our role
- Our stakeholders
- Our economic context
- Our contribution to Tasmanian Government goals
- Organisational chart



Our purpose

Working together to make Tasmania a prosperous, vibrant and healthy community.

Why we are here

To show leadership to Tasmania and Tasmanians by:

- » being responsive to our clients' needs and helping them to achieve their goals
- » supporting Tasmanians to succeed domestically and internationally
- » promoting investment into and within Tasmania
- » assisting Tasmanians to seek market opportunities
- » improving Tasmanians' wellbeing and prosperity
- » advising on and implementing government policy.

Our values

Our values and accompanying supporting behaviours will become an integral part of our processes including recruitment, induction, competencies, development and career progression. Our values underpin the work we do towards achievement of our corporate objectives.

The department values are:

- » We act with integrity
- » Our people matter
- » We make a real difference.

Our role

The department leads government support for economic and industry development in Tasmania.

We are the first point of contact for companies wishing to establish, relocate, diversify or expand in Tasmania.

We aim to achieve community, industry and government economic development goals by taking a whole-of-government approach to creating a competitive business environment, promoting and attracting investment, and by helping individuals, businesses and industries to grow and become internationally competitive.

We do this by working with businesses across a broad range of industry sectors, particularly those that are focused on exports and import replacement. We manage projects, develop policies, undertake planning and deliver programs and services in partnership with industry sectors.

Through Sport and Recreation Tasmania we aim to ensure all Tasmanians have the opportunity to participate in sport, recreation and physical activity and share in the benefits of a healthy community.

Through Tourism Tasmania we market Tasmania as a world-class tourism destination and deliver marketing programs that drive benefits for Tasmania from national and international tourism.

Through Arts Tasmania, Screen Tasmania and the Tasmanian Museum and Art Gallery we provide support for the development of the arts sector in Tasmania. This includes working with Tourism Tasmania to support and raise awareness of our state's rich cultural heritage.

Our stakeholders

Our key stakeholders are the following ministers within the Tasmanian Government:

- » Premier and Minister for the Arts
- » Minister for Economic Development
- » Minister for Innovation, Science and Technology
- » Minister for Tourism
- » Minister for Hospitality
- » Minister for Sport and Recreation

Other stakeholders we rely upon to meet our objectives include and are drawn from:

- » businesses and industry
- » the community
- » the arts sector
- » the science and technology sector
- » the tourism sector
- » the hospitality sector
- » the sport and recreation sector
- » Parliament, Cabinet, ministerial advisers and other government agencies
- » unions
- » our staff.



Our economic context

Like other Australian states and territories, Tasmania's economy and related economic development operates within the broader influences of a global market.

In response to the poor economic performance of the Tasmanian economy throughout the 1990s, in 1998 the government put forward a new vision for Tasmania. As noted in the *1998–99 Tasmanian Budget Paper No 1*, this was the first time in Tasmania's history that the government had introduced a fully coordinated and strategic approach to economic development and financial management within the state. The key components supporting this vision were *Tasmania Together*, the Industry Development Plans, the Fiscal Strategy and State/Local Government Partnership Agreements.

This strategic approach to economic development and financial management assisted Tasmania to attain net debt-free status in the 2004–05 financial year and to secure the benefits of strong economic conditions. The approach also drove reforms to energy and competition policy, ports, State Government taxation and the divestment of non-core government businesses.

From the year 2000 until the Global Financial Crisis (GFC) in 2008, Tasmania's economy grew strongly with a significant drop in unemployment. Government drove an improved public sector financial position. Taxation was further reformed so that Tasmania now has one of Australia's lowest business tax rates. Increased ease of access to the state led to a resurgent tourism industry. Major investment and infrastructure projects such as the acquisition of the two Bass Strait ferries, Basslink, the natural gas project and renewable energy development took place. A rebound in confidence, combined with relatively cheap house prices led to increased population growth and net inward migration.

The GFC has had a devastating impact on the global economy. While Australia weathered the GFC better than most developed economies and Tasmania entered the downturn in a much better position than it has entered previous downturns, a reduction in economic growth was inevitable. Tasmania is now emerging from the GFC in an economic environment dominated by Australia's resources boom.

A key economic issue for both Australia and Tasmania in the next decade will be the impact of the resources boom, which is dominating investment and labour, and driving up the value of the Australian dollar and interest rates. The high Australian dollar, particularly, is having a negative impact on trade-exposed sectors such as manufacturing and tourism. A strong economy with low unemployment should translate into higher spending, as happened during the resources boom in the early 2000s. This is not the case, however, in the current post-GFC resources boom.

People are more cautious following the GFC. Interest rate rises and cost of living pressures have led to savings rates increasing strongly. Consumers are spending less, particularly on discretionary items, which is a major factor in the fall in retail spending and GST revenue. This is directly and negatively impacting on Tasmanian Government revenue.

Climate change and the pending introduction of a carbon price will affect business costs and opportunities. Tasmania is well placed to take advantage of both but also needs to mitigate the risks. Without an effective national carbon price it may be difficult for Tasmania to meet its emissions reduction target of at least 60 per cent below 1990 levels by 2050.

The GFC and the ongoing resources boom have accelerated structural changes in Tasmania's economy. Some of the state's traditional trade exposed industries are likely to see continued challenges. Tasmania's lower population growth and lower labour market participation and productivity levels mean it is difficult for the state to compete on volume and price alone. Current indicators forecast these economic challenges to continue to have impacts in the short to mid-term.

To chart a strong direction for Tasmania's economic development into the next decade, and to continue the vision for Tasmania outlined by the government in 1998, in August 2011 the Premier, Lara Giddings, and Minister for Economic Development, David O'Byrne, launched the Tasmanian Government's Economic Development Plan.



Our contribution to Tasmanian Government goals

Many of the activities undertaken by the department also contribute to whole-of-Tasmanian Government plans and agreements:

Tasmania Together

Tasmania *Together* is the state's community-driven, social, economic and environmental plan. We are the lead department for 34 Tasmania *Together* indicators that underpin the following six Tasmania *Together* goals:

- » a reasonable lifestyle and standard of living for all Tasmanians
- » active, healthy Tasmanians with access to quality and affordable health care services
- » vibrant, inclusive and growing communities where people feel valued and connected
- » dynamic, creative and internationally recognised arts community and culture
- » increased work opportunities for all Tasmanians
- » thriving and innovative industries driven by a high level of business confidence.

Further details on the key activities undertaken by the department during 2010-11 that contribute to the goals of Tasmania *Together* is provided on pages 38-53 of this annual report.

An Economic Development Plan for Tasmania

The Economic Development Plan (plan), together with the new Fiscal Strategy and the Tasmanian Infrastructure and Skills Strategies will constitute the key pillars for the state's economic development.

As detailed on page 13 of this report, we have taken the lead role for the Tasmanian state service in formulating the plan throughout the 2010-11 financial year.

The purpose of the plan is improve the prosperity of all Tasmanians through economic development that is socially and environmentally sustainable. The plan is structured around the following four goals:

1. To support and grow businesses in Tasmania.
2. To maximise Tasmania's economic potential in key sectors.
3. To improve the social and environmental sustainability of the economy.
4. To support and grow communities within regions.

The plan will be a holistic framework for the entire Tasmanian Government to guide agencies and ensure actions are coordinated and better outcomes achieved. The plan will provide the most comprehensive vision for Tasmania's economy in more than a decade.

Collaborative work, including State Government Partnership Agreements

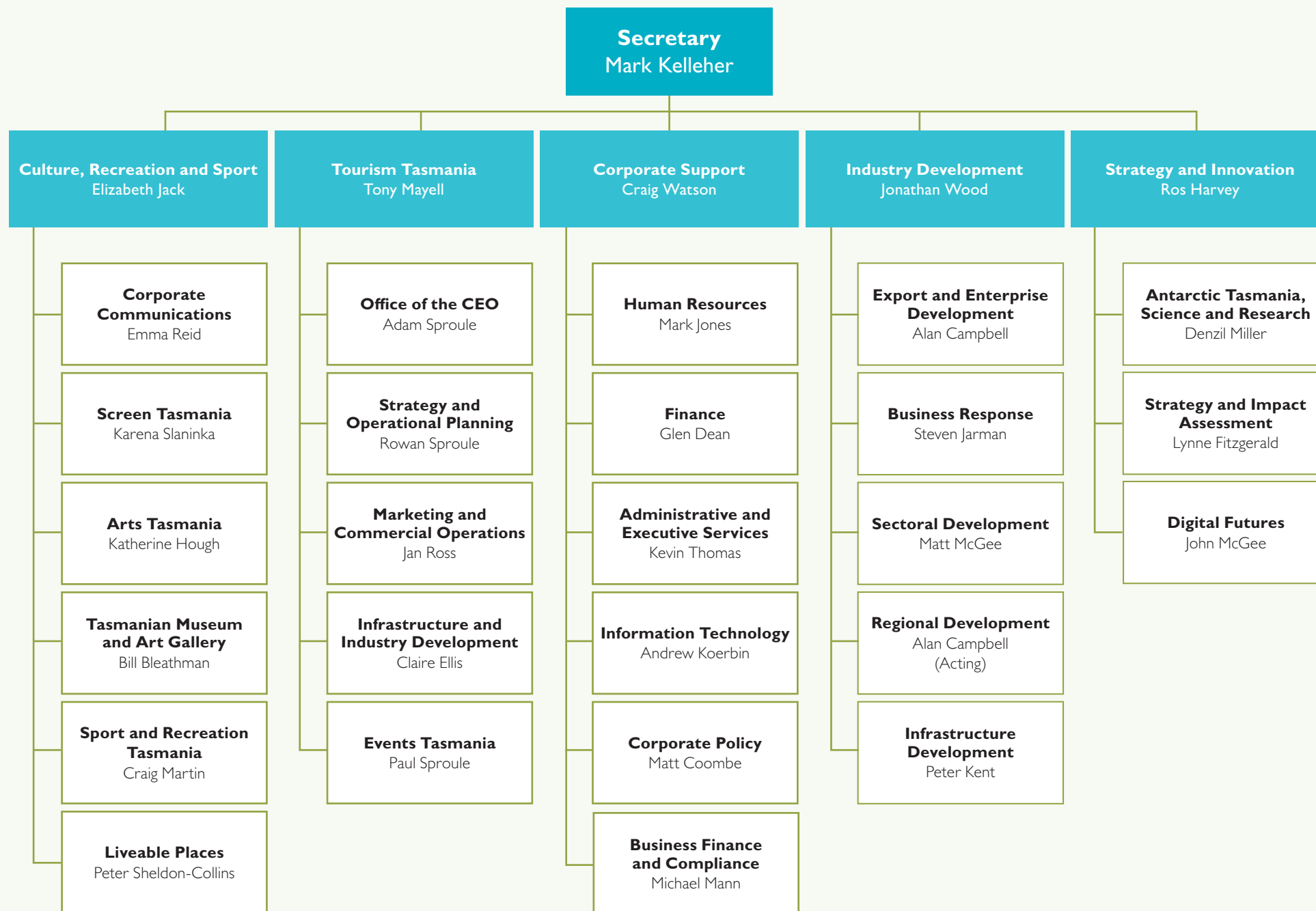
The Tasmanian Government's Partnership Agreement approach aims to foster a closer working relationship between government and stakeholders to progress agreed priority issues.

Under this approach, the department continues to work with local government on a number of the Tasmanian Government/Local Government Partnership Agreements. The agreements offer an effective way for the department to define its contribution to local government areas across Tasmania, primarily focusing on economic development (including tourism), sports and recreation and cultural outcomes. The department also participates, along with other state service agencies, in the Tasmanian Government/University of Tasmania Partnership Agreement.

The department works collaboratively with many industry peak bodies including the Tourism Industry Council of Tasmania (TICT), Forests and Forest Industry Council (FFIC), Tasmanian Farmers and Graziers Association (TFGA), the Tasmanian Minerals Council Limited, the Local Government Association of Tasmania (LGAT), the Tasmanian Hospitality Association, the Tasmanian Independent Screen Industry Council and the Theatre Council of Tasmania.



Organisational Chart as at 30 June 2011



Our activities

Economic Development

- Antarctic Centennial Year
- Antarctic and Southern Ocean Census
- Australian Oil and Gas Trade Show
- Business Boost
- Business Mentoring Services Tasmania
- Callington Mill restoration
- Community Development Finance Fund
- Digital Futures Advisory Council
- Economic Development Plan
- Employer of Choice Awards Program
- Enterprise Centres Tasmania
- Financial assistance to business enterprises – policy and decision-making framework
- Fujian 30th anniversary trade mission to China
- Hillwood Berry Farm
- Hospitality
- Industry Capability Network Tasmania
- Innovation Strategy
- Inspiring Australia strategy and Particle e-newsletter
- International Association of Antarctic Tour Operators
- International Workboat Exhibition 2010 – New Orleans, USA
- Investment Ready Workshop
- Korea-Australia-New Zealand Broadband Summit
- Lion (formally National Foods) Tasmania expansion
- Liveability Strategy
- Macquarie Harbour expansion
- Manufacturing Competitive Environments
- Menzies Centre stage two
- National Broadband Network Industry Assistance Package

- North West and Northern Tasmania \$20 million Assistance Package
- Premier's Mobility Award
- Pyengana Dairy Company
- Regional Development Australia Fund
- Regional planning initiatives
- Renewable Energy Loan Scheme
- Science and Research Expenditure Survey
- Science and Research Sector Strategy and Advisory Committee
- Social Enterprise Loan Fund
- Tasmania Now
- Tasmanian Active Honey Group
- Tasmanian Leaders Program
- Tasmanian Renewable Energy Industry Development Board
- Wealth from Water pilot program

Tourism

- Event development and the Australian Wooden Boat Festival
- Oprah Winfrey
- Regional tourism review
- 'Secrets Revealed' marketing campaign
- Tourism 21: 2011-2013

Sport and Recreation

- Providing leadership and developing sport
- Sport and recreation for people with disability
- Tasmanian Institute of Sport highlights
- Tasmania's Plan for Physical Activity 2011-2021
- Trails and Bikeways Program

Arts

Arts Industry Development

- ARTBIKES
- Artist in Residence program 2011
- Arts and disability
- COLLECT Art Purchase Scheme
- [smartmap tasmania](#)

Screen Industry Development

- Development and release of the five-year strategic plan
- International feature films
- Local productions on screens worldwide
- New funding programs, guidelines and terms of trade
- Support for the Tasmanian screen industry through development and production investment

Tasmanian Museum and Art Gallery

- Awards
- Exhibition Program
- Markree House Museum and Garden
- Partnership with Detached Cultural Organisation
- Redevelopment
- Rosemary Balmford Antarctic Book Collection

Corporate

- Corporate Communications
- Redevelopment of departmental websites
- Secretariat Information Management System



Antarctic Centennial Year

The Antarctic Centennial Year (ACY), celebrating Tasmania's enduring endeavour in the Antarctic, is a 13-month program of events running from May 2011 to June 2012. It includes the centenary celebrations of explorers Roald Amundsen and Sir Douglas Mawson, as well as high-profile international conferences and meetings which will be used to further promote Hobart as a vibrant Antarctic hub and leverage opportunities for investment and growth in the sector. Additional growth opportunities for the sector were identified through wide consultation during 2010 and 2011. These have been incorporated into the Antarctic Sector Development Plan – *Developing Tasmania's Antarctic Sector: A vibrant industry in a global market* – which is scheduled for launch in late October 2011.

As well as public events to commemorate Amundsen's announcement, from Hobart, that he had reached the South Pole, and Mawson's departure on the Australasian Antarctic Expedition, a series of cultural events, exhibitions and shows with an Antarctic theme will engage the wider community.

The ACY was launched by the Minister for Innovation, Science and Technology, David O'Byrne, on 6 May 2011 with the Extreme Environment Photographic Competition and Exhibition at the Tasmanian Museum and Art Gallery.

Antarctic and Southern Ocean Census

Hobart is Australia's gateway to the Antarctic. It is home to both the Australian and French Antarctic research efforts; the presence of the Australian research vessel *Aurora Australis* and the French research vessel *l'Astrolabe* berthed in Hobart are a constant reminder of Hobart's connections with the Antarctic and Southern Ocean.

Tasmania has more scientists working in Antarctic and Southern Ocean research than anywhere else in the world and has businesses with significant cold climate products and services expertise.

In 2010 the department, together with the Tasmanian Polar Network, completed a census of the Antarctic and Southern Ocean sector in Tasmania. The census gives us a picture of the direct contribution of this sector to the Tasmanian economy.

Over 90 businesses and nine Antarctic and Southern Ocean research and other organisations, such as the Australian Antarctic Division, the Institute of Marine and Antarctic Studies (IMAS) and the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) were surveyed.

The results showed that the sector is a significant contributor to the Tasmanian economy – at least \$182 million in 2009-10. It is also a major employer: over 830 people worked in Antarctic-related activities in Tasmania that year. The average annual salary was just over \$70 000, significantly more than the Tasmanian average. This is largely due to the number of highly educated and highly skilled employees in Antarctic research institutions.

Tasmanian businesses earned at least \$70 million providing specialist polar goods and services, not only to research organisations based here but to international Antarctic research through programs such as those of the United States of America, China and Italy.



Australasian Oil and Gas Trade Show

The department facilitated the presence of 10 Tasmanian businesses at the Australasian Oil and Gas (AOG) trade show held in Perth in late February 2011. This was the third time the department had supported the participation of a delegation of Tasmanian businesses at this very successful trade show, which has grown considerably in size and popularity over the last three years. Typical visitors to the AOG Exhibition include key decision-makers from companies concerned with oil and gas production, exploration, engineering, construction, diving and underwater operations, rig and platform equipment, as well as contractors for drilling, pipelines and seismic work.

Testimony to the strength of the show and the commercial returns to be achieved from this sector is the fact many of the Tasmanian exhibitors have participated several times.

The following businesses participated in the 2011 trade show:

- » Biofouling Solutions
- » Dive Works
- » Fiomarine Industries
- » Lightning Protection International
- » Metocean Services International
- » Novaris
- » Offshore Unlimited
- » Pivot Maritime International
- » Taylor Bros
- » Imbros.

Business Boost

The Business Boost program assisted small to medium Tasmanian businesses to tackle constraints to business growth and sustainability. Business Boost provided 27 skills development workshops for small business with 441 participants from a range of sectors and regions across Tasmania. These included Energy Efficiency seminars delivered to 180 small business and corporate owners throughout Tasmania. There were 15 workshops providing participants with information and take-away strategies for energy savings activities.

Business Mentoring Services Tasmania

Business Mentoring Services Tasmania is a free statewide service providing volunteer business mentors to small business clients and community groups. During 2010-11 around 260 businesses sought mentoring.

Mentors often build long-term relationships with their clients, and as one volunteer mentor described, *"I not only take being a mentor seriously, I also believe that it's an incredibly important role. Earlier in my career I had a great mentor who still to this day is a very good friend. I have been quite successful in my career and I feel it is my responsibility to 'give back'. I love being a part of this program and if I can help someone else strive towards their goals, then it makes being a mentor even more rewarding."*

A priority for 2010-11 was to increase the number of women mentors. Some 30 per cent of the volunteer mentors are now women. A new business mentoring program for women, 'Inspire Business', was piloted in the Devonport and Latrobe regions.

Callington Mill restoration

Restoration of the Callington Mill historic site was completed in October 2010 and was officially opened by the Governor, the Honourable Peter Underwood, on 28 November 2010.

Funding of \$1.2 million was provided by the department to assist with restoration of the site, which included returning the flour mill to full working order. The restoration project was seen as a key driver to attract more visitors to the area and boost economic activity. The department's funding was matched by the Australian Government, and a further \$100 000 was provided by the Southern Midlands Council, bringing the total project cost to \$2.5 million.

The mill was built in the 1830s and ceased operation at the end of the 19th century. The site comprises a five-level windmill, granary, miller's cottage, and the mill owner's house. The mill is the best preserved mill tower in Australia. A millwright from England was engaged to fabricate and assemble a range of new parts including a new cap, windmill sails, working machinery and the grinding stones to replicate the 19th century workings.

The site is now operating commercially as a tourism attraction and as a working flour mill. The mill sources and grinds locally grown grains and offers guided tours. Retail operations are housed in the relocated visitors' centre on site.

This project has provided significant flow-on benefits to the township of Oatlands through business and employment opportunities arising from more visitors. In the seven months to June 2011, around 50 000 visitors came to Oatlands compared to approximately 25 000 in the previous 12-month period.

As a result of the restoration, eight direct employment opportunities have been created, including millers, interpretation guides and site maintenance, and the local bakery is operating baking classes throughout the year.

Community Development Finance Fund

In December 2010, the Premier launched the \$5 million Community Development Finance Fund (CDFF) – an initiative designed to provide opportunities for Tasmanians experiencing social and economic exclusion. The CDFF comprises three separate funding programs: two \$1 million micro-business loan funds and \$3 million Social Enterprise Loan Fund (SELF) to support the development of organisations that focus on community development and reinvest profits into the local community (see below).

A new \$1 million micro-business loan fund was established to provide financial assistance to individuals on low incomes. The fund is administered by No Interest Loans Scheme (NILS) Tasmania Inc. In 2010-11, more than 50 micro-business loans were approved. One successful recipient had been unemployed for two years when he applied for a loan. He is now marketing products via the internet.

A further \$1 million micro-finance loan fund is administered by NILS Inc. to enable people on low incomes to purchase essential household goods and services. This fund was provided by the Department of Premier and Cabinet's Social Inclusion Unit.

Digital Futures Advisory Council

The Digital Futures Advisory Council (DFAC) was formed as the government's adviser on developing Tasmania's digital economy and maximising the National Broadband Network (NBN) opportunities. It provides government with independent, external and expert advice and takes a whole-of-economy perspective. Members include internationally recognised experts in Digital Futures and community and industry.

The council has met three times in the last year including meeting Minister David O'Byrne after he was appointed Minister for Innovation, Science and Technology.

Economic Development Plan

A key role for the department throughout 2010-11 was as lead department in formulating the Tasmanian Government's Economic Development Plan for Tasmania. The plan provides the most comprehensive vision for Tasmania's economy in more than a decade.

The Economic Development Plan will play a critical role in guiding Tasmania's economic direction and priorities for the next 10 years and beyond.

The plan, together with the Fiscal Strategy, the Infrastructure Strategy and the Skills Strategy, constitute the key pillars for Tasmania's economic development. The Innovation Strategy is embedded within the Economic Development Plan.

The purpose of the Economic Development Plan is to improve the prosperity of all Tasmanians through economic development that is socially and environmentally sustainable. The following four goals guide this effort:

Goal One: To support and grow businesses in Tasmania

Goal Two: To maximise Tasmania's economic potential in key sectors

Goal Three: To improve the social and environmental sustainability of the economy

Goal Four: To support and grow communities within regions.

Stakeholder engagement and consultation in formulating the Economic Development Plan was led by the release of the Economic Development Plan Discussion Paper in December 2010. The discussion paper was open for public comment for a period of six weeks, and received 33 submissions. The content of these submissions was considered in developing the final plan.

In addition to releasing the discussion paper, the department undertook targeted engagement with key local, state and Australian Government bodies, industry groups and Tasmanian peak groups including business, social service, environmental and union organisations. Four Industry Advisory Committees – in the areas of building and construction; science and research; manufacturing; and food and agriculture – were also established, particularly to provide strategic advice to government in the formulation and implementation of the Economic Development Plan.

The Economic Development Plan was launched on 26 August 2011.

Employer of Choice Awards Program

More than 300 business representatives attended five workshops, which were delivered across the state by recognised Tasmanian Employers of Choice. The workshops provided opportunities for knowledge-sharing on themes relating to the attraction and retention of skilled employees.

Six organisations were formally recognised as Tasmanian Employers of Choice in 2010: Bladerunner Hairdressing; Bodysystem Physiotherapy; Northern Children's Network; Stillwater Restaurant and Black Cow Bistro; The Learning Edge International; and University of Tasmania Cradle Coast Campus.

These organisations join Fairbrother Group, Hazell Brothers, Launceston City Council, O Group, SEMF Pty Ltd, Sinclair Knight Merz, Vodafone Hutchinson and WHK Group, bringing the number of Tasmanian Employers of Choice to 14.

The Employer of Choice program will be more actively promoted in 2011–12, to further encourage the development of modern employment and workplace practices and to recognise and promote Tasmanian organisations that, regardless of their size, successfully attract and retain skilled employees.

Enterprise Centres Tasmania

Enterprise Centres Tasmania provided assistance to 3 312 clients, resulting in 819 new jobs and \$11.4 million in business investment. A number of case studies are now available on the new, user-friendly Enterprise Centres Tasmania website launched in 2011. A new brand, posters and fliers helped clearly identify and promote the eight Enterprise Centre Tasmania services around the state. A statewide radio advertising campaign, and promotions at the Tasmanian Chamber of Commerce and Industry Small Business Expo and Agfest alerted many businesses to the free one-on-one support, training and networking events provided to Tasmanian businesses by Enterprise Centres Tasmania.

Professional development was provided for Enterprise Centres Tasmania's small business advisers and boards. Topics included enterprise facilitation, dealing with insolvency, industry benchmarking tools, strategic leadership and innovation.

The Business Start-up Support Program was delivered in partnership with Enterprise Centres Tasmania to 144 business start-up operators who participated in training and mentoring and successfully completed business plans.

Financial assistance to business enterprises – policy and decision-making framework

The department delivers a range of financial assistance programs and services to Tasmanian businesses to support industry development and economic growth in Tasmania.

The department has a long history of successful provision of financial assistance to Tasmanian businesses and has developed and implemented a number of grant programs over many years. However, sound business practice dictates that all departmental arrangements, including those relating to the provision of financial assistance, be reviewed from time to time.

During the year, the department developed an improved financial assistance policy and decision-making framework that will govern the provision of financial assistance by the department, including that provided through the Tasmanian Development Board. The framework has been endorsed by the Minister for Economic Development and the Tasmanian Development Board.

In order to ensure the provision of financial assistance is rigorously assessed and secures valuable economic development outcomes for Tasmania, all financial assistance proposals and their respective proponents will be assessed under the framework. The framework outlines a standardised approach to assessing financial assistance proposals to ensure that:

- » a sound reason for financial assistance exists
- » it is appropriate for the department to respond and it has sufficient financial resources
- » proposals deliver sustainable strategic benefits to Tasmania that are well aligned with the government's Economic Development Plan and do not unduly disadvantage other Tasmanian businesses
- » the proponent has the capability and capacity to deliver the potential benefits to Tasmania
- » the costs and risks faced by the department are commensurate with the strategic benefits of the proposal.

The framework will significantly assist the department in securing valuable economic development for Tasmania through rigorous assessment processes, as well as the identification, acceptance and management of appropriate levels of risk by the department.



Fujian 30th anniversary trade mission to China

The Minister for Economic Development, led a successful industry trade mission delegation to Fuzhou, Fujian Province, China, to coincide with the China Cross Straits Technology Fair and Exhibition from 18 to 20 June 2011.

Tasmania and Fujian Province have maintained a sister state-province arrangement since 5 March 1981. It is one of the most enduring arrangements between a Chinese province and an Australia state.

The Tasmanian businesses that participated in the trade delegation and their primary interests were:

- » Autech Software and Design – software for paint, building and furnishing industries
- » Bridestowe Lavender Estate – production of lavender oil and tourism
- » Fahan School – international students
- » Forestry Tasmania – timber and forestry consulting
- » Government Education and Training International Tasmania – Tasmanian Government Schools, Polytechnic
- » INCAT – fast ferries
- » Lark Distillery – spirit distilling
- » Launceston Church Grammar School – international students

- » Lightning Protection International – lightning and surge protection
- » Soareast Australia – seafood and investment advisory services.

All participating enterprises reported the identification of strong export leads, with each pursuing extensive follow-up.

Hillwood Berry Farm

Hillwood Berry Farm is a 38-acre Pick-Your-Own (PYO) berry farm producing strawberries, raspberries and currants for the local tourist market. The farm, which is in the renowned fruit growing district of Hillwood in the Tamar Valley, receives 30 000 to 40 000 visitors annually. Hillwood Berry Farm holds a unique position as the only PYO berry farm and fruit wine producer on the heavily visited Tamar Valley Wine Route.

The majority of Hillwood Berry Farm fruit is sold as either raw fruit or value added products produced on site or made locally from the farm's berries. These products include a variety of strawberry wine, red and blackcurrant wines, berry vinegars and jams.

The original Hillwood Strawberry Farm was established primarily as a seasonal PYO strawberry venture in the 1960s. New owners Stacy and Simon File purchased the business in 2010 and undertook the construction of a heated, indoor tasting/sales and café area to provide a year-round offering to visitors.

The business was assisted with the cost of this development through a \$50 000 grant made available under the \$2.5 million Regional Assistance Program – Tasmania. Since the completion of the new café, the business has been able to employ 3.7 new full-time equivalent staff.

Hospitality

The Liveable Places unit is working with the Tasmanian Hospitality Association on a number of initiatives to further develop the skills and capabilities of the industry.

Of particular importance is the Hospitality Industry Skills Initiative, developed by the department, which examines employment/workforce development issues including skills and training and, in particular, skills development to improve product knowledge and deliver exceptionally high-quality services and experiences.

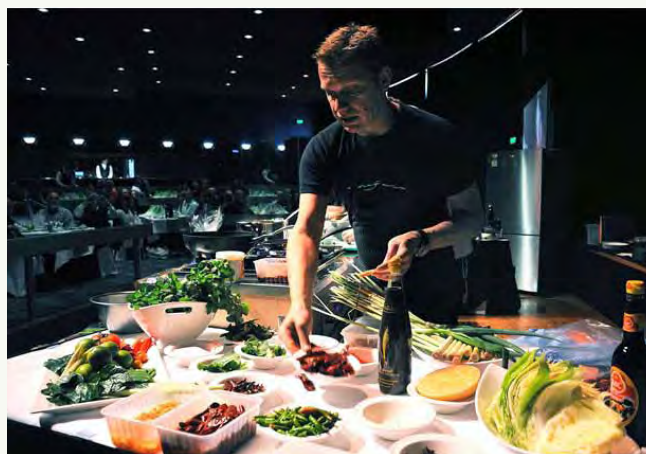
The findings from this initiative will provide guidance on those areas where the government and the hospitality industry can work collaboratively to ensure that the hospitality industry continues to develop as an important contributor to the Tasmanian economy and lifestyle.

Industry Capability Network Tasmania

The department, through Industry Capability Network Tasmania (ICNTAS), continued to help local businesses gain substantial work in major projects, government procurement and the NBN. ICNTAS continued to be the base for the National Sector Manager for the NBN, which plays a national role in helping Australian and New Zealand companies win business in development of the NBN.

During the financial year ICNTAS organised a successful Water Sector Supplier Forum to increase the awareness of Tasmanian manufacturers of the opportunities in the sector. Through the assistance of ICNTAS three Tasmanian applications were successful in gaining approval for the Australian Government's Enhanced Project By-Law Scheme, which is aimed at reducing tariff duties on imported goods to be used in major projects.

ICNTAS matched Tasmanian business capabilities to the supply needs for major projects like Hydro Tasmania's Asset Refurbishment Program, Petuna Aquaculture's capacity expansion at its Cressy, Devonport and Macquarie Harbour facilities and Tassal's fish farm operations located at Margate.



Innovation Strategy

Launched in 2010, the Innovation Strategy identified opportunities available to Tasmania through an increased focus on innovation in traditional and emerging areas of economic activity.

Its initial policy focus was on five key areas where Tasmania has a competitive advantage relative to the rest of the world: high-value agriculture, aquaculture and food; renewable energy; the digital economy; a vibrant, creative and innovative Tasmania built on lifestyle advantages; and further growing our tourism advantage.

Innovation Strategy initiatives implemented in 2010-11 were:

- » the NBN Industry Assistance Package
- » the Renewable Energy Loan Scheme
- » the Wealth from Water program
- » Savour Tasmania.

The Innovation Strategy and its initiatives are now embedded within the Economic Development Plan as a coordinated means of improving productivity and competitiveness.

New initiatives related to innovation that are outlined in the Economic Development Plan are:

- » the Digital Ready project
- » Business Tasmania Online
- » Export Active
- » Building Antarctic Capability
- » the Priority Science and Research and the Science in Tasmania Programs.

Inspiring Australia strategy and *Particle* e-newsletter

The Inspiring Australia (IA) strategy is a national strategy for public engagement with the sciences and a key element of Australia's innovation agenda. It aims to build a strong, open relationship between science and society, underpinned by effective communication of science and its benefits.

The IA strategy was developed through consultations with a wide range of scientists, science communicators, educators, journalists, academics and government officers in all states and territories.

In each state and territory, IA is developing alliances with local bodies to deliver on three specific objectives:

- » establishing and supporting a state-local network which will help deliver IA initiatives
- » developing a year-round program of science communication activities to be delivered under the IA banner
- » supporting National Science Week in the state.

The department has entered into a partnership with the University of Tasmania and the Department of Innovation, Industry, Science and Research to support the delivery of these IA objectives in Tasmania.

One of the department's initiatives to address these objectives is the *Particle* e-newsletter.

Particle is an online industry newsletter that aims to acknowledge and celebrate research excellence as well as helping to raise awareness of the expertise and capabilities of the science and research sector in Tasmania.

This newsletter is distributed to over 2 000 subscribers, and new subscriptions are received regularly. There have been nine issues released in the last 12 months.

The partnership is a positive step forward for the promotion of Tasmania's science and research sector to the greater public and supports a number of initiatives proposed in the Science and Research Sector Growth Strategy.



International Association of Antarctica Tour Operators

An important element of the ACY, the International Association of Antarctica Tour Operators (IAATO), held its annual general meeting in Hobart from 9 to 12 May 2011.

The department won the bid to host the 2011 meeting at the 2010 meeting in Turin, Italy.

Seventy-nine delegates attended from all over the world, including key decision and policy makers in the Antarctic tourism sphere.

The department worked to ensure that Antarctic and tourism stakeholders in Hobart met with key delegates at networking events. This promoted Tasmania's Antarctic industry and science expertise as well as showcasing Tasmania as a cruise ship and tourism destination.

Feedback was extremely positive from the delegates, with the Tasmanian businesses able to pursue various business opportunities as a direct result of the conference.

The IAATO meeting and ACY launch received significant media coverage promoting the message that:

- » Tasmania is an international Antarctic hub of expertise
- » Tasmania is the centre of Australia's Antarctic, sub-Antarctic and Southern Ocean science and research activities
- » Tasmanians have a unique historical and contemporary connection with Antarctica.

International Workboat Exhibition 2010 – New Orleans, USA

A market development mission coordinated by the department during November and December 2010 provided an opportunity for three Tasmanian maritime companies to visit the significant North American market. This provided valuable experience and an understanding of opportunities in the New Orleans workboat market, which is a hub for shipbuilding in the United States, and the servicing of oil and gas rigs located in the Gulf of Mexico.

Attendance by Tasmanian enterprises at the International Workboat 2010 Exhibition and associated business meetings was the culmination of four months of planning and direct marketing by the department's Export and Investment Marketing business unit. Marketing assistance focused on coordinating Tasmania's presence at the exhibition, and the facilitation of a business matching program for interested companies. This was the fourth time that a group of Tasmanian companies has exhibited at this trade show.

Business meetings were arranged for participating companies at facilities located in Theodore and Mobile in the state of Alabama.

Tasmanian businesses that participated in the market development mission were:

- » Muir Windlasses Australia (Muir)
- » Liferaft Systems Australia Pty Ltd (LSA)
- » CBG Systems Pty Ltd (CBG Systems).

In addition to participants generating new business leads, individual companies were able to meet existing customers and suppliers in order to further develop business relationships.

In 2009, LSA was successful in securing contracts to supply its Marine Evacuation System (MES) to United States shipbuilders. LSA has secured future contracts as a result of its attendance at the International Workboat Exhibition.

In support of LSA's ongoing business in the United States, it is necessary to establish an LSA-authorized 'service station' for the ongoing maintenance and servicing of the installed MES equipment. During the visit, two prospective service agents were visited and their respective facilities were inspected.

CBG Systems successfully secured supply and fit contracts with shipbuilders in the United States as a direct result of attending the exhibition.

Muir considered this exhibition an excellent venue to establish business contacts for further development and contacts made at last year's exhibition have produced worthwhile sales during 2010-11 with the expectation of further sales over time. The Muir brand is highly regarded and the business continues to build its brand awareness with the objective of having its product specified on refits and new builds.

Investment Ready Workshop

In 2010 the department developed and delivered a one-day Investment Ready Workshop for Tasmanian exporters. Introduced as a pilot initiative, the workshop was intended to enhance participants' understanding of how to expand through various forms of investment, including venture capital, public listing, strategic investment and private equity.

The program content examined the capital-raising process, how to prepare a business case to attract investment, how to value a business, the implications of raising various forms of investment, how to find an investor or strategic partner, how to negotiate an investment deal, and how to maximise value through the business and revenue.

The workshop was delivered by subject-area specialists, Pyksis Pty Ltd, in August 2010 to 14 participants from 12 Tasmanian businesses. The companies were selected from a diverse range of industry sectors on the basis of their appetite for equity investment, ability to demonstrate solid business growth, potential for high growth and their ability to reach export markets.

Two surveys evaluated the effectiveness of the workshop; the first by Pyksis at the conclusion of the day's presentation, and the second by the department some time after the workshop. This evaluation found that, without exception, the participants believed the workshop had contributed significantly to their understanding of the key course elements.

Korea-Australia-New Zealand Broadband Summit

Over 250 delegates from Korea, New Zealand and Australia participated in the 6th Korea-Australia-New Zealand (KANZ) Broadband Summit in Hobart on 28 and 29 April 2011. This was the largest delegation to attend a KANZ Summit since its inception. The Korean delegation of 70 was the largest of any KANZ Summit held outside Korea.

KANZ 2011 was hosted by Senator Stephen Conroy, Minister for Broadband, Communications and the Digital Economy with his counterparts from Korea and New Zealand: the Chairman of the Korea Communications Commission and the New Zealand Minister for Communications and Information Technology. The summit was supported by the Tasmanian Government, the Australia Korea Foundation and Austrade.

The 2011 KANZ Summit assembled industry, research and government representatives who shared insights into their experiences in developing broadband-enabled digital economies and explored potential joint ventures. During the summit topics such as convergence, digital business, digital education, telehealth, broadband policy and digital heritage were discussed.

In conjunction with the summit, a technology fair included exhibitors from each of the three countries, including Samsung, Korea Telecom, Hyundai Uni, CSIRO, National ICT Australia Ltd (NICTA), Dell, Alcatel-Lucent, the New Zealand Government, Roar Film and Equella.

During the summit, Senator Conroy, in conjunction with National Broadband Network Company (NBNCo), took the opportunity to announce Stage Two of the NBN roll-out in Tasmania.

The two-day event used webcast and social network facilities. Videos of the presentations are available for viewing via the KANZ website at www.dbcde.gov.au/KANZ2011.

Korea will host the next KANZ Broadband Summit during the second half of 2012.



Lion (formerly National Foods) Tasmania expansion

In late 2010 and early 2011 Lion (formerly National Foods) undertook a major national review of its Australian cheese manufacturing business. Lion's cheese business had evolved through 10 years of brand and site acquisitions with little or no manufacturing optimisation. The company recognised that to remain efficient and profitable it had to make strategic capital investments in its operations.

The review concluded that operating multiple manufacturing sites was not sustainable, and that investment in leading-edge manufacturing should be focused in one site, preferably Burnie, Tasmania. Lion proposed a significant investment to rebuild its Burnie site, which would take factory capacity from 9 000 to 25 000 tonnes per annum and retain 220 full-time equivalent jobs provided a sustainable, cost-effective waste water treatment solution could be identified and implemented.

Lion, Cradle Mountain Water, and the department jointly commissioned a \$60 000 waste management study by GHD Engineering. The study identified and explored a range of treatment options. It helped Lion confirm its decision to invest \$140 million to expand its Burnie cheese plant, including a \$20 million, on-site plant which will treat waste water prior to discharge through Cradle Mountain Water's Round Hill waste water treatment plant and outfall.

In August 2011, Lion announced the appointment of Pitt & Sherry and Fairbrother Pty Ltd to design and manage construction of the new Burnie factory and King Island upgrades. Construction, which will start in 2012, is expected to create up to 80 jobs.

The specialty cheeses produced at Lion's Burnie plant will help develop Tasmania's brand, while the increased milk intake (from 80 to 160 million litres per annum) will help the dairy industry meet growth targets set out in its 2011-2015 strategic plan.

Liveability Strategy

During 2010, the department developed a draft discussion paper, *Tasmania: a remarkably liveable place*, to identify pertinent strategies/policies, and to consider ways to collaboratively ensure and promote the liveability of Tasmania.

The discussion paper was considered in November 2010 by a Cabinet sub-committee convened by the then Minister for Economic Development, Lara Giddings. Subsequently, an Inter-Departmental Committee was established to develop a liveability strategy for Tasmania, with secretariat support provided by the department's Liveable Places unit. The strategy is scheduled for release at the end of 2012.

Macquarie Harbour expansion

The department, the West Coast Council, the Department of Primary Industries, Parks, Water and Environment and three major salmon and trout-producing businesses – Tassal, Huon Aquaculture and Petuna – have been jointly exploring potential opportunities to expand aquaculture production in Macquarie Harbour.

There is significant unfulfilled demand for salmon and trout in the Australian domestic market, which not only presents a great opportunity for Tasmania's salmon and trout industry but also for the West Coast Council, which is looking for investment for the region.

The goal of Tasmania's West Coast salmon growers for this project is to expand existing salmon and trout farming operations in Macquarie Harbour by 360 hectares in the next year. This will help maximise sustainable production in the harbour, in line with the industry's 2010-2030 strategic plan to double total salmon production in Tasmania by 2030 and to strategically enable ongoing growth in the industry. This would take the total marine farming lease area in Macquarie Harbour from two per cent to 3.3 per cent of the harbour.

The Tasmanian Government is working with the industry to

develop a prosperous and sustainable salmon and trout farming industry in Tasmania, which supports the goals of the state's Economic Development Plan, and at the same time specifically contributes to enhancing the economic and social wellbeing of Tasmania's West Coast community.

The industry is committed to growing in an environmentally and socially responsible manner and has been working with state and local government, stakeholders and researchers to identify any potential impacts associated with the proposed development.

Manufacturing Competitive Environments

The department led a series of Manufacturing Competitive Environments programs throughout 2010-11.

Striving for excellence in all areas of the value stream can help Tasmanian manufacturers, large and small, transform their business and turn ideas and knowledge into internationally competitive products, goods and services.

However, many national and international benchmarking studies have indicated that Australian management is trailing other countries, particularly in relation to small and medium enterprises. Tasmanian manufacturing is further disadvantaged by its small scale and isolation, and generally lags behind mainland Australia in the adoption of best practice.

Tasmanian industry has accepted these findings and has shown readiness to participate in events and programs that lead to improved understanding and application of best practice management required to improve competitiveness.

Department initiatives in 2010-11 included:

- » Insights to Excellence Program, involving targeted two-day visits to national best practice exemplars in collaboration with the Victorian Government, including training workshops, supported by pre- and post-visit e-learning exercises
- » Action Learning projects for manufacturing managers to significantly improve the competitiveness of their participating enterprises, supported by peers and including formal accreditation from a Registered Training Organisation (RTO) and financially supported by Skills Tasmania
- » various public events and workshops with national and international manufacturing experts, industry exemplars and professional organisations. Topics covered included food

industry value chain management, integrating low volume manufacturers with high volume value chains, introduction to carbon-proofing, and energy efficiency

- » introduction to corporate and prime contractors seeking new partners in value chains.

The series of multi-faceted projects assisted Tasmanian manufacturers to commit to ongoing investment in the human capital of their companies to drive improved competitiveness.

The program provided Tasmanian manufacturers with access to internationally recognised expertise in improving competitiveness, and ongoing support for enterprise-level and value chain development efforts to improve competitiveness.

The program responded to specific Tasmanian needs and developed networks across sectors to share information and experiences in improving the competitiveness of Tasmanian manufacturing. Enterprise Connect – an initiative of the Australian Government – partnered with the department on several projects.

Menzies Centre stage two

The second stage of the Menzies Research Institute and University of Tasmania Co-location Project commenced construction during the year as a result of the government's initiative to provide up to \$15 million in assistance to the project.

The new building will house both the Menzies Research Institute and the clinical research facilities of the Royal Hobart Hospital, providing space for up to 200 additional staff on site.

The total cost of stage two of the project is estimated at \$90 million and follows completion of stage one in mid-2010.

The Menzies Research Institute (formally the Menzies Centre for Population Health Research) was formed in 1988 and quickly gained a reputation for its ground-breaking research into Sudden Infant Death Syndrome. From this early work, research has since expanded to focus on both clinical and basic science, enhancing the depth and quality of the research undertaken.

The institute's vision for the future is to continue expanding its research to cover more disease areas, start new projects that are highly innovative, attract more world-class scientists, and increase collaborative links throughout Australia and internationally.

National Broadband Network Industry Assistance Package

The package was established to enable the Tasmanian Chamber of Commerce and Industry, Tasmanian Farmers and Graziers Association, Tasmanian Small Business Council and Tourism Industry Council of Tasmania to raise awareness of the opportunities for business in engaging in the digital economy via the NBN. Demonstration trials of digital economy participation by each peak organisation's constituent business sectors will be undertaken.

In 2010-11 the four organisations formed an alliance called NBN4Business to undertake stage one activities. Seven forums were held in the second half of 2010 and an information website developed.

The completion of stage one has been re-scoped based on feedback and the experience gained from the initial forums that too much focus was on the NBN build and not on the digital economy opportunities. Stages two and three, which include the trials, will be undertaken in 2011 and 2012.

North West and Northern Tasmania \$20 million Assistance Package

In December 2009 the Tasmanian and Australian Governments announced a joint initiative to create jobs and investment across north and north-west Tasmania. The \$20 million stimulus program was established in response to the closure of a number of businesses in the regions.

The package has been delivered through three initiatives:

1. \$17 million for the North West and Northern Tasmania Innovation and Investment Fund administered by the Australian Government through AusIndustry. This program provided companies with grants upwards of \$50 000 for projects targeting new capital investment that would create sustainable new jobs. A total of 35 businesses were successful under this program.
2. \$2.5 million for the Regional Assistance Program – Tasmania (RAP-Tas) administered by the Tasmanian Government. This program provided one-off grants of up to \$50 000 to assist businesses in creating and/or retaining jobs. A total of 52 businesses were successful under this program.
3. \$500 000 to assist with re-skilling redundant workers. This program is administered by Skills Tasmania.



In 2010-11, under the \$17 million North West and Northern Tasmania Innovation and Investment Fund, 30 of the 35 projects were completed, creating 343.5 full-time equivalent jobs. A further 84.5 jobs are expected to be created in the next 18 months. Projects to date have stimulated private investment of more than \$18.6 million.

In 2010-11 RAP-Tas round three approved 23 applications for funding totalling almost \$1.1 million.

Under RAP-Tas, for the period July 2010 to June 2011, 31 grant recipients completed projects resulting in an investment of over \$4 million into the north and north-west and creating 51.3 jobs.

Three of the successful RAP-Tas projects that have been completed are:

1. Bramfleet Transport Pty Ltd was funded \$18 010 to assist with reopening of the Stowport Outpost General Store. This project created two jobs.
2. Dobson's Vegetable Machinery Pty Ltd was awarded \$50 000 to assist with the upgrade of its manufacturing facilities in Ulverstone. This project created three jobs.
3. Hillwood Berry Farm was funded \$50 000 to expand the business by building an indoor tasting and sale area plus cafe. This project created 3.7 full-time-equivalent jobs.

Premier's Mobility Award

The 2010 Tasmanian ICT association's awards event included an inaugural Premier's Mobility Award. This award was intended to inspire future Tasmanian mobile application developers and was only open to students under the age of 25 who were not members of TASICT. The prize of \$5 000 was supported by the department. The winner of the award, Luke Fletcher, developed the mobile application 'Overtime' – a time saving, paperless, intuitive and efficient way to record on-call and call-back details for busy doctors working in the hospital environment.

Pyengana Dairy Company

Pyengana Dairy Company (Pyengana Dairy Co) is located at Pyengana in north-east Tasmania. The business produces whole milk, ice-cream and traditional cloth-bound cheese and also operates a café/restaurant that caters for tourists and passing travellers.

The business is a significant regional employer and currently provides direct and indirect full-time employment for 16 residents in the Pyengana region and St Helens township.

Over the past few years, Pyengana Dairy Co has increased its cheese production capacity to the point that it is now supplying products into the Melbourne and Sydney epicure markets. The company has recently employed a fifth-generation English cheese-maker to manage its expanding interests in this area.

The business supplies its whole milk product range to Coles and Woolworths supermarkets for domestic Tasmanian consumption. As a result of a Regional Assistance Program – Tasmania grant of \$50 000 for pasteurising and separating equipment, Pyengana Dairy Co will soon offer skimmed milk products to the Tasmanian public. This development is expected to directly employ an additional 2.5 full-time equivalent staff at Pyengana and indirectly a further two at St Helens.

Pyengana Dairy Co has invested \$900 000 in three robotic milking machines in order to deliver the raw milk needed to expand its whole milk, skimmed milk and cheese-making operations.

As part of the project to integrate and optimise the robotic milkers into the company's operations, the department and the Break O'Day Council entered into a funding partnership with Pyengana Dairy Co to share the costs associated with an underpass to St Columba Falls Road.

The underpass will allow free movement of the milking herd from pasture to dairy and return without disrupting residential and tourist traffic on the council road. The department approved a grant through the Enterprise Growth Program of \$50 000 towards the capital costs of the project. This development is expected to increase employment at the Pyengana café/restaurant by a further two full-time employees.

Regional Development Australia Fund

As part of its commitment to Regional Australia, the Australian Government has allocated nearly \$1 billion in funding to the Regional Development Australia Fund (RDAF). The RDAF aims to fund projects that support infrastructure needs, and will enhance economic and community development of Australia's regions.

Only local government bodies and incorporated not-for-profit organisations are eligible to apply for funds of between \$500 000 and \$25 million. Delivery of the program is supported by 55 not-for-profit Regional Development Australia (RDA) committees around Australia who are playing a key role in identifying projects to be supported by the RDAF.

The RDAF represents a significant demonstration of recent efforts to better leverage and coordinate Tasmanian, Australian and local governments' and private investments for the long-term benefit of regional communities.

While the Tasmanian Government is not eligible to directly apply to the RDAF, it is a key stakeholder in the regional economic development space. Recognising this, the department took a lead role and assembled a cross-department reference group in order to ensure a more strategic, coordinated and effective whole-of-government view, and to identify and support worthy projects that advance regional economic and community development outcomes.

Round one of the RDAF closed on 13 May 2011, with \$100 million available nationwide across the 55 RDA regions. In Tasmania, 28 applications totalling around \$80 million were submitted in this round.

The Australian Government has advised that due to the large number of applications, the round one assessment process is taking longer than expected, although outcomes are expected in the last quarter of 2011.

Round two of the program will open later in 2011. The department will again work with key stakeholders, including the Australian Government, RDA Tasmania, local councils and other prospective applicants, to maximise the opportunity for Tasmania to achieve good regional outcomes through RDAF funding.

Regional planning initiatives

The department has continued to work in partnership with other agencies and local government to invest in strategic planning that supports and leads to more certainty in investment decisions. Projects have been undertaken at state, regional, subregional and local levels. At a local level, structure plans for a number of East Coast settlements have been completed and will support communities, such as Triabunna, that are undergoing change. The Southern Tasmania Regional Land Use Strategy identified a need to better plan for future industrial land. The department is partnering with the Southern Tasmanian Councils Authority to identify where this future capacity may be found. At a state level the department is also directly facilitating the supply of data that will be used by many councils to better inform industrial land use planning.

As a result of the successful Vision East project the unit has combined with Marine and Safety Tasmania, and the municipalities of Tasman, Sorell, Glamorgan Spring Bay and Break O'Day to develop a strategy to guide future investment, both private and public, in marine infrastructure for the East Coast of Tasmania.

Renewable Energy Loan Scheme

A \$30 million Renewable Energy Loan Fund was announced in the 2010-11 Tasmanian State Budget to help eligible businesses to buy and install renewable energy generation equipment, or manufacture renewable energy components. The title of the initiative has been amended from a loan 'fund' to a loan 'scheme' as the initiative now includes a loan and a grant component.

The Renewable Energy Loan Scheme (RELS) was launched on 14 April 2011.

To reach the greatest number of eligible businesses, the assistance package under the scheme incorporates:

- » a low interest rate loan for up to 70 per cent of the renewable energy project
- » a grant of up to 10 per cent of the project's value (capped at \$100 000 per applicant).

Applicants will need to contribute up to 20 per cent of the project's value, depending on the value of security offered.

Initial interest in the scheme has been positive. A number of projects are likely to be funded during the first full year of operation. Applications will be assessed on a competitive basis. However, approval of loans may depend on the availability of funds.

RELS will be open until 30 June 2014 and is subject to annual review.

Science and Research Expenditure Survey

In 2010, the department surveyed the publicly funded science and research organisations in Tasmania in conjunction with the Antarctic sector survey. This survey provided an up-to-date and comprehensive picture of the size and importance of the science and research sector to Tasmania.

Scientific and research organisations directly employ over 6 000 people. This represents 2.5 per cent of total Tasmanian employment. They paid over \$220 million in wages and salaries to their employees in 2009-10; the average annual salary was \$93 000.

Three organisations make up the majority of the science and research sector in Tasmania: the University of Tasmania, the Australian Antarctic Division, and the CSIRO Marine and Atmospheric Research Division. Together these organisations alone employ over 2 800 people in scientific research activities.

Together, in 2009-10 science and research organisations generated revenue of at least \$357 million for scientific research activities in Tasmania.

Science and Research Sector Strategy and Advisory Committee

The science and research sector generates significant benefits to the state, attracts offshore investment and provides high quality employment opportunities which have led to the establishment of world-acclaimed institutions in Tasmania.

The Tasmanian Government is committed to the strategic development and sustainable growth of the science and research sector in Tasmania. This commitment forms part of a broader strategy for developing the sector itself, so that it remains economically, environmentally and socially sustainable.

A key focus for the Antarctic Tasmania, Science and Research unit of the department has been to develop and implement a Science and Research Sector Strategy. The strategy has drawn on extensive consultations, including the Science and Research Sector Advisory Committee (SRSAC).

SRSAC was established in early 2011 to contribute to the development of the strategy as well as to provide high level advice to government on issues facing the sector.

SRSAC is comprised of representatives from leading research organisations (University of Tasmania, CSIRO and the Australian Antarctic Division) and targeted priority research areas.

The Chair of SRSAC is Dr Graham Mitchell, who is recognised as one of Australia's leading biological scientists.

The strategy:

- » identifies strengths, threats, constraints and opportunities facing the sector
- » articulates a framework for government co-investment in research sector initiatives to provide additional consistency and transparency in decision-making
- » identifies initiatives to support science and research sector growth, as endorsed by various relevant stakeholders.

Social Enterprise Loan Fund

The Social Enterprise Loan Fund (SELF) was launched in December 2010 and has been designed to assist social enterprises to establish, expand or diversify commercially viable ventures, with the principal objective of delivering additional social and economic benefits to the Tasmanian community.



Loan applicants may operate in any sector provided the primary objective is to undertake an income-generating venture that will address barriers to social inclusion.

The department has been tasked with the administration of the SELF program and is currently assisting with the development of three applications.

The SELF is being piloted for 12 months from December 2010, after which the program will be reviewed and evaluated.

Tasmania Now

Tasmania Now is a key initiative through which Tasmania is actively promoted as a remarkably liveable place.

A Benchmark Research Study conducted during September and October 2009 revealed:

- » people have negative perceptions about employment and learning opportunities in Tasmania
- » working-age people have a less positive perception of Tasmania than older people
- » people do not think Tasmania is well connected to and accessible from other major Australian cities.

Tasmania Now (formerly Project Tasmania) was established to provide Australians with a contemporary perception of Tasmania as a great place to live, work and learn, particularly to address the negative perceptions identified by the benchmark research study and to equip Tasmanians and others to advocate for the state.

In order to attract and retain highly skilled, productive and creative people who drive innovation and economic growth,



the *Tasmania Now* website is being developed with interactive multimedia and information to promote the state's liveability advantages.

Through *Tasmania Now* the department collaborates with other government agencies, local government and business groups to promote Tasmania.

Through the *Tasmania Now* program, the Brand Tasmania Council was granted funding of \$470 000 to encourage Tasmanian enterprises to leverage the Tasmanian brand to increase export sales and to improve the recognition of Tasmania in key national and international markets.

Tasmanian Active Honey Group

The department worked with a group of Tasmania's major commercial honey producers and packers to assess market opportunities for Tasmanian active Manuka honey and opportunities for the industry to collaborate to access the market for higher value active honeys and other apitherapy products.

As a result the Tasmanian Active Honey Group was formed to diversify into active honey and other apitherapy products. A collaborative approach provides a real opportunity for the industry to significantly increase its overall value resulting in greater employment, investment and export activity.

Departmental assistance was provided to the group in areas such as branding, intellectual property, governance, quality assurance, international marketing and strategic planning.

The development of active honeys in Tasmania is a relatively new endeavour for the industry and offers considerable potential.

There are also potential long-term benefits to the Tasmanian Leatherwood brand which could have a positive impact on the wider honey industry.

Tasmanian Leaders Program

The fifth Tasmanian Leaders Program commenced in February 2011, ensuring that we continue to recognise and nurture those individuals who will lead Tasmania to a strong future. This intake involved 24 participants, comprising nine from the private sector, ten from the government sector and five from not-for-profit organisations, and included a diverse representation, with more than half the participants coming from the north and north-west of the state.

Tasmanian Renewable Energy Industry Development Board

In late 2009, the Tasmanian Government asked the Tasmanian Renewable Energy Industry Development Board to develop and recommend a renewable energy strategy for Tasmania.

The board considered specific matters referred to it by the government and consulted widely with government, industry and research organisations and experts, both individually and through two major strategic workshops held in April and November 2010.

The board delivered its advice in June 2011 around five key themes:

1. envisaging Tasmania as the 'Renewable Energy State'
2. promoting development of 'utility scale' wind energy projects, and in the longer term, possibly wave/tidal, geothermal and biomass technologies
3. promoting development of 'site scale' distributed/embedded generation projects including wind, mini-hydro, solar and biomass technologies on farms, mines and some commercial structures
4. promoting renewable energy research, development and demonstration
5. assessing the potential to fuel Tasmania's economy with renewable energy including the possible commercial scale introduction of electric vehicles and biofuels and leveraging further value from our renewable energy brand.



The emerging national policy agenda, advice from the board and the findings of Electricity Supply Industry Review (scheduled to report in December 2011) will all inform the Tasmanian Government's strategy for developing the sector. Policy and priorities for implementation will be determined by the Tasmanian Government and implemented via the state's Economic Development Plan.

Projects informed by the board's early advice and assisted by State Government contributions in 2010-11 include a Tasmanian Government contribution toward Hydro Tasmania's three-year, \$40.9 million program of innovative power generation, storage and system integration technologies and the government's \$30 million Renewable Energy Loan Scheme.

Wealth from Water pilot program

The Wealth from Water (WfW) pilot program, which was announced in 2010 as part of the Tasmanian Government's Innovation Strategy, aims to reduce the potential production, financial and environmental risks from large-scale irrigation development by providing quality information to assist farmers in making business decisions.

The program is led by the Department of Primary Industries, Parks, Water and Environment in collaboration with the department and the Tasmanian Institute of Agricultural Research (TIAR). The Tasmanian Farmers and Graziers Association and Tasmanian Irrigation Pty Ltd are represented on the program's steering committee.



Wealth from Water was allocated \$750 000 in 2010-11 to start development work in the Meander Valley on soil and climate mapping, enterprise suitability and the development of market and business information tools. This work will be extended in 2011-12 to include an additional 25 000 hectares in the Meander Valley Irrigation Area and 25 000 hectares in the Midlands Water Scheme area.

Outputs from the program will provide farmers and agribusinesses with the decision-support tools they need to confidently invest in irrigated agriculture in Tasmania, and to move to higher value production. These tools comprise three integrated components:

1. Land and climate assessment – using existing and new soil samples plus localised climate data to map the attributes of agricultural land. This is being led by the Land Conservation Branch within the Department of Primary Industries, Parks, Water and Environment
2. Enterprise suitability – developing a set of rules for growing and documenting optimal conditions for the production of different high-value enterprises (crops and livestock). This component, involving agricultural research, development and extension services, is being led by TIAR
3. Market and business information tools – developing and presenting information on fresh produce markets, including how they operate, how to investigate opportunities, the requirements of the market and different supply models. This component also includes market research on a select range of enterprises identified as having potential through the overlaying of soil and climate data with enterprise suitability rules. The department is the lead department for this component.

Tourism



Event development and the Australian Wooden Boat Festival

Tourism Tasmania, through Events Tasmania, developed and maintained a portfolio of events that provide a focus for international, interstate and intrastate visitation around Tasmania. A leading example of long-term strategic planning and support aimed at encouraging event development was the evolution of the Australian Wooden Boat Festival.

The inaugural Australian Wooden Boat Festival was staged in November 1994. The festival was held over a weekend and showcased 180 wooden boats. In February 2011, over 500 wooden boats of all shapes and sizes came together on Hobart's historic waterfront for the ninth festival with a record attendance of over 100 000 spectators.

For the first time, the 2011 Australian Wooden Boat Festival was an open-gated, whole-of-waterfront festival. The festival was held over four days and the site was almost double the size of previous years, taking up the entire Hobart waterfront including Princes Wharf Shed No. 1.

Princes Wharf Shed No. 1 was an ideal venue for the maritime marketplace – a collection of booths and displays offering Tasmanians and visitors a one-stop-shop for all things boating. The larger waterfront facility not only provided a backdrop for Japanese and Indonesian maritime villages but also increased the available space to showcase local wooden-boat-related tours, businesses and sales.

Today the Australian Wooden Boat Festival has emerged as Australia's premier wooden boat festival and is the biggest maritime event of its kind in the southern hemisphere.

Oprah Winfrey

In 2010, Tourism Tasmania recognised a unique marketing opportunity with the visit to Australia by the Oprah Winfrey Show. Tourism Australia and Qantas approached Oprah Winfrey's production company to travel to Australia to shoot segments for the 25th and final season of the show. As a result the production crew and 300 audience members spent seven nights in Australia.

Although only Victoria, New South Wales and Queensland were included in the itinerary for the audience component of the event, Tourism Tasmania negotiated a visit by a group of six audience members accompanied by Gayle King, commentator and close associate of Oprah, to shoot segments for the show. Tourism Tasmania developed itineraries to showcase all parts of the island. A total of 31 Tasmanian businesses supported the visit.

Oprah's Ultimate Australian Adventure was screened in the United States early in 2011 and featured a two-minute and thirty-one second segment on the Tasmanian visit in the first of the four episodes. In addition, several segments from around the state were shown during the remaining episodes. The first program achieved the highest rating of the series when aired in Australia with 1.8 million viewers. The same program, when aired in the United States, attracted 9.7 million viewers. The series attracted an estimated total of 40 million viewers worldwide with the show airing numerous times in 147 countries. The media value of the Tasmania segment in the United States alone was around \$2.29 million.

Oprah's website had links to the itineraries of the audience visitors to Tasmania, as well as to video from the show and additional information on Tasmania. The website receives over seven million visits each month.

Regional tourism review

In early 2010, Tourism Tasmania and the Regional Tourism Associations initiated a review to identify how Tasmania's tourism industry stakeholders could work together to create effective partnerships, shared goals and make the best use of available resources.

Two related but independent processes also commenced after the review's initiation. A Zone Marketing Evaluation began in 2010 to evaluate Tourism Tasmania's Zone Marketing Program and provide recommendations for future improvement.

The other project, the Sustainable Local Tourism Associations project, was initiated by local governments in the south of the state through the Southern Tasmanian Councils Authority. The project aims to develop a three-year action plan to create a stronger network of Local Tourism Associations in the south with the support of local councils.

Together, these three projects – along with further industry input – have contributed to the development of a new approach to regional tourism in Tasmania, to be implemented in 2011-12, which will deliver improved tourism outcomes throughout the state. The implementation is expected to take up to 12 months.

'Secrets Revealed' marketing campaign

Tourism Tasmania's *Secrets Revealed* marketing campaign was active from 25 September to 1 December 2010 with the aim of increasing domestic travel to Tasmania as well as intrastate travel. The campaign complemented Tourism Tasmania's ongoing year-round online and digital marketing activity and was later extended to include the New Zealand market. Tourism Tasmania's total spend of \$750 000 delivered over \$3.5 million in marketing value over the campaign, promoting Tasmania and Tasmanian holiday packages through distribution and media partnerships and published editorial.

Tourism Tasmania based the campaign around the notion of local secrets. Tourism Tasmania designed the campaign to present the variety of experiences available to visitors through the eyes of Tasmanian locals, highlighting secret places and experiences that only a local would know.

To drive the campaign, Tourism Tasmania produced a 16-page, full-colour booklet of editorial and holiday deals and distributed the book as an insert in the *Sydney Morning Herald*, *The Age* and *The Sunday Mail*. A Tasmanian version of the booklet featuring a variety of local offers was also produced to encourage intrastate travel and was distributed as an insert in *The Mercury*, *The Examiner* and *The Advocate*. A total of 1.2 million booklets were distributed nationally and intrastate through the press, reaching an estimated readership of 2.7 million.

Distribution partner for the campaign, Qantas Holidays, also distributed 100 000 copies of the booklet throughout its own network of retail outlets. Qantas Holidays bookings subsequently resulted in over 1 100 passengers visiting the state and stay more than 1 200 room nights. As well as Qantas Holidays, Tourism Tasmania worked with distribution partners Expedia, TravelPoint, Total Travel Yahoo!7, Jetstar, Webjet and Flight Centre, all of which featured Tasmania from August to November.

Digital engagement is an important component of Tourism Tasmania's marketing campaigns. In addition to the booklet, Tourism Tasmania used a range of online strategies including an online paid media component. As a result, Travelpoint Holidays – the partner for this strategy – received 969 bookings for 1 761 room nights. Sales for November 2010 increased 9.9 per cent compared to the same period in 2009.

Tourism Tasmania also partnered with AA Travel, House of Travel, Tourism Australia and Pacific Blue to promote Tasmania in the New Zealand market. The New Zealand campaign used the style and branding of the *Secrets Revealed* campaign, making it the first time a domestic campaign has been adapted and applied to an international market.

Tourism 21: 2011-2013

Tourism 21 is a joint strategic business plan, agreed by Tourism Tasmania and the Tourism Industry Council Tasmania (TICT), that aims to improve the performance and structural efficiency of Tasmania's tourism industry.

The plan is based on an agreement established more than a decade ago between the Tasmanian Government and TICT to deliver the leadership and direction necessary to achieve long-term goals for the growth of tourism in Tasmania. The original agreement set 10-year goals for Tasmania's tourism industry, goals that have largely been met. In 1997, Tasmania's interstate, international and local travellers spent around \$1.1 billion a year in Tasmania. Today, this has grown to around \$2.3 billion.

The most recent version of the plan, *Tourism 21: 2011-2013*, sets new 10-year goals. Based on current growth of 4.4 per cent a year, Tasmania can expect to see local, interstate and international visitors spend \$3.4 billion every year in Tasmania by 2020. A more ambitious 'industry potential goal' sets a target of \$4.4 billion by 2020.

As well as setting goals and benchmarks to measure the plan's success, *Tourism 21* also identifies the challenges and opportunities that must be addressed if Tasmania's tourism industry is to achieve the more aspirational goal. These challenges include addressing a shortage of accommodation in key locations around the state and supporting Tasmania's tourism businesses to establish an online presence so they can benefit from the new communication technologies that visitors now use to plan and book their travel needs.

Tourism 21 has demonstrated its value in achieving its stated goals; however, its real value is in establishing a long-term partnership between the industry and government to grow the state's tourism industry. Only through cooperation and partnerships like *Tourism 21* can Tasmania continue to build a prosperous and sustainable tourism sector.

Sport and Recreation



Providing leadership and developing sport

Sport and Recreation Tasmania (SRT) provided a number of leadership projects and programs to develop sporting organisations. These included:

- » strategic planning sessions for seven sporting clubs, which focused on developing good governance and volunteer management structures, and developing the capacity of sporting clubs to respond to contemporary membership and community needs
- » a sports administration forum delivered in partnership with executives from the Hawthorn Football Club during the Australian Football League's *Community Camps* week in February 2011. Representatives from 30 state sporting organisations attended the forum, which focused on leadership, sponsorship and community engagement strategies
- » a forum for representatives from state sporting organisations, *Cybersafety Outreach – Internet Safety Awareness*, which was delivered in partnership with the Australian Communications and Media Authority. Information and resources on issues associated with online social networking, including cyber-bullying, sexting and digital footprints were provided
- » continued implementation and promotion of *Play by the Rules* in Tasmania. Nine state sporting organisations implemented the program within their affiliate associations and clubs. By implementing and promoting *Play by the Rules*, SRT is improving the capacity of state sporting organisations and clubs to raise awareness of ethics in sport and equipping clubs with strategies to ensure they provide safe, fair and inclusive sporting environments.

Sport and recreation for people with disability

Tasmanian Sport and Recreation Framework for People with a Disability

The *Tasmanian Sport and Recreation Framework for People with a Disability*, developed by SRT in 2009, provides direction for a strategic and collaborative approach, ensuring an increasing number of opportunities is available to people with disability.

SRT is implementing strategies in the four priority areas of capacity building; collaboration; accessibility; and information, awareness and promotion.

Disability Sport and Recreation Committee

SRT has been working with the Disability Bureau within the Department of Premier and Cabinet to establish a sub committee of the Premier's Disability Advisory Council. The Disability Sport and Recreation Committee will advocate for, and advise on, disability sport initiatives and monitor the implementation of the framework's strategies.

Sports Ability hubs

Sports Ability is an inclusive games program developed to encourage people with disability to get involved and participate in sport and active recreation. The program is delivered at accredited program hubs, which provide a venue for people of all ages and abilities to participate in sport and structured physical activities in a safe, inclusive and fun environment.

Three hubs have been developed in Tasmania: Unigym Hobart, Unigym Launceston and YMCA Glenorchy. A hub in the north-west will be developed in 2011-12.

SRT is working with disability service providers to encourage participation in Sports Ability activities at hubs on a regular basis.

Disability Sport and Recreation Network Forums

Disability Sport and Recreation Network Forums are held twice annually. Forums are attended by state sporting organisations and disability service providers to establish a platform for the two sectors to engage and to encourage greater participation of people with disability in sport and active recreation.

The inaugural forum was held in Hobart in November 2010.

Gearing Up Expos 2011

Gearing Up Expos were held across the state in 2011, with events conducted in Launceston (14 April), Burnie (12 May) and Hobart (14 July). The expos showcased education, training, employment and recreational options for people with disability or ongoing health conditions.

The expos promoted sport and active recreation opportunities for Tasmanians, including demonstrations of Sports Ability activities and hubs, through the involvement of SRT, Cricket Tasmania, Football Federation Tasmania and Bowls Tasmania.

Tasmanian Institute of Sport (TIS) highlights

- » Eddie Ockenden won hockey gold at the Commonwealth Games in Delhi and the 2010 Champions Trophy.
- » Amy Cure won three gold medals at the cycling junior track world championships in Italy in August 2010.
- » Tasmanian rowers enjoyed medal-winning performances at the world championships in New Zealand in October and November 2010, with seven Tasmanian athletes featuring in the medal tally.
- » The TIS Sports Performance Unit performed 1 091 tests on athletes, totalling 1 364 hours in total.
- » The Silverdome hosted a number of events attracting over 1 000 patrons. These events included:
 - » 2010 Tasmanian Dancesport Championship
 - » DIY Woodworking Show
 - » Tasmanian Special Children's Christmas Party
 - » Watchtower Circuit Assembly
 - » State Track Cycling Titles

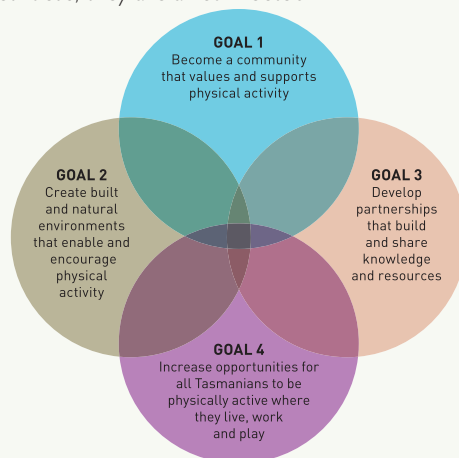
- » Launceston City Cycling Club Christmas Carnival
- » Targa Tasmania – 20th Anniversary
- » National Lions Convention
- » Tasmanian Craft and Quilt Fair
- » In June 2011 seven TIS staff relocated from Wirksworth House at Bellerive to office space at the Tasmanian Technopark. TIS athletes in southern Tasmania now have access to a testing laboratory and new strength and conditioning facilities.

Tasmania's Plan for Physical Activity 2011-2021

On 16 February 2011, the Premier of Tasmania, Lara Giddings, launched *Tasmania's plan for physical activity 2011-2021*.

This long-term plan, prepared by the Premier's Physical Activity Council in consultation with many other Tasmanians interested in physical activity, sets a unifying direction and framework for action.

The vision of this new plan is that 'all Tasmanians experience and enjoy the many benefits of regular physical activity'. To make this vision a reality, there are four goals and, while each has its own distinct focus, they are all connected.



While it is anticipated the goals will remain fixed over the 10 years, strategies and tasks are likely to change in response to new opportunities and challenges. To ensure *Tasmania's plan for physical activity 2011-2021* remains relevant, useful and practical, it will be separated into a series of three-year implementation

plans, annual action plans, and routine processes for monitoring and evaluating progress.

Tasmania's plan for physical activity 2011-2021 sets two ambitious targets for the year 2021. One is a 10 per cent increase in current physical activity levels; the other is to collect and share 1 000 success stories from Tasmanians about the positive difference regular physical activity is making to their lives. The stories will be publicised throughout the state to help inspire and encourage all Tasmanians to participate in regular physical activity.

Tasmania's plan for physical activity 2011-2021 is a long-term plan for all of Tasmania. It is for anyone involved in physical activity, whether as a participant, promoter, provider, researcher, policy maker or funder. By working together, physical activity levels in Tasmania can be improved in order to make a lasting difference to the enjoyment of life for all Tasmanians.

Trails and Bikeways Program

The department administered the final round of the three-year, \$4 million commitment to the Trails and Bikeways Program. Through the program, \$3.7 million was committed as grants, which resulted in over \$10.4 million in trail and bikeway development in Tasmania.

These projects included over \$4.8 million in contributions from local government, community groups and private investment, as well as leveraging over \$1.8 million in Australian Government investment.

Thirty-four individual projects were funded around the state, resulting in the development of approximately 140 kilometres of trails and bikeways.

The Tasmanian Mountain Bike Plan and other strategic resources were also developed under the program.

Data from the Exercise, Recreation and Sport Survey 2010 reveals that walking and cycling have very high participation rates in Tasmania – 38.4 per cent and 11.1 per cent respectively. Both are experiencing strong growth, with walking participation increasing by 26 per cent and cycling participation increasing by 63 per cent since 2001.

The program has been an important initiative in responding to these participation trends and achieving the overarching vision of SRT, that of *all Tasmanians participating in sport, recreation and physical activity as part of their everyday life*.

Arts



Arts Industry Development

ARTBIKES

ARTBIKES is a free bike-borrowing service based in Hobart and is a celebration of the city and its creative industries.

Delivered by arts@work in partnership with the Hobart City Council, and with the assistance of the Tasmanian Museum and Art Gallery and the Royal Automobile Club of Tasmania (RACT), ARTBIKES offers locals and visitors an alternative, environmentally friendly mode of transport to access Hobart's arts precincts and galleries.

ARTBIKES is also supported by the Tasmanian Government's Climate Change Office through its ClimateConnect grant program.

Inspired by other successful international bike-sharing services, ARTBIKES is unique in that it has been developed specifically to service the arts and cultural sector, enabling locals and visitors alike to easily access Hobart's dispersed arts precincts and galleries.

ARTBIKES are available from two collection points – Arts Tasmania, 146 Elizabeth Street, Hobart and the Tasmanian Museum and Art Gallery, 5 Argyle Street, Hobart. Bikes are available seven days a week between 9:30 am and 4:30 pm. Borrowers are required to return the bikes on the same day they are collected.

Borrowers are provided with a helmet, lock and touring map to start them on their way. All of the arts experiences included on the ARTBIKES map have been accredited through a tourism and arts selection process to ensure a quality experience for visitors.

The RACT provides ARTBIKE users with a free Bike Assist service and can be called any time to help with punctures, mechanical faults or damage.

To give ARTBIKE users a safe place to secure their bikes when exploring the city and its surrounds, Hobart City Council, through its Public Art Program, commissioned local architect and urban designer Ken Betlehem to design a unique solution in the form of figurative Bike Hubs. These laser-cut silhouettes are works of art in themselves – with names like Dazza, Gazza, Bazza, Charlie, Ruby, Ez, Fred, Edie and Jo, they are happy to act as 'human bike-locks' and are strategically placed about the many arts precincts in Hobart.

During the first 48 days of operation, 250 ARTBIKES were used by interstate, international and intrastate visitors. Interstate visitors used 152 bikes, international visitors hired 47, and 51 were used by local and intrastate hirers. The feedback from ARTBIKE users has been overwhelmingly positive. The project has also generated favourable local and national media coverage.

An innovative cultural tourism project, ARTBIKES is also an example of collaboration between Tasmanian Government departments, state and local government, the Tasmanian Government and the private sector, and between the Tasmanian Government and the tertiary sector.

The ARTBIKE service, along with its accompanying public art works, reinforces Hobart as a place that puts people at its heart by encouraging activity, pedestrians, cyclists and movement beyond cars and reinforcing the city's inherent liveability.

Artist in Residence program 2011

The Artist in Residence (AIR) program was developed by arts@work in partnership with the Australia Council for the Arts.

In May 2008, the Australian Government announced that \$5.2 million would be made available over four years for artists to work in partnership with teachers to bring the benefits of creative practice to students in Australian schools and universities.

The AIR program objectives aim to provide pathways for artists to connect their practice to young people, and for artists to inspire, reconnect or introduce teachers to new ideas and approaches. It offers students, staff and the school community exposure to professional artists and their work and the chance to learn specialised skills through watching and working with the artists.

Successful artists undertake a program of professional development that supports their residency, including a schools induction, supervision and support from appointed school staff, access to other artists working in similar settings and an artistic mentorship to support their development in tandem with their residency program.

The AIR program 2011 was offered to professional Tasmanian artists or arts organisations to take up residence in five selected Tasmanian high schools and one district school (K to 12) through first term (February to May) in 2011.

Six residencies took place across the state:

1. Jason Bakes

Jason Bakes is an emerging dance artist working primarily in hip hop and popular dance. Through his residency at Brooks High School, Jason provided a range of workshops for students which were highlighted by the regular open lunchtime session for the school community.

2. Sonja Hindrum

Sonja Hindrum is an established textile and glass artist with a focus on incorporating new technologies into costumes and wearable art. Through her residency, Sonja was interested in working with text and incorporating the theme of communication into her work with the students at Queechy High School. Her research has resulted in the development of a 'talking skirt'.

3. Nancy Mauro-Flude

Nancy Mauro-Flude is an established emergent technologies artist who works primarily with electronic sculpture. Nancy offered students at Montrose Bay High School workshops in simple electronics and the use of emergent technologies in art and design. Nancy worked in an open studio allowing students to witness the development of a work towards a public exhibition at the Tasmanian School of Arts' Plimsoll Gallery.

4. Christian Parr

Christian Parr is a versatile circus professional with over 15 years of experience. Christian has a particular interest in juggling and social circus. Through his residency, Christian shared these skills with both students and teachers of Burnie High School through a 10-week social circus program that culminated in a final performance for the community.

5. Fred Showell

Fred Showell is an emerging composer, performer and producer with extensive experience in song writing and recording. Fred's residency at Devonport High School focused on writing new material and working collaboratively with students to create new works of music.

6. Nick Hobbs and Freya Sant

Nick Hobbs and Freya Sant are collaborative developing artists who work with visual performance and movement-based performance. Their joint practice encompasses drawing, performance, visual arts education and community development. While at Mountain Heights School in Queenstown, Nick and Freya explored and responded to the concept of transformation with the students through local stories, media, performance and drawing.

For more information about the AIR program visit: www.artsatwork.com.au/air

Arts and Disability

The purpose of the Arts and Disability Program is to develop strategies to address the four key focus areas of the National Arts and Disability Strategy released by the Cultural Ministers' Council in late 2009, particularly focusing on access and participation, capacity-building and quality arts outcomes.

Work has begun on an Arts and Disability Community Engagement Strategy to meaningfully engage with the arts and disability sector with the goal of developing an Arts and Disability Program Plan over four years.

Arts Tasmania employed two part-time Arts and Disability Program Officers in December 2010 to roll out an Arts and Disability Program. One Program Officer is based in Hobart; the other is based in Launceston.

Arts and Disability Program Officers are members of the Arts Access Australia National Policy Network and National Arts and Disability Strategy Steering Committee.

Program officers will be consulting with the arts and disability communities to further Tasmania's progress towards the goals of the National Arts and Disability Strategy as well as the Tasmanian Government's Disability Framework for Action.

The Arts and Disability grant program 2012 application toolkit included a preamble which acknowledged the social model of disability and the spirit of a rights-based social policy agenda, as outlined in the Disability Framework for Action. This was an important policy statement and showed leadership in Arts Tasmania's work in the disability arts area.

During 2010-11, the Arts and Disability grant program was advertised and administered for projects and programs commencing in 2012 with announcements made to successful applicants in late August 2011.

Attracting approximately 32 applications from individuals living with disability, as well as a number of arts and disability organisations, 13 projects were granted funds from a total pool of \$140 000.

A number of projects were supported, including two by Launceston-based organisation Interweave, which received \$39 272 to support Access Arts Link, a studio-workshop program; and a new project, Bodyscapes, a six-month creative development program working with able-bodied dancers and those with disability.

Other funding highlights included \$28 181 to integrated performance group, Cosmos Inc to fund a tour to New Zealand for the Second Echo Ensemble, and funding granted to individual artists, including furniture designer Duncan Meerding and painter Jonathan Barnard.

COLLECT Art Purchase Scheme

The COLLECT Art Purchase Scheme was launched by the Tasmanian Government in November 2008. The scheme was implemented to develop the export of Tasmanian art across the country, encourage new art collectors and support the careers of Tasmania's visual artists.

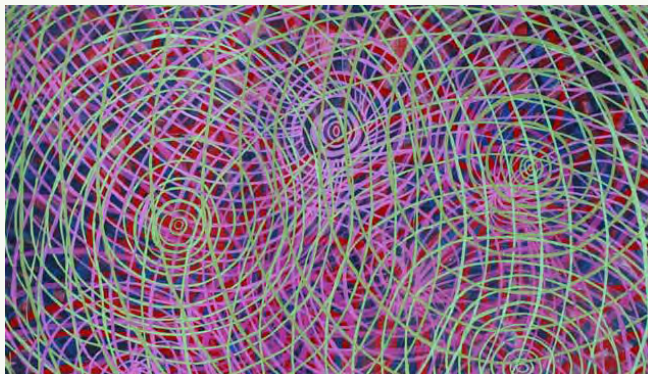
The COLLECT Art Purchase Scheme offers interest-free loans for the purchase of contemporary artworks by a living Tasmanian artist. The scheme is open to all Australian residents and can be accessed through 15 participating galleries around the state. The COLLECT Art Purchase Scheme can be used to purchase original Tasmanian paintings, photographs, sculptures, furniture, jewellery, drawings, glasswork, textiles, metalwork, ceramics and new media. Commissioned works are also eligible.

Participating galleries can advise purchasers as to whether works fit the scheme's guidelines, which include a minimum retail price for works of \$400 to a maximum of \$10 500. Loan applications are lodged online and can be for amounts between \$750 and \$7 875. This enables the purchase of multiple smaller works or a larger, more significant work, provided purchasers are able to fund the outstanding amount over the loan cap. Loans are repaid in equal instalments over 12 months. Applicants may have only one active loan at a time.

By 30 June 2011, 585 COLLECT applications had been received, resulting in 559 art collectors being approved for the sale of 673 individual artworks by 165 Tasmanian artists. As a result, a total of \$1 644 273 has been administered in loans over the duration of the scheme, with \$770 956 already repaid.

COLLECT has given 419 Tasmanian art collectors the ability to purchase original artworks by living Tasmanian artists. On average, 75 per cent of loans have been to Tasmanian residents, with the remaining 25 per cent going to interstate residents, enabling the export of Tasmanian artworks to a national audience.

For more information about the COLLECT Art Purchase Scheme visit www.collect-art.com.au



smart map tasmania

Launched in October 2010, *smart map tasmania* enables arts enthusiasts and visitors to Tasmania to access up-to-date information on over 100 of the state's best arts experiences, as well as customising their own arts itinerary to enjoy during their travels.

Comprehensive and easy to navigate, *smart map tasmania* is a database-driven, interactive mapping website that allows users to conduct searches based on region, arts sector and art form, and includes craft and design; literature; museums and collections; music; performing arts; visual arts; and Aboriginal art and craft.

Every arts experience listed is featured on a detailed information page, including contact details, exhibition programs, performance dates and available facilities. Search results are displayed as both pinpointed locations on an interactive map, and a convenient text listing. Search results can be saved to a wish list, printed out as an itinerary or retrieved at a later date via an email link.

smart map tasmania aims to:

- » develop a new cultural tourism product that will build Tasmania's brand
- » deliver a curated and authoritative go-to information source that is recognised and valued locally, nationally and internationally



- » promote approved, quality, professional Tasmanian arts experiences
- » make it easier for visitors and residents to find out about arts experiences from an authoritative and curated source
- » encourage the increased number of arts-interested visitors to stay longer, extend their travels outside Hobart and engage with Tasmanian art
- » secure gains for Tasmanian artists by attracting increased visitor numbers (and therefore income) for our arts experiences
- » respond to a critical need articulated by the Tasmanian arts industry
- » generate a return for Tasmanian artists from the culturally motivated travel that has resulted from the opening of MONA (the Museum of Old and New Art)
- » promote the COLLECT Art Purchase Scheme
- » promote the ARTBIKES project.



Screen Industry Development

Development and release of the five-year strategic plan

In July 2011, the Premier and Minister for the Arts, Lara Giddings, launched the Screen Tasmania five-year strategic plan. *Through the Lens to 2016* was developed following extensive consultation with the Screen Tasmania Board, industry and stakeholders.

The five-year strategic plan and vision for the industry outlines how Screen Tasmania, working closely with the Tasmanian screen industry, will navigate growth, change and opportunity over the next five years. The plan has four key objectives: quality and innovation; growth and sustainability; promotion and participation; and performance and accountability. Key focus areas include maximising opportunities in the rapidly changing media landscape and increasing production activity in Tasmania.

International feature films

The 2010-11 financial year saw three major feature films receiving Screen Tasmania support at different stages. The Australian/Canadian co-production, *Arctic Blast*, received support for its theatrical release, with its producer and one of the stars appearing at three December preview screenings around the state.

The movie received significant media coverage on the back of this launch and played on the big screen in Tasmania for several weeks. It also rated very highly in several European territories, including being seen by a television audience of 2.5 million in Spain.



In October and November 2010, Porchlight Films' *The Hunter* was filmed in Tasmania and achieved significant levels of nationwide exposure. Tourism Tasmania is working with the producers on a campaign that will promote the film and the Tasmanian wilderness, which is featured throughout.

In May and June 2011, a multi-million dollar romantic comedy, *Goddess.com*, was shot, with much of the film being set in Tasmania. While the majority of the filming was undertaken in studios on the mainland, several exteriors were filmed in Tasmania. Overall, the film will significantly expose Tasmania to international audiences.

Local productions on screens worldwide

Several Screen Tasmania projects featured on screens worldwide during 2010-11. Catherine Pettman, Lucien Simon and Nathan Spencer's short drama, *Stripped Bare*, won Best Picture in the National Open Award category at the Canberra Film Festival, beating a field of 400 other entrants. It was also selected for Flickerfest and toured Australia as part of the festival's 20th anniversary.

Big hArt's production, *Drive*, was made with young men on the north-west coast of Tasmania to help understand why road crashes are the biggest killer of young men aged between 18 and 25. The film screened nationally on ABC television in March 2011; it received a large amount of praise and was viewed by 252 000 people on its first screening. It has since been re-screened on ABC2 and ABC iview.

The short gothic drama, *The Room at the Top of the Stairs*, was screened at the Los Angeles New Wave International Film Festival, winning an Honourable Mention.

Blue Rocket Productions' website for *My Place* part 2 went live in June 2011 and the second series of the Logie Award-winning show aired nationally on ABC3.

New funding programs, guidelines and terms of trade

In consultation with the film industry, Screen Tasmania developed new funding programs, guidelines and terms of trade to better align Screen Tasmania funding with the direction outlined in the strategic plan. New, specialised funds were developed and the guidelines and eligibility for others were tightened or shifted.

Two of these programs – the Digital Media Fund and the Factual Entertainment Initiative – will provide targeted funding to support two of the elements of the strategic plan: the development of high-quality, innovative digital content and the relative sustainability of developing series content for television.

Support for the Tasmanian screen industry through development and production investment

In 2010-11, Screen Tasmania provided a total of \$806 581 to the screen industry through four major funding streams:

1. production investment (\$481 000 for five projects)
2. project development (\$153 548 for 19 projects)
3. practitioner development including travel, attachments and training courses (\$35 793 for 22 individuals)
4. special initiatives and industry and cultural development to fund film festivals, conferences and screen organisational funding (\$47 344).

Wide Angle Tasmania was supported with \$60 000 through the Industry and Cultural Development Program. This resulted in a number of workshops, seminars, master-classes and professional development initiatives aimed at assisting emerging screen practitioners.

In 2010-11, Industry and Cultural Development grants and sponsorships totalled nearly \$29 000. These supported four organisations and events including the inaugural Breath of Fresh Air (BOFA) Tasmanian Film Festival.

Tasmanian Museum and Art Gallery

Awards

TMAG was recognised by the Australian Business Arts Foundation (AbaF) and the Tasmanian Tourism Awards in 2010.

TMAG's partnership with the Federal Group was awarded an AbaF Partnering Award in the AbaF Awards for Tasmania. The annual AbaF Awards honour the best partnerships between business and the arts. The partnership with the Federal Group has enabled TMAG to secure collection items of national significance, including the John Glover painting *Mt Wellington and Hobart Town from Kangaroo Point*, and to purchase treasures including the Thylacine Rug and the Hamilton Inn Sofa. In return, the Federal Group has gained opportunities to highlight its Pure Tasmania brand, including thylacine galleries at properties in Strahan and Cradle Mountain.

TMAG was also awarded the Major Tourist Attraction Award at the 2010 Tasmanian Tourism Awards. This prestigious award recognises TMAG's success in attracting and engaging visitors and the advanced level of customer service they are afforded. As the Tasmanian winners of these awards, TMAG was shortlisted for the national AbaF Awards, and the national Qantas Tourism Awards.

Exhibition program

TMAG has continued to present a varied series of temporary exhibitions. Although permanent exhibitions have been reduced due to the preparations for stage one of TMAG's redevelopment, the temporary exhibition program provided a showcase for TMAG's unique collections as well as incorporating a focus on contemporary art, including new acquisitions.

The State Collection was featured in a number of exhibitions which demonstrated the breadth of the collection and some of its highlights both old and new. *C20: 100 years of Australian art from the TMAG collection* was TMAG's centrepiece exhibition, featuring art and decorative arts from throughout the 20th century. *C20* was complemented by *Tasmanian Painting*, which featured contemporary works by some of Tasmania's most significant artists. *Markree Treasures* provided a preview of some of the more interesting pieces from the Markree collection in advance of the opening of Markree House Museum and Garden in June 2011, and *Colonial Silver 1835–1850*, a new permanent display of decorative arts, was installed to complement the artworks in the Colonial Art Gallery.



Contemporary Tasmanian art was a strong theme of the temporary exhibitions program. *Near and far: Tasmanian art* presented the first artworks purchased using funds from the Contemporary Tasmanian Art Acquisition Fund. This theme continued with the commencement of the *Star/Dust* series of contemporary art installations which were presented with the support of Detached Cultural Organisation.

Tayenebe, TMAG's exhibition of Tasmanian Aboriginal women's fibrework, continued its national tour, visiting Canberra, Brisbane and Sydney. TMAG was also the recipient of the Australian War Memorial's touring exhibition *This company of brave men: The Gallipoli VCs*, which toured nationally to mark the 95th anniversary of the Gallipoli campaign.

Markree House Museum and Garden

Markree House Museum and Garden (Markree) was opened in June 2011 by the Premier, Lara Giddings, at the first of a series of free public tours.

Markree was established by TMAG through a generous donation from the late Henry Graham Baldwin (1919–2007), the largest donation ever received by TMAG, and one of the largest ever made to an Australian museum. The opening of Markree was the culmination of three years of registration, cataloguing and exhibition design, in order for TMAG to realise Henry Baldwin's vision of transforming his family home into a house museum.

The house, built in 1926 for the Baldwin family, and its surrounding garden are an example of the influence of the English Arts and Crafts movement in architecture and garden design, and provide an insight into the lifestyle of the early 1900s.



Mr Baldwin had an abiding interest in Tasmania's cultural heritage and it was his wish that Markree be developed into a house museum featuring the items collected by his family over the last 200 years. The museum specialises in the decorative and fine arts, and social history of the early 20th century, with a unique focus on life in Tasmania during the early 20th century.

The establishment of Markree is an example of the way philanthropy in the arts can benefit the wider community and provide ongoing enjoyment to Tasmanians and visitors alike. Markree also offers a complementary experience to nearby heritage attractions, including Narryna Heritage Museum, the Military Museum of Tasmania, the Female Factory and National Trust properties.

Markree is open for pre-booked guided tours Tuesday to Sunday.

Partnership with Detached Cultural Organisation

In partnership with Detached Cultural Organisation, TMAG continued to deliver museum education programs and outreach to schools and community organisations. These programs included professional development workshops for teachers and disability service providers, education programs tailored for schools and early childhood learning, as well as outreach programs to the disability sector and Risdon Prison. In total, these activities involved almost 3 000 participants.

In support of contemporary art education at an upper-secondary level, TMAG, in conjunction with Detached and Kaldor Public Art Projects, launched the *MOVE: video art in schools* art education resource in Tasmania. *MOVE*, which features the video artwork of 12 leading Australian artists, is accompanied by curriculum support materials to assist teachers in the classroom. With assistance from Detached, *MOVE* was delivered to every high school and college in Tasmania – over 110 schools – at no cost to the schools.

TMAG and Detached also launched the *Star/Dust* series of contemporary art exhibitions. The year-long series of installations by three Tasmanian artists – Lucy Bleach, Brigita Ozolins and James Newitt – celebrates the ability of contemporary art to engage with audiences of all ages and backgrounds. AccessArt educators have worked closely with TMAG's art curators and the artists to develop a suite of public programs to complement the installations. The first two installations, Lucy Bleach's *Volcano Lover*, and Brigita Ozolins' *The Reading Room* were presented in the early part of 2011 and the final installation, James Newitt's *To catch a Tiger* will be presented later in 2011.

Following the success of the partnership Detached has recently confirmed that it will continue its support of TMAG for another four years.

Redevelopment

The largest cultural infrastructure project in Tasmania's history – the redevelopment of TMAG – progressed significantly, with the release of the architectural concept plan and commencement of works for stage one of the redevelopment.

The architectural concept plan displays the bold and visionary shape and form a completely redeveloped TMAG would take, preserving the heritage aspects of TMAG's unique site and buildings, while incorporating world-class facilities and exhibition spaces. Stage one of the redevelopment will enable TMAG to make better use of existing and currently underutilised spaces. It will be focused within TMAG's heritage buildings and the courtyard area, with the intention of making these spaces accessible to visitors while retaining the original features and ambience of these nationally important buildings.



Stage one will create a new visitor entrance, which will make a feature of the historic Watergate building and surrounding grounds and courtyard. Building upgrades to the Queen's Warehouse and Commissariat Store will provide improved public programs and education facilities, visitor facilities and café and retail spaces.

All four floors of the Bond Store will be made accessible to the public and new exhibitions on three levels will focus on the changes to place, environment and people that occurred between the 1800s and 1901. The existing galleries in the Henry Hunter-designed buildings will be refurbished and installed with a series of new exhibitions drawn from the strengths of TMAG's natural sciences, cultural heritage and arts collections.

In June 2011, with preparatory works well underway, the opening of the tender process for the construction works for stage one of the redevelopment was announced. The main works are scheduled to commence in late 2011, with the completed Stage One works – including a suite of new exhibitions – scheduled to be revealed at the end of 2012.

TMAG will remain open to the public throughout stage one of the redevelopment.



Rosemary Balmford Antarctic Book Collection

TMAG has a close association with the Antarctic community through the highly successful *Islands to Ice* exhibition, and its Antarctic history and science collections are constantly growing. TMAG's position as a research centre for Antarctic studies was strengthened by securing an important donation of Antarctic books from a private collector. The donor, Ms Rosemary Balmford, has been an avid collector of Antarctic-related material over many years. She chose to entrust her collection to TMAG because of Tasmania's strong connection with Antarctic exploration and TMAG's commitment to developing and displaying its Antarctic collections.

The collection of over 400 books and other material includes first edition accounts of famous expeditions from the heroic era of Antarctic exploration, including expeditions by Sir Douglas Mawson, Robert Falcon Scott and Sir Ernest Shackleton.

As well as original accounts of expeditions, the collection includes historical interpretations and literary explorations of Antarctica, providing an insight into both scientific and artistic engagement with the continent.

The *Rosemary Balmford Antarctic Book Collection* will be housed within TMAG's library at the Rosny Collections and Research facility. It will be accessible to researchers and the general public by appointment and will provide a valuable and accessible resource for researchers. Ms Balmford donated her collection to the museum through the Australian Government's Cultural Gifts Program.

Our activities

Corporate



Corporate Communications

Corporate Communications continued to raise the public profile and understanding of departmental projects and programs that contribute to making Tasmania a prosperous, vibrant and healthy community.

Initiatives included:

- » targeted media strategies
- » production of publications, flyers, DVDs and other promotional material
- » participation in international expos, trade shows and Tasmanian agricultural shows
- » media stories and editorial in a range of publications
- » speaking engagements at industry events
- » strategic advertising
- » sponsorship activities
- » internet-based information about the services and opportunities offered by Tasmania.

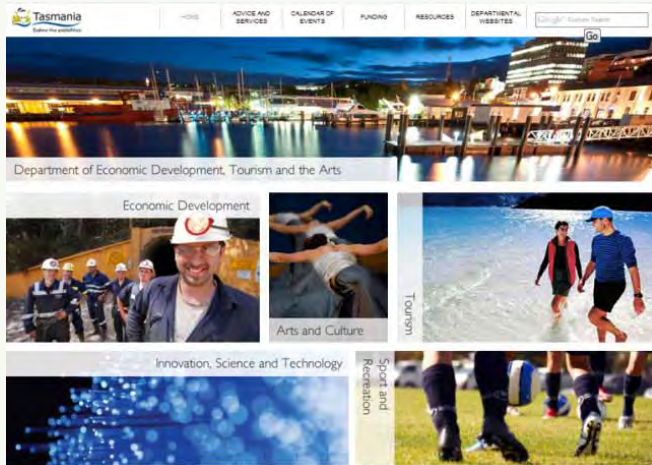
Corporate Communications also played a pivotal role in supporting and promoting a range of events including:

- » the launch of the Innovation Strategy
- » the 2010 Employer of Choice Awards
- » the Enterprise Centres Tasmania website relaunch
- » the Tasmanian Export Awards
- » Savour Tasmania
- » the Macquarie Harbour expansion open day
- » the launch of Antarctic Centennial Year and related events
- » the International Association of Antarctic Tourism Operators (IAATO) Conference
- » the launch of Screen Tasmania's strategic plan *Through the Lens to 2016*
- » the 47th Annual Tasmanian Sports Awards and the 2010 Tasmanian Sporting Hall of Fame induction ceremony
- » the TMAG redevelopment (including the launch of the architectural concept and the announcement of early works)
- » the opening of the Markree House Museum.

There was also concerted communication activity associated with the development of the Economic Development Plan and its Strategic Directions Statement.

Corporate Communications continued its program of internal communication in support of department realignments, the embedding of the department's values and budget savings initiatives.

To improve media and communication skills across the department, Corporate Communications arranged an in-house photography course and one-on-one media training sessions.



Redevelopment of departmental websites

Over the past 12 months the Arts Tasmania, TMAG and Department of Economic Development, Tourism and the Arts websites have been fully redesigned along with other smaller departmental sites.

The Arts Tasmania and TMAG websites (www.arts.tas.gov.au and www.tmag.tas.gov.au) were fully reconstructed to correct functionality issues and to migrate the websites onto the department's content management system. The departmental website (www.development.tas.gov.au) required redesign to better reflect the departmental brand, to standardise the navigation style and provide a consistent method of presenting information to the public.

The three websites have now been rebuilt on common information architecture so the user only needs to learn how to navigate one of the websites to be able to easily locate information on either of the other two websites.

Secretariat Information Management System

A project was initiated to automate the management of documentation prepared for the department's ministers and its secretary. Work subsequently commenced on the design and build of the Secretariat Information Management System (SIMS) – a joint project of the Secretariat, IT Business Systems and Records Management business units within the Corporate Support division.

The project recognised that being accountable to a number of ministers increased the volume of requests and documentation to be managed. A reliable, automated process was required to service the effective and efficient processing of departmental documentation.

The result is an electronic workflow-based system that automates and rationalises the management of documentation and is accessed via the department's intranet. SIMS was rolled out department-wide on 1 March 2011 accompanied by extensive user training.

SIMS has been well-received throughout the department and delivered the anticipated outcomes of increased process efficiency and clarity.

Statutory reporting

- Budget outputs and performance
- Management boards
- Our contribution to Tasmania Together
- Disability Framework for Action 2005-10
- Emissions Reduction Plan
- Human resource management policies
- Human resource management statistics
- Right to Information
- Legislation
- Policies to help manage our business
- Publications
- Tenders and consultancies
- Statutory and non-statutory bodies
- Public Interest Disclosures Act
- Superannuation certificate
- List of acronyms
- Performance index
- Compliance index



Budget outputs and performance

The following tables provide a snapshot of the department's performance against the measures outlined in the State Budget for 2010-11.

Output Group 1: Economic Development

Performance measure	Unit of measure	2009-10 Target	2009-10 Actual	2010-11 Target	2010-11 Actual
Jobs created and retained	Number	3 000	2 696	3 000	1 878
Investment, exports and import replacements facilitated	\$ million	410.0	288.2	410.0	321.8
Increased revenue arising from innovation	\$ million	20.0	64.8	20.0	54.4
Investment facilitated in R&D and innovation	\$ million	15.0	22.1	15.0	4.8

Output Group 2: Sport and Recreation

Performance measure	Unit of measure	2009-10 Target	2009-10 Actual	2010-11 Target	2010-11 Actual
Number of participation opportunities facilitated through SRT grants and programs	Number	112 500	302 975	112 500	323 796
Total investment in sport and recreation infrastructure and programs	\$ million	9.1	11.4	9.1	13.6

Footnotes

1. The actual is significantly less than the target due to a National Accounts data reclassification. A replacement method of calculating the contribution to GSP of selected arts industries has been developed using the new Arts and Recreation Services subdivision of the National Accounts, and the 2010-11 target and actual is based on this.
2. Data used in the measurement 'Employment in selected cultural and leisure activities' was previously collected in the Survey of Selected Culture and Leisure Activities by the Australian Bureau of Statistics (ABS). The ABS has advised that this survey has been discontinued, and will be replaced by the Cultural Participation Survey. The Cultural Participation Survey is currently in the field, with results to be released in February 2012.

Output Group 3: Tourism

Performance measure	Unit of measure	2009-10 Target	2009-10 Actual	2010-11 Target	2010-11 Actual
Market share					
International	per cent	2.7	2.5	2.9	2.7
Interstate	per cent	4.1	3.9	4.2	3.5
Domestic intention to travel to Tasmania in next 12 months	per cent	4.7	4.6	4.8	4.5
Prompted domestic advertising awareness	per cent	24.5	24.5	28.0	23.3
Unprompted domestic advertising awareness	per cent	15.9	15.9	17.0	16.4
DiscoverTasmania.com total visits	million	1.5	1.601	1.5	1.873
On-line bookings via Tas e-Connect	\$ million	\$3.00	\$3.28	\$3.20	\$4.029
Equivalent advertising value of publicity generated					
International	\$ million	\$26.0	\$25.9	\$28.0	\$28.7
Domestic	\$ million	\$25.0	\$35.5	\$28.0	\$20.7
Local tourism strategies negotiated with local government	number	5	4	9	7

Output Group 4: Arts

Performance measure	Unit of measure	2009-10 Target	2009-10 Actual	2010-11 Target	2010-11 Actual
Tasmanian Museum and Art Gallery					
TMAG total visitors	Number/day	800	932	700	922
Art Industry Development					
Attendance at selected cultural venues	Number	800 000	758 000	800 000	774 000
Contribution to GSP of selected arts industries	\$ million	82.8	50.1 ¹	46.3	not yet avail.
Employment in selected cultural and leisure activities	Number	20 200	not yet avail.	20 300	not yet avail. ²

Management boards

The department worked in conjunction with the following boards in 2010-11:

Screen Tasmania Board

The Screen Tasmania Board makes funding recommendations and provides industry expertise on matters of policy and strategy in contributing to the growth of Tasmania's screen industry. The board is appointed by the Minister for the Arts, and comprises representatives across various sectors of the industry, including film, television and new media.

Tasmanian Arts Advisory Board

The Tasmanian Arts Advisory Board was established under the *Tasmanian Arts Advisory Board Act 1975* to provide arts policy and funding advice to the State Government. The board comprises members, appointed by the Minister for the Arts, from various sectors of the arts and wider community.

Tasmanian Development Board

The Tasmanian Development Board is responsible for the industry-related activities of the Department of Economic Development, Tourism and the Arts. The board's primary focus is the creation of investment and associated employment through the implementation of the government's economic and social strategies. The board has specific areas of responsibility under the *Tasmanian Development Act 1983* and governs the legal entity Tasmania Development and Resources.

Members of the Tasmanian Development Board are appointed pursuant to Section 5(3) of the *Tasmanian Development Act 1983*.

Tasmanian Innovation Advisory Board

The Tasmanian Innovation Advisory Board (TIAB) was established in 1999. Historically, its key roles have been to administer the Tasmanian Innovations Program (TIP) including the assessment and approval of applications for funding under TIP and associated programs such as the Research Partnerships Program (RPP), and to advise Cabinet on innovation policy and its implementation. The cessation of the TIAB's key programs was followed by the dissolution of the board in December 2010.

Tasmanian Institute of Sport Board

Established in 1985, the Tasmanian Institute of Sport Board provided the Minister for Sport and Recreation with advice on policy matters and strategic issues to maximise the development and performance of elite sport in Tasmania. The board ceased its role in October 2010.

Tasmanian Museum and Art Gallery Board of Trustees

In accordance with the *Tasmanian Museums Act 1950*, the Tasmanian Museum and Art Gallery is controlled by a Board of Trustees comprised of seven members. In 1885 the museum became a government authority under the control of a Board of Trustees that also controlled the Royal Tasmanian Botanical Gardens. In 1950 two new boards were established – one to administer the Tasmanian Museum and Art Gallery, and the other the Royal Tasmanian Botanical Gardens.

Tasmanian Renewable Energy Industry Development Board

The Tasmanian Renewable Energy Industry Development Board was established under the *Tasmanian Development Act 1983* to advise the Tasmanian Government on, and proactively promote the development of, the renewable energy industry in Tasmania.

In 2010-11 the board developed a Renewable Energy Strategy for Tasmania. The strategy detailed the board's advice to the government on developing Tasmania's renewable energy industry, including recommendations on:

- » maximising the economic benefits from developing Tasmania's renewable energy resources
- » improving the regulatory and policy framework
- » stimulating investment in the sector
- » overcoming constraints to development and growth
- » planning for a second electricity interconnector across Bass Strait.

Tourism Tasmania Board

The Tourism Tasmania Board was established under the *Tourism Tasmania Act 1996* to lead the industry in delivering marketing and development programs that drive benefits for Tasmania from domestic and international tourism. The board comprises members, appointed by the Governor on the recommendation of the Minister for Tourism, with the industry expertise and skills necessary to enable Tourism Tasmania to achieve its objective. One board member is appointed on the nomination of the Tourism Industry Council of Tasmania.

Our contribution to Tasmania Together

Goal 1 A reasonable lifestyle and standard of living for all Tasmanians		
Standard	1.1	Ensure that all Tasmanians have the economic capacity to enjoy a reasonable standard of living and access to basic services
Indicator	1.1.9	Number of Tasmanians who are long-term unemployed
Goal 4 Active, healthy Tasmanians with access to quality and affordable healthcare services		
Standard	4.1	Improve Tasmanians' health through promotion and support of healthy lifestyle choices
Indicator	4.1.2	Percentage of population who do not do enough exercise to avoid chronic illness
	4.1.3	Proportion of children (5 to 14-year-olds) participating in organised sport
	4.1.5	Proportion of Tasmanians who are overweight or obese
Goal 5 Vibrant, inclusive and growing communities where people feel valued and connected		
Standard	5.2	Tasmania will have viable rural communities
Indicators	5.2.1	The proportion of Tasmanians residing in socially disadvantaged regional areas
	5.2.2	Proportion of Tasmania's population outside the four major urban centres
Standard	5.5	A valued role in community life for Tasmania's young people now and in the future
Indicator	5.5.2	Proportion of 15 to 29-year-olds leaving for interstate or overseas for 12 months or more
Standard	5.7	Increase population levels and distribution subject to sustainable levels
Indicators	5.7.1	Level of population growth
	5.7.2	Proportion of 15 to 39-year-olds
	5.7.3	Proportion of migrants
Goal 6 Dynamic, creative and internationally recognised arts community and culture		
Standard	6.1	Make arts and cultural industries a leader and engine for growth and prosperity
Indicators	6.1.1	Contribution to Gross State Product by selected cultural industries
	6.1.2	Employment in cultural industries
Standard	6.2	Increase participation in the arts and cultural activities
Indicators	6.2.1	Percentage of people participating in cultural activities
	6.2.2	Attendance at cultural venues
Standard	6.4	Increase the number of people visiting Tasmania's cultural heritage sites
Indicator	6.4.1	Number of attendances at major cultural heritage sites

Goal 7 Acknowledge the right of Aboriginal people to own and preserve their culture, and share with non-Aboriginal people the richness and value of that culture		
Standard	7.1	Recognise, promote, share and celebrate Aboriginal culture and heritage, encouraging mutual recognition and respect between Aboriginal and non-Aboriginal people
Indicator	7.1.3	Number of major visitor centres containing Aboriginal cultural interpretation
Goal 9 Increased work opportunities for all Tasmanians		
Standard	9.1	Increase the number of secure, flexible and well-paid jobs
Indicators	9.1.1	Workforce participation rate
	9.1.2	Extent of under-employment
	9.1.3	Proportion of employees in secure employment
	9.1.4	Tasmanian average weekly earnings as a proportion of national average weekly earnings
Standard	9.2	Promote fair workplaces
Indicators	9.2.1	Proportion of employees who have flexible work arrangements
	9.2.2	Families using flexible working arrangements to manage childcare
	9.2.3	Employee dissatisfaction
Goal 10 Thriving and innovative industries driven by a high level of business confidence		
Standard	10.1	Encourage and support innovation and new technologies
Indicators	10.1.1	Level of research and development expenditure as a proportion of Gross State Product
	10.1.2	Employment in science, technology, research and development as a percentage of total employment
Standard	10.3	Increase the rate of economic growth
Indicator	10.3.1	Growth in Gross State Product
Standard	10.4	Foster a culture of enterprise
Indicators	10.4.1	Export value
	10.4.2	Investment
	10.4.3	Growth in the number of small businesses
Standard	10.5	Increase access to global knowledge and productive business investment
Indicator	10.5.1	Business connections to the internet
Standard	10.6	Increase business confidence
Indicator	10.6.1	Level of Tasmanian business confidence
Standard	10.7	Maximise economic growth through value-adding
Indicator	10.7.1	Level of value added by manufacturing industries per head of population
Standard	10.8	Promote our island advantages including our 'clean green' image, natural resources, location and people
Indicators	10.8.1	Tourism expenditure
	10.8.2	Visitor numbers

GOAL 1. A reasonable lifestyle and standard of living for all Tasmanians

Benchmark	Initiative	Contribution towards benchmark (2010-11)
1.1.9 Number of Tasmanians who are long-term unemployed	Workforce Participation Program (WPP)	The department allocated approximately \$500 000 to the Workforce Participation Program (WPP) to support Grants for Community Enterprise and Grants for Employers. These provide one-off payments to eligible organisations of up to \$7 000 per job created. In 2010-11, in excess of 140 jobs were created for redundant workers and disadvantaged jobseekers in Tasmania under the WPP. A further 41 jobs were created from the completed Partnerships to Jobs Program.

GOAL 4: Active, healthy Tasmanians with access to quality and affordable healthcare services

Benchmark	Initiative	Contribution towards benchmark (2010-11)
4.1.2 Percentage of population who do not do enough exercise to avoid chronic illness	Major and Minor Grant Programs	<p>Major grants between \$15 000 and \$80 000 were provided to clubs, associations, local government and other not-for-profit providers of sport and active recreation. Projects included major equipment purchases, major facility developments or upgrades, participation projects and other development initiatives.</p> <p>Minor grants between \$500 and \$10 000 were provided to a variety of sporting organisations to enable equipment purchases, small facility developments or upgrades, planning and research studies, participation projects and other development programs.</p> <p>During 2010-11 Sport and Recreation Tasmania provided \$11.4 million in grant funding (including one-off infrastructure projects not included in the above programs) to support participation opportunities in sport and active recreation. This has leveraged 302 975 participation opportunities for Tasmanians to get active.</p>
4.1.3 Proportion of children (5 to 14-year-olds) participating in organised sport	Trails and Bikeways Grant Program	<p>\$2 million in grants was provided to local government and community sporting organisations in 2010-11 to assist with the development of trails and bikeways in the state. This was the final year of the three-year, \$4 million commitment to the program, which has supported over \$10.4 million in trail and bikeway developments across 34 separate projects.</p> <p>These projects provide important opportunities for undertaking walking and cycling, which are two of the highest participation (and fastest growing) physical activities undertaken in Tasmania.</p>



GOAL 4: Active, healthy Tasmanians with access to quality and affordable healthcare services

Benchmark	Initiative	Contribution towards benchmark (2010-11)
4.1.5 Proportion of Tasmanians who are overweight or obese	Implementation of the State Physical Activity Plan (SPAP)	<p>A number of actions were undertaken as part of the State Physical Activity Plan (SPAP):</p> <ul style="list-style-type: none"> » Find thirty® campaign – a social marketing campaign urging people to find 30 minutes a day to be physically active. » Tasmanian Physical Activity Ambassadors – a social marketing campaign featuring prominent Tasmanians promoting physical activity. » Medibank Active Tasmania Awards – an annual awards program promoting and celebrating physical activity in Tasmania. » Get Moving at Work Program – a program promoting physical activity and workplace health and wellbeing. » Healthy by Design Framework – a guide for urban planners, developed in conjunction with the Heart Foundation (Tasmania Division), to create places and spaces for people to be physically active. <p>Many of the above actions will continue under the new 10-year plan, as well as:</p> <ul style="list-style-type: none"> » a new social marketing campaign – Find thirty. Every day® – to continue to encourage Tasmanian adults to find 30 minutes of physical activity every day, with additional tips and ideas for how to fit physical activity into everyday lives » a three-year implementation plan that will span government and non-government sectors and will identify key action areas to increase the rates of participation in physical activity across different age groups.
	Sport and Recreation Planning, Facilities and Environments Development Initiatives	<p>The department undertook a number of projects designed to assist in the provision of places and spaces for people to play sport and be physically active. These included:</p> <ul style="list-style-type: none"> » leading the development of the Tasmanian Mountain Bike Plan » contributing to the Greater Launceston Bicycle Network Plan » input into the three Regional Planning Initiatives » commissioning the report on The Value of Sport and Physical Recreation to Tasmania » leading the development of the Tasmanian Adventure Activity Standards » leading the development of the Recreation Planning Guidelines » leading the development of the Tasmanian Open Space Policy Planning Framework » contributing to the West Coast Council Sport and Recreation Planning Project » contributing to the Cradle Coast Authority North West Coastal Pathway Planning Project

GOAL 4: Active, healthy Tasmanians with access to quality and affordable healthcare services

Benchmark	Initiative	Contribution towards benchmark (2010-11)
	<i>Tasmanian Sport and Recreation Framework for People with a Disability</i>	The department developed the <i>Tasmanian Sport and Recreation Framework for People with a Disability</i> . This involved: <ul style="list-style-type: none"> » creation of a disability sport and recreation network to increase collaboration between the sport and recreation and disability sectors » a part-time Project Officer Disability Sport within Sport and Recreation Tasmania to assist with the creation and delivery of initiatives » establishing a Sport and Recreation Committee as a sub-committee of the Premier's Disability Advisory Council.
	Indigenous Sport Program	During the year the department ran a number of programs to provide sporting opportunities for indigenous children.
	Play by the Rules Program	Play by the Rules is an interactive online program that promotes safe, friendly, harassment-free sporting environments. During the year, Sport and Recreation Tasmania provided training in Play by the Rules and the program was incorporated into nine state sporting organisations' funding agreements. A number of these sports – including swimming, athletics, football and rowing – have commenced integrating the resource into their coaching and development activities.
	Sport and Club Development Initiatives	Sport and Recreation Tasmania provided advice, assistance and information to sport and recreation organisations on training opportunities, sports ethics, governance, strategic planning and strategies to attract and retain volunteers.



GOAL 5: Vibrant, inclusive and growing communities where people feel valued and connected

Benchmark	Initiative	Contribution towards benchmark (2010-11)
5.2.1 The proportion of Tasmanians residing in socially disadvantaged regional areas	McCain Community Taskforce	<p>In November 2009 McCain Foods announced its intention to close its mixed vegetable processing operation at Smithton and transfer processing to its Hastings plant in New Zealand.</p> <p>The Tasmanian Government moved quickly to establish a community taskforce and support McCain employees through the following:</p> <ul style="list-style-type: none"> » The government managed the Regional Assistance Program to create jobs and investment across the north and north-west. » The government funded and managed taskforce priority projects including: <ul style="list-style-type: none"> » \$200 000 for the development of new business models for vegetable farms » \$25 000 to provide seed funding for an evaluation of the potential for trade expansion with Thailand » \$10 000 to undertake a cost comparison study of Tasmanian vegetable production with New Zealand » \$30 000 to the Circular Head Progress Group to assist retail traders in Smithton. <p>Of the funding allocated to the taskforce to undertake priority projects, \$200 000 was made available for the establishment of the North West and Northern Tasmanian Vegetable Industry Development Program (NWNTVID) in 2010-11.</p> <p>The program provided grants of up to \$50 000 to projects that benefited the Tasmanian vegetable industry beyond the individual applicant and assisted businesses to:</p> <ul style="list-style-type: none"> » develop new products, processes and markets through value-adding and market development » increase efficiencies in existing value-adding and marketing activities. <p>The program has been fully committed with four businesses receiving grant assistance. These funded projects are expected to create nine new jobs and generate in excess of \$480 000 in investments.</p>



GOAL 5: Vibrant, inclusive and growing communities where people feel valued and connected

Benchmark	Initiative	Contribution towards benchmark (2010-11)
5.2.2 Proportion of Tasmania's population outside the four major urban centres	North West and Northern Tasmania \$20 million assistance package	<p>In December 2009 the Tasmanian and Australian Governments announced a joint initiative to create jobs and investment across the northern half of the state. The \$20 million stimulus program was established in response to the closure of a number of businesses in both the north-west and north.</p> <p>The package is being delivered through three initiatives:</p> <ol style="list-style-type: none"> 1. \$17 million for the North West and Northern Tasmanian Innovation and Investment Fund, administered by the Australian Government through AusIndustry, providing grants of \$50 000 or more to companies for projects targeting new capital investment that would create sustainable jobs. <p>Under this fund, 35 approved grants, totalling \$17 million, are expected to stimulate a further \$18 million of private sector investment and create over 400 new jobs.</p> <p>While the fund was fully allocated in 2009–10, many projects were not scheduled to finish until 2010-11.</p> <p>30 projects have been completed to date and the fund has created 343 full-time equivalent jobs. \$2.5 million for the Regional Assistance Program – Tasmania (RAP-Tas), administered by the Tasmanian Government, to provide one-off grants of up to \$50 000 to businesses to create and/or retain jobs.</p> <ol style="list-style-type: none"> 2. Under the program, a total of 52 projects were approved for funding in 2009-10 and 2010-11. These projects are expected to generate 208 jobs within a 24-month period. <p>To date 35 projects have been completed and 56 full-time equivalent jobs have already been created.</p> <ol style="list-style-type: none"> 3. \$500 000 to assist with re-skilling redundant workers. This program is being administered by Skills Tasmania and remains open for application.
5.5.2 Proportion of 15 to 29 year-olds leaving for interstate or overseas for 12 months or more	Tasmania Now	To improve the perception of Tasmania among international, national and local audiences and consequently encourage more migration and visitation, Tasmania Now promotes the state as a remarkable place to live, work and learn. The website www.tasmanianow.com is an information portal, with interactive multimedia materials being developed.
5.7.1 Level of population growth	Migration activities	<p>During 2010-11 the department provided state sponsorship to 137 skilled migrants and certified 225 skilled positions for Tasmanian employers to fill vacancies with overseas trained workers.</p> <p>2010-11 promotional activities included participation in events in the United Kingdom, Ireland and China.</p>
5.7.2 Proportion of 15 to 39-year-olds		
5.7.3 Proportion of migrants		

GOAL 6: Dynamic, creative and internationally recognised arts community and culture

Benchmark	Initiative	Contribution towards benchmark (2010-11)
6.1.1 Contribution to Gross State Product by selected cultural industries	Premier's Arts Partnership Fund	The Premier's Arts Partnership Fund (PAPF) encourages new business/arts partnerships by matching sponsorship dollars. Arts Tasmania provides \$75 000 per annum and was partnered by Veolia Environmental Services, which committed \$25 000 a year (for three years to February 2011). In 2010-11 the PAPF supported 24 new arts/business partnerships to the value of \$147 950. With the contribution of partners, this equals a total investment of \$295 900 over the year.
	Arts Infrastructure Fund	Arts Tasmania's Infrastructure Fund (AIF) focuses on supporting and building business capacity within Tasmanian arts organisations, enabling them to operate successfully within a competitive environment, both locally and nationally. In 2010-11, the AIF delivered funding totalling \$74 778 to 14 different organisations for facility/office upgrades.
	COLLECT Art Purchase Scheme	COLLECT Art Purchase Scheme is a no-interest loans scheme to encourage people to buy the work of contemporary living Tasmanian artists. In 2010-11, COLLECT funded 172 loans to the value of \$467 398, enabling the purchase of 219 artworks created by 143 Tasmanian artists.
	Industry and Cultural development	Screen Tasmania undertook a number of screen culture activities aimed at building audience engagement with screen culture in the state. These included: » a one-day public forum in Hobart in May with Andrew Lesnie ACS, ASC (cinematographer of the Lord of the Rings Trilogy, King Kong, Iron Man and The Lovely Bones), attracting 75 attendees » the State Cinema Sunday Morning Film Club – a public screening program presented by ABC film critic Jonathan Dawson the inaugural Breath of Fresh Air Tasmanian film festival, held in Launceston in June.
	Production investment	Screen Tasmania invested in the second series of the Logie-winning children's series, My Place, and in the interactive cross-platform content for the adult drama, The Straits. Both these investments support local company Blue Rocket to undertake interactive content production. This production investment added an additional \$3.6 million to Tasmania's GSP.
6.1.2 Employment in cultural industries	ArtSite	ArtSite, formerly the Art for Public Buildings Scheme, continues to be the largest employer of visual artists in the state. As at 30 June 2010 ArtSite commissions, totalling \$1 181 390, were underway. Two per cent of State Government capital works projects is used for the purchase or commissioning of artworks, capped at \$80 000 per project. ArtSite has created a vital public interface between the state's professional artistic community and the general public.
	Corporate Art Scheme	The Corporate Art Scheme operates alongside ArtSite to deliver art commissions for corporate clients, the Australian Government and local government projects. As at 30 June 2010, arts@work had \$604 150 of private sector, local government and Australian Government-funded projects in progress through the Corporate Art Scheme.
	Production Investment	Two feature films, two interactive cross-platform series and two short films have (or are about to be) shot in Tasmania, creating 220 jobs. Screen Tasmania has several special initiatives which will create another 70 jobs.

GOAL 6: Dynamic, creative and internationally recognised arts community and culture

Benchmark	Initiative	Contribution towards benchmark (2010-11)
6.2.1 Percentage of people participating in cultural activities (i.e. people who are actually involved in activities, not audience)	Amplified	Amplified is Tasmania's biggest annual music industry development program, providing export opportunities and developing an interstate and international presence for Tasmanian music. Amplified 2010 saw just over 4 600 people take part in the conference and workshops, performances and the awards night, which capped off an extraordinary long-weekend of music. Ninety-six bands performed, 15 concerts and 10 workshops were held and 2 500 double compact discs of Tasmania's best music acts were distributed in Tasmania and – through a special deal with the Australian Music Radio Airplay Project (AMRAP) – to over 100 radio stations throughout Australia.
	Artists' Studios	As part of its move to 146 Elizabeth Street, Arts Tasmania developed five studio spaces in the upstairs part of the building. Six artists successfully applied for studio space for the 2010-11 period, including emerging, mid-career and established art practitioners working in visual arts, graphic design and literature.
	Artists in Residence (AIR) 2010	arts@work, in collaboration with the Australia Council for the Arts, secured \$50 000 funding to deliver a new Artist in Residence program to selected Tasmanian high schools and professional artists and arts organisations. Seven artists worked in five high schools across the state during the first term of 2010. This included three performing arts and two visual arts projects at Taroom High School, Ogilvie High School and Bridgewater High School in the south; Brooks High School in the north; and Ulverstone High School in the north-west.
	Disability and the Arts	In February 2010, the State Government announced funding of \$250 000 to support arts and disability programs. An advisory group has been established to engage the disability sector in the development of appropriate programs, and a funding program has been announced. The funding has supported the employment of an Arts and Disability Program Officer; grants to key support organisations, and meeting Tasmania's obligations under the National Arts and Disability Strategy.
6.2.2 Attendance at cultural venues	146 Artspace	Street frontage at Arts Tasmania's premises in Elizabeth Street, Hobart was designed to promote arts organisations and artists. 146 ArtSpace holds approximately 10 exhibitions per year and presents a diverse and stimulating exhibitions program showcasing works by Tasmanian artists, complemented by a program of special events. In 2010-11, 146 ArtSpace showcased a range of arts practices including those by artists with disability, photographers, installation artists, sculptors, digital media artists, Aboriginal jewellery makers and many more. Arts Tasmania also provides a presence for the work of Tasmanian artists through its art leasing program by providing temporary exposure of artworks by contemporary artists.
	Tasmania Performs	Tasmania Performs continued taking Tasmanian performing arts companies to regional audiences. This strategy is designed to increase opportunities for Tasmanian performing arts companies to both hone their productions at home for further national and international touring, and to provide access for regional audiences to professional theatre in their home towns. Tasmania Performs provided redevelopment funds for the Terrapin Puppet Theatre's <i>Helena and the Journey of the Hello</i> , touring to 13 Tasmanian regional communities from Scottsdale to Queenstown. Tasmania Performs assisted Terrapin in securing a buyer in Sydney, where in June 2010 the production played at the Sydney Opera House.

GOAL 6: Dynamic, creative and internationally recognised arts community and culture

Benchmark	Initiative	Contribution towards benchmark (2010-11)
	TMAG	<p>During 2010-11, attendance at the TMAG totalled 333 983.</p> <p>The significant visitation to TMAG reflects the diverse range of exhibitions and programs offered, and the efforts of staff in communicating to the community the importance of our state collection.</p>
6.4.1 Number of attendances at major cultural heritage sites	Museums and Art Galleries Grants Program	<p>Public museums and art galleries across the state benefited from \$1 707 957 in annual grants from the State Government in recognition of the important role these institutions play in their local communities.</p> <p>Attendances at major cultural heritage sites decreased in 2010-11 after a stellar performance in the prior year; however, individual collections performed impressively, with the Devonport Regional Art Gallery recording a 7.5 per cent increase in attendances for 2010-11, and Narryna Heritage Museum attracting a 13.6 per cent increase in the same period.</p>
	Small Museums and Collections Program	<p>The Small Museums and Collections Program assists curatorial and collection management practices of smaller public and community collections and museums.</p> <p>The program has a focus on improving public access to, and information on, collections; and on enhancing curatorial practice and collection management.</p> <p>During 2010-11, in excess of three quarters of a million people visited the seven major collections and historical sites across Tasmania.</p>
	Roving Curator Program	<p>During 2010-11, Arts Tasmania's Roving Curators continued to work with communities statewide to support, develop, enhance and promote Tasmania's unique and varied cultural collections.</p> <p>Two part-time museum and collections professionals, based in Launceston, assisted with a range of project types.</p>
	Urban Renewal and Heritage Funding	<p>In 2010, Arts Tasmania made submissions on behalf of four organisations to the Urban Renewal and Heritage Fund (URHF). Of these, three will impact on attendance numbers at major cultural heritage sites:</p> <ol style="list-style-type: none"> 1. The Devonport Maritime Museum received \$600 000 towards the renewal of what is recognised as a major cultural asset important to the region. 2. \$997 000 was granted for works on the roof of the Wellington Street campus of Queen Victoria Museum and Art Gallery as part of the ongoing museum redevelopment project. 3. A grant of \$900 000 was provided to the Channel Historical and Folk Museum Association Inc. to support construction of the new Channel Heritage Museum at Margate in association with the Kingborough Community Enterprise Centre.

GOAL 7: Acknowledge the right of Aboriginal people to own and preserve their culture, and share with non-Aboriginal people the richness and value of that culture		
Benchmark	Initiative	Contribution towards benchmark (2010-11)
7.1.3 Number of major visitor centres containing Aboriginal cultural interpretation	TMAG Culture Program and strategy for employment of Aboriginal people	In 2010-11, the TMAG and the Aboriginal Sharers of Knowledge presenters provided programs to schools and the community, using the nationally acclaimed <i>ningenneh tunapry</i> exhibition as a connection to culture. This year the highlight was the delivery of 20 programs specifically to Aboriginal students. Since its inception, over 4 250 students and teachers have experienced the program and the museum has conducted over 140 individual programs. TMAG has employed 16 Tasmanian Aboriginal people to present programs and is continuing with its strategy for the employment of Aboriginal people across major areas of the museum.

GOAL 9: Increased work opportunities for all Tasmanians		
Benchmark	Initiative	Contribution towards benchmark (2010-11)
9.1.1 Workforce participation rate	Workforce Participation Program	The department allocated approximately \$500 000 to the Workforce Participation Program to provide Grants for Community Enterprise and Grants for Employers. These provide one-off payments to eligible organisations of up to \$7 000 per job created. In 2010-11, in excess of 140 jobs were created for redundant workers and disadvantaged job-seekers in Tasmania through these programs. A further 41 jobs were created from the completed Partnerships to Jobs Program.
9.1.2 Extent of under-employment		
9.1.3 Proportion of employees in secure employment	Hospitality Industry Skills Development Initiative	\$100 000 was allocated to the Hospitality Industry Skills Development Initiative to examine the skills and training needs of the hospitality industry, one aim of which is to improve the skills of hospitality workers and increase their workforce participation.
9.1.4 Tasmanian average weekly earnings as a proportion of national average weekly earnings	Forest Industry Assistance Package – Harvest, Transport and Silviculture Contractors	In 2010-11, the department provided \$3.6 million to Forestry Tasmania to increase available work for harvest, transport and silviculture contractors suffering from the decline in the Tasmanian forest industry.
	Trainee Subsidy Scheme	Sport and Recreation Tasmania's Trainee Subsidy Program provides grants for between \$2 125 per part-time trainee, and \$4 250 per full-time trainee to organisations that employ trainees in the sport and active recreation sector in Tasmania. In 2010-11, a total of \$95 625 in grant funding was committed to 32 successful applicants through the Trainee Subsidy Program.

GOAL 9: Increased work opportunities for all Tasmanians

Benchmark	Initiative	Contribution towards benchmark (2010-11)
9.2.1 Proportion of employees who have flexible work arrangements	Employer of Choice Program	To help Tasmanian organisations attract and retain skilled workers and improve employees' work/life balance, the department supports the Employer of Choice network and forums and conducts the annual Employer of Choice awards.
9.2.2 Families using flexible working arrangements to manage childcare		Business understanding of the challenges of attracting and retaining skilled labour and effective strategies to achieve this is improved by participating in the network and attending forums delivered by recognised Employers of Choice. In 2010-11 more than 200 business representatives attended five workshops across the state.
9.2.3 Employee dissatisfaction		In 2010-11 a further six organisations were formally recognised as Tasmanian Employers of Choice: Bodysystem Physio; Bladerunner Hairdressing; Northern Children's Network Inc; Stillwater Restaurant and Black Cow Bistro; The Learning Edge International; and the University of Tasmania Cradle Coast Campus. Case studies of the organisations formally recognised as Tasmanian Employers of Choice since 2007 are being prepared and these will be promoted as contemporary examples of life and work in Tasmania.

GOAL 10: Thriving and innovative industries driven by a high level of business confidence

Benchmark	Initiative	Contribution towards benchmark (2010-11)
10.1.1 Level of research and development expenditure as a proportion of Gross State Product	Antarctic Tasmania, Science and Research Sector Development: Institution and Business Survey	Antarctic: » The Antarctic sector contributed 836 jobs to Tasmania's economy. These were comprised of 653 in research institutions or other bodies and 183 in Antarctic sector businesses. » Income for the sector in 2010-11 was \$182.5 million, of which \$149 million was expended in Tasmania on the purchase of goods and services and on wages and salaries to sector employees.
10.1.2 Employment in science, technology, research and development as a percentage of total employment		Science and Research: » In 2010-11, 3 218 people were employed in science and research activities in Tasmania (including support/technical staff). 2 800 of these were employed by the University of Tasmania, Australian Antarctic Division and CSIRO Marine and Atmospheric Research. » The sector obtained \$357 million in revenue for science and research activities and services.
	Tasmanian Innovation Strategy	The 2010-11 State Budget provided funding for a number of initiatives associated with the Tasmanian Innovation Strategy (now embedded in the Economic Development Plan). These included: » \$4.2 million for a number of programs in the high-value agriculture sector » \$30 million for the establishment of a renewable energy development loan fund » \$1 million for the National Broadband Network (NBN) Industry Assistance Package.

GOAL 10: Thriving and innovative industries driven by a high level of business confidence

Benchmark	Initiative	Contribution towards benchmark (2010-11)
10.3.1 Growth in Gross State Product	Economic and industry development activities	<p>By focusing on achieving the primary purpose of 'working together to make Tasmania a prosperous, vibrant and healthy community', the department contributes to growth in GSP by undertaking programs and activities to support business and industry growth. These programs aim to:</p> <ul style="list-style-type: none"> » attract and facilitate investment » increase exports and maximise import replacement » stimulate innovation and business development in the Tasmanian community » strengthen leadership and employee engagement » deliver outstanding client service and high-quality information and advice.
10.4.2 Investment		
10.4.1 Export value	Export and marketing activities	<p>Key achievements in the export and marketing area included:</p> <ul style="list-style-type: none"> » providing export assistance to 238 clients resulting in excess of \$14.7 million initial export contracts and 908 business matching opportunities » undertaking 14 exhibitions, promotions and outbound missions » facilitation of nine inbound missions across a range of sectors » delivery of seven exporter skills workshops with 123 participants.
	Trade shows and trade missions	<p>During 2010-11 the department coordinated 14 exhibitions and trade missions, exposing Tasmanian companies to both domestic and international market opportunities.</p> <p>Highlights included:</p> <ul style="list-style-type: none"> » four Tasmanian companies attended Workboat USA 2010 New Orleans » six Tasmanian companies exhibited at Australasian Oil and Gas Perth » four companies exhibited at Hofex Hong Kong » a ministerial-led trade mission accompanied by a delegation of Tasmanian companies was undertaken to Fujian Province, China, to coincide with the 30th anniversary of the sister state/province relationship between Fujian Province and Tasmania.
	Tasmanian Export Awards	<p>The department managed the 2010 Tasmanian Export Awards – an event at which Tasmanian exporters gather to celebrate the achievements of the state's finest exporters. Pivot Maritime International Pty Ltd was named the Minister's Tasmanian Exporter of the Year 2010.</p> <p>The awards program is an integral part of the prestigious Australian Export Awards, with winners qualifying for the national finals. In 2010 Tasmania had success with Pivot Maritime International Pty Ltd winning the Australian Small to Medium Services Award.</p>

GOAL 10: Thriving and innovative industries driven by a high level of business confidence

Benchmark	Initiative	Contribution towards benchmark (2010-11)
10.4.3 Growth in the number of small businesses	Enterprise development activities	<p>Enterprise development activities that contributed to this benchmark included:</p> <ul style="list-style-type: none"> » \$600 000 over two years for the 'Growing Business Pilot Project', which guides established business owners through an online assessment tool. » responding to 5 122 client enquiries through the Business Point freecall and email service » providing assistance to 1 477 clients under the Business Licence Information Service » funding 17 'Business Boost' skills development workshops for small business, with 451 participants from a range of sectors and regions » providing interest-free loans through No Interest Loans Network of Tasmania Inc. (NILS) to people on low incomes who need assistance starting up or expanding a business » funding 'Business Boost' skills development workshops for small business » providing assistance through the Enterprise Centre network to 3 967 clients resulting in \$7.8 million in business investment and 790 new jobs » sponsoring assistance to over 350 clients through the Business Mentor Services network.



GOAL 10: Thriving and innovative industries driven by a high level of business confidence

Benchmark	Initiative	Contribution towards benchmark (2010-11)
<p>10.5.1 Business connections to the internet</p>	<p>Digital Futures</p>	<p>Digital Futures is one of the five priority areas of the government's Innovation Strategy, now embedded in the Economic Development Plan.</p> <p>A major focus over the next three years is leveraging of the roll-out of the National Broadband Network (NBN) to create an innovative, sustainable and vibrant Tasmanian Digital Economy. It identifies four strategic outcome areas to achieve this goal:</p> <ol style="list-style-type: none"> 1. The business community has capacity to take full advantage of the digital economy. 2. The Information Communication Technology (ICT) sector is exploiting opportunities in the digital economy. 3. The community has gained benefit from the digital economy. 4. The government is delivering Government 2.0 online services. <p>The NBN Industry Awareness Program (NBN4Business) was established to enable the Tasmanian Chamber of Commerce and Industry (TCCI), Tasmanian Farmers and Graziers Association (TFGA), Tasmanian Small Business Council (TSBC) and Tourism Industry Council of Tasmania (TICT) to raise awareness of the opportunities for business to engage in the digital economy as a result of the National Broadband Network (NBN), and to undertake demonstration trials of digital economy participation by each peak organisation's constituent business sectors.</p> <p>The Hobart Wireless Waterfront trial concluded in June 2011. The trial ran from December 2009 in two implementation phases. The trial included deployment of 15 WiFi access points providing coverage over outdoor public spaces across the waterfront precinct. Additionally, it included an investigation into the delivery of locally produced digital content which is information-rich, requiring high bandwidth and mobile smart device access using WiFi.</p> <p>The Digital Futures Advisory Council (DFAC) was formed as the government's adviser on developing Tasmania's digital economy and maximising NBN opportunities. It provides government with independent, external and expert advice and takes a whole-of-economy perspective.</p> <p>ICT Sector Strategic Plan – as part of the Economic Development Plan sector development process, the department worked with the government's ICT adviser, TasICT, to develop a sector strategic plan for the local ICT sector. It focuses on capacity building for ICT research and business development for ICT application developers.</p> <p>The Premiers Mobility Award – offered for the first time in 2010 – the award was intended to inspire future Tasmanian mobile application developers and was only open to students under the age of 25 who were not members of TasICT. The winner of the award and \$5 000 prize, Luke Fletcher, developed the mobile application 'Overtime' – a time-saving, paperless, intuitive and efficient way to record on-call and call-back details for busy doctors working in the hospital environment.</p>

GOAL 10: Thriving and innovative industries driven by a high level of business confidence

Benchmark	Initiative	Contribution towards benchmark (2010-11)
10.6.1 Level of Tasmanian business confidence	Enterprise Growth Program	<p>The Enterprise Growth Program assisted eligible Tasmanian businesses to identify, evaluate and invest in projects or activities that would significantly improve their sustainability, performance, growth and productivity through two tiers of funding assistance:</p> <ul style="list-style-type: none"> » Tier 1 – Business Review, Planning and Strategies provided grants of up to \$15 000 to cover eligible expenditure that help the business meet the cost of engaging specialist advice, or to undertake a business diagnostic and/or develop a business plan. » Tier 2 – Implementing Business Growth and Sustainability Initiatives provided funding for 25 per cent of total project cost, up to a maximum of \$50 000. <p>During 2010-11, the program supported 28 individual businesses with funding in excess of \$513 000.</p>
	Client management services	<p>The department's team of client managers deliver a diverse collection of services to the small and medium enterprise sector with a view to creating sustainable economic development outcomes. The services include:</p> <ul style="list-style-type: none"> » identifying and analysing development opportunities for enterprises » assessing the potential for assistance by the department, and where appropriate coordinating resources from other sources such as the Federal Government » building professional relationships and developing strategies with clients to maximise employment, investment and business growth outcomes » identifying impediments to business growth and facilitating solutions from a wide variety of sources.
10.7.1 Level of value added by manufacturing industries per head of population	Insights to Excellence program	<p>The Insights to Excellence program aims to improve the competitiveness of the Tasmanian manufacturing industry by developing the management skills of Tasmanian manufacturers. The program showcases best practice and supports manufacturers who are adopting best practice.</p> <p>During 2010-11, 48 Tasmanian manufacturers took part in the Insights to Excellence program, visiting best practice exemplars in Victoria and participating in subsequent training workshops. Additional funding and support for this program was provided by Skills Tasmania.</p>
10.8.1 Tourism expenditure	Tasmanian Visitor Survey	<p>Performance in the 12 months to June 2011 was as follows:</p> <ul style="list-style-type: none"> » visitor expenditure increased by three per cent to \$1.56 billion » 895 400 visitors arrived on scheduled air and sea transport, down two per cent from 910 200 for 2009-10 » total interstate visitors decreased by two per cent to 774 600 » total visitor nights decreased by five per cent to 8.05 million.
10.8.2 Visitor numbers		



Disability Framework for Action 2005-10

The Tasmanian *Disability Framework for Action 2005-2010* seeks to remove barriers and enable people with disability to enjoy the same rights and opportunities as all other Tasmanians.

The *Disability Framework for Action*:

- » sets out the government's vision for Tasmania as an inclusive and caring community
- » applies to all Tasmanian Government agencies
- » provides a direction for action by government
- » enables people with disability, their families and carers to work in partnership with the government
- » promotes leadership across all State Government agencies to institute a whole-of-government approach to policy and planning, service delivery and evaluation.

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

During the 2010-11 financial year the following programs and initiatives were undertaken in the areas of:

- » access to services and programs
- » employment opportunities
- » attitudes and awareness
- » access to buildings and facilities
- » access to information.

Access to services and programs

Tourism Tasmania

Actions/initiatives

- » Tourism Tasmania's consumer website www.discovertasmania.com profiles accessible products, attractions and tours and, in addition, online electronic brochures are available in text versions that can be accessed by text readers and other transformative aids.
- » Tourism Tasmania's Accessible Tourism project supports tourism and related businesses and councils that provide services and facilities for locals and visitors with accessible needs. The three regional gateway Tasmanian Information Centres have held Accessible Tourism Workshops to enhance awareness and skills.

The most significant change

- » Funding has been provided to ParaQuad Tasmania to update the Wheelie Good Guide to Tasmania, which will be published on www.discovertasmania.com. The updated information will support ParaQuad Tasmania to access funding to reprint the guide.

Why significant

- » Updating the Wheelie Good Guide will provide up-to-date information on accessible facilities and services available to visitors and Tasmanians alike. Publishing the guide on www.discovertasmania.com will provide universal access to this information.

Evidence of the change

- » Evidence of the significance of the changes will be documented when the updated document is published online in late 2011.

Arts Tasmania

Actions/initiatives

- » Arts Tasmania employed two part-time Disability and the Arts Program Officers in December 2010 to roll out an Arts and Disability Program. Arts Tasmania has added to its staff diversity by employing a person who lives with (physical) disability.
- » During the financial year 2010-11, Arts Tasmania administered a specific grants program for Arts and Disability which attracted approximately 32 applications from individuals living with disability, and arts and disability organisations, of which 13 projects were funded from a funding pool of \$140 000.
- » Work has begun on an Arts and Disability Community Engagement Strategy to meaningfully engage with the arts and disability sector with the goal of developing an Arts and Disability Program Plan over a four-year period.
- » Access and participation initiatives are being developed which are particularly focused on technology innovations for the hard-of-hearing and deaf community in collaboration with arts organisations and the disability sector.

The most significant change

- » The National Arts and Disability Strategy is the most significant policy document that guides Arts Tasmania's disability and arts program.

Why significant?

The National Arts and Disability Strategy has provided the platform to:

- » engage two Disability and the Arts Program Officers to work with artists living with disability, and arts and disability organisations
- » identify needs and develop strategies to meet those needs, particularly in the areas of building capacity, collaborations and partnerships and professional development for artists living with disability, professional artists, and arts and disability organisations
- » implement a funding program specifically dedicated to Arts and Disability.

Evidence of the change

- » A review of the Arts and Disability Grants as part of the National Arts and Disability Strategy has revealed three key priorities to be addressed:
 - » professional development for artists living with disability
 - » awareness raising and collaborations to incentivise opportunities for artists to work in disability settings
 - » accessibility to the arts to attract new and universal audiences.

Tasmanian Museum and Art Gallery (TMAG)

Actions/initiatives

- » The TMAG has improved staff awareness of issues relating to equitable access through training and development opportunities.
- » Due to the investment in staff education relating to access, an access specialist has been engaged to review the proposed plan and advise on alternative strategies to provide equitable access and visitor experience to the Markree House Museum and Garden, which was opened by TMAG in June 2011.
- » The website has been re-designed to incorporate improved accessibility capabilities, making published information available to the widest possible audience.
- » The AccessArt program has continued to participate in the Arts, Health and Wellbeing Network and deliver outreach programs around the state.

The most significant change

- » The AccessArt program is now delivering targeted arts participation programs to people with disability that would otherwise not have had this experience.

Why significant?

- » Through joint development of targeted programs aimed at the disadvantaged and those able members of our community, AccessArt has made art more accessible for everyone.

Evidence of the change

- » The Markree House Museum building and interpretation plans have been reorganised to accommodate strategies for better accessibility.
- » AccessArt has continued to deliver numerous tailored programs for disability support organisations, their staff and clients.
- » AccessArt has also continued to be an active participant in the statewide discussion about the arts, health and wellbeing.

Sport and Recreation Tasmania (SRT)

Actions/initiatives

- » SRT continued to implement the *Tasmanian Sport and Recreation Framework for People with a Disability*.
- » The role of Project Officer Disability Sport within SRT was continued, and will remain in place until 30 June 2013.
- » A Sport and Recreation Committee (SRC) was established to advocate for and advise on disability sport initiatives and monitor the implementation of the Framework strategies, as well as reporting to the Premier's Disability Advisory Council (PDAC).
- » A collaborative partnership has been formed between organisations to develop a pilot program that will be run in Hobart.

The most significant change

- » By extending the position of Project Officer, Disability Sport, SRT was able to implement new programs and services aimed at increasing opportunities for people with disability to participate in sport and recreation.

Why significant?

The Project Officer, Disability Sport has facilitated the development of partnerships between the disability and sport and recreation sectors, leading to:

- » improved awareness, understanding, interaction, collaboration and partnerships between the disability and sport and recreation sectors by SRT and the Disability Sport and Recreation Network
- » advice and support being provided to sporting bodies and other relevant organisations on issues related to participation in sport and physical activity by people with disability
- » the establishment of Disability Sport and Recreation Network forums, which provide a platform for the disability and sport and recreation sectors to interact and discuss how to work together to encourage greater participation of people with disability in sport and recreation.

Evidence of the change

- » Improved links have been created between the disability and sport sectors, and an increased awareness and knowledge of the sectors and the issues affecting them. For example, it was identified that there was a need for collaboration between organisations to develop and promote opportunities for children and young people with disability to participate in sport and active recreation.

Access to employment opportunities, career development, recruitment and retention

Employment – actions/initiatives

Disability employment program

- » In line with the whole of government *Disability Framework for Action 2005–2010*, the government is working towards ensuring that people with disability have the same access to employment opportunities within the state service as other Tasmanians.
- » Increased employment opportunities are being achieved through:
 - » provision of training in workplace diversity for managers to ensure they are aware and skilled in recruiting and managing people with disability
 - » implementation of a state service fixed-term employment program using Disability Employment Service Providers that specialise in case management of people with disability seeking employment.

Graduate program for people with disability

- » The department participated, and continues to participate in the whole-of-government program to provide employment pathways for graduates with disability, employing a graduate on a two-year fixed-term full-time basis.

Accessible job advertisements

- » Potential job seekers with vision impairment were having difficulties in accessing documents via the Tasmanian Government website www.jobs.tas.gov.au as these documents were only posted in PDF format. After feedback from people with disability and discussion across whole-of government (initiated by the department), the format for posting job advertisements has changed and is now also available in a more accessible format.

The most significant change

- » Developing job advertisements in an accessible format is significant as it has the potential to affect a considerable number of people with disability.

Why significant?

- » Using accessible formats for job advertisements ensures people with disability are not discriminated against because of their disability (vision impairment), which may cause an inability to be able to read information in job advertisements.

Evidence of the change

- » Feedback from the disability sector has been positive about the changes to a more accessible advertising format. The department has been congratulated for suggesting the change across government as it has the potential to affect a wider participation rate from job seekers with disability.

Attitudes and awareness

Training

- » In September 2010 Disability Awareness Training was undertaken by members of the Executive Team and senior managers. This covered key aspects of the *Disability Discrimination Act 1992*, building design standards for compliant access, common communication errors when dealing with people with disability and an overview of some of the challenges and needs of people with disability.
- » Approximately 90 employees including managers, supervisors and staff undertook disability awareness training 'Access and Inclusion – leadership challenges and opportunities' in November 2010.

Diversity Plan

- » The current Diversity Plan (plan) 2010–2013 and supporting documents seeks to ensure the department provides an inclusive workplace for all employees and outlines strategies for providing education on our legislative framework (including the State Service Principles, Code of Conduct, *Anti-Discrimination Act 1998* and the *Disability Act 1992*) and the principles of workplace diversity.

Implementation strategies to achieve the outcomes that are listed in the plan are noted in the diversity documents and are easily accessible to all staff.

The most significant change

- » Disability awareness training had a significant impact on all participants by providing greater awareness and understanding on the issues that people with disability face. This knowledge now flows through to other staff, client groups and the communities they interact with.

Why significant?

- » Participants who undertook the training now better understand the day-to-day challenges faced by people with disability, as well as providing an insight into their views on access problems and the different attitudes and issues they encounter on a regular basis.

Evidence of the change

- » Comments from participants at the disability awareness training included:
 - » "Having people with disability attending the training was fantastic as we learnt first-hand the challenges they face every day and to get their perspective on these issues was a great insight"
 - » "It increased my personal understanding of the day-to-day coping strategies required and what environmental changes are needed to facilitate better outcomes for individuals."

Access to buildings, facilities, venues, off-premises events

Actions/initiatives

- » The department has prepared an action strategy and is implementing the strategies according to priorities and opportunities. The action strategy is based on a ParaQuad audit of the department's premises.

The most significant change

- » Development of an action strategy has assisted the facility planning process.

Why significant?

- » The action strategy has enabled key priorities to be identified and addressed.

Evidence of the change

- » Tactile indicators were installed at the Hobart Technopark.
- » Liaison was undertaken with building owners to address matters that do not comply with current codes.
- » Inadequate lighting levels have been addressed.
- » Prompt modification was undertaken for the Launceston premises when a person with disability was employed. The issues were addressed specific to the individual's circumstances and in consultation with the individual.

Access to information (printed materials, websites, audio and video)

Actions/initiatives

- » All department documents are provided on the internet as an alternative to publication.
- » The use of web accessibility resources is encouraged.
- » Advice is provided to business units regarding layout of documents and online content to ensure accessible style and format.
- » An *Appropriate use of language with regard to disability* tip sheet has been distributed within the department and has been incorporated into an induction kit for new members of the Executive Support Network.
- » Disability awareness initiatives have been promoted and recognised through internal communications channels such as the intranet and staff newsletter.
- » Closed captions are included in DVD material in order to make it as accessible as possible to the wider community.

The most significant change

- » The Corporate Communications team's continued advocacy for disability awareness has delivered a collective focus on the above areas.

Why significant?

- » Our leadership in this area has the ability to make a difference for people with disability through ongoing education of colleagues and a public demonstration of the department's commitment to ensuring its resources are accessible to the wider community.

Evidence of the change

- » Greater adherence to best practice.
- » Increased appreciation of the communications needs of different audiences.

Emissions Reduction Plan (ERP)

The department is continuing to reduce its greenhouse gas emissions in line with its Carbon Emission Reduction Plan. Over the last 12 months electricity usage in the department reduced by 2.05 per cent, fuel consumption reduced by 17.31 per cent, and emissions produced from air travel reduced by 0.81 per cent.

Key activities undertaken to reduce carbon emissions in the 2010-11 financial year included:

- » reducing the department's vehicle fleet from 76 to 67 vehicles
- » as a result of signing a new lease for 22 Elizabeth Street, Hobart, the building owner will install new energy efficient lights in areas of the building leased by the department. A significant reduction in electricity consumption is expected as a result of this project.
- » installing new video conferencing facilities in an effort to minimise intrastate travel
- » establishing an internal Sustainability Team, which works across the department to help reduce carbon emissions and raise awareness of climate change issues
- » undertaking an energy audit of the Technopark and obtaining a National Australian Built Environment Rating System (NABERS) rating
- » offsetting air travel through the Tasmanian Climate Change Office
- » participating in Earth Hour on 26 March 2011, the HydraWalk, and Walk to Work Day to raise staff awareness and encourage climate-friendly actions.



Source	2008-09	2009-10 ³	2010-11	Percentage Change from 2009-10
Electricity Kilowatt hours (kW-h)	4 502 300	4 157 736	4 072 507	-2.05
Air travel Tonnes of CO ₂	322.40	331.51	328.84	-0.81
Fuel (petrol, diesel) Kilolitres (kl)	173	208	172	-17.31

Footnote

3. The figure previously reported for 2009-10 included the Technopark tenant light and power. The figure now shown for 2009-10 has been adjusted to exclude the tenant light and power to enable direct comparison.

Human resource management policies

Pulse Check

The department held its annual Pulse Check survey in November 2010 with 65 per cent of staff (366 employees) participating. The total satisfaction score across all statements and categories was 74 per cent.

The top three categories for the department were work/life balance; your teams and colleagues; and your manager. The leadership and planning category recorded the largest improvement in 2010 (up almost eight per cent to 71 per cent). Areas identified for continued focus included internal communication, training and career development and efficiency.

GLOW – Great Life Options @ Work

GLOW promotes and delivers a range of health and wellbeing initiatives to positively enhance and support the health and wellbeing of our people.

GLOW initiatives for 2010-11 included:

- » influenza vaccinations
- » pedometer challenge to encourage people to monitor their walking, nutrition, hydration and sleep
- » safe driving initiatives
- » physical fitness classes
- » promotion of fundraising and physical wellbeing events
- » information sessions and lunchtime forums
- » corporate partnerships to help staff access cost-competitive health and wellbeing services.

Supporting charities

Staff made a gold coin donation in return for 'going casual for a cause' each Friday of pay week to support one of four employee-nominated charities. Charities supported in the 2010-11 financial year were Ronald McDonald House, the RSPCA, the Cancer Council and the Salvation Army's Red Shield Appeal.

Workplace health and safety

A healthy and safe workplace is fundamental to our business operations. The Workplace Health and Safety Management System details a range of strategies to ensure we provide safe systems at work. For example, the Workplace Ergonomics Program is a service offered to staff to ensure correct workstation setup. In 2010-11, more than 10 per cent of the department's workforce accessed the facilitated assessment of their workstation and desk setup.

The Injury Management Program was implemented on 1 July 2010 as required by the amendments to the *Workers Rehabilitation and Compensation Act 1988*. The department has adopted the injury management process and approach to non-compensable claims as well as the compensable workers compensation claims. This has provided a positive and supportive environment for all employees who return to work after injury, regardless of cause.

Student work placement, Corporate Internship Program and volunteers

Students carried out work placement as part of the Vocational Education and Training (VET) in Schools program. This program allows students to combine normal Tasmanian Certificate of Education (TCE) studies with vocational learning and on-the-job training while attending college.

The department participated in the Corporate Internship Program run in conjunction with the University of Tasmania. Interns carried out specific projects of value to the department and these formed part of their completion towards an undergraduate degree.



The department again participated in the Tasmanian Government Work Placement Program. This program is designed to assist newly-arrived humanitarian entrants to Tasmania gain work experience in a State Government department.

The department appreciates the willingness and commitment of our volunteers in several department operations including the TMAG, where volunteers make a valuable contribution in enhancing the day-to-day operations of the museum.

Training and development

The department implemented its performance management system – People and Performance Planning – which aligns individual performance deliverables and objectives directly to the key outcomes of business units, division goals and ultimately the purpose of the department. A 'training needs' analysis was undertaken for each employee, and the resulting learning and development initiatives recorded in individual People and Performance Plans. Based on this information, an in-house training calendar was developed to meet the key training needs of the department.

Leadership

The Take the Lead leadership program – aimed at emerging frontline leaders who have direct management responsibilities or significant stakeholder management responsibilities – was delivered to key staff and represents an ongoing commitment and investment by the department to growing our leadership capacity.

Study assistance

The department's study assistance program contributes to employees' professional and career development aspirations by providing support for them to undertake graduate and post-graduate studies which benefit the department as a whole by enhancing employee performance.

Service recognition

Employees were recognised for their significant contribution to the department and to the state service, with milestone awards for 15, 20 and 25 years of continuous service.

Workplace diversity

Accessing and adopting practices for balancing work and personal commitments are strongly encouraged by the department. Flexible work and leave arrangements include part-time employment, leave without pay, parental and adoption leave, and the State Service Accumulated Leave Scheme (SSALS).

In 2010-11, nearly one third of staff were employed on a part-time basis. Twenty-one staff accessed paid maternity leave, 21 employees accessed SSALS, and 26 employees accessed leave-without-pay options.



Values

The department launched a new set of values in November 2010. These are:

- » Our people matter
- » We act with integrity
- » We make a real difference.

Each headline value has accompanying statements to help define the behaviour associated with that value. All staff attended workshops that reinforced the meaning of each value, and business units have worked individually on implementing values in their teams. All new staff are recruited against these values, and values are included as part of the performance management process.



Social club

The 22E social club is run by a committee of dedicated volunteers who organise a range of activities and events throughout the year. 22E is supported by the department and fully funded by member contributions.

2010-11 was another busy year for 22E. Events included the annual Melbourne Cup luncheon, Christmas dinner, whole-of-government Quiz Night, and the annual departmental art competition the 'Lizibalds'. 22E's 2011 AGM resulted in the election of a new president and several new members of the management committee.

Human resources management statistics

Employee numbers	30 June 2011
FTE employees	452.04
Total number of employees	524
[excludes employees on Maternity Leave (ML) and Leave without Pay (LWOP) > 20days, all transfers and secondments, casual employees and board members]	
Employee analysis – by employment type	
Permanent	451
Fixed-term	53
Senior executive	20
Total	524
Employee analysis – by gender	
Males	213
Females	311
Total	524
Employee analysis – by work pattern	
Full-time	374
Part-time	150
Total	524
Commencements	81
Terminations	77
Employees who have commenced ML and LWOP>20 days and all transfers and secondments	-39
Head count decrease	-35
Total department turnover (terminations/headcount as at 30 June 2011)	15 per cent

Number of employees who accessed State Service Accumulated Leave Scheme (SSALS)	21
Number of employees who accessed paid ML 2010-11	21
Number of employees who accessed unpaid ML 2010-11	24
Number of employees who accessed LWOP > 20 days	26
Number of employees who accessed phased-in retirement	1

Youth recruitment (employees under 25 years recruited during 2010-11 year)

Permanent appointments	3
Fixed-term appointments greater than 6 months	5
Total youth recruitment appointments	8

Youth recruitment (employees under 25 years and currently employed)

Number of trainees	0
Number of graduates	4
Number of general stream employees	17
Number of professional officer	0
Number of technical officers	0
Total	21

Right to Information

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

The *Right to Information Act 2009*:

- » authorises and encourages greater routine disclosure of information held by public authorities without the need for requests or applications
- » authorises and encourages greater active disclosure of information held by public authorities in response to informal requests without the need for applications
- » gives members of the public an enforceable right to information held by public authorities
- » provides that access to information held by government bodies is restricted in only limited circumstances which are defined in the Act.

The department is a public authority.

During 2010-11 the department determined 36 applications for assessed disclosure of information under the *Right to Information Act 2009*.

For further information on the *Right to Information Act 2009*, visit the website of the [Office of the Ombudsman](#).

Legislation

Under the Administrative Arrangements Order (No.2) 2011, the department was responsible for the administration of the following Acts as at 30 June 2011:

Minister for the Arts

- » *Meteorites Act 1973*
- » *Museums (Aboriginal Remains) Act 1984*
- » *Plomley Trusts Act 1984*
- » *Tasmanian Arts Advisory Board Act 1975*
- » *Tasmanian Museum Act 1950*
- » *Theatre Royal Management Act 1986*

Minister for Economic Development

- » *Closer Settlement Act 1957*
- » *Copper Mines of Tasmania Pty Ltd (Agreement) Act 1999*
- » *Employment Incentive Assistance Act 1984*
- » *Farm Water Development Act 1985*
- » *Fire Damage Relief Act 1967* – except in so far as it relates to the erection of dwellings for renting to eligible persons under the *Homes Act 1935* (see Department of Health and Human Services under the Minister for Human Services)
- » *Goldamere Pty Ltd (Agreement) Act 1996*
- » *Iron Ore (Savage River) Arrangements Act 1996*
- » *Pulp Mill Assessment Act 2007*
- » *Rural Adjustment Act 1995*
- » *Tasmanian Development Act 1983*
- » *War Service Land Settlement Act 1950*

Minister for Tourism

- » *Tourism Tasmania Act 1996*

Policies to help manage our business

Asset management

The department's asset management ranges from land and buildings to collections and equipment.

The property portfolio of assets includes the Tasmania Development and Resources portfolio, the TMAG and residual Crown properties from the Sport and Recreation portfolio.

The department manages land and buildings in accordance with a Strategic Asset Management Plan (SAMP) prepared in accordance with the Government's Strategic Asset Management Framework. Strategic asset management is the planned alignment of assets with service demand to achieve the best possible match of assets with the service delivery strategies. The SAMP guides sound and strategic acquisition, use and disposal of assets and the related risks and costs over their useful life.

The department maintains asset registers in accordance with the Treasurer's Instructions. Details of acquisitions, disposals and write-offs were recorded in the respective registers. The Financial Statements for 2010-11 are reported on an accrual basis and contain details of policies in relation to recognition, valuation and depreciation of assets in notes of the statements. Assets have been valued in accordance with the department's accounting policies and procedures. These values are disclosed in the statements together with appropriate notes on valuation methods.

Risk management

In 2010-11, the department commenced a review of its strategic business risk portfolio. The department's approach to risk management involves identifying risks that may affect the department's ability to meet its objectives and establishing strategies to treat those risks.

Publications

The department produced the following stakeholder publications and resources in 2010-11:

Economic Development

- » *The Economic Development Plan Discussion Paper* – the major public consultation tool for the development of the Economic Development Plan for Tasmania.
- » An Economic Development Plan Overview of Key Sectors document, which provided an analysis of industry sectors of the Tasmanian Economy for key stakeholders.
- » *Export Active* – a bi-monthly electronic newsletter focusing on export activities and opportunities.
- » Information to attract skilled migration was published in a brochure and DVD – *Tasmania, Australia: The life you have been looking for*.
- » *Farming in Tasmania* – a DVD to attract skilled migrants.
- » *Moving South* – a regular electronic newsletter featuring migration case studies.
- » A brochure to promote Enterprise Centres Tasmania to business owners and intenders. The brochure included the services offered to businesses by Enterprise Centres and contact details for each of the eight Enterprise Centres.
- » A leaflet profiling the Social Enterprise Loan Fund and its eligibility and contact details, which was distributed during the fund launch and is used to continuously promote the program.
- » A leaflet promoting the Micro-Business Loan Program to low income individuals seeking to establish a micro-business. It included key elements of the program such as details of available support, assistance that Enterprise Centres Tasmania can provide in preparing a business plan, loan eligibility and procedures for applying.
- » A 40-page, full-colour brochure featuring Tasmanian enterprises directly engaged in defence manufacturing or services. Also featured were the key government defence and defence procurement agencies.
- » Employer of Choice promotional material.
- » *Particle* – an online newsletter for the science and research sector.
- » A suite of print and electronic publications to support the Antarctic Centennial Year (ACY) celebrations.

Tourism

- » A total of 10 promotional brochures aimed at specific geographical and area-of-interest markets.
- » Regular e-newsletters to specific markets including consumers, trade, corporate and media interests.
- » Information brochures detailing Events Tasmania grants and developments programs.
- » Six research reports including visitor snapshots.

Sport and Recreation

- » The newsletter *Actively in Touch*, which was produced on a monthly basis.
- » *What's Happening* booklets were produced for the north and north-west.
- » A reprint of the *Tasmanian Sport and Recreation Framework for People with a Disability* booklet.
- » Sport and Recreation Tasmania supported the production of the report into the Value of Sport and Recreation to Tasmania by UTAS.
- » The Tasmanian Institute of Sport produced a quarterly bulletin.
- » The Premier's Physical Activity Council (PPAC) published *Tasmania's plan for physical activity 2011-2021*.
- » PPAC published the newsletter *Get Moving Tasmania* three times a year, and the bi-monthly e-newsletter *Get Moving at Work*.
- » Sport and Recreation Tasmania published a final report into the business case for a Tasmania United Football Club A-League team.

Arts

- » For the first time, the Arts Tasmania Grants and Loans Handbook were combined with information about all the other services that Arts Tasmania and arts@work provide. The new publication was titled *Arts Tasmania and arts@work Resources 2012*.
- » A fortnightly e-newsletter for the arts industry – *arts-e newsbyte* was produced.
- » TMAG published a number of exhibition-specific brochures and booklets throughout the year.
- » The Screen Tasmania *Strategic Plan: Through the Lens to 2016* was produced.
- » Monthly e-letters *The Big Picture* and regular e-bulletins *Screen Rushes* were distributed electronically.

Tenders and consultancies

Major capital projects

An upgrade of the air-conditioning system at the Tasmanian Museum and Art Gallery's Rosny Storage and Research Centre was commenced in June 2011, with the majority of works to be undertaken during the 2011-12 year. For further information, refer to Table 2 (White & McAllister Contractors Pty Ltd).

Consultants and contractors

The department ensures that Tasmanian businesses are given every opportunity to compete for department business. It is the department's policy to support Tasmanian businesses whenever they offer best value for money for the government. See Table 1 for a summary of the level of participation by local businesses for contracts, tenders and/or quotations with a value of \$50 000 or over (excluding GST). Tables 2 and 3 provide detailed information on consultancies and other contracts with a value of \$50 000 or over (excluding GST).

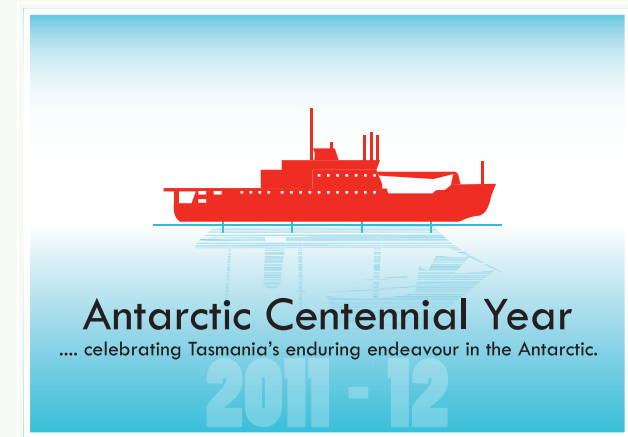
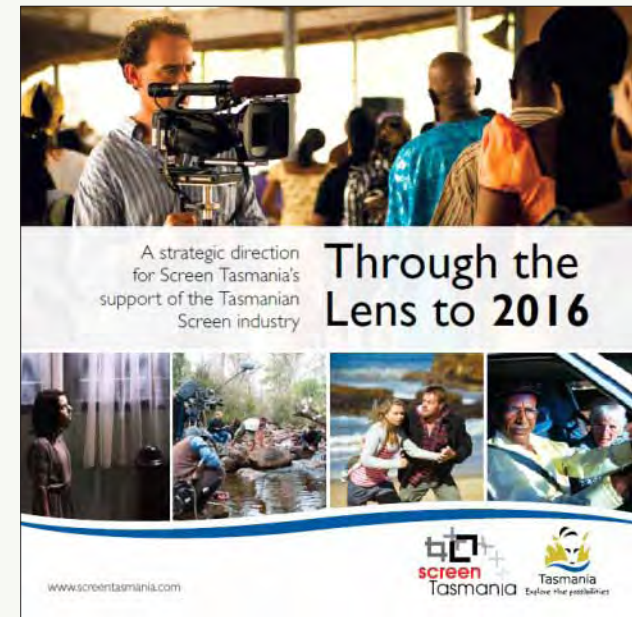


TABLE 1: Summary of participation by local businesses

Contracts, tenders and/or quotations of \$50 000 or over (excluding GST).

Total number of contracts awarded	14
Total number of contracts awarded to Tasmanian businesses	6
Total value of contracts awarded	\$3 932 914
Total value of contracts awarded to Tasmanian businesses	\$1 566 528
Total number of tenders called and/or quotation processes run	14
Total number of bids and/or written quotations received	83
Total number of bids and/or written quotations received from Tasmanian businesses	46

TABLE 2: Contracts with a value of \$50 000 or over (excluding GST) and excluding consultancy contracts

Name of contractor	Location of contractor	Description of contract	Period of contract	Total value of contract (\$)
Stenning and Associates Pty Ltd	TAS	Provision of Content and Services for the Australian Business Licence and Information Services (ABLIS)	1/07/2011 to 30/06/2014	197 111
			Plus optional extension provision 1/07/2014 to 30/06/2016	108 534
White & McAllister Contractors Pty Ltd	TAS	TMAG Rosny Collection Storage and Research Centre Air Conditioning Upgrade – Mechanical and Controls	17/06/2011 to 29/07/2012	411 340
Rodney Hyman Asset Services Pty Ltd	NSW	Valuation Services – the collection of the Tasmanian Museum and Art Gallery	17/04/2011 to 17/06/2011	103 500
Destinations PR Limited	New Zealand	New Zealand Marketing Services Representation	1/03/2011 to 28/02/2013	175 000
			Plus optional extension provision 1/03/2013 to 28/02/2015	175 000
Deloitte Touche Tohmatsu	TAS	Tourism Tasmania Internal Audit Services	1/01/2011 to 31/12/2013	165 000
			Plus optional extension provision 1/01/2014 to 31/12/2016	200 000
Moreton Hire Pty Ltd	QLD	Tasmania Trade Exhibit – Australian Tourism Exchange	25/11/2010 to 31/10/2011	80 000
			Plus optional extension provision 1/11/2011 to 31/10/2012	65 000

Name of contractor	Location of contractor	Description of contract	Period of contract	Total value of contract (\$)
Media Moguls Communications Pty Ltd	VIC	National Public Relations Representation	1/09/2010 to 31/08/2011 Plus optional extension provision 1/09/2011 to 31/08/2013	137 000 247 000
AMROP Cordiner King	VIC	Executive search and recruitment services for the position of Chief Executive Officer, Tourism Tasmania	1/01/2011 to 31/05/2011	65 000
Corporate Maintenance Solutions (tas) Pty Ltd	TAS	Tasmanian Technopark and Wirksworth Ground Maintenance and Landscaping	15/11/2010 to 14/11/2013 Plus optional extension provision 15/11/2013 to 14/11/2016	75 000 55 000
Corporate Express Australia Limited	NSW	Supply of Office Requisites, Stationery and Consumables	1/11/2010 to 31/10/2013 Plus optional extension provision 1/11/2013 to 31/10/2016	565 000 565 000
AEC Group Limited	QLD	Infrastructure Australia Submission and Development of an Antarctic Sector Development Plan	27/10/2010 to 28/02/2011	98 000
Compelling Economics Pty Ltd	VIC	Provision of Economic Forecasting Software	1/07/2010 to 30/06/2011 Plus optional extension provision 1/09/2011 to 31/08/2013	18 177 72 709
Business and Community Pty Ltd	TAS	Design and delivery of business planning workshops and support	12/11/2010 to 30/06/2011	259 543
Nicecombe Pty Ltd	TAS	Delivery and promotion of Antarctic Centennial Year 2011-12 Events	16/06/2011 to 31/07/2012	95 000

TABLE 3: Consultancy contracts with a value of \$50 000 or over (excluding GST)

Nil

Statutory and non-statutory bodies

Statutory bodies

Tasmanian Arts Advisory Board

Tasmanian Development Board

Tasmanian Innovations Advisory Board (ceased operation December 2010)

Tasmanian Museum and Art Gallery Board of Trustees

Tasmanian Renewable Energy Industry Development Board

Theatre Royal Management Board

Tourism Tasmania Board

Non-statutory bodies

Building and Construction Industry Council

Digital Industries Advisory Council (previously Information Technology Industry Council)

Environment Industry Council

Food Industry Council of Tasmania

Foundation of the Tasmanian Museum and Art Gallery (previously Art Foundation of Tasmania)

Friends of the Tasmanian Museum and Art Gallery

Manufacturing Industry Council

Premier's Physical Activity Council

Screen Tasmania Board

Tasmanian Institute of Sport Board

Tasmanian Museum and Art Gallery's Tasmanian Aboriginal Advisory Council

Tasmanian Science and Technology Industry Council

TMAGgots

Public Interest Disclosures Act

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

The department is committed to the aims and objectives of the Act. It does not tolerate improper conduct by its employees, nor the taking of reprisals against those who come forward to disclose such conduct.

The department recognises the value of transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The department will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure.

Pursuant to Section 86 of the Act:

- » a copy of the department's procedures established under Part 7 may be obtained from the Protected Disclosures Officer, Matt Coombe, Director Corporate Policy
- » the department has not received any disclosures, nor has it had any disclosures referred to it from the Ombudsman to investigate in the year to 30 June 2011.

Superannuation certificate

I, Mark Stephen Kelleher, Secretary of the Department of Economic Development, Tourism and the Arts, hereby certify that the department met its obligations under the Commonwealth's *Superannuation Guarantee (Administration) Act 1992* in respect of those employees of the department who were members of the following complying superannuation schemes to which the department contributed:

Complying superannuation schemes:

AGEST Super	First Choice Wholesale	MLC Life
Alcorso Superannuation Fund	First State Super	MLC Masterkey
AMP Flexible Lifetime Super	Freedom Super Fund	Morton Wilson Super Fund
AMP Life Limited	FSP Super Fund	Navigator Personal Retirement
AMP Retirement Savings	FuturePlus Super	OSF Super
Anells Price Super	Gillooly Super Fund	Penny Morton Super Fund
ANZ Banking Group	Haley & Associates Super	Quadrant Super
ANZ Super Advantage	Health Super	REI Super
Ascui Super	Hermitage Super Fund	REST
Asgard Super	HESTA Super Fund	Retirement Benefits Fund
Aust Catholic Super	Host-Plus Hospitality	Rogers Family Super Fund
Austchoice Super Plan	ING Custodians	Russell SuperSolution
Australian Ethical Super	ING Masterfund (Integra Super)	Sauer Superannuation Fund
Australian Retirement Fund	Integra Super	Skandia One
AustralianSuper	Intrust Super Fund	Spectrum Super
AXA Generations Personal Super	IOOF IPS	Stacpoole Hire Super
Bretos Projet Management Super Fund	JT & P Super Fund	Statewide Super Trust
BT Super for Life	Just Super	
Campbell-Bideau Super	Kirkpatrick Super	
Carre Family Super Fund	Lgsuper	
CBUS	Macquarie Investment Mngmt Ltd	
Colonial First State	Macquarie Super Accumulator	
Colonial Super Retirement Fund	Media Super	
Eslake & Arenella Fund	Mentor Super	



Mark Kelleher
Secretary
Department of Economic Development, Tourism and the Arts

Acronyms and index

List of acronyms

AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
AbaF	Australian Business Arts Foundation
ABC	Australian Broadcasting Corporation
ACS	Australian Cinematographers Society
ACY	Antarctic Centennial Year
AGM	Annual General Meeting
AIF	Arts Infrastructure Fund
AIR	Artist in Residence program
AIRC	Australian Innovation Research Centre
ASC	American Society of Cinematographers
ATO	Australian Taxation Office
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DEDTA	Department of Economic Development, Tourism and the Arts
DFAC	Digital Futures Advisory Council
DPIPWE	Department of Primary Industries, Parks, Water and Environment
EDP	Economic Development Plan
EGP	Enterprise Growth Program
ERP	Emissions Reduction Plan
FFIC	Forests and Forest Industry Council
FTE	full-time equivalent
FWDLS	Farm Water Development Loans Scheme
GFC	Global Financial Crisis
GSP	Gross State Product

GST	Goods and Services Tax
IA	Inspiring Australia
IAATO	International Association of Antarctic Tourism Operators
ICNTAS	Industry Capability Network Tasmania
ICT	Information Communication Technology
LGAT	Local Government Association of Tasmania
LWOP	Leave without Pay
ML	Maternity Leave
MONA	Museum of Old and New Art
MOU	Memorandum of Understanding
NBN	National Broadband Network
NILS Tasmania	No Interest Loans Scheme Tasmania
NWNTVIDP	North West and Northern Tasmania Vegetable Industry Development Program
OH&S	Occupational Health and Safety
PAPF	Premier's Arts Partnership Fund
PBTR	Play by the Rules
PDAC	Premier's Disability Advisory Council
PPAC	Premier's Physical Activity Council
RACT	Royal Automobile Club of Tasmania
RAP-Tas	Regional Assistance Program Tasmania
RDAF	Regional Development Australia Fund
RELS	Renewable Energy Loans Scheme
R&D	Research and Development

SAMP	Strategic Asset Management Plan
SELF	Social Enterprise Loan Fund
SFM	SFM Environmental Solutions Pty Ltd
SPAP	State Physical Activity Plan
SRSAC	Science and Research Sector Strategy and Advisory Committee
SRT	Sport and Recreation Tasmania
SSALS	State Service Accumulated Leave Scheme
TAAB	Tasmanian Arts Advisory Board
TCCI	Tasmanian Chamber of Commerce and Industry
TCE	Tasmanian Certificate of Education
TDR	Tasmania Development and Resources
TFGA	Tasmanian Farmers and Graziers Association
TIAR	Tasmanian Institute of Agricultural Research
TICT	Tourism Industry Council of Tasmania
TIS	Tasmanian Institute of Sport
TMAG	Tasmanian Museum and Art Gallery
TREIDB	Tasmanian Renewable Energy Industry Development Board
WfW	Wealth from Water pilot program
WPP	Workforce Participation Program

Performance index

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Compliance Index

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

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

- » *Financial Management and Audit Act 1990*
- » *Public Interest Disclosures Act 2002*
- » *State Service Act 2000*
- » *State Service Regulations 2001*
- » *Various Treasurer's Instructions*

The four columns in the index have the following meaning:

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

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

Section	Compliance	Page	Details
General			
		3	Table of contents
		Annual Report	Alphabetical index
		67	Index of acronyms
Overview			
Strategic plan	SSR s9(a)(i)	7	An overview of the department strategic plan, including its aims, functions and related programs.
Performance	SS s36(1)(a)	Annual Report	
	FMAA s27(1)(a)	Annual Report	A report on the performance of the functions and exercises of the power of the Secretary under any written law.
Major initiatives	SSR s9(a)(v)	Annual Report	Details of major initiatives taken by the department to develop and give effect to government policy.
Major changes during the year	SSR s9(a)(iv)	Annual Report	Details of, and reasons for, any major changes which have taken place in relation to the programs, aims, functions or organisational structure of the department.
Operational structure			
Department organisational chart	SSR s9(a)(ii)	10	An organisation chart illustrating the department administrative structure, including regional offices, and showing officers of the department.
Why we are structured in this way	SSR 9(a)(iii)	Annual Report	A description of the relationship between the organisational structure and the program management structure of the department.

Section	Compliance	Page	Details
Performance measurement			
Performance summary	TI 70I (I)(a)(e)	11-34	A narrative summary, together with quantitative measure where relevant, of the objectives and functions of the programs or activities, including significant outcomes, key efficiency measures, targets, proposed plans and any ministerial objectives.
	TI 20I (I)(b)	8	Economic and other factors that have affected the achievement of operational objectives.
Legislation administered and major documents published			
Legislation administered	SSR s9(d)	61	A list of legislation administered by the department.
Legislation enacted	SSR 9(d)	n/a	A list of legislation enacted during the year for which the department is responsible, including details of significant changes to legislation previously administered by the department.
Public access and awareness of services provided			
Key contact	SSR s9(c)(ii)	127-128	List of contact officers and points of public access in relation to services provided by the department.
Community awareness report	SSR s9(c)(i)	11-34	Details of activities undertaken to develop community awareness of the department and the services it provides.
Department publications	SSR s9(c)(i)	61-62	List of major documents published by any internal or external body of the department during the year.
Human resources management			
Recruitment and selection	SSR s9(b)(i)	59	Details of recruitment policies and programs, including statistical information.
Staff development	SSR s9(b)(ii)	58-60	Information relating to employee training and development activities, including statistical information for 2010-11.
Equal employment opportunities	SSR s9(b)(iii)	58-60	A description of the department's workplace diversity program, including statistical information for 2010-11.
Industrial democracy	SSR s9(b)(iv)	n/a	Details of the processes established to ensure employee participation in industrial relations matters within the department.
Internal grievance procedures	SSR s9(b)(v)	59	Summary of internal grievance procedures.
Occupational health and safety	SSR s9(b)(vi)	58	Outline of occupational health and safety strategies.
Appeals process	SSR s9(c)(iii)	65	An outline of the processes available for appeals against decisions made by the department.
Superannuation contribution	PSSRA s13	66	Certification by the relevant department manager relating to contributions to non-RBF superannuation funds, including a report that the department has met its obligations under the Superannuation Guarantee (Administration) Act 1992.

Section	Compliance	Page	Details
Asset management and risk management policies			
Major capital projects	TI 201 (1)(d)	62	Information on major capital projects or undertakings.
Asset management	TI 201 (1)(g)	61	Statement of asset management policies and an outline of asset management strategies and initiatives.
Risk management	TI 201 (1)(f)	61	Statement of risk management policies and an outline of significant risk management activities and initiatives.
Pricing policies	TI 201 (1)(c)	n/a	Pricing policies of goods and services provided, the last review date, and reference to documents that contain the pricing information, with details of cost-recovery policies and their application, as appropriate.
Government procurement			
Support for local businesses	TI 1110 6(a)	5-6	A narrative statement in the introduction by the Secretary regarding the department's support for local business.
	TI 1110 6(b)(i)	63	Table summarising the department's support for local business, including the number of procurement contracts awarded, the number of tenders called and the number of bids received and the extent of local participation in procurement activities.
Contracts awarded during the year	TI 1110 6(b)(ii)	63-64	Detailed information on all contracts awarded, including consultancy contracts, including a description of the contract, the total value of the contract and the name and locality of contractors.
Other matters	TI 201 (i)(i)	n/a	Any other matters deemed relevant by the Secretary.
Financial Statements			
Financial Statements	FMAA s27 (1)(c), FMAA s27 (2),(3) & (4) TI 201 (i)(j)	73-124	Financial Statements of the department for the year including Financial Statements of any statutory or public body not required to report under any other Act.
Audit opinion	FMAA s27 (1)(c), TI 201 (1)(k)	125	Auditor-General's report on the department's Financial Statements.

Department of Economic Development, Tourism and the Arts

Financial Statements for the year ended 30 June 2011

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Department of Economic Development, Tourism and the Arts

Statement of Comprehensive Income for the year ended 30 June 2011

	Notes	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Continuing operations				
Revenue and other income from transactions				
Revenue from government				
Appropriation revenue – recurrent	2.9(a), 6.1	112,526	108,483	96,644
Appropriation revenue – section 8A of the <i>Public Account Act 1986</i>	2.9(a), 6.1	389	969	140
Revenue from Special Capital Investment Funds	6.2	7,411	10,513	12,462
Grants	2.9(b), 6.3	1,924	195	230
Sales of goods and services	2.9(c), 6.4	2,031	3,002	3,977
Interest	2.9(d), 6.5	2,900	3,238	3,268
Contributions received	2.9(e), 6.6	-	116	251
Other revenue	2.9(f), 6.7	1,029	4,240	5,452
Total revenue and other income from transactions		128,210	130,756	122,424
Expenses from transactions				
Employee benefits	2.10(a), 7.1	34,494	41,833	38,807
Depreciation and amortisation	2.10(b), 7.2	1,611	2,067	1,862
Supplies and consumables	2.10(c), 7.3	37,163	33,306	33,031
Grants and subsidies	2.10(d), 7.4	56,603	52,277	47,253
Borrowing costs	2.10(e), 7.5	2,323	2,309	1,866
Other expenses	2.10(f), 7.6	1,619	3,830	4,650
Total expenses from transactions		133,813	135,622	127,469
Net operating result from continuing operations		(5,603)	(4,866)	(5,045)
Non-operational capital funding				
Revenue from Special Capital Investment Funds	6.2	6,000	2,151	1,718
Other revenue	2.9(f), 6.7	-	-	3,050
Total non-operating capital funding		6,000	2,151	4,768
Net result from transactions (net operating balance)		397	(2,715)	(277)

Statement of Comprehensive Income for the year ended 30 June 2011 (continued)

	Notes	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	2.11(a)(c), 8.1	650	(31,812)	294
Net gain/(loss) on financial instruments and statutory receivables/payables	2.11(b), 8.2	-	(4,509)	(7,868)
Total other economic flows included in net result		650	(36,321)	(7,574)
Net result from continuing operations		1,047	(39,036)	(7,851)
Net result		1,047	(39,036)	(7,851)
Other economic flows – other non-owner changes in equity				
Changes in physical asset revaluation reserve	12.1	10,651	(92,755)	96,300
Total other economic flows – Other non-owner changes in equity		10,651	(92,755)	96,300
Comprehensive result		11,698	(131,791)	88,449

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

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

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

Department of Economic Development, Tourism and the Arts

Statement of Financial Position as at 30 June 2011

	Notes	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and deposits	2.12(a), 13.1	25,124	20,386	27,533
Receivables	2.12(b), 9.1	571	1,855	1,945
Loan advances	2.12(c), 9.2	52,828	37,694	32,202
Equity investments	2.12(e), 9.3	5,460	584	589
<i>Non-financial assets</i>				
Inventories	2.12(d), 9.4	398	559	459
Property, plant and equipment	2.12(f), 9.5	60,077	63,495	71,852
Heritage and cultural assets	2.12(f), 9.5	412,709	371,237	486,520
Investment property	2.12(g), 9.6	9,654	10,610	11,310
Intangibles	2.12(h), 9.7	1,100	926	1,237
Other assets	2.12(i), 9.8	3,478	2,323	2,313
Total assets		571,399	509,669	635,960
Liabilities				
Payables	2.13(a), 10.1	2,839	1,973	1,938
Interest bearing liabilities	2.13(b), 10.2	45,021	26,621	25,021
Provisions	2.13(c), 10.3	1,768	2,747	2,023
Employee benefits	2.13(d), 10.4	7,852	8,842	7,424
Other liabilities	2.13(f), 10.5	2,392	3,401	1,678
Total liabilities		59,872	43,584	38,084
Net assets		511,527	466,085	597,876

Statement of Financial Position as at 30 June 2011 (continued)

	Notes	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Equity				
Contributed equity		-	420,912	420,912
Reserves	12.1	55,486	7,203	100,604
Accumulated funds		456,041	37,970	76,360
Total equity		511,527	466,085	597,876

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

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

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

Department of Economic Development, Tourism and the Arts

Statement of Cash Flows for the year ended 30 June 2011

	Notes	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Cash flows from operating activities				
Cash inflows				
Appropriation receipts – recurrent		112,526	111,003	97,613
Receipts from Special Capital Investment Funds		13,411	12,664	14,180
Grants		1,924	195	230
Sales of goods and services		2,021	2,985	2,675
GST receipts		6,500	8,086	7,490
Interest received		2,900	3,353	2,988
Other cash receipts		1,029	4,698	5,705
Total cash inflows		140,311	142,984	130,881
Cash outflows				
Employee benefits		(34,308)	(40,398)	(39,273)
Grants and subsidies		(56,503)	(57,725)	(51,971)
GST payments		(6,500)	-	-
Interest payments		(2,293)	(2,229)	(2,143)
Supplies and consumables		(37,205)	(35,922)	(36,121)
Other cash payments		(1,619)	(3,692)	(4,434)
Total cash outflows		(138,428)	(139,966)	(133,942)
Net cash from (used by) operating activities	13.2	1,883	3,018	(3,061)
Cash flows from investing activities				
Cash inflows				
Proceeds from the disposal of non-financial assets		3,000	526	458
Repayment of loans by other entities		4,396	5,649	1,347
Receipts from investments		600	57	39
Total cash inflows		7,996	6,232	1,844

Statement of Cash Flows for the year ended 30 June 2011 (continued)

	Notes	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Cash outflows				
Loans made to other entities		(18,792)	(15,074)	(14,114)
Payments for acquisition of non-financial assets		(6,650)	(2,038)	(1,665)
Payments for investments		-	(687)	(391)
Other cash payments		-	(198)	(721)
Total cash outflows		(25,442)	(17,997)	(16,891)
Net cash from (used by) investing activities		(17,446)	(11,765)	(15,047)
Cash flows from financing activities				
Cash inflows				
Proceeds from borrowings		10,000	3,600	18,000
Total cash inflows		10,000	3,600	18,000
Cash outflows				
Repayment of borrowings		-	(2,000)	(5,000)
Total cash outflows		-	(2,000)	(5,000)
Net cash from (used by) financing activities		10,000	1,600	13,000
Net increase (decrease) in cash held and cash equivalents		(5,563)	(7,147)	(5,108)
Cash and deposits at the beginning of the reporting period		30,687	27,533	31,964
Cash inflow on administrative restructure		-	-	677
Cash and deposits at the end of the reporting period	13.1	25,124	20,386	27,533

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

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

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

Department of Economic Development, Tourism and the Arts

Statement of Changes in Equity for the year ended 30 June 2011

	Notes	Contributed equity \$'000	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
Balance as at 1 July 2010		420,912	100,604	76,360	597,876
Total comprehensive result		-	(92,755)	(39,036)	(131,791)
Transfers to/(from) reserves	12.1	-	(646)	646	-
Total		-	(93,401)	(38,390)	(131,791)
Balance as at 30 June 2011		420,912	7,203	37,970	466,085

	Notes	Contributed equity \$'000	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
Balance as at 1 July 2009		-	4,304	84,211	88,516
Total comprehensive result		-	96,300	(7,851)	88,449
Transactions as owners in their capacity as owners:					
Administrative restructure – net assets received	12.2	420,912	-	-	420,912
Total		420,912	96,300	(7,851)	509,361
Balance as at 30 June 2010		420,912	100,604	76,360	597,876

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 I Administered Financial Statements

I.1 Schedule of Administered Income and Expenses

	Notes	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Administered revenue and other income from transactions				
Revenue from government				
Appropriation revenue – recurrent	2.9(a), 15.2	3,850	3,850	3,785
Total administered revenue and other income from transactions		3,850	3,850	3,785
Administered expenses from transactions				
Grants and subsidies	2.10(d), 15.3	3,850	3,850	3,785
Total administered expenses from transactions		3,850	3,850	3,785
Administered net result from transactions attributable to the State		-	-	-

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 15.1 of the accompanying notes.

The Department does not have any Administered Assets or Liabilities.

I.2 Schedule of Administered Cash Flows

	Notes	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Administered cash flows from operating activities		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Administered cash inflows				
Appropriation receipts – recurrent		3,850	3,850	3,785
Total administered cash inflows		3,850	3,850	3,785
Administered cash outflows				
Grants and subsidies		(3,850)	(3,850)	(3,785)
Total administered cash outflows		(3,850)	(3,850)	(3,785)
Administered net cash from (used by) operating activities	15.1(b)	-	-	-
Net increase (decrease) in administered cash held		-	-	-
Administered cash and deposits at the beginning of the reporting period		-	-	-
Administered cash and deposits at the end of the reporting period		-	-	-

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 15.1 of the accompanying notes.

Note 2 Significant accounting policies

2.1 Objectives and funding

The Department of Economic Development, Tourism and the Arts (the Department) promotes economic and industry development in Tasmania, delivers marketing programs to support the state's tourism industry, provides opportunities for Tasmanians to participate in sport, recreation and physical activity, and is responsible for the protection and promotion of some of the state's considerable cultural assets, including developing and promoting the arts.

The department aims to contribute to a healthy and prosperous Tasmania by:

- » developing and implementing a whole-of-government Economic Development Plan
- » supporting Tasmanian businesses to succeed nationally and internationally
- » encouraging investment in Tasmania
- » continuing to recognise, build and promote a contemporary view of Tasmania as a place to live, work, visit and invest
- » developing Tasmania's arts community and its capacity to contribute creatively, culturally and economically
- » providing, promoting and facilitating interaction with, and understanding of, the cultural and natural world
- » improving Tasmanians' wellbeing by providing sport and recreation participation opportunities
- » providing authoritative policy advice and implementation to support these aims.

The Department achieves these outcomes through the formulation of evidence-based strategies for key industry sectors, as well as through its focus on outstanding client and stakeholder relationships, best practice governance and business processes, together with leadership capability, skill development and employee engagement.

Departmental activities are classified as either controlled or administered.

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

The Department is predominantly funded through 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 general-purpose Financial Statements and have been prepared in accordance with:

- » Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board
- » 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 (AAS) may not result in compliance with International Financial Reporting Standards (IFRS), as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. 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, including Tasmania Development and Resources (TDR), Tourism Tasmania, Tasmanian Museum and Art Gallery (TMAG) and Arts Tasmania. Material transactions and balances between the Department and such entities have been eliminated.

As a result of an administrative restructure order, the Department of Environment, Parks, Heritage and the Arts ceased to exist on 30 June 2009. Consequently the TMAG and Arts Tasmania joined the Department from 1 July 2009. Further information is provided in Note 12.2.

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 expected 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 expected financial impact of applying these changes.

(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 1054 *Australian Additional Disclosures* – this standard has arisen as a result of the decision, as part of the Trans-Tasman Convergence Project, to move any requirements (for-profits only) which were over and above IFRS requirements to a separate standard. As the inclusions in this standard are simply sections moved from other standards, currently in operation, there will be no material impact when the standard is applied.
- » 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 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.

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. Details of these transactions are provided in Note 12.2.

2.9 Income from transactions

Income is recognised in the Statement of Comprehensive Income when 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 revenue in the period in which the Department gains control of the appropriated funds. Except for any amounts identified as carried forward in Notes 6.1 and 15.2, 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) 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.

(d) Interest

Interest on funds invested is recognised as it accrues using the effective interest rate method.

(e) 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.

(f) Other revenue

Other revenue includes sundry fee revenues and rent and other income received relating to *War Service Land Settlement Act 1950*, rural properties and investment properties.

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 an 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, being an asset with an unlimited useful life, is not depreciated. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements, once the asset is held ready for use.

Depreciation is provided for on a straight-line basis using rates which are reviewed annually. Heritage and cultural assets are not depreciated.

Major depreciation periods are:

Plant and equipment	2 to 25 years
Buildings	50 to 80 years
Leasehold improvements	5 to 12 years

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

The major amortisation period is:

Software	5 years
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(c) Supplies and consumables

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

(d) 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.

(e) 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.

(f) Other expenses

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

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 the Statement of Comprehensive Income.

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

(d) 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 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.

(c) Loan advances

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

(d) Inventories

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

(e) Equity investments

Equity investments are initially recorded at the net recoverable value determined as follows:

- » listed companies – the share's current market value for listed public companies
- » unlisted companies – based on estimated recoverable amount

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

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

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

(f) Property, plant and equipment

(i) Valuation basis

Land, buildings, 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.

(ii) Subsequent costs

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

(iii) Asset recognition threshold

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

(iv) Revaluations

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

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

Investment Property is revalued by class of asset annually to ensure they reflect fair value at balance date.

Heritage and cultural assets were last revalued on a fair value basis as at 30 June 2011.

(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
- » 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.

(i) Other assets

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

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.

(e) Superannuation

Defined contribution plans

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

Defined benefit plans

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

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.

(f) Other liabilities

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

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 Notes 8.2, 9.2, 9.3, 9.5 and 9.6 of 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. Associated gains and losses are not material.

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 any 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.

The comparatives for external administrative restructures are not reflected in the Financial Statements.

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 (GST).

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 (ATO). Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the ATO is recognised as an asset or liability within the Statement of Financial Position.

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

2.22 Change in accounting estimates

During 2009-10, in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, a change in accounting estimate was made in respect of the following items:

- » Land and buildings assets identified by Property, Procurement and Facilities in 2009-10 with a value of \$3,050 million have been treated as a change in accounting estimate in the 2009-10 financial year. These assets are brought to account in Note 6.7 Other revenue and Note 9.5 Property, plant and equipment.

Note 3 Departmental Output Schedules

3.1 Output Group information

Comparative information has not been restated for administrative restructures.

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

Output Group 1 – Economic Development

1.1 Export and Trade Facilitation

This Output assists Tasmanian businesses with the identification and development of new domestic and market and export opportunities. Assistance is provided through training and management support to targeted businesses, industry bodies and government departments, as well as targeted trade missions and trade fairs.

1.2 Investment Attraction and Industry Development

This Output undertakes investment attraction promotional activities, seeks to assist Tasmanian enterprises become investment ready, promotes the Tasmanian brand through *Tasmania Now*, and also assists with the provision of project support and finance facilitation services to potential investors considering major economic development opportunities.

1.3 Innovation Support

This Output delivers the services to support innovation in the economy, and assists organisations involved in science and technology based activities. This Output also facilitates grant disbursement arrangements associated with the Intelligent Island Program.

1.4 Labour and Employment

This Output provides assistance to businesses, industry sectors and regional communities to respond appropriately to labour and skills shortages and displaced workers, as well as providing assistance for long-term and disadvantaged unemployed people to enter the labour force.

1.5 Antarctic Industry Development

This Output promotes Tasmania's international profile as a centre for Antarctic and Sub-Antarctic activity, with the intention of increasing the amount of expenditure in Tasmania from Antarctic-related enterprises.

1.6 Industry Research and Strategy

This Output supports the development of economic and industry strategy, policy and research projects. Strategy projects focus on three themes:

1. contributing to a strong business enabling environment
2. influencing Tasmania's infrastructure projects to maximise economic development opportunities
3. identifying key investment and reinvestment opportunities for the State.

1.7 Small Business Development

This Output provides statewide support for the expansion of existing small businesses, as well as promoting the establishment of new businesses that are internationally competitive, and capable of long term growth. Services are provided through Regional Offices and Enterprise Centres located throughout the state.

Output Group 2 – Sport and Recreation

2.1 Sport and Recreation

This Output Group contributes to a range of State Government health, economic and social policies through the development of opportunities to encourage widespread Tasmanian participation in sport and recreation activities. This includes a focus on optimising the State's sport and recreation assets, developing the sport and recreation sector and providing the best possible opportunities for Tasmania's elite athletes.

Output Group 3 – Tourism

3.1 Tourism

The Output uses a variety of marketing approaches to stimulate awareness and demand for travel to and around Tasmania by building a strong distinctive brand, delivering highly differentiated marketing campaigns and developing significant national and international cooperative partnerships. The Output also facilitates public relations activities that attract editorial coverage in domestic and international target markets.

The Output enables conversion opportunities for Tasmanian tourism operators through a range of distribution channels as a consequence of partnerships with wholesalers and retailers and on-line distributors including www.discovertasmania.com.

The Output also supports development strategies and approaches to encourage experiential tourism products that will build competitive advantage, assist in attracting visitors to the state and exceed visitor expectations. The Output also includes the provision of business intelligence and information on tourism investment opportunities, particularly new tourism infrastructure, and works with industry and government partners to ensure that Tasmania continues to develop new and engaging experiences that connect visitors with the destination.

3.2 Events

This Output plays a role in stimulating events growth in Tasmania. This is achieved through the attraction and retention of a diverse range of events, and through event development and support activities. Events Tasmania works with key events that deliver on a range of social, cultural, economic and environmental benefits to the Tasmanian community.

Output Group 4 – Arts

4.1 Tasmanian Museum and Art Gallery

This Output aims to increase community understanding of the cultural and natural world by collecting, conserving, interpreting and researching material evidence within the areas of humanities, including visual arts, history and anthropology, and the biological and physical sciences. It provides the community with opportunities to experience the past and the present, invites participation in the State's collection and offers a stimulating museum and art environment.

4.2 Art Industry Development

This Output focuses on providing support to Tasmanian artists and their representative organisations. It aims to broaden the engagement of Tasmanians in the arts, highlight the state's diverse arts and cultural sector and deepen Tasmanian cultural experiences. This is achieved by providing funding to individual artists, arts organisations and major Tasmanian cultural institutions in order to assist their planning and realisation of projects, as well as to attract and encourage new work. The Output also includes grant funding to Tasmanian museums, arts galleries and heritage organisations as a key part of the government's ongoing support for the preservation of the State's cultural heritage.

4.3 Screen Industry Development

This Output focuses on providing support to increase screen production in Tasmania. It aims to facilitate access to and assist in the promotion of Tasmanian screen content and talent to a world-wide audience.

Output Group I – Economic Development

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation			
Appropriation revenue – recurrent ¹	51,698	45,334	42,832
Appropriation revenue – section 8A of the <i>Public Account Act 1986</i> ²	389	969	140
Grants	-	14	-
Interest	2,900	3,203	3,260
Sales of goods and services ³	783	1,487	-
Other revenue	1,029	1,845	2,317
Total revenue and other income from transactions	56,799	52,852	48,549
Expenses from transactions			
Employee entitlements ⁴	12,728	16,443	15,703
Superannuation ⁴	1,271	1,862	1,622
Depreciation and amortisation	656	702	507
Borrowing costs	2,323	2,309	1,837
Grants and subsidies ⁵	26,737	20,521	19,211
Other expenses from ordinary activities			
Consultants and contracted services ⁶	889	3,929	6,573
Property services ⁷	1,396	807	2,404
Maintenance	198	325	188
Communications	426	419	459
Information technology ⁸	2,907	925	579
Travel and transport	1,108	1,157	1,075
Advertising and promotion ⁹	1,789	706	464
Other supplies and consumables	3,296	3,166	391
Other expenses	1,726	1,942	2,099
Total expenses from transactions	57,450	55,213	53,112

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Net operating result from continuing operations	(651)	(2,361)	(4,563)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ¹⁰	650	(400)	(261)
Net gain/(loss) on financial instruments and statutory receivables/payables ¹¹	-	(3,855)	(7,867)
Total other economic flows included in net result	650	(4,255)	(8,128)
Net result from continuing operations	(1)	(6,616)	(12,691)
Net result	(1)	(6,616)	(12,691)
Comprehensive result	(1)	(6,616)	(12,691)
Expense by output			
I.1 Export and Trade Facilitation	3,857	3,472	3,575
I.2 Investment Attraction and Industry Development ¹²	30,028	27,757	23,751
I.3 Innovation Support ¹³	10,424	12,399	13,693
I.4 Labour and Employment	1,968	1,639	1,929
I.5 Antarctic Industry Development	1,166	1,159	1,274
I.6 Industry Research and Strategy	1,757	2,092	1,631
I.7 Small Business Development ¹⁴	8,250	6,695	6,043
Film, TV and Multimedia Industry Development	-	-	1,216
Total	57,450	55,213	53,112
Net assets			
Total assets deployed for Output Group I		74,316	76,820
Total liabilities incurred for Output Group I		(37,268)	(33,027)
Net assets deployed for Output Group I		37,048	43,793

Notes:

Due to the Administrative Order dated 6 December 2010, the Department has transferred the operations of Screen Tasmania from the Economic Development Output Group to the Arts Output Group. Comparative information has not been restated for the administrative restructure.

1. Appropriation revenue – recurrent is below budget due to the Budget Savings announced in the *2010-11 Mid-Year Financial Report* for Digital Futures (\$1.35 million) and the Renewable Energy Loan Fund (\$500,000). As well as approved transfers between Outputs from the Economic Development Output Group to the Arts Output Group (\$2.30 million).
2. Appropriation revenue – section 8A of the *Public Account Act 1986* is above budget due to the 2009-10 Section 8A(2) carry forward requests for *Tasmania Now* (\$552,000), Business Online Services (\$300,000) and the Young Farmers Rebate Scheme (\$117,000).
3. Sales of goods and services are above budget due to higher than anticipated revenue, including a Tenancy lease incentive (\$500,000) funding received for the Vegetable Development Program (\$180,000) and Wealth from Water (\$120,000).
4. Employee entitlements and Superannuation are above budget due to the impact of increases as a result of the award translation process and wage agreement increases, positions funded from external sources (\$500,000) and accrued employee benefits (approximately \$350,000).
5. Grants and subsidies are below budget due to the classification of several payments as contracted services, as well slower than expected expenditure in several projects including Food and Agriculture Innovation (\$250,000), Regional Assistance Program (\$540,000), Enterprise Growth Program (\$350,000) and Strengthening the Economy (\$250,000).
6. Consultants and contracted services are above budget due to several payments originally budgeted as grants being classified as contracted services, including Food and Agriculture Innovation (\$750,000), Intellinc Springboard (\$274,500), Western Tasmania Industry Corridor Study (\$250,000) and Hospitality Sector Skills Development (\$100,000).
7. Property services are below budget due to the reclassification of rent to operating leases in other supplies and consumables.
8. Information technology is below budget due to the Budget Savings announced in the *2010-11 Mid-Year Financial Report* for Digital Futures (\$1.35 million).
9. Advertising and promotion is below budget due to lower than expected advertising and promotion expenditure from the Tasmania Now project.
10. Net gain/(loss) on non-financial assets is below budget as the sale of the Print Applied Technology building at Hobart Technopark did not occur in 2010-11 as originally anticipated.
11. Net gain/(loss) on financial instruments and statutory receivables/payables relates to TDR loan impairments recognised during 2010-11.
12. Investment Attraction and Industry Development is under budget due to Budget Savings announced in the *2010-11 Mid-Year Financial Report* for the Renewable Energy Loan Fund (\$500,000), as well as approved transfers between Outputs Groups to the Arts Output Group (\$2.30 million).
13. Innovation Support is above budget due to higher than budgeted disbursements through the Intelligent Island Program; this is offset by Budget Savings announced in the *2010-11 Mid-Year Financial Report* for Digital Futures (\$1.35 million).
14. Small Business Development is under budget due to slower than expected expenditure in several projects including the Enterprise Growth Program (\$350,000) and Strengthening the Economy (\$250,000) as well as a declared saving in 2010-11 for the Business Online Services project (\$247,000).

Output Group 2 – Sport and Recreation

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	16,070	16,234	9,433
Grants ¹	1,924	166	90
Other revenue ²	-	2,066	4,085
Total revenue and other income from transactions	17,994	18,466	13,608
Expenses from transactions			
Employee Entitlements ³	3,596	4,463	4,082
Superannuation	351	511	417
Depreciation and Amortisation	324	567	581
Grants and subsidies	12,019	11,193	6,390
Other expenses from ordinary activities			
Consultants and contracted services ⁴	25	294	238
Property services	324	267	492
Maintenance	55	156	101
Communications	96	141	108
Information technology	178	77	35
Travel and transport ⁵	134	409	378
Advertising and promotion	253	122	119
Other supplies and consumables ⁶	976	692	162
Other expenses	223	224	1,062
Total expenses from transactions	18,554	19,116	14,165
Net operating result from continuing operations	(560)	(650)	(557)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ⁷	-	3,918	31
Total other economic flows included in net result	-	3,918	31
Net result from continuing operations	(560)	3,268	(526)
Net result	(560)	3,268	(526)

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Other economic flows – other non-owner changes in equity			
Changes in physical asset revaluation reserve ⁸	-	(4,513)	1,592
Total other economic flows – other non-owner changes in equity	-	(4,513)	1,592
Comprehensive result	(560)	(1,245)	1,066
Expense by output			
2.1 Sport and Recreation	18,554	19,116	14,165
Total	18,554	19,116	14,165
Net Assets			
Total assets deployed for Output Group 2		31,880	32,912
Total liabilities incurred for Output Group 2		(1,011)	(800)
Net assets deployed for Output Group 2		30,869	32,112

Notes:

- Grants are below budget due to the reclassification of revenue from Grants to Other revenue for funds received from the Community Support Levy (\$900,000), Silverdome activities (\$254,000) and Tasmanian Institute of Sport programs (TIS) (\$760,000).
- Other revenue is above budget due to the reclassification of revenue from Grants to Other revenue for funds received from the Community Support Levy (\$900,000), Silverdome activities (\$254,000) and TIS programs (\$760,000).
- Employee entitlements are above budget due to the impact of increases as a result of the award translation process and wage agreement increases.
- Consultants and contracted services are above budget due to the classification of expenditure for the Sports Awards, A-League business case, the Opening the Gates project, and various TIS programs.
- Travel and transport is above budget primarily due to the TIS-sponsored vehicles and travel expenses, which were not reflected in the original budget (\$255,000).
- Other supplies and consumables are below budget due to a targeted reduction in expenditure to fund operating shortfalls in other expenditure categories.
- Net gain/(loss) on non-financial assets relates to the revaluation of the Department's buildings.
- Changes in physical asset revaluation reserve relates to the revaluation of Department's buildings.

Output Group 3 – Tourism

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	30,724	30,724	30,454
Sales of goods and services	550	680	1,816
Other revenue	-	267	5
Total revenue and other income from transactions	31,274	31,671	32,275
Expenses from transactions			
Employee Entitlements	9,907	9,261	9,840
Superannuation	1,109	944	748
Depreciation and Amortisation	82	273	287
Borrowing Costs	-	-	9
Grants and subsidies ¹	3,855	5,449	4,471
Other expenses from ordinary activities			
Consultants and contracted services ²	231	2,252	240
Property services ³	1,207	130	906
Maintenance	15	25	46
Communications ⁴	1,263	387	404
Information technology ⁵	1,846	798	845
Travel and transport	918	694	665
Advertising and promotion ⁶	12,187	9,507	12,547
Other supplies and consumables ⁷	2,570	1,479	572
Other expenses ⁸	479	858	1,385
Total expenses from transactions	35,669	32,057	32,965
Net operating result from continuing operations	(4,395)	(386)	(690)
Other economic flows included in net result			
Net gain/(loss) on financial instruments and statutory receivables/payables	-	(22)	-
Total other economic flows included in net result	-	(22)	-
Net result from continuing operations	(4,395)	(408)	(690)
Net result	(4,395)	(408)	(690)

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Comprehensive result			
	(4,395)	(408)	(690)
Expense by output			
3.1 Tourism ⁹	30,581	27,121	28,926
3.2 Events	5,088	4,936	4,039
Total	35,669	32,057	32,965
Net assets			
Total assets deployed for Output Group 3		2,759	2,871
Total liabilities incurred for Output Group 3		(2,872)	(2,576)
Net assets/(liabilities) deployed for Output Group 3		(113)	295

Notes:

- Grants and subsidies are over budget due to the classification of Events expenditure, the original budget is against advertising and promotion.
- Consultants and contracted services are over budget due to the reclassification of contracted services payments from advertising and promotion to consultants and contracted services.
- Property services are below budget due to the reclassification of rent to operating leases in other supplies and consumables.
- Communications is below budget due to the original budget including estimates for Tasmania's Temptations (\$941,000) which has ceased operations.
- Information technology is below budget due to the original budget including estimates for Tasmania's Temptations (\$856,000) which has ceased operations.
- Advertising and promotion is below budget due to the reclassification of contracted services payments from advertising and promotion to consultants and contracted services.
- Other supplies and consumables are below budget due to the original budget including estimates for Tasmania's Temptations (\$666,000) which has ceased operations.
- Other expenses are above budget due to higher than anticipated expenditure for salary on-costs.
- Tourism is below budget due to the original budget including estimates for Tasmania's Temptations (\$3.7 million) which has ceased operations.

Output Group 4 – Arts

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation ¹	14,034	16,191	13,925
Grants	-	15	140
Sales of goods and services	698	835	1,141
Interest	-	35	8
Contributions received	-	116	251
Other revenue	-	62	334
Total revenue and other income from transactions	14,732	17,254	15,799
Expenses from transactions			
Employee Entitlements ²	4,988	6,990	5,414
Superannuation	544	774	546
Depreciation and Amortisation	549	525	487
Borrowing Costs	-	-	20
Grants and subsidies ³	6,581	4,831	4,911
Other expenses from ordinary activities			
Consultants and contracted services ⁴	107	1,243	331
Property services	503	511	711
Maintenance	178	174	166
Communications	177	165	128
Information technology	273	218	318
Travel and transport	255	276	212
Advertising and promotion	209	248	65
Other supplies and consumables ⁵	174	1,326	572
Other expenses	191	552	336
Total expenses from transactions	14,729	17,833	14,217
Net operating result from continuing operations	3	(579)	1,582
Non-operational capital funding			
Other revenue	-	-	3,050
Total non-operational capital funding	-	-	3,050
Net result from transactions (net operating balance)	3	(579)	4,632

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ⁶	-	(35,330)	255
Net gain/(loss) on financial instruments and statutory receivables/payables ⁷	-	(632)	(1)
Total other economic flows included in net result	-	(35,962)	254
Net result from continuing operations	3	(35,962)	4,886
Net result	3	(36,541)	4,886
Other economic flows – other non-owner changes in equity			
Changes in physical asset revaluation reserve ⁶	-	(88,242)	94,708
Total other economic flows – other non-owner changes in equity	-	(88,242)	94,708
Comprehensive result	3	(124,783)	99,594
Expense by output			
4.1 TMAG ⁸	6,198	8,425	6,858
4.2 Art Industry Development ⁹	7,348	8,156	7,359
4.3 Screen Industry Development	1,183	1,252	-
Total	14,729	17,833	14,217
Net assets			
Total assets deployed for Output Group 4		399,453	522,188
Total liabilities incurred for Output Group 4		(2,433)	(1,683)
Net assets deployed for Output Group 4		397,020	520,505

Notes:

Due to the Administrative Order dated 6 December 2010, the Department has transferred the operations of Screen Tasmania from the Economic Development Output Group to the Arts Output Group. Comparative information has not been restated for the administrative restructure.

1. Revenue from appropriation is above budget due to approved transfers between Output Groups from the Economic Development Output Group to the Arts Output Group (\$2.30 million).
2. Employee entitlements are above budget due to the impact of increases as a result of the award translation process and wage agreement increases, and greater than budgeted expenditure for the TMAG.
3. Grants and subsidies are below budget due to the classification of payments from Screen Industry Development as Equity Investments rather than grants as originally budgeted (\$971,000).
4. Consultants and contracted services are above budget due to higher than anticipated expenditure through the Public Art Special Deposit and Trust Fund account (\$770,000).
5. Other supplies and consumables are above budget mainly due to greater than budgeted expenditure for the TMAG.
6. Net gain/(loss) on non-financial assets relates to the revaluation of Heritage and cultural assets and Land and buildings of the TMAG.
7. Net gain/(loss) on financial instruments and statutory receivables/payables relates to the impairment of Screen Industry Development Equity investments.
8. TMAG is above budget due to an approved transfer between Output Groups from the Economic Development Output Group to the Arts Output Group (\$1.61 million).
9. Arts Industry Development is above budget due to higher than anticipated expenditure through Special Deposit and Trust Fund accounts (\$400,000) and 2010-11 accrual transactions (\$360,000).

Special Capital Investment Funds

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from Special Capital Investment Funds	7,411	10,513	12,462
Total revenue and other income from transactions	7,411	10,513	12,462
Expenses from transactions			
Employee benefits	-	538	397
Superannuation	-	47	38
Grants and subsidies	7,411	10,283	11,975
Other expenses from ordinary activities			
Consultants	-	148	-
Property services	-	1	2
Communications	-	9	-
Information technology	-	12	-
Travel and transport	-	36	49
Advertising and promotion	-	63	9
Other supplies and consumables	-	12	540
Other expenses	-	254	-
Total expenses from transactions	7,411	11,403	13,010
Net operating result from continuing operations	-	(890)	(548)
Non-operational capital funding			
Revenue from Special Capital Investment Funds	6,000	2,151	1,718
Total non-operational capital funding	6,000	2,151	1,718
Net result from transactions (net operating balance)	6,000	1,261	1,170
Net result	6,000	1,261	1,170
Comprehensive result	6,000	1,261	1,170

Special Capital Investment Funds (continued)

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Expense by output			
Aurora Stadium ¹	-	1,500	-
Bellerive Oval Lighting	-	-	2,850
Tasmanian Museum and Art Gallery ²	-	890	548
AFL Arrangement – Hawthorn Football Club	3,625	3,488	3,428
Domain Tennis Centre ³	-	1,200	1,050
Industry Assistance Program ⁴	-	359	1,014
Tourism Promotion Plan	-	10	256
Northern Tennis Centre	-	-	450
Devonport Skate Park	-	-	75
Channel Heritage Museum	-	-	900
George Town Outdoor Fitness Park	-	-	95
Wynyard Senior Citizens Club	-	-	74
York Cove Walking and Cycling Track	-	-	300
Burnie Tennis Club	-	-	400
Kingston Tennis Club	-	-	120
Mersey Bluff Recreation Precinct	495	495	500
Taroona Football Club Clubrooms	-	-	20
Elphin Sports Centre Maintenance	130	130	16
Launceston Football Club	-	-	60
Queen Victoria Museum and Art Gallery	537	537	460
Glenorchy Arts Sculpture Park	1,582	1,582	214
Devonport Regional Play Space	300	300	-
Devonport Maritime Museum	600	600	-
Devonport City Soccer Club	142	142	-
Longford Community Sports Centre	-	100	-
Tarkine marketing and promotion	-	70	180
Total	7,411	11,403	13,010
Net assets			
Total assets deployed for Special Capital Investment Funds		1,261	1,171
Total liabilities incurred for Special Capital Investment Funds		-	-
Net assets deployed for Special Capital Investment Funds		1,261	1,171

Notes:

1. Aurora Stadium is above budget as the grant was originally budgeted to be disbursed in 2009-10.
2. TMAG is above budget due to the classification of the project budget as an asset not expenditure in the 2010-11 Budget.
3. Domain Tennis Centre is above budget due to additional funding approved in 2010 for the project (\$1.2 million).
4. Industry Assistance Program is above budget mainly due to expenditure on grants and other industry assistance agreements, which was not included in the original budget.

3.2 Reconciliation of total Output Groups' comprehensive result to Statement of Comprehensive Income

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Total comprehensive result of Output Groups	1,047	(131,791)	88,449
Reconciliation to comprehensive result			
Changes in physical asset revaluation reserve	10,651	-	-
Comprehensive result	11,698	(131,791)	88,449

3.3 Reconciliation of total Output Groups' net assets to Statement of Financial Position

	2011 Actual \$'000	2010 Actual \$'000
Total net assets deployed for Output Groups	466,085	597,876
Reconciliation to net assets		
Assets unallocated to Output Groups	-	-
Liabilities unallocated to Output Groups	-	-
Net assets	466,085	597,876

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.

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Administered revenue and other income from transactions			
Revenue from appropriation	3,850	3,850	3,785
Total administered revenue and other income from transactions	3,850	3,850	3,785
Administered expenses from transactions			
Grants and subsidies	3,850	3,850	3,785
Total administered expenses from transactions	3,850	3,850	3,785
Administered net result from transactions (net operating balance)	-	-	-
Administered expense by output			
Ten Days on the Island	1,229	1,229	1,205
Tasmanian Symphony Orchestra	1,449	1,449	1,414
Theatre Royal	172	172	166
Tasmanian Icon Program	1,000	1,000	1,000
Total	3,850	3,850	3,785

Note 4 Explanations of material variances between budget and actual outcomes

The following are brief explanations of material variances between budget estimates and actual outcomes. Variances are considered material where the variance exceeds the greater of 10 per cent of budget estimate and \$200,000.

4.1 Statement of Comprehensive Income

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Continuing operations					
Appropriation revenue – section 8A of the <i>Public Account Act 1986</i>	(a)	389	969	580	149
Revenue from Special Capital Investment Funds (SCIF)	(b)	7,411	10,513	3,102	42
Grants	(c)	1,924	195	(1,729)	(90)
Sales of goods and services	(d)	2,031	3,002	971	48
Other revenue	(e)	1,029	4,240	3,211	312
Employee benefits	(f)	34,494	41,833	7,339	21
Depreciation and amortisation	(g)	1,611	2,067	456	28
Other expenses	(h)	1,619	3,830	2,211	137
Non-operation capital funding					
Revenue from Special Capital Investment Funds (SCIF)	(i)	6,000	2,151	(3,849)	(64)
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	(j)	650	(31,812)	(32,462)	(4,994)

Notes to Statement of Comprehensive Income variances

- Appropriation revenue – section 8A of the *Public Account Act 1986* is above budget due to the 2009-10 approved carry forward requests for Tasmania Now (\$552,000), Business Online Services (\$300,000) and the Young Farmers Rebate Scheme (\$117,000).
- Revenue from Special Capital Investment Funds is above budget due to the delayed payments of 2009-10 ESIF projects including Domain Tennis Centre (\$1.2 million) and Aurora Stadium (\$1.5 million)
- Grants are below budget due to the reclassification of funds received from the Community Support Levy (\$900,000), Silverdome activities (\$254,000) and Tasmanian Institute of Sport programs (\$760,000).
- Sales of goods and services are above budget due to higher than anticipated revenue, including a Tenancy lease incentive (\$500,000), funding received for the Vegetable Development Program (\$180,000) and Wealth from Water (\$120,000).
- Other revenue is above budget due to the reclassification of funds received from the Community Support Levy (\$900,000), Silverdome activities (\$254,000) and Tasmanian Institute of Sport programs (\$760,000).
- Employee entitlements are above budget due to the impact of increases as a result of the award translation process and wage agreement increases, positions funded from external sources, and accrued employee benefits.
- Depreciation and amortisation is above budget due to the amortisation of the Department's software licences.
- Other expenses are above budget due to higher than budgeted expenditure for salary on-costs, as a result of increased employee entitlements.
- Revenue from Special Capital Investment Funds (SCIF) is below budget due to slower than expected expenditure in relation to the TMAG redevelopment project.
- Net gain/(loss) on non-financial assets relates to the revaluation of Heritage and cultural assets and Land and Buildings of the TMAG.

4.2 Statement of Financial Position

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Cash and deposits	(a)	25,124	20,386	(4,738)	(19)
Receivables	(b)	571	1,855	1,284	225
Loan advances	(c)	52,828	37,694	(15,134)	(29)
Equity Investments	(d)	5,460	584	(4,876)	(89)
Other assets	(e)	3,478	2,323	(1,155)	(33)
Payables	(f)	2,839	1,973	(866)	(31)
Interest bearing liabilities	(g)	45,021	26,621	(18,400)	(41)
Provisions	(h)	1,768	2,747	979	55
Employee benefits	(i)	7,852	8,842	990	13
Other liabilities	(j)	2,392	3,401	1,009	42

Notes to Statement of Financial Position variances

- (a) Cash and Deposits are below budget mainly due to the disbursement of Intelligent Island program funds and lower than forecast *Tasmanian Development Act 1983* borrowings.
- (b) Receivables are above budget due to the reclassification of tax assets from other assets to receivables.
- (c) Loan advances are below budget due to lower than budgeted disbursement of loans, including the original estimates for the Tasmanian Industry Support Scheme.
- (d) Equity Investments are below budget due to the impairment of equity investments relating to Screen Tasmania.
- (e) Other assets are below budget due to the reclassification of tax assets from other assets to receivables.
- (f) Payables are below budget due to the lower than estimated outstanding creditors as at 30 June 2011.
- (g) Interest bearing liabilities are below budget due to lower than budgeted disbursement of loans, including the original estimates for the Tasmanian Industry Support Scheme.
- (h) Provisions are above budget due to the renegotiation of tenancy leases held by the Department.
- (i) Employee benefits are above budget due to the impact of the award translation process and positions funded from external sources.
- (j) Other liabilities are above budget mainly due to the 2009-10 section 8(A)2 carry forward requests (\$2.52 million).

4.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Grants	(a)	1,924	195	(1,729)	(90)
Sales of goods and services	(b)	2,021	2,985	964	48
GST receipts	(c)	6,500	8,086	1,586	24
Other cash receipts	(d)	1,029	4,698	3,669	357
Employee benefits	(e)	(34,308)	(40,398)	6,090	17
Other cash payments	(f)	(1,619)	(3,692)	2,073	128
Proceeds from the disposal of non-financial assets	(g)	3,000	526	(2,474)	(82)
Repayment of loans by other entities	(h)	4,396	5,649	1,253	28
Loans made to other entities	(i)	(18,792)	(15,074)	(3,718)	(19)
Payments for acquisition of non-financial assets	(j)	(6,650)	(2,038)	(4,612)	(69)
Proceeds from borrowings	(k)	10,000	3,600	(6,400)	(64)

Notes to Statement of Cash Flows variances

- (a) Grants are below budget due to the reclassification of funds received from the Community Support Levy (\$900,000), Silverdome activities (\$254,000) and Tasmanian Institute of Sport programs (\$760,000).
- (b) Sales of goods and services are above budget due to higher than anticipated revenue, including a Tenancy lease incentive (\$500,000), funding received for the Vegetable Development Program (\$180,000) and Wealth from Water (\$120,000).
- (c) GST receipts are below budget due to the reduction in GST remitted as a result of the closure of Tasmania's Temptations and lower than anticipated GST receipts.
- (d) Other cash receipts are above budget due to the reclassification of funds received from the Community Support Levy (\$900,000), Silverdome activities (\$254,000) and Tasmanian Institute of Sport programs (\$760,000).
- (e) Employee benefits are above budget due to the impact of increases as a result of the award translation process and wage agreement increases and positions funded from external sources.
- (f) Other cash payments are above budget due to higher than anticipated expenditure for salary on-costs, as a result of increased employee entitlements.
- (g) Proceeds from the disposal of non-financial assets is below budget due to the sale of the Print Applied Technology building at Hobart Technopark not occurring in 2010-11 as originally anticipated.

- (h) Repayment of loans by other entities is above budget due to higher than forecast principal receipts on loan advances.
- (i) Loans made to other entities are below budget due to the disbursement of several loans not occurring in 2010-11 as expected.
- (j) Payments for acquisition of non-financial assets are below budget mainly due to slower than expected expenditure in the TMAG redevelopment project (\$3.8 million).
- (k) Proceeds from borrowings are below budget due to lower than budgeted disbursement of loans.

Note 5 Events occurring after balance date

There have been no events subsequent to balance date which would have a material effect on the Department's Financial Statements as at 30 June 2011.

Note 6 Income from transactions

6.1 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
Continuing operations			
Appropriation revenue – recurrent			
Current year	112,526	108,483	96,644
Total	112,526	108,483	96,644
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	389	969	140
Total	389	969	140
Total revenue from government	112,915	109,452	96,784

Section 8A(2) of the *Public Account Act 1986* 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.

6.2 Revenue from Special Capital Investment Funds

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

	2011 Actual \$'000	2010 Actual \$'000
<i>Continuing operations</i>		
Economic and Social Infrastructure Fund	10,513	12,462
Total	10,513	12,462
<i>Non-operational capital funding</i>		
Economic and Social Infrastructure Fund	2,151	1,718
Total	2,151	1,718
Total revenue from Special Capital Investment Funds	12,664	14,180

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 13.3.

6.3 Grants

	2011 \$'000	2010 \$'000
Grants from the Australian Government		
General grants	195	230
Total	195	230

A grant received on 30 June 2011 remained unspent at the end of the year, a total of \$15,976.

6.4 Sales of goods and services

	2011 \$'000	2010 \$'000
Tasmania's Temptations sales (net)	-	1,816
Other goods and services	3,002	2,161
Total	3,002	3,977

6.5 Interest

	2011 \$'000	2010 \$'000
Interest	3,238	3,268
Total	3,238	3,268

6.6 Contributions received

	2011 \$'000	2010 \$'000
Fair value of additions to TMAG Collections at no cost	116	251
Total	116	251

6.7 Other revenue

	2011 \$'000	2010 \$'000
Continuing operations		
Investment property rental	1,146	1,123
Fees and recoveries	1,365	2,755
Other	1,729	1,574
Total	4,240	5,452
Non-operational capital funding		
<i>Changes in accounting estimates (refer to Note 2.22):</i>		
Fair value of land identified	-	2,400
Fair value of buildings identified	-	650
Total	-	3,050
Total other revenue	4,240	8,502

Note 7 Expenses from transactions

7.1 Employee benefits

	2011 \$'000	2010 \$'000
Wages and salaries	31,558	28,616
Annual leave	2,681	2,122
Long service leave	1,049	329
Sick leave	1,191	1,053
Superannuation – defined benefit scheme	656	573
Superannuation – contribution schemes	3,482	2,798
Other post-employment benefits	622	2,922
Other employee expenses	594	394
Total	41,833	38,807

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 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 contribution schemes.

7.2 Depreciation and amortisation

(a) Depreciation

	2011 \$'000	2010 \$'000
Plant and equipment	440	478
Buildings	727	634
Total	1,167	1,112

(b) Amortisation

	2011	2010
	\$'000	\$'000
Intangibles	493	315
Leasehold improvements	407	435
Total	900	750
Total depreciation and amortisation	2,067	1,862

7.3 Supplies and consumables

	2011	2010
	\$'000	\$'000
Audit fees – financial audit	110	145
Audit fees – internal audit	156	89
Operating lease costs	4,279	2,757
Consultants and contracted services	7,866	7,924
Property services	1,716	1,848
Maintenance	680	501
Communications	1,121	1,107
Information technology	2,030	1,701
Travel and transport	2,572	2,379
Advertising and promotion	10,646	13,204
Other supplies and consumables	2,130	1,376
Total	33,306	33,031

7.4 Grants and subsidies

	2011	2010
	\$'000	\$'000
Grants	51,551	46,938
Subsidies	-	20
Sponsorship	726	295
Total	52,277	47,253

The Department provides grants and assistance to the following initiatives:

Tasmanian enterprises for industry development and employment assistance include support in the areas of exporting, innovation, contact centres, skill development, screen and film, sport and recreation and general industry assistance.

Tourism Development Assistance provides funding for marketing and development programs that derive benefits for Tasmania from domestic and international tourism.

Major Events grants and assistance provide funding support to events of state and regional significance.

Museums and art gallery grants are provided to assist curatorial and collection management practices of public and community art gallery and museums.

Arts grants are provided to develop and support the arts sector in Tasmania, by providing increased opportunities for all Tasmanians to access and engage in the arts and cultural activities.

Urban Renewal and Heritage Fund grants are provided for the conservation and restoration of heritage assets and the renewal of urban areas in communities throughout Tasmania.

The Department also disburses designated specific purpose grants allocated from the government's Special Capital Investment Funds.

7.5 Borrowing costs

	2011 \$'000	2010 \$'000
Interest expense		
Interest on bank overdrafts and loans	2,308	1,806
Total	2,308	1,806
Other borrowing costs		
Unwinding of discounting of provisions	1	60
Total	1	60
Total borrowing costs	2,309	1,866

7.6 Other expenses

	2011 \$'000	2010 \$'000
Salary on-costs	2,691	2,833
Seminars and conferences	383	361
Other	756	1,456
Total	3,830	4,650

Note 8 Other economic flows included in net result

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

	2011 \$'000	2010 \$'000
Revaluation of Heritage and cultural assets	(22,732)	-
Revaluation of Buildings	(8,914)	-
Revaluation of Investment Property	(783)	(260)
Net gain/(loss) on non-financial assets transferred	264	526
Net gain/(loss) on sale of non-financial assets	353	28
Total net gain/(loss) on non-financial assets	(31,812)	294

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

	2011 \$'000	2010 \$'000
Impairment reversals/(losses) of:		
Loans advances	(3,350)	(315)
Equity investments	(637)	(5,458)
Loan advances written off during the year	(500)	(2,095)
Receivables written off during the year	(22)	-
Total net gain/(loss) on financial instruments	(4,509)	(7,868)

Loan advances impaired in 2010-11 related mainly to a *Tasmanian Development Act 1983* loan to Tascot Templeton Carpets Pty Ltd. The impairment is a result of Tascot Templeton Carpets Pty Ltd going into voluntary administration on 23 September 2010. Also a Section 35 loan Administered by TDR was impaired, refer to Note 9.2.

During 2010-11 the Equity investments impairment related to Screen Tasmania equity investments and First Tasmania Investment Ltd, refer to Note 9.3.

Loan advances written off in 2010-11 related to a Section 35 loan Administered by TDR and an Intelligent Island loan to Etech Group International Pty Ltd.

Note 9 Assets

9.1 Receivables

	2011 \$'000	2010 \$'000
Receivables	390	810
Less: Provision for impairment	-	-
Tax assets	1,465	1,135
Total	1,855	1,945
Settled within 12 months	1,855	1,945
Settled in more than 12 months	-	-
Total	1,855	1,945

9.2 Loan advances

	2011 \$'000	2010 \$'000
Convertible note	200	200
Section 35 Loans Administered by TDR	33,458	25,700
<i>Tasmanian Development Act 1983</i>	5,562	5,477
<i>Fire Damage Relief Act 1967</i>	24	24
<i>Farm Water Development Act 1985</i>	977	261
Intelligent Island Loans	-	340
Screen Tasmania Loans	236	329
Arts Loans	747	531
No Interest Loan Scheme	500	-
Less: Provision for impairment	(4,010)	(660)
Total	37,694	32,202
Settled within 12 months	12,483	6,330
Settled in more than 12 months	25,211	25,872
Total	37,694	32,202

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

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

During 2010-11, two loans were assessed as being impaired. The impairments arose as a result of TDR Board approving a specific provision of \$3.850 million for impairment in relation to a *Tasmanian Development Act 1983* loan to Tascot Templeton Carpets Pty Ltd. The impairment is a result of Tascot Templeton Carpets Pty Ltd going into voluntary administration on 23 September 2010. Also a Section 35 loan Administered by TDR was impaired \$160,000.

Reconciliation of movement in provision for impairment of other financial assets	2011 \$'000	2010 \$'000
Carrying amount at 1 July	660	345
Increase/(decrease) in provision recognised in profit or loss	3,350	315
Carrying amount at 30 June	4,010	660

9.3 Equity investments

	2011 \$'000	2010 \$'000
Listed shares – at cost	2,412	2,412
Listed shares – converted	944	944
Unlisted equity instruments	10,911	10,279
Less: Provision for impairment	(13,683)	(13,046)
Total	584	589
Settled within 12 months	-	-
Settled in more than 12 months	584	589
Total	584	589

Listed shares

Tassal Ltd

The Department holds 1,583,341 fully paid ordinary shares in Tassal Limited. The value of this investment is \$Nil.

Unlisted equity instruments

First Tasmania Investments Ltd

The Department holds 2,402,105 ordinary shares in First Tasmania Investments Ltd. The shares are recorded at Directors' Valuation as at 30 June 2011.

North West Bay Ships Pty Ltd

The Department acquired 800,000 preference shares (7 per cent) of \$1.00 each in June 2000. The shares are recorded at Directors' Valuation as at 30 June 2011.

SDT Australia Pty Ltd

The Department acquired 200,000 preference shares (9 per cent) of \$1.00 each in June 2000. The company has not operated for the last four and a half years due to a lack of capital for further research and development. The shares have been valued at \$Nil as at 30 June 2011.

Screen Tasmania Investments

The Department has a number of equity investments in productions through Screen Tasmania. These investments assist companies working in the film, television and multimedia area, to undertake a variety of productions and projects that contribute to economic or cultural objectives for Tasmania.

The Provision for Impairment movement is the result of the revaluation of First Tasmania Investment Ltd and Screen Tasmania equity portfolio as at 30 June 2011.

Reconciliation of movement in provision for impairment of equity investments	2011 \$'000	2010 \$'000
Carrying amount at 1 July	13,046	7,588
Increase/(decrease) in provision recognised in profit or loss	637	5,458
Carrying amount at 30 June	13,683	13,046

9.4 Inventories

	2011 \$'000	2010 \$'000
Inventory held for sale	559	459
Total	559	459
Settled within 12 months	559	459
Settled in more than 12 months	-	-
Total	559	459

9.5 Property, plant and equipment

(a) Carrying amount

	2011 \$'000	2010 \$'000
Land		
Properties – at fair value (30 June)	16,810	10,231
Rural properties – at fair value (30 June)	3,953	4,056
Less: Provision for impairment	-	-
Total	20,763	14,287
Buildings		
At fair value (30 June)	36,780	52,749
Less: Accumulated depreciation	-	-
Less: Provision for impairment	-	-
	36,780	52,749
Work in progress (at cost)	2,201	941
Total	38,981	53,690

(a) Carrying amount (continued)

	2011 \$'000	2010 \$'000
Leasehold improvements		
At cost	5,207	6,376
Less: Accumulated amortisation	(2,971)	(4,184)
Less: Provision for impairment	-	-
	2,236	2,192
Work in progress (at cost)	44	-
Total	2,280	2,192
Plant and equipment		
At cost	4,013	4,191
Less: Accumulated depreciation	(2,596)	(2,426)
Less: Provision for impairment	-	-
	1,417	1,765
Work in progress (at cost)	54	(82)
Total	1,471	1,683
Heritage and cultural assets		
At fair value (30 June)	371,237	486,520
Less: Provision for impairment	-	-
	371,237	486,520
Work in progress (at cost)	-	-
Total	371,237	486,520
Total property, plant and equipment	434,732	558,372

Rural properties are valued as at 30 June 2011 to fair value. Fair value of these properties equates to the option prices deemed on the individual properties. These option prices are the amounts receivable should the tenants exercise the option to purchase the freehold title.

The latest revaluations as at 30 June 2011 (other than rural properties) were based on valuations undertaken by independent valuers Brothers and Newton Pty Ltd.

The fair value valuations of land and buildings were undertaken in accordance with API Professional Practice Guidelines and International Valuation Standards. In doing so, various methods of valuation including direct comparison, capitalisation of net income, summation, and hypothetical development have been utilised.

Estimates of total economic life assume regular and ongoing maintenance in order to prolong the useful life of the buildings. The total economic life for each asset has been amended for the age of the existing buildings to arrive at the remaining economic life. In cases where buildings have been developed in stages the age of the buildings have been calculated based on the averaged year of construction.

During 2010-11 new valuers were engaged to perform a full valuation of heritage and cultural assets (TMAG Collections). TMAG Collections were independently valued with an effective date of 30 June 2011 by RHAS Chartered Valuers and Brokers. The revaluation of these assets was on a fair value basis in accordance with relevant accounting standards and Treasurer's Instructions. The previous revaluation was last conducted in 2006 by Simon Storey Valuers (SSV). Subsequently from 2007 to 2010 financial years SSV supplied an index each year to increase the 2006 valuation of TMAG Collections to fair value.

The valuation of TMAG Collections is undertaken by a specialist valuer who has expertise with the objects in question. However, due to the volume and diversity of TMAG Collections, a number of valuers are required. The valuation methodology involves selecting a random sample of individual collection items to determine a representative value for the collection, and each valuer brings a unique perspective on how to divide TMAG Collections into these samples. The valuation exercise is undertaken in accordance with accounting standards for fair value applicable to cultural and heritage collections (AASB116).

The definition of fair value is defined in AASB116, and in summary is the estimated amount for which any asset should be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion, and where the market value has been determined by appraisal.

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

With respect to the 2010-11 valuation exercise, the following should be noted:

1. TMAG confirmed that all objects in TMAG Collections were represented in the total sample.
2. TMAG confirmed that a number of methodologies for valuing numismatics objects in the collections had changed from the previous assessment. In this assessment they were appraised on the weight of precious metals at current market rates, as opposed to a market value. In the opinion of the valuers this was a better assessment of the fair market value.
3. TMAG confirmed that there had been changes in the value of the Fine Arts collection due to the volatility of the market.
4. TMAG confirmed that the recollection value in 2011 for a scientific specimen remained at \$400 per specimen on average (same as the last time the assessment was undertaken). Given that the total fair market value has been subject to indexation for the years between assessments, this had led to a correction of the value of the scientific specimens.

TMAG confirmed that variations in the samples due to additions to the collections have led to a correction in the value of the asset over the previous year's valuations. It is anticipated that fluctuations in the collection value will continue in future years.

Heritage and cultural assets are not depreciated as they do not have limited useful lives as appropriate curatorial policies are in place.

The balance of revaluation decrements by class for buildings and heritage and cultural assets over and above the opening balance of their respective asset revaluation reserves has been recognised in the Comprehensive Income Statement, for details refer to Note 8.1.

(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	Land	Buildings	Leasehold improvements	Plant and equipment	Heritage and cultural assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	14,287	53,690	2,192	1,683	486,520	558,372
Additions	-	75	808	449	-	1,332
Contributions received	-	-	-	-	116	116
Disposals	(103)	-	(357)	(32)	-	(492)
Revaluation increments (decrements)	6,579	(15,317)	-	-	(115,663)	(124,401)
Net transfers	-	-	-	-	264	264
Work in progress at cost	-	1,260	44	(189)	-	1,115
Depreciation and amortisation	-	(727)	(407)	(440)	-	(1,574)
Carrying value at 30 June	20,763	38,981	2,280	1,471	371,237	434,732
2010	Land	Buildings	Leasehold improvements	Plant and equipment	Heritage and cultural assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	7,075	27,511	1,913	1,570	-	38,069
Additions	2,400	661	-	288	-	3,349
Contributions received	-	-	-	-	251	251
Disposals	(359)	(7)	-	(9)	-	(375)
Net additions through restructuring	4,682	22,237	634	309	393,080	420,942
Revaluation increments (decrements)	489	2,879	-	-	92,932	96,300
Net transfers	-	102	82	85	257	526
Work in progress at cost	-	941	-	(82)	-	859
Depreciation and amortisation	-	(634)	(437)	(478)	-	(1,549)
Carrying value at 30 June	14,287	53,690	2,192	1,683	486,520	558,372

9.6 Investment property

(a) Carrying amount

	2011 \$'000	2010 \$'000
Land at fair value	4,810	5,260
Buildings at fair value	5,800	6,050
Less: Provision for impairment	-	-
	10,610	11,310
Work in progress at cost		-
Total	10,610	11,310

Investment property includes the Tasmanian Technopark which assists the acceleration of growth for start-up and existing businesses. The Technopark offers accommodation options to suit a range of businesses from complete, self-contained buildings to individual tenancies, a business incubator centre and managed office facility.

The latest revaluations as at 30 June 2011 were based on valuations undertaken by independent valuers Brothers and Newton Pty Ltd.

(b) Reconciliation of movements

	2011 \$'000	2010 \$'000
Carrying amount at 1 July	11,310	11,570
New purchases	83	-
Net gains/(losses) from fair value adjustments	(783)	(260)
Carrying amount at 30 June	10,610	11,310

9.7 Intangibles

(a) Carrying amount

	2011 \$'000	2010 \$'000
Intangibles with a finite useful life		
Software at cost	2,357	2,217
Less: Accumulated amortisation	(1,431)	(980)
Less: Provision for impairment	-	-
Total	926	1,237

(b) Reconciliation of movements

	2011 \$'000	2010 \$'000
Carrying amount at 1 July	1,237	655
Additions – other	221	14
Disposals	(39)	-
Net additions through restructuring	-	471
Work in progress at cost	-	411
Depreciation/ amortisation expense	(493)	(314)
Carrying amount at 30 June	926	1,237

9.8 Other assets

(a) Carrying amount

	2011 \$'000	2010 \$'000
Other assets		
Prepayments	2,321	2,309
Other	2	4
Total	2,323	2,313
Settled within 12 months	2,323	2,313
Settled in more than 12 months	-	-
Total	2,323	2,313

(b) Reconciliation of movements

	2011 \$'000	2010 \$'000
Carrying amount at 1 July	2,313	3,336
Additions	2,323	2,313
Disposals	(2,313)	(3,336)
Carrying amount at 30 June	2,323	2,313

Note 10 Liabilities

10.1 Payables

	2011 \$'000	2010 \$'000
Creditors	277	291
Funds held in trust	475	673
Accrued expenses	1,221	974
Total	1,973	1,938
Settled within 12 months	1,973	1,938
Settled in more than 12 months	-	-
Total	1,973	1,938

Settlement is usually made within 30 days.

10.2 Interest bearing liabilities

(a) Carrying amount

	2011 \$'000	2010 \$'000
Loans from the State Government	21	21
Loans from Tascorp	26,600	25,000
Total	26,621	25,021

(b) Maturity schedule

One year or less	8,600	7,000
From one to five years	18,021	18,021
Total	26,621	25,021

The balance of interest-bearing liabilities does not include a non-repayable loan of \$7.9 million provided by the Department of Treasury and Finance to the Tasmanian Development Authority. Interest expense for the 2011 financial year totalled \$380,521 (2010 \$290,920).

10.3 Provisions

(a) Carrying amount

	2011 \$'000	2010 \$'000
Operating lease provisions	1,558	478
Operating lease make-good provisions	1,189	1,545
Total	2,747	2,023
Settled within 12 months	1,558	557
Settled in more than 12 months	1,189	1,466
Total	2,747	2,023

Movements in provisions relate to the renegotiation of tenancy leases held by the Department and the corresponding changes in the base cost of make-good provisions.

(b) Reconciliation of movements in provisions

	Operating lease make-good provision		Operating lease provisions		Total Provisions	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Balance at 1 July	1,545	1,389	478	379	2,023	1,768
Increases	18	87	1,080	99	1,098	186
Provision assumed on restructure	-	96	-	-	-	96
Changes against the provision	(357)	-	-	-	(357)	-
Changes in discounting	(17)	(27)	-	-	(17)	(27)
Balance at 30 June	1,189	1,545	1,558	478	2,747	2,023

10.4 Employee benefits

	2011 \$'000	2010 \$'000
Accrued salaries	963	774
Annual leave	2,552	2,257
Long service leave	5,156	4,315
SSALS provision	171	78
Total	8,842	7,424
Settled within 12 months	4,121	3,585
Settled in more than 12 months	4,721	3,839
Total	8,842	7,424

10.5 Other liabilities

	2011 \$'000	2010 \$'000
Revenue received in advance		
Appropriation carried forward from current and previous years under section 8A of the <i>Public Account Act 1986</i>	2,520	969
Other liabilities		
Employee benefits – on-costs	559	472
Other liabilities	322	237
Total	3,401	1,678
Settled within 12 months	3,094	1,428
Settled in more than 12 months	307	250
Total	3,401	1,678

Note II Commitments and Contingencies

II.I Schedule of commitments

	2011 \$'000	2010 \$'000
By type		
<i>Capital commitments</i>		
Investment property	-	29
<i>Total capital commitments</i>	-	29
<i>Lease Commitments</i>		
Operating leases	48,972	7,181
<i>Total lease commitments</i>	48,972	7,181
<i>Other commitments</i>		
Loan commitments: loans approved but not drawn down by clients as at 30 June	3,379	14,267
Assistance to Industry commitments	66,385	53,512
<i>Total other commitments</i>	69,764	67,779
Total	118,736	74,989
By maturity		
<i>Capital commitments</i>		
One year or less	-	29
From one to five years	-	-
More than five years	-	-
<i>Total capital commitments</i>	-	29
<i>Operating lease commitments</i>		
One year or less	3,568	3,368
From one to five years	13,775	3,813
More than five years	31,629	-
<i>Total operating lease commitments</i>	48,972	7,181

Schedule of commitments (continued)

	2011 \$'000	2010 \$'000
<i>Other commitments</i>		
One year or less	25,916	40,072
From one to five years	43,848	27,707
More than five years	-	-
<i>Total other commitments</i>	69,764	67,779
Total	118,736	74,989

Capital commitments are associated with maintenance and redevelopment expenditure on the Department's land and buildings and investment properties.

Operating leases are associated with rental costs for leased premises occupied by the Department, office equipment and motor vehicles leased through the government's fleet manager. The rentals on leased premises generally contain renewal options that extend the lease to match the current lease periods. These range from 2 to 15 years.

The Assistance to Industry commitment shows amounts approved to clients payable over a period greater than one year on which the actual amount payable is dependent upon expenditure being incurred and certain conditions being met by these clients and a claim submitted and approved for payment. The estimated commitment as at 30 June has been included in these cases.

11.2 Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding 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.

	2011 \$'000	2010 \$'000
Quantifiable contingent liabilities		
<i>Contingent guarantees</i>		
<i>Liability in respect of guarantees given to Tasmanian Hockey Inc.</i>		
<i>Support loan to remediate ground No 1 pending outcome of legal dispute with the original turf laying contractor.</i>	1,250	1,250
Total quantifiable contingent liabilities	1,250	1,250

(b) Unquantifiable contingencies

At 30 June 2011, the Department had a number of legal claims against it as detailed below. It is not possible at the reporting date to accurately estimate the amounts of eventual receipts or payments, if any, that may be required in relation to these claims.

(i) Jill Mure vs Tasmania Development and Resources and the Recorder of Titles. The landowner is disputing the ownership of a strip of foreshore land at Tinderbox currently valued by TDR at \$100,000. The matter has been adjourned to a date to be fixed by the Court.

(ii) The State of Tasmania vs Geoffrey Arthur Elwood. Mr Elwood provided a guarantee and indemnity to the Crown in order to secure a loan from the Crown to Etech International Limited. The Crown is seeking repayment of the loan amount of \$2,000,000 plus an interest component.

(iii) The Department is disputing a workers' compensation claim lodged by an employee. A hearing date is yet to be set by the Tribunal.

Note 12 Reserves

12.1 Reserves

	2011 \$'000	2010 \$'000
Physical asset revaluation reserve		
Balance at the beginning of financial year	100,604	4,304
Revaluation increments/(decrements)	(92,755)	96,300
Transfers to/(from) reserves	(646)	-
Balance at end of financial year	7,203	100,604

(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).

(b) Asset Revaluation Reserve by Class of Assets

The balance within the asset revaluation reserve for the following classes of assets is:

	2011 \$'000	2010 \$'000
Leasehold improvements	-	646
Land	7,202	575
Buildings	-	6,450
Heritage and cultural assets	-	92,932
Art work	1	1
Total Asset revaluation reserve	7,203	100,604

12.2 Administrative restructuring

As a result of a restructuring of administrative arrangements, the Department assumed responsibility for the TMAG and Arts Tasmania on 1 July 2009.

In respect of activities assumed, the net book values of assets and liabilities transferred to the Department from the Department of Environment, Parks, Heritage and the Arts for no consideration and recognised as at the date of transfer were:

	2011 \$'000	2010 \$'000
Net assets assumed on restructure		
Cash and deposits	-	677
Debtors	-	6
Other financial assets	-	574
Inventory	-	308
Plant and equipment	-	309
Land and buildings	-	26,920
Leasehold improvements	-	634
Heritage and cultural assets	-	393,080
Intangible assets	-	471
Other assets	-	82
Total assets recognised	-	423,061
Net liabilities assumed on restructure		
Payables	-	490
Employee benefits	-	1,472
Provisions	-	96
Other liabilities	-	91
Total liabilities recognised	-	2,149
Net assets (liabilities) assumed on restructure	-	420,912

Note 13 Cash Flow Reconciliation

13.1 Cash and deposits

Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by the Department, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2011 \$'000	2010 \$'000
Special Deposits and Trust Fund balance		
T522 Economic Development Operating Account	16,370	20,132
T659 Tourism Temptations	440	444
T773 Sports Development Account	2	100
T790 Government Guarantees Reserve Account	327	309
T941 Fire Relief Account	3	2
T797 Intelligent Island Project Account	3,239	6,540
Total	20,381	27,527
Other cash held		
Cash on hand and at bank	5	6
Cash at Westpac – Tasmania Temptations	-	-
Total	5	6
Total cash and deposits	20,386	27,533

13.2 Reconciliation of net result to net cash from operating activities

	2011 \$'000	2010 \$'000
Net result	(39,036)	(7,851)
Increase (decrease) S8A(2) carry forwards	1,551	829
Depreciation and amortisation	2,067	1,862
(Gain)/loss from sale of non-financial assets	(353)	(28)
(Gain)/loss on non-financial assets transferred	(264)	(526)
Interest	82	(258)
(Gain)/loss on fair value revaluations	32,429	260
Impairment adjustments	4,509	7,868
Contributions received	(116)	(251)
Derecognition of provisions	(356)	-
Changes in accounting estimates	-	(3,050)
Decrease (increase) in receivables	68	(360)
Decrease (increase) in inventories	(100)	(151)
Decrease (increase) in other assets	(10)	462
Increase (decrease) in employee benefits	1,418	(463)
Increase (decrease) in payables	232	(2,043)
Increase (decrease) in provisions	724	160
Increase (decrease) in other liabilities	173	479
Net cash from (used by) operating activities	3,018	(3,061)

13.3 Acquittal of Capital Investment and Special Capital Investment Funds

The Department received 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
Special Capital Investment Funds			
<i>Economic and Social Infrastructure Fund</i>			
Industry Assistance Program	-	359	1,014
Tourism Promotion Plan	-	10	204
AFL – Hawthorn Football Club	3,625	3,488	3,428
Domain Tennis Centre	-	1,200	1,050
Aurora Stadium	-	1,500	-
Bellerive Oval Lighting	-	-	2,850
Tasmanian Museum and Art Gallery	-	2,151	1,718
<i>Urban Renewal and Heritage Fund</i>			
Devonport Skate Park	-	-	75
Channel Heritage Museum	-	-	900
George Town Outdoor Fitness Park	-	-	95
Wynyard Senior Citizens Club	-	-	74
York Cove Walking and Cycling Track	-	-	300
Burnie Tennis Club	-	-	400
Kingston Tennis Club	-	-	120
Mersey Bluff Recreation Precinct	495	495	500
Taroona Football Club Clubrooms	-	-	20
Elphin Sports Centre Maintenance	130	130	16
Launceston Football Club	-	-	60
Queen Victoria Museum and Art Gallery	537	537	460
Glenorchy Arts Sculpture Park	1,582	1,582	214
Northern Regional Tennis Centre	-	-	450
Devonport Regional Play Space	300	300	-
Devonport Maritime Museum	600	600	-
Devonport City Soccer Club	142	142	-
Longford Community Sports Centre	-	100	-
<i>Major Capital Project Fund</i>			
Tarkine marketing and promotion	-	70	180
Total	7,411	12,664	14,128

(b) Classification of cash flows

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

	2011 \$'000	2010 \$'000
Cash outflows		
Employee benefits	608	425
Advertising and promotion	58	9
Grants and transfer payments	10,283	11,925
Contracted services	144	536
Payments for the acquisition of non-financial assets	1,261	1,170
Other cash payments	310	63
Total cash outflows	12,664	14,128

Note 14 Financial instruments

14.1 Risk exposures

(a) Risk management policies

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

- » credit risk
- » liquidity risk
- » market risk.

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

(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.

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

The Department manages credit risk on loan advances by obtaining security over assets in accordance with the provisions of the Tasmanian Development Act 1983 and by including appropriate risk margins in the Department's interest rate pricing, based on an assessment of the inherent risk of individual clients.

The Department is materially exposed to JBS Australia Propriety Limited (34%) and Norske Skog Paper Mills Australia Limited (18%). Concentration of credit risk by industry on loan advances is: Food (50%).

Financial Instrument	Accounting and strategic policies (including recognition criteria, measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Receivables	Receivables are recognised at amortised cost, less any impairment losses.	The general term of trade for receivables is 30 days.
Other Financial Assets – loan advances	Loan advances are held to maturity and are measured at amortised cost subsequent to initial recognition. Impairment of loan advances are reviewed on an ongoing basis.	Loan advances include financial assistance provided by the government to the private sector in the form of loans.
Cash and deposits	Deposits are recognised at the nominal amounts.	Cash means notes, coins and any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund.

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

	2011 \$'000	2010 \$'000
Guarantee provided	1,250	1,250
Total	1,250	1,250

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 >30 days \$'000	Past due >60 days \$'000	Past due >90 days \$'000	Total \$'000
Receivables	40	11	197	248
Other Financial Assets – loan advances	4	4	26	34

Analysis of financial assets that are past due at 30 June 2010 but not impaired

	Past due >30 days \$'000	Past due >60 days \$'000	Past due >90 days \$'000	Total \$'000
Receivables	125	87	86	298
Other Financial Assets – loan advances	1	1	96	98

(c) Liquidity risk

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

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Liabilities		
Payables	Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Department becomes obliged to make future payments as a result of a purchase of assets or services.	The Department's terms of trade are 30 days.
Interest bearing liabilities	Bank loans and other loans are initially measured at fair value, net of transaction costs. These loans are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis. The Department regularly reviews its contractual outflows to ensure that there is sufficient cash available to meet contracted payments.	Contractual payments made on a regular basis.

The following tables detail the undiscounted cash flows payable by the Department relating to the remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

2011

	Maturity analysis for financial liabilities						Undiscounted Total	Carrying Amount
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities								
Payables	1,973	-	-	-	-	-	1,973	1,973
Interest bearing liabilities	8,600	-	-	-	-	18,021	26,621	26,621
Total	10,573	-	-	-	-	18,021	28,594	28,594

2010

	Maturity analysis for financial liabilities						Undiscounted Total	Carrying Amount
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities								
Payables	1,938	-	-	-	-	-	1,938	1,938
Interest bearing liabilities	7,000	-	-	-	-	18,021	25,021	25,021
Total	8,938	-	-	-	-	18,021	26,959	26,959

(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.

The Department seeks to manage exposure to movements in interest rates by matching the repricing profile of financial assets and financial liabilities. The Department enters into interest rate options on floating rate debt to match capped rate loan advances. The costs of such options are recovered in the interest rate applied to loan advances.

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

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

	2011 \$'000	2010 \$'000
Fixed rate instruments		
Financial assets	2,439	2,534
Financial liabilities	1,973	1,938
Total	4,412	4,472
Variable rate instruments		
Financial assets	58,080	59,735
Financial liabilities	26,621	25,021
Total	84,701	84,756

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 \$
30 June 2011				
Cash and deposits	136,187	(136,187)	136,187	(136,187)
Loan advances	376,939	(376,939)	376,939	(376,939)
Interest bearing liabilities	(266,214)	266,214	(266,214)	266,214
Net sensitivity	246,912	(246,912)	246,912	(246,912)
30 June 2010				
Cash and deposits	216,305	(216,305)	216,305	(216,305)
Loan advances	322,017	(322,017)	322,017	(322,017)
Interest bearing liabilities	(250,000)	250,000	(250,000)	250,000
Net sensitivity	288,322	(288,322)	288,322	(288,322)

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2010.

14.2 Categories of financial assets and liabilities

	2011 \$'000	2010 \$'000
Financial assets		
Cash and deposits	20,386	27,533
Loans and receivables	39,549	34,147
Available-for-sale financial assets	584	589
Total	60,519	62,269
Financial liabilities		
Financial liabilities measured at amortised cost	28,594	26,959
Total	28,594	26,959

14.3 Comparison between carrying amount and net fair value of financial assets and liabilities

	Carrying Amount 2011 \$'000	Net Fair Value 2011 \$'000	Carrying Amount 2010 \$'000	Net fair Value 2010 \$'000
Financial assets				
Other financial assets				
Loan advances	37,694	37,683	32,202	32,192
Equity investments	584	584	589	589
Total financial assets	38,278	38,267	32,791	32,781
Financial liabilities (Recognised)				
Payables	1,973	1,973	1,938	1,938
Other financial liabilities				
Borrowings	26,621	27,269	25,021	25,589
Total financial liabilities (Recognised)	28,594	29,242	26,959	27,527

14.4 Net fair values of financial assets and liabilities

2011

	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net fair Value Level 3 \$'000	Net Fair Value Total \$'000
Financial assets				
Other financial assets				
Loan advances	-	37,683	-	37,683
Equity investments	-	584	-	584
Total financial assets	-	38,267	-	38,267
Financial liabilities (Recognised)				
Payables	1,973	-	-	1,973
Other financial liabilities				
Borrowings	27,269	-	-	27,269
Total financial liabilities (Recognised)	29,242	-	-	29,242

2010

	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net fair Value Level 3 \$'000	Net Fair Value Total \$'000
Financial assets				
Other financial assets				
Loan advances	-	32,192	-	32,192
Equity investments	-	589	-	589
Total financial assets	-	32,781	-	32,781
Financial liabilities (Recognised)				
Payables	1,938	-	-	1,938
Other financial liabilities				
Borrowings	25,589	-	-	25,589
Total financial liabilities (Recognised)	27,527	-	-	27,527

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

- » Level 1 – the fair value is calculated using quoted prices in active markets
- » Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- » Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Financial Assets

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

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

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

Financial Liabilities

The net fair values of payables approximate their carrying amounts.

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

Note 15 Notes to administered statements

15.1 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 \$200,000.

(a) Schedule of Administered Income and Expenses

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue – recurrent	(a)	3,850	3,850	-	-
Grants and subsidies	(a)	3,850	3,850	-	-

Notes to Schedule of Administered Income and Expenses variances

(a) There were no variances from actual to budget relating to administered payments.

(b) Schedule of Administered Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue – recurrent	(a)	3,850	3,850	-	-
Grants and subsidies	(a)	(3,850)	(3,850)	-	-

Notes to Schedule of Administered Cash Flow variances

(a) There were no variances from actual to budget relating to administered payments

15.2 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
Appropriation revenue – recurrent			
Current year	3,850	3,850	3,785
Total administered revenue from government	3,850	3,850	3,785

15.3 Administered Grants and subsidies

		2011 \$'000	2010 \$'000
Grants – government contribution to the Symphony Orchestra	Tasmanian	1,449	1,414
Grants – Tasmanian Icon Program		1,000	1,000
Grants – Ten Days on the Island		1,229	1,205
Grants – Theatre Royal		172	166
Total		3,850	3,785

Note 16 Transactions and balances relating to a trustee or agency arrangement

Account/Activity	Opening balance \$'000	Net transactions during 2010-11 \$'000	Closing balance \$'000
Agreement for the Conservation of Albatrosses and Petrels (ACAP)	443	(96)	347
Brand Tasmania Incorporated	224	(139)	85
TMAG – Trustee funds	6	37	43

Certification of Financial Statements

The accompanying Financial Statements of the Department of Economic Development, Tourism and the Arts are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990* to present fairly the financial transactions for the year ended 30 June 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.



.....
Mark Kelleher

Secretary

29 September 2011

Hobart



INDEPENDENT AUDITOR'S REPORT

To Members of the Parliament of Tasmania

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND THE ARTS

Financial Statements for the Year Ended 30 June 2011

I have audited the accompanying financial statements of the Department of Economic Development, Tourism and the Arts (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

[Signature]

E R De Santi
DEPUTY AUDITOR-GENERAL
Delegate of the Auditor-General

HOBART
27 September 2011

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Markree features a bedroom set up with original furniture and personal effects from the Baldwin Bequest.	
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Courtyard entrance Atelier: Tasmanian Museum and Art Gallery's (TMAG) new visitor entrance will highlight the historic Courtyard and Watergate areas as a central feature.	
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