



2011/12 ANNUAL REPORT

October 2012

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

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

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

Dear Ministers

In accordance with Section 36 of the *State Service Act 2000* and Section 27 of the *Financial Management and Audit Act 1990*, I am pleased to submit for your information and presentation to Parliament, the Annual Report of the Department of Infrastructure, Energy and Resources for the year ended 30 June 2012.

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

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

Yours sincerely

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

Norm McIlfatrick
SECRETARY

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DEPARTMENT OF INFRASTRUCTURE, ENERGY AND RESOURCES

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

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

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

- enhance infrastructure decision making across Government;
- facilitate safe, sustainable and efficient transport systems that enhance economic and social development, in the context of the challenges of climate change;
- promote reliable, efficient, safe and sustainable energy systems;
- facilitate forest policy for Tasmania's sustainable forestry practices and forest industries;
- facilitate mineral exploration and land management of Tasmanian land and offshore waters; and
- maintain probity and integrity in the racing industry.

The Department has responsibility for implementation of the Tasmanian Infrastructure Strategy which is an integrated long term strategy to guide future infrastructure priorities and investment decision making over the

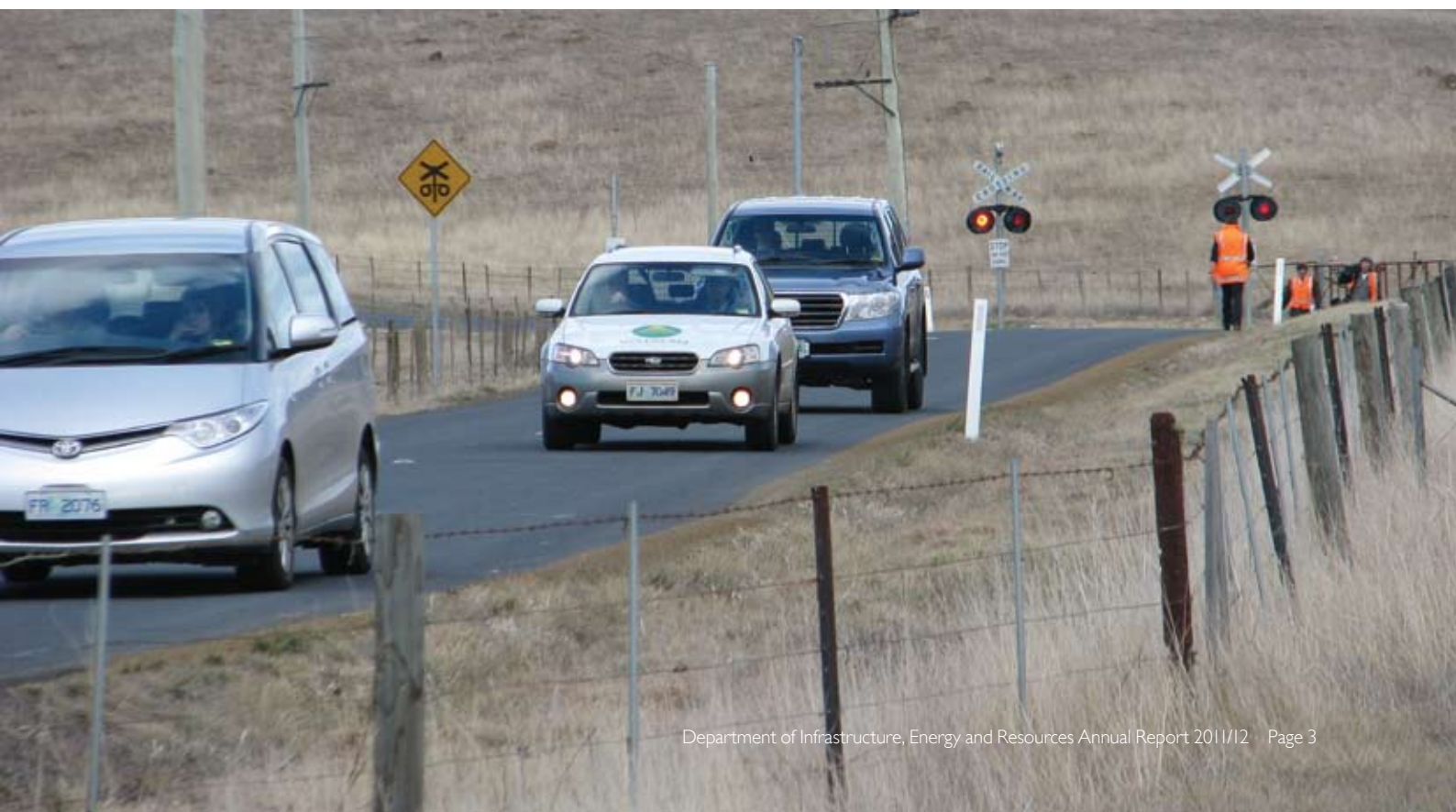
next ten years and beyond. This is achieved through co-ordination of government efforts across the major economic sectors of transport, water, energy and digital infrastructure.

The Department is also responsible for motor registration and licensing and regulation of minerals exploration and mining leases, including responsibility for revenue collections exceeding \$300 million annually. Other significant responsibilities relate to asset management and capital works on the state road network and administration of significant passenger transport and related Government payments.

Outputs of the Department are provided under the following Output Groups:

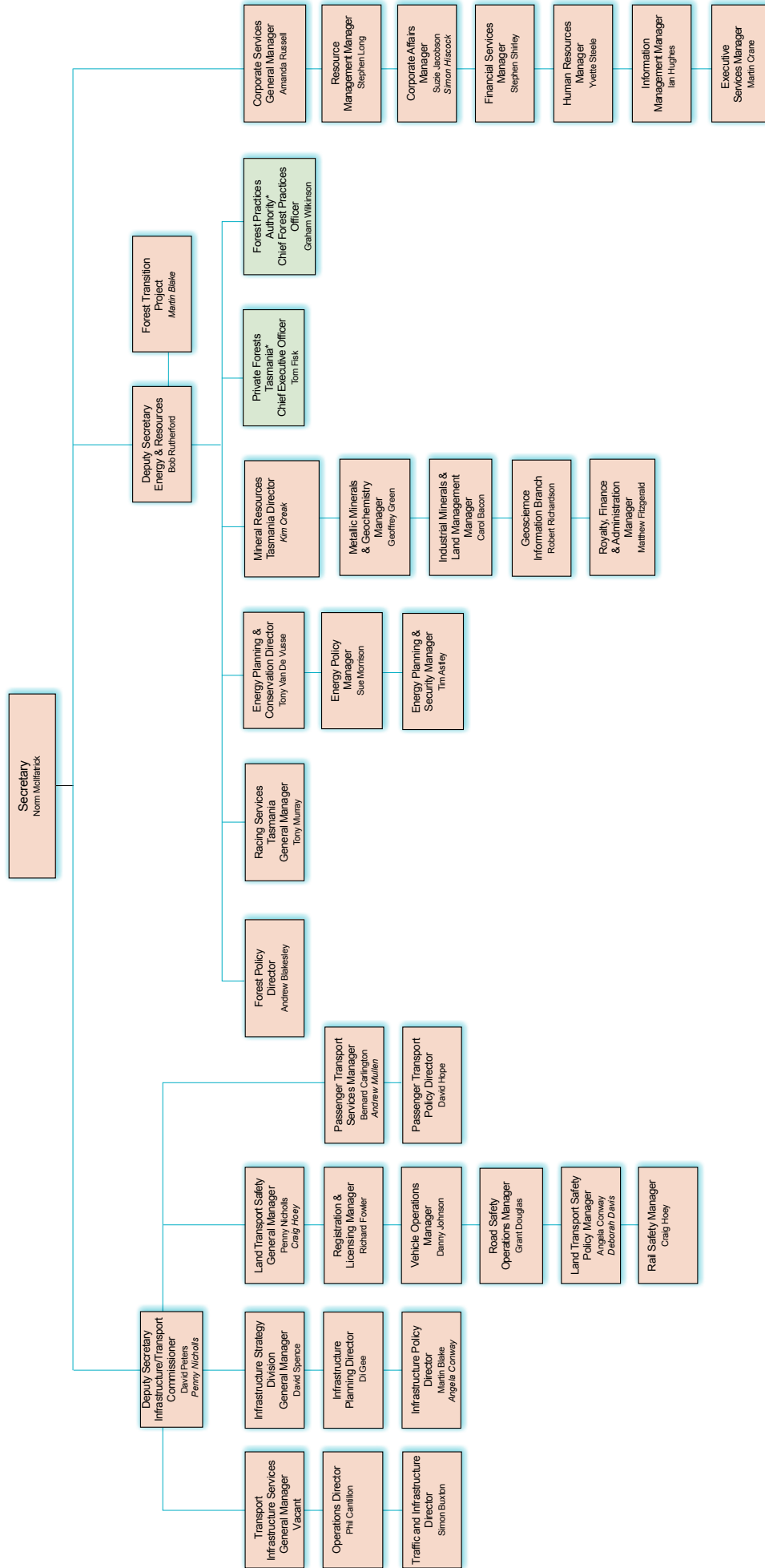
- Output Group 1 – Infrastructure;
- Output Group 2 – Energy Advisory and Regulatory Services;
- Output Group 3 – Mineral Resources Management and Administration;
- Output Group 4 – Support for the Minister for Energy and Resources;
- Output Group 5 – Racing Policy and Regulation; and
- Output Group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

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



Department of Infrastructure, Energy and Resources

(As at 30 June 2012)



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



JORDAN BRIDGE UNDER CONSTRUCTION

Work is pictured under way on the Jordan River crossing. The extra \$15 million cost of the bridge brings the total cost of the Bypass to \$191 million.

SECRETARY'S OVERVIEW

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

Staffing changes

The year under review has seen the departure from the Agency of several senior officers, including:

- David Peters, Deputy Secretary (Infrastructure), who had held previous roles as General Manager Corporate Services and Director, Racing, and had played a part in shaping DIER for well over a decade. He has been succeeded by Gary Swain, former Head of Office to the Deputy Premier, and the position has been redesignated Deputy Secretary Strategy and Policy. Gary joins our current Deputy Secretary, Bob Rutherford, whose title under the new Group structure is Deputy Secretary Regulatory and Customer Services.
- Peter Todd, General Manager Roads and Traffic, who left to take up a position as the Regional Director Metro South East with VicRoads. Peter began work with DIER in 2000 before heading the Roads and Traffic

Division as General Manager in 2006. He was at the helm during the most significant period of infrastructure delivery in decades. The position has since been redesignated General Manager Transport Infrastructure Services and has been filled by Shane Gregory.

- John Bessell, who had served DIER for over 40 years in various roles, starting in 1969 as a Junior Clerk in the former Transport Commission building at 1 Collins Street, Hobart. More recently he was at the helm of the Vehicle Operations Branch where his dedication and passion made a significant contribution to improving road safety. The position is being filled by Danny Johnson, who previously headed the Transport Systems Group.
- Bernard Carlington, Manager Passenger Transport Services, also announced his retirement at the end of the financial year. Bernard worked in many roles across DIER and brought to his role an invaluable breadth of knowledge and professionalism.

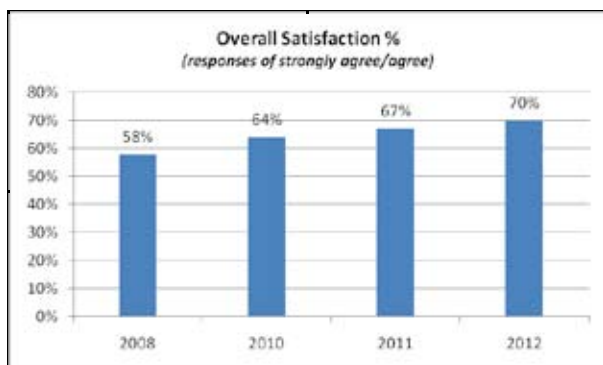
Our People

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

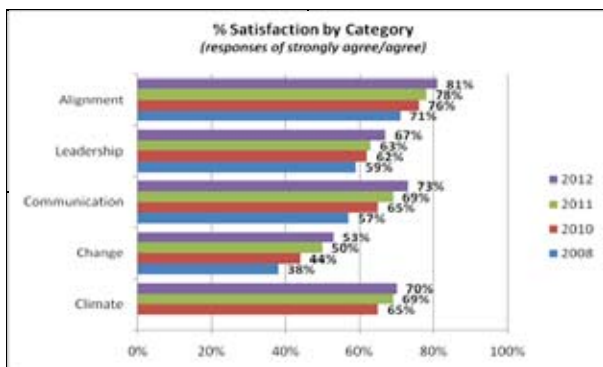
Since the 2008 survey, DIER has invested in key areas for improvement focusing on lifting our performance in leadership development and internal communications while addressing significant budget management challenges.

The 2012 Pulse Check provided an opportunity to monitor progress and improvements since 2008. Overall, DIER received a 70% positive rating across all questions (a positive result required a rating of 4 or 5 out of 5 on the rating scale).

The following table shows the overall satisfaction rating since 2008 which shows a continuous improvement.



The following table provides the overall satisfaction ratings for each category in the survey which has seen an increase across all areas.



This upward trend indicates that work to date around leadership; managing performance and people development is having a positive impact on employee engagement and organisational culture.

Work is underway to continue to improve the way DIER recognises, develops and retains our people, on managing change effectively and building on our leadership development and internal communication efforts to date.

The Budget Challenge

To meet the Government’s objective of returning the Budget to a sustainable position, DIER has continued to play its part through the implementation of a range of savings strategies - including targeted savings of \$5 million in 2012/13, increasing to \$8.4 million in 2015/16. There has been some additional pressure added because of the fall in Government general revenues, however I am confident the measured approach the Department has taken will help us meet our targets.

The Agency made good progress in 2011/12, including substantial reductions in non-salary related expenses. Managing our vacancies tightly has seen employee numbers fall by around 33 this year; and the success of our “renewal” programs has taken additional pressure off the budget, while allowing us to take in new people.

A key focus area will be the continuation of our program of business improvement projects.

Business Improvement Projects

DIER continues to implement a three-year Business Improvement Program designed to support the efficient and effective delivery of business outputs and outcomes enabling DIER to meet its budget savings requirements.

Steady progress has been made this year on individual projects, and identification of areas where more innovative ways of looking at business processes can support departmental staff to deliver on services to the community. The Program is regularly reviewed to ensure priorities are right and to consider further opportunities to achieve savings targets and make efficiencies.

Forestry Negotiations

In an attempt to resolve the conflict over the future of forests in Tasmania, a major focus in the past year has been on reaching agreement on framework legislation to give effect to the Tasmanian Forests Intergovernmental Agreement (TFA) entered into by the State and Federal Governments on 7 August 2011.

The TFA has been designed to support the Tasmanian forest industry and affected communities through a period of transition. It provides \$276 million over a 15-year period and has been split into three streams of activity:

- Stream One – Support for Workers, Contractors and Communities;
- Stream Two – Protecting High Conservation Forests and ensuring Sustainable Wood Supply; and
- Stream Three – Economic Diversification.

On 21 June 2012 the *Tasmanian Forests Agreement Bill 2012* was tabled in the Tasmanian Parliament, honouring the Government’s commitment to introduce legislation by 30 June. The legislation is scheduled to be debated in both Houses during the Spring Session of State Parliament.

DIER has been heavily involved in implementation of the TFA, providing high level policy and administration support, undertaking communication activities and working closely with the Australian Government to provide support for the Reference Group of Signatories as they have worked towards reaching a lasting agreement. A TV campaign, *Be Part of the Solution*, was a major component of the public information campaign.

Signatories to the forestry negotiations were given an extension until 23 July to reach an agreement and then given a further two-week extension beyond that. On 6 August the Signatories reported that they had not

yet been able to finalise all of the details of an overall package, but nevertheless shared a strong conviction that a lasting outcome was worth the additional effort required.

On 15 August (at the time of writing) the Signatories released details of an Interim Agreement, but indicated that final agreement had yet to be achieved on the critical issues of reserves and wood supply. They advised both Governments of the need for a detailed work program before the introduction of the final legislation into the Tasmanian Parliament.

Road Safety

In 2011 Tasmania achieved the lowest number of road fatalities (26) since recording started in 1967. This figure was well below the 31 deaths in 2010 and 63 in 2009. Crashes involving deaths or serious injury have fallen by almost 33% in five years.

However, factors such as speeding, inattention and drink/drug-driving continue to be major factors in serious crashes, and the Department will continue to implement the Tasmanian Road Safety Strategy, informed by the latest evidence-based research. It will also continue to focus strongly on providing a forgiving road environment that makes allowances for human error and helps reduce the severity of crashes.

The Brighton Bypass

Work on the final component of the Brighton Bypass project – the Jordan River crossing – is expected to be completed before the end of the year, about six months ahead of schedule. Innovative techniques have been used to avoid disturbing important Aboriginal artefacts on the heritage site below. The extra \$15 million cost of the bridge brings the total cost of the Bypass to \$191 million.

Mining

The minerals sector continues to be a cornerstone of the Tasmanian economy, contributing more than 50% to the State's gross export income, and with several new potential projects on the horizon.

Throughout 2011/12 many major mines in Tasmania continued to perform strongly with successful exploration programs in most cases enabling growth in resources data to support production rates.

According to Australian Bureau of Statistics (ABS) data, expenditure on mineral exploration for the 2010/11 year was \$37.3 million, a significant increase on the 2009/10 year expenditure of \$20.7 million. This demonstrates Tasmania's maintained recovery in exploration expenditure, which has exceeded pre-Global Financial Crisis levels. It further demonstrates the strength of gold, silver and most base metal prices and renewed interest in commodities with which Tasmania is well endowed, notably tin, tungsten and magnetite.

The ABS expenditure for the current year to 31 March 2012 was \$29.7 million, which sees Tasmania on track this year to exceed last year's expenditure. In addition

this is a very clear demonstration of the current strength of mineral exploration in Tasmania and reflects a large number of major exploration projects, many of which are proceeding into the mine planning stage.

Energy

At the end of the 2011/12 financial year hydro water storages were at 52.5%, which is 6.5% above the same time last year. This increase was assisted by net imports over Basslink, the nearly continuous operation of the Aurora Energy Tamar Valley (AETV) power plant and input from the Woolnorth wind farm.

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

Construction is underway on the Musselroe Wind Farm and once operational it will meet the electricity needs of up to 50,000 homes, equivalent to the residential power needs of the people of Burnie and Devonport. It will reduce greenhouse gas emissions by around 450,000 tonnes each year. Construction is due to be completed and the turbines fully operational by July 2013.

Racing

Racing Services Tasmania continued its commitment to the development of Occupational Health & Safety (OH&S) policies, being actively involved in the Agency's Working Group, together with RST's own working group, to ensure compliance and the provision of a safe working environment for staff. Current efforts involve the updating of RST's OH&S Policy Manual to ensure guidelines and procedures are compliant with the new Work Health and Safety Act due to be implemented on 1 January 2013.

A significant initiative during 2011/12 was the formation of the Tasracing/RST OH&S Working Group. The Group's charter involves provision of a forum for consultation, communication and dissemination of information on matters which are likely to affect the health, safety and welfare of the Tasmanian racing industry employees and participants.

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

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



SECRETARY

Output Group 1 INFRASTRUCTURE



1.1 INFRASTRUCTURE STRATEGY

Tasmanian Infrastructure Strategy

The Infrastructure Strategy covers the key economic infrastructure sectors of transport, energy, water and telecommunications. The Strategy is a long-term plan which provides clear actions to enhance infrastructure decision-making as well as a forward plan of infrastructure projects and systemic reforms to Tasmanian infrastructure planning and delivery.

It was developed through consultation with a broad cross-section of Tasmanian businesses and industry, local government and key sectoral stakeholders. Initiatives in the Strategy are progressed by a range of agencies.

The Tasmanian Infrastructure Strategy is available at www.infrastructure.tas.gov.au. A progress report on implementation of the Strategy is also available on this website.

Tasmanian Infrastructure Advisory Council

The Tasmanian Infrastructure Advisory Council is an initiative of the Tasmanian Infrastructure Strategy. Council members have been appointed from the economic infrastructure sector, including government, infrastructure businesses, planning bodies and industry. The Council met for the fifth time on 23 May 2012.

The Council provides advice to Government regarding:

- current and future infrastructure policy, planning and delivery opportunities and constraints, with particular reference to the projects and initiatives identified in the Tasmanian Infrastructure Strategy;
- the efficient utilisation of economic infrastructure networks, corridors and assets; and
- implementation of the Tasmanian Infrastructure Strategy, including its review.

The Council recommends and/or develops solutions to coordinate and integrate infrastructure provision in Tasmania.

Its Terms of Reference are available at www.infrastructure.tas.gov.au. Minutes of Council meetings are also available on this website.

Infrastructure Australia Submission

Infrastructure Australia (IA) has been established by the Australian Government to provide advice on national reform of infrastructure processes and funding for infrastructure projects. IA's focus is on projects of national significance and projects that will enhance Australia's productivity.

IA has produced an "Infrastructure Priority List" (Project Pipeline) setting out a pathway for better national infrastructure networks.

There are currently four Tasmanian projects on the IA Infrastructure Project Pipeline:

- Bell Bay Intermodal Expansion – currently assessed as a project of "Real Potential";
- Water and Sewerage Reforms - currently assessed as a project of "Real Potential";
- Hobart: A World Class Liveable Waterfront City – currently assessed as a project at "Early Stage"; and
- Food Bowl Concept – currently assessed as a project at "Early Stage".

Updated submissions on these projects were provided to IA in November 2011.

Tasmania's 2011 submission included four new project concept proposals:

- A strategic plan for the Midland Highway
- A strategic plan for the Brooker Highway
- Rail Revitalisation Program
- Passenger Transport in Hobart's Northern Suburbs

These concept proposals were put forward to obtain advice from IA on their merits and an appropriate approach to further development.

The criteria that IA applies to consideration of submitted projects are that they:

- must increase Australia's productivity;
- increase Australia's export capacity;
- are of national significance; and
- have high economic benefit/cost ratios.

IA reports to the Council of Australian Governments (COAG) in July each year, providing an update on the assessment of projects.

Transport Policy

DIER is developing an integrated transport policy for Tasmania, outlining the Government's vision, high level objectives, policy principles and priorities for Tasmania's transport system.

An integrated transport policy will provide a framework to guide transport decision makers and improve coordination, efficiency and consistency of planning and delivery across all transport modes, delivering improved outcomes for Tasmania's transport system.

It is anticipated the Policy will:

- Better align transport system objectives both within the transport portfolio and across other key Government Agencies under a single high-level 'umbrella' policy;
- Act as a 'roadmap' for current and emerging transport policy priorities so that it is clear how the various strategies, actions and programs contribute to the Government's broader strategic transport objectives;
- Identify strategic transport policy gaps or inconsistencies at the system-wide level and outline priority actions to address these; and
- Set out an implementation plan for embedding the vision, objectives and principles in decision-making to improve the coordination and consistency of transport outcomes.

Tasmanian Freight Strategy

A key driver of economic growth in Tasmania is the ability to move freight efficiently, both within the State and to interstate and international markets. Toward addressing Tasmania's future freight task, DIER is currently developing the Tasmanian Freight Strategy, which aims to achieve integrated, efficient and safe movement of freight and provide a clear direction on the future freight transport system, including ports, road and rail.

The Strategy will detail the current freight task and future growth at the state and regional levels. From analysis of the freight task, and the current freight system, the Strategy will set out a system-wide vision, with key objectives, actions and priorities, to address both current and emerging issues.

Furneaux Shipping

The Government works closely with the Flinders Council and the Furneaux Group communities on achieving appropriate shipping services.

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

The Government provides safety net arrangements to ensure minimum levels of shipping services to Flinders Island and Cape Barren Island. Where shipping services are provided by the market, the Policy allows the allocation of safety net funding to other ancillary prioritised shipping related activities that may be agreed between DIER and Flinders Council.

Shipping services to Flinders Island are being provided by the market on a commercial basis. The Government has recognised that the demand for services from Cape Barren Island is unlikely to be provided on a commercial basis. Following an invitation to quote process, the Transport Commission entered into an arrangement with Furneaux Freight in July 2010 to provide a once-every-four-week service. This arrangement was extended until December 2012, with the Government seeking to ensure that an ongoing service is secured into the future.

Northern Integrated Transport Plan

DIER, in collaboration with Northern Tasmania Development (NTD) and the eight member councils, is reviewing the Northern Integrated Transport Plan. The current Northern Integrated Transport Plan was completed in 2003 and was the first of the three regional integrated transport plans to be developed.

The Plan will update existing work to reflect current challenges and link to contemporary strategies, including

the Tasmanian Infrastructure Strategy, Regional Economic Development Plans, Greater Launceston Plan and Greater Launceston Metropolitan Passenger Transport Plan.

A Steering Committee has been established, with membership from DIER, NTD, Launceston City Council, Flinders Council, Break O'Day Council, West Tamar Council, the Department of Economic Development, Tourism and the Arts and the Tasmanian Planning Commission.

The Plan will provide a coordinated and strategic framework to recognise and address transport issues within the Northern Region over the next twenty years. A draft Plan will be developed by the end of 2012. The community and key industry stakeholders will be consulted during the development of the Plan.

State Land Use Planning Reforms

DIER has been closely involved in recent reforms to land use planning in the State, including the Regional Planning Initiative, and the development of a state-wide Road and Railway Assets Code.

The current phase of the Regional Planning Initiative is developing three region-wide model planning schemes, along with interim planning schemes for individual Local Government Areas. Schemes are being developed on a regional-basis, with draft interim schemes in Northern Tasmania currently being assessed by the Tasmanian Planning Commission, and regional model schemes and draft interim schemes in the North-West and South currently being developed.

DIER has been involved in these processes to ensure that the regional transport issues are appropriately incorporated in the new interim schemes, including the provision of appropriate zoning adjacent to major transport assets. Mapping assistance is also being provided to some local governments to ensure that major transport assets are appropriately zoned.

DIER is also working with the Tasmanian Planning Commission (TPC) to develop a state-wide Road and Railway Assets Code. The aim of the Code is to protect the safety and efficiency of the road and rail networks and maintain opportunities for the future development of road and rail infrastructure. Specific provisions have been prepared to reduce amenity conflicts with adjacent land uses and development. Further work will be undertaken in the coming year, in conjunction with the TPC, to finalise the Code before its release as a new planning directive.

Brooker Highway Transport Plan

The Brooker Highway forms part of the National Network, playing a key role in Tasmania's intrastate freight supply chain and providing a critical transport link for metropolitan Hobart. It carries some of the highest traffic volumes of Tasmania's road network and currently southern sections incur short-term peak period congestion.

The Brooker Highway Transport Plan was developed as part of the Brooker Highway Partnership Agreement, a joint initiative between the Tasmanian Government, Hobart City,

Glenorchy City and Brighton councils. The agreement was signed in April 2011.

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

Initial priorities (the first 3 years) include:

- Finalising strategic planning and design options for intersection upgrades between Berriedale Road and Domain Highway;
- Completing intersection upgrades, including at Howard Road, Elwick Road and Goodwood Road, focusing on capacity and efficiency improvements, and Foreshore Road, improving safety of access to Montrose Bay High School;
- Enhancements to traffic signal co-ordination to improve traffic flow and travel time reliability; and
- Improved linkages and signage, to developments along the Glenorchy foreshore, including the Glenorchy Art and Sculpture Park, Museum of Old and New Art (MONA) and Wilkinsons Point.

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

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

Information and Analytical Capabilities

DIER has invested considerable resources in developing and improving its information and analytical capabilities. This includes freight and passenger surveys to better understand transport patterns and volumes; forecasting to predict future impacts across the transport network; and development of spatial system and tools to support the analysis of a wide range of infrastructure and socio-demographic data. Key initiatives include development of an Urban Travel Demand Model and the Tasmanian Freight Survey.

Greater Hobart Urban Travel Demand Model

Urban Travel Demand Models are typically used to evaluate projects, strategies and policies over the medium to long-term (generally between 5 and 20+ years). A travel demand model estimates changes in travel behaviour as a result of changes to the transport or planning system. For example:

- Road improvements (for example, adding lanes to highways, urban bypasses, tunnels);
- Public transport improvements (for example, light rail, bus priority and dedicated lanes, interchanges and park and ride stations);

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

DIER's Urban Travel Demand Model covers Greater Hobart, Tasmania's largest urban area. The Model uses data from DIER's Greater Hobart Household Travel Survey (2008/09), a survey of people's actual travel behaviour, including how people travel, where and why. The Model is a significant input into Government's strategic transport planning, providing an evidence base to inform future decision-making and investment.

Tasmanian Freight Survey

The Tasmanian Freight Survey collects information from major freight demand companies operating across Tasmania, providing comprehensive information on how and where freight is moved within the State, on both road and rail.

The Survey was conducted in 2003, 2006 and 2009, with planning underway for a 2012 survey. Major information collected includes:

- location of freight trips;
- freight tonnage and value;
- commodity type; and
- mode and vehicle type.

The Survey provides reliable and robust data about Tasmania's heavy freight land transport task to support the description, analysis and modelling of Tasmania's land transport freight task. Information from the Survey is used extensively to support strategic freight planning, including for the Government's Nation Building 2 submission, to Infrastructure Australia and for major infrastructure projects.

Greater Hobart Travel Time Survey

DIER recognises that there is community concern regarding congestion on key urban roads and that appropriate measures need to be put in place to manage traffic growth and delays. DIER has undertaken a survey and prepared a report on congestion in Greater Hobart to inform the identification and assessment of proposals to address traffic flows.

Congestion in Greater Hobart discusses the causes of congestion, identifies parts of the road network in Greater Hobart experiencing delays and capacity constraints, and outlines DIER's approach to manage congestion. Increasingly, DIER is focused on maximising the use of existing infrastructure and services to ensure they operate efficiently and safely. This approach includes a mixture of system-wide approaches and corridor-specific initiatives.

A system-wide approach focuses on increasing the attractiveness and use of public transport, walking and cycling. The Passenger Transport Innovation Program is funding a range of public transport, cycling and strategic planning initiatives to meet this objective. DIER also undertakes corridor specific planning which focuses on improving traffic flows on key urban arterials through a mix of targeted infrastructure upgrades and non-infrastructure solutions.

In July/August 2011, DIER undertook a survey of travel times and speeds during the morning, afternoon and off-peak periods on the following major roads in Greater Hobart:

- Brooker Highway (Brighton to Hobart city roundabout)
- Southern Outlet (Margate to Macquarie St intersection)
- South Arm Highway (Lauderdale to Davey St intersection)
- Tasman Highway (Sorell to Davey St intersection)
- East Derwent Highway (Bridgewater to Davey St intersection)

The survey examined entire routes from these outer suburbs of Hobart, as well as looking at the inner-most 10km sections closest to the Hobart CBD, where the majority of traffic volumes are concentrated. There was a range of findings from the Survey, which can be accessed at:

http://www.dier.tas.gov.au/plans_and_strategy/greater_hobart_travel_time_survey.

DIER is currently investigating options to undertake regular (annual) surveys of key routes to enable reliable comparisons between years and routes, over time.

Western Tasmania Industry Infrastructure Study

The Western Tasmania Industry Infrastructure Study was developed to provide recommended infrastructure projects for Western Tasmania, to encourage and support economic development in the region. The Government committed \$250,000, through the Department of Economic Development, Tourism and the Arts, to undertake the Study. Funding was transferred to DIER to engage and manage the consultancy. The project focused on infrastructure for transport, energy, telecommunications and water, with a 20-year horizon.

The Study by Sinclair Knight Merz (SKM) included discussions with infrastructure users in the area, as well as organisations providing and managing infrastructure in and servicing the region.

The project had three sections:

- An audit of existing infrastructure – drawing upon information from providers and managers;
- A review of industry operations and development plans, which also sought information on infrastructure limitations and shortcomings; and
- Development of a prioritised list of recommended infrastructure projects.

Of the major infrastructure types examined, the Study has identified transport as the key infrastructure sector for

investment, delivering the greatest economic benefits to the region through targeted upgrades across both road and rail. Any investment in the region's transport sector will also benefit local communities.

The Government will consider the recommendations of the Study which provide a sound basis on which to develop funding submissions that will feed into State and Commonwealth budget processes.

Nation Building 2

In May 2012, the Australian Government launched Nation Building 2, the major national transport funding program for all states and territories. The overarching objective of the program is to lift Australia's productivity through nationally significant land transport infrastructure, with a focus on four themes: Moving Freight, Connecting People, Safety and Innovation.

All states will provide funding submissions under the program, with projects over \$100 million assessed by Infrastructure Australia and all other projects by the Commonwealth Department of Infrastructure and Transport. Both assessment processes have a strong focus on the use of economic analysis to justify projects.

DIER is preparing and coordinating submissions across all transport modes, focusing on a range of projects from upgrading major freight and passenger corridors to improving freight efficiency and safety, to smaller urban-based projects aimed at providing safe and effective passenger transport alternatives.

Announcements on major projects will be made in the 2013/14 Federal Budget, with additional funding provided for smaller infrastructure programs over the life of Nation Building 2.

National Transport Reform

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

- Progressing jurisdictional implementation of amendments to heavy vehicle registration charges approved by Australian Transport Ministers;
- Participation in the review of the National Transport Commission (NTC); and
- Participation on the working group progressing the COAG Road Reform Plan (CRRP), re-named the Heavy Vehicle Charging and Investment Reform, for heavy vehicle charging developing the Incremental Pricing Scheme (including national road pricing principles).

National and State Transport Counter Terrorism Security

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

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

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

Australian Government Assistance Package for Tasmanian Exporters

On 22 March 2012 the Federal Minister for Infrastructure and Transport,

Anthony Albanese, announced that the Australian Government would provide a one-off \$20 million funding package to assist Tasmanian exporters access their international markets.

DIER is responsible for the management and administration of the assistance package, on behalf of the State Government.

The funding is being used to provide immediate and direct financial assistance to exporters, invest in critical infrastructure improvements and assist with longer-term strategic planning and freight logistics coordination.

A total of \$14.5 million has been allocated to a one-off grant program – the Tasmanian Shipping Transition Assistance Fund - to help reduce the financial impact of increasing shipping costs for Tasmanian exporters, particularly those businesses that were directly impacted by the cessation in April 2011 of the AAA direct international container service from the Port of Bell Bay.

The core objective of the Fund is to help individual companies with the costs of transition measures already undertaken and/or the implementation of strategies that will help them maintain their competitiveness in accessing international markets on an ongoing basis.

A call for applications under the Fund was advertised in Tasmania's three daily newspapers on 16 June 2012, with the window for applications closing on 18 July 2012. DIER expects that grant payments to all successful eligible applicants will be completed by October 2012.

Four million dollars of the \$20 million package will be spent on the first stage of strategic infrastructure improvements at Burnie Port, focused on improving the efficiency of container movements. The project includes the redevelopment of the Southern railyard to provide additional space for longer trains, to avoid the need for multiple train breaks and capitalise on the efficiencies generated by the Brighton Transport Hub. It will also allow for the creation of a High Productivity transport link within the port precinct. As the main container port in Tasmania, these efficiency improvements will provide significant, ongoing benefits for all shippers, including exporters.

Finally, \$1.5 million of the \$20 million package will be used to establish a new freight logistics coordination team, which will identify and target key issues associated with the development of Tasmania's freight and logistics sector.

1.2 RAIL SAFETY

The *Rail Safety Act 2009* establishes an accreditation system that ensures railway operators have the competence and capacity to manage risks to safety as far as is reasonably



practicable. The Rail Safety Regulator is the independent statutory officer charged with managing the accreditation system and ensuring compliance with the Act.

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

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

COAG subsequently entered into an Intergovernmental Agreement to formalise the arrangements for the single National Rail Safety Regulator in August 2011.

Highlights for 2011/12 included:

- Publication of a range of rail safety regulatory and industry guidance material;
- In conjunction with TasRail, jointly funding level crossing safety radio advertisements during Rail Safety Week in 2011; and
- Working collaboratively with the National Rail Safety Regulator Project Office and other jurisdictions towards development of the National Rail Safety Law and the establishment of the National Rail Safety Regulator.

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

SAFETY BARRIERS SAVING LIVES

The installation of flexible safety barriers is a key initiative funded by the Road Safety Levy. Research shows that the use of such barriers has the ability to achieve up to a 90% reduction in serious road trauma caused by head-on and run-off-road crashes.

1.3 ROAD SAFETY

Tasmanian Road Safety Strategy 2007-2016

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

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

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

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

To achieve these targets, the Strategy outlines four key strategic directions that are evidence-based, achievable and





BRIGHTON TRANSPORT HUB

The Brighton Transport Hub is an integral component of the Brighton Bypass project. TasRail has been appointed the operator of the Hub and the administration, maintenance and control buildings have been completed.

that will be likely to deliver the greatest reductions in serious injuries and fatalities. They are:

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

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

Details of initiatives under each of the strategic directions are outlined in the second Action Plan (2011-2013) which was launched in August 2011. The first Action Plan outlined initiatives from 2007-2011.

The Road Safety Levy funds initiatives under the Strategy. Introduced in December 2007, the levy is a revenue source expressly for the purpose of improving road safety in accordance with the Strategy. The levy value increased by \$5 (\$3 concession) from 1 November 2011. The life of the levy has been extended to December 2017 to support further reductions in road trauma.

Since October 2010, oversight of levy expenditure has been undertaken by the Road Safety Advisory Council (and prior to that by the Tasmanian Road Safety Council).

In 2011/12 the levy raised about \$11 million for road safety initiatives, with around three-quarters of this allocated to best practice infrastructure projects.

Recent reports on projects funded by the Road Safety Levy are available from the Road Safety Advisory Council's website at www.rsac.tas.gov.au

STRATEGIC DIRECTION 1 - SAFER TRAVEL SPEEDS

Fast Facts:

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

Projects during 2011/12 included:

- *Electronic speed limit signs (ESLS) at 40 km/h school zones* – As at 30 June 2012, 562 ESLS had been installed around the State, covering 232 schools.
- *Safer shared urban spaces with local government* – The Government is partnering with local councils to improve road safety through traffic calming and speed management treatments in shared urban spaces. Local councils make a dollar-for-dollar contribution to the program. Projects undertaken by Hobart and Devonport City Councils were completed in 2011/12.

- *Part Time Speed Limits in Areas of High Pedestrian Activity* – A detailed analysis of pedestrian crashes in Tasmania identified locations with the highest number of pedestrian crashes. In 2011/12, electronic signs applying a lower speed limit of 40km/h during periods of high pedestrian activity were installed in the Moonah shopping precinct.
- *Variable speed limits* – installation of a Variable Speed Limit on the Tasman Highway (a high crash location). This is scheduled for completion in late 2012.
- *Safer Rural Travel Speeds* - This proposal would result in reduced travel speeds on rural roads. Higher standard rural roads would retain a 100 km/h speed limit while lower standard sealed roads would be reduced to 90 km/h and unsealed roads to 80 km/h. Additional projects to develop engineering criteria for roads to retain 100 km/h and new signage for this proposal have been completed, and are due to be considered by Government later this year.

STRATEGIC DIRECTION 2 - BEST PRACTICE INFRASTRUCTURE

Fast Facts:

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

Projects during 2011/12 included:

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

During 2011/12, flexible safety barriers were installed at the following locations:

- West Tamar Highway (south of Beaconsfield)
- Mersey Main Road (Tarleton)

- Brooker Highway (Granton)
- East Tamar Highway (north of Dilston)
- *Motorcycle safety measures* – During 2011/12 warning signs were installed at locations where loose gravel increases the risk of motorcyclists losing control. Collapsible Chevron Alignment Markers and shoulder sealing works are expected to be completed at various locations by late 2012.
- *Other infrastructure works* – During 2011/12 work has been done at a number of locations to provide additional shoulder sealing and enhanced delineation to improve the visibility of edge and centre lines at night. Other treatments included tree removal and audible centre and edge line markings.
- *Development of the 2011/12 infrastructure program* – During 2011/12, scoping and design work was undertaken for best practice infrastructure projects to be considered in 2012/13. Projects were selected for possible inclusion based on crash data and the cost-effectiveness of treatments in reducing the likelihood and severity of crashes.

STRATEGIC DIRECTION 3 - INCREASED SAFETY FOR YOUNG ROAD USERS

Fast Facts:

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

Projects during 2011/12 included:

- *Road Safety Education in Secondary Schools* – DIER and the Department of Education (DoE) have been working together to provide quality road safety education programs to secondary school students. This includes the option for students to participate in Tasmanian Qualifications Authority-accredited road safety education courses. Support material for schools, teachers and students has been provided, developed by DIER, and extra material is available through the DoE eCentre website.

- Support to establish programs to assist learners to accumulate supervised driving hours – A number of Learner Driver Mentor Programs have been established through the Community Road Safety Partnerships program. These programs link volunteer supervisory drivers with socially and/or economically disadvantaged novice drivers. They play a valuable role in assisting disadvantaged novice drivers to gain supervised driving experience. DIER has also assisted the Driver Mentoring Tasmania (DMT) organisation to become established in 2011/12 particularly through the support of a DMT state-wide coordinator.

STRATEGIC DIRECTION 4 - ENHANCED VEHICLE SAFETY

Fast Facts:

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

ROAD SAFETY BOOST FOR MOONAH

In May 2012 new electronic 40 km/h speed limit signs were unveiled in the Moonah shopping area to boost pedestrian safety. The six signs, funded by \$80,000 from the Road Safety Levy, were unveiled by the Minister for Infrastructure, David O'Byrne.

Project during 2011/12:

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

COMPLEMENTARY INITIATIVES

Fast Facts:

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

Projects during 2011/12 included:

- *National Road Safety Strategy 2011-2020* – DIER contributed to working groups implementing the National Road Safety Strategy. The national strategy closely aligns with the Tasmanian Road Safety Strategy. Further



information can be found at: http://www.infrastructure.gov.au/roads/safety/national_road_safety_strategy/index.aspx

- *Ongoing initiatives* – Throughout the year DIER continued to work on the ongoing initiatives outlined in the Strategy's Second Action Plan.
- *Alcohol Interlocks* – In 2011/12 the policy for the implementation of the Tasmanian Alcohol Interlock Program was developed and consultation with key stakeholders occurred. The implementation plan, including changes to the Motor Registry System to support the system, was designed.

National Transport Reforms

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

- Tasmania is currently working with the Australian Government and jurisdictions to develop the necessary legislation, processes and procedures to facilitate implementation of single, national systems for the regulation of rail safety and heavy vehicles.
- In August 2011, COAG, with the exception of Western Australia, signed the Intergovernmental Agreement on Heavy Vehicle Reform to establish an independent regulator and national law for all vehicles over 4.5 tonnes Gross Vehicle Mass (GVM). These include trucks, prime movers, buses and large trailers.
- During 2011/12, DIER has actively contributed to the finalisation of the draft Heavy Vehicle National Law, and is currently planning for the required legislative amendments, industry engagement, communication and training and changes to business systems. Transition to the national law administered by the National Heavy Vehicle Regulator is expected in the latter half of 2013.

Australian Road Rules

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

Road Safety Advisory Council

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

The RSAC has an independent Chair, Mr John Gledhill. Other members include the Secretary of the Department of



SAFEGUARDING SCHOOL STUDENTS

Pictured is mother Jodie Bruun with son Sam Donato about to cross the road safely thanks to School Crossing Patrol Officer Cheryl Rodway, and Infrastructure Minister David O'Byrne outside Corpus Christi School in Bellerive.

Infrastructure, Energy and Resources, the Commissioner of Police, CEO of the Motor Accidents Insurance Board, CEO of the Local Government Association of Tasmania, CEO of the Royal Automobile Club of Tasmania, President of the Tasmanian Motorcycle Council, President of the Tasmanian Bicycle Council, a road safety expert from the Monash University Accident Research Centre and an independent marketing expert.

Community Road Safety

DIER actively involves communities in road safety projects through its Community Road Safety Partnerships (CRSP) program, which has been operating successfully since 2003. All 29 municipalities are now engaged in the CRSP program, which encourages local councils and their community networks to address local issues aligned to the Tasmanian Road Safety Strategy 2007-2016.

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

In May 2012 DIER conducted three regional workshops with key Local Government and community personnel to promote the CRSP vision, 'renew' the strategic direction and identify improvements for future delivery.

A CRSP Progress Report was published and distributed to key community stakeholders during 2011. The report can be viewed on the Department's website at: http://www.transport.tas.gov.au/__data/assets/pdf_file/0015/61530/CRSP4842_Progress_Report_2011.pdf

Key community road safety projects included:

Safer Travel Speeds

- Significant development with Variable Message (VMS) trailer projects in Devonport and on the West Coast.
- A new train-the-trainer process involving Kingborough Lions Club members introduced to ensure the CRSP VMS trailer can be more effectively employed throughout the municipality.

- National recognition of the Circular Head CRSP Committee's *Look Out For Your Mates* program. The program, which targets the dangers of speeding and other high risk behaviour, won the Local Government section of the 2011 National Safer Communities Award.

Driving to the conditions

- The *What's Around the Corner?* program, previously introduced to Meander Valley, West Coast and Dorset, has partnered with community FM radio stations to promote messages.
- The *Heavy Going* program, which aims to have light vehicle and heavy vehicle drivers acknowledge mutual rules and courtesies when sharing the road, has increased promotion to the general public using local radio stations.

Drink Driving

- The *Alcolizers on Loan* initiative, which makes alcolizers (or breath testers) available for loan to local hotels and sporting clubs, has been widely supported by the newly formed regional Liquor Accords, in particular in north-west districts.
- The *Who's Des Tonight* initiative, which aims to encourage people to plan ahead and travel with a driver who has not consumed alcohol, has been introduced to Devonport and Latrobe.
- Free breath testing activities continue to be provided at a community events across Tasmania including the Health Expo at UTAS in Launceston, Taste of Tasmania Festival in Hobart, the Falls Festival, Festivale Launceston, Forth Valley Blues Festival, Sheffield Taste the Harvest Festival and Clarence Jazz Festival.
- CRSP continues to work with the Liquor and Gaming Branch (Department of Treasury and Finance), Good Sports (Australian Drug Foundation) and AFL Tasmania to develop safe transport plans and initiatives to promote safe driving practices in football clubs.
- DIER is responsible for educating first-year provisional drivers apprehended with alcohol in their system. Often ordered by the Magistrates' Court, drivers attend a specific program, *Alcohol and Your Responsibilities*, conducted by DIER road safety consultants.
- The Huon Valley Council has used CRSP funding to purchase a new car trailer to transport a crashed car for display at highly visible locations and key local events.

Inattention/Distracted and fatigue

- The Huon Valley mobile crashed car display has also focused on driver distraction, in particular using mobile phones. Mobile phone 'Fact Cards' have been distributed in conjunction with the crashed car display at key events (Cygnet Folk Festival, Taste of the Huon, Hobart College Health Festival) and to youth organisations and schools.
- CRSP partnered with the 'Breath of Life' music concert to promote messages on driver distraction and fatigue. Intrastate drivers travelling long distances home from the concert were a particular target group. Messages included large banner displays, MC announcements and branding on the security staff clothing.

- Driver fatigue was a major focus at Agfest in May with displays outlining the risks of fatigue to patrons and supported by key messages on roadside billboards and VMS trailers.
- Hobart College Health Fest included a road safety activity where students entered a competition to identify driver distraction factors.

Safety of Young Drivers

- Learner Licence Assistance Programs have now been developed with 65 organisations to support community members with low literacy or learning difficulties, to pass the learner licence assessment.
- Learner Driver Mentor Programs have continued to operate in Tasmanian communities. The primary focus of these programs, which were established as a CRSP initiative, is to help novice drivers who have limited opportunity to access a suitable vehicle and responsible supervisory driver to accrue on-road driving experience.
- The *Keys to Ps* program has been widely promoted across Tasmanian communities. The program has been designed to follow up classroom road safety education and prepare parents and their pre-learner driver students for the provisional licence assessment process.

Seniors Programs

- Road Safety workshops for seniors continue to be offered across Tasmania, particularly in conjunction with Seniors Week activities.

Safer Vehicles

- The RACT vehicle safety checks have continued as part of 'driving to conditions' programs in several communities.

Roadside Crash Markers

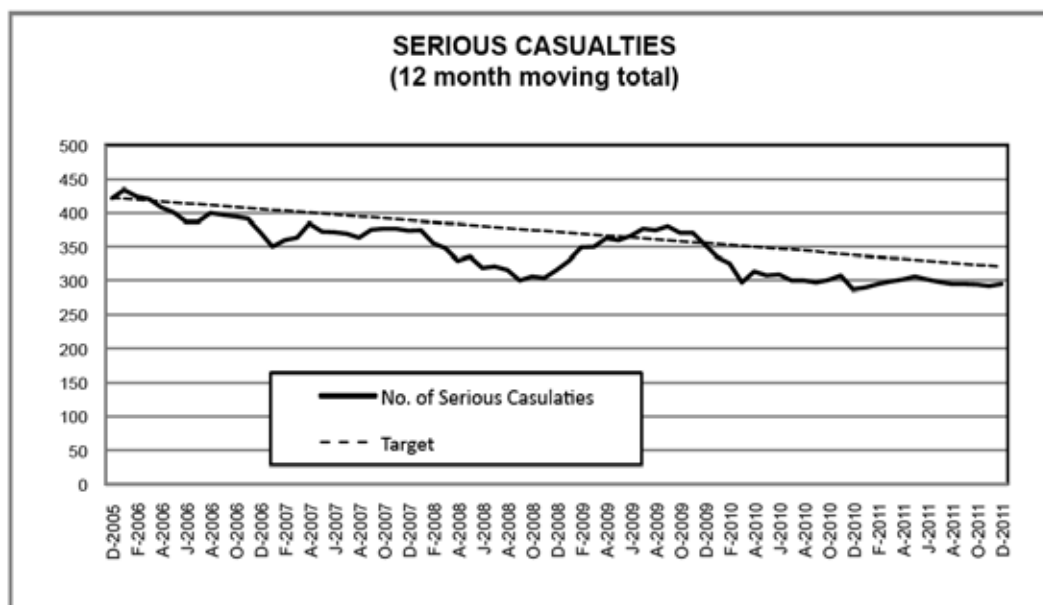
- Central Highlands Council introduced the Roadside Crash Marker program which now has 16 municipalities involved.

School Crossing Patrol Officers

- DIER manages about 100 School Crossing Patrol Officers (SCPOs) servicing about 65 sites throughout Tasmania.
- Electronic Speed Limit Signs continue to be installed at locations where SCPOs operate. The new signs more closely reflect peak pedestrian movements and coincide with the SCPOs' hours of operation.
- A targeted public awareness campaign involving community service advertisements was implemented during February 2012 highlighting the SCPO role and the service to community, and motorists' responsibilities when driving through a school crossing.
- DIER appointed a full time SCPO Coordinator to improve response time and state-wide consistency in the management and administration of the SCPO service.

Statistics

1. Tasmania Together Targets and Actual Serious Casualties



2. Serious Casualties in Tasmania 2002-2011

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Serious Casualties	462	433	438	422	372	374	316	353	287	295

3. Serious Casualties by Road User Type 2002-2011

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Driver	240	208	196	190	149	169	139	139	122	130
Passenger	73	97	102	84	95	94	68	83	42	52
Pedestrian	55	38	44	44	30	27	26	31	32	34
Motorcycle Rider	80	73	75	75	76	65	65	74	74	64
Motorcycle Pillion	2	2	1	4	4	1	3	2	2	3
ATV Rider	1	0	1	4	4	11	7	10	3	4
ATV Pillion	0	0	0	1	0	0	0	1	1	0
Bicyclist	8	13	15	17	12	7	8	13	10	8
Other/Not Stated	3	2	4	3	2	0	0	0	1	0
Total	462	433	438	422	372	374	316	353	287	295

4. Serious Casualties by Age Group and Sex 2002-2011

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Female										
Under 17	15	8	12	17	16	18	7	11	9	8
17-29	52	46	43	44	42	38	29	36	18	24
30-49	50	40	47	44	31	28	38	25	28	22
50-64	24	17	21	19	18	19	13	18	12	16
Over 64	16	27	37	19	20	13	23	19	13	24
Male										
Under 17	23	31	24	33	19	23	14	21	16	16
17-29	117	113	114	92	102	93	87	95	77	75
30-49	93	78	86	99	81	85	56	61	71	56
50-64	46	27	25	27	25	32	30	40	26	34
Over 64	20	38	22	25	17	22	15	27	16	20
Not Stated	6	8	7	3	1	3	4	0	1	0
Total	462	433	438	422	372	374	316	353	287	295

5. Serious Casualties by Crash Type 2002-2011

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Multi-vehicle										
From adjacent directions	26	41	35	31	21	24	22	19	15	12
From opposing direction	88	90	77	63	94	74	58	63	56	66
From same direction	27	22	25	18	18	9	18	12	14	18
Overtaking	11	5	19	27	11	23	4	15	10	11
Manoeuvring	19	13	16	20	18	29	28	31	18	16
Passenger and Misc										
Pedestrian	55	35	43	42	32	26	26	31	33	35
Passenger and Misc	12	14	7	14	5	3	2	3	2	3
Single Vehicle										
Off path	204	198	207	198	162	177	150	172	128	127
On path	20	15	9	9	11	9	8	7	11	7
Total	462	433	438	422	372	374	316	353	287	295

6. Serious Casualties by Crash Factors 2002-2011

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Alcohol	73	63	105	88	77	86	93	91	70	63
Animal on road	14	8	1	4	4	8	8	4	15	5
Asleep – fatigue	19	18	16	25	30	43	15	25	10	18
Distraction – external to vehicle	6	7	9	19	17	32	30	40	42	37
Distraction – in vehicle	3	4	10	14	19	12	13	12	15	9
Drugs	7	15	9	32	38	62	48	53	31	24
Exceeding speed limit	9	13	22	49	65	45	59	57	31	29
Excessive speed for conditions/circumstances	86	89	103	111	110	73	74	85	66	87
Fail to give way	25	34	23	19	29	25	36	31	27	37
Fail to obey traffic signals	10	8	2	3	6	5	7	2	6	5
Fail to observe road signs and markings	47	40	55	31	12	17	21	25	18	12
Improper overtaking	8	13	15	17	8	21	7	27	14	13
Inattentiveness	148	132	175	186	145	147	160	158	74	10
Inexperience	44	47	60	78	98	107	93	126	101	73
Other	118	116	0	0	0	0	0	0	0	0
Other obstruction on road	6	6	5	6	8	12	6	12	15	12
Pedestrian on road	41	27	42	35	22	22	19	28	29	35
Reversing without care	7	7	2	6	4	4	5	3	5	7
Road defect	13	22	21	22	29	18	23	20	20	9
Turning without care	2	6	10	7	15	12	19	22	18	20
Unwell – infirm	9	16	30	26	37	32	40	44	36	34
Using a mobile phone	0	0	0	2	2	3	1	1	2	2
Vehicle defect	16	23	33	23	18	28	18	49	15	21

Source: Crash Data Manager

Notes: Serious casualties include fatalities and serious injuries.

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

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

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

From 1 January 2011 'inattentiveness' will only be reported if there is no other relevant crash factor.

1.4 REGISTRATION AND LICENSING

During 2011/12, a series of key strategies were developed to deliver business more efficiently in an effort to maximise road safety outcomes for the Tasmanian community.

National Involvement

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

- assist in developing a national framework for the registration of alternative vehicles;
- move towards uniform national policy and increased harmonisation in relation to registration and licensing matters through membership of the Austroads Registration and Licensing Taskforce and its sub-groups;
- assist in working towards a national registration system for heavy vehicles in accordance with the Council of Australian Governments (COAG) direction;
- develop nationally recognised training courses for each class of heavy vehicle driving instructor, a national set of driving competencies that will form new heavy vehicle training courses and assessments for each class of heavy vehicle, and new eligibility criteria and requirements associated with heavy vehicle driver licensing;
- assist in developing a new national approach so that a holder cannot avoid a licence suspension by transferring their licence to another State and to consider strategies to reduce unlicensed drivers;
- implement the national "Assessing Fitness to Drive Guidelines" which set the minimum medical standards for medical practitioners to assess applicants for a light and/or commercial (including heavy vehicle) licence;
- implement the National Personal Property Security Register to record financial interest information; and
- assist the National Motor Vehicle Theft Reduction Council in strategies aimed at increased detection of stolen vehicles including the development and implementation of a new criteria for the assessment of written-off vehicles to further reduce the risk of motor vehicle theft and ensure that vehicles are not repaired when it is unsafe to do so. This will include amendments to primary legislation and the development of a nationally consistent notification form.

Motor Registry System

DIER has a program of releases which include improvements to functionality and delivery of key business initiatives. Work has been undertaken to upgrade software to latest releases ensuring the longevity and stability of the system. In addition, a review of business processes is

underway identifying efficiencies and alternative delivery channels to support the large customer base of the Motor Registry System. The current maintenance contract with a company based in Hobart is in place until the end of 2013. Work has commenced on a tender to deliver services from 1 January 2014.

Driving Assessors

This year's focus has been on the review of the novice driving assessments conducted by ARRB Group Ltd on behalf of the Department. The review included analysis and reporting on all major elements of the assessment process including associated publications, assessment items and processes, locations and routes and verbal feedback.

DIER provided data gathered on over 22,500 L2 and P1 assessments to assist with the analysis and ARRB Group Ltd conducted interviews with driving assessors, driving instructors, applicants and supervisory drivers.

ARRB Group Ltd provided a comprehensive report outlining their findings and made 30 recommendations relating to potential changes aimed at improving the process. DIER is working through these recommendations and preparing project proposals detailing the next steps in the process.

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

- Learner Driver Mentor Programs – explaining the assessment criteria, the standard and the process to progress through the graduated driver licensing system.
- Learner Licence Assistance Programs – providing assistance and advice to those engaged in assisting young people to obtain a learner licence.
- *Examiner* Newspaper – interview with a Driving Assessor for publication in the Summer Drive Magazine.
- Students at Sheffield High School – a follow-up from a *Keys to Ps* session conducted by Road Safety Consultants focusing on the assessment processes.
- Circular Head Aboriginal Centre – provision of material for "It's a teen life" information day.
- Burnie Show – advice and assistance to the public in relation to Driver Assessment Unit based queries.
- Migrant Resource Centre (Statewide) – advice on the graduated driver licensing system, structure of the assessments, assessment criteria, available support tools (including translators) and conducting mentor driver mock assessments.
- Bhutanese Community – providing advice on the assessment process to help make the applicants more comfortable.
- Driving instructor forums - explaining changes to assessment processes and providing updated manuals.
- AGFEST - advice and assistance to the public in relation to driving assessment issues and road rules.

Older Driver Licensing

AA review of Tasmania's Older Driver Licensing System has led to the cessation of the mandatory on-road driving assessment for drivers aged 85 years or more, a new self-notification brochure, new Older Driver handbook and the development of a new confidential notification process and medical functionality in the MRS.

Licence Card Production

A rollout of the new photo and signature capture equipment to all Service Tasmania shops has now been completed resulting in significant improvements in the quality of images captured and process for licence production.

Heavy Vehicle Handbook

Procurement processes were undertaken and completed for the provision of heavy vehicle and motorcycle training and assessment, along with testing for regulatory purposes. One of these processes resulted in the delivery of motorcycle training and assessment moving from a sole to multiple delivery, as well as additional supporting motorcycle training material.

Registration and Licensing Opportunities Review

Vehicle registration practices were reviewed to deliver business and customer service efficiencies. There has also been substantial work towards the implementation of an enhanced process for medical notifications.

Unregistered/Uninsured Vehicles

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

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

Ongoing strategies include:

- Deployment of Transport Inspectors on non-enforcement unregistered/uninsured activities, including regular statewide joint operations with Tasmania Police.
- Use of Automatic Number Plate Recognition (ANPR) technology to detect unregistered/uninsured vehicles and those driven by unlicensed drivers.
- Use of ANPR in data collection situations leading to operators of vehicles detected driving an unregistered vehicle being sent a warning notice advising that the vehicle was detected and asking that they register the vehicle or risk incurring a fine of up to a maximum of \$2,600. Over 200,000 vehicles are captured annually through this process.
- Public advertising via collaboration with RACT advertising on their roadside assistance vehicles, back of envelopes and through mobile advertising on Metro

buses in all major cities. This advertising ensures the travelling public is aware of the risks of driving an unregistered/uninsured vehicle.

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

Personalised Registration Plates

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

Concessions

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

Transport Enquiry Service

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

Current Licensed Tasmanian Drivers 366,918

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

LICENCE TYPE AND CLASS		CLASS TOTAL
Car	Full	266,425
	L1	11,479
	L2	8,990
	P1	6,087
	P2	10,201
	Learner (other than Novice)	229
Motorcycle	Full	42,543
	Learner	2,058
	P1	1,421
	P2	1,434
Heavy	Full	62,934
	Learner	592

Vehicle Registrations

Vehicle Type	Total	Vehicle Type	Total
Ambulance	159	ATV	2,533
Bus	2,154	Campers	4,523
Car	202,815	Caravan	9,381
Earth Moving Machinery	1,964	Farm Tractor	5,998
Fire Units	529	Horse Float	2,947
Motorcycle	15,786	Other	4,057
Road Construction	456	Station Wagon	94,290
Tow Truck	67	Tractor	766
Trailer	92,599	Truck	39,828
Utility	51,189	Van	13,138
		Grand Total	545,179





DILSTON BYPASS SIGNAGE

New high-visibility electronic warning signs have been installed at the northern junction of the Dilston Bypass on the East Tamar Highway following community concerns about poor visibility in winter fog. The system automatically adjusts the speed limit according to the weather conditions. It also warns motorists who fail to

1.5 VEHICLE OPERATIONS

Enforcement Strategy for Road Transport in Tasmania

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

Compliance and Enforcement staff have begun working closely with the Tasmanian National Heavy Vehicle Project Team to prepare for the implementation of nationally uniform heavy vehicle laws, the National Heavy Vehicle Regulator and the National Heavy Vehicle Enforcement Strategy in 2013.

Transport Inspectors

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

Transport Inspectors' knowledge of integrity, ethical decisions and issues was enhanced during the year by participation in a tailored training program delivered by the Tasmanian Integrity Commission's Misconduct Prevention, Education and Research division.

The safe movement of traffic into and past the Ulverstone weighbridge and truck checking station was enhanced with the installation of new electronic traffic signs which allow Transport Inspectors to more safely manage traffic entering and departing the site. Consideration will be given to similarly upgrading other truck checking sites in the future.

Heavy Vehicle Safety

DIER continues to work with industry and the Heavy Truck Safety Advisory Council (HeTSAC) on strategies to increase safety and has focused on addressing, where possible, the cause of crashes with a high severity and/or crashes with similar contributing factors. This included Transport Inspectors educating the heavy vehicle industry on rollover prevention strategies and safety awareness at Agfest.

Approved Inspection Stations (AIS)

The AIS scheme continues to operate successfully with about 196 AIS in place around Tasmania, of which 16 are approved to conduct heavy vehicle and public passenger vehicle inspections. All vehicle examiners are required to sit and pass a knowledge test and submit a National Police Check every three years. Refresher training is offered quarterly in respective regions for those examiners who wish to attend.

The Approved Motor Body Inspection Scheme (AMBRIS) for the inspection of written-off vehicles was successfully established during 2011/12. Further enhancements to the Scheme will be introduced in the later part of 2012.

Over Size/Over Mass (OS/OM) Permits

There continues to be a consistent number of OS/OM permits being requested during 2011/12. An electronic permit application system was successfully introduced during 2011/12 resulting in a significant reduction in the time taken to assess and process permit applications.

Vehicle Modifications

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

Vehicle Defect Notice System

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

Transport Operator Accreditation Scheme

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

1.6 TRAFFIC MANAGEMENT AND ENGINEERING SERVICES

Tasmanian Road Safety Strategy – Best Practice Infrastructure

The 'safe system' approach to road safety recognises that drivers inevitably make mistakes and the road environment should be as forgiving as possible, to minimise the risk of a simple mistake resulting in serious injury or death.

The Road Safety Levy is funding the provision of best practice infrastructure. The standard of infrastructure is most important on high-speed routes with high traffic volumes.

Work completed in 2011/12 included:

- Brooker Highway, south of Granton – widening to accommodate wire rope safety fencing along a painted median to virtually eliminate the risk of head-on crashes.
- West Tamar Highway, south of Beaconsfield – shoulder sealing and safety barrier – widening the road to reduce the risk of vehicles losing control and providing safety barrier along the sides to reduce the severity of any run-off-road crashes.
- Design of '2 plus 1' schemes for the Midland Highway at Symmons Plains and the Bass Highway near Gannons Hill. These schemes will widen the existing highway to provide alternating sections of two lanes in one direction and one lane in the other. Safety barrier will be provided along a painted median to virtually eliminate the risk of head-on crashes.

Safer Roads Program

This program provided \$4 million of road safety and traffic efficiency improvements on the State road network. DIER's Traffic Engineers use the Crash Data Manager computer system to identify locations with an over-representation of crashes. Problem locations are subject to detailed crash analysis and thorough on-site inspections to identify the

treatment that best addresses the site's specific crash characteristics. Candidate schemes across Tasmania are then prioritised to maximise the number of crashes that can be prevented with the available funding.

Works implemented in 2011/12 included:

- South Arm Road, Sandford to Cremorne – shoulder sealing
- Sheffield Main Road, south of Sheffield – removal of dip that obscured approaching traffic
- Breadalbane roundabout – provision of dedicated left-turn lane
- Birralee Main Road, northern side of Egmont Bridge – curve improvements
- Frankford Main Road / Woodbury Lane – remodel junction
- East Derwent Highway / Saundersons Road – provision of right-turn lane

Nation Building Black Spot Program

This is an Australian Government program that funds road safety improvements on both State and Council roads. The program reduces road trauma by identifying and effectively treating locations with a high incidence or risk of casualty crashes. The 2011/12 program comprised 22 schemes worth \$1.85 million. Treatments included: improved delineation and installation of safety barrier, kerb extensions and traffic islands, and the installation of separate right-turn phases at existing traffic signals.

Transport Systems Group

The Transport Systems Group provides the cost effective and sustainable management of Tasmanian Intelligent Transport Systems, such as traffic signals, school zone electronic safety signs, Wet and Icy Conditions warning signs and Vehicle Actuated Signs; the Tasman Bridge Tidal Flow Control System; and develops, delivers and operates technologies that deliver safe, efficient and sustainable transport solutions for Tasmanians.

There are currently 275 traffic signals sites throughout Tasmania with about 70 per cent connected to the Sydney Coordinated Adaptive Traffic System (SCATS). SCATS is a traffic management system that modifies traffic signals to suit the prevailing traffic conditions and to coordinate traffic signals for arterial roads. SCATS also enables remote adjustment of signal timings, fault reporting and traffic counts.

During 2011/12 several Intelligent Transport Systems have been completed or progressed, including:

- Electronic Speed Limit Signs at schools;
- Variable Speed Limit System on the Tasman Highway and at Dilston;
- Over-Height Vehicle Detection, Bridgewater; and
- Electronic 'Trucks Must Enter' Signs at weighbridges.

Funding was approved in 2008/09 to upgrade 70 per cent of traffic signals to highly efficient Extra Low Voltage (ELV) Light Emitting Diode (LED) technology. ELV/LED signals have a life expectancy of more than 10 years and fail gradually

(known as graceful degradation) over a period of months, not suddenly like incandescent globes. At 30 June 2012, 40% of traffic signal sites, or 57 per cent of the 70 per cent of sites had been upgraded. It is planned that the 70 per cent target will be achieved by 30 June 2013.

Stakeholder Engagement Unit

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

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

Public Displays

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

Special Events

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

Internet Road Project Information

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

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

1.7 PASSENGER TRANSPORT

Light Rail Business Case

The Hobart to Northern Suburbs Light Rail Business Case was completed in August 2011. The Interim and Final Reports were publicly released.

In late 2011, the light rail proposal was forwarded to Infrastructure Australia, to inform it of the work completed to date and to formally open a dialogue on potential passenger transport development options. This acknowledged the importance of improving public transport services in Hobart's northern suburbs.

In order to verify the suitability of the work undertaken for the Business Case, together with its overall findings, a peer review of that project is to be undertaken.

The peer review, which is likely to be completed before the end of 2012, will focus on the patronage demand forecasting, the values attributed to inputs into the economic modelling (such as parking costs), the benefits attributable to the project and how those benefits were valued in the Business Case.

The peer review will be conducted by consultants who have expertise in undertaking complex economic analysis and the calculation of benefit/cost ratios.

Park and Ride

Beginning in 2009/10, DIER has been allocated a total of \$2.8 million to research and develop park and ride facilities in major Tasmanian urban areas. Activities to date have seen:

- the establishment and operation of a trial park and ride facility at Denison St, Kingston;
- market research to quantify the potential take-up of park and ride facilities in Greater Hobart and Greater Launceston, and the factors likely to influence the level of use of park and ride facilities;
- development and application of a methodology to identify potential sites for park and ride facilities in both Greater Hobart and Launceston; and
- development of concept plans for the possible construction of park and ride facilities at a number of identified locations and consultation with relevant local councils.

DIER will continue to investigate suitable locations for additional park and ride facilities. Funding for this work will be sourced from an ongoing budget allocation of \$650,000 a year to research and implement public transport-related services and infrastructure.

Passenger Transport Act Review / Safe Community Transport Review

DIER began a review of passenger transport legislation in December 2008. The aim was to develop and then implement a better and more contemporary legislative framework, which is clear in its intent, to support the safe, sustainable and affordable delivery of passenger transport services.

Following the completion of extensive consultation with the Tasmanian community and all sectors of the passenger transport industry, (involving bus, taxi, luxury hire car and limited passenger services operators), as well as with the community transport sector, legislation was developed that largely reflected the views of these stakeholders. The legislation was also crafted to take into account the need to make the accreditation scheme easier to administer and more flexible.

Some of the necessary reforms to the Act relating directly to the community transport sector have been thoroughly canvassed by DIER through the Safe Community Transport Review.

The three Acts that constitute the passenger transport reform package received Royal Assent on 15 December 2011.

They are:

- *Passenger Transport Services Act 2011*;
- *Taxi and Luxury Hire Car Industries Amendment Act 2011*; and
- *Passenger Transport and Related Legislation (Consequential Amendments) Act 2011*.

These Acts will need to take effect together at a future date because the key elements of reform constitute a single package.

The reforms include critical definitional changes, an alternative accreditation model and the re-classification and licensing of the existing limited passenger services sector. The implementation phase of the project is currently being progressed. This entails a combination of regulatory, system, policy and operational tasks.

Seven separate sets of regulations and statutory rules are currently being completed and will need to be in place for the commencement of the Acts. The implementation phase will also require numerous changes to the Motor Registry System.

To allow sufficient time for the new regulatory regime to be put in place, DIER has recently postponed (until 1 July 2013), the expiration of the *Passenger Transport Regulations 2000* and the *Passenger Transport (Review of Decisions) Regulations 2000*. In conjunction with this, the specific regulatory exemptions for the community transport sector have been extended until the same date.

Taxis and Luxury Hire Car Industries Reforms

The fourth release of owner-operator taxi licences under the *Taxi and Luxury Hire Car Industries Act 2008* began in September 2011, with the calling of a tender for these licences on that date. Thirteen owner-operator taxi licences were made available for the Hobart taxi area, five for the Launceston taxi area and one for every other taxi area. To 30 June 2011, six Hobart area licences had been purchased through the tender. Licences unsold at tender remain available for sale from the Transport Commission until the 2012 tender is called.

Wheelchair Accessible Taxi (WAT) licences have been available on application (to appropriately qualified operators who have a compliant vehicle) since the commencement of the Act on 24 September 2008. Since that date to 30 June, 18 new WAT licences have been issued, including one in a non-metropolitan area (Huon Valley).



Amendments to the *Taxi and Luxury Hire Car Industries Act 2008* received Royal Assent on 15 December 2011. The new Taxi and Hire Vehicle Industries Act 2008, which is expected to commence in conjunction with the *Passenger Transport Services Act 2011*, will bring the regulation of all forms of passenger transport in small vehicles under the same instrument. Under the new legislation, limited passenger services, currently regulated under the *Passenger Transport Act 1997*, will be redefined as restricted hire vehicle services. New regulations for restricted hire vehicles, together with amendments to the regulations for the taxi and luxury hire car industries, are being drafted to enable implementation of the amendments.

Community Awareness Activities

In December 2011, following discussions with the Office of the Tasmanian Anti-Discrimination Commissioner, DIER released a Discussion Paper regarding Wheelchair Accessible Taxi (WAT) fares and the subsidies provided through the Transport Access Scheme. This was in response to concerns that the higher fares able to be charged to wheelchair-reliant taxi passengers unlawfully discriminate against these passengers. Eight written submissions were received in response to the Paper.

In February and March 2012 DIER held forums in Launceston and Hobart with wheelchair-reliant taxi passengers, groups that represent people with disabilities and WAT operators and drivers. The purpose of these forums was to further explore the issues outlined in the Discussion Paper and to seek stakeholders' views on the proposed options to remove any discrimination in relation to WAT fares.

Passenger Transport Services

DIER administers a range of transport assistance programs and manages contracts to provide core passenger services throughout the State. Highlights for 2011/12 included:

- The first batch of renewals for Australian Disability Parking Permits began in June 2011 and about 750 were renewed each month in 2011/12.
- The 12-month trial equipping selected urban fringe buses with a free Wi-Fi service for patrons ended on 30 June 2012 - 16 buses operated by three different operators delivering public transport services over seven medium to long distance routes were used for the trial. Each bus was equipped to support up to 30 concurrent users.
- The implementation of a Global Positioning System (GPS) based vehicle tracking scheme, operating under the national Intelligent Access Program (IAP) coupled with an electronic system for student travel verification using the student Greencard for non-Metro student only fare paying bus services has begun.
- The new electronic system will improve monitoring of contract performance and administration of billing and payments for more than 170 student only fare paying service contracts. The use of the Metro Greencard as



the new student card on these non-Metro services will enable students to use one card for travel on Metro and non-metro services from 2012.

- The funding of 16 separate Service Development Plans submitted by operators of contracted public bus services to trial new or extended services on evenings, weekends and between peaks, in response to market research and community consultation which suggested potential for commercially viable expansion.

The Passenger Transport Services Branch provided ongoing administration of 495 individual contracts for the delivery of regular passenger transport services for the general public, students and students with special needs. It also managed two shipping contracts, for services to Cape Barren Island and Bruny Island.

The Branch provided concession approvals for 16,036 students eligible for free travel and assessment of 5,143 applications for fare-paying Greencards (non-metro travellers) and made conveyance allowance payments to 672 parents or guardians of 914 students who need to travel more than 5 kilometres to the nearest school or bus route.

The Branch processed 4494 applications for membership in the Transport Access Scheme and made subsidy payments on 512,060 taxi and WAT trips taken by eligible TAS members.

Passenger Transport Concessions

Program	Item Reported	Detail	%	
TAS	Membership applications received	4,494		
	Applications approved	4,108	91.41	
	Applications refused	227	5.05	
	Applications processed within 28 days of receipt	3,702	82.39	
	Disability Parking Permits (Individuals) on issue*	27,819		
	Disability Parking Permits (Organisations) on issue	74		
	Taxi concession permits valid for standard taxis (50% concession on metered fare)*	16,825		
	Taxi concession permits for members totally wheelchair reliant (60% concession on metered fare when travelling in a wheelchair accessible taxi)*	2,217		
	Taxi concession permits for members totally wheelchair reliant (60% concession on metered fare when travelling in a wheelchair accessible taxi)*	2,216		
	Taxi concession subsidy trips claimed (total)	512,060		
	* Standard taxis	429,669	83.9	
	* WATS	82,391	16.1	
	Taxi concession subsidy cost	\$4,539,616		
	* Standard taxis	\$2,934,283	64.63	
	* WATS (incl trip fees)	\$1,605,333	35.37	
	Average subsidy	\$8.56		
	* Standard taxis	\$6.56		
	* WATS (incl trip fees)	\$19.02		
	Bus Passes	Bus passes valid for free travel in 2012	16,036	
		Free travel authorisations accessed via Metro Greencards	6,892	42.97
Fare paying Greencards (issued by DIER, non-metro)		5,143		
Conveyance Allowance	Families benefitting from the allowance in 2011 school year	672		
	Students covered by approved applications	914		
	Total cost of conveyance allowance for 2011	\$1,775,494		
	Average benefit per eligible family	\$2,642		
Age Pensioner Air Travel – Bass Strait Islands	Cost of concession of 50% of one return trip per year to Northern Tasmania	\$10,559		
	Claims paid	61		
	Average claim cost	\$173		

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

1.8 PASSENGER TRANSPORT INNOVATION

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

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

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

The projects undertaken so far under this Program, based on the action areas identified in the *Framework*, were:

Action Area	Project
Moving Minds	Travel Behaviour Change
Moving Places	Integrated Transit Corridor Planning
	Greater Launceston Metropolitan Passenger Transport Plan
Moving People	Service Development Plans
	Off Bus Infrastructure
	Wi-Fi On Buses
Moving Legs	Urban Cycling and Pedestrian Network
	Local Cycling Infrastructure Development Fund
Moving Policies	Urban Travel Demand Model
	Metro Carbon Study

Due to unforeseen delays in commencing specific projects, it has not been possible to complete every project within the original two-year life of the Program. Those projects remaining uncompleted will continue beyond 2011/12, with the relevant funding allocations carried over to 2012/13.

Travel Behaviour Change

The State Government is conducting a pilot Workplace Travel Behaviour Change project with DIER staff based in the south of the State. The project is intended to assist the State Government meet its legislated target of a reduction in greenhouse gas emissions of at least 60% below 1990 levels by 2050.

The specific aim of the project is to help the Government better understand the potential for workplace travel planning to bring about a substantial switch from “drive and park” as the dominant mode for staff commuter and business travel, to more sustainable means of travel, such as walking, cycling, public transport and car-sharing.

The project is underpinned by research into current staff travel patterns and the barriers and enablers for change.

The implementation phase of the project commenced in early 2012. The program is progressively delivering a suite of initiatives designed to promote and encourage staff commuter and business travel by sustainable modes.

Integrated Transit Corridor Planning

The *Tasmanian Urban Passenger Transport Framework* identified the development of integrated transit corridors as one of the key measures to improve public transport use.

The vision underpinning this project is to focus residential development and activity around designated high frequency transit corridors which connect to city CBDs. These corridors are to be supported by high quality infrastructure to enhance the attractiveness and reliability of public transport, including:

- High frequency, reliable bus services;
- Bus priority measures; and
- Off-bus infrastructure, such as improved waiting facilities and service information.

Land use change will also need to occur over time to increase the residential population within easy walking distance of the corridors and improve the potential market for the public transport services provided on those corridors.

Work has begun on developing the first transit corridor plan, which deals with the Main Road corridor from Hobart CBD to the Glenorchy Bus Mall, including New Town Road and Elizabeth Street. This corridor already contains many features that make it a strong candidate for development into a true integrated transit corridor.

The first stage of the Main Road project has been completed, focusing on identifying where that Corridor requires improvement to function as a fully effective transit corridor. This approach allows for a better understanding of the issues, in order to inform identification of targeted solutions, which forms part of Stage Two of the project. Stage Three of the project will be the development of a final Plan for the Main Road Corridor, which will include public consultation.

Greater Launceston Metropolitan Passenger Transport Plan

This project will see the development of an integrated, long-term plan to guide passenger transport in the Greater Launceston Metropolitan area. The Plan will provide a counterpart to the work completed by DIER in 2009 on passenger transport in the Greater Hobart

area, which formed the basis for the *Tasmanian Urban Passenger Transport Framework*.

To progress the directions proposed in the Framework, the Project will be conducted to achieve the following project-specific outcomes:

- shared understanding of existing land use and transport patterns;
- confirmation of existing transport challenges and opportunities in Greater Launceston;
- identification and agreement on likely areas of demographic change, and changes in travel patterns, to the year 2030;
- identification and prioritisation of projects capable of contributing to the achievement of the Framework objectives; and
- agreement between major stakeholders to the Passenger Transport Plan and prioritised projects.

This project will inform the urban transport component of the *Northern Integrated Transport Plan* – being developed concurrently by DIER. It will also inform the *Greater Launceston Plan* – an initiative of the Launceston City Council that has received DIER support and Commonwealth funding through the Commonwealth's Liveable Cities program.

A project manager has been appointed and development of the Background Report – including initial stakeholder consultation – has begun.

Service Development Plans

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

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

Over the last 18 months, trials have been funded for new or expanded services over the following corridors:

- Port Arthur to Hobart
- Swansea to Hobart
- Huon Valley to Hobart
- Campania to Hobart
- Maydena, Lachlan & Ouse to New Norfolk
- Beauty Point to Launceston
- Cressy to Launceston
- St Helens to Launceston

- Evandale to Launceston
- West Coast to Launceston
- Ulverstone to Devonport
- New Norfolk to Hobart
- Bridport to Launceston
- Port Sorell to Devonport
- Smithton to Burnie
- Dodges Ferry to Sorell to Hobart

Off-bus infrastructure: urban fringe areas

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

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

In 2011-12 a total of nine Grant Deeds were established for bus stop upgrades with Central Coast, Latrobe, Sorell, Northern Midlands, Huon Valley, Clarence City, Waratah-Wynyard, George Town and West Tamar Councils. These upgrades covered 18 different population centres and a total of 26 bus stop sites. All site upgrades were agreed through consultation with the relevant Council and bus operator. To complement the upgrading of stops in regional population centres, a number of urban fringe-specific bus stops and terminals in urban areas have also been upgraded to ensure consistent infrastructure along major non-urban bus corridors.

During 2012/13, further upgrades are expected to be completed across a number of regional population centres that receive general access bus services. This process will require agreement between DIER and individual Councils on the specific infrastructure to be upgraded and the future management of this infrastructure.

Wi-Fi on Buses

The 12-month trial equipping selected urban fringe buses with a free Wi-Fi service for patrons concluded on 30 June 2012.

16 buses operated by three different operators delivering public transport services over seven medium to long distance routes were used for the trial. Each bus is equipped to support up to 30 concurrent users.

Some of the key findings for the trial were:

- The equipment used was robust and minimal service disruptions were reported
- Hobart to Burnie and Derwent Valley services showed the most growth over the trial period.
- Usage across the 16 services remained low throughout the trial and averaged only 17.25% with a peak of 35% of the allowable 320Gb of data.



- Usage reports showed the service was mainly used for social media.
- Participating operators commented that where the service was provided, a decline in student antisocial behaviour was noticed. This was particularly evident on some of the longer routes.
- Comparison of passenger data for the 12 months prior to and during the trial period showed the service had no real impact on increasing patronage numbers where offered. This was evident during school holidays where usage of the service declined significantly.
- Participating operators do not see any benefit in continuing to provide the service past the trial period.

Tasmanian Walking and Cycling for Active Transport Strategy

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

As part of the process of implementing the Strategy, the Department has completed a process of working with local councils, State government and community stakeholders to identify the highest priority transport

cycling routes in Hobart, Launceston and Burnie/Devonport. The information gained through these processes will be used to inform Government investment in cycling infrastructure.

The Government has also allocated \$150,000 over two financial years to assist local government and community organisations to deliver local cycling connections and facilities, and to deliver programs that encourage people to cycle for transport. In the year to 30 June 2012, the Cycling for Transport – Local Infrastructure Development Fund allocated \$65,500 to projects such as:

- Planning and design work for delivery of cycling infrastructure (Clarence, Glenorchy and Latrobe)
- Providing better connectivity and safety around a road crossing on an existing cycle path (Launceston)
- Provision of bike racks in Kingston and Devonport, and provision of end of trip facilities at the University of Tasmania campus in Hobart (including solar powered e-bike charging facilities)
- A statewide promotional program to encourage people to cycle, ride or catch a bus for transport (Bicycle Tasmania).

In 2012/13 a further \$85,500 will be allocated to projects through this Fund.

The Department has also published a Cycleway Directional Signage Manual to encourage and support local councils to undertake this process. Cycle network directional signage is an important element in encouraging people to use cycle facilities, and in providing cohesion and connectivity across cycle networks.

Greater Hobart Urban Travel Demand Model

The Greater Hobart Urban Travel Demand Model was completed at the end of October 2011. Funding was provided for this project from the Passenger Transport Innovation Fund. The Model was completed on budget and on time.

The Model looks at the passenger transport system for the Greater Hobart area and at how certain interventions to the system change people's travel behaviour. To date, the Model has been used to investigate a range of potential passenger transport initiatives, including:

- Park and ride facilities;
- Changing land use and demographics;
- Increased car parking charges;
- Reduced car parking capacity in central Hobart;
- Free Metro bus fares;
- Road capacity increase;
- High frequency Passenger Transport services; and
- Increased car transport costs.

The outputs from the modelling can be used in conjunction with benefit/cost analysis to assess if particular projects warrant further investigation.



CAPITAL INVESTMENT PROGRAM

LEVEN RIVER BRIDGE

Traffic began using Ulverstone's new Leven River Bridge in July 2011 and a special ceremony was held in September 2011 to mark the official switching-on of the bridge's distinctive feature lighting. In March 2012 another riverfront ceremony was held to mark the completion of the connecting pathways and playground redevelopment.

Achievements for 2011/12

Commencement of road and bridge construction work included:

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

Completion of works included:

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

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



KINGSTON BYPASS

The new Kingston Bypass was officially opened in November 2011 in a joint federal/state ceremony. The project, which was finished six months ahead of schedule, has improved access onto the Channel Highway, reduced queuing during peak periods and improved access into the central business district of Kingston.

Northern Brighton Bypass and Jordan River Levee

The Brighton Bypass northern contract construction work has progressed solidly through the joint venture with VEC/Thiess, including all key bridge works and various structures such as the Strathallan Bridge and Rifle Range Road Bridges. Work near the Jordan River began on 13 April 2011. Construction of the bridge over the Jordan River levee is now almost complete and the Bypass is expected to be fully commissioned later in 2012.

Brighton Transport Hub

The State Government provided funding of \$78.662 million for the Brighton Transport Hub project. TasRail has been appointed the operator of the Hub. The administration, maintenance and control buildings at the Brighton Transport Hub have been completed.

Kingston Bypass

Construction work on the \$53 million Kingston Bypass began in April 2010 and was completed at the end of 2011. The project has improved access onto the highway, reduced queuing during peak periods and improved access into the central business district of Kingston. The bypass route leaves the existing Channel Highway near old Kingston High School north of Summerleas Road, passes under Summerleas Road, then to the west of residential and light industrial areas where it rejoins the Channel Highway near the existing Algona Main Road roundabout.

Leven River Bridge

Construction work on the new Leven River Bridge began in March 2010 and work progressed well with two lanes of traffic moving to the new bridge in July 2011. All work was completed, including the demolition of the old bridge.

Community Roads and West Coast Roads Programs

Implementation of projects under the Community Roads and West Coast Roads Programs continued with the following projects in the scoping or development phase in 2011/12:

- Arthur Highway, Taranna to Port Arthur and Dunalley to Murdunna
- Bell Bay Main Road Junction improvements
- Richmond Heavy Vehicle Link Road
- Esk Main Road shoulder sealing- east and west of Fingal
- Ferry Main Road upgrade and management of ferry terminal queuing
- Murchison Highway Improvements
- Tasman Highway, Scottsdale to Launceston
- West Tamar Highway Brady's Outlook

Construction of the following projects under these programs was begun or completed in 2011/12:

- Tasman Highway Coles Bay junction upgrade – completed
- West Tamar Highway Ecclestone Road traffic signals – completed



- Ridgley Main Road upgrading of pavement's structural capacity - completed
- Bass Highway/Mersey Main Road junction upgrade – almost complete at 30 June
- Mud Walls Secondary Road – commenced
- West Tamar Highway/Corniston Road traffic signals – almost complete at 30 June
- Sealing of sections of the Lake Secondary Road

Forward Planning Program

The Forward Planning Program will identify and scope projects for consideration for funding by the State and Australian Governments and inclusion in forward works programs. The forward planning funding allows projects to be fully investigated and scoped prior to the commitment of delivery funds, in accordance with the requirements of the Structured Infrastructure Investment Review Process.

The continuing delivery of the Community Roads and West Coast Roads Programs, which are fully funded in the budget and forward estimates, includes the following projects to begin construction in 2012/13:

- Arthur Highway, Taranna to Port Arthur and Dunalley to Murdunna
- Rokeby Road, from Oceana Drive to Pass Road
- Huon Highway Priority Improvement, including shoulder sealing at Sommers Straight between Huonville and Geeveston and pavement reconstruction and resurfacing through Huonville from Shield Street and the bridge
- West Tamar Highway safety improvements at Brady's Lookout. The Brady's Lookout project has a budget of \$9 million. The project consists of installing three lanes comprising alternating overtaking lanes to improve safety in the region

- Ferry Road upgrading
- Bass Highway -Stanley Junction upgrade
- Colebrook Main Road - Richmond Link Road
- Murchison Highway Improvements
- Esk Main Road shoulder sealing
- Tasman Highway, Scottsdale – Launceston curve improvements and shoulder sealing
- Bass Highway and Stanley Highway junction
- Bell Bay Main Road –junction improvements

Pictured below on the opening day of the Kingston Bypass about to cut the ribbon are (from left) the Mayor of Kingborough, Dr Graham Bury, Federal Member for Franklin, Julie Collins, Parliamentary Secretary for Infrastructure and Transport, Catherine King, Premier Lara Giddings and Infrastructure Minister David O'Byrne.



Completion of planning for Bagdad Bypass

Bagdad Bypass is the northernmost of the Midland Highway Improvements projects, extending 16.4km between Pontville and Dysart. Planning for this project has been completed and a revised Project Proposal Report has been submitted to the Australian Government, seeking funding for the development phase which includes further design and property acquisition.

Planning for Bridgewater Bridge Replacement

Bridgewater Bridge is the southernmost of the Midland Highway Improvements projects, extending from the Midland Highway/East Derwent highway junction to the Brooker Highway. The project will provide a level of service consistent with both the Brooker Highway and the Brighton Bypass. Planning was completed with a Development Phase Project Proposal Report submitted to the Australian Government, seeking funding to undertake further design and property acquisitions.

North-East Freight Roads

Project Proposal Reports seeking funding approval for the Development and Delivery Phase of each of the following North-East Freight Roads Projects were completed and forwarded to the Australian Government for approval:

- Mathina/Evercreech Bridge Replacements;
- Bridport Main Road Upgrades;
- Tasman Highway/Gladstone Main Road Upgrades; and
- Prossers Road Junction Upgrades.

Forward Planning projects commenced in 2011/12 include:

- Brooker Highway – Berriedale Road to Howard Road traffic modelling;
- Montrose Bay High School Access;
- Launceston Freight Routes;
- Midland Highway
 - Symmons Plains
 - Mona Vale
 - Esk Main Road Junction
 - Perth to Breadalbane
- St Marys Pass;
- Esk Main Road;
- Tasman Highway – eastern approaches to Tasman Bridge; and
- Huon Highway/Summerleas Road Junction.



Best Practice Cost Estimating Standard

Development of cost estimating procedures and tools to support the use of the Standard on all DIER projects began, incorporating experience gained previously. The implementation of the Standard will result in a significant improvement in the accuracy of cost estimates and recognition of risk in all project phases.

Kettering Waste Water Treatment Plant

Commissioning of a shared Waste Water Treatment Plant, under an agreement with a private developer, was completed at Kettering. The WWTP will treat sewage from the Kettering Ferry Terminal, Oyster Cove Inn and Oyster Cove Marina, providing significant environmental benefits in Little Oyster Cove. The design of the system allows for effluent reuse for irrigation of lawns and garden beds at the Oyster Cove Inn.

Crane Access to the State Road Network

The Department is reviewing crane access to the State Road Network based on the capacity of bridges. The review considers a performance assessment of Tasmania's stock of bridges and the allowable additional masses adopted by other State Road Authorities. The review is likely to reduce the driveable extent of road network access for some heavy cranes within the crane fleet. The Department established a crane industry reference group in late 2010, involving key industry representatives, to ensure that there is adequate consultation during the review. Meetings are ongoing and

progressing towards a new crane network access and permit system. A system has been operational for low to mid-class cranes from October 2011. Finalisation of the system for heavy class cranes is progressing.

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

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

Strengthening of all bridges is complete with the last three bridges completed in the 2011/12 financial year.

State Road Network Bridge Strengthening Strategy

The structural capacity of bridges can represent a significant restriction for certain heavy vehicles. A strategy for the strengthening of bridges across the State road network was developed to improve strategic access for the freight and other heavy vehicle industries to facilitate development. This strategy includes an unfunded program of priority bridges to be strengthened.

TASMANIAN ROAD NETWORK

The Tasmanian Road Network comprises the following infrastructure assets:

Table 1: Tasmanian State Road Network

Inventory	2010/11	2011/12
Roads (length in kilometres)	3,660	3,661
Bridges and other structures (number) ¹	1,254	1,267
Land under roads & within road reservation (hectares) ²	12,131	9,328

Notes:

1. Includes bridges, culverts, retaining walls and gantries
2. Area of land revised during 2011/12

The Roads program key performance indicators for the State Road network are:

- The Road Maintenance Effectiveness (RME) indicator
- The Smooth Travel Exposure (STE) indicator

Table 2 shows long term trends in these performance indicators.

Table 2: Road Maintenance Effectiveness (RME) and Smooth Travel Exposure (STE)

Measure	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
RME ^{4.2}	2.9	2.9	3.0	3.5	4.1	4.4	4.4	4.4	4.4	4.8
RME ^{5.33}	2.6	2.6	2.8	3.3	3.8	4.1	4.1	4.1	4.2	4.5
STE ^{4.2}	95.7	96.6	97.3	97.7	97.5	97.3	97.3	98.1	98.0	98.0
STE ^{5.33}	99.4	99.4	99.7	99.7	99.4	99.5	99.5	99.6	99.5	99.8

Notes:

1. The Road Maintenance Effectiveness (RME) indicator represents the cost (in \$1,000) of maintaining one lane kilometre of the road to a set target roughness condition. The increase over time is caused by maintenance cost inflation.
2. The Smooth Travel Exposure (STE) indicator represents the percentage of the network travel undertaken by vehicles (on sealed roads only) with lower roughness than the nationally recognised points of roughness reference (IRI 4.2 and IRI 5.33).
3. RME and STE indices are defined by Austroads.

Pavement Condition Data Surveys

Condition data is used to enhance effective road management. Knowing historic and current road condition and road use is vital for assessing road performance, road deterioration and the benefits of rehabilitation and maintenance treatments. It also facilitates strategic targeting of maintenance funds to optimise investment in the road asset.

- *Laser Profiler Survey:* The summer 2012 pavement surface condition survey collected roughness, rutting, surface texture data and road geometry for the whole network.
- *Videography Survey:* The network video is available to DIER staff at all offices. The network video provides full coverage

of the State Road network as at 2012. Hawkeye software acquired enables measurement of road widths from the video.

- *SCRIM Survey:* Skid resistance of the pavement surface was measured for the whole road network in autumn 2012.

Traffic Data

Automation of traffic data remote downloading and data quality verification software is being developed in-house.

State Road Valuation

Detailed revaluation of bridges and other structures was undertaken in 2011/12. At the end of 2011/12, the State road infrastructure was valued at \$3.8 billion.

Table 3: State Road Valuation

Infrastructure Category	2010/2011 \$ Billion	2011/12 \$ Billion
Roads	2.1	2.3
Bridges and other structures	1.1	1.2
Land under roads and within road reserves	0.2	0.2
Major works in progress	0.2	0.2*
Total State Road Infrastructure	3.6	3.8

Notes:

1. *Draft figure only

Performance Measures – Output Group 1

Performance Measure ^{1,2}	Unit of Measure	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual
Tasmanian Infrastructure Strategy actions achieved within published timeframes, where the Department is the lead Agency ³	%	na	na	na	100
Rail Safety compliance audits completed within agreed audit timeframes	%	100	100	100	100
Schools participating in road safety education (using the Year 9 and 10 Road Risk Reduction resource) ⁴	%	65	na	na	na
Nominated teachers attending professional development for the Year 9 and 10 Road Risk Reduction resource ⁴	%	90	na	na	na
Increasing the number of Local Government Community Road Safety Partnerships ⁵	Number	25	27	29	29
Motor Registry System availability	%	99	99	99	99
Transport Enquiry Service – percentage of calls answered	%	89	97	97	95
Vehicles found to be unregistered of those checked ⁶	%	0.92	0.72	0.62	0.50-0.75
Heavy vehicles found overweight	%	4.8	4.49	4.11	<5.0
Linemarking program achieved by the end of the financial year	%	100	76	95*	100
Blackspot interventions in accordance with the program	%	100	47	47**	100
Wheelchair Accessible Taxis (WATs) licensed	Number	57	61	61	55
Bus contracts qualifying for a capital payment	%	82.5	85.7	90.7	87.5

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

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

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


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

5. There are 29 local government authorities in Tasmania.

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

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

**Projects delivered by local councils – 17 out of 36 including projects carried over from previous years were completed with the balance delayed due to community consultation/support

A large concrete dam with a curved spillway, surrounded by a forested landscape and a reservoir. The dam is the central focus, with a walkway and stairs leading up to it. The background shows a vast reservoir and distant mountains under a cloudy sky.

Output Group 2 ENERGY ADVISORY AND REGULATORY SERVICES

Overview

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

OEPC's goals and objectives align with Goals 1, 10 and 12 of the Tasmania *Together* vision. In summary, OEPC's objective is to ensure that Tasmanians will continue to have sufficient supplies of safe and reliable energy delivered on a sustainable and efficient basis, with end user prices no higher than necessary, and that Tasmania benefits from the ongoing development of Australia's national energy markets.

OEPC achieves this by:

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

Achievements against Priorities for 2011/12

OEPC achievements in 2011/12 included:

- Support to the Standing Council on Energy and Resources (SCER), the Standing Committee of Officials (SCO), and the Council of Australian Governments (COAG) in the area of national energy market reforms, and defending and advancing Tasmanian interests in such reforms. One of the milestones in these reforms was the passage through the South Australian Parliament of the legislation to give effect to the National Energy Customer Framework and the passage of Tasmanian legislation giving effect to this legislation in Tasmania;
- Providing Tasmanian specific feedback on studies and reviews done by the Australian Energy Market Commission (AEMC), the Australian Energy Regulator (AER) and the Australian Energy Market Operator (AEMO);
- Providing information to the Expert Panel established under the *Electricity Supply Industry Expert Panel Act 2010*, and support to the Energy Cabinet Committee that developed the government's response to the Expert Panel.

- Reviewing supply risk management plans and supply emergency preparedness in conjunction with electricity and gas industry participants and other relevant stakeholders, and undertake similar planning for petroleum products;
- Completing the *Tasmanian Oil Price Vulnerability Study*;
- Management of several funded initiatives aimed at reducing costs of supply on the Bass Strait Islands;
- Production of a *Save Energy, Save Money* residential energy guide;
- Compiling reliable historical data and developing a capacity for analysis of supply and demand of energy in Tasmania;
- Reviewing supply risk management plans and supply emergency preparedness in conjunction with electricity and gas industry participants and other relevant stakeholders, and undertake similar planning for petroleum products.

National Energy Market Reforms

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

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

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

This work stream has included active participation in the Legal Working Group the Network Policy Working Group, and the Jurisdictional Implementation Group, all of which report through the Energy Market Reform Working Group (EMRWG) to the SCO and the Standing Committee for Energy and Resources (formerly the Ministerial Council for Energy).

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

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

As part of the implementation, OEPC has, in conjunction with Treasury and the Office of the Tasmanian Economic Regulator, undertaken a review of the energy regulatory



functions that will remain after the implementation of the current national energy market reforms.

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

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

OEPC also represents Tasmania on the Network Policy Working Group (NPWG). The NPWG is responsible for developing a national regulatory framework for electricity and gas distribution networks. Recent NPWG work has included investigation of Total Factor Productivity and its potential role in the regulation of network service providers, and input to various reviews and rule changes being conducted by the AEMC, notably on distribution network planning and expansion, and a major review of demand side participation in the National Electricity Market. Other recent significant NPWG work streams have included Inter Regional Transmission Charging, a National Contestability Framework for customer connections, and reviewing the process for setting reliability standards.

Planning and Coordination

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

ETAC is established under Section 12 of the *Energy Coordination and Planning Act 1995*. The primary role of ETAC is to handle non-market technical issues raised by the Minister for Energy or the Director of Energy Planning. It provides a high level Tasmanian forum for discussing and resolving technical issues and also helps Tasmanian electricity industry participants to develop co-ordinated responses to matters of a technical nature. ETAC also provides a forum for the dissemination of information related to the technical operation and performance of the electricity supply system. The Committee reports to the Director of Energy Planning. During the past year ETAC has not had to meet. This is a sign that the industry has been working well to solve and pre-empt technical issues.

Energy security is vital for maintaining confidence in the Tasmania economy and whilst the monitoring of energy security is not formally required it is nevertheless a key aspect of the work of the OEPC and Director of Energy Planning.

The Australian Energy Market Operator (AEMO) scrutinises the electricity and natural gas industries and publish documents like the Electricity Statement of Opportunities (ESOO), Gas Statement of Opportunities (GSOO), Power System Adequacy and the National Transmission Network Development Plan (NTNDP). These documents forecast future demand and supply and indicate the potential need for investment in either generation or networks. These reports indicate that Tasmania has adequate access to electricity and natural gas for the timeframes of the reviews (10 to 20 years).

One potential risk to Tasmania energy security arises from variable rainfall into our hydro electric system. Following the drought in the first decade of this century, improved rainfall has seen storages improve markedly, helped also by net imports over Basslink and the electrical output from the new

gas-fired power station at Bell Bay. The improved storages do not mean there is any less monitoring of the storages. Hydro Tasmania keeps the Government well informed of storage levels and there are agreed triggers for escalated monitoring and reporting. AEMO also produces the Energy Adequacy Assessment Projection report every quarter. This report provides an analysis of the potential effects of low storages and other energy constraints on the electricity system over a 24-month period. These reports indicate that there are now no credible situations where the security of electricity generation will be threatened by lack of rainfall over the next two years.

Liquid fuels, petroleum, diesel and LPG are supplied by shipments from interstate and overseas. These are regular, and from multiple sources, and use different shippers and multiple docking facilities. There have not been any supply shortages in the recent past and there is no reason to believe this will change. Despite this confidence, the OEPC keeps in close contact with terminal managers and any changes in delivery patterns or risks to supply are reported to OEPC.

Energy Efficiency

OEPC works with Tasmanian Climate Change Office (TCCO) to ensure government responses to emissions reduction are made with a full realisation of the impact on the energy supply industry.

OEPC continued to represent the Tasmanian Government on the Energy Efficiency Working Group (E2WG). Over the year there was a shift in the work program of E2WG including the completion of the National Framework for Energy Efficiency (NFEE) Stage Two initiatives, and implementation of allocated National Strategy for Energy Efficiency (NSEE) measures and additional measures as agreed by the SCER or the Council of Australian Governments (COAG)¹.

In January 2012 responsibility for the delivery of the energy efficiency work program, including the NSEE, was transferred to the Select Council for Climate Change (SCCC). The first meeting of the SCCC took place in April 2012.

Through its membership of E2WG, OEPC continued to undertake an active role in participating in national energy efficiency policy development. OEPC provided input into the process considering the implementation of a nationally consistent mandatory disclosure scheme for residential building energy, greenhouse and water performance, the development of energy bill benchmarking and the establishment of a national Greenhouse and Energy Minimum Standards (GEMS) scheme for equipment energy efficiency. In addition to policy development for GEMS, OEPC continued to monitor the development of standards for energy efficiency performance of appliances and equipment by the Equipment Energy Efficiency (E3) program. OEPC liaised where necessary with Workplace Standards Tasmania on

issues relating to the adoption of new standards proposed through this process.

OEPC also continued its participation on the Data Working Group (DWG), whose work is aimed at improving the data upon which national and jurisdictional energy efficiency policy development, reporting and benchmarking can be based.

Throughout 2011/12 OEPC represented Tasmania in other policy matters within the wider scope of the NSEE. This included work on the development of the National Building Energy Standard Setting, Assessment and Rating Framework. OEPC continued to engage with the Tasmanian Office of Climate Change and relevant line agencies within the Tasmanian Government on policy relating to the implementation of these NSEE measures.

In late 2011, the Australian Government began its response to the Prime Minister's Task Group on Energy Efficiency report through the establishment of a Commonwealth Working Group tasked with considering the establishment of a national Energy Savings Initiative in Australia. OEPC initiated the Tasmanian Government's first response to this Working Group.

At a local level OEPC continued the development of its Residential Energy Guide project to address the gap between general information provided to the community on energy efficiency and more specific information to assist people looking to buy, rent, renovate or build a home to better understand what actions they can undertake to reduce energy use and make their homes more energy efficient. With the help of the Tasmanian Climate Change Office (TCCO), the result has been the production of the Save Energy Save Money series of guides. These provide useful information that can assist in making homes more energy efficient and comfortable.

OEPC continued to provide policy advice to other Tasmania Government agencies on energy efficiency, in particular the TCCO and the Department of Economic Development, Tourism and the Arts to assist in the development of local energy efficiency initiatives, such as the Power Savings for Tenants program being overseen by the TCCO.

Tasmanian Energy Directory Project

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

The OEPC has collated information from various sources which provides a comprehensive picture of energy supply and consumption in Tasmania, including analysis of historical trends and identification of future challenges. This information is regularly updated, and will help to inform the annual *Tasmanian Energy Supply Industry Performance Report* published by the Office of the Tasmanian Economic Regulator.

NFEE commenced in December 2004 and focused on demand-side energy efficiency opportunities, increasing the use of energy efficient technologies and processes, and overcoming the barriers to the wider uptake of energy efficiency. It covered building energy efficiency, commercial/industrial energy efficiency, increasing awareness, appliance and equipment energy efficiency, and training and accreditation. In July 2009 COAG agreed to the National Strategy on Energy Efficiency (NSEE). The NSEE covers 37 initiatives encompassing energy efficiency in buildings, appliances, transport and across industry, business and government and incorporates NFEE measures into its scope.

Energy Supply Emergency Response Planning

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

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

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

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

In Tasmania, the JSSC is also responsible for development of guidelines for the preparation of emergency management plans for all licensed entities in the electricity supply industry. The guidelines provide for a biannual independent review of the emergency preparedness of each entity. During 2011/12 reviews were completed on Aurora Energy's retail division and Aurora Energy Tamar Valley. The review highlighted a few areas for improvement, mostly in formalising processes within the business divisions as opposed to Aurora Energy wide processes. CCRESE and its sub-committees, along with the Office of the Tasmanian Economic Regulator, are monitoring the entities progress at responding to the recommendations found in the review

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

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

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

OEPC represents Tasmania on the National Oil Supplies Emergency Committee (NOSEC). NOSEC is the main



executive channel through which Australian Governments, in cooperation with industry, formulate the overall management response to a widespread fuel shortage. NOSEC reports to the MCE and comprises officials from the Australian Government, the State and Territory Governments and the oil industry.

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

Bass Strait Islands Energy Project

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

In early 2010, OEPC liaised with both BSI Councils, as well as other stakeholders, in developing a project for Councils to administer the delivery of rebates for solar hot water systems to residents of the Bass Strait Islands. Participants each received a rebate of \$1000 through the program. Most participants were also eligible for the \$1000 Commonwealth Solar Hot Water Rebate and Small Scale Technology (Renewable Energy) Certificates - 132 rebates were granted in total. The solar hot water initiative ended on 31 May 2011. It is estimated that the reduction in the CSO alone will cover the cost of the grants within three years.

OEPC and the two councils then developed additional initiatives to complement the solar hot water initiative. This completed the project.

Renewable Energy Fund – King and Flinders Islands

Electricity on the Bass Strait Islands comes mainly from diesel generators, is costly to produce and carbon intensive. Tasmanian taxpayers fund most of the costs through a CSO, but the remaining price paid by businesses and residents on the Islands is still higher than that paid by consumers in the rest of Tasmania. At the same time the Bass Strait Islands are blessed with excellent opportunities in renewable energy. Not only wind energy, but also solar, wave and tidal energy and various forms of biomass.

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

The objectives of the fund are to reduce carbon emissions and reduce reliance on diesel generated electricity in order to will help reduce the cost of living on the Bass Strait Islands. The initiative also aims to reduce cost to Tasmania's taxpayers in funding the CSO.

The program is being implemented as a contestable grant fund. The first two years of funding were combined. The fund opened for applications on 25 March 2011, and closed to applications on 20 May 2011. OEPC received 18 applications for funding. A Selection Panel recommended funding for seven projects, to the value of \$363,496 and these were approved by the Minister on 16 July 2011. There were two projects (total \$66,630) on King Island and five (total \$296,866) on Flinders Island. The successful proponents provided \$182,746 in cash co-contributions and \$10,000 in in-kind co-contributions; and leveraged approximately \$71,800 in Australian Government funding. The Office of Energy Planning and Conservation is evaluating the success of the first round of funding grants before starting the next round.

Tasmanian Oil Price Vulnerability Study

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

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

The Study therefore focused on identifying the nature of the oil price vulnerability and what actions that the Tasmanian Government, industries, organisations and the community are doing, or can do, to manage any risks.

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

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

The Tasmanian Oil Price Vulnerability Study was completed and submitted to the Minister in July 2012.

Expert Panel Review

The past decade and a half saw significant changes in the Tasmanian energy industry including the establishment of three Government owned energy businesses, the introduction of alternative energy sources such as gas and wind, and joining Tasmania to the national grid and national electricity market through Basslink.

The Government considered that a key point in the ongoing energy reform process had been reached and that it was sensible and appropriate for an independent review of the

industry to be undertaken. It therefore established an Expert Panel Review and the *Electricity Supply Industry Expert Panel Act 2010*.

The Expert Panel comprised three independent members with strong expertise in the energy industry. The final report of the Expert Panel was tabled in Parliament on 29 March 2012.

The OEPC provided information to the Panel, and support to the Energy Cabinet Committee developing the Government's response.

Legislation in 2011/12

The major legislative project in 2011/12 was the development and implementation of the legislative package to implement the National Energy Customer Framework (NECF) in Tasmania.

The Framework provides for a new set of national laws, rules, and regulations governing the retail sale and distribution of electricity consumers in Tasmania.

The NECF is designed to provide a single, simplified national regulatory regime, and is intended to deliver efficiencies in

terms of regulatory certainty, reduced compliance costs, and competitive benefits to consumers.

The NECF comprises a number of key legislative instruments, based on the *National Energy Retail Law (South Australia) Act 2011*, which have been adopted by participating jurisdictions.

In Tasmania, this has been put into effect by the *National Energy Retail Law (Tasmania) Act 2012*.

Other supporting legislation includes the *National Energy Retail Law (Tasmania) (Consequential Amendments) Act 2012* and the *National Energy Retail Law (Tasmania) Regulations 2012*.

The package was completed with the *Electricity Supply Industry Amendment Regulations 2012*.

The legislative package ensures that Tasmanian customers continue to benefit from a robust set of customer protection measures, but ensures consistency of regulatory obligations across participating jurisdictions so that compliance costs for retailers operating across jurisdictions are reduced.

Performance Measures - Output Group 2

The performance of OEPC is best judged by the entities and stakeholders to which it provides services and support, the outcomes it achieves and the observations of its peers.

In 2010/11 OEPC was given programs and a study to manage. These are significant tasks for a small policy unit and the results are assessable according to the usual time, cost and quality measures for project work, the absence of major problems, and feedback from stakeholders.

Performance Measure	Unit of Measure	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual
Policy Advice					
Provision of effective support to the Government by providing information and advice to enable informed decision making	Satisfaction	4	4	≥4	4
National Energy Development					
Promote and protect Tasmanian interests in national energy market developments and reforms	Outcomes	4	4	≥4	>4
Emergency Preparedness					
Maintain adequate frameworks to deal with major emergencies in electricity, gas or oil	Adequacy	4	4	≥4	4
Major Initiatives					
Achieve stated objectives, and comply with good practice guidelines	Quality, time and budget	n/a	n/a	≥4	4

Notes:

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

REPORT OF THE DIRECTOR OF ENERGY PLANNING

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

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

Overview

Significant events and developments affecting the Tasmanian energy industry in 2011/12 included:

- Completion of a review by an Expert Panel into the Tasmanian energy industry and announcement of a set of major changes proposed in response to the review;
- Continued improvements of inflows into Hydro Tasmania's storage catchments;
- Significant increases in electricity prices;
- The passage through both houses of Parliament of legislation to implement the National Energy Customer Framework (NECF), a single national regulatory regime for energy retailing; and
- Commencement of construction of a new wind farm at Musselroe Bay.

Security of Supply

The Australian Energy Market Operator (AEMO) scrutinises the electricity and natural gas industries and publish documents like the Electricity Statement of Opportunities (ESOO), Gas Statement of Opportunities (GSOO), Power System Adequacy and the National Transmission Network Development Plan (NTNDP). These documents forecast future demand and supply and indicate the potential need for investment in either generation or networks. These reports indicate that Tasmania has adequate access to electricity and natural gas throughout the timeframes of the reviews (10 to 20 years).

System Performance

Energy supplies to Tasmanians remain secure and reliable. Whilst there are occasional disruptions to supply, these are infrequent and of a relatively short duration and similar to those experienced elsewhere in Australia. The Office of the Tasmanian Economic Regulator (OTTER)

monitors both electricity and natural gas supply reliability and publishes an annual Performance Report. The last report covering the 2010/11 financial year shows that yet again, there were no outages as a result of the lack of electricity generation. It also shows that the frequency and duration of outages in the electricity transmission and distribution network were similar to those experienced in previous years, with customers being supplied 99.95% of the time. The reticulated natural gas network remains very reliable with very few outages and a reliability of over 99.999%. Whilst liquid fuel supply reliability is not measured, there were few instances of 'stock outs' and no reported instances of customers being unable to access fuel when required.

Risk Monitoring

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

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

Water storages were, on average, above the 50 per cent full of energy mark and this has allowed for more exports over Basslink. Continued improvements in storage levels has also reduced the need for regular briefings from Hydro Tasmania and allowed CCRESE and WSAC to look at the broader issues of triggers and responses during periods of future low water storages.

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

It is pleasing to note that at the end of the 2011/12 financial year the hydro storages were at 52.5%, which is 6.5% above the same time last year. This increase was assisted by net imports over Basslink, the nearly continuous operation of the Aurora Energy Tamar Valley (AETV) power plant and input from the Woolnorth wind farm.

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



Emergency Preparedness

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

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

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

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

Planning and Co-ordination

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

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

ETAC also provides a forum for the dissemination of information related to the technical operation and performance of the electricity supply system.

Competition

In accordance with Government policy, electricity retail contestability has been phased into the Tasmanian electricity in successive tranches of customers since July 2006, starting with the largest customers. Since July 2006, the following tranches of customers have become contestable:

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

Contestable customers are able to choose retailers other than Aurora Energy (retail), thereby promoting the entry of new electricity retailers and competition between them. The Government phased in contestability of customers to allow a smooth transition to an open market arrangement. AETV provides substantial on-island competition in the Tasmanian electricity generation sector. Comprising a 203MW combine cycle gas turbine, three 40MW open cycle gas turbines and one 60MW open cycle gas turbine, AETV has reduced pressure on the State's water reserves and reliance on imported electricity from mainland Australia. Including AETV there are now 11 licensed electricity generators in Tasmania.

The reticulated natural gas market continues to grow and provides an important element of inter-fuel competition and choice for energy users. More than 42,000 small commercial and residential customers in 43 Tasmanian suburbs and towns have the potential to access natural gas. There are two licensed natural gas retailers in Tasmania - Tas Gas Retail and Aurora Energy - both competing for business. Around 10,000 customers have already connected to natural gas.

Energy Efficiency

Tasmania is an active participant in national energy efficiency policy developments and programs under the National Strategy on Energy Efficiency.

Renewable Energy

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

Construction is underway on the Musselroe Wind Farm and once operational it will meet the electricity needs of up to 50,000 homes, equivalent to the residential power needs of the people of Burnie and Devonport. It will reduce greenhouse gas emissions by around 450,000 tonnes each year. Construction is due to be completed and the turbines fully operational by July 2013.

US power company NP Power has submitted a proposal for a wind farm at Cattle Hill on the eastern shore of Lake Echo. The wind farm would be made up of up to 100 towers, and be capable of powering 60,000 homes. The proposal has approval from both the Environmental Protection Agency and the Central Highlands Council.

Geothermal energy has the potential to produce large quantities of low emissions intensive energy of a steady and sustainable basis. It has been demonstrated that some areas of Tasmania are suitable for geothermal

energy exploration, with two prospective areas having been identified relatively close to existing transmission infrastructure. Four current Special Exploration Licences for geothermal substances have been issued by Mineral Resources Tasmania.

The 2010/11 State Budget allocated \$1 million over four years to the then portfolio of Sustainable Transport and Alternative Energy to support renewable energy initiatives on the Bass Strait Islands. This initiative was assigned to OEPC to manage.

National Energy Market Reforms

The creation of national markets for electricity and gas has produced a more competitive and efficient energy industry in Australia. While the current Australian energy sector is working well, the reform process is continuing. OEPC has been active in numerous working groups to advance Tasmania's interests in this process and continues to operate within a broad policy network to ensure jurisdictional energy regulatory arrangements are consistent with, and complementary to, the national energy regulatory framework.

The main area of the national reform process over the past year has been finalising the legislative package to implement the National Energy Customer Framework (NECF), adopting the National Energy Retail Law as passed by the Parliament of South Australia, the lead legislator for national energy market legislation.

Emissions Trading and Climate Change Policy

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

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

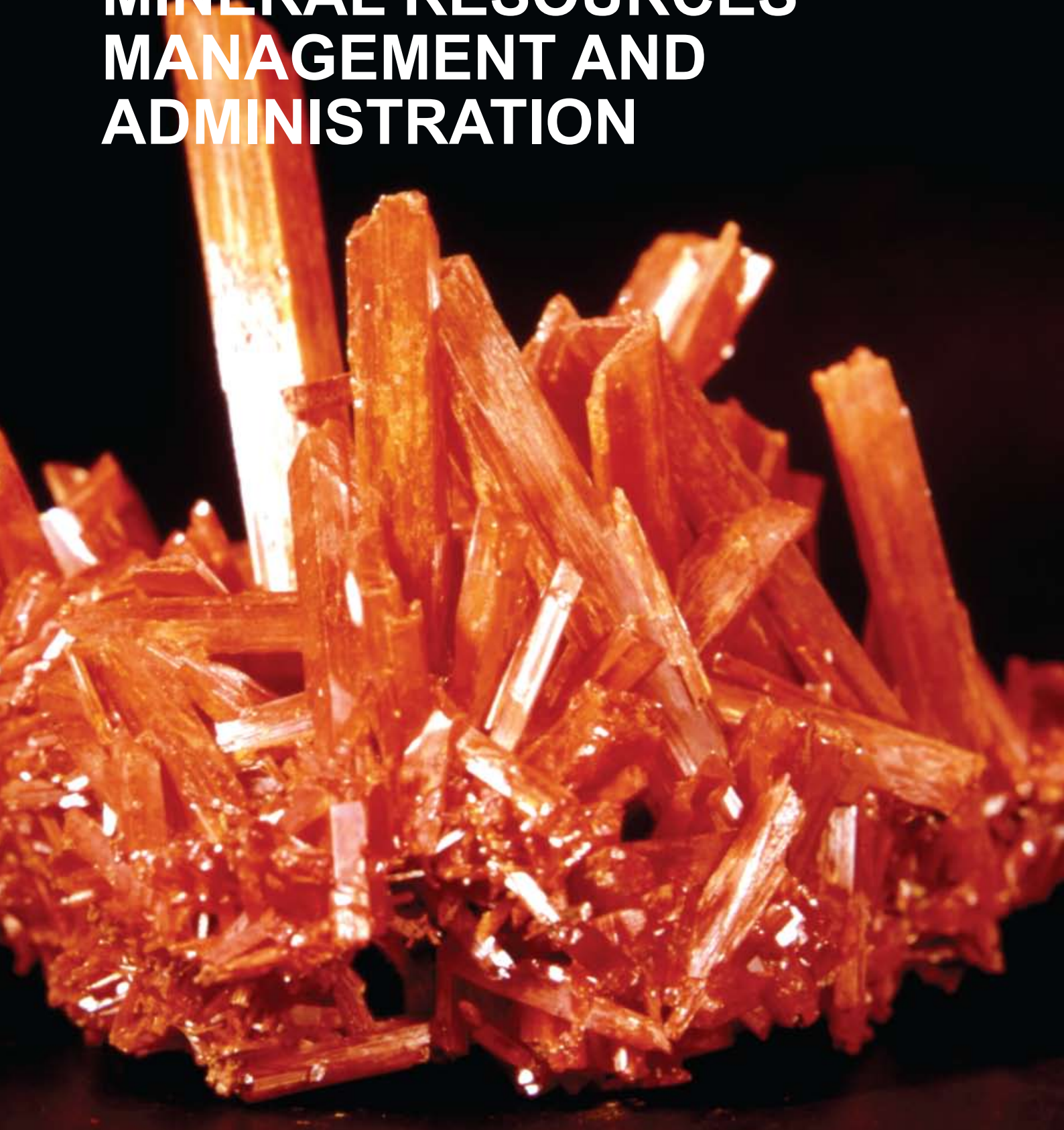
In conclusion, the past year has been one of significant achievements and challenges for the energy industry in Tasmania. The changing environment in which the energy sector operates highlights the need for a robust energy framework for Tasmania. In order to meet future challenges and grasp opportunities,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



BOB RUTHERFORD
Director of Energy Planning

Output Group 3

MINERAL RESOURCES MANAGEMENT AND ADMINISTRATION



Mineral Resources Tasmania (MRT) provides services to the mineral exploration, mining, quarrying and mineral processing industries; for infrastructure development; to land management groups for geohazards and construction materials; and to the general public.

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

Status of Tasmania's Mineral Industry

Throughout 2011/12 many major mines in Tasmania continued to perform strongly with successful exploration programs in most cases enabling growth in resources data to support production rates.

The minerals sector continues to be a cornerstone of the Tasmanian economy, contributing more than 50% to the State's gross export income, and with several new potential projects on the horizon, including:

- Iron and iron-tungsten-tin mines in the Mount Lindsay area by Venture Minerals;
- Resumption of tungsten mining on King Island by King Island Scheelite;
- Iron ore mines at Nelson Bay River by Shree Minerals and in the upper Blythe River area by Forward Mining;
- Tin and copper tailings recovery at Renison Bell by the Bluestone Mines Joint Venture and at Luina by Bright Phase;
- Tin at Zeehan by Stellar Resources;
- Coal at Fingal by HardRock Coal Mining;
- High grade silica at Maydena by Maydena Sands;
- Magnesite at Arthur River by Beacon Hill Resources; and
- Nickel, cobalt and iron in the Beaconsfield area by Proto Resources and Investments.

Unity Mining at Henty has had record levels of gold production this financial year resulting in strong revenue results for both the company and Tasmania. The revenue for the first half of the 2011/12 financial year was a staggering 80% of total revenue for the previous financial year.

On top of record profits, Grange Resources has recently announced that its exploration programs have enabled the company to extend the life of its Savage River Mine to at least 2030.

The planned closure of the Tasmania mine at Beaconsfield in July and the current difficulties at the Fossey mine are reminders that individual operations are affected by local mining and processing conditions, global metal prices and the exchange rates, but overall the industry remains in a strong position of growth.

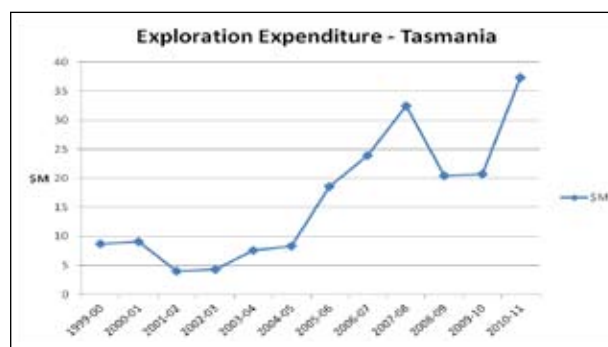
Mineral Exploration

A high level of mineral exploration activity is essential for the future development of the mineral sector and for the economic well-being of Tasmania.

MRT, by providing information on areas of high mineral resource potential in Tasmania, encourages private sector exploration which is essential to the development of new operations.

According to Australian Bureau of Statistics (ABS) data, expenditure on mineral exploration for the 2010/11 year was \$37.3 million, a significant increase on the 2009/10 year expenditure of \$20.7 million. This demonstrates Tasmania's maintained recovery in exploration expenditure, which has exceeded pre-Global Financial Crisis levels. It further demonstrates the strength of gold, silver and most base metal prices and renewed interest in commodities with which Tasmania is well endowed, notably tin, tungsten and magnetite.

The ABS expenditure for the current year to 31 March 2012 was \$29.7 million, which sees Tasmania on track this year to exceed last year's expenditure. In addition this is a very clear demonstration of the current strength of mineral exploration in Tasmania and reflects a large number of major exploration projects, many of which are proceeding into the mine planning stage.



ABS data

Tenement Licences and Leases

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

Tenement statistics for Tasmania as at 6 June 2012 were:

Tenement Applications Received

Application Type	2010/11	2011/12 YTD @6/6/12
Exploration Licences	68	24
Retention Licences	nil	3
Special Exploration Licences	nil	0
Offshore Mineral Licences	2	1
Mining Leases	26	23
Total	96	51

Current Tenements

Tenement Type	Tenements	Area	Area Unit
Licences			
Exploration Licences	68	24	
Exploration Licences	213	26,094	Square Kilometres
Retention Licences	33	247	Square Kilometres
Special Exploration Licences	7	19,042	Square Kilometres
Total	253	45383	Square Kilometres
Offshore Mineral Licence	3	120	Sub-Blocks
Leases			
Mining Leases	585	55,227	Hectares

Note – These statistics are completed by financial year and the numbers themselves are not proportional to the financial investment in that period.

Revenue from Mineral Resources

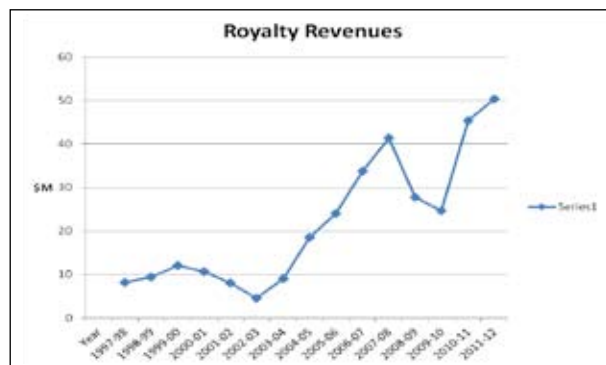
MRT is responsible for the collection of mineral royalties from Crown land tenements. Royalty is a payment to the community for the purchase of non-renewable resources.

Revenue from mineral royalties, rents and fees for 2011/12 was \$52.1 million, a significant improvement over the \$46.9 million collected in the previous financial year. The 2011/12 year revenue sets a new record for royalty revenue in the State and represents an eleven-fold increase since the low in 2002/03.

Mineral royalty revenue is expected to continue to increase in the coming years with the rapid growth of the Indian and Chinese economies and the subsequent increased demand for commodities being key drivers of the higher commodity prices. The rising Australian dollar, however, reduces Australian dollar returns on commodities as they are sold in US dollars. The Tasmanian royalty regime operates under two systems depending on the type of resource recovered. Companies producing a metallic mineral or coal pay under a two-tiered system, where royalty is paid on the net sales and profits earned from the operation. Royalty on the recovery of industrial minerals and construction materials on Crown leases is set on a per cubic metre or per tonne basis.

As part of the 2011/12 State Budget on 1 January 2012 all rents and fees increased along with increases in the royalty cap from 5.0 to 5.35% of net sales, metallic minerals royalty from 1.6% to 1.9%, industrial minerals and construction materials from 60 cents per tonne to 66 cents per tonne. It was over 10 years since the last major review of royalty rates and five years since the last major review of fees, rents and non-metallic royalties, the latter having not increased since 1995.

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



Rehabilitation of Mining Lands Trust Fund

The rehabilitation work undertaken on abandoned mining sites in Tasmania is traditionally funded from the Rehabilitation of Abandoned Mining Lands Trust Fund. The program of work each year is agreed by a committee of government agencies, land managers and industry.

During the 2011/12 year approximately \$150,000 was spent on rehabilitation work at Royal George, Storys Creek and the Argonaut tin mine at St Helens, as well as safety work at Beulah, Rossarden, Zeehan and Mathinna.

Some of these funds were used to respond to unplanned requirements for safety work, such as the shaft collapse at Rossarden in late 2011, which provided a quick response to community concerns.

The Trust Fund has recently entered into a partnership with the University of Tasmania to undertake post graduate research to assist with the rehabilitation at the historic Royal George Tin Mine.

Further safety work at Mathinna and rehabilitation at Royal George is planned for the next year for Trust Fund activities. In addition MRT staff will be undertaking rehabilitation of the Scotia Mine site located in the far north east of Tasmania at Gladstone. This mine lease was surrendered and MRT has a statutory responsibility to use the company's security deposit to undertake rehabilitation activities of the site.

Promotion of Mineral Exploration in Tasmania

To ensure the sustainability of the State's mining industry the Government is proactive in raising Tasmania's profile on the international scene to increase investment in the State and provision of funds to MRT provide for a continued active marketing and promotion campaign.

In 2011/12 MRT staff undertook promotional activities, which included:

- July 2011: A display at the Association of Mining and Exploration Companies Convention in Perth, followed by visits to ten companies with interests in Tasmania.



Protection of Strategic Extractive Resources

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

Formal Mediation and the Mining Tribunal

There were 4 objections received by MRT in 2011/12 and 4 objections, 1 appeal and 3 claims which were submitted in 2010/11 but dealt with in the 2011/12 year also. The results of these were:

- 8 objections progressed to mediation with 5 resolved, 1 unresolved and 2 referred to, and determined by, the Mining Tribunal;
- 3 claims were determined by the Mining Tribunal; and
- 1 appeal determined by the Mining Tribunal.

MRT Activities

Security Deposits

Ongoing work undertaken with the EPA and mining companies has seen an increase in security deposits held by MRT which significantly reduces the Government's risk from current mining operators. These deposits are held as a combination of bank guarantees, term deposits and deposit account and in June 2012 totalled \$50.3 million.

Drill Core Library

A reference archive of drill core, drill chips, rock specimens and crushed rock samples are maintained at the MRT Drill Core Library at Mornington. These materials assist exploration and discovery of the State's mineral resources, facilitate assessment of natural geohazards, assist in the provision and maintenance of the State's infrastructure and provide foundations of geoscientific research that benefits Tasmania.

These samples are an important scientific and economic resource and would be very expensive to re-acquire. In some instances core can include materials which have been subsequently mined out or are otherwise unavailable.

MRT currently holds approximately 700 km of drill core, having received 15 km during the 2011/12 year. The replacement cost of this drill core is conservatively valued at over \$100 million.

Located at MRT's drill core library is a state of the art HyLogger machine which provides a means for the objective and rapid, mineralogical logging of materials derived from drilling. This provides the opportunity to gain new insights into the characteristics of geological and mineral systems and the potential to become more efficient and effective at developing our resources.

- October 2011: A display and paper presentation at Mining 2011 Forum in Brisbane, attended by 1,500 people from around the world.
- November 2011: Paper presentation at the Australian-China Mining Investment Seminar in Beijing, attended by 250 senior industry and government representatives from China. Followed by meetings with six major Chinese companies.
- November 2011: Paper presentation at China Mining 2011 Congress and Trade Expo in Tianjin, attended by 3,500 international delegates. 500 Chinese versions and 100 English versions of the Tasmanian promotional document were distributed and contact made with over 30 companies.
- May 2012: A display and presentation at the Tasmanian Minerals Council Conference in Launceston.

The annual promotional program yielded results in the form of new investment and exploration projects in the State during 2011/12.

Throughout the year MRT liaised with lapidary clubs and companies, the Tasmanian Minerals Council and the general public with regard to lapidary and gem and mineral collecting matters. MRT staff attended gem and mineral shows in both Hobart and Zeehan, and presented talks to several school and community groups during the year.

3D Facility

A 3D viewing facility has been established and is now operational at the MRT offices. This allows industry, science and the community to view the 3D geological models of Tasmania produced by MRT. Work will be continuing over the next year, and beyond, on updating the 3D model of Western Tasmania.

Geoscientific Information

MRT undertakes significant collection, integration, interpretation, publication and presentation of geoscientific

data and information which benefits industry, science and the community. The launch of the new geological mapping over North East Tasmania in May 2012 was one of the many outputs from this work.

The in-house database, Tasmanian Information, Geoscience and Exploration Resources (TIGER), continued to be developed through the year. The available information modules include geohazards, geophysics, drilling, mineral deposits, geoscience maps and these are available for clients via the MRT website.

Performance Measures - Output Group 3

Performance Measure ¹	Unit of Measure	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual
Area covered by modern remote sensing data with subsequent 1:25 000 scale geological mapping coverage ²	%	53.8	74.4	71.5	71.5
Programmed abandoned mining lands rehabilitation projects completed	%	80	100	100	100

Notes:

1. In accordance with the Auditor-General's Report on Public Sector Performance Information (April 2008), the Department is progressing a comprehensive review of its performance measures to incorporate the Auditor-General's recommendations. Revised performance measures will be reflected in future Budget Papers and Annual Reports.
2. The area covered by modern remote sensing data (less than 15 years old) and subsequent geological mapping has increased due to the TasExplore program. The percentages are based on the present coverage of modern remote sensing data with subsequent 1:25 000 geological mapping coverage and reflect the quality and currency of the published geological mapping.
3. The method for calculating the performance measure has been modified to provide more reliable information, as a consequence of the previous figure of 49% for '2009/10 Actual' has now become 53.8%.



A low-angle photograph of a dense forest. The trees are tall and thin, with sunlight filtering through the canopy, creating a dappled light effect. The text is overlaid on the upper portion of the image.

Output Group 4

**SUPPORT FOR THE
MINISTER FOR ENERGY
AND RESOURCES**

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

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

Achievements for 2011/12

- The Forest Policy Branch provides high level strategic advice to the Minister and Secretary on a range of resource-related policy initiatives of governments, including support to the Ministerial Standing Council and their Standing Committee on Primary Industries.
- The major focus of the Branch in 2011/12 was support for the Tasmanian Forests Agreement (TFA) process.
- The Forest Policy Branch has a lead role in the coordination across the Tasmanian Government of implementation and reporting of commitments under the Tasmanian Regional Forest Agreement (RFA), and the Tasmanian Community Forest Agreement (TCFA) and for liaison with the Australian Government.
- The final annual report on implementation of the TCFA commitments was prepared and published on the Department's website.
- The second RFA five-year review for the period 2002-07 was completed in February 2008. The Department coordinates the continued implementation of the recommendations by the Tasmanian and Australian Governments in accordance with the joint response to the review recommendations released by the Governments in January 2010. Implementation of many of the recommendations has been completed. An independent audit of the Intensive Forest Management program funded under the Tasmanian Community Forest Agreement was undertaken under contract to DIER. The audit reports of the two separate components of the audit are nearing completion and will be released on the DIER website.
- Major reports on implementation of the RFA and TCFA commitments and sustainability indicators for Tasmanian Forests are nearing completion. These are intended for public release and comment as part of the third and final five-year review due in 2012. Commencement of the review has been delayed due to the focus on the TFA implementation by both Governments.
- A major policy focus has continued on the role that Tasmania's forests may have in assisting the State Government to meet its carbon emission reductions target. The Branch collaborated with the Tasmanian Climate Change Office in reviewing developments in international and national climate change policy related to forests and the development of a study to review Tasmania's forest carbon stocks.
- The Tasmanian Government's Permanent Native Forest Estate Policy was further reviewed and revised. The Minister for Energy and Resources approved and issued the revised Policy in September that clarified a number of terms in the previous Policy.
- Other major projects that the Branch has contributed to include:
 - the development of new Tasmanian Aboriginal Heritage legislation;
 - the preparation of the Australian Government's State of Conservation Report for the Tasmanian Wilderness World Heritage Area (to the World Heritage Commission), and the Tasmanian Government's response to consideration of the Tarkine for National Heritage listing (Department of Primary Industries, Parks, Water and Environment);
 - the development of new Tasmanian regional planning schemes (Planning Commission);
 - the review of Forestry Tasmania (Department of Treasury and Finance); and
 - the future of the Forests and Forest Industry Council.
- Staff in the Forest Policy Branch participated in the Forests and Forest Industry Council, the Forest Practices Advisory Council, the Vegetation Management Policy Advisory Group, the Tasmanian Biosecurity Committee and the Conservation Compensation Committee.

Performance Measures - Output Group 4

Performance Measure ¹	Unit of Measure	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Target
User Satisfaction Survey ²					
Set and maintain high standards in administrative process and policy development that meet the needs of the end-user:					
Minister	Satisfaction	Satisfied	Satisfied	Satisfied	Satisfied
Agency	Satisfaction	Satisfied	Satisfied	Satisfied	Satisfied

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

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

Output Group 5

RACING POLICY AND REGULATION



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

Outputs within this Group include:

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

Key Clients

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

How this Output Group is delivered

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

How this Output Group's Performance is Measured

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

Performance Measure – Output Group 5

Performance Measure ¹	Unit of Measure	2009/10 Actual	2010/11 Actual	2011/12 Actual	2011/12 Target
Swabs taken by stewards	Number	3512	3501	3324	3700
Positive swabs to swabs taken	%	0.23	0.28	0.42	0.32
Suspensions, disqualifications and fines imposed by stewards on licensed persons	Number	395	405	500	410
Suspensions, disqualifications and fines appealed to the Tasmanian Racing Appeal Board	Number	25	10	13	12
Appeals to the Tasmanian Racing Appeal Board where conviction quashed	Number	6	2	1	2
Licence applications received	Number	1632	1626	1447	1650
Licence applications not referred to Licensing Panel approved within 14 days ²	%	98	98	98	100
Appeals to the Integrity Assurance Board ³	Number	4	3	4	2
Races handicapped ⁴	Number	729	762	802	720
Races handicapped requiring a redraw due to errors ⁵	Number	0	1	0	0
Races graded ⁴	Number	1569	1572	1689	1570
Races graded requiring a redraw due to errors ⁵	Number	0	1	0	0

Notes:

1. In accordance with the Auditor-General's Report on Public Sector Performance Information (April 2008), the Department is progressing a comprehensive review of its performance measures to incorporate the Auditor General's recommendations.
2. Prior to 1 January 2009, licences were granted by the three code Racing Regulatory Panels. However, following an industry restructure that came into effect on 1 January 2009, the Director of Racing assumed this function. The Racing Services Tasmania Licensing Panel was established to provide recommendations to the Director in the performance of this function.
3. The Integrity Assurance Board was established on 1 January 2009.
4. The number of races conducted each season is determined by Tasracing.
5. Refers to redraws after publication of fields.

Achievements

Greyhound Grading, Licensing and Registration System

In early 2011, RST was notified by Greyhound Racing Victoria (GRV) that it was developing a new grading, licensing and registration system and the currently utilised *PICK* database system would be phased out of operation. RST undertook a "Request for Quotation" from GRV and Racing Wagering Western Australia (RWVA). Following the completion of this process, RST selected the RWVA product *Ozchase*.

The new *Ozchase* system is a significant upgrade in operating environment from the current *PICK* system. By February 2013, it is anticipated that all states and territories except Victoria will be utilising the new *Ozchase* system, thus making it a quasi-national system. This near national approach will, over time, offer the Tasmanian greyhound industry an enhanced ability to transact business electronically with RST.

Greyhound Microchipping

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

Subsequent amendments to Tasmania's *Dog Control Act 2000* required all dogs over six-months of age to be microchipped by 1 July 2011. To lessen the economic impact on the Tasmanian greyhound industry, and given that all registered greyhounds were already easily identifiable and traceable under the existing record system maintained by RST, Ministerial approval was sought and given by the Minister for Local Government to exempt racing greyhounds whelped prior to 1 January 2011 from the microchipping requirements of the *Dog Control Act*.

A Microchipping Implementation Plan for the Tasmanian racing industry was subsequently developed by a working group, comprising representatives from RST, Tasracing and the greyhound industry. As the microchipping was a significant integrity issue, RST assumed the lead role in terms of the consultation process and the coordination of the rollout.

Since the implementation of GA's mandatory microchipping in January 2011, over 900 greyhounds have been microchipped in Tasmania.

Only GA-supplied microchips can be implanted by RST approved veterinarians. By controlling the supply of microchips, this ensures the integrity of the identification process. GA currently subsidises the cost of microchips and scanning equipment for the racing industry, however this subsidy will cease by the end of 2013. The cost of implantation remains the responsibility of the greyhound owner.

RST received approval from the Director of Local Government for its greyhound database to be recognised as the 'approved database' for maintaining microchip records of greyhounds, effective 1 July 2011, in accordance with the

relevant legislation. This has resulted in significant savings to industry participants who would otherwise be required to utilise a commercial registry.

The greyhound industry's response to the implementation process remains positive.

Thoroughbred Licensing and Registration System

Following a comprehensive review of its thoroughbred licensing and registration system in 2011, RST entered into an agreement with Racing Victoria Limited (RVL) to utilise their *Sirius* system from the start of the 2011/12 racing season.

Sirius was already being utilised by RST stewards for integrity matters and by Tasracing for stakes payments. However, this agreement would enable RST to extend its use of that system to incorporate licensing and registration functions.

During 2011/12, RST tested the *Sirius* system for functionality and accuracy, and it is anticipated that full implementation of the new system will be completed and fully operational for the 2012/13 racing season.

The integrated *Sirius* option provides a robust and modern licensing and registration tool, as well as a sound platform if and when a national system is developed.

Greyhound Policy Manual

In 2011, in cooperation with Tasracing, RST undertook to develop a concise, relevant and readily available joint greyhound policy manual. The intention was to integrate the relevant policies and procedures of both RST and Tasracing into a single document.

This integrated document, the *Tasmanian Greyhound Policy Manual*, was made available on both RST and Tasracing websites in June 2012, and provides a more efficient and effective method for industry participants to access all the policy and procedural information they require. A printed copy can also be obtained from each racecourse.

Governance responsibility for the Manual has been vested in Tasracing.

Jockey Concussion Testing

In 2012 the thoroughbred racing industry addressed concerns about the long-term health effects of head trauma and concussion experienced by jockeys by implementing a national concussion testing program. The program requires all jockeys to undertake an online accredited testing program, supervised by stewards or an approved racing official, to establish a baseline result.

RST, in cooperation with Tasracing, commenced baseline testing of jockeys, apprentice jockeys and trial riders in June 2012 and it is anticipated that this process will be completed prior to the end of the 2011/12 racing season. Riders will be required to undergo an annual baseline test as part of their application to be licensed.

If a jockey has an accident and experiences head trauma, an "after injury" test must be undertaken and passed, in conjunction with a medical clearance, before the jockey can return to riding. This program assists the controlling bodies in determining a jockey's suitability to return to riding by

ensuring they are not suffering any effects from concussion or head trauma.

Maintenance Plan Occupational Health & Safety (OH&S)

RST, as a division of DIER, continued its commitment to the development of OH&S policies, being actively involved in the Agency's Working Group, together with RST's own working group, to ensure compliance and the provision of a safe working environment for staff. Current efforts involve the updating of RST's OH&S Policy Manual to ensure guidelines and procedures are compliant with the new Work Health and Safety Act due to be implemented on 1 January 2013.

A significant initiative during 2011/12 was the formation of the Tasracing/RST OH&S Working Group. The Group's charter involves provision of a forum for consultation, communication and dissemination of information on matters which are likely to affect the health, safety and welfare of the Tasmanian racing industry employees and participants.

National Conferences Hosted by Tasmania

RST hosted the 2012 Australasian Racing Ministers Conference in Hobart on 11 May.

These Conferences are normally convened every 12 to 18 months, with Racing Ministers from all Australian jurisdictions and New Zealand meeting to discuss issues affecting the industry across the country and receive briefings from the three national controlling bodies, the Australian Racing Board, Harness Racing Australia and Greyhounds Australasia.

Government officials from the respective jurisdictions meet on the day preceding the Conference to discuss the Conference agenda.

Among the issues discussed at this year's Conference were wagering operators' advertising, skilled labour shortages in the racing industry, the recent High Court decision in relation to race fields and the need to seek urgent support from the Federal Government for legislation to protect Australian racing from unauthorised offshore wagering operators.

Ministers also agreed to establish a national racing integrity advisory group, comprising state and territory representatives as well as the chief executive officers of the three national controlling bodies.

The group will take a high-level approach to racing integrity through the sharing of information and intelligence, reviewing key integrity issues and developing key relationships with racing and sporting bodies, as well as law enforcement agencies nationally and internationally.

Ministers agreed that the health and wellbeing of the racing industry across the three codes was largely dependent on its integrity.

The conduct of such conferences is extremely beneficial not only in terms of national outcomes, but also because it provides a valuable forum for Ministers and government officials alike to keep in touch with current and emerging developments in other racing jurisdictions.

Statistical Information – Bookmakers

Bookmakers Registered

Racing Year	Individual Bookmakers Registered	Bookmaking Operations (including partnerships)		Bookmaker's Agents Registered ^
		Total	Telephone Betting endorsements	
2009/10	18*	16	2	14
2010/11	15*	13	2	8
2011/12	13*	13	2	13

* Including one company registration

Bookmakers' Holdings

	2010/11 (1/7/10-30/6/11)	2011/12 (1/7/11-30/6/12)	Variation
Number of Race Meetings	210	181	-21%
Local Holdings	\$ 2,708,545	\$ 2,010,294	-16%
Mainland Holdings	\$ 303,788	\$ 206,095	-51%
Total Holdings	\$ 3,012,333	\$ 2,216,389	-22%

Statistical Information – Licensing and Registration

Licences Issued

	2009/2010 (1/8/09-31/7/10)	2010/2011 (1/8/10-31/7/11)	2011/2012 (1/8/11-31/7/12)
Thoroughbred			
Trainer (All Categories)	117	115	125
Jockey (All Categories) inc:	77	67	73
- Jockey A (Interstate Resident)<	53	43	46
- Apprentice Jockey (inc. 2 on loan)	9	8	9
- Jockey A (Tasmanian Resident)	15	16	18
Trial Rider (New category)	18	25	21
Riders' Agent>	1	1	3
Stable Employee (All Categories) inc:	302	317	328
- Stable Foreman	24	22	21
- Stable Foreman/Trackwork Rider*	15	15	15
- Stable Hand	199	209	204
- Stable Hand/Trackwork Rider	64	71	88
Trackwork Rider	18	11	7
Farrier (including restricted plating)	32	29	31
Harness			
Trainer	122	118	114
Driver	45	45	55
Trainer/Driver	101	94	99
Stablehand	147	148	134
Greyhound			
Trainer (All Categories) inc:	207	196	206
-Trainer Public#*	135	121	128
- Owner/Trainer#*	72	75	78
Owner	152	120	148
Owner/Attendant#*	89	77	93
Attendant	48	39	46
Catcher	33	20	29
Syndicate	15	13	17
Syndicate Member ^	52	46	62

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

* Recording of separate statistics commenced 1/8/06

+ Category no longer exists

New licence category effective 1/8/06

^ New licence category effective 1/8/07

> New licence category effective 1/1/09

Registrations Processed

	2009/2010 (1/8/09-31/7/10)	2010/2011 (1/8/10-31/7/11)	2011/2012 (1/8/11-31/7/12)
Harness			
Namings	164	159	168
Breeding Services	171	139	99
Greyhound			
Namings	241	289	341
Breeding Services	95	102	102

Handicapping and Grading

Handicapping of Harness Racing

	2009/2010 (1/8/09-31/7/10)	2010/2011 (1/8/10-31/7/11)	2011/2012 (1/8/11-31/7/12)
Race Meetings Held	91	93	93
Races Run	729	762	802
Nominations Processed	8242	9380	9777
Number of Starters	6772	7575	7930
Average Starters Per Race	9.29	9.94	9.89
Average Starters Per Meeting	74.41	81.45	85.27

Grading of Greyhound Racing

	2009/2010 (1/8/09-31/7/10)	2010/2011 (1/8/10-31/7/11)	2011/2012 (1/8/11-31/7/12)
Race Meetings Held	157	156	162
Races Run	1569	1572	1689
Nominations Processed	18377	18331	19170
Number of Starters	12210	12268	13173
Average Starters Per Race	7.78	7.80	7.84
Average Starters Per Meeting	77.77	78.64	82.6

Appeals

Tasmanian Racing Appeal Board

	2009/2010 (1/8/09-31/7/10)	2010/2011 (1/8/10-31/7/11)	2011/2012 (1/8/11-31/7/12)
Notices of Appeal Lodged:	25(1)	10(2)	13(1)
- Thoroughbred	5	3	3(1)
- Harness	15	7	7
- Greyhound	5	0	3
- Bookmaking +	0	0	0
Appeals - Major #	9(1)	6(2)	6
Appeals - Minor	16	3	7(1)
Appeals Withdrawn	1	0	1
Appeals Pending	2	1	0
Appeals not within Jurisdictions/ Incompetent/Invalid	0	1	0
Appeals Determined	22(1)	8(2)	12(1)
- Allowed in full (conviction quashed)	5	0(1)	1
- Allowed in part (penalty reduced, increased or varied)	4	5(1)	4
- Dismissed	13(1)	3	7(1)
Applications - Stay of Proceedings	13(1)	4	10
- Granted	9(1)	3	7
- Declined	4	1	3
Legal Representations/Advocate at Appeal Hearings			
- Stewards	1(1)	3	2
- Appellant	12(1)	5(2)	6(1)
Appeal Deposits Withheld	15(1)	8(2)	9
- in full	0	0	0
- in part ^	15(1)	8(2)	9(1)

* Figures in () brackets indicate appeals lodged in the previous season but dealt with in subsequent reporting period. Please note these figures were omitted from the 2009/10 and 2010/11 Annual Reports.

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

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

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

Integrity Assurance Board

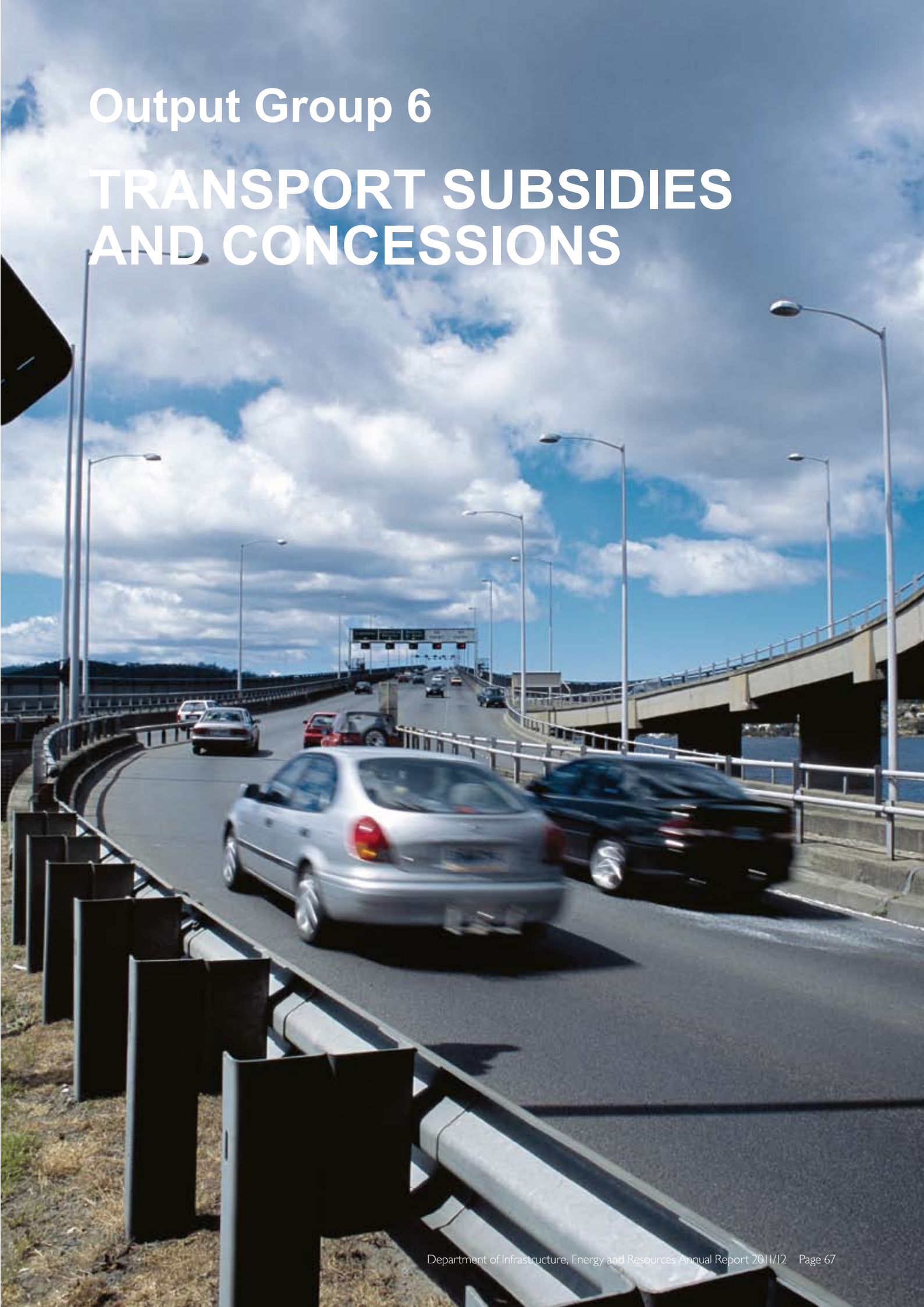
	2009/2010 (1/8/09-31/7/10)	2010/2011 (1/8/10-31/7/11)	2011/2012 (1/8/11-31/7/12)
Notices of Appeal Lodged:	4	3	4
- Thoroughbred	1	1	1
- Harness	2	0	1
- Greyhound	1	2	1
- Betting Dispute	0	0	1
Appeals Pending	0	0	0
Appeals not within Jurisdiction / Incompetent / Invalid	0	0	2
Appeals Determined	4	3	2
- Upheld	0	2	1
- Dismissed	2	1	1
- Varied	2	0	0
Legal Representation/Advocate at Appeal Hearings			
- Director of Racing	0	0	0
- Appellant	2	2	1
Appeal Deposits Withheld	4	2	1
- in full	0	0	0
- in part	4	1	1

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



Output Group 6

TRANSPORT SUBSIDIES AND CONCESSIONS



Metropolitan Public Transport Services

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

Non-Metropolitan Public Transport Services

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

Rural and Special Needs School Buses

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

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

Bruny Island Ferry Service

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

Furneaux Shipping

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

Administered Payments

Contribution to Marine and Safety Tasmania

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

Conveyance Allowance

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

National Transport Commission (NTC): Local Government Contribution

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

Payments on Behalf of the Forest Practices Authority

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

Student-Only Regular Passenger Transport Services

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

Pensioner Air Travel Subsidy

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

Private Forests Tasmania

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

Tasmanian Racing Assistance

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

Transport Access Scheme

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

Tasmanian Railway Pty Ltd

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



RAIL SAFETY ACT 2009 REPORT OF THE RAIL SAFETY REGULATOR

For the Period 1 July 2011 to 30 June 2012

Purpose

Regulation of rail safety in Tasmania is administered under the *Rail Safety Act 2009* (the Act). This report presents a summary of regulating activities for the period 1 July 2011 to 30 June 2012.

Section 149 of the Act requires that:

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

Rail Safety Regulator

Having been the Administering Authority under the repealed *Rail Safety Act 1997*, I was appointed as the Rail Safety Regulator by virtue of Section 174 of the *Rail Safety Act 2009* on 24 November 2010. I am supported by the Rail Safety Unit within the Department of Infrastructure, Energy and Resources (DIER).

My functions as Regulator (in accordance with Section 148 of the Act) are to:

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

Rail safety regulation in Australia is based on a co-regulatory model. Under this model, the Rail Safety Regulator does not approve or certify implementation of risk control or reduction

but has an oversight role to review and audit rail safety activities of accredited railways. Rail infrastructure managers and rolling stock operators are responsible for assessing the risks associated with their railway operations and for establishing a safety management system to identify and control these risks.

Summary of Industry Structure

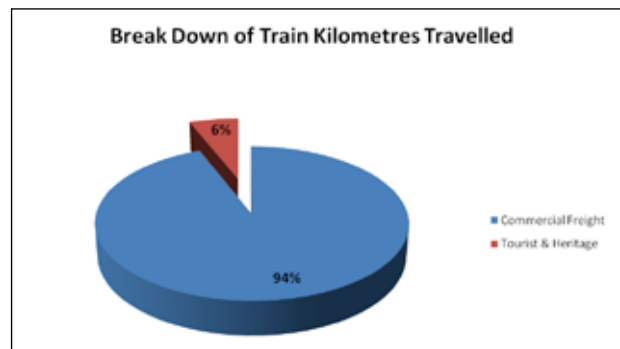
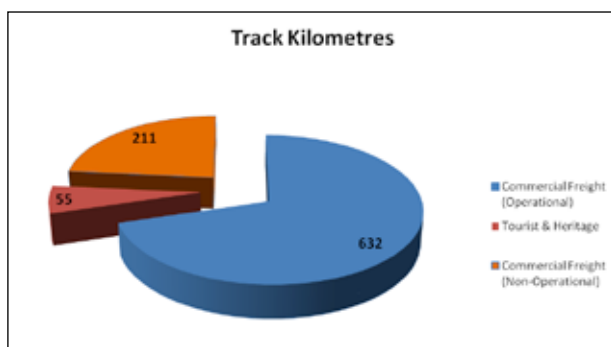
As at 30 June 2012 there were 15 organisations which held rail safety accreditation in Tasmania. Railways in Tasmania comprise:

- A commercial freight network consisting of 632km of railway across the State. Tasmanian Railway Pty Ltd (TasRail) holds accreditation for the management of this railway infrastructure. There is an additional 211km of non-operational track for which TasRail is also the accredited Rail Infrastructure Manager. TasRail is the only operator which holds accreditation for the operation of trains (freight only) on this network.
- Rolling Stock Operators providing contract infrastructure maintenance services to TasRail.
- There are a number of tourist and heritage railways which conduct tourist passenger operations on their own track which are not on the main commercial network.



Tasmania has a total of 687 route kilometres of active railway. An aggregate total of approximately 802,000 km was travelled by trains during the 2011/12 financial year. There are a further 211 route kilometres of railway classified as non-operational and which do not see train services.

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



Accreditation

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

During the 2011/12 reporting period:

- One application was made for rail safety accreditation (subsequently withdrawn by the operator).
- One application was received for variation to accreditation (currently under consideration by the Regulator).
- Two Rail Transport Operators surrendered their rail safety accreditation. (A third application to surrender has been received and is currently under consideration by the Regulator).



Rail Transport Operators as at 30 June 2012

Rail Transport Operator	Rail Infrastructure Manager	Rolling Stock Operator
Commercial Freight		
Tasmanian Railway Pty Ltd (Tasrail)	✓	✓
Tourist & Heritage Passenger		
West Coast Wilderness Railway	✓	✓
Ida Bay Railway Pty Ltd	✓	✓
Rail Track Riders Pty Ltd	✓	✓
Van Diemen Light Railway Society Inc. (trading as Don River Railway)	✓	✓
Tasmanian Transport Museum Society Inc	✓	✓
Derwent Valley Railway Society Inc	✓	✓
Launceston Tramway Museum Society Inc	✓	✓
Wee Georgie Wood Steam Railway Inc	✓	✓
Redwater Creek Steam and Heritage Society Inc	✓	✓
Contractors (Operators of On-Track Maintenance Equipment)		
VEC Civil Engineering Pty Ltd		✓
QR Limited		✓
Downer EDI Works Pty Ltd		✓
McConnell Dowell Constructors (Aust) Pty Ltd		✓
John Holland Pty Ltd	✓	✓

Accreditation Fees

Accredited Rail Transport Operators are required to pay an annual fee. This was set out in the *Rail Safety (Fees) Notice 2012* and published in the Gazette Notice on 27 June 2012.

The accreditation fee structure reflects the scale and nature of individual rail operators with fee revenue offsetting the cost of rail safety regulation activities undertaken by the Regulator.

Audit and Compliance

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

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

The Rail Safety Unit in Tasmania conducted eleven audits during the 2011/12 reporting period and participated in one national audit of a Rail Transport Operator. Three operators were not audited as they had not been active in Tasmania during the year.

The audits identified:

- Thirty instances where Rail Transport Operators were not carrying out the content of their Safety Management

System which forms the basis of their rail safety accreditation.

- Sixteen opportunities where Rail Transport Operators could improve their Safety Management Systems.

During the reporting period one Improvement Notice was issued under Section 97 of the Act.

The Rail Safety Unit also undertook three compliance inspections during the reporting period.

Rail Safety Occurrences

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

The following table outlines the reported notifiable occurrences for the 2011/12 reporting period based on the classifications published in the Australian Transport Safety Bureau for publication in the *Australian Rail Safety Occurrence Data*.

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

Data regarding fatalities and serious personal injuries is also provided to the Australian Transport Safety Bureau. There was one fatality during the reporting period (level crossing collision) and one serious injury (slip/trip/fall).

Summary of Notifiable Occurrences

Occurrence	Jul – Dec 2011	Jan-Jun 2012	Total
Running Line Derailments	4	0	4
Running Line Collisions			
with trains	0	0	0
with rolling stock	0	1	1
with person	0	0	0
with infrastructure	0	0	0
with road vehicle	0	0	0
Level Crossing Collisions			
with road vehicle	0	2	2
with person	0	0	0
Load Irregularities	0	0	0
Track Infrastructure Irregularities	26	24	50

Investigations

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

The Rail Safety Unit completed an inspection report following a landslide and tree fall on the West Coast Wilderness Railway in March 2012.

Safety Alerts

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

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

- Roller Bearing Failure (8 August 2011)
- Runaway Hirail Excavator – Rail Accident Investigation Board (UK) (8 August 2011)
- Axle Failure – Maintenance Practices, Procedures and Records (7 October 2011)
- Safe Working Procedures, Rolling Stock Collision Zig Zag Railway NSW (31 January 2012)
- Adequacy of Safety Management Systems (Tourist & Heritage Operators) - Rail Accident Investigation Board (UK) (14 March 2012)
- Track Worker Fatalities – NSW (15 June 2012)
- Axle Defects (15 June 2012)

Education and Awareness

The Rail Safety Unit has continued with its underlying approach in working with Rail Transport Operators and providing on-going education and awareness to ensure they understand and comply with safety requirements under the Act.

Site visits and briefing sessions were conducted throughout the year with individual Rail Transport Operators regarding:

- Safety obligations and safety management system requirements under the Act.
- Review of audit results and progress towards addressing findings.
- Review of outcomes of incident investigation reports and associated safety actions.
- Management of major projects (for example procurement of new locomotives, new freight terminal facilities, infrastructure upgrades, updating of maintenance management systems).
- "Exercise Wilderness Explorer" conducted by the emergency services in conjunction with the West Coast Wilderness Railway.

Penny Nicholls
Rail Safety Regulator

THE ABT RAILWAY MINISTERIAL CORPORATION ANNUAL REPORT 2011/12

Management

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

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

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

By Administrative Arrangements Order (No. 2) 2010, the Minister for Infrastructure assumed responsibility for the ARMC and is able to delegate the functions and powers pursuant to Section 8 of the Act. The General Manager, Roads & Traffic Division, Department of Infrastructure Energy & Resources (DIER) was delegated under this provision however following his resignation in March 2012 the delegation was amended to the Director, Traffic & Infrastructure Branch of DIER.

Background

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

In 1998, the Federal Government approved a grant of \$20.45 million from the Prime Minister's Federation Fund to enable restoration of the Railway as a heritage tourist railway. The State Government contributed \$18 million and the private sector also was involved. Reconstruction was completed during 2002 and full tourist train services began on 26 December 2002.

In August 2002, ARMC leased the railway to Federal Holdings Tasmania Pty Ltd (FH) for a period of twenty years, with two ten-year extension options. FH trades as West Coast Wilderness Railway (WCWR), which is the accredited Rail Infrastructure Manager and Rolling Stock Operator.

During the peak tourist periods, WCWR operates train services daily from both Queenstown Station and Regatta Point Station at Strahan. A reduced train service is provided over the winter months, depending on demand and special bookings.

The railway provides the only means of access between Lowana and Lower Landing (Teepookana Plateau), which is State Forest under the control of Forestry Tasmania (FT). WCWR transports vehicles on special wagons for FT as this is a primary source of Huon pine along with leatherwood honey by a licensed apiarist.

The WCWR directly employs over forty staff and undertakes all the maintenance of locomotives and rolling stock in the Carswell Park workshop. It operates engineering, carpentry and painting shops ranging from routine daily activities, refurbishment of carriages to complete breakdown and rebuilding of the steam locomotives. This includes upgrading the locomotives to contemporary technical and engineering standards resulting in improved reliability and efficiency, without losing the historic and heritage aspects.

The Abt Railway Ministerial Corporation

The assets owned by the ARMC include land, buildings and plant, track infrastructure, 39 bridges, three Abt steam locomotives, two diesel locomotives, carriages and various other rolling stock items.

Administration of the ARMC's functions and responsibilities and the management of the Railway assets incur costs, which include auditing of WCWR's compliance with the terms of the lease and asset maintenance, property management and reporting to Government. This is undertaken by staff within the Roads & Traffic Division of DIER, along with engagement of consultants for technical advice.

The ARMC receives rental income from WCWR for the lease of its assets, based on the gross income to WCWR, and is held in the Abt Railway Trust Fund, which can only be used for Abt railway purposes. This year's payment was approximately \$190,000 and, after ARMC's internal management and administration cost, the Fund is used for asset improvement and associated railway activities.

It is apparent to the ARMC and WCWR that the operating environment and market place of the railway have changed significantly from that envisaged when it was planned and reconstructed more than ten years ago. Both parties intend to undertake a joint process to assess all aspects of the railway and lease, identify appropriate amendments and instigate a more strategic approach to ensure the long-term viability of the railway. A review of legislation applying to the Abt Railway is also intended to identify any inconsistencies and possible need for amendments.

It is anticipated that following the above review the Fund will be directed more effectively for railway improvements. The ARMC has not undertaken major asset improvement or funding in the past reporting year, pending the review.

The Office of the Valuer-General has recently undertaken a five yearly revaluation of the ARMC assets. In summary, the land value has declined in line with general property sale trends while other asset values remain fairly static.

Highlights and Issues

- Total passenger numbers for this reporting period were approximately 29,700. This is a 10% reduction from the previous year and follows the downward trend of the past several years, and is consistent with the general tourism downturn statewide. For comparison, passenger numbers in the first operational year were approximately 60,000. The trend is of concern to the ARMC and Federal Holdings as it directly impacts on the overall viability of WCWR and resourcing capability to maintain the railway.
- WCWR has continued an extensive program of sleeper replacement and track maintenance in accordance with its lease obligations, along with significant maintenance of the locomotives.
- Much of the railway was rebuilt with used sleepers and surplus rail sourced from various sources. The materials are of variable type, are ageing rapidly and their replacement require resources in excess of that which WCWR can provide. There is potential for the asset condition to impact on the operational status of the railway in the near future and ARMC and WCWR are considering strategies to address this issue.
- In March 2011, a severe windstorm in the King River Gorge completely blocked about 500 metres of the railway with fallen trees and earth debris. WCWR was unable to resume full services for over three months while the hillside was made safe and the track cleared and repaired. The significant reduction in passenger numbers over that period and cancellation of forward bookings impacted on WCWR business throughout the rest of 2011.
- Several years ago the WCWR began using recycled oil instead of diesel fuel for the three steam locomotives, resulting in improved economy, efficiency and smoother running. Following an approach from a member of the public, the Environmental Protection Authority (EPA) undertook testing of the fuel and modelling of the operational characteristics. The final EPA report stated that "... emissions from the WCWR do not constitute an environmental concern." No further action is intended by ARMC or WCWR.
- WCWR has reported an increase in unauthorised entry to the rail corridor by walkers. Being in an isolated wilderness area without direct access this imposes risk to the public and WCWR staff, along with the potential of damage to rail infrastructure. In 2012 there was one serious incident in which a person required rescue from the King River by police, having accessed it via the railway. The ARMC is requesting legal advice regarding action that might be taken to manage the issue.
- Signalisation of two road/rail crossings in Queenstown was funded by a Federal Government safety initiative, and completed in February 2011. Late in 2011 it was found that the signals were being tampered with by unknown persons, causing disruption to the WCWR operations, safety issues and disturbance to local residents. It was agreed that the signals would be turned off while a technical solution was investigated. Subject to final approval, a proposed amended system will see the signals remotely activated by the train crew, though implementation will be at a significant cost.
- ARMC engaged a safety consultant to undertake an independent Occupational Health & Safety assessment of the railway. No significant issues were identified, though a number of asset and workplace issues were confirmed and are being addressed.
- The freight operation is of continuing concern to DIER as the cost to WCWR is not directly funded. This issue has existed since the railway re-opened because a cost-recovery system was not clearly identified nor implemented at that time. It has been paid by DIER as an interim arrangement until an appropriate payment mechanism is agreed with stakeholders.
- The ARMC has agreed to fund the purchase of spare used bogies from an interstate heritage railway that is disposing of surplus stock. This is the only source of compatible bogies and will enable WCWR to standardise the rolling stock.
- The Mt Lyell Abt Railway Society (MLARS) was the custodian of a large collection of artefacts and historical records, with a public display located in the Queenstown Station. ARMC was informed that MLARS has been deregistered for a number of years so the ARMC and WCWR have assumed custodianship of the MLARS collection until a permanent arrangement is identified. The modest balance of MLARS funds are being held by Federal Holdings with ARMC acknowledgement while the situation is finalised.

CORPORATE SERVICES

OVERVIEW

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

Summary of the Year's Performance

The year under review was a particularly busy one for the Corporate Services team. While continuing to support the Agency to deliver programs and key activities, the team worked on supporting the business improvement program of the Agency in providing new frameworks and systems to meet changed business requirements and support organisational change.

Some of the highlights include:

- DIER's new Performance and Development Framework, *Managing for High Performance*, a new Capability Framework and an ongoing performance management and development process and cycle were developed.
- A new framework titled *DIER's Approach to Change* developed to support the delivery and success of projects and managing change enabling DIER to advance as an organisation through the implementation of better change management practices.
- Formation of an Executive Services team, providing links within and external to the Department and delivering a broad range of services including management of legislation and reviews, provision and coordination of legal advice, management of Right to Information, provision of ministerial support and a governance role, including in relation to building the Department's spatial capability.
- Introduction of a sustainable business model for delivering business services across the Department by developing 'Organisational Design Guiding Principles' and supporting a trial in one Division of the Agency.
- Formation of a Spatial Services Group to enhance the use of spatial technologies across the Department.
- Continued support and identification of strategies to improve the way we do our business to achieve efficiencies and potential budget savings, including the introduction of 'Workflow' into Registration and Licensing to improve the management of medicals.

Business Improvement Projects

DIER continues to implement a three-year Business Improvement Program designed to support the efficient and effective delivery of business outputs and outcomes enabling

DIER to meet its budget savings requirements. The Program focuses on reviewing a range of whole-of-department processes to support organisational improvement and reviewing business support structures in specific program areas. Achievements to date include improved information handling practices and systems which have resulted in a reduction in general administration costs.

Steady progress has been made this year on individual projects, and identification of areas where more innovative ways of looking at business processes can support departmental staff to deliver on services to the community. The Program is regularly reviewed to ensure priorities are right and to consider further opportunities to achieve savings targets and make efficiencies.

The focus of the current Business Improvement Program includes implementing opportunities identified through the following reviews:

- Business Support and Administrative Services Opportunities Review;
- Vehicle Registration and Licensing Process Improvement Review;
- Whole of Agency Communications Review; and
- DIER Spatial Capability Review

Managing Information Improvements

The Division is responsible for the management of a significant amount of corporate Information, Communication and Technology (ICT) and the focus in 2011/12 was the ongoing development of more efficient processes and systems.

- *Management of Multi-Functional Devices (MFD) Program* - Introduction of MFD and the consolidation of output devices across DIER business units. Savings and an improvement in capability have been achieved by applying a consistent Whole-of-Agency approach to the management and supply of MFD across DIER.
 - *Roll Out of 'Dark Fibre'* - Improved technology and connectivity with business units. In today's technology-hungry environment improvements in bandwidth and connectivity between DIER's data centre and business units have been achieved from the adoption of dark fibre technology. Improved management and a reduced need to deploy costly server hardware have resulted in a better capacity to share site management costs through whole-of-government arrangements.
 - *Whole-of-Government Connect Email System* - Alignment with whole-of-government communications strategies. The conversion of DIER to the whole-of-government email system has been completed. This has resulted in improved sharing of information across Government.
 - *TRIM Rollout and Upgrade* - The DIER corporate information management system [TRIM] has been further rolled out to support DIER's business improvement initiatives.
- These include:
- Increased use of the system by staff across DIER.

- The implementation of workflow processing (web based portal) to improve document tracking for both branch specific purposes (Registration and Licensing Branch) and whole of DIER processes (DIER customer feedback).
- Increased scanning services to aid in the management of electronic document management and a decrease the reliance on physical files.

- *Formation of the Spatial Services Group - Consolidation of Spatial Services*

DIER spatial services have been reviewed and consolidated within the Division. This will deliver a planned improvement and consistency of spatial data collection, storage, management and access issues will be addressed along with the provision of improved analytical support and services to better manage our wide information sets and enable DIER to provide better information across Government and to the Tasmanian community. This greater sharing of spatial expertise across DIER has also been assisted with the creation of an Agency wide 'Community of Practice'.

- *Management of Digital Information - Scanning of Data*

Continued improvements in the management of digital information, including the scanning and electronic distribution of incoming mail and the management of large document [hard copy] mailouts to clients has been achieved. Digitisation of records held in the DIER Library has continued.

- *Transfer of Data Storage Facilities*

DIER's hard copy file storage has been moved to a new facility. Improved physical storage and retrieval technology will result in greater efficiencies, security and productivity.

Communication

The Corporate Affairs Branch continues to focus on business improvements aimed at ensuring a more consistent approach to the delivery of information across the Agency and to its external stakeholders, with the overall aim of making both better informed of DIER's operational and policy initiatives.

Communication achievements during the year included:

- The development of a new Customer Service Commitment and Complaints Handling System. The centralised and monitored process allows for analysis and reporting of the queries that DIER receives. Through this process, the Department will be able to identify issues much earlier and provide better service to stakeholders. In conjunction with the new Customer Service Commitment, it will also ensure that we are delivering good service to our stakeholders and responding to queries in an appropriate time and manner.
- Continued contribution to the Agency's Communications Review which seeks to ensure collaborative communication across DIER and provide greater risk management, efficiency, as well as best practice internal and external communications.
- Improving the Vehicle Registration and Licensing presence on www.transport.tas.gov.au. These changes were focused on improving customer accessibility to information through enhancing existing resources and developing new ones.

- Introduction of a Social Media Policy and supporting documents to inform DIER employees' use of social media, both in a private and work-related capacity. With the rapid growth and application of social media, the Department recognises the need to have a policy which ensures that employees, who use social media as part of their job, or in a personal capacity, know the expectations of the Agency when using these communication tools.

- Continued assistance for the Agency's major projects, such as the Kingston Bypass, the new Leven River Bridge, Brighton Transport Projects, Variable Speed Limit Signs, Alcohol Interlocks and the National Heavy Vehicle Regulator.

Financial and Resource Management

- Continued effort to ensure that budget and resource allocation systems supported the Divisions to continue their key services and projects was a key focus in 2011/12. The coordination of the budget review cycle and key analysis of expenditures to meet reduced budget targets following the Government response to the Global Financial Crisis (GFC) was a key focus area for the Division in 2011/12.

- Continued upgrades to the Agency Financial Management Information System, enabling improved analysis and reporting across the Agency as well as greater access to on-line analysis by electronic storage of documents. Implementation of the new Purchase Card Module was an important part of this process.

- Development of a new Forward Programs process for Roads program projects was undertaken and completed to facilitate a more co-ordinated process of management of budgets between DIER and Treasury and to improve reporting and analysis. This development continued to integrate our key information and financial management information across the Agency.

- Corporate Services completed a major accommodation project to move Transport Inspectors and Driver Assessors to a more "fit for purpose" location in Patrick Street, Hobart.

- Continued implementation of policies aimed at reducing greenhouse gas emissions, including installation of timer switches for electrical appliances, recycling of waste and electrical/electronic items, provision of more space to store bicycles and reduced electricity use within DIER-controlled premises through lease negotiations.

- A follow up to the 2009 Vehicle Review was undertaken with further opportunities to "right size" the vehicle fleet and implement better vehicle use and management processes.

- A review of Mobile Phones and Devices was undertaken achieving a significant reduction in the number and value of these devices across the Agency.

Risk Management

The Department recognises that risk management is an integral part of the management process, and has implemented a number of mechanisms for the management of risks associated with its activities.

The Department has established risk management policies and associated mitigation strategies that address high risk areas. The Department's Risk and Audit Committee undertakes a comprehensive review of the Department's Strategic Risks and ensures that the Department's Internal Audit program reflects these Strategic Risks.

The Department is a member of the Tasmanian Risk Management Fund (TRMF). The TRMF facilitates a whole-of government approach to the treatment of risk by inner-Budget agencies and ensures that there is adequate financial provision to meet associated costs. Through the TRMF, the Department is provided with a range of insurance coverage.

The Department maintains a quality system for the development and maintenance of roads and bridges. This system comprises a significant proportion of the Agency's operations. The system is designed to manage the risks associated with development and maintenance of roads. It is also subject to external surveillance and incorporates:

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

OUR PEOPLE

The focus on increasing capability and investing in our people with targeted organisational development initiatives continued during 2011/12.

• Leadership Development

DIER's leadership development program is in its fifth year of implementation, with around 80 managers and senior executives having participated in the program to date.

This year a revised leadership development program was introduced based on feedback from the leadership group and the agency's climate survey feedback. The revised program

is currently being delivered to a further 66 participants who are focussing on four key areas, consisting of

- o Self-awareness and self-management
- o Leading Teams
- o Communicating with influence
- o Leading change.

Current participants will complete a series of workshops, a number of leadership diagnostic tools and self-directed development activities.

Past participants of the leadership group are taking part in a number of workshops to assist in refreshing and reinforcing concepts from the leadership program and to discuss how they can support the current cohorts through their leadership program. Past participants will also take part in extension workshops covering the revised content introduced into the leadership program this year.

Further work will be done with the leadership group, both the current and past participants, to build upon the concepts of the leadership program with the aim of embedding into the Agency's management practice.

Options for developing management essential tools and development of emerging leaders are also being investigated and developed.

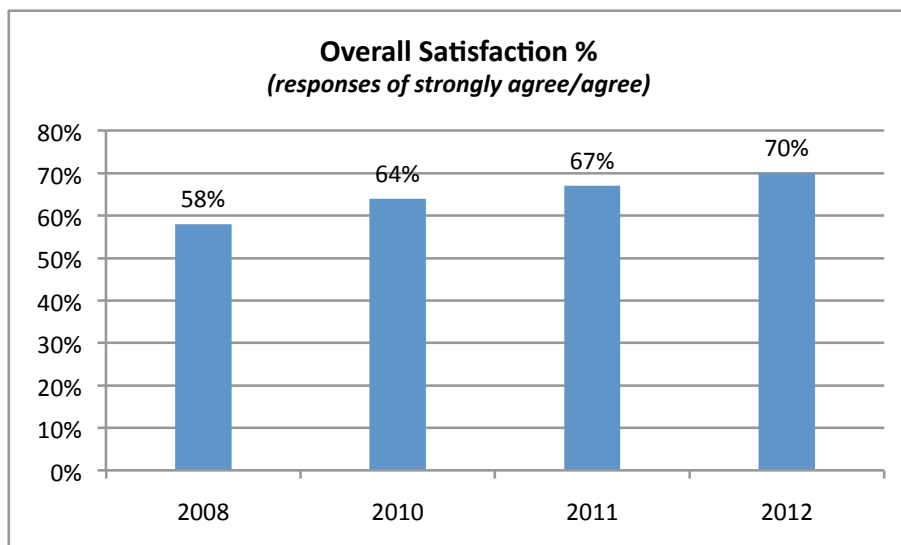
• Pulse Check

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

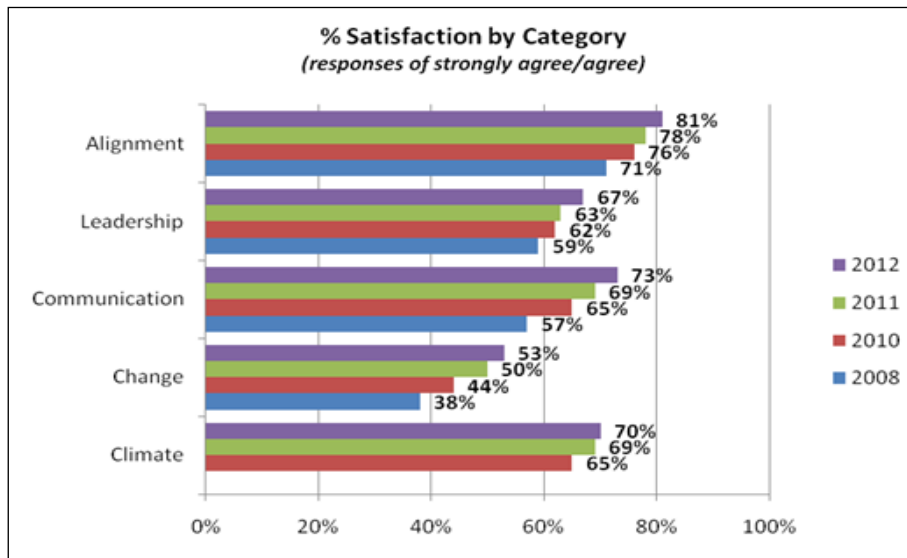
Since the 2008 survey, DIER has invested in key areas for improvement focusing on lifting our performance in leadership development and internal communications while addressing significant budget management challenges.

The 2012 Pulse Check provided an opportunity to monitor progress and improvements since 2008. Overall, DIER received a 70% positive rating across all questions (a positive result required a rating of 4 or 5 out of 5 on the rating scale).

The following table shows the overall satisfaction rating since 2008 which shows a continuous improvement.



The following table provides the overall satisfaction ratings for each category in the survey which has seen an increase across all



This upward trend indicates that work to date around leadership; managing performance and people development is having a positive impact on employee engagement and organisational culture.

Work is underway to continue to improve the way DIER recognises, develops and retains our people, on managing change effectively and building on our leadership development and internal communication efforts to date.

• **Performance Management**

DIER's current performance management system has been in place since December 2007, with 91.11% of DIER employees participating in performance management and appraisal discussions in 2011/12.

During 2010, a review of the Agency's performance management system began. The objectives of the review were to implement a revised performance management system that supports DIER's ability to meet its strategic direction, business goals and deliver services by maximising its organisational capacity through our people and to ensure compliance with the new legislative requirements in the Tasmanian public sector.

The key areas of focus included:

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

Preliminary consultation was undertaken with managers and employees across DIER which identified a number of opportunities for improvement during 2011, and a working group was established in 2011 with representatives from across the Agency, who worked in conjunction with the Human Resources Branch on the Project.

DIER's new Performance and Development Framework, titled *Managing for High Performance*, a new Capability Framework and an ongoing performance management and development process and cycle have now been developed.

Extensive consultation on the revised system and processes has been undertaken across all levels of DIER during the later part of 2011 and early 2012. In addition an extensive education program for employees and managers to refresh their skills and understanding of performance management in readiness for the implementation of the revised performance management and development processes was also conducted during early 2012.

A total of 40 Managers have attended a two-day performance management workshop and 121 employees have attended a half-day information session. Both the manager and employee workshops will continue over the next 12 months as the new system is embedded into practice.

Implementation of the new frameworks and performance management and development cycle will be undertaken in July 2012.

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

• **Learning and Development**

DIER is committed to the continuing development of our people. A range of corporate learning and development activities was provided during 2011/12, with a focus on leadership development, managing high performance sessions for managers, achieving high performance sessions for employees and orientation sessions for new employees.

During 2011/12, five employees were supported through the Study Assistance Program receiving study leave and/or financial assistance, and sponsorship was provided for one employee to attend the Public Sector Management Program.

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

• Change Management

DIER's Pulse Check Survey results indicated that while the Agency had continued to show improvement from the initial 2008 survey results; change management remains an area where we can improve. Changes in the way we work, new technologies, and business improvement strategies all require us to look at how we manage our people, our processes and our systems to work in the most effective way.

A new framework titled *DIER's Approach to Change* has been developed to support the delivery and success of

projects and managing change, enabling DIER to advance as an organisation through the implementation of better change management practices.

Implementation of the new approach is underway with integrated communication, implementation and education plans currently being developed.

• Workforce Information and Reporting

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

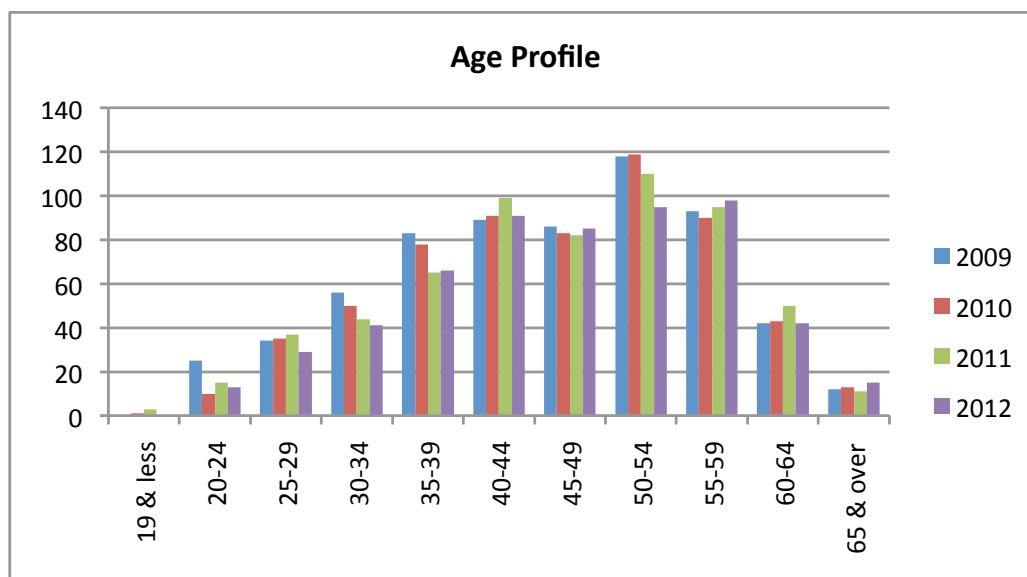
- Monthly workforce reports focusing on employee numbers, recruitment and turnover;
- Quarterly reports detailing key human resource measures; and
- An extensive annual report including detailed workforce demographic data.

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

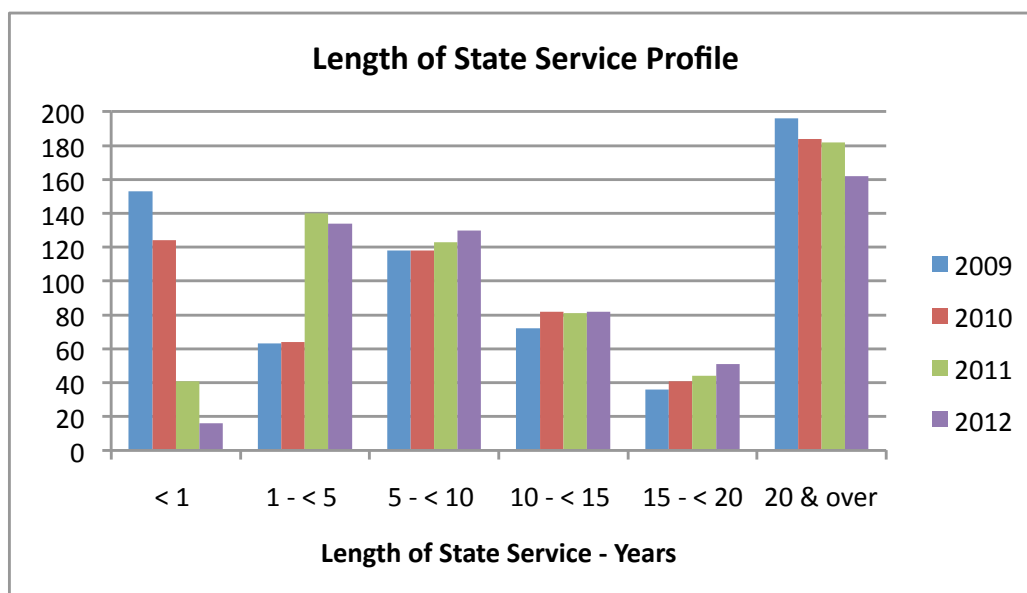
Workforce Demographics & Employee Number Statistics as at 30 June 2012

Employees – headcount and full time equivalent	
Total number of employees (excluding board members and casuals)	575
Full time equivalent (FTE) employees	490.93
Employees – by employment type	
Permanent	536
Fixed Term	22
Senior Executive	17
Employees – by employment condition	
Full Time	411
Part Time	164
Employee information – by gender	
Males	303
Females	272
Commencements & Separations	
Commencements	43
Separations	78
Flexible Work Options	
Number of employees who accessed State Service Accumulated Service Leave System (SSALS)	7
Number of employees who accessed Maternity Leave	5
Number of employees who accessed leave without pay greater than 20 days	12
Number of part-time employees	164
Number of employees on Phased in Retirement plan	0

DIER Age Profile – 30 June 2012



DIER Length of Service Profile – 30 June 2012



• Managing Diversity

DIER's Workplace Diversity Policy and Plan is focused on developing and maintaining a workplace that places high value on the diversity of our people. Through its Disability Action Plan, DIER continues to ensure equity, inclusiveness, access, autonomy and non-discrimination.

DIER continues a focus on workplace behaviour in its Induction and Orientation Program to ensure new employees are aware of appropriate workplace behaviour. A number of mental health awareness and disability awareness sessions for managers and employees were delivered over the past twelve months to develop managers and employees understanding of disability issues.

DIER continues to participate in the Tasmanian Government Workplace Program for Humanitarian Entrants and new immigrants, hosting one refugee placement in November 2011. DIER recognises that

participation in these Programs not only benefits the individuals concerned, it further enhances the commitment of managers and employees to a diverse workforce.

• DIER's Disability Action Plan

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

- o sets out the government's vision for Tasmania as an inclusive and caring community;
- o applies to all Tasmanian Government agencies;
- o provides a direction for action by government;
- o enables people with disability, their families and carers to work in partnership with the government; and

- o promotes leadership across all State Government agencies to institute a whole-of-government approach to policy and planning, service delivery and evaluation.

DIER's focus is in the areas of equity, inclusiveness, access, autonomy and non-discrimination and now has a culture of considerable public and workplace accessibility and integrating diversity principles in our policies and programs. During the 2011/12 financial year, programs and initiatives were undertaken in the areas of access to services and program, employment opportunities and access to buildings and facilities.

Access to services and programs

Actions / Initiatives

- Continued commitment to the Transport Standards for Public Passenger Transport 2002 (Transport Standards).
- Continued implementation of the wheelchair accessible taxi initiative.
- Continued funding of the Transport Access Scheme.
- Reviewing the fares and Transport Access Scheme subsidies that apply to wheelchair-reliant people when travelling in wheelchair accessible taxis. Concerns have been raised that the current arrangements may be discriminatory and, while this is the case only for a very small proportion of taxi passengers, steps are required to ensure no person travelling in a WAT is discriminated against.
- Working with the Australian Government, local government and the Tasmanian industry to assist bus and coach operators meet their obligations under the Transport Standards.
- Improving the access and mobility of people living in Tasmania's rural and regional communities.

The most significant changes

- Substantial progress is being made towards providing compliant bus stops on urban fringe service corridors through partnerships between state and local government.
- The state government has provided substantial funding to bus operators to allow them to purchase vehicles that comply with Disability Discrimination Act [DDA] Transport Standards.

Why significant?

- Progress toward providing compliant bus stops on urban fringe service corridors and an increase in compliance of urban and non-urban bus services that are DDA compliant.
- Tasmania is the first Australian state to amend its road rule regulations to meet the requirements of the new Disability Parking Permit as part of the Australian Disability Parking Scheme helping to reduce the barriers for permit holders when travelling interstate.

Evidence of the change

- Implementation of the new nationally agreed taxi training course which includes the unit, 'transport passengers with disabilities'.
- Substantial progress has been made by the Tasmanian Government and industry towards compliance of transport services that meet the Disability Standards for Accessible Transport with substantial funding provided to bus operators to allow them to purchase vehicles that comply with the transport standards.

Employment opportunities

Actions / Initiatives:

- DIER continues a focus on workplace behaviour in its Induction and Orientation Program to ensure new employees are aware of appropriate workplace behaviour. A number of disability awareness sessions for managers and employees were delivered develop managers and employees understanding of disability issues.

The most significant changes:

- DIER is a participant in the State Service Graduate Program for People with Disabilities [the Graduate Program].

Why significant?

- The Graduate Program is a two-year commitment from the State Government to increase the diversity of the Tasmanian State Service by providing supported career/employment pathways for graduates with a disability.

Evidence of the change

- The Graduate Program was enthusiastically considered by the DIER Executive Group and the graduate has integrated well into the business area and the Department. The experience has been positive.

Access to Buildings, Facilities

Actions / Initiatives:

- Improving the access and mobility of people living in Tasmania's rural and regional communities.

The most significant changes:

- Commencement of a targeted refurbishment of off-bus infrastructure in urban fringe areas, funded from the Passenger Transport Innovation Program.

Why significant?

- The refurbishment will improve the accessibility, amenity and visibility of urban fringe off-bus infrastructure at critical locations on the bus network, providing more attractive, better quality shelters and specific infrastructure for passengers with disabilities.

Evidence of the change

- Due to the location of off-bus infrastructure being on both Council and State-owned roads, a coordinated

refurbishment program through partnerships between a number of Councils and DIER will deliver high quality accessible bus stop infrastructure.

• Work-Life Balance Framework

In recognising the benefits to work productivity and employees' health and wellbeing, DIER continues to promote and encourage employees to achieve an effective balance between work and outside-of-work commitments. DIER's work-life balance framework includes provision for working flexible hours including work start and finish times; part-time work; accumulated leave and purchase leave schemes; phased-in retirement and working from home.

• Occupational Health & Safety (OHS) - Safety management System and Reporting

The Agency has continued to provide strong leadership on workplace health and safety with a high interest in

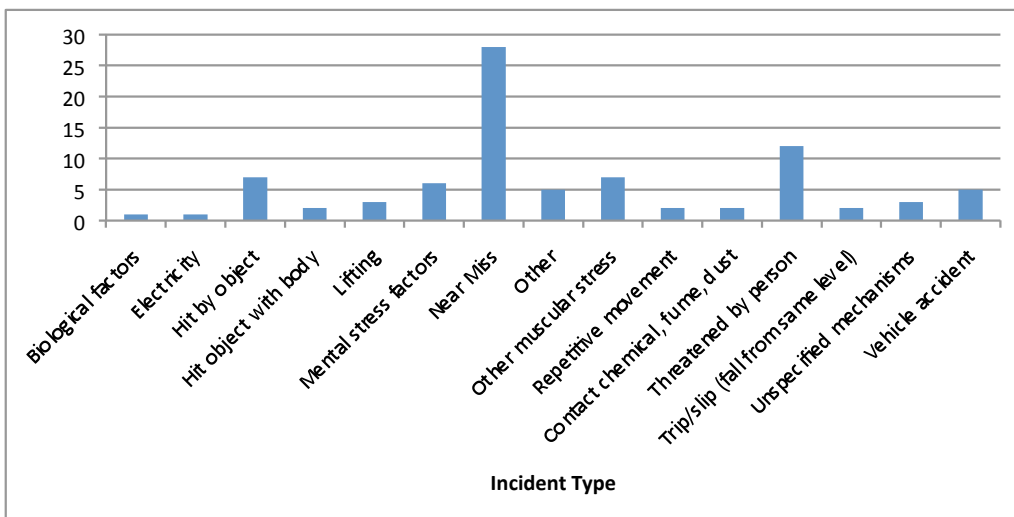
ensuring compliance with the new Model Work Health and Safety legislation to be introduced on 1 January 2013. The Safety Management System has been reviewed and planning is in place for a gap analysis to determine further actions required to meet the due diligence requirements under that legislation.

Key developments have been the extensive consultation across the Agency in the production of DIERs Safety Management Framework which is underpinned by the biennial Safety Management Plan (SMP). DIER's SMP outlines the Agency's OHS priorities, which have been identified through a risk identification approach, in areas of injury prevention, legislative compliance and a commitment to continuous improvement.

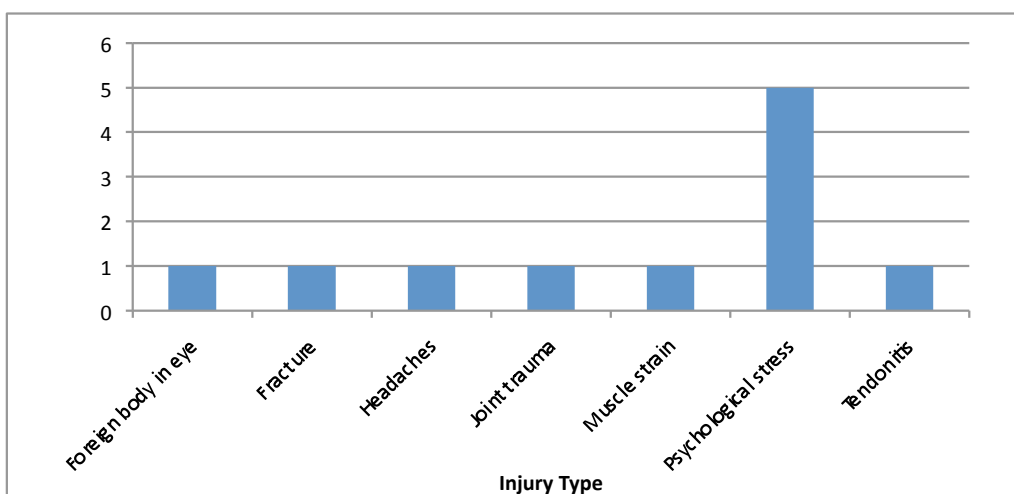
A new DIER OHS Working Group and a trend register of OHS incidents continues to steer responses, resulting in a significant drop in injuries this year and an increased focus on OHS education and leadership.

• Incident Count & Type

Eighty Six incidents were reported in the 2011/2012 period with 11 resulting in personal injury



• Injury Count & Type



- **Employee Health and Wellbeing**

In 2011 the Agency developed and implemented a holistic health and wellbeing policy and plan focusing on health promotion and disease prevention.

This involved a needs assessment being conducted in 2011 which resulted in quick wins and longer term strategies being developed to address priority areas identified. Strategies currently being implemented include: developing health related policies; increasing education and awareness; developing resource tools to assist managing individual health and wellbeing and disease prevention; encouraging management support and leadership to assist in ensuring DIER's Health and Wellbeing Program is a successful program; and working on broader organisational development strategies.

DIER's Health and Wellbeing Program is currently governed by a committee of volunteers who are overseeing the program to ensure it remains tailored to the priority areas identified by employees and the Agency; and the program will also undertake an evaluation process in 2013 to identify and address any gaps identified in DIER's Health and Wellbeing Program.

- **Workers Compensation**

The Agency continues to meet its Workers Compensation legislative obligations and has commenced a business improvement project incorporating a review of incident reporting processes, workers compensation, and compensable and non-compensable rehabilitation management.

There was a total of 7 new Workers Compensation claims submitted in 2011/12 (compared with 22 for 2010/11) with 6 resulting in lost time.

As a result of all managed claims for 2011/12 a total of 1,917 lost time injury hours were recorded at a cost of \$51,847. The Agency is currently managing 13 claims of varying duration.

The Workers Compensation insurance contribution for 2011/12 was \$208,593 compared with \$174,140 for 2010/11.



RIGHT TO INFORMATION STATISTICS

Status as at 30 June 2012

DIER has responded to a wide variety of requests for releasing information since the new *Right to Information Act 2009* commenced on 1 July 2010, choosing to release much of the requested information actively. The number of refusals for information that is otherwise available, or will become available, reflects this approach.

DIER proactively provides information that is significant and of general interest to the public, through its Routine Disclosure Register on the DIER website, which is regularly updated. DIER will continue to focus on actively disclosing information to support the spirit of the *Right to Information Act 2009*.

Section A: Number of Applications	
1. Number of applications for assessed disclosure received	77
2. Number of applications for assessed disclosure accepted	28
3. Number of applications for assessed disclosure transferred or part transferred to another public authority	6
4. Number of applications withdrawn by the applicant	1
5. Number of applications for assessed disclosure determined	27
Section B: Outcome of Applications	
1. Number of determinations where the information applied for was provided in full.	6
2. Number of determinations where the information applied for was provided in part with the balance refused or claimed as exempt.	11
3. Number of determinations where all the information applied for was refused or claimed as exempt.	8
4. Number of applications where the information applied for was not in the possession of the public authority or Minister	2
Section C: Reasons for Refusal	
1. Refusal where information requested was not within the scope of the Act (s.5 - Not official business; s.11 - available at Archives Office and s.17 - Deferred).	1
2. S9, S12. Refusal where information is otherwise available or will become otherwise available in the next 12 months	42
3. S10, S19 Refusal where resources of public authority unreasonably diverted	1
4. S20 Refusal where application repeated; or Vexatious; or Lacking in definition after negotiation	1
Section D: Exemptions	
s.25 Executive Council Information	0
s.26 Cabinet Information	2
s.27 Internal briefing information of a Minister	5
s.28 Information not relating to official business	0
s.29 Information affecting national or state security, defence or international relations	0
s.30 Information relating to the enforcement of the law	2
s.31 Legal professional privilege	3
s.32 Information relating to closed meetings of council	0
s.34 Information communicated by other jurisdictions	4
s.35 Internal deliberative information	4
s.36 Personal information of a person other than the applicant	7

Section D: Exemptions (continued)	
s.37 Information relating to the business affairs of a third party	4
s.38 Information relating to the business affairs of a public authority	2
s.39 Information obtained in confidence	4
s.40 Information on procedures and criteria used in certain negotiations of public authority	0
s.41 Information likely to affect the State economy	0
s.42 Information likely to affect cultural, heritage and natural resources of the State	0
Section E: Time to Make Decisions	
1. Number of requests determined within the following timeframes (should also total the number of applications determined as in question A5).	
1 – 20 working days of the application being accepted.	9
More than 20 working days of the application being accepted.	18
2. Number of requests which took more than 20 working days to decide that involved an extension negotiated under s.15(4)(a).	3
3. Number of requests which took more than 20 working days to decide that involved an extension gained through an application to the Ombudsman under s.15(4)(b).	0
4. Number of requests which took more than 20 working days to decide that involved consultation with a third party under s.15(5)?	15
Section F: Reviews	
Internal Reviews (reviews by the Ombudsman)	6 ¹
Number of internal reviews were requested in this financial year	5
Number of internal reviews were determined in this financial year	5
Number where the original decision upheld in full	0
Number where the original decision upheld in part	0
Number where the original decision reversed in full	0
External Reviews (reviews by the Ombudsman)	
Number of external reviews were requested in this financial year?	1 ²
Number of external reviews were determined in this financial year?	0
Number where the original decision upheld in full?	0
Number where the original decision upheld in part?	0
Number where the original decision reversed in full?	0
Response by Division	
Corporate Services	29
Energy, Planning and Conservation	
Infrastructure Strategy	2
Land Transport Safety	20

Notes:

1 One request for review declined

2 Request withdrawn

Section F: Reviews (continued)	
Mineral Resources	5
Passenger Transport	1
Roads and Traffic	8
Racing Services Tasmania	9
Land Transport Safety & Corporate Services (joint response)	1
Roads and Traffic & Corporate Services (joint response)	2

PUBLIC INTEREST DISCLOSURES ACT 2002

The *Public Interest Disclosures Act 2002* (PID Act) commenced operation on 1 January 2004. The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies. The Act provides protection to persons who make disclosures in accordance with the Act, from reprisals and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

DIER's procedures for reporting disclosures of improper conduct or detrimental action by DIER or members, officers

or employees of the public body are available at www.dier.tas.gov.au.

Disclosures may be made by people who are "public officers" with DIER, or by people who are or have been "contractors" with DIER for the supply of goods or services.

Since the commencement of the PID Act DIER has not received any disclosures either directly or indirectly via the Ombudsman.



MAJOR CONTRACTS AND CONSULTANCIES

The Department of Infrastructure, Energy and Resources ensures procurement is undertaken in accordance with the mandatory requirements of the Treasurer's Instructions relating to procurement, including that Tasmanian businesses are given every opportunity to compete for Agency business. It is the Department's policy to support Tasmanian businesses whenever they offer best value for money for the Government. See Table A 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 B and C provide detailed information on consultancies and other contracts with a value of \$50 000 or over (excluding GST). Table D provides a summary of contracts awarded as a result of a direct/limited submission sourcing process approved in accordance with Treasurer's Instructions 1114 or 1217.

Table A

Summary of Procurement including Participation by Local Business (for procurement processes of \$50,000 or more excluding GST)	
Total Contracts Awarded	37
Total Contracts Awarded to Tasmanian Businesses	35
Total Number of Contract Bids Received	130
Total Number of Contract Bids Received from Tasmanian Businesses	107
Total Value Of Contractors Awarded	\$ 37,124,581
Total Value Of Contractors Awarded to Tasmanian Businesses	\$ 36,292,414
Total Number of Consultancies Awarded	3
Total Number of Consultancies Awarded to Tasmanian Businesses	2
Total Number of Consultancy Bids Received	6
Total Number of Consultancy Bids Received from Tasmanian Businesses	5
Total Value Of Consultancies Awarded	\$ 239,980
Total Value Of Consultancies Awarded to Tasmanian Businesses	\$ 154,980
Total Number of Consultancies and Contracts Awarded	40
Total Number of Consultancies and Contracts Awarded to Tasmanian Businesses	37
Total Number of Consultancy and Contract Bids Received	136
Total Number of Consultancy and Contract Bids Received from Tasmanian Businesses	112
Total Value Of Consultancies and Contracts Awarded	\$ 37,364,561
Total Value of Consultancies and Contracts Awarded to Tasmanian Businesses	\$ 36,447,394

Table B

Contracts with a value of \$50 000 or over (ex. GST) and excluding consultancy contracts				
Name of Contractor	Location of Contractor	Description of Contract	Period of Contract	Total value of contract \$
Apache Services Pty Ltd	Cambridge, TAS	Contract No. 2058 - Cable Installation Services	01/07/2011 - 01/09/2011	\$ 84,927
GeoTas Pty Ltd	Moonah, TAS	Contract No. 2084 - Bass Highway East of Penguin & West of Travellers Rest - Wire Rope Safety Fencing	07/07/2011 - 28/09/2011	\$ 367,482
Shaw Contracting Pty Ltd	Whitemore, TAS	Contract No. 2069 - Midland Highway South Esk River Bridge No. 1331 Strengthening	20/07/2011 - 25/10/2011	\$ 259,020
Stubbs Constructions Pty Ltd	Wivenhoe, TAS	Contract No. 2061 - Bridge Strengthening Manuka Creek Bridge No. 2089 and Pipers River Bridge No. 3273 - Miscellaneous Joint Replacement and Bridge Maintenance	18/08/2011 - 30/04/2012	\$ 494,060
Wyatt Constructions Pty Ltd	Kingston, TAS	Contract No. 2086 - Brighton Transport Hub - Building Packages	18/08/2011 - 17/02/2012	\$ 1,193,785
Downer Australia	Austins Ferry, TAS	Contract No. 2071 - East Derwent Highway - Saundersons Road, Risdon - Right Turn Lane	05/09/2011 - 27/11/2011	\$ 185,997
VEC Civil Engineering P/L	Ulverstone, TAS	Contract No. 2094 - Tasman Highway Weldborough Pass - Landslip Repairs	12/09/2011 - 18/12/2011	\$ 472,659
Excel Technology Group Pty Ltd	Seventeen Mile Rocks, QLD	Contract No. 2089 - Supply, Configuration, Testing, Documentation and Delivery of Traffic Loop Detector Units	15/09/2011 - 15/11/2011	\$ 51,655
Venarchie Contracting P/L	Mowbray, TAS	Contract No. 2002 - Lake Secondary Road, Breona - Sealing of Selected Sections	19/10/2011 - 19/02/2012	\$ 1,135,810
VEC Civil Engineering P/L	Ulverstone, TAS	Contract No. 2088 - Ridgley Highway, North of Ridgley - Road Reconstruction Stage 2	28/11/2011 - 28/04/2012	\$ 2,332,852
Roadways Pty Ltd	Glenorchy, TAS	Contract No. 2081 - Road Specific Maintenance Pavement Resurfacing 2011/12 South	01/11/2011 - 02/03/2012	\$ 4,326,680
Venarchie Contracting P/L	Mowbray, TAS	Contract No. 2082 - Road Specific Maintenance Pavement Resurfacing 2011/12 North West	01/11/2011 - 24/02/2012	\$ 2,110,136
Downer EDI Works P/L	Austins Ferry, TAS	Contract No. 2083 - Road Specific Maintenance Pavement Resurfacing 2011/12 North East	01/11/2011 - 24/02/2012	\$ 2,014,282
VEC Civil Engineering P/L	Ulverstone, TAS	Contract No. 2066 - Tasman Highway (A) Broad Gully - Curve Improvements (B)Coles Bay Road Junction - Turn Lane	01/12/2011 - 01/03/2012	\$ 358,414
Fulton Hogan Industries Pty Ltd	Campbelltown, NSW	Contract No. 2104 - Road Specific Maintenance High Pressure Water Blasting of Bituminous Surfacing 2011/12 Statewide	19/12/2011 - 23/03/2012	\$ 780,512
Andrew Walter Constructions	Austins Ferry, TAS	Contract No. 2014 - Brooker Highway, Granton - Wire Rope Safety Barrier - Road Widening and Sealing Works	12/12/2011 - 16/04/2012	\$ 1,432,703

Name of Contractor	Location of Contractor	Description of Contract	Period of Contract	Total value of contract \$
Clarkes Painting Services Pty Ltd	Latrobe, TAS	Contract No. 2100 - Bridge Maintenance Painting - Fences and Structural 2011/12	19/12/2011 - 15/06/2012	\$ 970,000
Hazell Bros Group Pty Ltd	Derwent Park, TAS	Contract No. 2015 - South Arm Secondary Road - Sandford to Cremorne - Shoulder Sealing and Junction Improvements	07/12/2011 - 28/02/2012	\$ 676,633
Venarchie Contracting P/L	Mowbray, TAS	Contract No. 2101 - Midland Highway Breadalbane Roundabout - Capacity Improvements Additional Slip Lane	08/12/2011 - 29/02/2012	\$ 427,346
Andrew Walter Constructions	Austins Ferry, TAS	Contract No. 2102 - Birralee Main Road - North of Egmont Bridge - Road Safety Curve Improvements	08/12/2011 - 08/03/2012	\$ 248,270
Statewide Linemarking (Tas) Pty Ltd	Glenorchy, TAS	Contract No. 2091 - Road Specific Maintenance - Pavement Linemarking 2011/12 North West (Includes the value of the option to extend)	13/12/2011 - 30/04/2014	\$ 2,475,243
Statewide Linemarking (Tas) Pty Ltd	Glenorchy, TAS	Contract No. 2092 - Road Specific Maintenance - Pavement Linemarking 2011/12 North East (Includes the value of the option to extend)	13/12/2011 - 30/04/2014	\$ 1,984,143
Statewide Linemarking (Tas) Pty Ltd	Glenorchy, TAS	Contract No. 2093 - Road Specific Maintenance - Pavement Linemarking 2011/12 South (Includes the value of the option to extend)	13/12/2011 - 30/04/2014	\$ 1,835,470
Tas Span Pty Ltd	Latrobe, TAS	Contract No. 2099 - Pencil Pine Creek Timber Deck Replacement	09/01/2012 - 14/05/2012	\$ 118,441
Venarchie Contracting P/L	Mowbray, TAS	Contract No. 2109 - Bass Highway Mersey Main Road - Junction Improvements	08/02/2012 - 23/05/2012	\$ 1,091,449
Andrew Walter Constructions	Austins Ferry, TAS	Contract No. 2103 - Mud Walls Secondary Road - Road Reinstatement	15/02/2012 - 28/02/2013	\$ 4,628,174
Tas Span Pty Ltd	Latrobe, TAS	Contract No. 2070 - Bass Highway Mersey River Bridge No. 225 Strengthening	20/02/2012 - 28/05/2012	\$ 183,161
BridgePro Engineering Pty Ltd	Devonport, TAS	Contract No. 2113 - Application of a Silane Coating on Tasman Bridge Piers	05/03/2012 - 30/04/2012	\$ 112,072
Hazell Bros Group Pty Ltd	Derwent Park, TAS	Contract No. 2098 - State Wide Concrete Repairs 2011/12	05/03/2012 - 10/06/2012	\$ 440,611
Aurora Energy Pty Ltd	Hobart, TAS	Contract No. 2122 - Electricity Supply	01/04/2012 - 30/06/2014	\$ 324,770
Protector Rail Pty Ltd	Kingston, TAS	Contract No. 2106 - Supply and Install Safety Barriers at Various Locations Statewide	27/03/2012 - 19/06/2012	\$ 271,825
Downer EDI Works P/L	Austins Ferry, TAS	Contract No. 2112 - Poatina Main Road Longford Township - Road Reinstatement	01/10/2012 - 28/02/2013	\$ 895,685
Corporate Express Australia Pty Ltd	Hobart, TAS	Contract No. 2116 - Stationery Supplies	23/07/2010- 29/10/2010	\$ 205,158

Name of Contractor	Location of Contractor	Description of Contract	Period of Contract	Total value of contract \$
(Includes the value of the option to extend)	01/06/2012 - 01/06/2018	\$ 215,576	08/12/2010-08/02/2011	\$ 1,204,827
O'Driscoll Coaches Pty Ltd	Claremont, TAS	Contract No. 2097 - General Access Bus Service, Bothwell and Hobart	13/12/2010-12/12/2012	\$ 1,242,047
(Includes the value of the option to extend)	19/09/2011 - 19/09/2018	\$ 1,368,507	13/12/2010-12/12/2012	\$ 1,225,401
Geometry Pty Ltd	Battery Point, TAS	Contract No. 2108 - Provision of Software Support for the TIGER System to 30 June 2012	04/01/2012 - 30/06/2012	\$ 69,000
Inventis Technology Pty Ltd	Caringbah, NSW	Contract No. 2067 - Supply and Installation of Intelligent Transport Systems Truck Warning Signs on Constrained Alignments	10/04/2012 - 02/07/2012	\$ 873,231
Metro Tasmania Pty Ltd	Glenorchy, Tas	Supply and issue of student transport cards	01/12/2011-30/11/2016	\$ 314,000

Table C

Consultancy contracts with a value of \$50 000 or over (ex. GST)				
Name of Contractor	Location of Contractor	Description of Contract	Period of consultancy	Total value of contract \$
Red Jelly	Hobart, TAS	Contract No. 2111 - Tasmanian Forest Intergovernmental Agreement Advertising Campaign	17/11/2011	\$ 100,000
Enterprise Marketing and Research Services	Moonah, TAS	Contract No. LTSP3/2011 - Attitudes to Road Safety Qualitative and Quantitative Market Research	29/02/2012 - 16/03/2012	\$ 54,980
Evans and Peck	Melbourne, VIC	Development of Cost Estimating procedures to meet Australian Government requirements		\$ 85,000

Table D

Consultancies or Contracts awarded under an approved limited or direct sourcing process				
Name of supplier	Location of supplier	Description of procurement	Reason for the Procurement Methodology	Total value of contract
Evans and Peck	Melbourne, VIC	Development of Cost Estimating procedures to meet Australian Government requirements	The supplier has specific knowledge based on previous work for the Australian Government	\$ 85,000
Aurora Energy Pty Ltd	Hobart, TAS	Contract No. 2122 - Electricity Supply	Limited number of potential suppliers for the service	\$ 324,770
Metro Tasmania Pty Ltd	Glenorchy, Tas	Supply and issue of student transport cards	Cards compatible with the Metro Greencard was a significant requirement	\$ 314,000

Tasmania Together Government Activity Report 2011/12 – Department of Infrastructure, Energy and Resources

BENCHMARK	INITIATIVE	WHAT HAS BEEN ACHIEVED THIS YEAR (2011/12)	LEAD AGENCY
2.1.8 Road crash fatalities and serious injuries.	<i>Tasmanian Road Safety Strategy 2007-2016</i>	<p>Activities</p> <p>The Tasmanian Road Safety Strategy 2007-2016 was launched on 19 June 2007, providing the strategic direction for road safety initiatives in Tasmania for the next 10 years.</p> <p>The Strategy is evidence based and incorporates the most successful approaches from around the world that have the proven ability to reduce road trauma.</p> <p>The long-term vision of the Strategy is the elimination of fatalities and serious injuries caused by road crashes in Tasmania, and in the short-term it has adopted the road safety targets of Tasmania Together:</p> <p>by 2010: 20% reduction in serious injuries and fatalities from 2005; by 2015: 20% reduction in serious injuries and fatalities from 2010; and by 2020: 20% reduction in serious injuries and fatalities from 2015.</p> <p>The first target has been exceeded with a reduction in serious injuries and fatalities by 32.5%.</p> <p>To achieve these targets, the Strategy outlines four key strategic directions that are evidence based, achievable and that will be likely to deliver the greatest reductions in serious injuries and fatalities. They are:</p> <p>Safer Travel Speeds; Best Practice Infrastructure; Increased Safety For Young Road Users; and Enhanced Vehicle Safety.</p> <p>The Strategy also identifies a number of complementary and ongoing initiatives which support the effort to eliminate serious casualty crashes on our roads.</p> <p>Contribution towards Benchmark</p> <p>The first benchmark has been exceeded with a reduction in serious casualties of 32.5%.</p> <p>Initiatives delivered or in progress under the Strategy include the following practical measures:</p> <ul style="list-style-type: none"> • Safer Rural Travel Speeds projects on road assessment criteria and improved speed limit signage completed; • Electronic School Speed Limit signs rollout nearing completion; • Installation of Flexible Safety Barrier, Shoulder Sealing, Right Hand Turn Facilities and Tree Removal on Tasmania's major highways and arterial roads; • Completion of external evaluation of the L2 and P1 driver assessments and commencement of preparation for progressing work to meet the recommendations; • Design of alcohol interlock program nearing completion; • Installation of an electronic sign that applied a lower speed limit of 40km/h during periods of high pedestrian activity. <p>A Second Action Plan contains initiatives to build on the achievement of the first benchmark and meet the second benchmark.</p>	DIER

BENCHMARK	INITIATIVE	WHAT HAS BEEN ACHIEVED THIS YEAR (2010/11)	LEAD AGENCY
2.1.8 Road crash fatalities and serious injuries.	<i>Community Road Safety Partnerships (CRSP)</i>	<p>Activities</p> <p>The CRSP program has continued to consolidate and sustain impetus. Local road safety partnerships have now been established with all 29 municipalities. Flinders Island and Latrobe communities recently joined the program.</p> <p>Contribution towards Benchmark:</p> <p>The CRSP program contributes to achieving this benchmark through:</p> <ul style="list-style-type: none"> • Involving communities in local speed reduction programs using digital speed display / variable message sign trailers. • Expanding of the Roadside Crash Marker program to 16 municipalities. • Working with community organisations to implement Learner Licence Assistance Programs to assist people experiencing difficulties in obtaining a learner licence – now 65 organisations providing this service across Tasmania. • Supporting communities to establish and maintain Learner Driver Mentor Programs (LDMPs) to assist disadvantaged learner drivers to acquire the 50 hours practical driving experience. • Advising and supporting the newly formed Driver Mentoring Tasmania organisation to assist LDMPs with their development. • Expanding 'speeding / driving to conditions' programs to new municipalities – eg. Break O'Day (<i>Expect the Unexpected</i>). • Expanding designated driver / alcohol awareness programs into new districts (Devonport, Latrobe) and in partnership with organisations such as Metro Tasmania, Liquor & Gaming Branch, Good Sports and AFL Tasmania 	DIER
2.1.8 Road crash fatalities and serious injuries.	<i>Motorcycle Safety</i>	<p>Activities</p> <p>Improving motorcycle safety is recognised as an important way to improve road safety and reduce serious road trauma. The Tasmanian Motorcycle Safety Strategy addressed the main issues impacting on motorcycle safety and further work continues under the Tasmanian Road Safety Strategy.</p> <p>Contribution towards Benchmark</p> <p>Warning signs have been installed at locations where loose gravel increases the risk of motorcyclists losing control. Collapsible Chevron Alignment Markers and shoulder sealing works are expected to be completed at various locations by late 2012.</p>	DIER

BENCHMARK	INITIATIVE	WHAT HAS BEEN ACHIEVED THIS YEAR (2010/11)	LEAD AGENCY
2.1.8 Road crash fatalities and serious injuries.	<i>Heavy Vehicle Safety</i>	<p>Activities</p> <p>DIER has continued to work with the heavy and public passenger transport sectors to increase those sectors self-compliance with road law through education, compliance and enforcement activities.</p> <p>DIER is continuing to work with Industry and the Heavy Truck Safety Advisory Council on strategies to increase rollover prevention awareness and addressing, where possible, the cause of accidents with high severity and/or accidents with similar contributing factors. This included Transport Inspectors conducting safety awareness education at Agfest.</p> <p>Contribution towards Benchmark</p> <p>Safer heavy vehicle operations within Tasmania through increased industry self-compliance with road laws.</p> <p>Increased heavy vehicle industry awareness of road safety issues affecting their industry.</p>	DIER
5.4.5 The proportion of Tasmanians who cycled for transport in the past 7 days	<i>'Tasmanian Walking and Cycling for Active Transport Strategy 2010'</i>	<p>Activities</p> <ul style="list-style-type: none"> • Delivering Cycling for Active Transport – Local Infrastructure Development Fund. • Work with stakeholders to identify Principal Urban Cycling Networks in Devonport/Burnie, Hobart, and Launceston. • Delivery of cycle infrastructure as part of the Kingston Bypass Project. <p>In March 2011, an estimated 5.9% of Tasmanians reported having cycled for transport in the previous 7 days.</p> <p>Contribution towards Benchmark</p> <p>Improving cycling infrastructure between key activity centres and destinations to support and encourage more people to cycle for transport. The Principal Urban Cycling Networks comprise the highest priority urban cycling routes and these will be the focus of investment in cycling infrastructure.</p> <p>The Cycling for Active Transport – Local Infrastructure Development Fund was put in place to support neighbourhood cycling connections and programs</p>	DIER

BENCHMARK	INITIATIVE	WHAT HAS BEEN ACHIEVED THIS YEAR (2010/11)	LEAD AGENCY
10.8.3 Mineral exploration expenditure (continued)	<i>Promotion of Mineral Exploration in Tasmania</i>	<p>Activities</p> <p>The Government has a multi-pronged strategy to attract and increase the effectiveness of mineral exploration in Tasmania, which includes:</p> <ul style="list-style-type: none"> • enhancement of the TIGER system through the deliverables of the four year <i>TasExplore</i> project, which provided new geoscientific information over the North- East and North-West; • updating the 3D geological model and prospectivity analysis of Tasmania; • provision of seamless digital geological maps; • provision of information from a wide range of modern data collection programs delivered by the World Wide Web; and • drill core held at the Core Library, at Mornington. <p>This strategy provides a set of tools that are used to promote the advantages of investing in Tasmania to Australian and overseas mineral exploration companies.</p> <p>In addition to producing new, high quality geoscientific data, the Department of Infrastructure, Energy and Resources (DIER) continues to pursue an active marketing and promotion campaign. Funding committed in the Budget to the Tasmanian Minerals Promotion Program is being utilised to strategically promote Tasmania at trade shows and conferences, on company-by-company head office visits in Australia and overseas, as well as presenting on Tasmanian prospectivity at overseas seminars.</p> <p>Contribution towards Benchmark</p> <p>The annual promotional program is yielding results in the form of new investment and exploration projects in the State. Exploration expenditure for the quarter ended 31 March 2012 was 1.14% of the national total, above the 2010 Tasmania <i>Together</i> target of 1%.</p> <p>Exploration expenditure for the 2010-11 financial year for Tasmania was \$37.3 million, which was 1.26% of the national total, once again well above the 1% target.</p> <p>In recent years exploration projects have been directly attracted by promotional activities conducted by DIER. These include major exploration projects in the west, northwest and northeast of Tasmania being conducted by explorers previously not active within Tasmania. In addition, the promotional activities have been successful in raising the profile of Tasmania as an exploration destination among the exploration community.</p> <p>The quality and currency of geoscience information is critical to maintaining credibility with the exploration community. Project work in 2012-13 will include upgrading the 3D geological model of Western Tasmania.</p>	DIER

BENCHMARK	INITIATIVE	WHAT HAS BEEN ACHIEVED THIS YEAR (2009/10)	LEAD AGENCY
1.1.7 Transport Accessibility	<p><i>Wheelchair Accessible Taxis (WAT) program</i></p> <p><i>Tasmanian Walking and Cycling for Active Transport Strategy</i></p>	<p>Activities</p> <p>Legislation passed by Parliament in late 2008 made two significant changes to the WAT program:</p> <ul style="list-style-type: none"> • WAT licences are available on application, which enables a suitably qualified operator with a compliant vehicle to obtain a licence without charge; and • WAT operators are able to use a second-hand vehicle of appropriate standard to provide services in areas designated as remote. <p>Contribution to Benchmark</p> <p>These changes in legislation have significantly reduced the cost of obtaining a WAT licence in remote areas of Tasmania, and provide a more streamlined process for WAT licences to be issued in all taxi areas. There are now 61 WAT licences on issue in Tasmania.</p> <p>Activities</p> <p>The Strategy aims to create a safe, accessible and well connected transport system that encourages more people to walk and cycle as part of their everyday transport journeys to work, school and to access services and recreation facilities. The Strategy's focus includes improving land use systems to make it easier for people to walk and cycle for transport; developing infrastructure and facilities to support walking and cycling; and improving safety for pedestrians and cyclists.</p> <p>Contribution to Benchmark</p> <p>Walking and cycling are low cost transport modes, and creating environments and infrastructure that support people to walk and cycle for transport increases transport options, making it easier for people to get to the places they need to go.</p>	DIER
11.2.1 Area reduction of clear-felling in old-growth forests	<i>Tasmanian Community Forest Agreement</i>	<p>Activities</p> <p>The Tasmanian Government, through Forestry Tasmania, is continuing to implement the Tasmanian Community Forest Agreement (TCFA) program to develop alternatives to clear felling in old-growth forests on public land (State forests).</p> <p>The objective of the program was to reduce the area of old growth forest clear-felled on public land by implementing non-clear felling harvest techniques in a minimum of 80 per cent of the area of old growth harvested on State forest each year by 2010. Under the TCFA the Australian and Tasmanian Governments agreed to jointly fund a package of measures to assist Forestry Tasmania to achieve this objective.</p> <p>An Operating Plan for the Research into Alternatives to Clearfelling in Old-growth Forests was approved in May 2006 and has been implemented. The Plan includes research, over a five-year period, on variable retention silviculture, biodiversity implications, evaluation of risks to forest workers, effects on future yields, fire management aspects, economics and social acceptability. Variable retention is now a proven technique for harvesting in tall wet eucalypt forests as an alternative to clearfelling.</p> <p>Contribution to Benchmark</p> <p>In 2010/11 Forestry Tasmania harvested wood from 1,370 hectares of oldgrowth forest. This represents just 0.1 per cent of the 1.3 million hectares of old growth forest in Tasmania. Of this area, just 340 hectares (25%) was clearfelled, down from 580 hectares (44%) the previous year and the smallest area since records commenced. The area of oldgrowth forest clearfelled each year has reduced by more than 80 per cent since the program began in 2004/05 when 1190 hectares of old growth was clearfelled.</p>	DIER

LEGISLATION ADMINISTERED BY THE DEPARTMENT

Minister for Infrastructure

Abt Railway Development 1999
Aerodrome Fees Act 2002
Air Navigation Act 1937
Civil Aviation (Carriers' Liability) Act 1963
Common Carriers Act 1874
Commonwealth Powers (Air Transport) Act 1952
Damage by Aircraft Act 1963
Emu Bay Railway (Operation and Acquisition) Act 2009
Heavy Vehicle Road Transport Act 2009
Highways Act 1951
Marine and Safety Authority Act 1997
Motor Vehicles Securities Act 1984
Port Companies Act 1997
Rail Company Act 2009
Rail Infrastructure Act 2007
Rail Safety Act 2009
Repeal of Regulations Postponement Act 2011
Roads and Jetties Act 1935
Tasmanian Ports Corporation Act 2005
Traffic Act 1925
Transport Act 1981
TT-Line Arrangements Act 1993
Vehicle and Traffic Act 1999
Vehicle and Traffic (Transitional and Consequential) Act 1999

Motor Accidents Insurance Board

Motor Accidents (Liabilities and Compensation) Act 1973

Minister for Energy and Resources

Beauty Point Landslip Act 1970
Electricity – National Scheme (Tasmania) Act 1999
Electricity Supply Industry Act 1995
except Part 2 and Divisions 3, 4, 5, 6, 8A and 10 of Part 3 and in so far as it relates to contestable customers, price regulation and contracts and the making of regulations under section 122, in so far as those regulations relate to Part 2 and Divisions 3, 4, 5, 6, 8A and 10 of Part 3, contestable customers, price regulation or contracts (see Department of Treasury and Finance under the Treasurer) *Electricity Supply Industry Restructuring (Savings and Transitional Provisions) Act 1995*
Electricity Supply Industry Restructuring (Savings and Transitional Provisions) Act 1995
Electricity Wayleaves and Easements Act 2000

Energy Co-ordination and Planning Act 1995
Forestry (Fair Contract Codes) Act 2001
Gas Act 2000

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

Gas Pipelines Act 2000

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

Lawrence Vale Landslip Act 1961

Mineral Resources Development Act 1995

Mining (Strategic Prospectivity Zones) Act 1993

National Gas (Tasmania) Act 2008

National Energy Retail Law (Tasmania) Act 2012

Petroleum Products Emergency Act 1994

Petroleum (Submerged Lands) Act 1982

Private Forests Act 1994

Repeal of Regulations Postponement Act 2012

Rosetta Landslip Act 1992

Forestry Practices Authority

Forest Practices Act 1985

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

Forest Practices (Private Timber Reserves Validation) Act 1999

Forestry Corporation

Forestry Act 1920

Public Land (Administration and Forests) Act 1991

except Part 2 (see Department of Justice under the Minister for Planning)

Regional Forest Agreement (Land Classification) Act 1998

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

Timber Promotion Act 1970

Hydro-Electric Corporation

Hydro-Electric Corporation Act 1995

Parks and Heritage)

Timber Promotion Act 1970

Minister for Racing

Lyons Trusts Act 1993

Racing Regulation Act 2004

*Racing Regulation Amendment (Governance Reform)
(Transitional and Consequential Provisions) Act 2008*

*Racing Regulation (Transitional and Consequential
Provisions) Act 2004*

Racing (Tasracing Pty Ltd) Act 2009

*Racing (Tasracing Pty Ltd) (Transitional and
Consequential Provisions) Act 2009*

Minister for Sustainable Transport

Metro Tasmania Act 1997

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

Passenger Transport Act 1997

*Passenger Transport (Consequential and Transitional)
Act 1997*

Passenger Transport Services Act 2011

*Passenger Transport (Transitional Regulations Validation)
Act 2002*

Repeal of Regulations Postponement Act 2010

Repeal of Regulations Postponement Act (No 2) 2012

Taxi and Luxury Hire Car Industries Act 2008

Legislation enacted in 2011/12

*Electricity Supply Industry Restructuring (Savings and
Transitional Provisions) Amendment Act 2011*

*Passenger Transport Amendment (Accreditation Status
and Validation of Actions) Act 2011*

*Passenger Transport and Related Legislation
(Consequential Amendments) Act 2011*

Passenger Transport Services Act 2011

Taxi and Luxury Hire Car Industries Amendment Act 2011

National Energy Retail Law (Tasmania) Act 2012

*National Energy Retail Law (Tasmania) (Consequential
Amendments) Act 2012*

Repeal of Regulations Postponement Act 2012

Repeal of Regulations Postponement Act (No 2) 2012



DOCUMENTS PUBLISHED IN 2011/12

Transport

Tasmanian Road Rules Handbook (ongoing)
Novice Drivers' Training Kit – (ongoing) release May 2012
Tasmanian Motorcycle Riders' Handbook – (ongoing)
Older Driver Handbook – Release October 2011
Vehicle Information Technical Bulletins and Manuals (ongoing).
Industry Newsletters, including safety bulletins (ongoing)
Heavy Vehicle Handbook – Version 1
Tasmanian Road Safety Strategy Progress Report (ongoing)

Mineral Resources

BACON, C. A.; BOTTRILL, R. S. *Fossicking areas in Tasmania (7th edition)*. [19 April 2012]
BACON, C. A.; PEMBERTON, J. *Mineral Exploration Code of Practice (5th edition)*. [24 April 2012]
CALVER, C. R. Landslide mapping and magnetic remanence of Paleogene basalt, Tamar Valley. *Record Geological Survey Tasmania* 2011/03. [15 September 2011]
PARNELL, J.; DOWSON, G. Anchor mine tailings dam site investigation, June 2011. *Record Geological Survey Tasmania* 2011/02. [1 September 2011]

STATUTORY AND NON-STATUTORY BODIES

Statutory Bodies

Tasmanian Racing Appeal Board

Established under Section 25 of the <i>Racing Act 1983</i> and continues under Section 23 of the <i>Racing Regulation Act 2004</i> .	The Board comprises six members appointed by the Governor, and a secretary appointed by the Secretary of the Department.	Mr Tom Cox (Chairperson) Mr Simon Brown (Deputy Chairperson) Ms Kate Cuthbertson (Deputy Chairperson) Mr Graham Elliott Mr Bernard McKay Dr Suzanne Martin Mrs Glenda Attenborrow (Secretary)
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Integrity Assurance Board

Established under Section 21 of the <i>Racing Regulation Act 2004</i> .	The Board comprises five members appointed by the Governor, and a secretary appointed by the Secretary of the Department.	Mrs Kate Brown (Chairperson) Ms Leigh Mackey (Deputy Chairperson) Ms Madeleine Ogilvie Ms Eva Plachta Mr Rodney Lester Mrs Glenda Attenborrow (Secretary)
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Non-Statutory Bodies

Australian Bicycle Council

Australian Freight Task Force

Australian Motor Vehicle Certification Board

Australian Motor Vehicle Certification Working Group

Australian Road Rules Maintenance Group

Australian Vehicle Standards Rules Maintenance Group

Austroads IAP Technical Feasibility and Standards Sub-Project Team

Austroads National Exchange of Vehicle and Driver Information System (NEVDIS)

Austroads Registration and Licensing Taskforce

Australian Registration and Licensing Working Group (Registration and Licensing Policy Sub Group)

Austroads Self Service Channel Group

Heavy Vehicle Training and Assessment Working Group

Heavy Truck Safety Advisory Council (HeTSAC)

Non-Statutory Bodies (continued)

National Bus Regulators Group
National Heavy Vehicle Accreditation Scheme Owners Group
National Motor Vehicle Theft Reduction Council
National Road Safety Strategy Panel
National Transport Commission (NTC)
Performance Based Standards Review Panel
Rail Safety Regulators Panel
Rail Safety Co-Regulation Group
Road Safety Advisory Council
SCOT Safety Standing Sub-Committee
Strategic Vehicle Safety Environment Group
Technical Liaison Group
Transport Operator Accreditation Board
Transport Certification of Australia Board (TCA)

Mineral Resources

ABS Mining Statistics User Advisory Group
Australian Society of Exploration Geophysicists Data Standards Committee
Chief Government Geologists Committee
CODES Centre of Excellence in Ore Deposits Advisory Board
CODES Centre of Excellence in Ore Deposits Science Planning Committee
Government Geoscience Information Committee and associated working groups
Mineral Exploration Working Group
National Virtual Core Library Project Committee
Natural Hazards Reference Group
Rehabilitation of Mining Lands Trust Fund Committee
Savage River Rehabilitation Program Committee
Standing Committee on Resources and Energy
Tasmanian Geoconservation Database Reference Group
Tasmanian Government Spatial Committee
Tasmanian Statistical Advisory Committee

FINANCIAL STATEMENTS

For the year ended 30 June 2012

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Department of Infrastructure, Energy and Resources
Statement of Comprehensive Income for the year ended
30 June 2012

	Notes	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Continuing operations				
Revenue and other income from transactions				
Revenue from Government				
Appropriation revenue - recurrent	2.9(a), 8.1	163,433	148,730	143,712
Appropriation revenue - works and services	2.9(a), 8.1	140,180	143,113	215,435
Other revenue from Government	2.9(a), 8.1	52	...	...
Revenue from Special Capital Investment Funds				
Grants	2.9(b), 8.2	...	2,389	11,214
Sales of goods and services	2.9(b), 8.3	1,069	1,475	1,708
Fees and fines	2.9(d), 8.4	654	1,508	1,533
Interest	2.9(e), 8.5	11,294	11,961	10,195
Other revenue	2.9(f)	...	28	679
	2.9(i), 8.6	1,046	512	5,064
Total revenue and other income from transactions		317,728	309,716	389,540
Expenses from transactions				
Employee benefits	2.10(a), 9.1	39,790	42,957	41,567
Depreciation and amortisation	2.10(b), 9.2	99,969	77,424	88,266
Supplies and consumables	2.10(f), 9.3	51,739	67,820	69,988
Grants and subsidies	2.10(c), 9.4	71,677	69,605	65,179
Other expenses	2.10(f), 9.5	2,653	3,575	2,582
Total expenses from transactions		265,828	261,381	267,582
Net result from transactions (net operating balance)		51,900	48,335	121,958
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	2.11(a)(d), 10.1	4	(45,503)	(149,702)
Net gain/(loss) on financial instruments and statutory receivables/payables	2.11(b), 10.2	...	74	(108)
Total other economic flows included in net result		51,904	(45,429)	(149,810)
Net result from continuing operations		51,904	2,906	(27,852)
Net result		51,904	2,906	(27,852)
Other economic flows – other non-owner changes in equity				
Changes in physical asset revaluation reserve	14.1	132,674	259,358	(999,189)
Total other economic flows – Other non-owner changes in equity		132,674	259,358	(999,189)
Comprehensive result		184,578	262,264	(1,027,041)

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 5 of the accompanying notes.

Department of Infrastructure, Energy and Resources Statement of Financial Position as at 30 June 2012

	Notes	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and deposits	2.12(a), 11.1	6,589	13,937	17,190
Receivables	2.12(b), 11.2	8,684	3,372	6,742
Other financial assets	2.12(c), 11.3	105	307	37
<i>Non-financial assets</i>				
Plant and equipment	2.12(f), 11.4	22,452	27,995	23,806
Land and buildings	2.12(f), 11.4	72,661	85,253	74,921
Infrastructure	2.12(f), 11.5	5,119,209	3,870,808	3,658,328
Intangibles	2.12(h), 11.6	10,948	11,110	13,062
Other Assets	11.7	1,713	881	1,169
Total assets		5,242,361	4,013,663	3,795,255
Liabilities				
Payables	2.13(a), 12.1	16,216	4,095	8,114
Employee benefits	2.13(d), 12.2	11,286	10,991	11,129
Other liabilities	2.13(f), 12.3	2,219	1,993	5,947
Total liabilities		29,721	17,079	25,190
Net assets		5,212,640	3,996,584	3,770,065
Equity				
Contributed capital		...	...	(120,514)
Reserves	14.1, 14.2	2,343,623	1,339,732	1,080,374
Accumulated funds		2,869,017	2,656,852	2,810,205
Total equity		5,212,640	3,996,584	3,770,065

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 5 of the accompanying notes.

Department of Infrastructure, Energy and Resources Statement of Cash Flows for the year ended 30 June 2012

Notes	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Cash inflows			
Appropriation receipts - recurrent	118,937	112,473	105,005
Appropriation receipts - works and services	57,474	57,387	74,282
Appropriations receipts - other	52	...	...
Receipts from Special Capital Investment Funds	...	3,338	1,653
Grants	1,069	1,798	1,693
Sales of goods and services	654	1,243	1,572
Fees and fines	11,294	11,956	10,195
GST receipts	10,398	23,350	35,592
Interest received	...	36	795
Other cash receipts	1,046	891	4,466
Total cash inflows	200,924	212,472	235,253
Cash outflows			
Employee benefits	(39,549)	(45,264)	(41,309)
Grants and subsidies	(71,677)	(70,008)	(64,804)
Supplies and consumables	(51,739)	(64,891)	(71,409)
GST payments	(10,399)	(22,186)	(33,216)
Other cash payments	(2,653)	(3,697)	(2,510)
Total cash outflows	(176,017)	(206,046)	(213,248)
Net cash from (used by) operating activities	24,907	6,426	22,005
	15.2		
Cash flows from investing activities			
Cash inflows			
Proceeds from the disposal of non-financial assets	4	3	...
Receipts from non-operational capital funding - recurrent	44,496	36,189	38,649
Receipts from non-operational capital funding - works and services	82,706	81,944	144,923
Receipts from non-operational capital funding - Special Capital Investment Funds	...	...	8,815
Total cash inflows	127,206	118,136	192,387
Cash outflows			
Payments for acquisition of non-financial assets	(112,236)	(91,852)	(195,129)
Equity transfers to other Government entities	(44,496)	(35,745)	(38,649)
Total cash outflows	(156,732)	(127,597)	(233,778)
Net cash from (used by) investing activities	(29,526)	(9,461)	(41,391)
Cash flows from financing activities			
Cash inflows			
Trust receipts	...	663	833
Total cash inflows	...	663	833

Department of Infrastructure, Energy and Resources
Statement of Cash Flows for the year ended 30 June 2012
(continued)

	Notes	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Cash outflows				
Trust payments		...	(881)	(1,884)
Total cash outflows		...	(881)	(1,884)
Net cash from (used by) financing activities		...	(218)	(1,051)
Net increase (decrease) in cash and cash equivalents held		(4,619)	(3,253)	(20,437)
Cash and deposits at the beginning of the reporting period		11,208	17,190	37,627
Cash and deposits at the end of the reporting period	15.1	6,589	13,937	17,190

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 5 of the accompanying notes.

Department of Infrastructure, Energy and Resources
Statement of Changes in Equity for the year ended
30 June 2012

	Contributed Equity	Reserves	Accumulated surplus / deficit	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2011	(120,514)	1,080,374	2,810,205	3,770,065
Total comprehensive result	...	259,358	2,906	262,264
Transactions with owners in their capacity as owners:				
Equity contributions to Tasmanian Railway Pty Ltd	(34,745)	...	...	(34,745)
Equity contribution to Tasmanian Ports Corporation	(1,000)	...	...	(1,000)
Transfer between equity classifications	156,259	...	(156,259)	...
Total	120,514	259,358	(153,353)	226,519
Balance as at 30 June 2012	...	1,339,732	2,656,852	3,996,584

	Contributed Equity	Reserves	Accumulated surplus / deficit	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2010	(81,865)	2,079,563	2,838,057	4,835,755
Total comprehensive result	...	(999,189)	(27,852)	(1,027,041)
Transactions with owners in their capacity as owners:				
Equity contributions to Tasmanian Railway Pty Ltd	(38,064)	...	...	(38,064)
Equity contribution to Tasmanian Ports Corporation	(585)	...	...	(585)
Total	(38,649)	(999,189)	(27,852)	(1,065,690)
Balance as at 30 June 2011	(120,514)	1,080,374	2,810,205	3,770,065

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 2012

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Note 1 Administered Financial Statements

1.1 Schedule of Administered Income and Expenses

	Notes	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Administered revenue and other income from transactions				
Revenue from Government				
Appropriation revenue - recurrent	2.9(a), 18.2	77,878	75,140	79,230
Grants	2.9(b), 18.3	417	452	363
State taxation	2.9(c), 18.4	33,970	33,954	33,002
Sales of goods and services	2.9(d), 18.5	53,121	54,762	52,385
Fees and fines	2.9(e), 18.6	11,047	9,905	9,212
Interest	2.9(f)	...	87	111
Other revenue	2.9(i)	33	28	21
Total administered revenue and other income from transactions		176,466	174,328	174,324
Administered expenses from transactions				
Employee benefits	2.10(a), 18.7	982	2,179	1,923
Depreciation and amortisation	2.10(b), 18.8	1	21	27
Supplies and consumables	2.10(f), 18.9	639	1,422	2,148
Grants and subsidies	2.10(c), 18.10	77,743	73,683	78,004
Transfers to the Consolidated Fund		97,143	97,602	91,143
Other expenses	2.10(f), 18.11	79	141	148
Total administered expenses from transactions		176,587	175,048	173,393
Administered net result from transactions attributable to the State		(121)	(720)	931
Administered other economic flows in administered net result				
Net gain/(loss) on sale of non-financial assets		1	...	...
Net gain/(loss) on financial instruments and statutory receivables/payables	18.12	...	1	(2)
Total administered other economic flows included in net result		1	1	(2)
Administered net result		(120)	(719)	929
Administered comprehensive result		(120)	(719)	929

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 18.1 of the accompanying notes.

1.2 Schedule of Administered Assets and Liabilities

	Notes	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Administered assets				
<i>Administered financial assets</i>				
Cash and deposits	2.12(a), 18.21	1,248	4,350	4,163
Receivables	2.12(b), 18.13	264	153	181
Other financial assets	2.12(c), 18.14	420	25	46
<i>Administered non-financial assets</i>				
Property, plant and equipment	2.12(f), 18.15	48	15	27
Intangibles	2.12(h), 18.16	...	13	21
Other assets		...	...	5
Total administered assets		1,980	4,556	4,443
Administered liabilities				
Payables	2.13(a), 18.17	70	202	40
Employee benefits	2.13(d), 18.18	450	528	446
Other liabilities	2.13(f), 18.19	...	1,916	1,328
Total administered liabilities		520	2,646	1,814
Administered net assets		1,460	1,910	2,629
Administered equity				
Accumulated funds		1,460	1,910	2,629
Total administered equity		1,460	1,910	2,629

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 18.1 of the accompanying notes.

1.3 Schedule of Administered Cash Flows

Notes	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Administered cash flows from operating activities			
Administered cash inflows			
Appropriation receipts - recurrent	77,878	75,140	79,230
Taxation	33,970	33,954	33,003
Grants	417	450	375
Sales of goods and services	53,121	54,705	52,391
Fees and fines	11,047	9,913	9,259
Other cash receipts	33	155	92
Total administered cash inflows	176,466	174,317	174,350
Administered cash outflows			
Employee benefits	(967)	(2,098)	(1,897)
Grants and subsidies	(77,743)	(73,527)	(77,907)
Transfers to the Consolidated Fund	(97,143)	(97,602)	(91,143)
Other cash payments	(718)	(1,453)	(2,239)
Total administered cash outflows	(176,571)	(174,680)	(173,186)
Administered net cash from (used by) operating activities	(105)	(363)	1,164
18.22			
Administered cash flows from investing activities			
Administered cash inflows			
Proceeds from the disposal of non-financial assets	1	...	...
Total administered cash inflows	1	...	...
Administered cash outflows			
Payments for acquisition of non-financial assets	(1)	...	(28)
Total administered cash outflows	(1)	...	(28)
Administered net cash from (used by) investing activities	...	...	(28)
Cash flows from financing activities			
Cash inflows			
Trust receipts	...	550	...
Total cash inflows	...	550	...
Cash outflows			
Trust payments	...	...	...
Total cash outflows	...	...	...
Net cash from (used by) financing activities	...	550	...
Net increase (decrease) in administered cash held	(105)	187	1,136
Administered cash and deposits at the beginning of the reporting period	1,353	4,163	3,027
Administered cash and deposits at the end of the reporting period	1,248	4,350	4,163
18.21			

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 18.1 of the accompanying notes.

1.4 Schedule of Administered Changes in Equity

	Accumulated surplus / deficit \$'000	Total Equity \$'000
Balance as at 1 July 2011	2,629	2,629
Total comprehensive result	(719)	(719)
Balance as at 30 June 2012	1,910	1,910

	Accumulated surplus / deficit \$'000	Total Equity \$'000
Balance as at 1 July 2010	1,700	1,700
Total comprehensive result	929	929
Balance as at 30 June 2011	2,629	2,629

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

Note 2 Significant Accounting Policies

2.1 Objectives and Funding

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

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

- enhance infrastructure decision-making across Government;
- facilitate a safe, sustainable and efficient transport system that enhances economic and social development, in the context of the challenges of climate change;
- promote reliable, efficient, safe and sustainable energy systems;
- facilitate forest policy for Tasmania's sustainable forestry practices and forest industries;
- facilitate mineral exploration and land management of Tasmanian land and offshore waters; and
- maintain probity and integrity in the racing industry.

The Department reports to the Minister for Infrastructure, Minister for Energy and Resources, the Minister for Racing, and the Minister for Sustainable Transport.

The Department also provides support to Ministers in relation to the Government's relationships with many Government Business Enterprises, State-owned Companies, and statutory authorities.

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

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

The Department is a Tasmanian Government not-for-profit entity that is predominantly funded by parliamentary appropriations. Other funding sources include direct Commonwealth grants, industry grants and miscellaneous recoveries from various sources. The Forest Practices Authority is funded by industry contributions and parliamentary appropriations. The financial statements encompass all funds through which the Department controls resources to carry on its functions.

2.2 Basis of Accounting

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

- Australian Accounting Standards issued by the Australian Accounting Standards Board and Interpretations; and
- The Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990*.

The Financial Statements were signed by the Secretary on 15 August 2012.

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

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year except for those changes outlined in Note 2.5.

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

2.3 Reporting Entity

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

2.4 Functional and Presentation Currency

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

2.5 Changes in Accounting Policies

(a) Impact of new and revised Accounting Standards

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

- AASB 1054 Australian Additional Disclosures – This Standard in conjunction with AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.
- AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] – This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.
- AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASBs 1, 7, 101, & 134 and Interpretation 13] – This Standard amends a range of Australian Accounting Standards and Interpretation as a consequence of the annual improvements project. There is no financial impact.
- The amendments to AASB 7 clarify financial instrument disclosures in relation to credit risk. The carrying amount of financial assets that would otherwise be past due or impaired, whose terms have been renegotiated, is no longer required to be disclosed. There is no financial impact.
- The amendments to AASB 101 clarify the presentation of the Statements of Changes in Equity. The disaggregation of other comprehensive income reconciling the carrying amount at the beginning and the end of the period for each component of equity is no longer required. There is no financial impact.
- AASB 2010-5 Amendments to Australian Accounting Standards [AASBs 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] – This Standard makes editorial amendments to a range of Australian Accounting Standards. There is no financial impact.
- AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASBs 1 & 7] – This Standard introduces additional disclosure relating to transfers of financial assets in AASB 7. An entity shall disclose all transferred financial assets that are not derecognised and any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. There is no financial impact.
- AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASBs 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113] – this Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.
- AASB 2011-15 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASBs 127, 128 & 131] – this

Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity are not-for-profit non-reporting entities that comply with Australian Accounting Standards. There is no financial impact.

(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 9 Financial Instruments* – This Standard supersedes AASB 139 *Financial Instruments: recognition and Measurement*, introducing a number of changes to accounting treatments. The Standard was reissued in December 2010. The Department has not yet determined the potential financial impact of the standard.
- *AASB 10 Consolidated Financial Statements* – This Standard supersedes requirements under AASB 127 *Consolidated and Separate Financial Statements* and Interpretation 112 *Consolidation – Special Purpose Entities*, introducing a number of changes to accounting treatments. The standard was issue in August 2011. The Department has not yet determined the application or the potential impact of the Standard.
- *AASB 11 Joint arrangements* – this Standard supersedes AASB 131 *Interest in Joint Ventures*, introducing a number of changes to accounting treatments. The Standard was issued in August 2011. The Department has not yet determined the application or the potential impact of the Standard.
- *AASB 12 Disclosure of Interests in Other Entities* – This Standard supersedes disclosure requirements under AASB 127 *Consolidated and Separate Financial Statements* and AASB 131 *Interests in Joint Ventures*. The Standard was issue in August 2011. The Department has not yet determined the application or the potential impact of the Standard.
- *AASB 13 Fair Value Measurement* – This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.
- *AASB 119 Employee Benefits* – This Standard supersedes AASB 119 *Employee Benefits*, introducing a number of changes to accounting treatments. The Standard was issued in September 2011. The Department has not yet determined the application or the potential impact of the Standard.
- *AASB 127 Separate Financial Statements* – This standard supersedes requirements under AASB 127 *Consolidated and Separate Financial Statements*, introducing a number of changes to accounting treatments. The Standard was issue in August 2011. The Department has not yet determined the application or the potential impact of the Standard.
- *AASB 128 Investments in Associates and Joint Ventures* – This Standard supersedes AASB 128 *Investments in Associates* and introduces a number of changes to accounting treatments. The Standard was issue in August 2011. The Department has not yet determined the application or the potential impact of the Standard.
- *AASB 1053 Application of Tiers of Australian Accounting Standards* – This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. The Standard does not have any financial impact on the Department. However, it may affect disclosures if reduced disclosure requirements apply.
- *AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASBs 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129, & 1052]* – This Standard makes amendments to Australian accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.
- *AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASBs 1, 3, 4, 5, 7, 101, 102, 108,112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19, & 127]* – This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB in December 2010. It is not anticipated that there will be any financial impact.

- AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASBs 101 & 1054] – 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 a Tier 1 entity.
- AASB 2011-6 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASBs 127, 128 & 131] – This Standard extends relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. It is not expected to have a financial impact.
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASBs 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 and 17] – This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. It is not expected to have a financial impact.
- AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASBs 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] – This Standard replaces the existing definition of fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no expected financial impact.
- AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASBs 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] – This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). It is not expected to have a financial impact.
- AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASBs 1, 8, 101, 124, 134, 1049 & 2011-8 and Interpretations 14] – This Standard makes amendments to other Australian Accounting Standards and Interpretation as a result of issuing AASB 119 Employee Benefits in September 2011. It is not expected to have a financial impact.
- AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements – This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.

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. Administered expenses include employee expenses incurred in the conduct of Administered transactions.

2.7 Activities Undertaken Under a Trustee or Agency Relationship

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

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

Transactions and balances relating to a trustee or an agency arrangement are not recognised as departmental revenues, expenses, assets or liabilities in these Financial Statements. Details of these transactions are provided in Note 19.

2.8 Transactions by the Government as Owner – Restructuring of Administrative Arrangements

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

2.9 Income from transactions

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

(a) Revenue from Government

Appropriations, whether recurrent or capital, are recognised as revenues in the period in which the Department gains control of the appropriated funds. Except for any amounts identified as carried forward in Notes 8.1 and 18.2, control arises in the period of appropriation.

(b) Grants

Grants payable by the Australian Government, State Government (eg Special Capital Investment Funds) or industry are recognised as revenue when the Department gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant.

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

(c) State taxation

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

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

(d) Sales of goods and services

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

Revenue from Mineral Royalties is recognised on receipt based on self assessment by mining companies. The royalties are calculated and paid based on mined volumes each quarter and supported by spot audits by Mineral Resources Tasmania staff. Due to inherent difficulties of accounting for this revenue on an accrual basis, mineral royalties revenue is accounted for on a cash basis.

(e) Fees and fines

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

(f) Interest

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

(g) Contributions received

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

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the Department obtains control of the asset, it is probable that future economic benefits comprising the contribution will flow to the Department and the amount can be measured reliably. However, where the contribution received is from another government agency as a consequence of restructuring of administrative

arrangements, they are recognised as contributions by owners directly within equity and in these circumstances, book values from the transferor agency have been used.

(h) Investment Income

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

(i) Other revenue

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

2.10 Expenses from transactions

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

(a) Employee benefits

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

(b) Depreciation and amortisation

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

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

Asset	Estimated Useful Life (years)	Depreciation Rate (per annum)	Method
Road Infrastructure:			
Earthworks	Unlimited	Nil	NA
Pavement – category 1	40	2.50%	Straight Line
category 2	40	2.50%	Straight Line
category 3	50	2.00%	Straight Line
category 4	55	1.82%	Straight Line
category 5	60	1.67%	Straight Line
(Note: road categories are determined by freight carrying task, ie category 1 the highest freight task, category 5, the lowest)			
Surface, seal	15	6.67%	Straight Line
Bridge Infrastructure:			
Steel, Concrete	70	1.43%	Parabolic
Timber	25	4.00%	Parabolic
T-Beam	50	2.00%	Parabolic
Historic	250	0.40%	Parabolic
Major Structures	100	1.00%	Parabolic
Traffic Signal Installations: (Residual value 10% applies to all traffic signals assets)			
Cable	50	2.00%	Straight Line
Above and below ground	30	3.33%	Straight Line
Electronics	25	4.00%	Straight Line
Site Hardware	10	10.00%	Straight Line

Buildings	20	5.00%	Straight Line
Electrical and Office Equipment	5	20.00%	Straight Line
Technical Equipment	5	20.00%	Straight Line
Plant	10	10.00%	Straight Line
Computer Hardware	3	33.33%	Straight Line
Computer Software	3	33.33%	Straight Line
Marine Vessels and Equipment (Residual value	10.67	9.37%	Straight Line
Abt Railway Infrastructure:			
Tracks, bridges, structures, culverts and station buildings	40	2.50%	Straight Line
Railway carriages	30	3.33%	Straight Line
Locomotives	25	4.00%	Straight Line
Turntables, ramps, shelters	20	5.00%	Straight Line
Rail wagons	5	20.00%	Straight Line

Road Infrastructure

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

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

During 2011-12 the calculation methodology for road pavement and surface was refined whereby the depreciation is calculated for each individual section of pavement and surface according to its age, rather than using the average age for each category of road. This has resulted in a lower depreciation expense than prior years due to the significant proportion of pavement and surface that has passed its useful life and therefore ceased depreciation.

Bridge Infrastructure

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

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

Intangible Assets

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

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

Asset	Estimated Useful Life (years)	Depreciation Rate (per annum)	Method
Motor Registry System	10	10.00%	Straight Line
In-house computer software (egs RIMS, Contract Management System, Geomodeller)	3	33.33%	Straight Line

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

(c) Grants and subsidies

Grant and subsidies expenditure is recognised to the extent that:

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

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

(d) Borrowing costs

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

Borrowing costs include:

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

(e) Contributions provided

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

(f) Other expenses

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

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 and Schedule of Administered Income and Expenses.

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

(c) Impairment – Non-financial assets

All non-financial assets are assessed to determine whether any impairment exists. Impairment exists when the recoverable amount of an asset is less than its carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use. The Department's assets are not used for the purpose of generating

cash flows; therefore value in use is based on depreciated replacement cost where the asset would be replaced if deprived of it.

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

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) Write down of assets measured at fair value

A revaluation decrement is recognised as an expense in the Statement of Comprehensive Income except to the extent that the decrement reverses a revaluation increment previously credited to, and still included in the balance of, an Asset Revaluation Reserve in respect of the same class of asset. In this case, it is debited direct to that Revaluation Reserve.

Where an increment reverses a revaluation decrement previously recognised as an expense in the Income Statement, in respect of that same class of Non-current assets, the revaluation increment is recognised as revenue.

(e) Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows includes gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result, and from the revaluation of the present values of the long service leave liability due to changes in the bond interest rate.

2.12 Assets

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

(a) Cash and deposits

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

(b) Receivables

Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value. Impairment losses are recognised when there is an indication that there is a measurable decrease in the collectability of receivables.

(c) Other financial assets

Investments are initially recorded at fair value.

All investments are held to maturity and are measured at amortised cost using the effective interest method less any impairment losses subsequent to initial recognition.

(d) Assets held for sale

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

(e) Equity investments

Equity investments are initially recorded at cost based on the equity contributions made to State-owned Companies and Government Business Enterprises. Subsequent to initial recognition equity investments are measured at fair value through profit and loss.

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

The change in the value of the investment is recorded as income or as an expense in the Statement of Comprehensive Income.

(f) Property, plant, equipment and infrastructure

(i) Valuation basis

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

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

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

Road Infrastructure

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

land use;

traffic volumes; and

national highway as the Commonwealth Government demands a higher standard.

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

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

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

Earthworks, cut and fill – these have an unlimited useful life, hence commonly referred to as “residual value”, ie that remaining value of the asset after the useful life of the other components has expired. Represents 35% of the cost of building road infrastructure.

Pavement – the layer on which the road surface is placed. Typical useful life of road pavements is 40 to 60 years. Represents 58.5% of the cost of building road infrastructure.

Surface – the bitumen seal visible on the road surface, designed to protect the pavement from water and weathering. Typical useful life of road seal is 15 years. Represents 6.5% of the cost of building road infrastructure.

Full valuation occurs every 5 years, with the last valuation conducted in 2008. Values are indexed annually using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16).

Bridge Infrastructure

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

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

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

Land Under Roads and within Road Reserves

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

Traffic Signals

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

ABT Railway Infrastructure

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

Property Acquired for Roadworks

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

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

Valuer-General Sale Valuation

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

Valuer-General Rates Valuation

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

Department of Infrastructure, Energy and Resources Valuation

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

Rail Corridor Land

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

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

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Department

and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Asset recognition threshold

The asset capitalisation threshold adopted by the Department is \$5,000. Assets valued at less than \$5,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

(iv) Revaluations

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

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

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

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

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

(g) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both.

Investment property is recorded at fair value with any changes in the fair value being recorded as income or expenses in the Statement of Comprehensive Income.

Investment property is not depreciated.

Investment property is revalued with sufficient regularity to ensure it reflects fair value at balance date.

(h) Intangibles

An intangible asset is recognised where:

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

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

2.13 Liabilities

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

(a) Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Department becomes obliged to make future payments as a result of a purchase of assets or services.

(b) Interest bearing liabilities

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

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

(c) Provisions

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

(d) Employee benefits

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

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Expected future payments are discounted using interest rates attaching, as at the reporting date, to Commonwealth Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

A liability for on-costs (payroll tax and workers compensation premiums) is recognised and disclosed as part of Payables. On-costs are not classified as an employee benefit.

(e) Superannuation

The Department does not recognise a liability for the accruing superannuation benefits of Departmental employees. This liability is held centrally and is recognised within the Finance-General Division of the Department of Treasury and Finance.

During the reporting period, the Department paid 12.5 percent of salary in respect of contributory members of the Retirement Benefits Fund into the Superannuation Provision Account within the Special Deposits and Trust Fund. The Department paid the appropriate Superannuation Guarantee Charge into the nominated superannuation fund in respect of non-contributors. Under these arrangements the Department has no further superannuation liability for the past service of its employees.

(f) Other liabilities

Liabilities other than those identified above are recognised in accordance with the general criteria noted above.

2.14 Leases

The Department has entered into a number of operating lease agreements for property, plant and equipment, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease payments are charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

The Department is prohibited by Treasurer's Instruction 502 *Leases* from holding finance leases.

2.15 Judgements and Assumptions

In the application of Australian Accounting Standards, the Department is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the Department that have significant effects on the Financial Statements are disclosed in the relevant notes to the Financial Statements.

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

2.16 Foreign Currency

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

2.17 Comparative Figures

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards. Details of the impact of changes in accounting policy on comparative figures are at Note 2.5.

Where amounts have been reclassified within the Financial Statements, the comparative statements have been restated.

Restructures of Outputs within the Department (internal restructures) that do not affect the results shown on the face of the Financial Statements are reflected in the comparatives in the Output Schedule at Note 3.

2.18 Budget Information

Budget information refers to original estimates as disclosed in the 2011-12 Budget Papers and is not subject to audit.

2.19 Rounding

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. Where the result of expressing amounts to the nearest thousand dollars would result in an amount of zero, the financial statement will contain a note expressing the amount to the nearest whole dollar.

2.20 Departmental Taxation

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

2.21 Goods and Services Tax

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

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

Note 3 Departmental Output Schedules

3.1 Output Group Information

Comparative information has not been restated for external administrative restructures.

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

Output Group 1 – Infrastructure

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	84,500	64,159	68,703
Grants	1,069	957	1,558
Sales of goods and services	552	1,314	1,052
Fees and fines	5,075	6,956	5,769
Other revenue	75	80	13
Total revenue and other income from transactions	91,271	73,466	77,095
Expenses from transactions			
Employee Entitlements	24,194	20,257	16,861
Depreciation and Amortisation	3,369	3,223	3,285
Grants and subsidies	5,650	1,188	1,449
Supplies and Consumables:			
Consultants	2,848	824	574
Property Services	1,265	344	274
Maintenance	4,840	3,261	...
Communications	699	753	1,142
Information Technology	2,142	2,276	2,299
Travel and Transport	623	423	345
Operating Lease costs	...	1,652	1,506
Advertising and Promotion	621	899	779
Other Supplies and Consumables	1,008	6,621	6,423
Other expenses	1,804	1,390	1,218
Total expenses from transactions	49,063	43,111	36,155
Net result from transactions (net operating balance)	42,208	30,355	40,940
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	4	(360)	(590)
Net gain/(loss) on financial instruments and statutory receivables/payables	...	(4)	(101)
Total other economic flows included in net result	4	(364)	(691)
Net result from continuing operations	42,212	29,991	40,249
Net result	42,212	29,991	40,249
Other economic flows – other non-owner changes in equity			
Changes in physical asset revaluation reserve	...	17,840	2,341
Total other economic flows – other non-owner changes in equity	...	17,840	2,341
Comprehensive result	42,212	47,831	42,590

Output Group 1 – Infrastructure (continued)

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Expense by output			
1.1 Infrastructure Strategy	5,456	4,577	4,737
1.2 Rail Safety	549	378	488
1.3 Road Safety	8,970	8,645	6,502
1.4 Registration and Licensing	13,725	15,338	9,586
1.5 Vehicle Operations	4,640	4,175	4,153
1.6 Traffic Management and Engineering Services	7,391	5,402	7,397
1.7 Passenger Transport	3,682	2,864	2,879
1.8 Passenger Transport Innovation	4,650	2,096	1,104
Total	49,063	43,475	36,846
Net Assets			
Total assets deployed for Output Group 1		155,369	138,471
Total liabilities incurred for Output Group 1		5,901	6,686
Net assets deployed for Output Group 1		149,468	131,785

In addition to the expenses and other economic flows disclosed above, contribution of equity to Tasmanian Railway Pty Ltd \$34.745 million was also made out of revenue from appropriation to Output Group 1.

Output Group 2 – Energy Advisory and Regulatory Services

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	1,578	1,543	1,575
Grants	...	509	371
Fees and fines	475	...	...
Other revenue	1	1	(14)
Total revenue and other income from transactions	2,054	2,053	1,932
Expenses from transactions			
Employee Entitlements	1,256	896	1,054
Depreciation and Amortisation	...	2	2
Grants and subsidies	533	322	391
Supplies and Consumables:			
Consultants	101	38	(5)
Property Services	22	6	4
Communications	15	11	14
Information Technology	14	10	8
Travel and Transport	22	13	21
Operating Lease costs	...	50	43
Advertising and Promotion	29	...	...
Other Supplies and Consumables	9	591	572
Other expenses	55	66	48
Total expenses from transactions	2,056	2,005	2,152
Net result from transactions (net operating balance)	(2)	48	(220)
Comprehensive result	(2)	48	(220)
Expense by output			
2.1 Energy Policy and Advice	2,056	2,005	2,152
Total	2,056	2,005	2,152
Net Assets			
Total assets deployed for Output Group 2		140	113
Total liabilities incurred for Output Group 2		237	272
Net assets deployed for Output Group 2		(97)	(159)

Output Group 3 – Mineral Resources Management and Administration

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	6,478	6,463	6,919
Grants	...	...	310
Other revenue	776	634	1,559
Total revenue and other income from transactions	7,254	7,097	8,788
Expenses from transactions			
Employee Entitlements	4,339	4,312	4,410
Depreciation and Amortisation	352	415	273
Grants and subsidies	260	198	67
Supplies and Consumables:			
Consultants	83	37	87
Property Services	675	185	144
Communications	62	43	48
Information Technology	383	402	331
Travel and Transport	69	137	166
Operating Lease costs	...	607	632
Advertising and Promotion	115	32	37
Other Supplies and Consumables	383	491	764
Other expenses	238	745	277
Total expenses from transactions	6,959	7,604	7,236
Net result from transactions (net operating balance)	295	(507)	1,552
Other economic flows included in net result			
Net gain/(loss) on financial instruments and statutory receivables/payables	...	(10)	...
Total other economic flows included in net result	...	(10)	...
Net result from continuing operations	295	(517)	1,552
Comprehensive result	295	(517)	1,552
Expense by output			
3.1 Minerals Exploration and Land Management	3,661	6,992	4,435
3.2 Tenement Management of the Exploration and Minerals Industry	3,298	622	2,801
Total	6,959	7,614	7,236
Net Assets			
Total assets deployed for Output Group 3		8,055	10,799
Total liabilities incurred for Output Group 3		1,278	1,347
Net assets deployed for Output Group 3		6,777	9,452

Output Group 4 – Support for the Minister

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	3,778	2,620	8,294
Sales of goods and services	...	...	...
Other revenue	...	...	35
Total revenue and other income from transactions	3,778	2,620	8,329
Expenses from transactions			
Employee Entitlements	659	1,036	1,427
Depreciation and Amortisation	...	1	1
Grants and subsidies	1,250	538	6,101
Supplies and Consumables:			
Consultants	2	30	25
Property Services	2	4	3
Communications	6	8	14
Information Technology	5	10	2
Travel and Transport	37	25	27
Operating Lease costs	...	54	50
Advertising and Promotion	1,750	1	7
Other Supplies and Consumables	51	1,010	569
Other expenses	21	72	70
Total expenses from transactions	3,783	2,789	8,296
Net result from transactions (net operating balance)	(5)	(169)	33
Comprehensive result	(5)	(169)	33
Expense by output			
4.1 Support for the Minister	3,783	2,789	8,296
Total	3,783	2,789	8,296
Net Assets			
Total assets deployed for Output Group 4		58	...
Total liabilities incurred for Output Group 4		317	358
Net assets deployed for Output Group 4		(259)	(358)

Output Group 5 – Racing Policy and Regulation

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	3,248	2,846	3,165
Sales of goods and services	2	1	1
Fees and fines	340	319	276
Other revenue	194	3	1
Total revenue and other income from transactions	3,784	3,169	3,443
Expenses from transactions			
Employee Entitlements	2,223	2,295	2,213
Depreciation and Amortisation	8	26	27
Grants and subsidies	273	1	3
Supplies and Consumables:			
Consultants	...	7	4
Property Services	190	15	11
Communications	56	48	51
Information Technology	70	277	157
Travel and Transport	169	128	121
Operating Lease costs	...	335	324
Advertising and Promotion	...	...	...
Other Supplies and Consumables	663	403	478
Other expenses	154	160	137
Total expenses from transactions	3,806	3,695	3,526
Net result from transactions (net operating balance)	(22)	(526)	(83)
Comprehensive result	(22)	(526)	(83)
Expense by output			
5.1 Racing Regulation	3,691	3,695	3,526
5.2 Racing Policy	115	...	...
Total	3,806	3,695	3,526
Net Assets			
Total assets deployed for Output Group 5		237	379
Total liabilities incurred for Output Group 5		544	537
Net assets deployed for Output Group 5		(307)	(158)

Output Group 6 – Transport Subsidies and Concessions

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	63,851	65,243	52,137
Reserved by Law	52	...	...
Other revenue	...	1	...
Total revenue and other income from transactions	63,903	65,244	52,137
Expenses from transactions			
Depreciation and Amortisation		358	358
Grants and subsidies	63,575	64,242	50,196
Supplies and Consumables:			
Other Supplies and Consumables	328	895	2,026
Total expenses from transactions	63,903	65,495	52,580
Net result from transactions (net operating balance)	...	(251)	(443)
Other economic flows – other non-owner changes in equity			
Changes in physical asset revaluation reserve	...	2	...
Total other economic flows – other non-owner changes in equity	...	2	...
Comprehensive result	...	(249)	(443)
Expense by output			
6.1 Bruny Island Ferry Service	640	998	998
6.2 Furneaux Shipping Contract	279	255	246
6.3 King Island Shipping	49	...	10
6.4 Metropolitan General Access Services	36,574	35,713	33,124
6.5 Rural and Special Needs School Buses	18,491	17,586	16,890
6.6 Non-Metropolitan General Access Services	7,818	10,943	1,312
6.7 Construction of Streets in Towns	52	...	...
Total	63,903	65,495	52,580
Net Assets			
Total assets deployed for Output Group 6		1,139	1,496
Total liabilities incurred for Output Group 6		44	166
Net assets deployed for Output Group 6		1,095	1,330

Output Group – Capital Investment Program

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	140,180	148,969	215,878
Grants	182	...	...
Sales of goods and services	100	175	480
Interest income	...	22	678
Fees and fines	5,404	4,688	4,148
Other revenue	...	(184)	3,471
Total revenue and other income from transactions	145,866	153,670	224,655
Expenses from transactions			
Employee Entitlements	7,119	10,046	12,382
Depreciation and Amortisation	96,240	72,834	83,739
Grants and subsidies	...	808	4,717
Supplies and Consumables:			
Consultants	...	(144)	6,914
Maintenance	32,516	48,386	...
Property Services	...	(442)	1,350
Communications	(1)	301	311
Information Technology	...	77	81
Travel and Transport	...	495	523
Operating Lease costs	...	1,122	1,061
Advertising and Promotion	...	15	30
Other Supplies and Consumables	14,729	190	43,467
Other expenses	381	831	595
Total expenses from transactions	150,984	134,519	155,170
Net result from transactions (net operating balance)	(5,118)	19,151	69,485
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	...	(45,108)	(149,000)
Net gain/(loss) on financial instruments and statutory receivables/payables	...	1	(7)
Total other economic flows included in net result	...	(45,107)	(149,007)
Net result	(5,118)	(25,956)	(79,522)
Other economic flows – other non-owner changes in equity			
Changes in physical asset revaluation reserve	132,674	241,515	(999,309)
Total other economic flows – other non-owner changes in equity	132,674	241,515	(999,309)
Comprehensive result	127,556	215,559	(1,078,831)

Output Group – Capital Investment Program (continued)

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Expense by output			
Arthur Hwy	1,470	367	78
Rokey Main Road	40	(85)	524
West Tamar Highway Bradys Lookout	420	337	293
West Tamar Highway Cormiston Road	300	142	...
West Tamar Highway Eccleston Road signals	...	...	180
Huon Highway upgrade	3,200	117	156
Ferry Road Kettering	1,450	550	192
Highland Lakes Road sealing	1,900	669	117
Westbury Industrial Estate	...	...	500
Murchison Highway upgrade	820	563	561
Richmond Link Road	660	344	94
Brooker Highway	2,704	(252)	...
Esk Main Road	750	221	27
Tasman Highway Scottsdale to Launceston	760	338	42
North East Freight Roads	7,930	2,233	...
Port Sorell Main Road	1,000	...	...
Ridgley Main Road	1,600	864	...
Illawarra Main Road	1,380	864	...
Strahan Esplanade	...	600	600
Formby Road	...	...	2,000
Brighton Bypass	19,000	32,694	190
Bagdad Bypass	...	351	3,416
Bridgewater Bridge Refurbishment	...	367	1,634
Kingston Bypass	580	9,285	...
Brighton Transport Hub	5,574	5,844	111
Bell Bay Intermodal Terminal	6,920	...	...
Bell Bay Main Road	195	...	...
Bass Highway/Mersey Main Road Junction	560	1,038	...
Bass Highway/Stanley Highway Junction	160	...	...
Mudwalls Road	2,350	1,293	...
Tarkine Forest Drive	1,500	1,680	...
South Arm Road	...	410	...
Macquarie Street Traffic Flow	...	47	...
Bruny Island Road Sealing	...	308	...
Tasman Highway/Coles Bay Road Junction	300	164	...
East Tamar Hwy and Southern Approaches	...	70	...
Infrastructure Development	6,793	45,677	148,153
Infrastructure Maintenance	58,946	51,724	41,039
Road Safety	10,907	6,673	2,408
Environmental	500	309	179
NBESP High Risk Rail Crossings	...	90	...
NBESP Heavy Vehicle Program	200	1,151	1,520
Program Management	2,406	4,482	1,586
Asset Management	5,125	5,468	6,743
Strategic Policy	2,584	2,630	2,568
Rail Administration	...	...	165
Jetties	...	...	600
Total	150,984	179,627	215,676
Net Assets			
Total assets deployed for Output – Capital Investment Program		3,847,829	3,636,775
Total liabilities incurred for Output – Capital Investment Program		6,325	13,612
Net assets deployed for Output – Capital Investment Program		3,841,504	3,623,163

Output Group – Special Capital Investment Fund (SCIF) Allocations

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from Special Capital Investment Funds	...	2,389	2,465
Total revenue and other income from transactions	...	2,389	2,465
Expenses from transactions			
Grants and subsidies	...	2,027	1,873
Supplies and Consumables:			
Maintenance	...	16	...
Property Services	...	140	27
Other Supplies and Consumables	...	15	779
Total expenses from transactions	...	2,198	2,679
Net result from transactions (net operating balance)	...	191	8,336
Comprehensive result	...	191	8,336
Expense by output			
Urban Renewal and Heritage Fund	...	182	2,059
Major Capital Projects Fund	...	2,001	575
Road and Bridge Maintenance	...	15	45
Total	...	2,198	2,679
Net Assets			
Total assets deployed for Output – Special Capital Investment Fund		39	8,341
Total liabilities incurred for Output – Special Capital Investment Fund		...	270
Net assets deployed for Output – Special Capital Investment Fund		39	8,071

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

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Total comprehensive result of Output Groups	184,578	262,168	(1,027,066)
Reconciliation to comprehensive result			
Revenues unallocated to Output Groups (accruals)	...	184	237
Expenses unallocated to Output Groups (accruals)	...	(88)	(212)
Comprehensive result	184,578	262,264	(1,027,041)

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

	2012 Actual \$'000	2011 Actual \$'000
Total net assets deployed for Output Groups	3,998,141	3,773,126
Reconciliation to net assets		
Assets unallocated to Output Groups	874	(1,119)
Liabilities unallocated to Output Groups	(2,431)	(1,942)
Net assets	3,996,584	3,770,065

3.4 Administered Output Schedule

Comparative information has not been restated for external administrative restructures.

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

Output Group – Grants and Subsidies

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Administered revenue and other income from transactions			
Revenue from appropriation	77,878	75,140	79,230
Grants	155	451	364
Sales of goods and services	1,249	535	896
Fees and fines	16	17	36
Other revenue	26	104	107
Total administered revenue and other income from transactions	79,324	76,247	80,633
Administered expenses from transactions			
Employee Entitlements	982	1,922	1,881
Depreciation and Amortisation	1	14	20
Grants and subsidies	77,743	73,948	76,546
Supplies and Consumables:			
Consultants	6	76	157
Property Services	81	34	38
Communications	30	17	24
Information Technology	45	67	49
Travel and Transport	167	56	67
Operating Lease costs	...	233	226
Advertising and Promotion	...	116	1
Other Supplies and Consumables	310	127	356
Other expenses	79	123	146
Total administered expenses from transactions	79,444	76,733	79,511
Administered net result from transactions (net operating balance)	(120)	(486)	1,122
Total administered comprehensive result	(120)	(486)	1,122
Administered expense by output			
91.595 Student-Only Passenger Services	20,564	15,909	23,234
91.598 National Road Transport Commission: Local Government Contribution	1,500	1,500	1,500
91.621 Payments on behalf of Forest Practices Authority	2,916	3,768	4,290
91.624 Conveyance Allowance	1,500	1,771	1,617
91.625 Pensioner Air Travel Subsidy	10	11	9
91.626 Transport Access Scheme	4,392	4,160	3,954
91.628 Pensioner, Aged and Unemployed Concessions	...	...	1,218
91.643 Contribution to Marine & Safety Authority	1,040	1,040	1,589
91.729 Tasmanian Racing Assistance	27,339	28,033	27,510
91.739 Private Forests Tasmania	1,408	1,408	...
91.786 Intergovernmental Forestry Agreement	...	358	...
91.882 Tasmanian Railway Pty Ltd	18,775	18,775	14,590
Total	79,444	76,733	79,511
Net Assets			
Total assets deployed for Output – Grants and Subsidies		(305)	1,344
Total liabilities incurred for Output – Grants and Subsidies		435	420
Net assets deployed for Output – Grants and Subsidies		(740)	924

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

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Total administered comprehensive result of Output Groups	(120)	(486)	1,122
Reconciliation to administered net surplus (deficit)			
Administered revenue collections	97,143	98,081	91,181
Transfers to the Consolidated Fund	(97,143)	(97,602)	(91,143)
Other administered transactions (ie unallocated to Output Groups)	...	(712)	(231)
Administered comprehensive result	(120)	(719)	929

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

	2012 Actual \$'000	2011 Actual \$'000
Total administered net assets deployed for Output Groups	(740)	924
Reconciliation to administered net assets		
Assets unallocated to Output Groups	4,860	3,100
Liabilities unallocated to Output Groups	(2,210)	(1,395)
Administered net assets	1,910	2,629

Note 4 Expenditure under Australian Government Funding Arrangements

	State Funds	Australian Govt Funds	State Funds	Australian Govt Funds
	2012 Actual \$'000	2012 Actual \$'000	2011 Actual \$'000	2011 Actual \$'000
National Partnership Payments				
<i>Via appropriation</i>				
Interstate Road Transport projects	...	403	...	368
Remote Renewable Power Generation program	...	...	136	350
Tasmanian Forest Contractors Financial Support program	...	...	...	5,578
National Transport Regulators – Transitional assistance	...	185	...	...
Commonwealth Own Purpose Expenditures				
<i>Via appropriation</i>				
Nation Building program- Road	57,194	42,913	54,158	101,555
Nation Building program - Rail	32,261	13,819	33,740	18,914
Nation Building program - Heavy Vehicle Safety	745	413	354	426
Nation Building Program - Off-Network Projects - Road	12,319	2,465	52	7,978
Nation Building program - Black Spot Proj	...	1,876	...	1,376
Nation Building program - Boom Gates Rail Crossing	...	90	...	2,223
Nation Building Program - Off-Network Projects - Rail	...	7,440	...	...
Total	102,519	69,604	88,440	138,768

Additional details of capital expenditures included in the above note are included within Note 15.3.

Note 5 Explanations of Material Variances between Budget and Actual Outcomes

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

5.1 Statement of Comprehensive Income

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue - recurrent	(a)	163,433	148,730	(14,703)	(9%)
Revenue from Special Capital Investment Funds	(b)	...	2,389	2,389	...
Sales of goods and services	(c)	654	1,508	854	131%
Other revenue	(d)	1,046	512	(534)	(51%)
Depreciation and amortisation	(e)	99,969	77,424	(22,545)	(23%)
Supplies and consumables	(f)	51,739	67,820	16,081	31%
Other expenses	(g)	2,653	3,575	922	35%
Net gain/(loss) on non-financial assets	(h)	4	(45,503)	(45,507)	...
Changes in physical asset revaluation reserve	(i)	132,674	259,358	126,684	95%

Notes to Statement of Comprehensive Income variances

(a) Original budget reduced to \$148.7M subsequent to its publication as part of the State's overall budget reduction strategy, including savings \$8.8M equity contribution and \$1.1M maintenance funding to Tasmanian Railway, \$3.2M in transport subsidies and concessions, and some reallocation of budgets to future years.

(b) Funding for Wynyard Wharf (\$1.2M), Tayatea Bridge (\$0.6M), Corinna Road (\$0.2M), and Kingston and Cygnet streetscape (\$0.4M) projects added subsequent to the original budget.

(c) General increases in taxi industry administration fees, roadworks recoveries and vehicle inspection station fees.

(d) General downturn in sundry Racing and Mineral Resources revenues.

(e) A more accurate method for calculating depreciation of Road infrastructure was introduced in 2011-12. Lower depreciation is largely due to a significant proportion of the Road asset having reached its expected useful life, whereby depreciation ceases.

(f) Budget overestimated the proportion of road contractor expenses that would be capitalised.

(g) General increases in other employment related costs such as payroll tax, training and development.

(h) Represents the write-off of the book value of replaced road assets in East Tamar Hwy and Kingston by-pass redevelopments (\$12.7M), the write-off of a further \$31.6M from the value of land under roads due to change in valuation methodology adopted in 2010-11, and the write down of various land holdings reallocated for roadworks.

(i) Reflects increments resulting from revaluations of Bridge assets (\$97.9M), Traffic Signals assets (\$4.1M), Abt Railway assets (\$4.1M) and Rail Corridor Land (\$9.6M), and a 6.3% rise in the annual Index for road construction costs which resulted in a \$143M increase in the indexed value of the Road asset.

5.2 Statement of Financial Position

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Cash and deposits	(a)	6,589	13,937	7,348	112%
Receivables	(b)	8,684	3,372	(5,312)	(61%)
Plant and equipment	(c)	22,452	27,995	5,543	25%
Land and buildings	(d)	72,661	85,253	12,592	17%
Infrastructure	(e)	5,119,209	3,870,808	(1,248,401)	(24%)
Other Assets	(f)	1,713	881	(832)	(49%)
Payables	(g)	16,216	4,095	(12,121)	(75%)
Reserves	(h)	2,343,623	1,339,732	(1,003,891)	(43%)

Notes to Statement of Financial Position variances

- (a) Higher than expected cash holdings of Road Safety Levy funds and Mining Bonds.
- (b) Lower than expected GST refund due from the June BAS due to lower than expected Road contractor payments during June 2012.
- (c) Predominantly the revaluation of Traffic signals assets (+\$4.1M) and \$2.1M capital expenditure on upgrading and new installations of traffic signals.
- (d) Predominantly revaluations of Rail Corridor Land (+\$9.6M) and acquisitions of land and buildings for current and future roadworks (+\$1.1M).
- (e) Reflects the Department's changes to valuation policy and methodologies for sealed roads and land under roads that took effect in 2010-11, after the original budget was made. The changes resulted in asset valuation write-downs totalling \$1Bn in 2010-11.
- (f) Lower than expected prepayment accruals due to changed arrangements with one large lease payment.
- (g) Completion of large road construction such as Brighton by-pass and Hub, East Tamar Highway and Kingston by-pass has resulted in significantly lower payments activity which is reflected in creditor accruals over the end of this financial year.
- (h) Reflects the Department's changes to valuation policy and methodologies for sealed roads and land under roads that took effect in 2010-11, after the original budget was made. The changes resulted in asset valuation write-downs totalling \$1 Bn in 2010-11 that flowed predominantly into asset revaluation reserves.

5.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Receipts from Special Capital Investment Funds	(a)	...	3,338	3,338	...
Grants	(b)	1,069	1,798	729	68%
Sales of goods and services	(c)	654	1,243	589	90%
Employee benefits	(d)	39,549	45,264	5,715	14%
Supplies and consumables	(e)	51,739	64,891	13,152	25%
Other cash payments	(f)	2,653	3,697	1,044	39%
GST receipts/payments (net)	(g)	(1)	1,164	1,165	...
Payments for acquisition of non-financial assets	(h)	112,236	91,852	(20,384)	(18%)
Receipts from non-operational capital funding - recurrent	(i)	44,496	36,189	(8,307)	(19%)
Equity transfers to other Government entities	(j)	44,496	35,745	(8,751)	(20%)

Notes to Statement of Cash Flows variances

- (a) Funding for Wynyard Wharf (\$1.2M), Tayatea Bridge (\$0.6M), Corrina Road (\$0.2M), and Kingston and Cygnet streetscape (\$0.4M) projects added subsequent to the original budget, and \$0.9M received due the prior financial year.
- (b) Increase in road safety advertising funding by MAIB and AEMC levy on Aurora Energy.
- (c) General increases in taxi industry administration fees, roadworks recoveries and vehicle inspection station fees.
- (d) Budget overestimated the proportion of salaries in the roads program that are capitalised.
- (e) Budget overestimated the proportion of road contractor expenses that would be capitalised.
- (f) General increases in other employment related costs such as payroll tax, training and development.
- (g) Reflects timing differences of the receipt of GST refund over the end of financial year.
- (h) Budget overestimated the proportion of road contractor expenses, salaries and other expenses that would be capitalised in the Roads program.
- (i) and (j) Adjustments to Tasmanian Railway Pty Ltd equity funding subsequent to publishing the original budget.

Note 6 Events Occurring After Balance Date

Nil

Note 7 Underlying net operating balance

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

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

	Notes	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Net result from transactions (net operating balance)		51,900	48,335	121,958
Less impact of Non-operational capital funding				
Revenue from Government – recurrent	2.9(a), 8.1	44,496	36,230	38,661
Revenue from Government – works and services	2.9(a), 8.1	82,706	78,728	141,714
Revenue from Special Capital Investment Funds	2.9(a), 8.2	...	...	8,550
Total		127,202	114,958	188,925
Underlying Net operating balance		(75,302)	(66,623)	(66,967)

Note 8 Income from transactions

8.1 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.

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Continuing operations			
Appropriation revenue - recurrent			
Current year	118,937	112,432	104,993
Items Reserved by Law:			
Contribution towards Construction of Streets in Towns by Municipal Councils (<i>Local Government Act 1993</i>)	52	...	...
Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year	...	1,068	1,138
Less: Revenue received in advance	...	(1,000)	(1,080)
Total	118,989	112,500	105,051
Appropriation revenue – works and services	57,474	64,385	73,721
Revenue from Government - other			
Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year	...	...	...
Less: Revenue received in advance	...	...	...
Total	57,474	64,385	73,721
Non-operational capital funding			
Appropriation revenue - recurrent	44,496	36,230	38,661
Appropriation revenue – works and services	82,706	74,958	145,484
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	...	3,770	...
Less: Revenue received in advance	...	...	(3,770)
Total	127,202	114,958	180,375
Total revenue from Government	303,665	291,843	359,147

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

8.2 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.

	2012 Actual \$'000	2011 Actual \$'000
Continuing operations		
Economic and Social Infrastructure Fund	...	37
Urban Renewal and Heritage Fund	414	106
Major Capital Projects Fund	1,975	2,521
Total	2,389	2,664
Non-operational capital funding		
Urban Renewal and Heritage Fund	...	538
Major Capital Projects Fund	...	8,012
Total	...	8,550
Total revenue from Special Capital Investment Funds	2,389	11,214

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 15.3.

8.3 Grants

	2012 \$'000	2011 \$'000
Continuing operations		
Grants from the Australian Government		
Specific grants - recurrent	...	...
Total	...	...
Other grants		
Industry contributions	1,475	1,708
Total	1,475	1,708
Total revenue from Grants	1,475	1,708

8.4 Sales of goods and services

	2012 \$'000	2011 \$'000
Goods	1,039	1,375
Services	469	158
Total	1,508	1,533

8.5 Fees and fines

	2012	2011
	\$'000	\$'000
Road Safety Levy	11,434	9,726
Racing Services	249	225
Other	278	244
Total	11,961	10,195

8.6 Other revenue

	2012	2011
	\$'000	\$'000
Reimbursement of costs associated with Brighton Transport Hub from TasRail	...	2,242
Miscellaneous revenue	512	2,822
Total	512	5,064

Note 9 Expenses from transactions

9.1 Employee benefits

	2012	2011
	\$'000	\$'000
Wages and salaries	37,133	36,282
Long service leave	1,405	906
Superannuation	4,104	4,065
Fringe Benefits Tax	315	314
Total	42,957	41,567

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 12.5 per cent of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to the superannuation funds at a rate of nine per cent of salary. In addition, departments are also required to pay into the SPA a "gap" payment equivalent to 3.5 per cent of salary in respect of employees who are members of the contribution scheme.

9.2 Depreciation and amortisation

(a) Depreciation

	2012 \$'000	2011 \$'000
Plant and equipment	554	179
Marine vessels and equipment	358	358
Traffic signal installations	563	572
Buildings	341	370
Aerodromes	19	19
Computer equipment	423	497
Road infrastructure	72,399	83,279
Other infrastructure	696	938
Total	75,353	86,212

(b) Amortisation

	2012 \$'000	2011 \$'000
Intangibles	2,071	2,054
Total	2,071	2,054
Total depreciation and amortisation	77,424	88,266

9.3 Supplies and consumables

	2012 \$'000	2011 \$'000
Consultants	950	7,702
Property services	327	1,867
Communications	1,307	1,775
Information technology	3,497	3,286
Travel and transport	1,311	1,275
Advertising and promotion	1,114	986
Operating Lease costs	4,170	3,917
Maintenance and other supplies and consumables	54,869	48,819
Audit fees – financial audit	129	139
Audit fees – internal audit	146	222
Total	67,820	69,988

9.4 Grants and subsidies

	2012 \$'000	2011 \$'000
Grants		
Roadworks – Grants to Councils	511	4,118
Urban Renewal & Heritage Fund – underground power lines grants to Councils	132	1,297
Major Capital Projects funding to Councils	1,985	575
Forest Contractors Financial Support program	...	5,362
Implement the Tasmanian Forest Industry Plan	566	350
Promote Tasmanian Timber	...	500
Jetties funding to MAST	...	600
Other grants	870	1,765
Total grants	4,064	14,567
Subsidies		
Payments to the Metro Tasmania Pty Ltd	35,713	33,124
Payments to School Bus Operators: Contract Services	28,529	16,891
Remote Renewable Power Generation Program	343	415
Other Subsidies	956	182
Total subsidies	65,541	50,612
Total	69,605	65,179

9.5 Other expenses

	2012 \$'000	2011 \$'000
Workers compensation	117	104
Payroll Tax	2,556	2,478
Other expenses	902	...
Total	3,575	2,582

Note 10 Other economic flows included in net result

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

	2012	2011
	\$'000	\$'000
Write down of assets measured at fair value	(31,592)	(89,182)
Write off of road and bridge assets replaced by new roadworks	(12,982)	(60,190)
Net gain/(loss) on disposal of physical assets	(929)	(330)
Total net gain/(loss) on non-financial assets	(45,503)	(149,702)

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

	2012	2011
	\$'000	\$'000
Impairment of Statutory receivables	(16)	(113)
Reversal of impairment of Statutory receivables	90	5
Total net gain/(loss) on financial instruments	74	(108)

Note 11 Assets

11.1 Cash and deposits

Cash and deposits includes the balance of the Special Deposits and Trust Fund held by the Department, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2012 \$'000	2011 \$'000
Special Deposits and Trust Fund balance	13,932	17,186
Petty Cash	5	4
Total	13,937	17,190

11.2 Receivables

	2012 \$'000	2011 \$'000
Receivables	4,226	7,713
Less: Provision for impairment	(854)	(971)
Total	3,372	6,742
Sales of goods and services (inclusive of GST)	70	37
Fees and fines (inclusive of GST)	5	...
Other receivables (inclusive of GST)	351	2,355
Tax assets	2,946	4,350
Total	3,372	6,742
Settled within 12 months	3,231	6,576
Settled in more than 12 months	141	166
Total	3,372	6,742

During 2011-12, several accounts receivable were assessed as being impaired due to changed debtor circumstances. The amount of the impairment loss is \$15,399 and is included in the net gain/loss included in Note 10.2.

During 2011-12, accounts receivable that were previously assessed as being impaired, \$87,625 were reassessed as being recoverable, and the amount of \$2,445 recovered. The total amount of reversed impairment loss \$90,071 has been written out of the impairment provision. An impaired debt \$43,548 was written off.

11.3 Other financial assets

	2012 \$'000	2011 \$'000
Accrued revenue	305	24
Accrued interest	2	13
Less: Provision for impairment	...	...
Total	307	37
Settled within 12 months	307	37
Settled in more than 12 months	...	...
Total	307	37

11.4 Property, plant and equipment

(a) Carrying amount

	2012 \$'000	2011 \$'000
Vacant land holdings		
At fair value (30 June 2012)	11,396	11,666
Total	11,396	11,666
Land under buildings		
At fair value (30 June 2012)	2,034	1,700
Total	2,034	1,700
Rail Corridor Land		
At fair value (30 June 2012)	63,260	53,661
Total	63,260	53,661
Buildings		
At fair value (30 June 2012)	9,873	9,961
Less: Accumulated depreciation	(2,308)	(3,084)
Total	7,565	6,877
Aerodromes		
At fair value (30 June 2012)	1,079	1,072
Less: Accumulated amortisation	(81)	(55)
Total	998	1,017
Plant and equipment		
At cost	3,703	2,638
Less: Accumulated depreciation	(2,747)	(1,398)
Total	956	1,240
Computer equipment		
At cost	3,919	3,493
Less: Accumulated depreciation	(3,458)	(2,876)
Total	461	617
Marine vessels and equipment		
At fair value (30 June 2012)	14,000	6,400
Less: Accumulated depreciation	(9,021)	(1,065)
Total	4,979	5,335
Abt Railway rolling stock		
At fair value (30 June 2012)	6,600	6,600
Less: Accumulated depreciation	(2,237)	(1,994)
Total	4,363	4,606
Traffic Signal installations		
At fair value (30 June 2012)	32,344	22,147
Less: Accumulated depreciation	(15,108)	(10,139)
Total	17,236	12,008
Total property, plant and equipment	113,248	98,727

The latest revaluation of the Marine Vessel and Traffic Signal assets as at 30 June 2012 was completed by the Australian Valuation Office on a depreciated replacement cost basis. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

The latest revaluations of vacant land, land under buildings, rail corridor land, buildings and aerodromes are valued at the Valuer-General's latest published valuations updated as at 30 June 2012.

(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.

2012	Vacant Land holdings	Land under Buildings	Rail Corridor Land	Buildings	Aero-dromes	Plant and equipment	Computer equipment	Marine Vessels and equipment	Abt Railway Rolling Stock	Traffic Signal installations
Carrying value at 1 July	\$'000 11,666	\$'000 1,700	\$'000 53,661	\$'000 6,877	\$'000 1,017	\$'000 1,240	\$'000 617	\$'000 5,335	\$'000 4,606	\$'000 12,008
Additions	220	270	613			44	267			2,104
Disposals	(22)	(300)	(182)							(426)
Revaluation increments/(decrements)	(468)	364	9,599	598				2		4,114
Impairment losses										
Assets held for sale										
Depreciation and amortisation				(341)	(19)	(328)	(423)	(358)	(243)	(564)
Net transfers										
Carrying value at 30 June	11,396	2,034	63,260	7,565	998	956	461	4,979	4,363	17,236

2011	Vacant Land holdings	Land under Buildings	Rail Corridor Land	Buildings	Aero-dromes	Plant and equipment	Computer equipment	Marine Vessels and equipment	Abt Railway Rolling Stock	Traffic Signal installations
Carrying value at 1 July	\$'000 11,121	\$'000 1,574	\$'000 51,440	\$'000 6,804	\$'000 993	\$'000 590	\$'000 875	\$'000 5,694	\$'000 4,848	\$'000 11,581
Additions	110	75	354			720	239			1,680
Disposals	(318)					(12)				(681)
Revaluation increments/(decrements)	753	51	2,221	89	42	120				
Impairment losses										
Assets held for sale										
Depreciation and amortisation				(370)	(18)	(178)	(497)	(359)	(242)	(572)
Net transfers										
Carrying value at 30 June	11,666	1,700	53,661	6,877	1,017	1,240	617	5,335	4,606	12,008

11.5 Infrastructure

Roads

(a) Carrying amount

	2012 \$'000	2011 \$'000
At fair value (30 June 2012)	4,279,814	4,017,211
Less: Accumulated depreciation	(1,973,733)	(1,865,034)
	2,306,081	2,152,177
Work in progress at cost	185,740	179,924
Total	2,491,821	2,332,101

(b) Reconciliation of movements

	Notes	2012 \$'000	2011 \$'000
Carrying amount at 1 July		2,332,101	2,787,111
Work in progress additions		51,151	148,054
Capital improvements		30,083	27,795
Deletions	10.1	(12,758)	(60,121)
Revaluation increments (decrements)	14.1	143,231	(506,429)
Depreciation expense		(51,987)	(64,309)
Carrying amount at 30 June		2,491,821	2,332,101

Land Under Roads and within Road Reserves

(a) Carrying amount

	2012 \$'000	2011 \$'000
At fair value (30 June 2012)	160,126	191,718
Total	160,126	191,718

(b) Reconciliation of movements

	Notes	2012 \$'000	2011 \$'000
Carrying amount at 1 July		191,718	812,939
Additions		...	...
Disposals		...	...
Revaluation increments (decrements)	10.1	(31,592)	(621,221)
Carrying amount at 30 June		160,126	191,718

Bridges

(a) Carrying amount

	2012 \$'000	2011 \$'000
At fair value (30 June 2012)	1,214,301	1,131,795
Less: Accumulated depreciation	(20,412)	(18,970)
Total	1,193,889	1,112,825

(b) Reconciliation of movements

	Notes	2012 \$'000	2011 \$'000
Carrying amount at 1 July		1,112,825	1,085,071
Capital improvements		3,766	10,031
Write offs	10.1	(224)	(69)
Revaluation increments (decrements)	14.1	97,934	36,762
Depreciation expense		(20,412)	(18,970)
Carrying amount at 30 June		1,193,889	1,112,825

Abt Railway Infrastructure

(c) Carrying amount

	2012 \$'000	2011 \$'000
At fair value (30 June 2012)	32,554	27,414
Less: Accumulated depreciation	(7,582)	(5,730)
Total	24,972	21,684

(d) Reconciliation of movements

	Notes	2012 \$'000	2011 \$'000
Carrying amount at 1 July		21,684	22,380
Revaluation increments (decrements)	14.1	3,984	...
Depreciation expense		(696)	(696)
Carrying amount at 30 June		24,972	21,684
Total Infrastructure		3,870,808	3,658,328

The latest revaluation of the Road asset as at 30 June 2008 was completed by DIER Asset Management Branch on a depreciated replacement cost basis. Replacement cost was calculated using most recent contract cost experience for Tasmanian road construction. Values are indexed annually between revaluations using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16). Current replacement cost is depreciated by the proportion of the asset that has been consumed.

The Valuer-General provides the Department with average rateable values per hectare or square metre for land under roads as determined by the Valuer-General from the most recent valuations of land titles adjoining

and within a 200 metre corridor of the State road network. The average land values for land under roads is updated annually by the Valuer-General. During 2011-12 it was noted that an error was made in the recalculation of land areas under roads and their values during the 2010-11 revaluation process, hence the 2011-12 values have been adjusted and the additional revaluation decrement treated as a write down in the Statement of Comprehensive Income.

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

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

11.6 Intangibles

(a) Carrying amount

	2012 \$'000	2011 \$'000
Intangibles with a finite useful life (at cost)		
RIMS Consolidation and RIMS 3 Development	322	322
Motor Registry System	17,504	17,504
Greyhound Racing STWDS System	20	20
Geomodeller Geology Modelling System	30	30
Contract Management System	350	350
ESLS Network Management system	25	25
HDM-4 software (asset management)	40	40
VyperNET system	72	72
Intelligent Case Management System	117	117
Contract Management System upgrade	207	207
TIGER system upgrade	122	122
Less: Accumulated amortisation	(7,819)	(5,747)
Total	10,990	13,062
Work in progress (at cost)		
Work-in-progress (Development of Black Box software for School Buses)	50	...
Work-in-progress (TIGER system upgrade)	70	...
Total	120	...
Total intangibles	11,110	13,062

(b) Reconciliation of movements

	2012 \$'000	2011 \$'000
Carrying amount at 1 July	13,062	14,988
Additions – internal development	120	128
Amortisation expense	(2,072)	(2,054)
Carrying amount at 30 June	11,110	13,062

The above listed Intangible assets are all in-house developed specialised computer software systems. Work in progress represents computer software undergoing internal development as at 30 June 2012, that have not yet been released into production.

Assets that have useful lives in excess of 5 years and whose cost meets the revaluation threshold will be valued at fair value in terms of the Department's five yearly revaluation cycle policy.

11.7 Other assets

	2012 \$'000	2011 \$'000
Prepayments	881	1,169
Total	881	1,169
Settled within 12 months	881	1,169
Total	881	1,169

Note 12 Liabilities

12.1 Payables

	2012 \$'000	2011 \$'000
Creditors	2,971	6,792
Accrued expenses	1,124	1,322
Total	4,095	8,114
Settled within 12 months	4,095	8,114
Settled in more than 12 months	...	...
Total	4,095	8,114

Settlement is usually made within 30 days.

12.2 Employee entitlements

	2012 \$'000	2011 \$'000
Accrued salaries	1,137	1,088
Annual leave	3,455	3,509
Long service leave	6,399	6,532
Total	10,991	11,129
Settled within 12 months	10,010	10,162
Settled in more than 12 months	981	967
Total	10,991	11,129

12.3 Other liabilities

	2012 \$'000	2011 \$'000
Revenue received in advance		
Appropriation carried forward from current and previous years under section 8A of the <i>Public Account Act 1986</i>	1,000	3,770
Other revenue received in advance	108	1,098
Other liabilities		
Monies held in trust	857	1,079
Suspense accounts	28	...
Total	1,993	5,947
Settled within 12 months	1,993	5,947
Settled in more than 12 months	...	...
Total	1,993	5,947

Note 13 Commitments and Contingencies

13.1 Schedule of Commitments

	2012 \$'000	2011 \$'000
By type		
<i>Capital commitments</i>		
Infrastructure – State Roads	5,514	9,692
Infrastructure – Nationals Roads	52,398	99,891
Other	...	...
<i>Total capital commitments</i>	57,912	109,583
<i>Lease Commitments</i>		
Operating leases	860	1,350
<i>Total lease commitments</i>	860	1,350
By maturity		
<i>Capital commitments</i>		
One year or less	33,401	70,711
From one to five years	24,511	38,872
More than five years	...	...
<i>Total capital commitments</i>	57,912	109,583
<i>Operating lease commitments</i>		
One year or less	603	1,032
From one to five years	230	289
More than five years	27	29
<i>Total operating lease commitments</i>	860	1,350
Total	58,772	110,933

NB: Commitments are shown as GST exclusive.

The majority of the Department's leases are represented by land and building rental costs and vehicle lease costs. The total lease commitment exclude local government and other executory costs where they are paid directly to a party other than the lessor. These costs are included elsewhere in the Department's expenditures.

The Department also has entered into contingent rental arrangements. Contingent rental costs relate to land and building leases, and in the main comprise local government charges and the periodic escalation of leases by the Consumer Price Index. Since Contingent Rentals cannot be reliably determined, they have been excluded in the calculations of Total Lease Commitments.

The Department does not have any purchase rights flowing from the lease of the land and buildings. Some buildings have renewal options exercisable by the lessee. There are no building leases that have renewal rights exercisable at the sole discretion of the lessor.

The minimum lease payment for vehicles is based on the average age of the vehicle fleet and a standard lease period of 30 months.

State Roads infrastructure commitments will be funded by capital appropriations by the State Government, together with funds provided and held over from prior years. Funding of commitments for National Roads is provided by the Australian Government through the Nation Building, Strategic Regional and Blackspots programs.

13.2 Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding the amount or timing of the underlying claim or obligation.

(a) Quantifiable contingencies

A quantifiable contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A quantifiable contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

The Department has not identified any quantifiable contingent assets nor quantifiable contingent liabilities as at 30 June 2012.

(b) Unquantifiable Contingencies

At 30 June 2012, the following unquantifiable contingent liabilities exist:

- A number of claims for limited access compensation;
- A number of acquisitions for current road projects which are at various stages of settlement;
- Contractual disputes which are not sufficiently clear or advanced to quantify;
- A number of claims relating to personal injury or damage caused to property (including vehicles) allegedly due to road works or road condition, and;
- Asbestos removal from up to 1000 traffic signal sites in Tasmania.

Due to the nature of the claims and the uncertainty as to the timing and quantum of potential settlement in each case, it is not possible to reliably measure these obligations in the Financial Statements.

Note 14 Reserves

14.1 Reserves

	Notes	2012 \$'000	2011 \$'000
Physical asset revaluation reserve			
Balance at the beginning of financial year		1,080,374	2,079,563
Revaluation increments/(decrements):			
Roads Infrastructure	11.5	143,231	(506,507)
Land under Roads		...	(532,720)
Bridges	11.5	97,934	36,762
Traffic Signals	11.4	4,114	...
Vacant Land	11.4	(468)	753
Land under Buildings	11.4	364	51
Rail corridor land	11.4	9,599	2,220
Buildings	11.5	598	90
Aerodromes		...	42
Plant and Equipment	11.4	2	120
Other Infrastructure	11.5	3,984	...
Impairment losses		...	...
Balance at end of financial year		1,339,732	1,080,374

(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).

14.2 Asset revaluation reserve by class of asset

The balance within the Asset Revaluation Reserve for the following classes of assets is:

	2012 \$'000	2011 \$'000
Roads Infrastructure	913,904	770,673
Land under Roads	...	...
Bridges	382,308	284,375
Traffic Signals	7,156	3,043
Vacant Land	5,660	6,128
Land under Buildings	3,651	1,066
Rail corridor land	12,829	5,451
Buildings	2,995	2,396
Aerodromes	687	687
Plant and Equipment	4,127	4,124
Other Infrastructure	6,415	2,431
Total	1,339,732	1,080,374

Note 15 Cash Flow Reconciliation

15.1 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.

	2012 \$'000	2011 \$'000
Special Deposits and Trust Fund balance		
Special Deposits and Trust Fund balance	13,932	17,186
Total	13,932	17,186
Other cash held		
Petty cash	5	4
Total	5	4
Total cash and deposits	13,937	17,190

15.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2012 \$'000	2011 \$'000
Net operating result from transactions	48,335	121,958
Depreciation and amortisation	77,424	88,266
(Gain) loss on non-financial assets	504	330
Bad and doubtful debts provision	(74)	108
Decrease (increase) in Receivables	3,370	1,940
Decrease (increase) in other financial assets	18	612
Increase (decrease) in Employee entitlements	(138)	325
Increase (decrease) in Payables	(3,821)	(2,965)
Increase (decrease) in Accrued expenses	(198)	(2,231)
Increase (decrease) in Other liabilities	(4,036)	2,587
Less: non-operational capital funding - recurrent	(78,728)	(38,661)
Less: non-operational capital funding - works & services	(36,230)	(141,714)
Less: non-operational capital funding - special capital investment funds	...	(8,550)
Net cash from (used by) operating activities	6,426	22,005

15.3 Acquittal of Capital Investment and Special Capital Investment Funds

The Department received Works and Services Appropriation funding and revenues from Special Capital Investment Funds to fund specific projects.

Cash outflows relating to these projects are listed below by category.

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

(a) Project expenditure

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Capital Investment Program			
<i>National Highway System</i>			
Infrastructure Development - Continuing Projects	1,380	2,275	29,361
Infrastructure Maintenance	7,640	7,641	7,500
Road Safety and Traffic Management Works	1,606	1,966	1,340
Bagdad Bypass	...	360	3,407
Brighton Bypass	19,000	33,986	58,224
Bridgewater Bridge Refurbishment	...	(14)	3,027
Kingston Bypass	...	(7)	4,456
Midlands – Lyell Hwy Junction	...	...	60
North East Freight Roads	7,930	1,864	1,652
Illawarra Main Road	1,380	608	1,839
NBESP Heavy Vehicle Routes	200	413	426
NBESP Black Spots	...	...	35
NBESP High Risk Rail Crossings	...	...	2,223
<i>State Funded Projects</i>			
Infrastructure Development - Continuing Projects	5,413	667	1,730
Lyell Hwy Granton to New Norfolk	...	(7)	2,163
South Arm Road - Shoreline to Police Academy	...	288	826
Macquarie St Traffic Flow	...	47	17
Brooker Hwy	2,704	...	319
Central Highlands - Main Access Routes	...	...	209
Tasman Hwy - Sorell Traffic Management	...	...	2
Brighton Bypass	...	2,500	...
Brighton Transport Hub	5,574	5,843	22,838
Bruny Island road sealing	...	308	2,692
Formby Road	...	...	2,000
Illawarra Main Road	...	325	1,936
North East Freight Roads	...	376	124
Kingston Bypass	580	9,610	23,537
Bridgewater Bridge Refurbishment	...	381	1,634
NBESP Heavy Vehicle Routes	...	745	354
Rokeby Main Road	40	57	524
Huon Highway Upgrade	3,200	303	157
Ferry Road Kettering	1,450	543	1,236
Mudwalls Road	2,350	1,992	302
Richmond Link Road	660	429	94
Esk Main Road	750	277	27
Ridgley Main Road	1,600	2,955	303
Lakes Secondary Road	...	1,469	123
Highland Lakes Road sealing	1,900	...	...
Arthur Highway upgrade	1,470	496	78
Bass Highway/Mersey Main Road Junction	560	1,094	68
Bass Highway/Stanley Highway Junction	160	...	...
Tasman Highway Scottsdale to Launceston	760	337	42
Tasman Highway/Coles Bay Road Junction	300	164	58
West Tamar Highway Bradys Lookout	420	337	293
West Tamar Highway Ecclestone Road Signal	...	...	180
West Tamar Highway/Corminston Road junction	300	142	...
Westbury Industrial Estate	...	...	500
Murchison Highway Upgrade	820	1,023	561
Bell Bay Intermodal Terminal	6,920	...	...
Bell Bay Main Road port access	195	...	...
Port Sorell Main Road	1,000	...	...

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Tarkine Drive	1,500	1,373	...
Strahan Esplanade	...	600	600
Infrastructure Maintenance	51,306	44,037	50,372
Road Safety and Traffic Management	9,301	10,247	7,326
Environmental Management	500	287	179
Program Management	2,406	5,269	2,795
Asset Management	5,125	6,092	6,588
Strategic Policy and Planning	2,584	2,630	2,568
Jetties	...	...	600
Rail – Administration	...	...	(28)
Total	150,984	152,328	249,477
Special Capital Investment Funds			
<i>Economic and Social Infrastructure Fund</i>			
Road and Bridge Maintenance	...	15	45
<i>Major Capital Projects Fund</i>			
Better Roads	...	16	202
Brighton Transport Hub	...	...	8,000
Iron Blow Lookout	...	...	160
Oakleigh Park Railway Crossing	...	...	250
Wynyard Wharf and Precinct	...	1,170	
Corinna Road	...	200	120
Spray Tunnel Car Park	...	15	45
Tayatea Bridge	...	600	...
<i>Urban Renewal and Heritage Fund</i>			
Oatlands Underground Power Lines	...	...	108
Stanley Underground Power Lines	...	...	116
Kingston Underground Power Lines	...	142	...
Cygnet Underground Power Lines	...	240	...
Tasman Bridge facilities upgrade	...	...	411
West Park Grove & Bass Hwy Intersection	...	140	761
Leven River Wharf Redevelopment	...	...	760
Taxi Rank Shelter Castray Esplanade	...	...	82
Total	...	2,538	11,060
Total cash outflows	150,984	154,866	260,537

(b) Classification of cash flows

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

	2012 \$'000	2011 \$'000
Cash outflows		
Other cash payments		
Maintenance	49,024	52,806
Other (overheads, management, systems)	13,991	12,603
Payments for acquisition of assets	91,851	195,128
Total cash outflows	154,866	260,537

Note 16 Financial Instruments

16.1 Risk exposures

(a) Risk management policies

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

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

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

The Department does not hold any derivative financial instruments.

(b) Credit risk exposures

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

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Receivables (including Tax assets)	Recognised upon the provision of a good or service and the issuance of an invoice or claim eg BAS, measured at face value	Payment terms generally 30 days. Collectability of receivables is reviewed at balance date and a provision for impairment raised when collection of a debt is judged to be doubtful.
Cash and deposits	Recognised upon receipt of cash, measured at face value	At call
Other financial assets (eg accrued revenue)	Recognised upon the accrual of the future benefit, measured at face value	Majority of accrued revenues are settled within 6 months

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Department's maximum exposure to credit risk. The Department is not exposed to credit risk of any significance.

The following tables analyse financial assets that are past due but not impaired:

Analysis of financial assets that are past due at 30 June 2012 but not impaired

	Past due 31 to 60 days	Past due 61 to 90 days	Past due over 90 days	Total
	\$'000	\$'000	\$'000	\$'000
Receivables	7	4	1,137	1,148

Analysis of financial assets that are past due at 30 June 2011 but not impaired

	Past due 31 to 60 days	Past due 61 to 90 days	Past due over 90 days	Total
	\$'000	\$'000	\$'000	\$'000
Receivables	230	5	580	815

(c) Liquidity risk

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

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Liabilities		
Payables	Recognised upon the receipt of a good or service that has not been paid for, measured at face value	Settled within 30 days
Monies held in Trust	Recognised upon receipt of monies, measured at face value	At call
Revenue received in advance	Recognised upon receipt of monies, measured at face value	Expended by 30 September of the following year in terms of section 8A of the <i>Public Account Act 1986</i>

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

2012

Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	4,095	...	...	...	...	...	4,095	4,095
Monies held in Trust	857	...	...	...	...	...	857	857
Total	4,952	...	...	...	...	...	4,952	4,952

2011

Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	8,114	...	...	...	...	...	8,114	8,114
Monies held in Trust	1,079	...	...	...	...	...	1,079	1,079
Total	9,193	...	...	...	...	...	9,193	9,193

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that the Department is exposed to is interest rate risk.

At the reporting date, the interest rate profile of the Department's interest bearing financial instruments was:

	2012 \$'000	2011 \$'000
Fixed rate instruments		
Financial assets	...	...
Financial liabilities	...	...
Total	...	...
Variable rate instruments		
Financial assets	...	1,710
Financial liabilities	(842)	(1,017)
Total	(842)	693

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 2012				
Cash in Special Deposits and Trust Fund	...	...	...	...
Monies held in Trust	(8)	8	...	...
Net sensitivity	(8)	8	...	...
30 June 2011				
Cash in Special Deposits and Trust Fund	17	(17)	...	...
Monies held in Trust	(10)	10	...	...
Net sensitivity	7	(7)	...	...

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2011.

16.2 Categories of Financial Assets and Liabilities

	2012 \$'000	2011 \$'000
Financial assets		
Cash and deposits	13,937	17,190
Loans and receivables	3,679	6,779
Total	17,616	23,969
Financial Liabilities		
Financial liabilities measured at amortised cost	4,952	9,193
Total	4,952	9,193

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

16.3 Reclassifications of Financial Assets

The Department has not reclassified any financial assets.

16.4 Derecognition of Financial Assets

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

16.5 Net Fair Values of Financial Assets and Liabilities

	2012		2011	
	Total Carrying Amount \$'000	Net Fair Value \$'000	Total Carrying Amount \$'000	Net Fair Value \$'000
Financial assets				
Cash and deposits	13,937	13,937	17,190	17,190
Receivables	3,372	3,372	6,742	6,742
Other financial assets				
Accrued revenue and interest	307	307	37	37
Total financial assets	17,616	17,616	23,969	23,969
Financial liabilities (Recognised)				
Trade creditors	4,095	4,095	8,114	8,114
Other financial liabilities				
Monies held in Trust	857	857	1,079	1,079
Total financial liabilities (Recognised)	4,952	4,952	9,193	9,193

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

Financial Assets

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

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

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

Financial Liabilities

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

Note 17 Details of Consolidated Entities

17.1 List of Entities

The following entities have been consolidated by the Department:

Entity	Ownership Interest	Proportion of Ownership Interest
Abt Railway Ministerial Corporation	State of Tasmania	100%
Forest Practices Authority (consolidated within the Administered Financial Statements)	State of Tasmania	100%

Note 18 Notes to Administered Statements

18.1 Explanations of Material Variances between Budget and Actual Outcomes

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

(a) Schedule of Administered Income and Expenses

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Fees and fines	(i)	11,047	9,905	(1,142)	(10%)
Employee benefits	(ii)	982	2,179	1,197	122%
Supplies and consumables	(iii)	639	1,422	783	123%

Notes to Schedule of Administered Income and Expenses variances

(i) Original budget revised downwards by \$2.1M due to lower expectations related to drivers licence fees. Revised budget exceeded by \$1.0M.

(ii) Incorrect treatment of Forest Practices Authority salaries in budget papers.

(iii) Includes payments to contractor for production of custom registration plates (Tasplates), however the budget only records the net profit from sales. Original budget subsequently increased by \$0.5M funding for communication of the Tasmanian Forestry Agreement.

(b) Schedule of Administered Assets and Liabilities

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Cash and deposits	(i)	1,248	4,350	3,102	249%

Notes to Schedule of Administered Assets and Liabilities Variances

(i) Retention of \$1.4M funding for petroleum administration of behalf of the Commonwealth, larger than expected overnight holdings of third party motor registry collections, and larger cash holdings by Forest Practices Authority (FPA).

(c) Schedule of Administered Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Fees and fines	(i)	11,047	9,913	(1,134)	(10%)
Employee benefits	(ii)	(967)	(2,098)	(1,131)	(117%)
Other cash payments	(iii)	(718)	(1,453)	(735)	(102%)
Trust receipts	(iv)	...	550	550	...

Notes to Schedule of Administered Cash Flow variances

18.2 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.

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Continuing operations			
Appropriation revenue - recurrent			
Current year	77,878	75,140	79,230
Total	77,878	75,140	79,230
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	...	...	...
Total	...	...	...
Total administered revenue from Government	77,878	75,140	79,230

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

18.3 Administered Grants

	2012 \$'000	2011 \$'000
Tasmanian Forestry Agreement - communications	357	...
Grants from other Government Department	90	250
Industry contributions	5	113
Total	452	363

18.4 Administered State taxation

	2012 \$'000	2011 \$'000
Vehicle Registration Fee	33,954	33,002
Total	33,954	33,002

18.5 Administered Sales of goods and services

	2012 \$'000	2011 \$'000
Goods		
Mineral Royalties	50,315	45,358
Mineral Land Rentals	862	1,952
Custom Plates	535	711
Services		
MAIB Commission	2,153	2,144
Registration and Licensing	319	489
Other	578	1,731
Total	54,762	52,385

Revenue from Mineral Royalties is recognised on receipt based on self assessment by mining companies. The royalties are calculated and paid based on mined volumes each quarter and supported by spot audits by Mineral Resources Tasmania staff. Due to inherent difficulties of accounting for this revenue on an accrual basis, mineral royalties revenue is accounted for on a cash basis.

18.6 Administered Fees and fines

	2012 \$'000	2011 \$'000
Regulatory Fees		
Public Vehicle Licensing	501	1,110
Fees from Mineral Lands	1,043	854
Driver Licensing	8,338	7,203
Fines		
Weighbridge	6	9
Other	17	36
Total	9,905	9,212

18.7 Administered Employee benefits

	2012 \$'000	2011 \$'000
Wages and salaries	1,862	1,683
Long service leave	86	21
Superannuation	224	203
Fringe Benefits Tax	7	16
Total	2,179	1,923

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 12.5 per cent of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to the superannuation funds at a rate of nine per cent of salary. In addition, departments are also required to pay into the SPA a "gap" payment equivalent to 3.5 per cent of salary in respect of employees who are members of the contribution scheme.

18.8 Administered Depreciation and amortisation

(a) Depreciation

	2012 \$'000	2011 \$'000
Plant and equipment	12	9
Total	12	9

(b) Amortisation

	2012 \$'000	2011 \$'000
Intangibles	9	18
Total	9	18
Total depreciation and amortisation	21	27

18.9 Administered Supplies and consumables

	2012 \$'000	2011 \$'000
Consultants	76	178
Property services	34	39
Communications	18	25
Information technology	109	57
Travel and transport	58	79
Advertising and promotion	137	36
Operating Lease costs	232	226
Other supplies and consumables	755	1,505
Audit fees – financial audit	3	3
Total	1,422	2,148

18.10 Administered Grants and subsidies

	2012 \$'000	2011 \$'000
Grants		
National Road Transport Commission: Local Government Contribution	1,500	1,500
Tasmanian Racing Assistance	28,033	27,510
Private Forests Tasmania	1,408	1,378
Forest Practices Authority	1,350	1,321
Contribution to Marine and Safety Tasmania	1,040	1,589
Tasmanian Railway Pty Ltd	18,775	14,590
Other Grants	...	80
Total Grants	52,106	47,968
Subsidies		
Payments to School Bus Operators: Route Services	15,634	23,234
Conveyance Allowances	1,773	1,616
Pensioner Air Travel Subsidy	11	9
Transport Access Scheme	4,159	3,959
Pensioner, Aged and Unemployed Concessions (Private Operators)	...	1,218
Total Subsidies	21,577	30,036
Total	73,683	78,004

18.11 Administered Other expenses

	2012	2011
	\$'000	\$'000
Payroll Tax	133	117
Workers Compensation	3	3
Bad debts written off	...	28
Miscellaneous expenses	5	...
Total	141	148

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

	2012	2011
	\$'000	\$'000
Impairment of Statutory receivables	(1)	(2)
Reversal of impairment of Statutory receivables	2	...
Total net gain/(loss) on financial instruments	1	(2)

18.13 Administered Receivables

	2012	2011
	\$'000	\$'000
Receivables	154	185
Less: Provision for impairment	(1)	(4)
Total	153	181
Sales of goods and services (inclusive of GST)	101	119
Fees and fines (inclusive of GST)	34	42
Other receivables	18	20
Total	153	181
Settled within 12 months	153	181
Settled in more than 12 months	...	...
Total	153	181

During 2011-12, two debtors were assessed as being impaired. The amount of the impairment loss is \$1,394. During 2011-12, an account receivable that was previously assessed as being impaired, \$2,024 was recovered.

Reconciliation of movement in provision for impairment of administered receivables	2012	2011
	\$'000	\$'000
Carrying amount at 1 July	4	6
Amounts written off during the year	...	(4)
Increase/(decrease) in provision recognised in profit or loss	(1)	2
Correction to classification	(2)	...
Carrying amount at 30 June	1	4

The correction made above is due to an impaired receivable \$1,543 being previously misclassified as administered being reclassified to controlled.

18.14 Administered other financial assets

	2012 \$'000	2011 \$'000
Accrued revenue	21	29
Accrued interest	4	17
Less: Provision for impairment	...	...
Total	25	46
Settled within 12 months	25	46
Settled in more than 12 months	...	...
Total	25	46

18.15 Administered Property, plant and equipment

(a) Carrying amount

	2012 \$'000	2011 \$'000
Plant and equipment		
At cost	47	47
Less: Accumulated depreciation	(32)	(20)
Total property, plant and equipment	15	27

(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.

	2012 \$'000	2011 \$'000
Plant, equipment and vehicles		
Carrying amount at 1 July	27	37
Additions	...	...
Depreciation expense	(12)	(10)
Carrying amount at 30 June	15	27

18.16 Administered Intangible assets

(a) Carrying amount

	2012 \$'000	2011 \$'000
Intangibles with a finite useful life		
FPA Cover Page software at cost	40	40
Numara Footprints software	27	27
Less: Accumulated amortisation	(54)	(46)
Total intangibles	13	21

(b) Reconciliation of movements

	2012	2011
	\$'000	\$'000
Carrying amount at 1 July	21	12
Additions – internal development	...	27
Amortisation expense	(8)	(18)
Carrying amount at 30 June	13	21

18.17 Administered Payables

	2012	2011
	\$'000	\$'000
Creditors	180	37
Accrued expenses	22	3
Total	202	40
Settled within 12 months	202	40
Settled in more than 12 months	...	...
Total	202	40

Settlement is usually made within 30 days.

18.18 Administered Employee benefits

	2012	2011
	\$'000	\$'000
Accrued salaries	130	43
Annual leave	175	146
Long service leave	223	257
Total	528	446
Settled within 12 months	487	412
Settled in more than 12 months	41	34
Total	528	446

18.19 Administered Other liabilities

	2012	2011
	\$'000	\$'000
Other liabilities		
Monies held in trust	1,916	1,328
Total	1,916	1,328
Settled within 12 months	1,916	1,328
Settled in more than 12 months	...	...
Total	1,916	1,328

Monies held in Trust are primarily third party revenues collected by the Department through motor registration receipts, held pending daily transfer to the owning third parties. Third parties include MAIB, State Revenue Office and Tasmania Fire Service (refer Note 19).

18.20 Schedule of Administered Commitments

	2012 \$'000	2011 \$'000
By type		
<i>Lease Commitments</i>		
Operating leases	273	481
<i>Total lease commitments</i>	273	481
By maturity		
<i>Operating lease commitments</i>		
One year or less	182	213
From one to five years	91	266
More than five years	...	2
<i>Total operating lease commitments</i>	273	481
Total	273	481

Note: Commitments are GST exclusive where relevant.

The majority of the Department's administered leases are represented by land and building rental costs and vehicle lease costs. The total lease commitment excludes local government and other executory costs where they are paid directly to a party other than the lessor. These costs are included elsewhere in the Department's expenditures.

Contingent Rental costs relate to land and building leases, and in the main comprise local government charges and the periodic escalation of leases by the Consumer Price Index. Since Contingent Rentals cannot be reliably determined, they have been excluded in the calculations of Total Lease Commitments.

There is no difference between the value of minimum lease payments and the value of Total Lease Commitments. The Department does not have any purchase rights flowing from the lease of the land and buildings. There are no building leases that have renewal rights exercisable at the sole discretion of the lessor.

The minimum administered lease payment for vehicles is based on the average age of the vehicle fleet and a standard lease period of 30 months.

18.21 Administered Cash and deposits

Administered Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by the Department, and other cash held, which are administered or held in a trustee capacity or agency arrangement.

	2012 \$'000	2011 \$'000
Special Deposits and Trust Fund balance	3,520	3,071
Total	3,520	3,071
Other cash held		
Tascorp Interest Bearing Deposit	118	92
Westpac Interest Bearing Deposit	712	1,000
Total	830	1,092
Total cash and deposits	4,350	4,163

18.22 Reconciliation of Administered Net Result to Net Cash from Administered Operating Activities

	2012 \$'000	2011 \$'000
Net operating result from transactions	(720)	931
Depreciation and amortisation	21	27
Bad and doubtful debt provision	1	...
Decrease (increase) in Receivables	56	83
Decrease (increase) in Prepayments	5	(5)
Decrease (increase) in Accrued revenue	20	374
Increase (decrease) in Employee entitlements	82	26
Increase (decrease) in Payables	134	(30)
Increase (decrease) in Other liabilities	38	(242)
Net cash from (used by) operating activities	(363)	1,164

18.23 Administered Financial Instruments

18.24 Risk exposures

(a) Risk management policies

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

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

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

The Department does not hold any derivative financial instruments.

(b) Credit risk exposures

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

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Receivables (including Tax assets)	Recognised upon the provision of a good or service and the issuance of an invoice or claim eg BAS, measured at face value	Payment terms generally 30 days. Collectability of receivables is reviewed at balance date and a provision for impairment raised when collection of a debt is judged to be doubtful.
Cash and deposits	Recognised upon receipt of cash, measured at face value	At call
Other financial assets (eg accrued revenue)	Recognised upon the accrual of the future benefit, measured at face value	Majority of accrued revenues are settled within 6 months

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Department's maximum exposure to credit risk. The Department is not exposed to credit risk of any significance.

The following tables analyse financial assets that are past due but not impaired:

Analysis of financial assets that are past due at 30 June 2012 but not impaired

	Past due 31 to 60 days	Past due 61 to 90 days	Past due over 90 days	Total
	\$'000	\$'000	\$'000	\$'000
Receivables	12	6	22	40

Analysis of financial assets that are past due at 30 June 2011 but not impaired

	Past due 31 to 60 days	Past due 61 to 90 days	Past due over 90 days	Total
	\$'000	\$'000	\$'000	\$'000
Receivables	13	2	98	113

(c) Liquidity risk

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

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Liabilities		
Payables	Recognised upon the receipt of a good or service that has not been paid for, measured at face value	Settled within 30 days
Monies held in Trust	Recognised upon receipt of monies, measured at face value	At call
Revenue received in advance	Recognised upon receipt of monies, measured at face value	Expended by 30 September of the following year in terms of section 8A of the <i>Public Account Act 1986</i>

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

2012

Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	202	...	...	...	...	...	202	202
Monies held in Trust	1,916	...	...	...	...	...	1,916	1,916
Total	2,118	...	...	...	...	...	2,118	2,118

2011

Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	40	...	...	...	...	...	40	40
Monies held in Trust	1,328	...	...	...	...	...	1,328	1,328
Total	1,368	...	...	...	...	...	1,368	1,368

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that the Department is exposed to is interest rate risk.

At the reporting date, the interest rate profile of the Department's interest bearing financial instruments was:

	2012 \$'000	2011 \$'000
Fixed rate instruments		
Financial assets	712	1,000
Financial liabilities	...	...
Total	712	1,000
Variable rate instruments		
Financial assets	118	92
Financial liabilities	..	...
Total	118	92

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 2012				
Cash and deposits	8	(8)	...	...
Net sensitivity	8	(8)	...	...
30 June 2011				
Cash and deposits	11	(11)	...	...
Net sensitivity	11	(11)	...	...

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2011.

18.25 Categories of Administered Financial Assets and Liabilities

	2012 \$'000	2011 \$'000
Financial assets		
Cash and deposits	4,350	4,163
Loans and receivables	178	227
Total	4,528	4,390
Financial Liabilities		
Financial liabilities measured at amortised cost	2,118	1,368
Total	2,118	1,368

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

18.26 Reclassifications of Administered Financial Assets

The Department has not reclassified any financial assets.

18.27 Derecognition of Administered Financial Assets

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

18.28 Net Fair Values of Administered Financial Assets and Liabilities

	2012		2011	
	Total Carrying Amount \$'000	Net Fair Value \$'000	Total Carrying Amount \$'000	Net Fair Value \$'000
Financial assets				
Cash and Deposits	4,350	4,350	4,163	4,163
Receivables	153	153	181	181
Other financial assets				
Accrued revenue and interest	25	25	46	46
Total financial assets	4,528	4,528	4,390	4,390
Financial liabilities (Recognised)				
Trade creditors	202	202	40	40
Other financial liabilities				
Monies held in Trust	1,916	1,916	1,328	1,328
Total financial liabilities (Recognised)	2,118	2,118	1,368	1,368

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

Administered Financial Assets

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

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

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

Note 19 Transactions and Balances Relating to a Trustee or Agency Arrangement

Account/Activity	Opening balance	Net transactions during 2011-12	Closing balance
	\$'000	\$'000	\$'000
Monies collected on behalf of external bodies	1,420	261,781	2,007
Less: Monies transferred to external bodies		261,194	

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

- Motor tax;
- Duties;
- Motor Accidents Insurance Board premiums;
- State Fire Service levy; and
- Federal Interstate Registration Scheme payments.

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

Certification of financial statements for the year ended 30 June 2012

The accompanying financial statements of the Department of Infrastructure, Energy and Resources are in agreement with the relevant accounts and records and have been prepared in compliance with Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990* to present fairly the financial transactions for the year ended 30 June 2012 and the financial position as at end of the year.

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



Norm McIlfatrik
SECRETARY

Date: 15 August 2012



Tasmanian Audit Office

Independent Auditor's Report

To Members of the Parliament of Tasmania

Department of Infrastructure, Energy and Resources

Financial Statements for the Year Ended 30 June 2012

I have audited the accompanying financial statements of Department of Infrastructure, Energy and Resources (the Department), which comprise the statement of financial position as at 30 June 2012 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Secretary of the Department.

Auditor's Opinion

In my opinion the Department's financial statements:

- (a) present fairly, in all material respects, its financial position as at 30 June 2012 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.

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To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

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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.

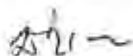
My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in the Department's financial statements.

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



H M Blake
Auditor-General

HOBART
18 September 2012

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To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public Sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

HOW TO CONTACT US

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Mail	GPO Box 936 Hobart Tasmania 7001
E-mail	info@dier.tas.gov.au
Website	www.dier.tas.gov.au
Head Office:	10 Murray Street, Hobart
General Enquiries	1300 135 513

Emergency Contacts (24 Hour Service)

Roads and Bridges	1800 005 282
Traffic Signal Faults	1300 139 933

Transport

Registration and Licensing	1300 851 225 (cost of a local call) 03 6233 5201 (interstate callers)
Roads and Bridges	1300 135 513
Passenger Transport	03 6233 5193

Mineral Resources

General Enquiries	03 6233 8377
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Office of Energy Planning and Conservation

General Enquiries	03 6233 2009
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Racing Services Tasmania

General Enquiries	03 6336 2450
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Contact numbers are also listed in the White Pages under 'Infrastructure, Energy and Resources'.





Tasmania
Explore the possibilities

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Energy and Resources Head Office
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Hobart 7000

GPO BOX 936
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