



Annual Report 2012-13

Submission to Ministers



1 Lara Giddings MP

Premier
Treasurer
Minister for the Arts

3 Scott Bacon MP

Minister for Tourism
Minister for Hospitality

2 David O'Byrne MP

Minister for Economic Development
Minister for Innovation, Science and Technology

4 Michelle O'Byrne MP

Minister for Sport and Recreation

Dear Ministers

In accordance with the requirements of Section 36 of the *State Services Act 2000* and Section 27 of the *Financial Management and Audit Act 1990*, I submit to you, for presentation to parliament, this report on the affairs and activities of the Department of Economic Development, Tourism and the Arts for the financial year ended 30 June 2013.

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

Yours sincerely

Handwritten signature of Mark Kelleher in black ink.

Mark Kelleher

Secretary
Department of Economic Development, Tourism and the Arts
October 2013

Department of Economic Development, Tourism and the Arts

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October 2013

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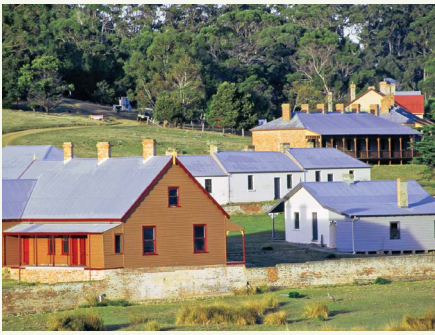
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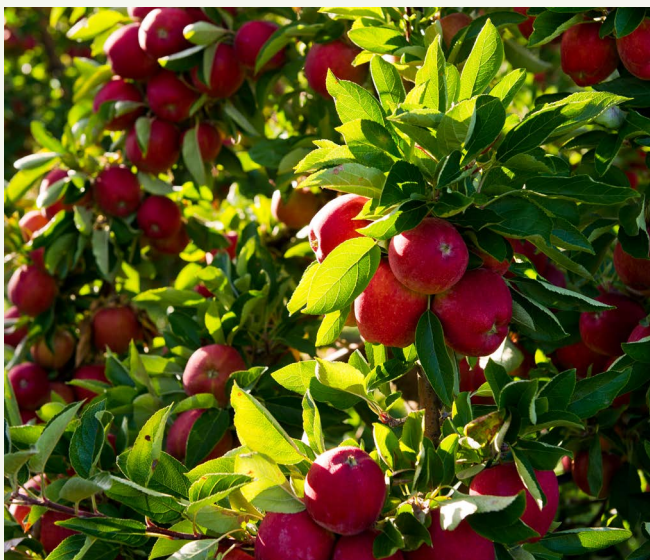
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About this publication



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

This report provides information for all stakeholders with an interest in economic development, culture, recreation, sport and tourism in Tasmania. It includes an overview of the operations, major initiatives and achievements, and performance of the department during the 2012-13 year.

This publication is presented in several sections:

Section	Purpose	Page
About us	This introductory section provides an overall picture of the department – our purpose and role, our values, our stakeholders, collaborative work and organisational structure.	8
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The following statutory authorities administered by the department prepare independent annual reports:

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

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

Message from the Secretary



The Department of Economic Development, Tourism and the Arts' purpose is to help make Tasmania a prosperous, vibrant and healthy community. To achieve this we support industry development, deliver marketing programs to support Tasmania's tourism industry, and provide policy and planning for Tasmania's arts, culture, sport and recreational activities. These efforts support an inclusive Tasmanian image and brand that is recognised and respected globally.

Highlights this year included two rounds of the very successful Tasmanian Government Innovation and Investment Fund. This delivers funding that encourages private investment, immediate job creation and innovation. The focus is on industries and regions where Tasmania possesses significant competitive advantages, identified in our three Regional Economic Development Plans, launched early in the year. Other highlights include the re-opening of the Tasmanian Museum and Art Gallery after its magnificent \$30 million upgrade, and record numbers of visitors to the state.

Strong private investment in Tasmania's food and beverage industries continues to be supported by the department. For example, the salmonid (Atlantic salmon and rainbow trout) industry is Tasmania's leading farming activity, with direct and indirect employment of more than 4 000 people and contributing directly to our global reputation for fine food. We worked closely with the industry to secure the expansion of leases in Macquarie Harbour and development of an aquaculture hub, a boost that will help meet the industry's own goal of more than doubling its size in the next 20 years.

Tasmania's dairy industry is benefiting from the biggest irrigation expansion in Tasmania's history. This has underpinned significant recent investment in its processing capacity which is planned or underway, including Lion's \$150 million cheese manufacturing investment at Burnie and King Island, Tasmanian Dairy Products' \$75 million milk powder plant at Circular Head, and Van Diemen's Land Company's proposed \$180 million investment to treble milk production at what is already Australia's largest dairy farm. Our work has supported these investments and as the industry grows, the department has also seconded a senior staff member to the industry body, DairyTas.

The state's wine industry is also on a positive path. Growth in vineyards is being supported by the department's Vineyard and Orchard Expansion Program, providing grants to help eligible producers establish new trees and vines.

And in May, respected winemaker and industry pioneer, Dr Andrew Pirie, led a Tasmanian Government trade mission to France and the United Kingdom to meet some of the world's most renowned wine producers to promote investment opportunities in the Tasmanian wine industry. Reception was very positive and follow up visits to Tasmania from a number of potential investors will be taking place over the coming year.

A number of trade missions to Europe and Asia have supported growth in the food and beverage sector more generally, while domestically the department has coordinated the successful *Taste Tasmania* campaign, encouraging Tasmanians to buy locally.



Through Invest Tasmania we continue to market the state as a secure investment option, successfully targeting priority sectors with known growth potential. Launched this year, the online *Invest Tasmania Map* shows almost \$12.6 billion of investment activity that is either under consideration, planned, or underway.

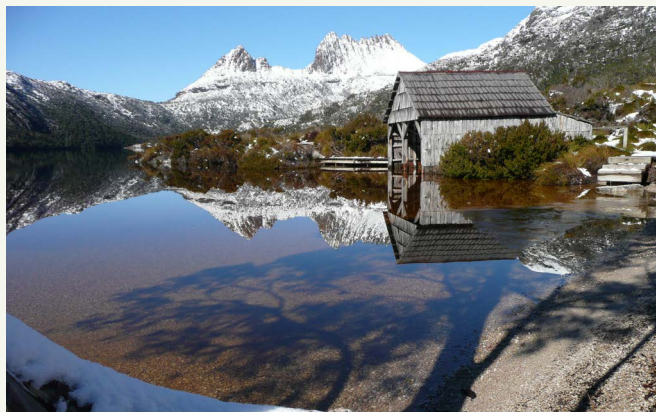
As part of the government's focus on the Asian century, the department organised the Premier's trade mission to China in September, which secured approval to export Tasmanian cherries to China, consolidated an agreement with Gouhua Energy for a stake in the Musselroe Wind Farm and resulted in strong investor interest in Tasmanian agriculture and mining projects. The mission also secured a Chinese Antarctic research vessel's visit to Tasmania, capitalising on our existing strengths in the Antarctic sector.

China is also a growing source of tourists. Our tourism industry has established itself as one of the state's strongest economic drivers, directly and indirectly employing around 32 000 Tasmanians and contributing over \$2 billion to the economy.

Currently Tasmania is enjoying the greatest number of flights servicing the island in its history. Maintaining and growing this level of capacity is the focus of an air and sea access strategy developed during the year, which addresses issues of infrastructure, policy, investment attraction and freight.

The increase in capacity, combined with strong interstate appeal for holidaying in Tasmania and effective, innovative marketing campaigns, stimulated a 10 per cent increase in visitor numbers, according to the latest tourism data, with 931 100 visitors arriving in the 12 months to March 2013. This is the most visitors to ever come to Tasmania on regular air and sea services during a 12-month period.

The state's new branding and marketing campaigns are supporting local tourism operators and travel distribution partners (travel agents, wholesalers, airlines) in their efforts to sell Tasmania. The success of this strategy was exemplified by excellent endorsements in high-profile publications such as *Lonely Planet* and *Trip Advisor* and is reflected in the breadth of articles written by journalists whose visits to the state are supported through Tourism Tasmania's Visiting Journalist Program.



The local tourism market was also successfully targeted during *The Tassie Comeback Tour* campaign. This was a two-month intrastate advertising campaign encouraging Tasmanians to return to areas affected by the January 2013 bushfires.

In the aftermath of these bushfires, the department responded by deploying staff to help with the recovery program. We administered funding allocations from the Bushfires Recovery Loans Program specifically to help businesses repair or replace damaged plant, equipment, buildings and critical infrastructure.

Through Business Tasmania, the department helps all Tasmanian businesses find answers to business-related queries, simply and clearly. The Business Tasmania team also provides referrals to relevant support services or government agencies and, this year, coordinated the delivery of the Digital Ready Program to help business operators make the most of the digital economy.

This year Business Tasmania developed a new user-focused website, business.tas.gov.au. As well as providing information and tools on marketing, finance, getting online, employing people and much more, business.tas.gov.au provides access to contemporary, relevant information, in just one location and in plain English. The website aims to be an e-government exemplar by making compliance easier, improving efficiency and making it easier for government to communicate with business.

A major landmark in our state's cultural landscape was unveiled this year, with the reopening of the Tasmanian Museum and Art Gallery (TMAG) after its \$30 million redevelopment. This is the largest government investment in cultural infrastructure in Tasmania's history, revitalising the museum's heritage buildings and delivering an additional 2 000 square metres of public and exhibition space.

The revitalised museum provides another boost to Tasmania's tourism and liveability attributes. The suite of 12 new exhibitions and the overall quality of the museum experience was recognised through TMAG's awards for 'best permanent exhibition' and 'the most outstanding museum program development' at the Museum and Galleries National Awards in Canberra in May.

Tasmania's State Collection has also been on show at the Museum of Old and New Art (MONA) this year, with 200 objects from TMAG's collection featured in the *Theatre of the World* exhibition. This collaborative exhibition between TMAG and MONA, will now travel to Paris where it will open at a leading private gallery, La Maison Rouge, in October this year.

Tasmania's hospitality industry is an important part of both our economy and visitor experience and one the department is proud to support. Hospitality is Tasmania's third-largest employment sector, paying a total of \$445 million in wages annually. Acknowledging the importance of this industry, we saw the August 2012 launch of a Hospitality Industry Strategic Plan which sets out the vision for the industry's future. Tasmania also hosted the inaugural Australian Hospitality Conference, attracting 300 delegates from around Australia last September.

Supporting our vision for a vibrant and diverse lifestyle for Tasmanians, and to support higher levels of visitation to the state, particularly during the traditionally quieter autumn and winter months, Events Tasmania has provided \$4.5 million to 17 major sporting, arts and cultural events occurring around the state this year. New events include the Hobart Baroque and Dark MOFO festivals and Tall Ships 2013. We also continued our support of the very popular V8 Supercars, Pure Tasmania Cycling Challenge, Festival of Voices, Launceston Pro Ex, the Australian Wooden Boat Festival and the seventh Ten Days on the Island arts festival, appealing to a wide range of community interests.

Sport and Recreation Tasmania's promotion of active lifestyle messages has seen Tasmania achieve its best-ever results in participation levels for sport, recreation and physical activity. Tasmania's participation rate is second amongst Australia's states and territories.

The announcement of \$1 million for the Trails and Bikeways Program in this year's State Budget will continue to support participation rates in unstructured activities such as walking, running and cycling and will add to the tourism potential of areas where these trails exist.

Ninety of the state's best athletes, representing 14 sports, were awarded Tasmanian Institute of Sport scholarships. Their importance was demonstrated this year through the record number of Tasmanian athletes who competed at the 2012 London Olympics and Paralympics. Sport and Recreation Tasmania also developed frameworks for the greater participation of people with a disability, and is promoting sports ethics.

Arts Tasmania programs have continued to contribute to Tasmania's reputation as a thriving cultural hub, and one of the highlights of Arts Tasmania's programs this year has been the biennial Tasmanian Literary Prizes, whose winners reflected the vitality of the state's literary and arts sector. Tasmania's arts industry also received national recognition, with the state listed at the top of the 10 best places to work in the arts by industry news website, *Artshub*. It was fitting then, that the nation's Cultural Ministers met in Hobart this year, following the launch of the Australian Government's Creative Australia National Cultural Policy. And we welcomed the announcement that the University of Tasmania, with support from the Australian and Tasmanian Governments, will establish an Academy of Creative Industries and Performing Arts adjacent to Hobart's Theatre Royal, which will further support the development of the creative industries in Tasmania.

Tasmania's creative endeavours are also supported by Screen Tasmania, which has had a highly successful year positioning Tasmania as a centre for the production of creative and innovative screen content. Highlights this year include the partnering of Tasmanian company Blue Rocket with Indian production company, Criya to work on a digital animation series, *The Buzz Bumble Show*. Feature films such as *The First Fagan* and *Goddess*, and TV documentaries such as *Beaconsfield*, *Devil Island* and *Holy Switch* were also helped by Screen Tasmania.

So, despite the necessary budget constraints, 2012-13 has been a very productive and fulfilling year as we have continued to deliver valuable services that contribute to the Tasmanian community's prosperity, liveability, vibrancy and wellbeing.

In conclusion

I would like to thank the department's portfolio ministers, Premier Lara Giddings (Minister for the Arts), David O'Byrne (Minister for Economic Development and Minister for Innovation, Science and Technology), Michelle O'Byrne (Minister for Sport and Recreation) and Scott Bacon (Minister for Tourism and Minister for Hospitality) for their strong support throughout the year.

I would also like to thank the Chairpersons and members of the Tasmanian Development Board, the Tourism Tasmania Board, the Tasmanian Arts Advisory Board, the Board of Trustees of the Tasmanian Museum and Art Gallery, the Screen Tasmania Advisory Board and the Theatre Royal Management Board for their valuable contribution and counsel during the year.

Finally to all department staff, thank you for your continued hard work and dedication which is, as always, greatly appreciated.



Mark Kelleher

Secretary
Department of Economic Development, Tourism and the Arts

- Our purpose and role
- Our stakeholders
- Our collaborative work
- Organisational chart

Our purpose and role

The Department of Economic Development, Tourism and the Arts is responsible for the strategic development of the economic and lifestyle advantages that provide opportunities for sustainable economic and cultural growth for the benefit all Tasmanians.

All departmental staff are guided in the work they do by the department's three core values:

- » we act with integrity
- » our people matter
- » we make a real difference.

We provide leadership on the implementation of the Tasmanian Government's economic and cultural policies with projects and services delivered by a set of collaborative and specialised teams.

Investment, Trade and Sectors, along with Strategy, Enterprise and Regions operate in unison to deliver the Tasmanian Government's support for economic, industry and regional development.

Investment, Trade and Sectors works with businesses from a broad range of industry sectors, particularly those focused on exports and imports, to promote investment and job creation. This is the first point of contact for companies and investors wishing to establish, relocate, diversify or expand both within and outside Tasmania.

Strategy, Enterprise and Regions supports and grows Tasmania's key economic sectors and regional communities, and seeks to improve their social and environmental sustainability. This area provides policy analysis and advice, particularly in the ongoing implementation and review of the Economic Development Plan.

Culture, Recreation and Sport comprises business units that contribute to Tasmania's cultural and economic prosperity through the activities of our creative and events industries and health and wellbeing initiatives. Through Arts Tasmania, Screen

Tasmania and the Tasmanian Museum and Art Gallery, we support the state's vibrant arts sector and its contributions to liveability and cultural development.

Through Events Tasmania, we showcase the state's attributes through an evolving portfolio of events that provide a seasonal and regional dispersal of visitors, as well as helping grow the capabilities of Tasmania's events and hospitality industries. Sport and Recreation Tasmania aims to ensure all Tasmanians have the opportunity to increase their participation in a range of activities and to enjoy the health and social benefits of being active.

Tourism Tasmania works to maximise the contribution of domestic and international tourism to Tasmania's economic growth, drive demand for Tasmania as a destination and enhance our industry's competitive position with market-leading research and sound policy advice.

Corporate Support aids the achievement of the department's purpose through ensuring good governance and decision making, and effective collaboration and communication. Strong working relationships with our stakeholders are essential. This includes our ministers, whole of government boards and committees, service providers and central agencies.



Our stakeholders

Our stakeholders include the following ministers within the Tasmanian Government:

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

Other key stakeholders, many of whom we work with collaboratively to help meet our objectives, include:

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

Our collaborative work, including State Government Partnership Agreements

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

Under this approach, the department continues to work in partnership with local government on a number of the Tasmanian Government/Local Government Partnership Agreements. These offer an effective way for the department to define its contribution to local government areas across Tasmania, primarily focusing on economic development, including tourism, sport and recreation, and cultural outcomes.

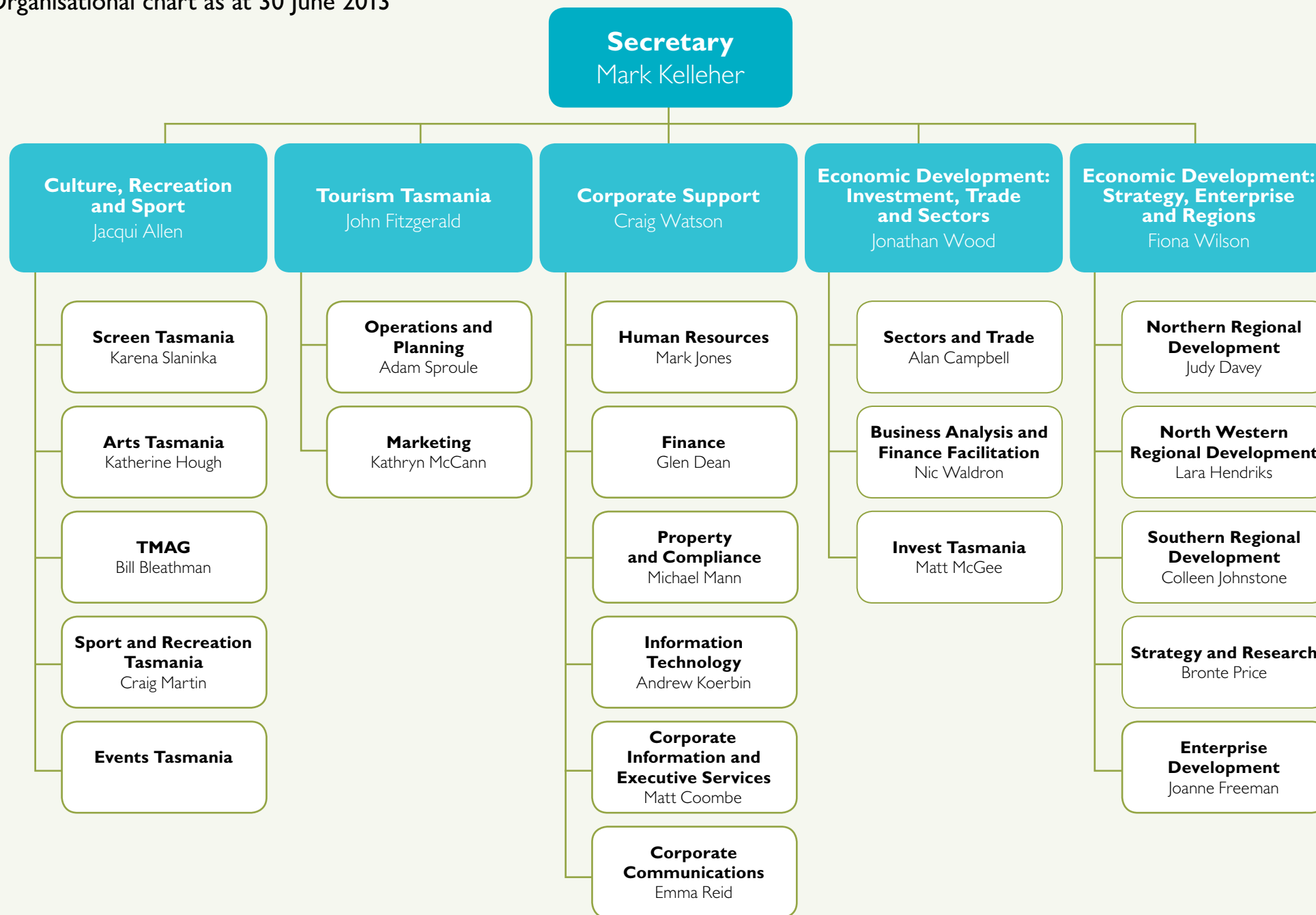
Along with other state service agencies the department also participated in the development of the new Tasmanian

Government/University of Tasmania Partnership Agreement 2012 to 2015.

The department collaborates with many industry peak bodies, including:

- » Australian Institute of Architects – Tasmania
- » Bell Bay Industry Group
- » Central Coast Chamber of Commerce and Industry
- » Civil Contractors Federation – Tasmanian Branch
- » Consult Australia
- » DairyTas
- » Environment Tasmania
- » Forest Industries Association of Tasmania
- » Fruit Growers Tasmania
- » Hobart Chamber of Commerce
- » Launceston Chamber of Commerce
- » Local Government Association of Tasmania
- » Major Employers' Group
- » Master Builders Tasmania
- » Property Council of Australia – Tasmanian Division
- » TAS ICT
- » Tasmanian Antarctic Gateway Group
- » Tasmanian Chamber of Commerce and Industry
- » Tasmanian Creative Industries Council
- » Tasmanian Farmers and Graziers Association
- » Tasmanian Forest Contractors Association
- » Tasmanian Hospitality Association
- » Tasmanian Independent Screen Industry
- » Tasmanian Minerals Council Limited
- » Tasmanian Polar Network
- » Tasmanian Poppy Growers Association Inc
- » Tasmanian Salmonid Growers Association
- » Tasmanian Sawmillers Association
- » Tasmanian Seafood Industry Council
- » Tasmanian Small Business Council
- » Tourism Industry Council of Tasmania
- » Wine Tasmania.

Organisational chart as at 30 June 2013



Management boards

The department worked in conjunction with the following boards in 2012-13:

Screen Tasmania Board

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

Tasmanian Arts Advisory Board

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

Tasmanian Development Board

The Tasmanian Development Board was established under the *Tasmanian Development Act 1983*, to encourage and promote the balanced economic development of Tasmania. The board has specific areas of responsibility under the Act and governs the legal entity Tasmania Development and Resources. The board comprises members appointed by the Governor of Tasmania on the recommendation of the Minister for Economic Development.

Tasmanian Museum and Art Gallery Board of Trustees

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

Tourism Tasmania Board

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



Budget outputs and performance

The following tables provide a snapshot of the department's performance against the measures outlined in the State Budget for 2012-13:

Output Group 1: Economic Development

Performance measure	Unit of measure	2011-12 Target	2011-12 Actual	2012-13 Target	2012-13 Actual
Jobs facilitated	number	3 000	1 753	1 500	2 322
Investment, exports and import replacements facilitated	\$ million	410.0	196.5	300	295 ¹
Economic Development Plan projects meeting timeframes	% of total projects	n/a	n/a	95	86

Output Group 2: Sport and Recreation²

Performance measure	Unit of measure	2011-12 Target	2011-12 Actual	2012-13 Target	2012-13 Actual
Tasmanian regular participation rate in any physical activity ^{3,4}	% of population	n/a	26.5	n/a	n/a
Performance of Tasmanian athletes at benchmark international sporting events ⁵	number	n/a	17	15	15

Output Group 3: Tourism

Performance measure	Unit of measure	2011-12 Target	2011-12 Actual	2012-13 Target	2012-13 Actual
Total visitation to Tasmania	'000	840	855	840	962
Interstate visitation to Tasmania	'000	720	736	720	839
International visitation to Tasmania	'000	120	119	120	122
Total holiday visitation	'000	350	346	350	384
Intrastate visitation	'000	1 010	1 141	1 010	1 185
DiscoverTasmania.com total visits ⁶	'000	2 080	2 259	2 255	n/a
On-line searches for price and availability ⁷	'000	n/a	n/a	300	n/a
Equivalent advertising value of publicity generated ⁸					
international	\$ million	28	25.0	25.0	16.8
domestic	\$ million	30	33.2	25.0	14.0
Local tourism strategies with regional tourism organisations (RTOs) in 2013-14	number	7	4	4	4

Output Group 4: Arts

Performance measure	Unit of measure	2011-12 Target	2011-12 Actual	2012-13 Target	2012-13 Actual
Tasmanian Museum and Art Gallery					
TMAG total visitors	no./day	600	654	900	1180
Art Industry Development					
Attendance at selected cultural venues	number	774 000	645 398 ⁹	815 000	683 605 ¹⁰
Contribution to GSP of selected arts industries	\$ million	58.0	58.6	59.5	Not yet available

1. 295 253 118.

2. Following the 2012-13 State Budget process, Sports and Recreation Tasmania (SRT) reviewed its key performance indicators (KPIs). As a result, new KPIs were developed that will provide evidence of SRT's impact on the sport and recreation sector. The new KPIs were presented in the most recent 2013-14 budget papers and are detailed below. The previous KPIs will no longer be reported on.

3. Data for this measure have been derived from the Australian Bureau of Statistics release *Participation in Sport and Physical Recreation, Australia, 2011-12*. This performance measure represents the percentage of the Tasmanian population aged 15 years and over who regularly participated in physical activity for exercise, recreation or sport (at least three times weekly) in 2011-12.

4. The next data release will be for 2013-14 and the target will be to maintain or increase the Tasmanian regular participation rate in any physical activity for exercise, recreation or sport from 2011-12.

5. This performance measure represents the number of Tasmanian Institute of Sport athletes that achieved finals and/or top eight results at benchmark international sporting events.

6. Data for this performance measures is no longer available as Tourism Tasmania will be launching a new consumer website in 2013-14 which will have a new set of associate KPIs and Targets.

7. Data collected for this performance measure is no longer an accurate reflection of on-line searches for price and availability.

8. Equivalent Advertising Value (EAV) is the way the value of media coverage has traditionally been measured. It equates a value of unpaid media coverage to the costs of purchasing the equivalent amount of coverage in advertising. The EAV generated by Tourism Tasmania activities did not meet targets in 2012-2013 as more focus was placed on online content and social media. These will be measured by different metrics; such as reach, longevity, searchability and brand alignment. Online content and social media do not carry the same advertising value as traditional print and broadcast outlets. Broadcast results typically have high EAV values; the number of broadcast results decreased due to changes in international representation. New measures for content generation are under review as currently there are no industry standards.

9. 2011-12 attendance numbers have been revised upwards following the receipt of additional data.

10. Attendances at selected cultural venues were affected in 2012-13 due to the closure of the Tasmanian Museum and Art Gallery for part of the period for redevelopment works.

Disability Framework for Action 2013-17

The Tasmanian *Disability Framework for Action 2013-2017* seeks to enable people with disability to enjoy the same rights and opportunities as all other Tasmanians.

The department has participated in a range of initiatives that promote inclusiveness and improve accessibility to all of the services the department provides.

During the 2012-13 financial year, the following initiatives were undertaken in the areas of:

- » access to services and programs
- » access to buildings and facilities
- » access to information.

Access to services and programs

Arts Tasmania

Actions/initiatives

The National Arts and Disability Strategy and Arts Tasmania's Operational Plan are the most significant policy documents that guide Arts Tasmania's Arts and Disability Program.

Arts Tasmania continues to employ two regionally based Disability and the Arts Program Officers, part-time.

Universal accessible formatting has been adopted by Arts Tasmania in an effort to break down barriers for improved participation, particularly people living with vision impairment or low-level literacy capacities. All arts toolkits are offered in a variety of formats for accessibility purposes.

Programs and activities conducted during 2012-13 included the following examples.

» Arts and Disability Grants Program

This program aims to help artists with disability to reach their full potential.

Further, Arts Tasmania appreciates 'disability arts' as a specific genre of work that explores and communicates lived experiences of disability. People living with disability have rich and diverse views of the world because of their experiences. The program supports the Tasmanian Government's Disability Framework for Action and also Tasmania's response to the National Arts and Disability Strategy.



» Open Captions for Performing Arts Initiative

Open captions are like subtitles for theatre. The captions are depicted on a large screen in the auditorium and the actors' dialogue is converted to words live, via broadband technology.

In Tasmania, the number of people who identify as deaf or hard of hearing is higher than the national average. Approximately 1 in 6 people is hard of hearing and 400 Tasmanians use Auslan (Australian sign language) as their first language.

Access to the performing arts for Tasmanians who are deaf or hard of hearing is extremely limited. The costs associated with hiring interpreters, the lack of interpreters available in Tasmania, the lack of exposure to inclusive performances that feature both Auslan and English-speaking actors, reluctance to include subtitles on stage for artistic/aesthetic reasons, and installation of hearing loops for those with modern hearing aids, all prevent many arts organisations and venues from making their service accessible to deaf and hard of hearing audiences.

Through its Arts and Disability Program, Arts Tasmania funded an initiative in 2012-13 that enabled theatre performances to be captioned live. The project's long-term objective was to investigate its feasibility for increasing accessibility and audience potential.

Arts Tasmania engaged five venues (Burnie Arts and Function Centre, Theatre North, Theatre Royal, Deloraine Arts Society, Huonville Town Hall) and two arts organisations (Terrapin Puppet Theatre and Ten Days on the Island).

» Access to Disability Forum

Arts Tasmania and the Australian Business Arts Foundation hosted an event at Arts I46, Arts Tasmania's gallery space in Hobart, to inspire and inform the arts industry about working with artists with disability. The term 'access to the arts' conjures up notions of infrastructure, time and money. The event aimed to turn this notion around – instead of accessing the arts, the forum asked the arts industry to access and engage with disability. Making services and work more accessible can open the doors to new audiences or visitors and open up opportunities for collaboration with the disability sector, creating some great results.

The presenters included: Alan Young, a Tasmanian visual artist with disability; Duncan Meering, a Tasmanian designer with disability; Finegan Kruckemeyer, founder of Tasmania's mixed-ability Second Echo Ensemble; and Jami Bladel, CEO of Kickstart Arts.

» Arts and Disability Connect Forum

As part of Ten Days on the Island's Beyond 10 Days Program, Arts Tasmania hosted a forum in Launceston that aimed to connect professional artists both with and without disability, disability-arts organisations, and service providers together. The forum featured Emma Bennison, CEO of Arts Access Australia, artists from the United Kingdom's Turtle Key Arts and Ockham's Razor (recognised leaders in the field of arts and disability). The international artists were brought to Tasmania as part of Ten Days on the Island and Arts Tasmania took advantage of their being in the state.

» Arts Access Australia's 2013 Meeting Place

In response to the need identified by participants from the Arts and Disability Connect Forum, Arts Tasmania funded nine people from the north and north-west of Tasmania to attend Arts Access Australia's national conference, Arts Access Australia's Meeting Place. All nine people were grateful for the experience and excited about the potential to connect with other artists with disability. This event was utilised to promote the 2014 Arts and Disability grant round.

Sport and Recreation Tasmania

Actions/initiatives

- » Review of Tasmanian Sport and Recreation Framework for People with a Disability
In 2012, a project plan for the review of the framework was developed and research was undertaken in preparation. This included an in-depth assessment of the disability demographic in Tasmania, a literature review encompassing a wide range of reports and a review of existing framework documentation. The review of the framework was put on hold until 2013, to ensure that it was informed by the review of the Disability Framework for Action (completed in December 2012). The review then recommenced in February 2013, with the research phase and stakeholder consultation completed. The review process is anticipated to be completed by August 2013.
- » Disability Sport and Recreation Network Forums
These forums are attended by state sporting organisations and disability service providers, to provide a platform for the two sectors to engage.
Two forums were held in 2012-13, including the first forum in the north of the state, at the Silverdome in September. Forty five participants and four officers from Sport and Recreation Tasmania (SRT) took part in the forum. Twenty eight organisations were represented, including 10 state sporting organisations, 14 disability service providers, two education providers and one local government.
The most recent forum was held in Hobart in April 2013. Thirty eight people attended, representing 13 sports, 11 disability service providers and others including the Department of Education and local government.
- » Bowls Tasmania
SRT fostered links between Bowls Tasmania and disability service providers to promote new and existing pathways into the sport for people with disability. Groups targeted include Paraquad, Cerebral Palsy Tasmania, Royal Guide Dogs and TasDeaf.
Bowls Tasmania is focusing on further involvement of people with a disability. It is adopting the four focus areas of Bowls Australia, by aiming to increase the involvement of people with an intellectual disability, vision impairment, hearing impairment and deafness, and physical disability. Bowls Tasmania already has significant participation from people with intellectual disability.



In June 2012, SRT facilitated a trial for Bowls Tasmania to gain more skills in the area of blind bowls. A player who is blind who was involved in the trial has since continued to play bowls. Royal Guide Dogs in collaboration with Bowls Tasmania, held a come and try day for players with vision impairment at the Buckingham Bowls Club in September 2012. Five families attended the event and Royal Guide Dogs reported that everyone appeared to have a great time. Bowls Tasmania provided information to the families to encourage their continued participation in the sport.

Tasmanian Museum and Art Gallery

Actions/initiatives

- » The Tasmanian Museum and Art Gallery (TMAG) opened the redeveloped museum in March 2013, providing public access to major Tasmanian historical buildings for the first time. The redevelopment took account of the needs of people with disability and work has now been completed to ensure equitable access to all other areas of TMAG as well.
- » In addition to improving accessibility to their buildings, TMAG also offered public programs tailored to the particular needs of various visitor groups. TMAG regularly caters for students with disabilities within its regular integrated schools program of activities, including students with mobility issues, autism and Down syndrome.
- » TMAG also delivers to special needs groups as requested and has offered tailored programs to visitors with a full range of disabilities. Programs such as 'Drawing on the collection' and 'Discover your museum' are particularly suitable for special needs groups.



- » TMAG is developing an online resource for the deaf and hearing impaired community, for use with the 'Shaping Tasmania: a journey in 100 objects' initiative.
- » TMAG launched the 'iRemember' program for people with dementia to coincide with the museum's reopening. This program included: a research component in partnership with the UTAS Wicking Dementia Research and Education Centre on the efficacy of memory boxes, development of a loan service for nursing homes and carers of people with dementia, and was delivered as an in-gallery guided program in conjunction with Alzheimer's Tasmania.

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

Actions/initiatives

- » Automatic sliding foyer-entry doors have been added to four floors of the ANZ Centre. This now means that all foyer doors within the department's floors of the ANZ Centre will have the same level of accessibility.
- » Plans have been developed for the installation of toilets and showers for people with disability. Installation will occur based on demand and budget priorities. The department will engage with landlords to deliver a mutual benefit from this.
- » An Asset Management Plan is being developed for the Launceston Silverdome and a key component will be identifying current and future access priorities for people with disability.

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

Actions/initiatives

- » All department documents are provided on the internet as an alternative to printed publications.
- » The use of web text instead of PDFs is actively encouraged.
- » Advice is provided to business units regarding graphic design, layout of documents and online content to ensure accessible style and format. For example, ensuring that symbol size and colour contrast on all maps is suitably clear for people who are sight impaired.
- » Ongoing internal distribution of the *Appropriate use of language with regard to disability* and *Accessibility of Information* guides are provided.
- » Disability awareness initiatives have been promoted and recognised through internal communications channels such as the intranet and staff newsletter. For example, Art's Tasmania's Ten Days on the Island captioning initiative and the 26Ten literacy initiative were publicised internally.
- » Closed captions are included in all DVD material in order to make it as accessible as possible to the wider community.
- » Captions are also included in all online YouTube and Vimeo clips showing departmental initiatives. For example, the 13 Tasmania Business in Action stories and the Invest Tasmania series.
- » Tourism Tasmania is working to ensure that the redevelopment of the Discover Tasmania website will meet, at the very least, Level A of the Web Content Accessibility Guidelines 2.0 with an aspirational goal of achieving AA rating.

Carbon Emissions Reduction Plan



The department is continuing to reduce its greenhouse gas emissions, in line with its carbon emission reduction plan (CERP). Over the past 12 months, electricity usage in the department was reduced by 3.72 per cent and fuel consumption was reduced by 15.94 per cent. Emissions produced from air travel

increased, due to a large number of support staff from the Tasmanian Institute of Sport attending the 2012 London Olympic Games. A review of the current CERP will be undertaken in 2013-14.

Source	2008-09	2009-10 ¹	2010-11	2010-11	2012-13	Percentage change from 2011-12
Electricity Kilowatt hours (kW-h)	4 502 300	4 157 736	4 072 507	3 936 601	3 790 281	-3.72
Air travel tonnes of CO ₂	322.40	331.51	328.84	144.07	190.56	+32.27
Fuel (petrol, diesel) kilolitres (kl)	173	208	172	138	116	-15.94

¹ The figure previously reported for 2009-10 included the Tasmanian Technopark tenant light and power. The figure now shown for 2009-10 has been adjusted to exclude the tenant light and power to enable direct comparison.

Our activities

Economic Development

- Antarctic sector development
- Brand Tasmania Council
- Building and construction sector support
- Business Mentor Services Tasmania
- Business Point and Business Tasmania
- Business Ready and Skills Response
- Dairy industry support
- Digital Futures Advisory Council
- Digital Futures Strategy
- Digital Ready
- Economic Development Plan
- Enterprise Centres Tasmania
- ICT industry support
- Invest Tasmania
- King Island Partnership Agreement
- Manufacturing Competitive Environments
- Manufacturing industry support
- Maria Island jetty upgrade and Ecotourism Development Feasibility Study
- Menzies Centre – Stage Two
- Mining developments
- Myer
- NBN Industry Awareness Program (NBN4Business)
- Planning Reform Support Program
- Poppy industry
- Red Tape Action Plan
- Regional Development Australia Fund
- Regional Economic Development Plans

- Renewable Energy Loan Scheme
- Salmon industry support
- Savour Tasmania
- Science research sector support
- Sensing Tasmania (Sense-T)
- Sirolli – Enterprise Facilitation Service
- Small Business Online Retail Innovation Program
- Small Business Strategy
- Social Enterprise Work Program
- Tasmanian bushfire recovery
- Tasmanian Forests Intergovernmental Agreement
- Tasmanian Government Innovation and Investment Fund
- Tasmanian Whisky Trail
- Taste Tasmania food and beverage branding and promotional campaign
- Vodafone
- Waste Strategy
- Western Tasmania Industry Infrastructure Study
- Wine Industry Development Support Program

Tourism

- International marketing review
- New tourism brand
- Regional tourism initiative
- Tasmania's World Heritage Wilderness
- Tassie Comeback Tour

Sport and Recreation Tasmania

- Participation in sport, recreation and physical activity
- Providing leadership and developing sport
- Sport, Recreation and Physical Activity – Places to Play
- Standards for boxing and combat sport contests
- Tasmanian Institute of Sport including Olympic representation

Arts

Arts industry development

- Academy of Creative Industries and Performing Arts/Wapping 4
- Arts Tourism Strategy (including ARTBIKES and **smart map tasmania**)
- COLLECT Art Purchase Scheme
- Museums and galleries funding
- National Cultural Policy
- Premier's Arts Partnership Fund
- Roving Curators
- Tasmanian Literary Prizes
- Value of the arts to the Tasmanian economy

Screen industry development

- Achievements
- Buzz Bumble
- Delivering against strategic objectives: Financial snapshot
- Screen events

Tasmanian Museum and Art Gallery

- Public programs and visitation
- Redevelopment and reopening
- Research
- State Collection
- Tasmanian Aboriginal Culture
- Volunteer, community and philanthropic support

Events

- Event development
- Grants programs
- Major and regional events
- Princes Wharf No. 1
- Tasmanian hospitality industry

Economic Development



Antarctic sector development

Implementation of the 2011 Antarctic sector action plan (*Developing Tasmania's Antarctic Sector, A vibrant industry in a global market*) is being driven by the Tasmanian Antarctic Gateway Working Group (TAG).

Implementation of the action plan focuses on 20 initiatives that build the Antarctic sector's capabilities.

Significant progress has been achieved with respect to:

- » Tasport's Macquarie Wharf No. 2 redevelopment as an Antarctic and cruise ship terminal
- » Antarctic aviation requirements being included in Hobart International Airport's future planning
- » progressing plans for upgrading quarantine and hazardous waste infrastructure
- » the Chinese icebreaker *Xue Long* visiting Hobart in January 2013, with collaborative science and logistics forums and meetings held with Tasmanian scientists and businesses
- » increased international recognition of Tasmania as an Antarctic gateway and a hub of Antarctic expertise, as well as a number of activities to improve collaboration with other Antarctic nations
- » valuable data being gathered on the Tasmanian Antarctic supply chain and on the Antarctic capabilities of Tasmanian businesses
- » the Antarctic capabilities of Tasmanian businesses being promoted through a business directory and events such as the Council of Managers of National Antarctic Programs (COMNAP) meetings in Portland, Oregon and the Antarctic Treaty Consultative Meeting (ATCM) in Buenos Aires
- » the legacy of the 2011-12 Antarctic Centennial Year celebrations, showcasing Tasmania's Antarctic capabilities to the international Antarctic community in Hobart (for example, during the ATCM in Hobart).

Building and construction sector support

The department has continued to support the building and construction sector through a range of activities and programs, including providing secretariat support to the Building and Construction Industry Advisory Committee which acts as a conduit for industry to the minister and government.

The department continues to work closely with industry to facilitate major developments across a range of key sectors. An example of a major project, in which the department has been actively involved is the Fairway Rise development in Rosny. This is being undertaken by Southern Cross Care (Tas) Inc, a not-for-profit organisation that has operated in Tasmania since 1973, providing care, accommodation and support for more than 1 500 Tasmanians.

In 2011-12, a loan of \$1 305 000 was approved to assist the purchase of Crown land at Rosny for the Fairway Rise Lifestyle Village. The \$46 million project includes a 60-bed nursing home, 76 independent living units and a community centre. It is expected to generate the equivalent of 250 jobs during its construction, mostly in the building and construction sector, and create around 100 permanent positions once complete in December 2013. Construction on the project commenced in December 2012, with a number of stages now completed. Works on the nursing home component commenced in June 2013.



Brand Tasmania Council

Brand Tasmania Council Inc.'s strategic direction has broadened in recent years to encompass the extended dimensions of the Tasmania Master Brand, namely the elements: live, work, study and visit. This shift has been achieved seamlessly over the past year under the guidance of an agreed work plan prepared in collaboration with the Department of Economic Development, Tourism and the Arts.

Notable activities during the year include:

- » a significant amount of new digital content added to the Brand Tasmania website, YouTube channel and on its Facebook page
- » in cooperation with Tasmanian Hospitality Association, the delivery of a series of state wide Meet the Producer events
- » eight journalists and two TV crews were supported while in the state.

Brand Tasmania ambassador, Tetsuya Wakuda continues to raise the profile of Tasmanian food and beverages.

Business Mentor Services Tasmania

Business Mentoring Services Tasmania (BMST) is a free state wide service, providing volunteer business mentors to small business clients and community groups. During 2012-13, 123 volunteer mentors across the state provided free services to business.

BMST also provided 394 businesses with mentoring support, maintaining approximately 413 jobs.

Business Point and Business Tasmania

In December 2012, the Business Point team rebranded and evolved into Business Tasmania, providing high-level consultative customer service. At Business Tasmania, the mission is to help people find answers to business-related queries simply and clearly. The team provides first contact resolution and is responsive to customer needs. Business Tasmania is fast, free and confidential and available to anyone starting or operating a business in Tasmania. Information and referrals to relevant support services and government agencies are provided to fulfil customer needs.

Business Tasmania can be contacted via email or SMS, or phone during business hours. Between 1 July 2012 and 30 June 2013, Business Tasmania staff responded to 3 375 client enquiries.

The new website www.business.tas.gov.au makes it easier and faster for businesses to find the information they need and to access tools and resources to develop their skills and knowledge. The site offers comprehensive information to assist with each stage of the business life cycle. Businesses are encouraged to engage with government and other businesses via the website, blog and Twitter.

Visitation to the website has grown steadily since its launch in February 2013. In June there were 8 006 unique visitors to the website, which is the highest monthly traffic to date. A range of campaigns has contributed to the growth in visitation. The Tasmania Business in Action campaign has been well received and assisted to raise the profile of Business Tasmania. Campaigns such as this demonstrate how Business Tasmania can be used successfully as a channel to engage with the business community.

Business Ready and Skills Response

In the past 12 months, the Business Ready initiative has delivered workshops and one-on-one coaching, around the state in marketing and succession planning. The Market Ready program was offered in three areas and attracted 67 participants. Six Succession Ready workshops were also offered state wide and attracted more than 80 participants. All resources for the Business Ready initiative are now uploaded to Business Tasmania and are freely available to businesses seeking information on a range of topics. The Energy Ready program has been redeveloped as an online energy audit for business owners to assess their energy consumption and identify savings.



Dairy industry support

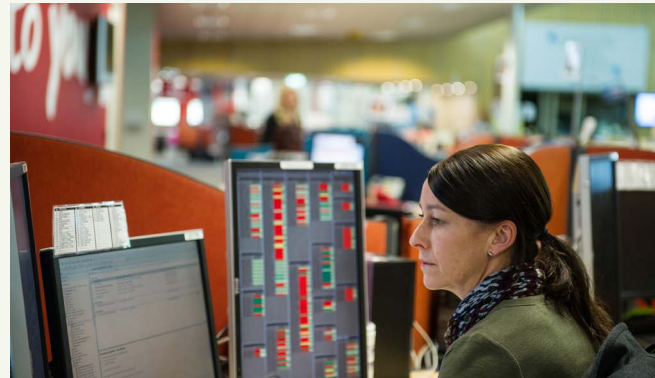
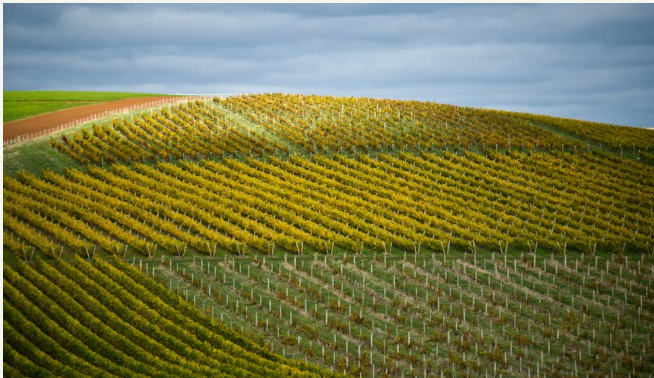
The dairy industry is identified under Goal 2 of the Economic Development Plan as a priority sector. A range of initiatives has been undertaken by the department over 2012-13 to support the industry's development. Key among these is a \$1.5 million assistance package, announced in June 2012, to support Lion's \$142 million investment at Burnie and King Island.

Additionally, through the Tasmanian Jobs Package, the government also committed \$400 000 to support dairy conversion planning under the industry's Filling the Factories program (now renamed Into Dairy – Sustainable Dairy Development), a series of initiatives designed to increase milk supply over the coming year. A senior staff member from the department has been provided to Dairy Tas to manage the project for the next two years.

Tasmanian Dairy Products' new processing site at Smithton, which the department provided planning support to, began operations in September and was officially opened in March. The department is continuing its support to Van Diemen's Land Company in pursuing its dairy development plans in Circular Head.

Digital Futures Advisory Council

The Digital Futures Advisory Council continued as the government's adviser on the Tasmanian digital economy and maximising the opportunities presented by the NBN. New members appointed in late 2012 provide additional expertise from CSIRO, the higher education sector and National ICT Australia, as well as digital creative industries.



Digital Futures Strategy

The department undertook further work to define the next stage of the Digital Futures Strategy spanning July 2012 to June 2015. This included identifying new elements that build on the progress to date and optimise outcomes from the certainty achieved from the NBN roll out.

Digital Ready

Since it commenced in mid-2012, the Digital Ready program has been run in Deloraine, Burnie, Launceston, Devonport, Ulverstone, Flinders Island and Hobart. Approximately 377 businesses have participated. The program continues to improve small business operators' understanding, skills and confidence in engaging with the digital economy.

Economic Development Plan

The department undertook a two-year review of the effectiveness of Economic Development Plan priority initiatives and projects.

While the economic environment continues to be challenging, the review reported progress and achievements across a broad range of economic sectors:

- » six new irrigation schemes leveraged \$46 million of private investment in water rights

- » the proportion of 15-64 year old Tasmanians with Certificate III qualifications and above increased, our year 12-or-equivalent rate increased and over one third of Tasmanian VET graduates enrolled in further study
- » the new Launceston Interim Planning Scheme facilitated more than \$100 million in development
- » a new dairy-powder plant in Smithton attracted \$70 million of investment, resulting in 150 construction jobs and 50-70 ongoing jobs
- » a cheese-manufacturing facility in Burnie attracted \$142 million of investment, resulting in 80 construction jobs and retaining 220 jobs
- » Vodafone decided to expand in Kingston, resulting in 800 new jobs plus additional construction jobs
- » Norske Skog is redeveloping its paper plant at New Norfolk, an \$83 million investment retaining 200 jobs
- » Southern Cross Homes is spending \$46 million on its aged-care facility on the old Rosny golf course, resulting in 250 construction jobs and 100 ongoing jobs
- » contracts worth \$7 080 806 were facilitated under the Export Active program
- » a market protocol was signed with China permitting Tasmanian cherries into the Chinese market for the first time and the first shipment of cherries arrived in January
- » area under wine-grape production increased and opportunities in the wine industry continued to expand

- » investments in the Menzies Research Institute helped to secure an average of almost \$13 million in external funding per year for the past three years
- » investments in the Australian Integrated Marine Observing System helped secure its location in Hobart, plus investment in the Tasmanian operational node of \$17 million, \$24 million and \$22 million in each of the past three years, respectively
- » Tasports redeveloped Macquarie Wharf No. 2 into a dedicated cruise ship and Antarctic facility
- » the Flinders Island wind turbine now supplies 25 per cent of the island's electricity
- » the Musselroe wind farm imported electricity to the grid for the first time
- » the Renewable Energy Loan Scheme generated investment of \$5.4 million
- » a \$5.5 million data centre/cloud facility at the Technopark leads the way in digital infrastructure and cloud service.

The review was undertaken at a time when Tasmania's key economic indicators were deteriorating relative to the national economy.

In this respect, the review referenced the Department of Treasury and Finance's paper on *Structural Change in the Tasmanian Economy*. That paper notes that the deterioration has occurred partly due to cyclical forces such as a high Australian dollar and strong levels of mining-related investment in some jurisdictions, and that these forces should moderate.

However, that paper also noted that there are structural forces at play, such as rising real incomes, changing patterns in spending, the rise of Asia and Tasmania's ageing population. These are not expected to reverse. The economy is in transition. The sectors most affected by this include manufacturing, and forestry and forest products.

While state governments have no control over the global and national forces that have worsened market conditions, and limited policy levers to counteract the cyclical influences, they can make a difference to future growth prospects, mainly through impacting the investment climate and the productive capacity of our economy. This is the focus of the Economic Development Plan.

Enterprise Centres Tasmania

Enterprise Centres Tasmania offer free and confidential business information, guidance and support services to both existing small business and to those who wish to start a business.

In 2012-13, eight centres delivered services to small business intenders and operators across the state. Enterprise Centres Tasmania provided assistance to 1 958 clients, resulting in approximately 373 new jobs and \$5.3 million in business investment.

Invest Tasmania

Invest Tasmania was established in late 2011 to lead investment attraction and facilitation for projects that have major economic impact. Invest Tasmania identifies investment opportunities based on the state's competitive strengths and markets these locally, nationally and internationally. Invest Tasmania works with the proponents of major project proposals to help bring their investments to fruition.

During the year, Invest Tasmania was actively involved in attracting and/or facilitating a range of major investment projects, including the Lion cheese-factory expansion, Tasmanian Dairy Products milk-powder factory, Southern Cross Care Fairway Rise development, Norske Skog paper-grade conversion project, the Vodafone expansion, the Hardrock Coal project, and the Van Diemen's Land Company farming expansion at Woolnorth.

During 2012-13 Invest Tasmania developed a range of promotional collateral for investment attraction, including:

- » the *Invest in Tasmania* booklet, which outlines the range of investment opportunities that exist across many of Tasmania's industry sectors
- » a series of *Tasmania Delivers* brochures which summarise opportunities in specific sectors
- » *Guides for Investors* providing detailed investment information for the wine, dairy and mining and mineral processing sectors.

English, Chinese and Japanese versions of these documents are now available for download at www.investtasmania.com.au/brochures

The unit also launched the Invest Tasmania Map. This is a geospatial mapping application that allows easy access to information on Tasmanian investment and infrastructure



projects that are under consideration, likely to proceed, or under construction. The map allows users to search for and view projects using street, topographical or satellite mapping. It can be accessed at www.investtasmaniamap.com.au

During the year, the department's Business and Skilled Migration team was merged with the Invest Tasmania unit. While the migration team retain its own identity, the merger is producing significant synergies, particularly in the area of business migration.

Invest Tasmania meets with potential investors and promotes opportunities at exhibitions and seminars. For example during 2012-13, the team:

- » organised and conducted the *Tasmanian Mining Investment Seminar* in Beijing in September 2012 which was hosted by the Premier as part of the Asian trade and investment mission
- » undertook an investment mission to China in November 2012 which included promotion of Tasmanian investment opportunities at the *China Mining Congress* in Tianjin and at an *Investing in Australian Resources Seminar* in Beijing
- » joined with Tourism Australia on a mission to New Zealand to promote tourism infrastructure investment opportunities
- » undertook investment promotion within Australia involving regular interstate visits for direct discussions with potential investors, and in promoting opportunities to potential investors during visits to the state.

King Island Partnership Agreement

A partnership agreement between the Tasmanian Government and the King Island Council was signed in October 2012, following the closure of the JBS Swift Abattoir and amid concerns regarding its social and economic impact on the community.

The agreement provided \$50 000 per annum to support economic diversification on King Island for three years. The aim is to respond to the economic downturn, by maintaining and subsequently increasing the level of business and economic activity on King Island, through a range of initiatives:

- » the first project was the engagement of SCA Marketing to provide a livestock workshop for beef producers
- » Wise, Lord and Ferguson was engaged in December 2012 to provide a gap and opportunities analysis to identify specific actions and resources required to support the island
- » funding was provided for King Island tourism development, towards the purchase of a visitor-information mobile phone application, providing ready access to relevant tourism information
- » plans for the following year include an IDEAS workshop and a Digital Ready coaching program.

A feasibility study into a new abattoir for King Island was supported and the report was presented to the community in June 2013. A King Island Implementation Group, comprising local beef producers, was then established to investigate a best-practice, export-focused abattoir model and supply of cattle at a level required to attract major investment.

Other partnership initiatives are ongoing and focus on wallaby control, a review of stock transportation and handling, and identifying the future shipping needs of King Island.

ICT industry support

The Tasmanian ICT sector employs more than 4 000 people and generates revenues of more than \$1.2 billion.

The ICT sector is weathering the impacts of convergence, changes to traditional business, service and revenue models and the disruptive influence of ICT technology on society, business and government.

The ICT sector (including investment in cloud and data centre infrastructure and services) and the continued rollout of the NBN in Tasmania, is increasingly important as key economic enablers; fundamental to increasing our capacity to transform all industry by driving digital productivity, efficiency and business innovation.

Manufacturing Competitive Environments

Economic Development led a strong series of Competitive Environments Programs throughout 2012-13, including the following events.

- » The Insights to Excellence Program targeted visits to national best practice companies in Adelaide. The events, supported by the South Australian Government, included a workshop with internationally renowned manufacturing change expert Professor Goran Roos. Five companies from northern Tasmania participated.
- » The Manufacturing Action Learning Tasmania (MALT) program, financially supported by Skills Tasmania, was expanded this year to include small and medium enterprises in the Bell Bay region. Once again, Bell Bay Aluminium and ACL Bearings hosted these sessions.
- » A week-long visit by Professor Goran Roos was delivered through Manufacturing Forum events in Burnie, Launceston and Hobart. The events were supported by the University of Tasmania, Enterprise Connect, Bell Bay Aluminium, Blackwoods and Caterpillar Underground Mining.



Manufacturing industry support

Initiatives under the Economic Development Plan that support manufacturing in Tasmania include the following.

- » Establishment and support for a ministerially appointed Advanced Manufacturing Industry Advisory Committee.
- » Industry Capability Network (ICN) assists local companies to tender for government and private contracts and provides Australia's largest procurement portal, the ICN Gateway, to all companies independent of size. ICN Gateway currently has over \$1 billion worth of projects listed for Tasmania and over \$280 billion worth of projects from throughout Australian and New Zealand. The website receives 700 000 page hits a month nationally.
- » Export facilitation and other services and programs to help Tasmanian businesses develop sustainable export markets and increase their skills in the international arena.
- » The Northern Maritime Industry Capability project established collaboratively with Tasports and industry to maximise opportunities for Bell Bay to grow as a service hub for the lucrative Bass Strait offshore oil and gas activities.

- » The Tasmanian Government Innovation and Investment Fund (TGIIIF) forms part of the Tasmanian Government's response to regional employment challenges. The objective of the TGIIIF is to assist Tasmanian business owners to invest in innovative projects that will significantly improve their sustainability, performance, growth and productivity, generating new jobs.

Maria Island jetty upgrade and Ecotourism Development Feasibility Study

As part of the Tasmanian Forests Intergovernmental Agreement, and in collaboration with the Glamorgan Spring Bay Council, the Tasmanian and Australian Governments have invested \$1.6 million to upgrade the Maria Island jetty and complete an Ecotourism Development Feasibility Study for Maria Island. This recognises that Maria Island has the potential to enhance the region's tourism competitiveness.

The upgrade of the Maria Island jetty is progressing in a staged approach to accommodate the visitation seasons.

Preliminary findings from the Ecotourism Development Feasibility Study identify a number of strategic opportunities for Maria Island to develop as a successful nature-based and heritage tourism destination. These relate to better access, improved accommodation, upgraded infrastructure and more emphasis on targeted markets.

The study will be completed in August 2013.

Menzies Centre – Stage Two

As the final part of a \$15 million commitment to the University of Tasmania to assist with Stage Two of the Menzies Centre development, a funding instalment of \$10 million was provided in 2012-13. The total project cost was \$90 million with completion of the project due in mid-late 2013.

The department provides the Menzies Institute \$500 000 per annum, supporting a number of research fellowships, under the state's Icon funding which assists a number of high-profile organisations that promote the state both nationally and internationally.



Mining developments

Several mining projects are currently being advanced in the state. These include projects by Proto Resources/Nickel Developments (nickel, cobalt, iron ore), Venture Minerals (tin, tungsten, iron ore), King Island Scheelite (scheelite), Shree Minerals (iron ore), and Australian Bauxite (bauxite).

The department has promoted investment in emerging mining projects through direct engagement with potential investors, the development of investment opportunity fact sheets and initiatives such as trade missions.

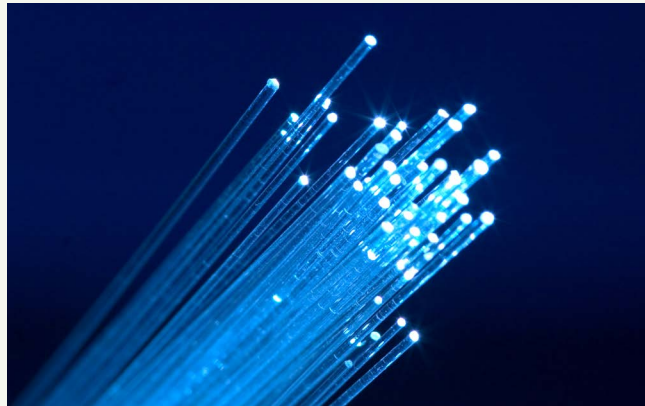
Other mining projects occurring in Tasmania include projects by Elementos (tin and copper), Tasmanian Magnesite (magnesite), and Forward Mining (iron ore).

Myer

Redevelopment of the former Myer site in central Hobart involves a \$130 million development comprising retail, office and hotel components. The project will have a significant and positive influence on the Hobart CBD. The retailer's commitment to an ongoing presence in the city is important for underlying business confidence. The project will create around 220 jobs during construction and a further 130 ongoing positions in the retail and hospitality sectors, once completed.

In May/June 2013, the Tasmanian Development Board approved a grant of up to \$400 000 to the developer to assist with the costs associated with the project.

The grant will be paid upon substantial commencement of the building works, which are scheduled for December 2013.



NBN Industry Awareness Program (NBN4Business)

The NBN4 Business program continued, with each of the four organisations (Tasmanian Chamber of Commerce and Industry, Tasmanian Farmers and Graziers Association, Tourism Industry Council of Tasmania and Tasmanian Small Business Council) continuing the implementation of second and third-stage projects to inform and demonstrate the benefits of the digital economy and NBN connectivity to respective constituents.

Planning Reform Support Program

Six new projects were funded under the Planning Reform Support Program, of which three directly relate to supporting communities in the Tasman Peninsula following the 2013 bushfires. One of these is assisting Sorell Council to undertake a structure plan for Dunalley, which will guide future land use in this town.

Another project funded jointly with Hydro Tasmania and the Central Highlands Council is considering land use around Lake Meadowbank, one of Tasmania's most popular inland waters.

This year also sees the completion of a major long-term project, initiated jointly with the southern Tasmanian councils due to a looming shortfall in suitably zoned and located industrial land. The Southern Tasmania Industrial Land Strategy aims to assist planning for the next 15 to 30 years, for sufficient industrial land to accommodate future economic growth and to allow for sustainable urban growth patterns.



Poppy industry

Over 2012-13, the department has been working with the three poppy processors and the two poppy grower groups, on industry development planning to support ongoing investment into the state's poppy processing and production capability. This is the first time the industry has sought to collectively plan for the future.

Working groups have been established to recommend actions around priority areas such as research, development and extension, production practices and planning for the structural changes taking place within the global poppy industry.

The Department of Justice commenced a review of the Tasmanian poppy industry's regulatory environment. This review was part-funded by the department.



Red Tape Action Plan

The Compliance Burden Review was announced as part of the Economic Development Plan and the Small Business Strategy in September 2011. The first phase included the launch of the Red Tape Action Plan in February 2013 and the *Measuring red tape: understanding the compliance burden on Tasmanian businesses* report.

The project will now focus on sector reports. These, developed in consultation with relevant industry associations, business groups and government agencies, will identify issues and make recommendations for improvement.

The aim of the Red Tape Action Plan is to reduce the time taken by businesses to meet their regulatory obligations. Various options and tools will be investigated. For example online 'smart forms', meaning forms that contain built-in error checking, payments options, database integration and instant form submission 24 hours a day. These will make it easier and more convenient for the business community to submit the required information to regulatory agencies. The department has established a support service for the development of smart forms to assist other agencies to implement online forms and has conducted various pilot projects.



Regional Development Australia Fund

The Australian Government has allocated nearly \$1 billion in funding to the Regional Development Australia Fund (RDAF) with the intention of significantly improving economic and social outcomes for regional Australia. The fund is delivered by 55 Regional Development Australia (RDA) committees including RDA Tasmania.

The Tasmanian Government cannot apply directly to the fund, but is a key stakeholder in the regional economic development space. It took a lead role and assembled a cross-department reference group to ensure a strategic, coordinated and effective whole-of-government view, and to identify and support projects that advance regional economic and community development outcomes.

RDAF round one projects were announced in September 2011. Two projects from Tasmania were successful:

- » a \$2.32 million grant to the Glenorchy City Council for the \$15.9 million Glenorchy Art Sculpture Park Stage Two project
- » a \$4.31 million grant to the St Giles Society for the \$5.81 million project to build a new multi-purpose Paediatric Regional Centre of Excellence in West Hobart.

Round two projects were announced in June 2012. Again, two projects from Tasmania were successful:

- » a \$1 195 170 grant for the South East Region Sporting, Recreation and Cultural Precinct
- » a \$520 500 grant for the upgrade of the Penguin Regional Athletics Centre

Separate Australian Government funding of \$4.25 million was secured to support the Burnie Storm Water Infrastructure Development and is complemented by \$1.5 million in State Government funding.

RDAF round three supports strategic infrastructure projects in small towns (population less than 30 000). Successful Tasmanian projects were announced in May 2013 and were:

- » an upgrade to the King Island airport terminal, to include arrival and departure lounges, and improved efficiency of check-in and baggage handling
- » the first stage of the Nubeena Foreshore walkway from Judd Park to the Nubeena jetty, providing a safe and attractive link between Nubeena's main commercial and community centre and the Nubeena jetty
- » the Port Sorell Community, Recreation and Performing Arts Centre, which will feature a multi-sports stadium, recreation facilities, performance art space, visual art exhibition spaces, community meeting place, cultural hub and capacity for community learning opportunities.

Successful projects in Tasmania to be funded under round four were announced in June 2013. Two Tasmanian projects were funded:

- » north-east Tasmania's Cascade Forest and Blue Tier mountain bike trails will provide 75 kilometres of world-class tourism infrastructure, to attract new visitors to the region and assist with the reinvigoration of local communities through diversification of economic activity, based on the region's natural advantages
- » the Macquarie Harbour Aquaculture Hub at Smiths Cove to support the operational needs of the expanding Macquarie Harbour aquaculture industry and will include wharves, buildings and associated infrastructure. It will be managed in accordance with recently received government environmental approvals.

RDAF round five was announced on 19 June 2013, with \$105 million to be allocated to regional local governments and \$45 million to be allocated to urban local governments.

The department will continue to work with key stakeholders, including the Australian Government, RDA Tasmania, local government and other prospective applicants, to maximise the opportunity for Tasmania to achieve good regional outcomes through future RDAF funding rounds.

Regional Economic Development Plans

The Tasmanian Economic Development Plan signalled the development of three Regional Economic Development Plans (REDPs) to coordinate government actions at a regional level in order to build resilient regional economies, by making them more diverse.

Three REDPs, for north-west, northern and southern Tasmania, were developed to identify the specific opportunities and challenges of each region and integrate these with the overarching economic development priorities outlined in the Economic Development Plan.

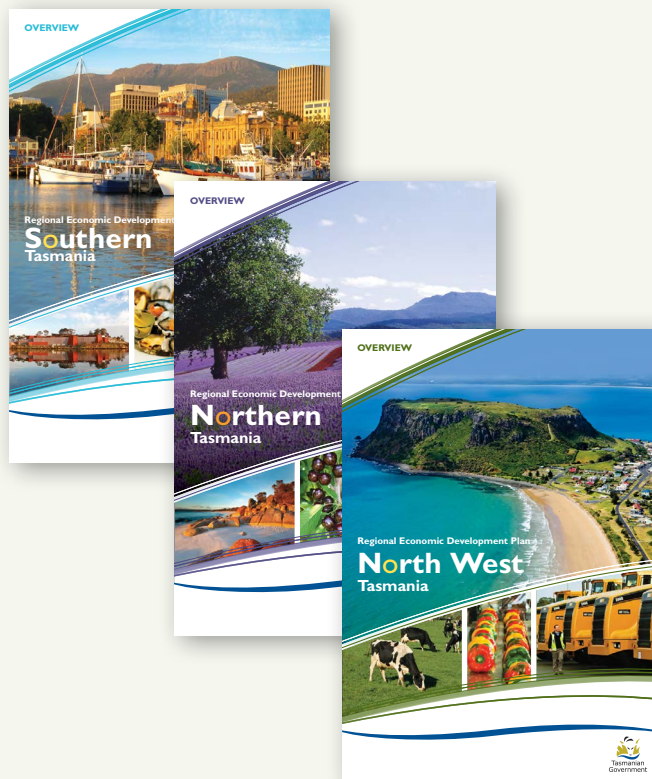
The regional plans build on work undertaken by councils and regional bodies as well as by the Tasmanian and Australian Governments. Their development was assisted by drawing on local expertise and knowledge of regional issues, through the input of local enterprises, three regional reference groups and community members across each region.

As well as consulting with the three tiers of government and industry bodies, the REDPs had input from regional communities through a comprehensive engagement and consultation process. In 2012, 57 community conversations were held around the state. The first round involved 38 sessions in 19 venues in March/April 2012. The second round involved 19 community conversations in August 2012.

In all, 21 separate towns were visited: Queenstown, Rosebery, Smithton, Burnie, Devonport, Latrobe, George Town, Scottsdale, St Helens, Launceston, Westbury, Campbell Town, Whitemark (Flinders Island), Triabunna, Sorell, Hobart, Kingston, Kempton, Bellerive, Huonville and New Norfolk. More than 1 100 people attended the conversations – 700 people attended the first round in March/April and 430 attended the second round in August.

The three plans were released in November 2012. They identify actions for 2012-13 and 2013-14 that are being implemented by the Australian, Tasmanian and local governments. The plans focus on making the most of the strengths and comparative advantages of each of Tasmania's three regions. As well, they are about recognising and supporting those sectors of the economy that play a major role in the employment, vibrancy and liveability of each region and its communities.

More than 95 per cent of the projects presented in the plans are progressing on track to meet timelines, with several actions already completed, including:



- » a feasibility study on the economic opportunities for Maria Island
- » offering of a Master of Business Administration (Agriculture) in a joint initiative with the University of Tasmania
- » a Western Tasmania Industry Infrastructure Study
- » using the Tourism Information Monitor to provide data for the tourism industry
- » Sirolli facilitation projects in regional Tasmania
- » Tasmanian Dairy Products' \$80 million facility at Smithton
- » opening of the Agritas College in Smithton – courses commenced 1 July 2013
- » a Central Coast Innovation Hub
- » a feasibility study by Enterprise Connect on future options for regional saw millers.

Actions being implemented by other state agencies have been agreed and are being driven and monitored by those agencies. Actions which are the responsibility of the Australian and local governments will require monitoring by regional offices for effectiveness in regional communities.

The department's current partnership-based activity across the three regions includes:

- » working with the Devonport City Council with its proposed Devonport Living City Plan, a \$300 million CBD redevelopment project
- » working with four major manufacturing enterprises on a proposed North West Advanced Manufacturing Industry Innovation Precinct
- » working with Circular Head Council, the Central Coast Council and key stakeholders on the extension of natural gas to industry in Smithton and Ulverstone
- » a dedicated economic development officer working full-time in the bushfire affected area of Sorell/Tasman to process applications for the National Disaster Relief and Recovery Grants, with payments totalling \$580 000.
- » involvement in the Sorell/Tasman Affected Area Committee and the Sorell/Tasman Economic Reference Group, to assist economic recovery in the area
- » working with the Tasmanian Whisky Producers Association to develop a feasibility study for a state wide whisky trail
- » working with the Department of Infrastructure, Energy and Resources and local government on a transit corridor infill consultancy from Glenorchy to Hobart CBD, looking at identifying brown field sites for future investment opportunity
- » managing the King Island Partnership Agreement including a three-year economic diversification fund and a feasibility study and business case for a new abattoir
- » working with the Launceston City Council on a Seaport boardwalk expansion project and the North Bank Precinct Redevelopment
- » working with Dorset Council on a Dorset Aged-Care Study
- » working with Dorset Council and the Dorset Community Economic Development Group on a Dorset Agriculture Study.



Salmon industry support

Following State Government approval in May 2012, the expansion of marine farm leases in Macquarie Harbour was approved by the Australian Government in October 2012. Industry is now working to increase production in the harbour. The department is working with industry to progress the development of a land-based aquaculture hub incorporating shared resources and infrastructure.

The department provided funding support to key companies and the Tasmanian Salmon Growers Association for a range of projects, including the establishment of new processing equipment, improved hatchery and harvesting infrastructure, research into establishing an industry-supported community trust, and the development of a feed barge.

The department will continue to work closely with industry to support sustainable business growth.

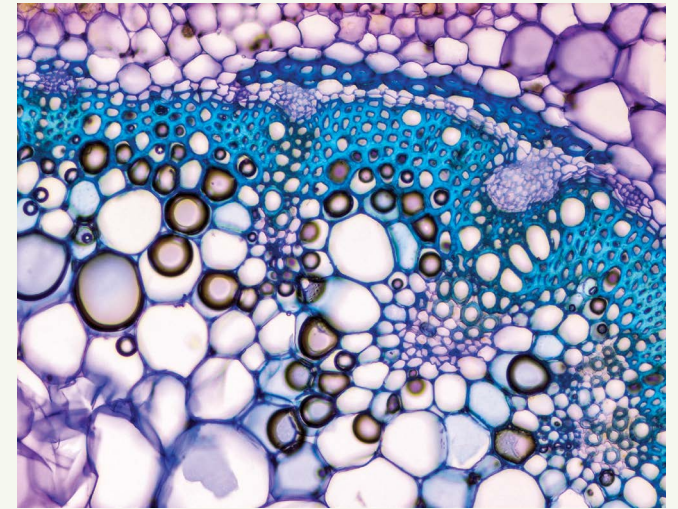


Savour Tasmania

The Savour Tasmania program showcases Tasmanian foods and beverages, exclusively. Now in its fifth year, in 2013 Savour Tasmania featured chefs from Sydney, Melbourne and Belgium, together with local chefs Matthew Evans, Jahan Patterson Were, Luke Burgess and Terry Clark, delivering a series of events which was attended by 1 397 people. Support was provided by hospitality industry students and teachers from both Guildford Young College and the Tasmanian Polytechnic, who worked alongside the guest chefs in a highly valued professional-development exercise.

The Red Wine Weekend is now an integral part of the Savour Tasmania festival. It grows in attendance each year and this year attracted just over 1 000 participants to its general tastings and satellite activities which make up the program.

Besides the chefs participating in Savour Tasmania events, ten other mainland chefs from Sydney, Melbourne and Brisbane were invited on a familiarisation visit of Tasmanian producers. This activity is aimed at encouraging commercial purchases of Tasmanian product.



Science research sector support

The science research sector strategy, *Reaching our potential: developing Tasmania's science research capability*, was finalised and launched in December 2012 and implementation has begun.

A research report on science policy was completed for the department by the HC Coombs Policy Forum at the Australian National University. This is the first step towards developing an evidence-based framework for science research investment for the Tasmanian Government.

A number of science-engagement events were sponsored and conducted by the department throughout the year to promote science and the sector to the community, including National Science Week, Science Meets Parliament, public engagement forums in Launceston and Ulverstone and the inaugural Tasmanian Science Excellence Awards.



Sensing Tasmania (Sense-T)

Sense-T is building the world's first economy-wide sensor network in Tasmania. Demonstration projects established during 2012-13 include aquaculture, pasture optimisation, viticulture and water management. This \$50 million partnership between the Tasmanian Government, the University of Tasmania, CSIRO and IBM is also funded by the Australian Government through the Tasmanian Forests Intergovernmental Agreement.

Sirolli – Enterprise Facilitation Service

In 2012, the government committed \$950 000 over two years to implement the Sirolli model of enterprise facilitation in Tasmania. The aim of the project is to use community resources to help individuals start and grow enterprises in communities and to assist regional economic development.

The Sirolli Enterprise Facilitation service is offered in Smithton, Scottsdale, George Town, and the Huon Valley. These towns were identified as having been impacted by the forestry industry transition and as experiencing pressure on some businesses from the high Australian dollar.

The service was fully operational in all three communities by February 2013. The Sirolli Enterprise Facilitation model is complementary to the Enterprise Centres Tasmania model and clients are referred between the two services.

An evaluation of the impact of the service will occur during and after the two years that the service is provided. The impact of the project will be measured in terms of new businesses and jobs as well as qualitative measures such as community engagement, motivation and capacity.



Small Business Online Retail Innovation Program

The Small Business Online Retail Innovation Program has tailored the highly successful Digital Ready Program to target small business retailers to help them improve their understanding, skills and confidence in engaging with the digital economy. In 2012-13, 80 retail businesses from Launceston, Hobart and the north-west participated in the program.

Small Business Strategy

The research which underpinned the Small Business Strategy, released in September 2011, identified key actions for service delivery over the next five years. It committed the department to continue to collect reliable data on small business in Tasmania through various methods, including an update to the Small Business Strategy in 2013.

Actions identified in the strategy include:

- » the Business Tasmania initiative
- » improve small business access to government tenders
- » alternative dispute resolution
- » business-development services, including management of the Enterprise Centres Tasmania program and review process
- » skills plan for small business
- » the Export Active Program
- » facilitate business access to finance and Small Business Connect.

Since September last year, significant progress has been made towards implementing many of the proposed activities.

In 2012-13, the government ran two small business forums, as committed to under Small Business Connect, and delivered a 'Report Card' to the Tasmanian Small Business Council, providing an opportunity for an ongoing, open dialogue between government, small business and representative organisations.

Social Enterprise Work Program

Socially sustainable economic development is fundamental to improving the prosperity of all Tasmanians. A range of initiatives is being implemented to increase business, jobs and skills opportunities for the economically disadvantaged, consistent with the goals of the Economic Development Plan.

There are two components of these initiatives. The first is to grow, promote and support the social enterprise sector by:

- » managing the Tasmanian Social Enterprise Network
- » running a series of capacity building and networking events
- » funding scholarships to the Tasmanian Leaders program and The Crunch development program
- » funding a place-based social enterprise project in conjunction with community houses, Skills Tasmania and a registered training organisation
- » providing loans to growing social enterprises via the Social Enterprise Loan Fund.

The second initiative is to support programs that improve employment pathways for disadvantaged people, including:

- » the Jobs4Life program, supporting disadvantaged, unemployed young people and their families to improve employment prospects
- » funding for the Beacon Foundation to work with young people in high schools
- » offering the Micro-Business Loan Program through the No Interest Loan Scheme network for low-income Tasmanians wanting to start a business.

Renewable Energy Loan Scheme

Launched in April 2011, the Renewable Energy Loan Scheme (RELS) promotes investment in commercially viable projects involving renewable energy generation or the manufacture of renewable energy components in Tasmania. There has been a healthy level of enquiry for assistance under RELS, however many projects still need to complete the planning and feasibility stage prior to application.

A total of \$3.5 million in loan funds and \$540 000 in grant funds has been approved under RELS since the program commenced, funding nine projects using wind turbines, solar panels and mini-hydro technology. The total value of the projects, including applicant's contribution, is \$6.7 million with a total generation capacity of 2 487 KWh.

Tasmanian bushfire recovery

The department, through its Southern Regional Office, continues to play a significant role in the recovery of those communities affected by the 2013 Tasmanian bushfires.

The department has facilitated approximately \$750 000 in Small Business Clean-up Assistance Grants for over 60 small businesses, and \$45 580 in clean-up grants for five charity and non-profit organisations. This phase of direct assistance ended on 4 July 2013.

The 2013 Bushfires Recovery Loan Program (BRLP) is an initiative of the Tasmanian Government, supported by the Australian Government, and provides support for sustainable private-sector businesses directly affected by the bushfires. The program is jointly funded by the Australian Government through the Natural Disaster Relief and Recovery Arrangements.

The BRLP provides loans of up to \$500 000, interest-free for two years to businesses that were directly affected by the 2013 bushfires, to assist in re-establishing the business.

The program will be open until 30 September 2013.

The department has also committed resources for a full-time Economic Development Officer, located within the local Sorell/Tasman community. This officer has been instrumental in providing support to local business, and has also facilitated over \$1 million of Tasmanian and Australian Government grant program funding, including through the Tasmanian Government Innovation and Investment Fund (TGIIIF), into the local business community.

This service will remain until the end of 2013.

Tasmanian Forests Intergovernmental Agreement

Economic diversification projects continuing under the Tasmanian Forests Intergovernmental Agreement include:

- » AgriTas Trade College, which opened for enrolments on 1 July 2013
- » electrical power to Marcus River Road to enable diversification to dairy farming in north-west Tasmania
- » aquaculture dam in the Huon Valley
- » Sense-T
- » Maria Island jetty upgrade and ecotourism development feasibility study
- » wine research, development and extension
- » soft-fruit chilling and blast-freezing facility
- » Innovative Food Systems Business Plan
- » business model scoping study for Tasmanian regional sawmills
- » walking and ecotourism feasibility study.

Projects funded in 2012-13 include:

- » timber residue investigation
- » specialty species timber review.



Tasmanian Whisky Trail

The proposal to conduct a whisky trail feasibility study in Tasmania was identified in late 2012 in the Southern Regional Economic Development Plan. The primary outcomes of such a trail will be increased employment, investment, exports and tourism in the sub-sector.

The modern Tasmanian whisky industry began with the first commercial distillery commencing operation in 1992. Since then, Tasmanian whisky producers have developed the expertise required to create award-winning whisky, based on Tasmania's significant competitive advantages.

The department is working closely with the newly formed Tasmanian Whisky Producers Association to move into the planning and implementation stage of this initiative.



Tasmanian Government Innovation and Investment Fund

The Tasmanian Government Innovation and Investment Fund (TGIIIF) is part of the Tasmanian Government's response to regional employment challenges and is aligned with the Tasmanian Government's Economic Development Plan.

The objective is to assist Tasmanian business owners to accelerate their growth by investing in innovative projects, with grants of up to \$250 000 per project to eligible applicants. The projects must generate new investment and create sustainable, high-quality skilled jobs that help diversify and strengthen Tasmania's regional economy.

Two rounds of the program were completed, in July 2012 and March 2013. The department received 165 applications, 35 of which were successful. This amounted to \$5.2 million in grant funding, with \$21.1 million in corresponding private investment and is expected to create 388 FTE jobs in the first 24 months.

Successful applicants for round one were:

- » Anchor Organics Family Trust (Pyengana)
- » BridgePro Engineering (Latrobe)
- » Holm Oak Vineyards (Rowella)
- » Mitchell Plastic Welding t/a MPW Piping Solutions (Port Huon)
- » Offshore Unlimited (Hobart)

- » Shellfish Culture Tasmania (Clifton Beach)
- » Southern Marine Shiplift (Launceston)
- » Specialised Vehicle Solutions (Round Hill)
- » Tasmanian Quality Meats (Cressy)
- » Turners Beach Berry Patch (Turners Beach).

Successful applicants for round two were:

- » BHT (North Motton)
- » Blokker Freesias Tasmania (Wesley Vale)
- » Blue Hills Honey Mawbanna)
- » Burlington Berries (Cressy)
- » Christmas Hills Raspberry Farm (Elizabeth Town)
- » Currawong Engineering (Kingston)
- » Daly Gourmet Potatoes (Boomer Bay)
- » Damen Farming (Kindred)
- » Denman Marine (Kingborough)
- » Houston's Farm (Cambridge)
- » Miellerie The House of Honey (Margate)
- » Naturally Blue (Lebrina)
- » Nichols Poultry (Sassafras)
- » Petuna (Cressy)

- » Ranicar Pacific (Deloraine)
- » SFM Forest Products (Battery Point)
- » Southern Prospect (Wynyard)
- » Status Technologies (Ulverstone)
- » TasConnx (Glenorchy)
- » Tassal Group Limited (Battery Point)
- » Van Diemen Aquaculture (Rowella)
- » W Dunbabin and Sons (Dunalley)
- » William McHenry and Sons Distillery (Port Arthur).

The total investment committed by businesses in TGIIIF projects amounted to \$21.1 million, which was 80 per cent of the total project costs of \$26.3 million. The regional spread of the \$21.1 million committed by businesses was approximately 50 per cent from the southern region and roughly 25 per cent each from the north and north-west.

A breakdown of applications by the priority industry sectors identified in the Regional Economic Development Plans indicates that more than half the applications (87 or 53 per cent) came from the food and agriculture sector, and the vast majority of applications (126 or 76 per cent) came from just two sectors – food and agriculture and advanced manufacturing. The tourism sector was third, with 11 successful applications.

Taste Tasmania food and beverage branding and promotional campaign

The Taste Tasmania food and beverage branding and promotional campaign is aimed at increasing sales of Tasmanian food and beverage products within the state. It does this by delivering 'Buy Tasmanian produce' messages to Tasmanian consumers through TV, print, social media and online sources. These messages are supported by its partners, IGA Supermarkets Tasmania, Woolworths, the Tasmanian Hospitality Association, Big Bargain Bottle shops, Hill Street Grocer, Salamanca Fresh, the Tasmanian Farmers and Graziers Association and Brand Tasmania Council Inc.

In response to the campaign, over 150 retail outlets and 50 Tasmanian producers are now using Taste Tasmania's distinctive point of sale material and 2 500 people are following the Taste Tasmania Facebook page. Initial quantitative sales figures from retailers suggest that the Taste Tasmania campaign is positively influencing consumer choice.

Vodafone

Vodafone Hutchison Australia (VHA) is a mobile communications company resulting from a merger between Vodafone Australia and Hutchison 3G, making it Australia's third-largest mobile telecommunications provider, behind Telstra and Optus.

VHA, with facilitation from the Tasmanian Government by means of an industry assistance package, is doubling the size of its contact centre in Kingston. VHA is adding up to 800 new jobs to their existing base of more than 600, in a bid to deliver a better customer experience and differentiate itself from competitors' offshoring jobs.

VHA expects the growth to add about \$45 million to the state's economy annually.

Waste Strategy

The department represents the State Government on the Environmental Protection Authority's Waste Advisory Committee. This committee's role is to review Tasmania's Waste Strategy, to identify shortcomings in the state's waste infrastructure and promote opportunities to develop new facilities and services.

A key waste-related project for the department has been its support of Southern Waste Solutions' Copping Category C Cell Controlled Waste Facility. This project is now fully permitted with both environmental and developmental approvals, and only requires financing to proceed to construction. Since Tasmania is the only state without a 'Cat C Cell' facility, local industries are disadvantaged both from an environmental management and a business cost perspective.

As part of developing the state's Waste Strategy, the department has been investigating the potential to transform bio-mass materials that have been traditionally viewed as waste streams, into value-added products. The department has been assisting the Dorset and Huon communities, which have been hard-hit by the forest industry downturn, by investigating the feasibility of converting forest residues into bio-fuels, such as bio-ethanol.

This study has been broadened in order to identify and quantify the full range of bio-mass resources, such as agricultural crop residues, fish waste and bio-solids from sewerage farms. The findings from this work will be packaged as an inventory together with a capability statement to provide an investment attraction document for potential investors in this sector.

Western Tasmania Industry Infrastructure Study

The final report of the Western Tasmania Industry Infrastructure (WTII) Study is now complete and the main objective – to provide government with a set of future infrastructure priorities to facilitate economic development in the region – has been achieved. The study is now publicly available.

Assisted by the information gathered from the WTII Study, the Department of Infrastructure, Energy and Resources (DIER) sought funding under the Australian Government's Nation Building 2 Program for upgrades to the Murchison Highway from Anthony Main Road to Cradle Mountain Development Road (\$34 million), as well as railway upgrades to the Melba Line (\$36.7 million).

Nation Building 2 funding was announced in the 2013-14 Federal Budget. Tasmania's funding allocation included \$120 million for the Rail Revitalisation Program between 2014-15 and 2018-19. These funds will assist in further infrastructure upgrades on the Melba Line.

DIER has also applied for more funding from the Australian Government's Regional Infrastructure Fund to examine planning issues in relation to the Burnie Port.

Wine Industry Development Support Program

To leverage Tasmania's advantages in premium cool climate wine production, the continued national and international attention the industry receives through medals, trophies and other acclaim, the department implemented a Wine Industry Development Program in 2012-13.

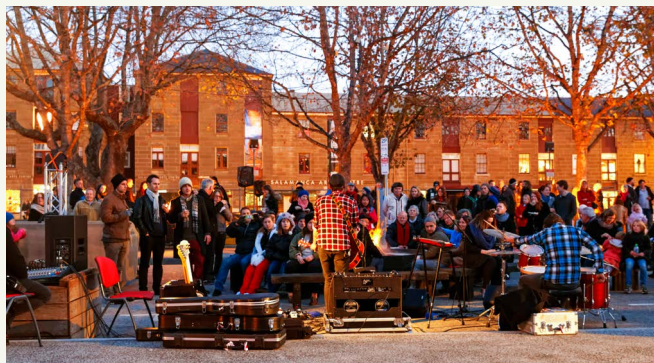
Investment attraction activities included a mission to France and the United Kingdom, led by the Secretary and Dr Andrew Pirie, one of Tasmania's best known winemakers. The delegation met with key producers from Champagne and Burgundy, and with several of the world's most influential wine writers. Positive media articles on the Tasmanian industry have already been published as a result of this mission.

The first round of the Vineyard and Orchard Expansion Program was held, five successful applicants will receive up to \$237 000 in grant funding to help offset the interest costs associated with expansion.

The department continues to manage funding of \$525 000 allocated to the Tasmanian Institute of Agriculture to support research that will assist in the identification of sites suitable for vineyard development (meso-climate research). The funding will also assist with the provision of industry development and extension services. The funding was secured through the Tasmanian Forests Intergovernmental Agreement process (\$400 000), along with contributions from the State Government (\$90 000) and the University of Tasmania (\$35 000).

The department provided \$20 000 in funding to enable an employee from the Skills Institute to undertake a work placement with Wine Tasmania to oversee the development of a Tasmanian Wine Industry Workforce Development Plan. The purpose of the plan is to identify future wine industry training needs and ensure that these needs can be met.

Tourism



International marketing review

In 2012, Tourism Tasmania reviewed its international marketing program to ensure its operations delivered the best possible return on investment and aligned with the changes taking place in global travel. With international visitors making up only 15 per cent of total visitors to the state, yet the international marketing effort consuming almost 30 per cent of Tourism Tasmania's marketing budget, it was prudent to review this approach.

Drawing on the wealth of research data available, a model was developed of current and future global tourism trends regarding travel to Australia and Tasmania. Not only is there expected to be significant growth in travel from the pan-Asia region, but the changing global economy has also affected travel from traditional source markets such as the United Kingdom, Europe, North America and Japan.

In response to the findings, Tourism Tasmania has reduced the number of contracted in-market representatives in several markets including New Zealand, Japan and Korea to allow them to concentrate on growing markets like China, Malaysia and Singapore.

Tourism Tasmania is also working more closely with Tourism Australia to strengthen and extend brand activity in their shared markets. This partnership includes cooperative activity through visiting journalist programs, in-market campaigns, digital platforms, and media and public relations.

Other changes include an increase in internationally focused sales-oriented programs, such as the Australian Tourism Exchange, with overseas sales and marketing missions playing a pivotal role in the ability to effectively market Tasmania's destinations and product to the world.

Tourism Tasmania will continue to monitor key international markets, in case further adjustments are needed in response to changing market conditions.

New tourism brand

Tasmania is known nationally and internationally as a spectacularly pristine land and sea environment with a rich cultural heritage and a world-class food and wine offering. But destinations like New Zealand, Oregon, Alaska and a myriad of others make the same claim. In order to secure the long-term sustainability of the tourism industry, Tourism Tasmania worked to develop a new tourism brand to give Tasmania a unique voice in the market place and underpin its domestic and international marketing for the next three to five years.

The aim was to convey the notions, feelings and attributes that make Tasmania the special place it is, and in doing so, talk to consumers in a significantly different way to competitors. Using facilitated workshops and one-on-one interviews with Tasmanian tourism operators and other stakeholders, a collection of ideas and emotions were compiled that best described the unique characteristics of Tasmania as a tourist destination.

At the same time, Tourism Tasmania undertook research to identify the people most likely to travel to Tasmania – the best prospects – and to find the most effective way to tell them about the state and what it has to offer. The final stage in the development of the new brand was to put it into practice.

Tourism Tasmania used its new brand story and research findings to develop an innovative marketing campaign that would stand apart from traditional tourism advertising – one that portrayed a rich journey of discovery in a way that surprises and delights visitors. The new campaign was themed 'Tasmania – Go Behind the Scenery', and was the first to present Tasmania using the new brand, but not the last.

Over the coming year, Tourism Tasmania will continue to refine the brand interpretation as well as work closely with the Regional Tourism Organisations on the application of the brand in their own marketing promotions.

Regional tourism initiative

In early 2010, Tourism Tasmania initiated a review of Tasmania's regional tourism sector. The aim was to identify how the state's regional tourism industry could create effective partnerships with stakeholders, ensure shared goals and make the best use of available resources.

This and other reviews informed a new approach to regional tourism in Tasmania. This new approach has seen Tourism Tasmania support the establishment of four regional tourism organisations whose respective jurisdictions cover Tasmania's north, north-west (including the West Coast), south and east.

Tourism Tasmania was instrumental in supporting the transition to the new regional tourism structure, working closely with local councils, the Tasmanian Visitor Information Network, local tourism organisations and regional tourism operators on the transition to the new arrangement.

The new industry-led regional tourism organisations have now completed all the necessary legal and governance requirements to receive funds, employ staff and administer regional marketing and industry development programs. All four regions are now established with their own boards and chief executive officers.

These organisations will set the strategic direction for tourism in their region, identify annual priorities and deliver programs that engage and attract the participation of their local industry. They will have the autonomy to plan and deliver programs that effectively develop and market the region and will be accountable to their key stakeholders.

Tourism Tasmania will continue to work closely with these organisations through their early development over the coming year to ensure they remain sustainable in the long term.

Tasmania's World Heritage Wilderness

Tourism Tasmania's public relations activities broaden the reach of Tourism Tasmania's key marketing campaigns and brand message and provide an ongoing presence in the marketplace outside of paid advertising activity.

For the 30 year anniversary of the listing of Tasmania's Wilderness World Heritage Area (TWWHA), Tourism Tasmania invested \$80 000 in a 12-month global public relations program to highlight the variety, accessibility and depth of tourism products connected with TWWHA and create domestic and international conversion opportunities.



As part of the integrated marketing activity, the key messages were incorporated into a cooperative marketing campaign with Jetstar Airlines. The Jetstar campaign featured special flight prices and compelling itineraries highlighting the unique travel experiences in Tasmania's wilderness area. The campaign included a consumer competition on Jetstar's Facebook page and a special Tasmanian editorial feature highlighting walking, rafting and canyoning experiences in the region.

Media coverage under the project to date has generated over \$1 884 152 in estimated advertising value and reached over 15 million people world wide. A total of 38 visiting journalists, sponsored by Tourism Tasmania's Visiting Journalist Program (VJP) included TWWHA in their familiarisation tours, with 34 individual products and a total of 182 product visits featured as part of the itineraries.

In 2013-14, Tourism Tasmania will work to create further advocacy outside traditional media channels, with a real focus on partnering with influencers. This will see a continued investment in key PR social and VJP activity with new and exciting initiatives.

Tassie Comeback Tour

On the 3 January 2013, a heat wave caused a number of large bushfires to burn out of control, threatening properties and lives on Tasmania's east coast and Tasman Peninsula. In late February, the Tasmanian Government through Tourism Tasmania, launched an intrastate marketing campaign to encourage Tasmanians to return to the affected areas, stay a night or two and spread the word about their experience with family and friends.



The Tassie Comeback Tour campaign commenced on 28 February and ran until 30 April 2013. Tourism Tasmania developed the campaign in consultation with the Tourism Industry Council of Tasmania, the state's Regional Tourism Organisations, the Tasmanian Visitor Information Network, the Parks and Wildlife Service and local tourism associations in fire-affected areas.

Tourism Tasmania invested around \$250 000 in the two-month TV, radio, press and social media promotion. This included the production of the commercials and social media materials as well as the purchase of advertising on TV, radio and newspapers.

The Tassie Comeback Tour campaign used tourism and other business owners and staff from the state's bushfire-affected areas in two, 30-second TV commercials selling the message that a visit to the bushfire-affected areas was as good for Tasmanians as it was for the businesses in these areas. The commercials were supported by radio advertising on most of Tasmania's commercial metropolitan and regional radio stations and print advertisements were inserted in Tasmania's three regional daily newspapers.

In addition to the two-month Tassie Comeback Tour campaign, Tourism Tasmania invested a further \$50 000 on cooperative promotions and events in the bushfire-affected areas that were identified through the Regional Tourism Organisations for those areas.

Sport and Recreation Tasmania



Participation in sport, recreation and physical activity

- » The biennial Australian Bureau of Statistics' *Participation in Sport and Physical Recreation, Australia* shows the 2011-12 figure for Tasmanian regular participation in physical activity for exercise, recreation or sport (at least three times weekly) is 26.5 per cent.
- » This places Tasmania second amongst Australia's states and territories for regular participation, which represents Tasmania's highest-ever ranking. It is the first time in the history of sport and recreation surveys that Tasmania has achieved a regular participation rate above the national average, which is 25.6 per cent.
- » Further, the Tasmanian rate of participation at five or more times per week is 15.5 per cent, which is also above the national average of 13.1 per cent.
- » Sport and Recreation Tasmania (SRT) provided resources to support the work of the Premier's Physical Activity Council, which included implementation of the *Tasmanian Plan for Physical Activity 2011-2021*.
- » The delivery of the *Find Thirty® every day* campaign increased Tasmanians awareness of the need to be physically active through TV, radio and bus advertising and a range of print resources and merchandise.
- » The Medibank Active Tasmania awards acknowledged the important role local government, schools and community groups play in promoting and facilitating physical activity across Tasmania. They also recognise the innovation of communities in promoting the benefits of physical activity and creating active and healthy populations.

- » SRT supported nine Aboriginal Sport and Recreation programs, which delivered opportunities to 360 participants in 2012-13.
- » SRT continued to implement the Tasmanian Sport and Recreation Framework for People With a Disability and began a process to review the program.
- » Initiatives included assistance to Langford Support Services for a pilot Wilderness Program course. Six Langford clients with intellectual disabilities used the course's outdoor experiences to promote their personal growth. The unique opportunities provided through an adventure camp experience created a pathway for the translation of personal growth into the participants' normal living arrangements.
- » An inter-college basketball roster was established for students with intellectual disabilities, to give them the confidence and skills to enter mainstream basketball competitions. Students from Claremont and Rosny Colleges and the Tasmanian Polytechnic participated with at least one of the participants set to join their local club competition. Three participants have been identified as potential Ivor Burge Championship (the national championship for basketballers with intellectual disability) participants. The competition was made possible through collaboration between SRT, Basketball Tasmania and college and Polytechnic staff.



Providing leadership and developing sport

- » Resources developed include a Strategic and Operational Planning Toolkit, which provides a step-by-step guide to preparing and conducting strategic and operational planning sessions. It provides advice and templates to help draft the plans. There was also a Risk Management Toolkit, with practical tools and templates to help clubs develop their own risk management plans.
- » High-level advice and assistance in implementing best practice governance was provided to over 20 organisations. This includes assisting three organisations with governance reviews and providing advice on constitutions and member protection processes to others.
- » Eleven organisations were assisted with strategic planning, and three state sporting organisations were up-skilled to enable them to facilitate strategic planning processes for their affiliates.
- » Implementation and promotion of Play by the Rules in Tasmania continued, highlighting the importance of the development of safe, inclusive and fair sporting environments.
- » Thirteen networking and development opportunities were provided for the sector. These included the delivery of forums in partnership with the Hawthorn Football Club on the topic of building and leading high performing teams, and state wide forums on good governance for community clubs and state sporting organisations.
- » SRT provided a total of \$2 434 527 in grant funding across four grant programs to support the sport and recreation sector.



Sport, Recreation and Physical Activity – Places to Play

- » During 2012, SRT facilitated an agreement between Clarence City Council and Clarence High School whereby the council will upgrade and maintain the school oval and make it available to community and sporting groups outside of school hours. The school will retain access to the improved oval during school hours.
- » SRT is working to facilitate other similar agreements between schools and councils across the state.
- » SRT has worked closely with Gymnastics Tasmania to undertake a state wide audit of gymnastics facilities in Tasmania and develop a Gymnastics Facility Strategy.
- » The strategy assesses the current provision of gymnastics facilities and provides a range of strategies to maintain, improve and develop gymnastics facilities in Tasmania.
- » The strategy will help to facilitate evidence-based decisions in regards to gymnastics provision in the state. SRT plans to work with other sporting bodies to audit and plan their future facility needs.

Standards for boxing and combat sport contests

- » SRT undertook a thorough process of investigating options to regulate boxing and combat sports in Tasmania. SRT then developed a regulatory model to protect the interests and

safety of those involved in professional and amateur boxing and combat sport contests, through providing best practice standards, developed in consultation with the industry and Tasmania Police.

- » The standards were finalised and promoted to the sector in March 2013 and came into effect on 1 June 2013. All boxing and combat sport contests in Tasmania are now expected to be conducted in accordance with SRT's *Standards for boxing and combat sport contests* (the standards) and Section 49B (1) of the *Police Offences Act 1935*.
- » The standards require that all boxing and combat sport contests must be governed/sanctioned and overseen by an SRT-recognised governing or sanctioning body and SRT administers a recognition process. Where considered appropriate, SRT may prescribe a minimum age for participants as a condition of governing/sanctioning body recognition.

Tasmanian Institute of Sport including Olympic representation

- » Tasmania achieved its highest ever Olympic/Paralympic representation with a total of 19 athletes, supported by the Tasmanian Institute of Sport (TIS) who competed at the London Olympics and Paralympic Games in August 2012.
- » Tasmanian athletes won four medals at the London 2012 Olympic and Paralympic Games including one gold, one silver and two bronze medals in the sports of track and field, rowing and hockey, respectively.
- » Tasmanian athletes won three world championships in 2012-13, two in track cycling and one in lawn bowls.
- » The TIS successfully met the KPI of 15 athletes who achieved finals and/or top eight results at benchmark international sporting events.
- » The TIS supported 100 athletes across all of the institute's programs during the year.
- » The TIS successfully staged the Tasmanian Athlete of the Year Award in December 2012, with boxer Daniel Geale named Athlete of the Year.

Arts



Arts industry development

Academy of Creative Industries and Performing Arts/Wapping 4

The Academy of Creative Industries and Performing Arts project, valued at a total of \$75.2 million, will see major improvements to the Theatre Royal, including the relocation of the Conservatorium of Music to the site, and the development of a new recital hall and black box theatre.

This will transform the Wapping district into a cultural hub, linking it with the redeveloped Tasmanian Museum and Art Gallery and the Federation Concert Hall.

The development will greatly improve access and foyer amenities for the Theatre Royal, Australia's oldest continually operating theatre. As the owner of the Theatre Royal, the Tasmanian Government is contributing \$15.3 million to the project, which includes land valued at \$2.3 million, \$900 000 for archaeological investigations and \$12.1 million for the new facility.

The development will include NBN-enabled connectivity to the north and north-west, allowing University of Tasmania students on all three campuses to participate in lectures and performances not only across Tasmania, but across the globe.

The University of Tasmania has committed \$23 million towards this project and the Australian Government contribution through the Education Investment Fund is \$37 million.

It is estimated that this project will create 255 jobs during the planning and construction period, with an expected \$660 million in direct and indirect economic benefits over the next seven years.

The department, the Theatre Royal Management Board and the University of Tasmania are working together on the project planning, including governance, reporting, contract administration, design and policy issues.

This important development was also recognised in the Australian Government's *Creative Australia – the National Cultural Policy*, released in March 2013.

Arts Tourism Strategy (including ARTBIKES and smart map tasmania)

smart map tasmania was developed to build innovative and creative ways to access art in Tasmania for visitors and residents alike.

smart map tasmania lets arts enthusiasts and 'culture vultures' access up-to-date information on around 100 of Tasmania's best arts experiences through an online resource.

smart map tasmania is a key component of Tourism Tasmania's Arts Tourism Strategy.

A review of the website is currently underway, with the aim of improving functionality and developing closer connections with tourism.

COLLECT Art Purchase Scheme

The COLLECT Art Purchase Scheme offers interest-free loans for the purchase of contemporary artworks by living Tasmanian artists. The scheme is open to all Australian residents and can be accessed through selected arts businesses around the state. It can be used to purchase or commission an original Tasmanian painting, print or drawing, as well as furniture, jewellery, sculpture, new media and more.

The COLLECT Art Purchase Scheme was launched in November 2008 and has assisted in the purchase of 1 606 individual artworks by 339 Tasmanian artists since it started. This has resulted in \$3 985 685 being invested in supporting the Tasmanian arts sector. There have been 1 358 loans approved to 30 June 2013, with 932 loans repaid to date.

The scheme has received considerable interest from art collectors from around the country and encouraged many new collectors to begin their interest in Tasmanian art.

Museums and galleries funding

Each year, the State Government provides funding to assist Tasmania's public regional museums and art galleries located throughout the state.

Funding for 2012-13 was distributed as follows:

Queen Victoria Museum and Art Gallery	\$1 297 700
West Coast Pioneers Museum	\$145 000
Burnie Regional Gallery	\$63 000
Devonport Regional Gallery	\$63 000
Maritime Heritage	\$63 000
Narryna Folk Museum	\$40 500
Australasian Golf Museum	\$18 000
Woolmers Foundation Inc.	\$18 000
Royal Society of Tasmania	\$1 800
Tasmanian Historical Research Association	\$1 350

Matching grants up to a total of \$30 000 were also made available for two art foundations: the Foundation of the Tasmanian Museum and Art Gallery and the Queen Victoria Museum and Art Gallery Arts Foundation. These art foundations are the fundraising arms of the two museums. Arts Tasmania provides subsidy to the two art foundations on the basis of a \$1 subsidy



for every \$2 of donations (specifically made for the purchase of artworks), on the condition that 50 per cent of the subsidy be spent on contemporary Tasmanian artworks.

Arts Tasmania also has a Small Museums and Collections Program that supports smaller community collections and museums through grants, loans and access to the Roving Curators Program. It has been in operation for 12 years and has been instrumental in raising the standards of the collections that are in the front line of the guardianship of our cultural history.

National Cultural Policy

The Australian Government released *Creative Australia – the National Cultural Policy* on 13 March 2013.

Following this, ministers attending the national Meeting of Cultural Ministers in Hobart on 11-12 April 2013 signed the first National Arts and Culture Accord, committing to greater collaboration between all levels of government and agreeing to identify key areas of joint government effort, to be detailed in an initial triennial work plan that will be finalised later in 2013.

Two key areas of policy development important to Tasmania are the reform of the Australia Council for the Arts and the establishment of Creative Partnerships Australia.

The National Cultural Policy states that the Australia Council will redesign its grants model to respond to new models of artistic practice and improve flexible access to funding. Arts Tasmania has already been working on a range of new models of support

for the arts in Tasmania and is actively engaging in conversation with the Australia Council about this, to ensure the best possible outcomes for Tasmanian artists and arts organisations.

The National Cultural Policy also reaffirms the importance of the ongoing work on the National Arts and Disability Strategy, arts and health, and arts and education.

Premier's Arts Partnership Fund

The Premier's Arts Partnership Fund is a partnership between Arts Tasmania and the former Australia Business Arts Foundation (AbaF), supported by Nekon Pty Ltd.

Following a review of private sector support for the arts in 2012, AbaF and Artsupport Australia have merged to create a new entity, Creative Partnerships Australia. This Creative Partnerships Australia will focus on mechanisms to foster both corporate, private and philanthropic investment in Australia's arts and culture sector.

The Premier's Arts Partnership Fund continued in 2012-13, supporting corporate investment in the arts by matching dollar-for-dollar the contribution of a new business-arts partner. The fund is wholly managed by Creative Partnerships Australia. Since its inception in 2008, the fund has provided \$515 795 in support across 77 new business arts-partnerships.

In 2012-13, the State Government contributed to the fund with an investment of \$49 000.

Roving Curators

Arts Tasmania's Roving Curators work with communities state wide to support, develop, enhance and promote Tasmania's cultural collections.

The Roving Curators are based in Launceston and assist with projects such as the creation of collections policies, cataloguing, preventive conservation, education programs and advice regarding preservation needs assessment, among many others. Under this program, a museum professional is made available to work with a museum or collection for a period of up to five weeks (based on a full-time workload).

This program is held up nationally as an exemplar of best practice government intervention in the moveable cultural heritage sector. The outcomes for our state's museums have been transformative in lifting levels of collections management.



Tasmanian Literary Prizes

The Tasmanian Literary Prizes have existed in various forms and been awarded biennially since 2001. The prizes provide an opportunity to acknowledge the influence that this island state has on writing and on readers. The prizes are presented by Arts Tasmania in partnership with the University of Tasmania, which funds the two smaller prizes.

With a total prize pool of \$35 000, the Tasmanian Literary Prizes recognise significant achievement across their three categories:

- » the Tasmania Book Prize (\$25 000) for the best book with Tasmanian content in any genre was won by James Boyce for his book, *1835: The Founding of Melbourne and the Conquest of Australia*, published by Black Inc.
- » the Margaret Scott Prize (\$5 000) for the best book by a Tasmanian writer was won by Rohan Wilson, for his first novel, *The Roving Party* published by Allen and Unwin
- » the University of Tasmania Prize (\$5 000) for the best new unpublished literary work by an emerging Tasmanian writer was won by Katherine Johnson for her unpublished novel, *Kubla*.

Over 80 books were nominated for the 2013 Tasmanian Literary Prizes. The judges for the prizes were: social scientist and author Ross Honeywill (chair); broadcaster, blogger, reviewer and co-editor of *Island* magazine, Rachel Edwards; and Dr Lisa Fletcher, author and lecturer in English at the University of Tasmania.

This year, Arts Tasmania gave the public the opportunity to read extracts from all the shortlisted books and manuscripts on the Tasmanian Literary Prizes webpage and vote online in the People's Choice Awards. Over 500 people voted in the awards with the following results:

- » the Tasmania Book Prize – People's Choice Award was won by Pete Hay and Tony Thorne for *Last Days of the Mill* published by Forty Degrees South
- » the Margaret Scott – People's Choice Award was won by Natasha Cica for her book, *Pedder Dreaming, Olegas Truchanas and A Lost Tasmanian Wilderness*, published by University of Queensland Press
- » the University of Tasmania Prize – People's Choice Award was won by Katherine Johnson for her unpublished novel, *Kubla*.

Value of the arts to the Tasmanian economy

Each year, the Australian Bureau of Statistics publishes the state and territory estimates of gross domestic product and its components, in current price and volume terms, referred to as gross state product (GSP). It does so by major industry groups, including cultural industries.

The Australian Bureau of Statistics has calculated that the expenditure, income and industry components of GSP in Tasmania that could be attributed to arts and recreation services were \$179 million for the year ended 30 June 2012.

Arts Tasmania has done some further analysis and extrapolated the data specifically for the cultural industries only. That analysis shows that the 2011-12 contribution to GSP by cultural industries was \$58.6 million.

Artists and arts organisations drive a growth industry that employs 9 219 people in their main jobs.

As at the last census:

- » 5 798 people had a cultural occupation as their main job
- » 3 513 people in Tasmania were employed in the cultural industry in a non-cultural occupation, including receptionists, sales assistants and cleaners
- » Tasmania's household expenditure on cultural goods and services was \$381 million in 2009-10, averaging \$35.76 a week.

Arts and culture organisations as businesses in their own right create a multiplier effect that leverages significant spending by their audiences and customers, injecting revenue into restaurants, hotels, shops, and other local businesses. A number of arts organisations and arts events have undertaken economic impact studies into their own events.

Ten Days on the Island – Australia's only truly state wide arts festival – engaged KPMG to estimate the impact of the 2013 festival. KPMG found that the festival created an additional value-add (or impact on GSP) of \$27.25 million and provided support for 87 FTE jobs throughout the economy.

Screen industry development

Achievements

Screen Tasmania's ongoing support of the screen industry across digital, TV and film development, production, professional development and festivals funding has resulted in solid activity and encouraging growth.

Production is strong, with investment in a diversity of programming across animation, documentary, digital and feature films the key to generating jobs, attracting investment and building screen businesses.

It was a busy year of activity with 11 productions crossing financial years producing 25.5 hours of content. Screen Tasmania's investment of \$926 000 generated a total of \$10 103 500 and leveraged spend in the state of \$5 470 000, yielding an investment to spend ratio of almost 6:1 and creating approximately 200 jobs.

As a direct result of Screen Tasmania's bespoke service to industry, it exceeded its target of increasing the number of developed projects to advance into production, from one in 16 to one in six. This figure is a significant lead on the national average of one in 12.

The strategic shift to online and factual entertainment production over the past two years is beginning to yield encouraging results. Growth in games, apps, online and multi-media content signal a shift away from traditional forms of production and are leading the way for new industries to emerge, taking advantage of the technology afforded by high-speed broadband. Highlights include the innovative web series *Noirhouse*, online game *The Voyage*, and the do-it-yourself home renovator show *Weekend Warrior*.

Funded productions continue to achieve national and international exposure and generate financial returns for the state. Successes include: the romantic comedy *Goddess*, starring Ronan Keating and Magda Szubanski, released on 250 screens nationally; documentary series *Holy Switch* which screened on ABC's Compass strand; the documentary *Mary meets Mohammed*, which also screened on the ABC and in cinemas on the festival circuit.

Screen Tasmania invested \$25 000 in *Vandemonian Lags*, a high profile trans-media collaboration between Dark MOFO and Roar Film. This production involved multiple media platforms, including the streaming of the live performance from Hobart's Theatre Royal, a DVD, CD, video on demand and theatrical

release at Hobart's State Cinema. Setting music and song to true stories from Tasmania's convict diaspora, some of Australia's top performers, including Tim Rodgers, Mick Thomas and Jeff Lang, brought to life a fascinating chapter in Tasmania's history.

Upcoming shows to be released include: *The Outlaw Michael Howe*, the six-part series *Devil Island*, which follows the relocation of the Tasmanian Devil insurance population to Maria Island; and feature film *Breeding in Captivity*.

Buzz Bumble

Award-winning Tasmanian company Blue Rocket Productions has partnered with Indian production company Criya Entertainment to co-produce 52 episodes of the 11-minute animation series, Buzz Bumble for the Nine Network.

Screen Tasmania's investment of \$300 000 has leveraged a total production budget of \$3.9 million and a total a spend of \$2.9 million into the state, an impressive investment to spend ratio of almost 10:1 and resulting in around 30 jobs.

This is the first co-production between a Tasmanian and Indian production company and will pave the way for others to capitalise on opportunities to co-produce screen content with Asian producers, and provide content for Asia's burgeoning middle-class.

Blue Rocket is utilising high-speed broadband to transfer data files internationally, demonstrating the potential benefits of the NBN for the state's screen industry. Tasmania's competitive advantage, with the early rollout of the NBN, means geographical factors are no disadvantage when producing digital content for a global market.

Delivering against strategic objectives:

Financial snapshot

During the year, five major funding programs provided \$958 976 to the screen industry.

1. Digital Innovation Program – \$31 160 for three projects.
2. Production investment – \$529 200 for nine productions including two factual entertainment projects.
3. Project development – \$163 450 for 18 projects including 12 TV projects, four feature films and two projects under the New Writer's Fund.
4. Industry and Enterprise Development Program – \$150 611, distributed to:
 - » five practitioners received silverScreen funding totalling \$19 401

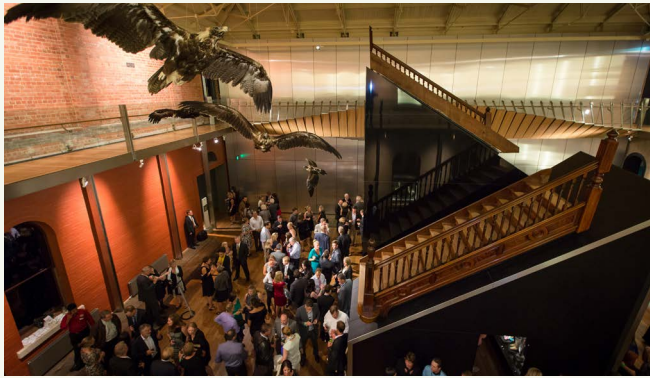
- » three practitioners were funded a total of \$33 120 under the silverScreen Gold Pass special initiative
 - » an additional 24 practitioners received a total of \$38 090 for professional development, enterprise development and travel
 - » \$60 000 was provided to Wide Angle Tasmania who assist the local industry by supporting productions and providing training.
5. Festivals and events – \$66 942 for 11 festivals, conferences and seminars.
 6. Filming In Tasmania Scheme – \$17 613 for three attachments on *The Outlaw Michael Howe* project.

Screen events

Screen culture activities such as film festivals provide opportunities to cultivate awareness and appreciation among audiences for a diversity of screen content. Screen Tasmania provided support for the Australian International Documentary Conference, Screen Writer's Conference, 37 Degrees South Film Market, Tropfest, Little Big Shots Film Festival for Children, Flickerfest, the Breath of Fresh Air Film Festival, Stranger with My Face Women's Horror Festival and Blue Ocean Film Festival, collectively reaching audiences of over 7 000, locally and nationally.

Professional development and Marketforces programs support Tasmanian talent and skills, while connecting the industry to the marketplace. Screen Tasmania delivered and/or facilitated 17 such events, reaching over 400 Tasmanian screen practitioners. These events included:

- » ABC Arts Team
- » Arts law seminar
- » Cory Macbee workshop
- » Creative Industries Innocation Centre's Biztro (two)
- » Creative Industries Innocation Centre's business consultations (two)
- » Flickerfest Distribution Workshop (in Launceston)
- » Funding Workshops (two in Launceston)
- » Industry and Screen Tasmania Board networking events (two)
- » Producing 101 (one each in Hobart and Launceston)
- » SBS Documentary and Online Commissioners sessions
- » Screen Producers Association of Australia seminar.



Tasmanian Museum and Art Gallery

Public programs and visitation

Between July and November 2012, the Tasmanian Museum and Art Gallery (TMAG) operated in a reduced capacity and the whole site was closed for final reopening preparations from November 2012 to March 2013, impacting on public programs and visitation.

Since reopening in March 2013, visitors to the museum have been able to enjoy a greater array of public programs and educational opportunities than ever before.

TMAG's public program and education facilities have been greatly improved as a result of the redevelopment, thanks to increased space for exhibitions and the creation of a dedicated Centre for Learning and Discovery in the Queen's Warehouse.

TMAG now offers a wide variety of learning programs, from early learning to University of the Third Age activities. Education programs are focused on five main areas: Tasmanian Aboriginal education, Antarctica, art, history and general museum programs. Since reopening, there has been an influx of students and education visitors, attending general and guided programs, teacher enrichment seminars and exhibitions.

The AccessArt Program also continued, with three years of additional funding from Detached (2012-14). AccessArt presents several art programs at TMAG, including regular schools programs, teacher professional development workshops and education and outreach resources. A highlight for AccessArt during 2012-13 was the successful delivery of the Early Years Forum: Create, Connect and Empower at TMAG in partnership with the Tasmanian Early Years Foundation, which attracted more than 70 participants over two days in May 2013.

Since reopening, TMAG has also hosted a Family Day at the museum on the last Sunday of each month, offering activities for visitors of all ages and focusing on specific themes.

The popular School Holiday Program also returned to entertain children during the April 2013 holiday period and will continue for each holiday break throughout the year.

TMAG hosted several notable temporary exhibitions throughout 2012-13, including:

- » Elegance in Exile from the National Portrait Gallery (14 September 2012 - 4 November 2012)
- » the City of Hobart Art Prize 2012 (6 October 2012 - 11 November 2012)
- » A Passion for Nature: the work of William Charles Piguenit (15 March 2013 - 30 June 2013)
- » Unique States: Seriality and the Panoramic in the works of Raymond Arnold (15 March 2013 - 26 May 2013)
- » Australian National Maritime Museum touring show
- » On their own – Britain's child migrants (8 June 2013 - 25 August 2013).

In March 2013, it was announced that the Theatre of the World exhibition and collaboration with the Museum of Old and New Art (MONA), would travel to Paris in October 2013. This is a coup for both TMAG and MONA and will ensure greater international exposure for both the State Collection and Tasmania in general. Theatre of the World, containing approximately 300 objects from TMAG's collection and approximately 180 from MONA's collection, curated by renowned French curator Jean Hubert Martin, was on display at MONA from June 2012 to April 2013.

The museum also participated in the inaugural DARK MOFO winter festival, hosting an exhibition by Australian artist Ian Burns, *Afloat Asunder* (13 June 2013- 28 July 2013) in the Bond Store Basement. Late night openings of the museum were also held in conjunction with this exhibition during DARK MOFO.

TMAG was open for 239 days during 2012-13, due to the temporary closure between 12 November 2012 and 14 March 2013. It attracted approximately 281 000 visits during the year, the majority between 15 March 2013 and 30 June 2013, with almost 215 000 visits in this period. This was a wonderful result for TMAG, putting the museum well on its way to achieving its goal of 450 000 visits in the first year after reopening.

Redevelopment and reopening

TMAG's main highlight for 2012-13 was the reopening of the museum following its redevelopment on 15 March 2013.

The public response following TMAG's reopening was overwhelmingly positive, and resulted in significant local, interstate and international media coverage.

The \$30 million redevelopment features 12 new exhibitions, an expanded series of education and public programs and improved facilities and access to TMAG's significant collection of heritage buildings. Equitable access to all areas of the museum has been dramatically improved, and there has been a significant increase in public space. For example, for the first time in its 190 year existence, all four floors of Australia's most notable Georgian warehouse, the Bond Store, have been made publicly accessible.

The reopening week from 11-15 March 2013, featured a series of preview events for stakeholder groups, including staff, volunteers and contractors, TMAG's membership groups, the Tasmanian Aboriginal community, teachers and educators, and the media.

On the first day of reopening and during the reopening weekend, TMAG ran activities and entertainment for visitors to the museum, in addition to the new exhibitions and facilities on offer. The reopening weekend also coincided with Erth Physical and Visual Inc's performances of *The Dream of the Thylacine*, which were staged in the Bond Store Basement as part of Ten Days on the Island.

In May 2013, it was announced that TMAG's suite of new exhibitions had won the overall national prize at the Museums and Galleries National Awards, as well as taking out the award in the permanent exhibitions category. The award judges said that the new TMAG exhibitions had, "reached a level of integrated 'story telling' for Tasmanians and other visitors that was unsurpassed in the institution's long history". The national award was great recognition of the efforts of all those who worked on the redevelopment.



Research

TMAG staff continued their research work throughout 2012-13, in addition to preparing new exhibitions as part of the redevelopment.

New species and new records of Tasmanian fauna were discovered and recorded in surveys previously conducted by TMAG Zoology staff. The results of the 2012 Bush Blitz fauna and flora survey at Skullbone Plains on the Central Plateau were finalised and reported on in August 2012. A total of 254 species of mammals, birds, reptiles, amphibians, snails, beetles, moths, butterflies, dragonflies, damselflies, caddis flies and spiders were identified in this survey, including almost 40 new species and 115 new species records. A total of almost 2 000 specimens from this survey were lodged in the Zoology collection. Zoology staff and honorary curators described new species and documented new records of Tasmanian insects, and new finds by Zoology staff also revealed interesting and important scientific facts about the native fauna.

A Brydes whale (*Balaenoptera edeni*) was beached at South Arm early in 2013 and the skull retrieved for the TMAG collection. This is the first record of this species in Tasmania and provides important information about changing patterns in species distributions. Other finds include a new species of blowfly on Macquarie Island and a new species of native weevil (*Aoplocnemis* sp.). The Miena jewel beetle (*Castiarina insculpta*), listed as extinct in Tasmania, was found in large numbers in the Great Lake area by staff from TMAG, the Tasmanian Field Naturalists and Department of Primary Industries, Parks, Water and Environment.

Zoology staff continued to conduct important research on Tasmanian fauna, including thylacine material, native moths, native molluscs and native beetles. They also completed descriptions of 100 species for a TMAG field guide phone app for Tasmanian fauna, an Inspiring Australia project coordinated by Museum Victoria on behalf of state museums, which will be launched at the end of 2013.

Staff at the Tasmanian Herbarium discovered previously unrecorded or unknown species, especially amongst non-vascular plants. Twenty two species of lichens new to science were formally named, described and published, and a further four species represent new records for Tasmania.

The Herbarium also received a \$30 000 Australian Government grant, through the Australian Biological Resources Study, to support research on new species discovered during the Bush Blitz survey. Both Herbarium and University of Tasmania staff also completed and published *An Illustrated Catalogue of Tasmanian Mosses Part I*. A new updated edition of *A Census of Vascular Plants of Tasmania*, which adds 32 new plant taxa for Tasmania and updates the currency of names of numerous others, was published online. The popular *Flora of Tasmania* online resource also continued to be developed, and 17 peer-reviewed articles were published by staff and associates in the scientific literature.

State Collection

The redeveloped museum allows TMAG to display more of the State Collection than ever before, with 2 000 square metres of new public and exhibition space.

The Trustees and management of TMAG are continuing to investigate the development of a new collections management system to increase the capacity for members of the public to interact with the State Collection.

Following TMAG's reopening in March 2013, staff have turned their focus on reviewing the collection and ensuring its continued care.

The State Collection has also grown, with several major acquisitions during 2012-13. The most notable of these include a work by noted artist Imants Tillers, *Aftermath II* (1997), and a sampler made by Hannah Dyer (1845), which were offered under the Cultural Gifts Program. TMAG also took possession of the Tasmanian Forest Insect Collection, a collection of 24 insect cabinets containing more than 600 000 insect specimens.



Tasmanian Aboriginal Culture

TMAG continued its positive and open relationship with the Tasmanian Aboriginal community, via the Tasmanian Aboriginal Advisory Council (TAAC), actively consulting with the community on all relevant projects and exhibitions.

A major focus this year has been preparing and updating TMAG's Tasmanian Aboriginal galleries as part of the Redevelopment. A new gallery on Level two of the Bond Store, 'parrawa parrawa', explores the history of contact between Tasmanian Aborigines and European settlers between 1803 and the 1830s. It gives visitors the opportunity to experience the story of the Black War from both an Aboriginal and European perspective. The exhibition has so far been outstandingly successful. Visitors have reported being moved beyond their expectations by the story being told, with teachers and students among the gallery's most enthusiastic visitors.

The popular Tasmanian Aboriginal gallery '*ningina tunapri*' (originally opened in 2007) was also updated as part of the redevelopment, and members and elders of the Tasmanian Aboriginal community are actively involved with the delivery of public and school programs in conjunction with this exhibition. In addition to these galleries, the redevelopment provided opportunity for more acknowledgements of Tasmanian Aboriginal history and culture, including a Welcome to Country, spoken by a Tasmanian Aboriginal community member in their native language, which visitors hear when entering the Central Gallery. A welcome garden, with audio including Aboriginal language, is situated between the new Watergate entrance and the Dunn Place carpark, and more Tasmanian Aboriginal objects are displayed throughout the entire museum.

TMAG continues to be involved in the important, Australian Government-funded Indigenous Repatriation Program (IRP). Significant progress is being made with research aiming to provide a comprehensive record and history of the collection and investigating all available avenues to confirm the provenance of each item. TMAG is currently negotiating the repatriation of Northern Territory ancestral remains and secret sacred objects with the appropriate institutions, and is also involved in a joint consultation project with New South Wales Aboriginal communities regarding secret sacred objects (cylcons) in museums across Australia.

In 2012, two young Tasmanian Aboriginal community members were given the opportunity to work on the IRP project and gain general museum experience, through IRP funding. This has developed into a more formal training program at TMAG, Pathways2Museums, funded through the IRP by the Federal Office for the Arts, which will provide three young Aboriginal people with experience, formal training and qualifications in museums, with a particular focus on indigenous cultures collections and management.

Following on from the success of the bark canoe cultural retrieval project and the tayenebe basket weaving project and touring exhibition, TMAG continues to support the Aboriginal community's continuation of their traditional cultural practices through workshops and exhibitions. This includes the luna tunapri shell necklace project, which brought together 24 women for a series of workshops throughout the state to facilitate the handing down of this important cultural knowledge.

Volunteer, community and philanthropic support

The Foundation of the Tasmanian Museum and Art Gallery has continued to be active during 2012-13, and TMAG received a number of significant donations during this period.

The Foundation hosted several fundraising functions and events throughout the year, some while the museum was closed to the public. A highlight was a gala cocktail party on 14 March 2013, during the reopening week for more than 150 guests.

An important new feature of the redeveloped museum is its new Members' Lounge, which contains lounge and kitchen facilities. It is available to members of the Foundation, as well as those belonging to the museum's two other membership groups, the Friends of TMAG and the TMAGgots.

Membership groups from other Australian museums and galleries also have reciprocal rights to use the lounge.

Another new space in the redeveloped TMAG is the Community Gallery in the Bond Store Basement, which has featured events, activities and exhibitions with a community focus.

TMAG also had a dedicated number of volunteers working both behind the scenes and front of house as museum and art guides during 2012-13, with approximately 73 active volunteers (including 13 honorary curators).

Volunteers were also active in supporting the community, with the Art Guides holding a very successful exhibition, *ArtAid@TMAG*, in the Bond Store Basement in April 2013. The exhibition raised funds to help Tasmanian artists who were affected by the 2013 summer bushfires in Tasmania.

Events



Event development

The Event Development Program offered a range of opportunities for organisations and individuals to develop new skills, new ideas and new approaches to existing events.

The program provided a series of master classes and workshops delivered by leading national and international presenters, and focused on marketing, sponsorship, planning and creativity. Participants included representatives from local Government, community event organisations and other Government agencies with an event focus.

Over 200 events personnel, who work on over 100 events in Tasmania, have attended one or more of the sessions in 2012-13.

As well as providing seminars, forums and scholarships, event development assistance was provided through one-on-one consultation with event organisers. Guidance and skill-building was provided in the areas of risk management, marketing, planning, communications, governance, business planning, creative expansion, and product development. The goal of the program is to increase the capacity, ingenuity and skills of the event sector.

Grants programs

In the 2012-13 budget, \$350 000 was committed to support grants programs. This funding finalised the 2012-13 grants program commitment as well as supporting the 2013 grants program.

Following an Events Tasmania internal review of the framework of its grants programs from 2002 to 2012, two new streams were introduced for the 2013 grants program:

- » Small Event Project grants up to \$3 000, suitable for small strategic projects which support the development and resilience of an event

- » New Event Idea grants up to \$10 000, suitable for exceptional event projects which substantially evolve the operations of an existing event, or establish a new and innovative event product in Tasmania.

The 2013 grants program provided a total of 48 grants to sporting, arts, cultural and touring groups with a total disbursement of \$188 918. The geographic spread of the grants was diverse, supporting events around Tasmania.

Major and regional events

The Events Tasmania Major and Regional Events Program covers the full range of events, from festivals to sport, and music to visual arts and celebration events. They may be fully commercial, participatory or audience-driven and have a wide engagement with urban and/or regional communities.

The Major and Regional Events Program provided funding support of \$2.7 million to 17 events in the 2012-13 financial year.

Events included the Australian Wooden Boat Festival, Museum of Old and New Art Festival of Music and Art (MONA FOMA), V8 Supercars, Targa Tasmania, Tasmanian Open Dancesport Championships, Breath of Fresh Air Short Film Festival and the Moorilla Hobart International Tennis.

Two new events, the Hobart Baroque Festival and Dark MOFO, were a highlight of the events calendar during 2012-13.

Each year, the cultural interaction between the many thousands of national and international visitors and local Tasmanian communities attracted to these events strengthens the state's social and economic fabric, and the attractiveness of the Tasmanian lifestyle.

Investment into community, cultural and sporting events by the State Government provides Tasmania with significant economic returns and in particular to our tourism and hospitality sectors.



Princes Wharf No. 1

Princes Wharf No. 1 (PWI) is a multi-purpose venue and can accommodate a range of community events, corporate conferences, special events and private functions. The internal space can be adapted to suit any style of event from large-seated gala dinners through to international conferences and exhibitions.

In 2012-13, a total of 37 events were held at PWI and these included Festival of Voices, the Save the Children Gala Dinner, the Taste of Tasmania, Australian Tourism Awards and Dark MOFO.

Recent improvements to the venue include: the installation of sound baffles, that provide improved sound quality for music events at the venue; and the installation of commercial kitchen equipment in mid-2012. As a result, the venue is now attracting more conference/gala type dinners.

The department is responsible for the management of PWI and provides strategic input to the overall growth and development of the venue's events program and facility management. The contracted venue manager, Venue Management Systems (VMS), is responsible for PWI operations, sales and marketing and all operational aspects.

VMS is governed by the requirements set by Work Place Standards for all venue operations and the venue's security services meet the recommended industry benchmarks.



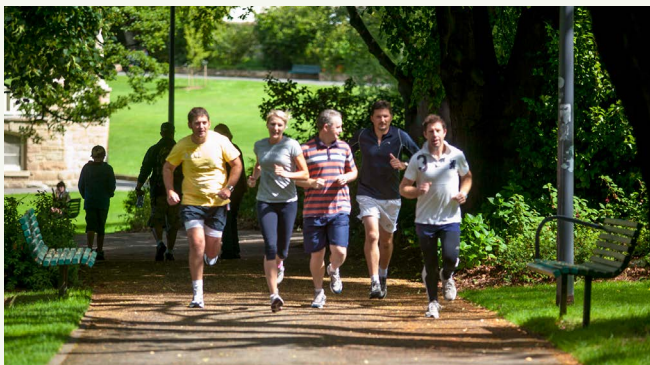
Tasmanian hospitality industry

The department continued to work closely with the Tasmanian Hospitality Association to deliver a series of industry workshops and initiatives around workforce development. These initiatives included:

- » working in partnership with vocational education and training teachers in schools to develop resources, and to promote hospitality careers and training pathways to secondary schools and colleges
- » ensuring that training is aligned with industry needs
- » establishing a regional hospitality ambassadors network
- » promoting the web-based employment portal designed specifically for the hospitality industry
- » collaborating with TasTAFE to reinvigorate Drysdale as a centre of excellence for hospitality
- » continuation of the hospitality scholarship program to encourage students considering a career in the industry, or those who wish to advance their existing career.



People and culture



GLOW (Great Life Options @ Work)

GLOW's program goal is to positively enhance and support the health and wellbeing of the department's people.

During 2012-13, GLOW activities targeted four wellness themes; stress, sedentary behaviour, nutrition and physical activity.

GLOW initiatives in 2012-13 across multiple locations included:

- » influenza vaccinations
- » standing meeting room promotion
- » RBF and Centrelink superannuation and retirement incomes information sessions
- » user-pays massage program
- » community fundraising and special events for Stress Down Day, Harmony Day and International Women's Day
- » corporate partnerships with Zap Fitness 24/7 and Bupa
- » Bupa Wellness Day in conjunction with the Premier's Physical Activity Council's Find Thirty Every Day campaign, with vision screenings courtesy of Blink Optical.

GLOWSpace, a multi-purpose room at the ANZ Centre, Hobart, continues to be used extensively for health and wellbeing activities as well as staff meetings, training and information sessions.

The department's integrated performance framework includes:

- » People and Performance Plans, which align individual performance deliverables directly to the key outcomes of business units, division goals and the department's overall purpose
- » a performance assessment matrix for salary progression, advanced assessment and accelerated progression of high-performing people
- » guidelines for managing poor and under-performance.

Learning and development

The department supports continuous learning and sharing of knowledge.

In-house training activities continue to be provided to meet the key training needs of the department and our people have access to targeted training to meet individual development needs.

The department's study assistance program contributes to employees' professional and career development aspirations by providing support to undertake graduate and postgraduate studies that benefit the department through enhanced performance.

Our volunteers

The department appreciates the willingness and commitment of our volunteers in several department operations, including the Tasmanian Museum and Art Gallery, where volunteers make a valuable contribution to the visitor experience and day-to-day operations of the museum.

Pulse Check

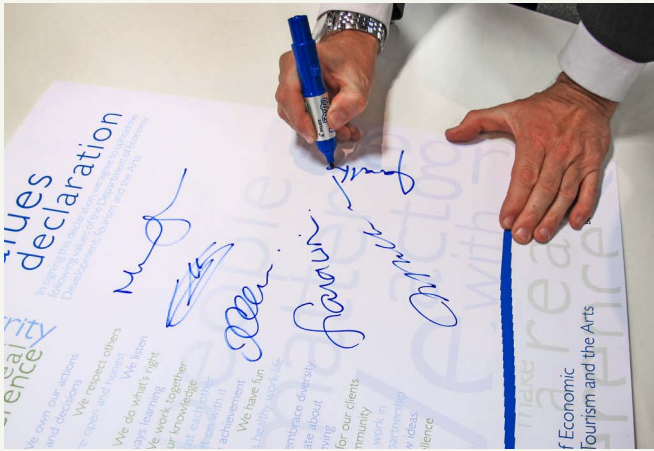
Pulse Check, the department's annual survey measuring staff satisfaction levels, was conducted in March 2013, with 68 per cent of department staff completing the survey.

The overall average staff satisfaction score was 70.96 per cent, representing an increase of almost 3 per cent on 2012.

The three categories with the highest satisfaction score were:

- » Your manager (77.12 per cent)
- » Health and safety at work (76.79 per cent)
- » Your teams and colleagues (76.78 per cent)

Areas identified for ongoing focus were leadership and planning; communication and learning and development.



Right Job, Right Person

The Right Job, Right Person recruitment and selection framework was implemented in the department in 2012. This contemporary and innovative approach to getting the right people in the right job at the right time supports recruiting managers to select candidates in accordance with merit.

Values

The second 'birthday' of the department's organisational values was celebrated in November 2012.

The values continue to be embedded into systems and processes across the department.

This has been supported in 2012-13, specifically by the development of Values Behaviour Guide, produced jointly by the Values and Executive Teams. This came in response to staff calls for a set of core behaviour benchmarks that illustrate what our values look like in action. The guide will assist with measuring how well our behaviour measures up, as we continue to embed our values in all that we do.

Specific training – Be BRAVE (behaviour, recognition, acknowledgement and values engagement) continues to be delivered to all staff.

The Values Team, consisting of representatives from across the department, meets on a bi-monthly basis, and twice yearly with the Executive Team.



Work Health and Safety (WHS)

The health and safety of our workers is a departmental priority. The department recognises the legislative requirement to provide and maintain a safe working environment and safe systems of work for all employees, contractors, volunteers and visitors alike.

In January 2013 the *Work Health and Safety Act 2012* (the Act) and regulations came into effect. This provided the department with the opportunity to refocus its obligations and commitment to the health and safety of all its workers.

Human Resources initiated a project to review and improve its existing Work Health and Safety (WHS) management system across the department to ensure it meets the AS/NZS 4801:2001 standard for WHS systems as well as meeting the requirements of the Act and related Tasmanian State Service Ministerial Direction.

Key initiatives during 2012-13 included:

- » the development of a six-month WHS plan for the period 1 January 2013 to 30 June 2013 to address health and safety risks across the department
- » the opportunity for staff to nominate for health and safety representatives recognising the important role that staff play in creating a safe and healthy work environment
- » the reformation of the WHS Consultative Committee to facilitate cooperation and understanding between management and staff, as well as the coordination of WHS activities across the department

- » design of an improved electronic form to capture and report on incidents and hazards
- » manager/supervisor and e-induction training for all staff has been sourced and rolled out in 2013.

The department actively promotes and provides a number of WHS preventative programs.

These include:

- » the Employee Assistance Program
- » a workplace ergonomics program
- » a safe driving program, which includes 'Crash-Free Driver Training' for all regular uses of departmental vehicles
- » an injury management program, to optimise the recovery of injured employees returning to the workplace including for non-compensable claims.

Workplace diversity

The department's diversity charter, You, Me and Diversity strives to make a real difference for our clients and the community by working together and sharing our knowledge, in line with our organisational values.

We recognise that our people have a range of different skills, qualities, qualifications, experience and attitudes to work, and that valuing and making the most of these differences can improve the workplace for individuals and enhance the overall performance of this department.

Accessing and adopting practices for balancing work and personal commitments are strongly encouraged by the department through flexible work and leave arrangements.

Human resources management statistics

Employee numbers 30 June 2013

Full-time equivalent employees	389.37
Total number of employees	447
Employee analysis – by employment type	
Permanent	402
Fixed-term	32
Senior Executive Service	13
Total	447

Employee analysis – by gender

Male	178
Female	269
Total	447

Employee analysis – by work pattern

Full-time	303
Part-time	144
Total	447

Commencements	49
Terminations	66
Employees who have commenced maternity leave (ML) and leave without pay (LWOP)>20 days and all transfers and secondments	11
Head count decrease	-28

Total department turnover (terminations/head count as at 30 June 2013)	15%
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Number of employees who accessed State Service Accumulated Leave Scheme (SSALS)	13 ¹
Number of employees who accessed the Purchased Leave Scheme (PLS)	64
Number of employees who accessed paid ML 2012-13	17
Number of employees who accessed unpaid ML 2012-13	23
Number of employees who accessed LWOP > 20 days	16
Number of employees who are accessing phased-in retirement	1

Youth recruitment (employees under 25 years-of-age recruited during 2012-13)

Permanent appointments	1
Fixed-term appointments greater than six months	1
Total	2

Youth recruitment (employees under 25 years-of-age and currently employed)

Number of trainees	0
Number of graduates	0
Number of general stream employees	5
Number of professional officers	0
Number of technical officers	0
Total	5

¹ This figure represents people who have participated in SSALS, not people who have commenced a SSALS plan.

Supporting information

Right to Information

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

The *Right to Information Act 2009*:

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

The Department of Economic Development, Tourism and the Arts is a public authority.

During 2012-13 the department determined 19 applications for assessed disclosure of information under the *Right to Information Act 2009*.

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

Legislation

Under the Administrative Arrangements Order (No.2) 2011, the department was responsible for the administration of the following Acts as at 30 June 2013:

Minister for the Arts

Meteorites Act 1973

Museums (Aboriginal Remains) Act 1984

Plomley Trusts Act 1984

Tasmanian Arts Advisory Board Act 1975

Tasmanian Museum Act 1950

Theatre Royal Management Act 1986

Minister for Economic Development

Closer Settlement Act 1957

Copper Mines of Tasmania Pty Ltd (Agreement) Act 1999

Employment Incentive Assistance Act 1984

Farm Water Development Act 1985

Fire Damage Relief Act 1967 – except in so far as it relates to the erection of dwellings for renting to eligible persons under the *Homes Act 1935* (see Department of Health and Human Services under the Minister for Human Services)

Goldamere Pty Ltd (Agreement) Act 1996

Iron Ore (Savage River) Arrangements Act 1996

Macquarie Point Development Corporation Act 2012

Pulp Mill Assessment Act 2007

Rural Adjustment Act 1995

Tasmanian Development Act 1983

War Service Land Settlement Act 1950

Minister for Tourism

Tourism Tasmania Act 1996

Policies to help manage our business

Asset management

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

The property portfolio of assets includes the Tasmania Development and Resources properties, the Tasmanian Museum and Art Gallery and residual Crown properties.

The department manages land and buildings using a strategic asset management plan (SAMP) prepared in accordance with the Government's Strategic Asset Management Framework. Strategic asset management is the planned alignment of assets with service demand, to achieve the best possible match of assets with the service delivery strategies. The SAMP guides the sound and strategic acquisition, use and disposal of assets and the related risks and costs over their useful life. The department is now undertaking a process to develop asset management plans for its owned properties, to further support and implement strategies identified in the SAMP.

The department maintains asset registers in accordance with the Treasurer's Instructions. Details of acquisitions, disposals and write-offs were recorded in the respective registers. The financial statements for 2012-13 are reported on an accrual basis and contain details of policies in relation to recognition, valuation and depreciation of assets in notes of the statements. Assets have been valued in accordance with the department's accounting policies and procedures. These values are disclosed in the statements together with appropriate notes on valuation methods.

Risk management

The department's approach to risk management involves identifying risks that may affect its ability to meet its objectives and establishing strategies to treat those risks. In 2012-13, the department built on the previous year's review of its strategic business risk register and 'focus area' risk register, and incorporated them into the department's strategic planning process. Specific focus areas include the Tasmanian Museum and Art Gallery, Arts Tasmania, Screen Tasmania, Sport and Recreation Tasmania, Economic Development and Corporate Support.

Publications

The department produced the following stakeholder publications and resources in 2012-13.

Economic Development

- » *A Regional Economic Development Plan Overview Northern Tasmania, a Regional Economic Development Plan Overview North West Tasmania, and a Regional Economic Development Plan Overview Southern Tasmania* – three plans that identify the key sectors and competitive advantages in each of Tasmania's regions. These documents support the state's Economic Development Plan and determine priorities for investment and whole-of-government economic development activity.
- » *Invest in Tasmania* – a 60-page booklet and a tri-fold brochure presenting a range of attractive investment opportunities across Tasmania's key sectors. These publications were produced to support the Premier's trade mission to Asia and were also translated into Chinese, Indonesian and Japanese.
- » *The dairy industry in Tasmania, The mining and mineral-processing industry in Tasmania and The wine industry in Tasmania* guides for investors – comprehensive overviews of the investment landscape in three key industry sub-sectors.
- » *Tasmania Delivers* – an update of the Invest Tasmania series to showcase the state's offerings to potential investors in our key and emerging economic sectors, with new publications for Antarctic and Southern Ocean, dairy, digital services, food and agriculture, international education, oil and gas, science research and wine.
- » *Derwent maritime industrial sites Master Plan* – a document outlining a broad vision for the maritime industries of southern Tasmania.
- » *Tasmania Business in Action* – a 13-part series of short videos that profiled successful Tasmanian businesses in key and emerging sectors of the economy. Broadcast on Southern Cross Television and YouTube via the Business Tasmania website, these videos were designed to boost Tasmanian business confidence by demonstrating that many local businesses are doing well through a combination of innovation and investment.
- » Invest Tasmania map – a geospatial mapping application that allows quick and easy access to information on investment and infrastructure projects, each valued at over \$2 million in Tasmania.

- » *Business Tasmania* – a new customer-focused website for Tasmanian business owners and operators, designed to provide accessible and up-to-date business services and government advice all in one place, along with a range of supporting collateral.
- » *Red Tape Action Plan 2013-16* – a plan to reduce the cost of compliance with government regulation for business owners.
- » *Reaching our potential – developing Tasmania's science and research capability* – an action plan for the strategic development and sustainable growth of Tasmania's science research sector.
- » *Tasmania's Antarctic, sub-Antarctic and Southern Ocean sector 2011-2012* – a document providing a snapshot of the sector's contribution to the Tasmanian economy.
- » *Particle* – an online bi-monthly newsletter which highlights achievements from the Tasmanian science and research sector.
- » Bushfire recovery information.

Tourism

- » The *Go Behind the Scenery* autumn campaign – TV commercials, online videos and advertising, print advertising and a series of itineraries profiling attractions throughout the state (www.gobehindthescenery.com.au).
- » *Tassie comeback tour* – an intrastate advertising campaign that encouraged Tasmanians to return to areas affected by the January 2013 bushfires. The campaign included a microsite, Facebook page, TV and radio advertising, inserts and press advertisements throughout Tasmania.
- » Four research reports – *Market Snapshot Tasmanian Cruise Ship Survey*, *Tasmanian Tourism Snapshot* (Quarterly), *Tourism Info Monitor* (Quarterly) and *Tourism Fast Facts* (Quarterly).
- » *Tourism Tasmania Annual Report 2011-2012*
- » *Tourism Tasmania Corporate Plan 2012-2015*
- » *Statement of Corporate Intent 2012-2015*
- » *Our Services Booklet 2012*
- » Regular e-newsletters to specific markets including consumers, trade, corporate and media interests.

Sport and Recreation

- » *Standards for boxing and combat sport contests* – a brief overview of and rationale for the regulatory model as well as explanatory information on the implementation on the standards.
- » *Strategic and operational planning toolkit for sport and recreation organisations*.
- » *Risk management toolkit for sport and recreation organisations*.
- » *Staying active* booklets for the south, north and north-west.
- » A quarterly bulletin, yearbook and Annual Report for the Tasmanian Institute of Sport.
- » Newsletters from Sport and Recreation Tasmania and the Premier's Physical Activity Council.

Arts Tasmania

- » *2013 Arts Tasmania and arts@work funding and development opportunities* – providing the latest information on Arts Tasmania's programs.
- » An 'Arts business and artform resources' section added to www.arts.tas.gov.au
- » An update to the COLLECT Art Purchase Scheme website allowing online applications.
- » A variety of social media accounts were activated for Arts Tasmania.

Tasmanian Museum and Art Gallery

- » A range of new collateral was designed for the Tasmanian Museum and Art Gallery (TMAG) reopening, including visitor maps and guides, exhibition-specific brochures, media kits and several newsletters (including e-newsletters) tailored to the various audiences.
- » The TMAG website was redesigned to coincide with the reopening and a new 'Shaping Tasmania' microsite was developed to accompany the new in-gallery object trail.
- » New and updated scientific publications including *An Illustrated Catalogue of Tasmanian Mosses Part I* and *A Census of Vascular Plants of Tasmania*.
- » *Kannunah* Volume 5, featuring research in all areas of study undertaken by TMAG.
- » *A Passion for Nature: William Charles Piguenit* by TMAG Senior Curator of Art Sue Backhouse.

Procurement

The Department of Economic Development, Tourism and the Arts ensures that its 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 the department's business. It is the department's policy to support Tasmanian businesses whenever they offer best value for money for the Tasmanian Government. See Table 1 for a summary of the level

of participation by local businesses for contracts, tenders and/or quotations with a value of \$50 000 or over (excluding GST). Tables 2 and 3 provide detailed information on consultancies and other contracts with a value of \$50 000 or over (excluding GST). Table 4 provides a summary of contracts awarded as a result of a direct/limited submission sourcing process approved in accordance with Instruction 1114 and Table 5 lists a contract extension approved in accordance with Instruction 1115(4).

TABLE 1: Summary of participation by local businesses

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

Total number of contracts awarded	26
Total number of contracts awarded to Tasmanian businesses	17
Total value of contracts awarded	\$14 502 158
Total value of contracts awarded to Tasmanian businesses	\$12 395 263
Total number of tenders called and written quotation processes run	15
Total number of bids and/or written quotations received	95
Total number of bids and/or written quotations received from Tasmanian businesses	38

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

Name of contractor	Location of contractor	Description of contract	Period of contract	Total value of contract (\$)
Cordiner King and Co Pty Ltd	Victoria	Executive search services	17/07/12 – 4/10/12	80 000
XOZ Pty Ltd	Tasmania	Supply of data projectors to TMAG	19/07/12 – 31/12/12	79 983
RETCOM Projects Pty Ltd	NSW	Architectural and exhibition joinery	1/08/12 – 31/12/12	210 127
Dickens Constructions	Tasmania			483 300
Designcraft Pty Ltd	ACT	Exhibition showcases and plinths for TMAG	1/08/12 – 31/12/12	535 730
Schiavello (Vic) Pty Ltd	Victoria	Wayfinding signage, TMAG	1/08/12 – 31/12/12	278 492
StoryInc Ltd	New Zealand	Design and construction of Central Gallery exhibition at TMAG	9/08/12 – 31/12/12	450 000
Print Mail Logistics Limited	Tasmania	Collateral printing for the Taste Tasmania point-of-sale campaign	3/09/12 – 3/09/13 Plus optional extension: 4/09/13 – 3/09/14	50 000 30 000
Metal Manufactures Limited	Tasmania	Supply of track light fittings, TMAG	31/12/12	91 200
FYB Pty Ltd	Victoria	Re-engineering of TRIM, development of a business classification scheme and whole-of-department retention and disposal schedule	30/01/13 – 29/01/14	133 320
Roland Gataric	Tasmania	Provision of graphic design services	4/02/13 – 30/11/13	99 900
Moreton Hire Pty Ltd	NSW	Design, supply and build Tourism Tasmania's booth space at the Australian Tourism Exchange 2013	15/04/13 – 31/05/13	63 610
GHD Pty Ltd	Tasmania	Site database, data room and modelling project, Macquarie Point	7/05/13 – 31/12/13	200 000
Vos Construction and Joinery Pty Ltd	Tasmania	Station Building refurbishment, Macquarie Point	8/05/13 – 12/07/13	620 410
<i>Digital Ready coaching panel:</i>		Delivery of Digital Ready services, including coaching and mentoring that will focus on Tasmanian small business digital development	30/01/13 – 30/6/14	*
Anthony Castray	Tasmania			
Michelle Frost	Tasmania			
Bitlink Pty Ltd	Tasmania			

*Note: These contractors are additions to an existing panel contract reported in last year's Annual Report. The actual value expended under the panel contract will be dependent upon budget allocations and use.

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

Name of consultant	Location of consultant	Description of consultancy	Period of consultancy	Total value of contract (\$)
Johnstone McGee and Gandy Pty Ltd	Tasmania	Management of the delivery of statutory, corrective and preventative maintenance of the department's properties	1/05/12 – 30/4/15	147 255
			Plus optional extension: 1/05/15 – 30/04/18	152 745
JimJam Ideas Pty Limited	NSW	Tourism Tasmania creative services	1/09/12 – 31/08/15	3 875 000
			Plus optional extension: 1/09/15 – 31/08/17	2 550 000
Custard Pty Ltd	Tasmania		1/09/12 – 31/08/15	1 200 000
			Plus optional extension: 1/09/15 – 31/08/17	600 000
Roy Morgan Research Ltd	Victoria	Tasmanian visitor survey	1/01/13 – 31/12/15	2 209 431
			Plus optional extension: 1/01/16 – 31/12/18	1 151 474

TABLE 4: Contracts awarded as a result of a direct/limited submission sourcing process approved in accordance with Instruction 1114

Name of supplier	Description of contract	Reasons for approval	Total value of contract (\$)
Hutchinson Builders Pty Ltd	Emergency repairs to Princes Wharf No. 1 forecourt	As a result of urgency	30 225
Pitt and Sherry (Operations) Pty Ltd	Strategic land use and development study	Exceptional circumstances existed and services were required as a matter of urgency	31 060
Doublesee Media Pty Ltd	Filming and production of economic profiles	Exceptional circumstances existed, namely the need to maintain the creative style and production values of earlier profiles	25 000
Australian National University	Development of an evidence-based decision-making framework for investment in science research	Prototype developed at the request of the department for research and exceptional circumstances.	20 000
Southern Cross Austereo Pty Ltd	Filming and production of the TV component of economic profiles.	Exceptional circumstances existed.	47 000

TABLE 5: Contract extensions approved in accordance with Instruction 1115(4)

Name of contractor	Description of contract	Period of extension	Total value of contract extension (\$)
SCA Marketing (Tas) Pty Ltd	Development of a poppy industry development framework	31/05/13 – 31/12/13	10 280

Statutory and non-statutory bodies

Statutory bodies

Tasmanian Arts Advisory Board

Tasmanian Development Board

Tasmanian Museum and Art Gallery Board of Trustees

Theatre Royal Management Board

Tourism Tasmania Board

Non-statutory bodies

Building and Construction Industry Advisory Committee

Digital Futures Advisory Council

Food Industry Advisory Committee

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

Friends of the Tasmanian Museum and Art Gallery

Manufacturing Industry Advisory Committee

North West Regional Reference Group

Northern Regional Reference Group

Premier's Physical Activity Council

Screen Tasmania Board

Southern Regional Reference Group

Tasmanian Museum and Art Gallery's Tasmanian Aboriginal
Advisory Council

Tasmanian Science and Research Advisory Committee (SRAC)

Public Interest Disclosures Act

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

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

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

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

Pursuant to Section 86 of the Act:

- » a copy of the department's procedures established under Part 7 may be obtained from the Protected Disclosures Officer, Matt Coombe, Director Corporate Information and Executive Services
- » the department did not receive any disclosures, nor has it had any disclosures referred to it from the Ombudsman to investigate in the year to 30 June 2013.

Integrity Commission Act 2009

The Integrity Commission is an independent body established on 1 October 2010 by the *Integrity Commission Act 2009* (the Act). The three primary objectives of the Integrity Commission are to:

- » improve the standard of conduct, propriety and ethics in public authorities in Tasmania
- » enhance public confidence that misconduct by public officers will be appropriately investigated and dealt with
- » enhance the quality of and commitment to ethical conduct by adopting a strong, educative, preventative and advisory role.

The department is committed to upholding the aims and objectives of the Act. It strives to ensure that staff meet high standards of conduct and receive ongoing training in relation to ethical conduct in accordance with section 32 of the Act. During the year, key staff attended training provided by the Integrity Commission.

Superannuation certificate

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

Complying Superannuation Schemes:

AGEST Super	FirstWrap Super	MLC	Super Directions
Alcorso Superannuation	Freedom Super	Moydea Super Fund	Superwrap
AMP	FuturePlus Super	Navigator	Synergy Capital Mngt
Arany Super Fund	Gilbert Securities	Netwealth Super	Tasplan Super
Ascui Super	Gillooly Super Fund	North Super	Tasplan Super SGC
Asgard Super	Haley & Associates Super	OnePath Super	TDRS Super
Asset Super	Heriot & Darragh Super	OSF Super	The Spectrum Plan
Austchoice	Hermitage Super Fund	Otago Bay Super Fund	The Universal Super Scheme
Australian Enterprise Super	HESTA Super Fund	Penary Super	Tower Master
Australian Ethical Super	Hite Super	Penny Morton Super Fund	Unisuper
Australian Super	Host-Plus	Prime Super	VicSuper
Autech Super	ING	Quadrant Super	Vision Super
AXA	IOOF IPS	Quon Super Fund	Westpac Personal Super
Backstroke Super	JT & P Super Fund	RBF	
Bretos Proj Mngmt Super	Just Super	REI Super	
BT Super	Kerry Adby Super	REST	
Campbell-Bideau Super	LG Super	SmartSave	
CBUS	Linc Super Fund	Spectrum Super	
Clark Super Fund	Local Super	Stacpoole Hire Super	
Colonial First State	Macquarie	Statewide Super Trust	
Commonwealth Life Super	Media Super	Summit Master Trust	
DS Newton Super Fund	Mentor Super	Sunsuper	
First State Super	Midgard Super	Super Currant Fund	



Mark Kelleher

Secretary
Department of Economic Development,
Tourism and the Arts

Glossaries and index

List of abbreviations

AAS	Australian Accounting Standard	PWI	Princes Wharf No. 1
AASB	Australian Accounting Standards Board	RDA	Regional Development Australia
AbaF	Australian Business Arts Foundation	RDAF	Regional Development Australia Fund
ATCM	Antarctic Treaty Consultative Meeting	REDP	Regional Economic Development Plan
BMST	Business Mentoring Services Tasmania	RELS	Renewable Energy Loans Scheme
BRLP	Bushfires Recovery Loan Program	RTO	Regional tourism organisation
CERP	Carbon Emission Reduction Plan	SAMP	Strategic asset management plan
COMNAP	Council of Managers of National Antarctic Programs	SRAC	Tasmanian Science and Research Advisory Council
DIER	Department of Infrastructure, Energy and Resources	SRT	Sport and Recreation Tasmania
EAV	Estimated advertising value	SSALS	State Service Accumulated Leave Scheme
FTE	Full-time equivalent	TAAC	Tasmanian Aboriginal Advisory Council
GLOW	Great Life Options @ Work	TAG	Tasmanian Antarctic Gateway Working Group
GSP	Gross state product	TCCI	Tasmanian Chamber of Commerce and Industry
ICN	Industry Capability Network	TGIIF	Tasmanian Government Innovation and Investment Fund
ICT	Information communication technology	TIS	Tasmanian Institute of Sport
IRP	Indigenous Repatriation Program	TMAG	Tasmanian Museum and Art Gallery
LWOP	Leave without pay	TSO	Tasmanian Symphony Orchestra
MALT	Manufacturing Action Learning Tasmania	TWWHA	Tasmania's Wilderness World Heritage Area
ML	Maternity leave	VHA	Vodafone Hutchison Australia
MONA	Museum of Old and New Art	VJP	Visiting Journalist Program
MONA FOMA	Museum of Old and New Art Festival of Music and Art	VMS	Venue management system
NBN	National Broadband Network	WHS	Work Health and Safety
PLS	Purchased Leave Scheme	WTII	Western Tasmania Industry Infrastructure

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Compliance Index

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

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

- » *Financial Management and Audit Act 1990*
- » *State Service Act 2000*
- » *Right to Information Act 2009*
- » *Public Interest Disclosures Act 2002*
- » *State Service Regulations 2001*
- » various Treasurer's Instructions.

The four columns in the index have the following meanings.

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

Key

SSR	<i>State Service Regulations 2001</i>
SS	<i>State Service Act 2000</i>
TI	Treasurer's Instructions
FMAA	<i>Financial Management and Audit Act 1990</i>
RTI	<i>Right to Information Act 2009</i>
PSSRA	<i>Public Sector Superannuation Reform Act 1999</i>

Section	Compliance	Page	Details
General			
		3	Table of contents
		Annual Report	Alphabetical index
		53	List of abbreviations
Overview			
Strategic plan	SSR s9(a)(i)	8	An overview of the department's strategic plan, including its aims, functions and related programs.
Performance	SS s36(1)(a)	Annual Report	
	FMAA s27(1)(a)	Annual Report	A report on the performance of the functions and exercises of the power of the Secretary under any written law.
Major initiatives	SSR s9(a)(v)	Annual Report	Details of major initiatives taken by the department to develop and give effect to government policy.
Major changes during the year	SSR s9(a)(iv)	Annual Report	Details of, and reasons for, any major changes which have taken place in relation to the programs, aims, functions or organisational structure of the department.
Operational structure			
Department organisational chart	SSR s9(a)(ii)	10	An organisation chart illustrating the department's administrative structure, including regional offices, and showing officers of the department.
Why we are structured in this way	SSR 9(a)(iii)	Annual Report	A description of the relationship between the organisational structure and the program management structure of the department.

Section	Compliance	Page	Details
Performance measurement			
Performance summary	TI 70I (1)(a)(e)	16-42	A narrative summary, together with quantitative measure where relevant, of the objectives and functions of the programs or activities, including significant outcomes, key efficiency measures, targets, proposed plans and any ministerial objectives.
	TI 20I (1)(b)	5-7	Economic and other factors that have affected the achievement of operational objectives.
Legislation administered and major documents published			
Legislation administered	SSR s9(d)	46	A list of legislation administered by the department.
Legislation enacted	SSR 9(d)	n/a	A list of legislation enacted during the year for which the department is responsible, including details of significant changes to legislation previously administered by the department.
Public access and awareness of services provided			
Key contact	SSR s9(c)(ii)	117-118	List of contact officers and points of public access in relation to services provided by the department.
Community awareness report	SSR s9(c)(i)	16-42	Details of activities undertaken to develop community awareness of the department and the services it provides.
Department publications	SSR s9(c)(i)	47	List of major documents published by any internal or external body of the department during the year.
Right to information	RTI s23	46	Right to information details.
Human resources management			
Recruitment and selection	SSR s9(b)(i)	44	Details of recruitment policies and programs, including statistical information.
Staff development	SSR s9(b)(ii)	45	Information relating to employee training and development activities, including statistical information.
Equal employment opportunities	SSR s9(b)(iii)	44	A description of the department's workplace diversity program, including statistical information.
Industrial democracy	SSR s9(b)(iv)	44	Details of the processes established to ensure employee participation in industrial relations matters within the department.
Internal grievance procedures	SSR s9(b)(v)	44	Summary of internal grievance procedures.
Occupational health and safety	SSR s9(b)(vi)	44	Outline of occupational health and safety strategies.
Appeals process	SSR s9(c)(iii)	44	An outline of the processes available for appeals against decisions made by the department.
Superannuation contribution	PSSRA s13	52	Certification by the relevant department manager relating to contributions to non-RBF superannuation funds, including a report confirming that the department has met its obligations under the <i>Superannuation Guarantee (Administration) Act 1992</i> .

Section	Compliance	Page	Details
Asset management and risk management policies			
Major capital projects	TI 201 (1)(d)	46	Information on major capital projects or undertakings.
Asset management	TI 201 (1)(g)	46	Statement of asset management policies and an outline of asset management strategies and initiatives.
Risk management	TI 201 (1)(f)	46	Statement of risk management policies and an outline of significant risk management activities and initiatives.
Pricing policies	TI 201 (1)(c)	n/a	Pricing policies of goods and services provided, the last review date, and reference to documents that contain the pricing information, with details of cost-recovery policies and their application, as appropriate.
Government procurement			
Support for local businesses	TI 1110 6(a)	5-7	A narrative statement in the introduction by the Secretary regarding the department's support for local business.
	TI 1110 6(b)(i)	49-50	Table summarising the department's support for local business, including the number of procurement contracts awarded, the number of tenders called and the number of bids received, and the extent of local participation in procurement activities.
Contracts awarded during the year	TI 1110 6(b)(ii)	49-50	Detailed information on all contracts awarded, including consultancy contracts. This includes a description of the contract, the total value of the contract and the name and locality of contractors.
Other matters	TI 201 (i)(i)	n/a	Any other matters deemed relevant by the Secretary.
Financial Statements			
Financial Statements	FMAA s27 (1)(c), FMAA s27 (2),(3) and (4) TI 201 (i)(j)	58-114	Financial Statements of the department for the year, including Financial Statements of any statutory or public body not required to report under any other Act.
Audit opinion	FMAA s27 (1)(c), TI 201 (1)(k)	115	Auditor-General's report on the department's Financial Statements.

Department of Economic Development, Tourism and the Arts

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Department of Economic Development, Tourism and the Arts

Statement of Comprehensive Income for the year ended 30 June 2013

	Notes	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Continuing operations				
Revenue and other income from transactions				
Revenue from Government				
Appropriation revenue – recurrent	2.9(a), 7.1	102,405	105,858	99,551
Appropriation revenue – section 8A of the <i>Public Account Act 1986</i>	2.9(a), 7.1	-	1,000	2,520
Revenue from Special Capital Investment Funds	7.2	11,344	17,105	6,758
Grants	2.9(b), 7.3	1,989	516	16,231
Sales of goods and services	2.9(c), 7.4	2,038	1,906	2,226
Interest	2.9(d), 7.5	2,670	2,959	1,965
Contributions received	2.9(e), 7.6	-	514	5,223
Other revenue	2.9(f), 7.7	1,340	4,699	3,805
Total revenue and other income from transactions		121,786	134,557	138,279
Expenses from transactions				
Employee benefits	2.10(a), 8.1	37,263	37,667	40,388
Depreciation and amortisation	2.10(b), 8.2	1,925	1,637	1,671
Supplies and consumables	2.10(c), 8.3	26,179	34,952	29,339
Grants and subsidies	2.10(d), 8.4	40,312	43,976	53,792
Borrowing costs	2.10(e), 8.5	1,500	1,646	2,043
Other expenses	2.10(f), 8.6	2,575	605	3,408
Total expenses from transactions		109,754	120,483	130,641
Net result from transactions (net operating balance)	6	12,032	14,074	7,638
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	2.11(a)(c), 9.1	-	(3,823)	13,169
Net gain/(loss) on financial instruments and statutory receivables/payables	2.11(b), 9.2	-	(815)	(1,636)
Other gains/(losses) from other economic flows	2.11(d), 9.3	-	(7,050)	-
Total other economic flows included in net result		-	(11,688)	11,533
Net result from continuing operations		12,032	2,386	19,171
Net result		12,032	2,386	19,171

Statement of Comprehensive Income for the year ended 30 June 2013 (continued)

	Notes	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in property asset revaluation reserve	13.1	13,065	(1,477)	3,628
Total other comprehensive income		13,065	(1,477)	3,628
Comprehensive result		25,097	909	22,799

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

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

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

Department of Economic Development, Tourism and the Arts

Statement of Financial Position as at 30 June 2013

	Notes	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and deposits	2.12(a), 14.1	18,733	16,943	8,488
Receivables	2.12(b), 10.1	1,940	1,439	3,493
Loan advances	2.12(c), 10.2	32,184	33,883	37,030
Equity investments	2.12(e), 10.3	277	48	586
<i>Non-financial assets</i>				
Inventories	2.12(d), 10.4	594	232	376
Property, plant and equipment	2.12(f), 10.5	91,413	80,130	84,809
Heritage and cultural assets	2.12(f), 10.5	390,965	386,703	376,739
Investment property	2.12(g), 10.6	11,147	9,070	9,700
Intangibles	2.12(h), 10.7	513	890	762
Other assets	2.12(i), 10.8	2,468	2,168	2,125
Total assets		550,234	531,506	524,108
Liabilities				
Payables	2.13(a), 11.1	2,006	2,318	3,720
Interest bearing liabilities	2.13(b), 11.2	19,621	25,080	18,021
Provisions	2.13(c), 11.3	2,747	2,397	2,759
Employee benefits	2.13(d), 11.4	8,726	8,633	9,021
Other liabilities	2.13(f), 11.5	881	3,285	1,703
Total liabilities		33,981	41,713	35,224
Net assets		516,253	489,793	488,884

Statement of Financial Position as at 30 June 2013 (continued)

	Notes	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Equity				
Contributed equity		420,912	420,912	420,912
Reserves	13.1	33,596	9,354	10,831
Accumulated funds		61,745	59,527	57,141
Total equity		516,253	489,793	488,884

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

Budget information refers to original estimates and has not been subject to audit. Explanations of material variances between budget and actual outcomes are provided in Note 4 of the accompanying notes.

Department of Economic Development, Tourism and the Arts

Statement of Cash Flows for the year ended 30 June 2013

	Notes	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities				
Cash inflows				
Appropriation receipts - recurrent		102,405	109,088	100,551
Receipts from Special Capital Investment Funds		-	249	2,583
Grants		1,989	516	16,231
Sales of goods and services		2,043	1,954	2,073
GST receipts		6,500	11,055	6,979
Interest received		2,670	2,862	2,071
Other cash receipts		1,340	4,345	3,805
Total cash inflows		116,947	130,069	134,293
Cash outflows				
Employee benefits		(37,283)	(38,057)	(40,191)
Grants and subsidies		(40,212)	(43,991)	(53,765)
GST payments		(6,500)	(9,001)	(8,546)
Interest payments		(1,550)	(1,293)	(2,032)
Supplies and consumables		(26,412)	(36,121)	(27,551)
Other cash payments		(2,575)	(1,271)	(3,581)
Total cash outflows		(114,532)	(129,734)	(135,666)
Net cash from (used by) operating activities	14.2	2,415	335	(1,373)
Cash flows from investing activities				
Cash inflows				
Proceeds from the disposal of non-financial assets		-	537	315
Receipts from Special Capital Investment Funds		11,344	16,856	4,175
Repayment of loans by other entities		4,894	22,361	2,955
Receipts from investments		-	891	133
Other cash receipts		-	-	310
Total cash inflows		16,238	40,645	7,888

Statement of Cash Flows for the year ended 30 June 2013 (continued)

	Notes	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Cash outflows				
Loans made to other entities		-	(19,380)	(3,492)
Payments for acquisition of non-financial assets		(11,494)	(11,829)	(5,710)
Payments for investments		(2,684)	(903)	(611)
Other cash payments		-	(3)	-
Total cash outflows		(14,178)	(32,115)	(9,813)
Net cash from (used by) investing activities		2,060	8,530	(1,925)
Cash flows from financing activities				
Cash inflows				
Proceeds from borrowings		-	81	-
Total cash inflows		-	81	-
Cash outflows				
Repayment of borrowings		-	(491)	(8,600)
Total cash outflows		-	(491)	(8,600)
Net cash from (used by) financing activities		-	(410)	(8,600)
Net increase (decrease) in cash held and cash equivalents		4,475	8,455	(11,898)
Cash and deposits at the beginning of the reporting period		14,258	8,488	20,386
Cash and deposits at the end of the reporting period	14.1	18,733	16,943	8,488

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

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

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

Department of Economic Development, Tourism and the Arts

Statement of Changes in Equity for the year ended 30 June 2013

	Contributed equity \$'000	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
Balance as at 1 July 2012	420,912	10,831	57,141	488,884
Total comprehensive result	-	(1,477)	2,386	909
Balance as at 30 June 2013	420,912	9,354	59,527	489,793

	Contributed equity \$'000	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
Balance as at 1 July 2011	420,912	7,203	37,970	466,085
Total comprehensive result	-	3,628	19,171	22,799
Balance as at 30 June 2012	420,912	10,831	57,141	488,884

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 2013

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Note I Administered Financial Statements

I.1 Schedule of Administered Income and Expenses

	Notes	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Administered revenue and other income from transactions				
Revenue from Government				
Appropriation revenue – recurrent	2.9(a), 16.2	3,951	3,951	3,891
Total administered revenue and other income from transactions		3,951	3,951	3,891
Administered expenses from transactions				
Grants and subsidies	2.10(d), 16.3	3,951	3,951	3,891
Total administered expenses from transactions		3,951	3,951	3,891
Administered net result from transactions attributable to the State		-	-	-

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

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

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

The Department does not have any Administered Assets or Liabilities.

I.2 Schedule of Administered Cash Flows

	Notes	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Administered cash flows from operating activities				
Administered cash inflows				
Appropriation receipts – recurrent		3,951	3,951	3,891
Total administered cash inflows		3,951	3,951	3,891
Administered cash outflows				
Grants and subsidies		(3,951)	(3,951)	(3,891)
Total administered cash outflows		(3,951)	(3,951)	(3,891)
Administered net cash from (used by) operating activities	16.1(b)	-	-	-
Net increase (decrease) in administered cash held		-	-	-
Administered cash and deposits at the beginning of the reporting period		-	-	-
Administered cash and deposits at the end of the reporting period		-	-	-

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

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

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

Note 2 Significant accounting policies

2.1 Objectives and funding

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

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

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

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

Departmental activities are classified as either controlled or administered.

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

The Department is a Government not-for-profit entity predominantly funded through Parliamentary appropriations. The Financial Statements encompass all funds through which the Department controls resources to carry on its functions.

2.2 Basis of accounting

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

- » Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board
- » the Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990*.

The Financial Statements were signed by the Secretary on 15 August 2013.

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

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year except for those changes outlined in Note 2.5.

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

2.3 Reporting entity

The Financial Statements include all the controlled activities of the Department. The Financial Statements consolidate material transactions and balances of the Department and entities included in its output groups, including Tasmania Development and Resources, Tourism Tasmania and the Tasmanian Museum and Art Gallery. 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 (AASB) that are relevant to its operations and effective for the current annual reporting period. These include the following.

- » AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASBs 1 and 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 and 134 and Interpretations 2, 112 and 113]* – this Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standards to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.

- » AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items Other Comprehensive Income* [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 and 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). There is no financial impact.
- » AASB 2012-6 *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures* [AASB 9, AASB 2009 11, AASB 2010 7, AASB 2011 7 and AASB 2011 8] – This Standard amends the mandatory effective date of AASB 9 Financial Instruments so that AASB 9 is required to be applied for annual reporting periods beginning on or after 1 January 2015 instead of 1 January 2013. 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 Standard was issued in August 2011 but is not yet available for application by not-for-profit entities. The Department has determined that the potential impact of implementation will be nil.
- » 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. AASB 13 sets out a new definition of fair value as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of the Department's assets and liabilities (excluding leases), that are measured and/or disclosed at fair value or another measurement based on fair value. The Department has commenced reviewing its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, heritage and cultural assets and any liabilities measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies don't comply, changes will be necessary. AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. To the extent that any fair value measurement for an asset or liability uses data that is not 'observable' outside the Department, the amount of information to be disclosed will be relatively greater. While the Department is yet to complete this review, no substantial changes are anticipated, based on the fair value methodologies presently used. Therefore, at this stage, no consequential material impacts are expected for the Department's property or heritage and cultural assets as from 2013-14.
- » 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 2012. The Department has not yet determined the application or the potential impact of the standard. Disclosure is under review.
- » AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* [AASB 1, 2, 3, 4, 5, 7, 101, 116, 117, 118, 119, 120, 121, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 and 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 and 132] – 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 anticipated that there will not be any financial impact.

- » AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)* [AASB 1, 8, 101, 124, 134, 1049, and 2011 8 and Interpretation 14] – This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. It is anticipated that there will be limited financial impact.
- » AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009 2011 Cycle* [AASB 1, AASB 101, AASB 116, AASB 132 and AASB 134 and Interpretation 2] – This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. The Department has determined that the potential impact of implementation will be nil.
- » AASB 2013-1 *Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements* – This Standard removes the requirements relating to the disclosure of budgetary information from AASB 1049 (without substantive amendment). All budgetary reporting requirements applicable to public sector entities are now located in a single, topic based, Standard AASB 1055 *Budgetary Reporting*. It is anticipated that there will not be any financial impact.

2.6 Administered transactions and balances

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

Administered assets, liabilities, expenses and revenues are disclosed in Note 1 to the Financial Statements.

2.7 Activities undertaken under a trustee or agency relationship

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

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

2.8 Transactions by the Government as owner – restructuring of administrative arrangements

Net assets received under a restructuring of administrative arrangements are designated as contributions by owners and adjusted directly against equity. Net assets relinquished are designated as distributions to owners. Net assets transferred are initially recognised at the amounts at which they were recognised by the transferring agency immediately prior to the transfer. There were none this year.

2.9 Income from transactions

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

(a) Revenue from Government

Appropriations, whether recurrent or capital, are recognised as revenue in the period in which the Department gains control of the appropriated funds. Except for any amounts identified as carried forward in Notes 7.1 and 16.2, control arises in the period of appropriation.

(b) Grants

Grants payable by the Australian Government are recognised as revenue when the Department gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant.

Non-reciprocal grants are recognised as revenue when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

(c) Sales of goods and services

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

(d) Interest

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

(e) Contributions received

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

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

(f) Other revenue

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

2.10 Expenses from transactions

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

(a) Employee benefits

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

(b) Depreciation and amortisation

All applicable non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Land, being an asset with an unlimited useful life, is not depreciated. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements, once the asset is held ready for use.

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

Major depreciation periods are:

- » plant and equipment 2-25 years
- » buildings 50-80 years
- » leasehold improvements 5-12 years.

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

The major amortisation period is:

- » software 5 years.

(c) Supplies and consumables

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

(d) Grants and subsidies

Grant and subsidies expenditure is recognised to the extent that:

- » the services required to be performed by the grantee have been performed
- » 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.

Program/project commitments show amounts approved to clients payable over a period of one year or greater, on which the actual amount payable is dependent upon expenditure being incurred and certain conditions being met by these clients and a claim submitted and approved for payment. The estimated commitment as at 30 June has been included in these cases in Note 12.1.

(e) Finance costs

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

Finance costs include:

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

(f) Other expenses

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

2.11 Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

(a) Gain/(loss) on sale of non-financial assets

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

(b) Impairment – financial assets

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

An impairment loss, in respect of a financial asset measured at amortised cost, is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

All impairment losses are recognised in the Statement of Comprehensive Income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available for sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available for sale financial assets that are equity securities, the reversal is recognised directly in equity.

(c) Impairment – non-financial assets

All non-financial assets are assessed to determine whether any impairment exists. Impairment exists when the recoverable amount of an asset is less than its carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use. The Department's assets are not used for the purpose of generating cash flows; therefore value in use is based on depreciated replacement cost where the asset would be replaced if deprived of it.

In relation to heritage and cultural assets, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's market value has declined significantly more than would be expected as a result of the passage of time. The recoverable amount of a cultural asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of the asset is not primarily dependant on the asset's ability to generate future cash flows, and the asset would be replaced if the Department was deprived of the asset, its value in use is taken at market appraisal.

All impairment losses are recognised in the Statement of Comprehensive Income.

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

(d) Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result, and from the revaluation of the present values of the long service leave liability due to changes in the bond interest rate.

2.12 Assets

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

(a) Cash and deposits

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund. Deposits are recognised at amortised cost, being their face value.

(b) Receivables

Receivables are recognised at amortised cost, less any impairment losses, however due to the short settlement period, receivables are not discounted back to their present value.

(c) Loan advances

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

(d) Inventories

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

(e) Equity investments

Equity investments are initially recorded at cost and at net recoverable value subsequent to initial recognition determined as follows:

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

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

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

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

(f) Property, plant and equipment, heritage and cultural assets

(i) Valuation basis

Land, buildings, heritage and cultural assets are recorded at fair value less accumulated depreciation. All other non-current physical assets are recorded at historic cost less accumulated depreciation and accumulated impairment losses.

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

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

(ii) Subsequent costs

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

(iii) Asset recognition threshold

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

(iv) Revaluations

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

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

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

(g) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both.

Investment property is recorded at fair value with any changes in the fair value being recorded as income or expenses in the Statement of Comprehensive Income.

Investment property is not depreciated.

(h) Intangibles

An intangible asset is recognised where:

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

Intangible assets held by the Department are valued at fair value less any subsequent accumulated amortisation and any subsequent accumulated impairment losses where an active market exists. Where no active market exists, intangibles are valued at cost less any accumulated amortisation and any accumulated impairment losses.

(i) Other assets

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

2.13 Liabilities

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

(a) Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Department becomes obliged to make future payments as a result of a purchase of assets or services.

(b) Interest bearing liabilities

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

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

(c) Provisions

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

(d) Employee benefits

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

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

(e) Superannuation

Defined contribution plans

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

Defined benefit plans

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

The Department does not recognise a liability for the accruing superannuation benefits of Departmental employees. This liability is held centrally and is recognised within the Finance General Division of the Department of Treasury and Finance.

(f) Other liabilities

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

2.14 Leases

The Department has entered into a number of operating lease agreements for property, plant and equipment, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease payments are charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

The Department is prohibited by Treasurer's Instruction 502 Leases from holding finance leases.

2.15 Judgements and assumptions

In the application of Australian Accounting Standards, the Department is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the Department that have significant effects on the Financial Statements are disclosed in the following Notes:

- » Note 9.2 – Net gain/(loss) on financial instruments and statutory receivables/payables;
- » Note 10.2, 2.12(c) – Loan advances
- » Note 10.3, 2.12(e) – Equity investments
- » Note 10.5, 2.12(f) – Property, plant and equipment, heritage and cultural assets
- » Note 10.6, 2.12(g) – Investment property
- » Note 11.4, 2.13(d) – Employee benefits.

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

2.16 Foreign currency

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

2.17 Comparative figures

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards. Details of the impact of any changes in accounting policy on comparative figures are at Note 2.5.

Where amounts have been reclassified within the Financial Statements, the comparative statements have been restated.

Restructures of Outputs within the Department (internal restructures) that do not affect the results shown on the face of the Financial Statements are reflected in the comparatives in the Output Schedule at Notes 3.1 and 3.2.

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

2.18 Budget information

Budget information refers to original estimates as disclosed in the 2012-13 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 and the Goods and Services Tax (GST).

2.21 Goods and Services Tax

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

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

Note 3 Departmental Output Schedules

3.1 Output Group Information

Comparative information has not been restated for administrative restructures.

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

Output Group 1 – Economic Development

1.1 Business Growth

This Output provides a range of services which support the growth of Tasmanian businesses. Assistance programs will continue to focus on improving the business enabling environment and fostering a dynamic small business sector in Tasmania. The Business Tasmania service provides tools and information on starting, running and growing a business. Business development services will be delivered by the Department in partnership with the private sector.

1.2 Industry Development

This Output focuses on maximising Tasmania's economic and jobs growth potential in key industry sectors such as food and agri business, mining and mineral processing, advanced manufacturing, science and research, Antarctic, building and construction, renewable energy, information communication technology, international education and tourism. Industry Development programs focus on brand and market development, investment attraction and facilitation through Invest Tasmania, promotional activities, research and development and finance facilitation.

1.3 Social and Environmental Sustainability

This Output aims to improve the social and environmental sustainability of the economy. Social sustainability programs focus on supporting workers and communities to adjust to structural changes in the economy and to create economic opportunities for those at risk of social exclusion. This includes working with targeted local communities vulnerable to local or global shocks to maximise economic development opportunities and develop capacity to help mitigate these risks. Environmental sustainability programs provide targeted incentives to businesses to improve environmental performance.

1.4 Regional Economic Development

This Output aims to support and grow sustainable communities within regions. This includes the implementation of Regional

Economic Development Plans and supporting individual enterprises through the Tasmanian Government Innovation and Investment Fund to accelerate growth and generate new jobs. The Output also supports liveability, planning reform and infrastructure development

Output Group 2 – Sport and Recreation

2.1 Sport and Recreation

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

Output Group 3 – Tourism

3.1 Tourism

Tourism Tasmania is a marketing-led organisation with a specific focus on research-driven marketing and distribution programs. Its role is to deliver programs that create demand for tourism in Tasmania, to support a strong regional tourism network and to drive broad benefits for the Tasmanian economy.

This Output will primarily undertake marketing activity to stimulate awareness and demand for travel to and around Tasmania. The Output will focus on building a strong distinctive tourism brand, delivering targeted marketing campaigns and facilitating public relations activities create exposure in key markets.

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

This Output supports the development and the growth of a strong regional tourism platform and targeted facilitation for product development. The Output is also responsible for the provision of useful and highly relevant research to Tourism Tasmania, local tourism operators and other relevant businesses, so they can successfully plan and implement their business and marketing strategies.

3.2 Events

This Output plays a role in stimulating events growth in Tasmania. This is achieved through the attraction and retention of a diverse range of events, event development with international presenters and support activities that deliver a range of social, cultural, economic and environmental benefits to the Tasmanian community. The Output also includes oversight of Princes Wharf No. 1, a key event venue on the Hobart waterfront.

Output Group 4 – Arts

4.1 Tasmanian Museum and Art Gallery

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

4.2 Art Industry Developments

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

4.3 Screen Industry Development

This Output aims to build sustainability in the sector through increased screen production generated by Tasmanians, as well as attracting and facilitating interstate and overseas production to the State. It also provides support for professional, project and enterprise development, the promotion of screen culture activities and seeks to promote Tasmanian talent and stories to a world wide audience. This Output also aims to position Tasmania as a centre for the creation and development of quality content in the digital media environment.

Output Group I – Economic Development

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation			
Appropriation revenue – recurrent	45,900	45,302	42,281
Appropriation revenue – section 8A of the <i>Public Account Act 1986</i> ¹	-	500	2,380
Grants	-	375	16,191
Interest ²	2,670	2,954	1,957
Sales of goods and services	768	952	683
Other revenue	1,090	1,300	1,153
Total revenue and other income from transactions	50,428	51,383	64,645
Expenses from transactions			
Employee benefits	15,796	15,015	16,791
Superannuation	1,727	1,758	1,892
Depreciation and amortisation	970	529	561
Finance costs ³	1,500	1,658	1,962
Grants and subsidies	20,181	20,654	32,130
Other expenses from ordinary activities			
Consultants and contracted services ⁴	670	3,547	2,343
Property services	1,006	930	826
Maintenance ⁵	108	323	342
Communications	671	314	314
Information technology	741	989	954
Travel and transport	1,034	978	954
Advertising and promotion ⁶	603	856	765
Other supplies and consumables ⁷	2,167	2,779	2,869
Other expenses ⁸	1,401	320	1,564
Total expenses from transactions	48,575	50,650	64,267
Net result from transactions (net operating balance)	1,853	733	378

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ⁹	-	(411)	(915)
Net gain/(loss) on financial instruments and statutory receivables/payables ¹⁰	-	(252)	(1,152)
Other gains/(losses) from economic flows ¹¹	-	(7,050)	-
Total other economic flows included in net result	-	(7,713)	(2,067)
Net result from continuing operations	1,853	(6,980)	(1,689)
Net result	1,853	(6,980)	(1,689)

Other comprehensive income

Items that will not be reclassified subsequently to profit or loss

Changes in physical asset revaluation reserve	2,925	-	-
Total other comprehensive income	2,925	-	-

Comprehensive result

	4,778	(6,980)	(1,689)
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Expense by output

I.1 Business Growth	9,731	9,789	12,172
I.2 Industry Development ¹²	24,412	26,405	26,614
I.3 Social and Environmental Sustainability	2,118	2,132	1,395
I.4 Regional Economic Development	12,314	12,324	24,086
Total	48,575	50,650	64,267

Net Assets

Total assets deployed for Output Group I		63,872	62,417
Total liabilities incurred for Output Group I		(35,492)	(27,056)
Net assets deployed for Output Group I		28,380	35,361

Notes

1. Appropriation revenue – section 8A of the *Public Account Act 1986* is above budget due to the 2011-12 approved carry forward requests for Renewable Energy Loan Scheme (\$500 000).
2. Interest is above budget due to higher than anticipated interest from loans disbursed under the Tasmania Development and Resources Loan, Property and Equity portfolio.
3. Finance costs are above budget due to costs of \$419 000 incurred as a result of making a partial repayment off an existing long-term borrowing with Tascorp.
4. Consultants and contracted services are above budget due to several payments originally budgeted as grants being classified as contracted services, including payments for the Enterprise Centre Program, Business Mentoring Services and Sirolli Enterprise Facilitation.
5. Maintenance is above budget due to higher than anticipated maintenance expenditure on investment properties.
6. Advertising and promotion is above budget due to costs associated with the production of Tasmania Business in Action.
7. Other supplies and consumables are above budget due to the reclassification of rent to operating leases in other supplies and consumables.
8. Other expenses are below budget due to the Department being no longer required to pay payroll tax.
9. Net gain/(loss) on non-financial assets relates to the revaluation of the Department's assets.
10. Net gain/(loss) on financial instruments and statutory receivables/payables relates to loan impairments recognised during 2012-13.
11. Other gains/(losses) from economic flows relate to the renegotiation of a non-repayable loan of \$7.895 million with the Department of Treasury and Finance to an interest-free loan of \$7.050 million repayable in full over 15 years under the *State Advances Act 1935 and Tasmanian Development Act 1983*.
12. Industry Development is over budget due to the renegotiation of a non-repayable loan of \$7.895 million with the Department of Treasury and Finance to an interest-free loan of \$7.050 million repayable in full over 15 years under the *State Advances Act 1935 and Tasmanian Development Act 1983*.

Output Group 2 – Sport and Recreation

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	14,674	16,380	13,432
Appropriation revenue – recurrent ¹	-	500	-
Appropriation revenue – section 8A of the <i>Public Account Act 1986</i> ²	1,989	-	-
Grants ³	-	5	4
Sales of goods and services	-	84	-
Other revenue ⁴	250	2,656	2,479
Total revenue and other income from transactions	16,913	19,625	15,915
Expenses from transactions			
Employee benefits	3,898	4,184	4,307
Superannuation	406	500	500
Depreciation and amortisation	324	534	535
Grants and subsidies ⁵	10,809	12,326	8,365
Other expenses from ordinary activities			
Consultants and contracted services	91	257	236
Property services	340	319	280
Maintenance	55	166	115
Communications	100	96	115
Information technology	82	129	71
Travel and transport	249	335	366
Advertising and promotion	161	208	178
Other supplies and consumables	540	720	566
Other expenses	295	194	526
Total expenses from transactions	17,350	19,968	16,160
Net result from transactions (net operating balance)	(437)	(343)	(245)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	-	96	(3,892)
Total other economic flows included in net result	-	96	(3,892)
Net result from continuing operations	(437)	(247)	(4,137)
Net result	(437)	(247)	(4,137)

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in physical asset revaluation reserve	-	(107)	4,155
Total other comprehensive income	-	(107)	4,155
Comprehensive result	(437)	(354)	18
Expense by output			
2.1 Sport and Recreation ⁶	17,350	19,968	16,160
Total	17,350	19,968	16,160
Net assets			
Total assets deployed for Output Group 2		31,694	32,446
Total liabilities incurred for Output Group 2		(1,162)	(1,560)
Net assets deployed for Output Group 2		30,532	30,886

Notes:

- Revenue from appropriation is above budget due to additional funding received as part of the Tasmanian Jobs Package for the Aurora Stadium lighting upgrade (\$1.0 million) and Hollybank Mountain Bike Park (\$800 000).
- Appropriation revenue – section 8A of the *Public Account Act 1986* is above budget due to the 2011-12 approved carry forward requests for Netball Boost (\$200 000) and the Hawthorn Football Club – New Agreement (\$300 000).
- Grants are below budget due to the reclassification of revenue from Grants to Other revenue for funds received from the Community Support Levy (\$1.425 million), Silverdome activities (\$416 000) and Tasmanian Institute of Sport programs (\$64 000).
- Other revenue is above budget due to the reclassification of revenue from Grants to Other revenue for funds received from the Community Support Levy (\$1.425 million), Silverdome activities (\$416 000) and Tasmanian Institute of Sport programs (\$64 000).
- Grant and subsidies are above budget due to additional funding received as part of the Tasmanian Jobs Package for the Aurora Stadium lighting upgrade (\$1.0 million) and Hollybank Mountain Bike Park (\$800 000).
- Sport and Recreation is above budget due to additional funding received as part of the Tasmanian Jobs Package for the Aurora Stadium lighting upgrade (\$1.0 million) and Hollybank Mountain Bike Park (\$800 000).

Output Group 3 – Tourism

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	26,715	28,053	28,192
Sales of goods and services	570	458	737
Contributions received	-	-	4,938
Other revenue	-	687	160
Total revenue and other income from transactions	27,285	29,198	34,027
Expenses from transactions			
Employee benefits	7,278	6,905	8,256
Superannuation	838	771	766
Depreciation and amortisation ¹	82	287	243
Borrowing costs	-	(10)	75
Grants and subsidies ²	3,656	6,076	5,552
Other expenses from ordinary activities			
Consultants and contracted services ³	1,092	2,667	1,766
Property services ⁴	1,168	273	245
Maintenance	31	165	116
Communications	235	180	261
Information technology	848	433	853
Travel and transport	745	562	551
Advertising and promotion ⁵	8,873	9,618	8,842
Other supplies and consumables ⁶	2,186	1,060	1,304
Other expenses	422	319	687
Total expenses from transactions	27,454	29,306	29,517
Net result from transactions (net operating balance)	(169)	(108)	4,510
Other economic flows included in net result			
Net gain/(loss) on financial instruments and statutory receivables/payables	-	-	-
Total other economic flows included in net result	-	-	-
Net result from continuing operations	(169)	(108)	4,510
Net result	(169)	(108)	4,510

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in physical asset revaluation reserve	-	(219)	13,656
Total other comprehensive income	-	(219)	13,656
Comprehensive result	(169)	(327)	18,166
Expense by output			
3.1 Tourism	24,072	24,478	24,530
3.2 Events ⁷	3,382	4,828	4,987
Total	27,454	29,306	29,517
Net assets			
Total assets deployed for Output Group 3		19,481	20,243
Total liabilities incurred for Output Group 3		(1,756)	(2,191)
Net assets/(liabilities) deployed for Output Group 3		17,725	18,052

Notes:

1. Depreciation and amortisation mainly relates to the depreciation of Princes Wharf No.1.
2. Grants and subsidies are above budget mainly due to the timing of Major Events Program grants.
3. Consultants and contracted services are above budget due the development of the Tourism Information Monitor and the new Discover Tasmania website.
4. Property services are below budget due to the reclassification of rent to operating leases in other supplies and consumables.
5. Advertising and promotion is above budget due to additional funding received as part of the Tasmanian Jobs Package for Co-operative Marketing (\$1.0 million).
6. Other supplies and consumables are below budget due to the reclassification of expenditure to other expenditure categories.
7. Events is above budget due to the timing of Major Events Program grants and costs associated with operating Princes Wharf No.1.

Output Group 4 – Arts

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation			
Appropriation revenue – recurrent	15,116	16,123	15,646
Appropriation revenue – section 8A of the <i>Public Account Act 1986</i>	-	-	140
Grants	-	141	37
Sales of goods and services ¹	700	490	801
Interest	-	5	8
Contributions received	-	430	285
Other revenue	-	56	13
Total revenue and other income from transactions	15,816	17,245	16,930
Expenses from transactions			
Employee benefits	6,616	6,909	6,415
Superannuation	704	826	752
Depreciation and amortisation ²	549	286	332
Borrowing costs	-	-	6
Grants and subsidies ³	5,666	4,787	5,177
Other expenses from ordinary activities			
Consultants and contracted services ⁴	60	1,195	1,053
Property services ⁵	833	612	497
Maintenance ⁶	198	448	360
Communications	180	142	176
Information technology	336	153	132
Travel and transport	216	193	215
Advertising and promotion	192	199	82
Other supplies and consumables	368	469	1,085
Other expenses ⁷	457	159	438
Total expenses from transactions	16,375	16,378	16,720
Net result from transactions (net operating balance)	(559)	867	210

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ⁸	-	(3,508)	17,976
Net gain/(loss) on financial instruments and statutory receivables/payables ⁹	-	(563)	(484)
Total other economic flows included in net result	-	(4,071)	17,492
Net result from continuing operations	(559)	(3,204)	17,703
Net result	(559)	(3,204)	17,702

Other comprehensive income

Items that will not be reclassified subsequently to profit or loss

Changes in physical asset revaluation reserve	10,140	(1,151)	(14,183)
Total other comprehensive income	10,140	(1,151)	(14,183)
Comprehensive result	9,581	(4,355)	3,519

Expense by output

4.1 Tasmanian Museum and Art Gallery	7,633	8,332	7,360
4.2 Art Industry Development	7,118	7,096	8,296
4.3 Screen Industry Development ¹⁰	1,624	950	1,064
Total	16,375	16,378	16,720

Net assets

Total assets deployed for Output Group 4	415,435	404,960
Total liabilities incurred for Output Group 4	(2,359)	(4,418)
Net assets deployed for Output Group 4	413,076	400,542

Notes

1. Sales of goods and services are below budget due to a reduction in revenue from the Tasmanian Government Art Site Scheme.
2. Depreciation and amortisation is below budget due to the lower than anticipated depreciation for the redeveloped Tasmanian Museum and Art Gallery.
3. Grants and subsidies are below budget due to the classification of the Screen Tasmania equity investments as assets.
4. Consultants and contracted services are above budget primarily due to professional fees associated with the Tasmanian Government Art Site Scheme.
5. Property services are below budget due to the reclassification of rent to other supplies and consumables.
6. Maintenance is above budget due to additional maintenance expenses associated with the redeveloped Tasmanian Museum and Art Gallery.
7. Other expenses are below budget due to the Department being no longer required to pay payroll tax.
8. Net gain/(loss) on non-financial assets relates to the revaluation of heritage and cultural assets and land and buildings of the Tasmanian Museum and Art Gallery.
9. Net gain/(loss) on financial instruments and statutory receivables/payables relates to the impairment of Screen Industry Development Equity investments.
10. Screen Industry Development is below budget due to the diminution of Screen Tasmania equity investments acquired in 2012-13 (\$563 000). All Screen Tasmania equity investments are fully amortised in the year that they are acquired.

Special Capital Investment Funds

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
<i>Continuing operations</i>			
Revenue and other income from transactions			
Revenue from Special Capital Investment Funds ¹	11,344	17,105	6,758
Grants	-	-	3
Sales of goods and services	-	1	1
Total revenue and other income from transactions	11,344	17,106	6,762
Expenses from transactions			
Employee benefits	-	726	651
Superannuation	-	72	58
Grants and subsidies	-	134	2,568
Other expenses from ordinary activities			
Consultants	-	1,365	306
Property services	-	21	3
Maintenance	-	19	-
Communications	-	22	8
Information technology	-	(4)	15
Travel and transport	-	15	21
Advertising and promotion	-	30	50
Other supplies and consumables	-	1,633	104
Other expenses	-	148	193
Total expenses from transactions	-	4,181	3,977
Net result from continuing operations	11,344	12,925	2,785
Net result	11,344	12,925	2,785
Comprehensive result	11,344	12,925	2,785

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Expense by output			
Aurora Stadium	-	-	500
Tasmanian Museum and Art Gallery ²	-	3,931	1,396
AFL Arrangement – Hawthorn Football Club	-	-	1,687
Industry Assistance Program ³	-	250	369
Tourism Promotion Plan	-	-	10
Whitemark Civic Centre	-	-	15
Total	-	4,181	3,977
Net assets			
Total assets deployed for Special Capital Investment Funds		80	4,043
Total liabilities incurred for Special Capital Investment Funds		-	-
Net assets deployed for Special Capital Investment Funds		80	4,043

Notes:

1. Revenue from Special Capital Investment Funds is above budget due to higher than anticipated expenditure on the TMAG redevelopment project in 2012-13.
2. Tasmanian Museum and Art Gallery is above budget due to the classification of the project budget as an asset not expenditure in the 2012-13 Budget.
3. Industry Assistance Program is above budget mainly due to expenditure on grants and other industry assistance agreements, which had been expected to occur in 2011-12.

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

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Total comprehensive result of Output Groups	25,097	909	22,799
Reconciliation to comprehensive result			
Items of difference	-	-	-
Comprehensive result	25,097	909	22,799

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

	2013 Actual \$'000	2012 Actual \$'000
Total net assets deployed for Output Groups	489,793	488,884
Reconciliation to net assets		
Assets unallocated to Output Groups	-	-
Liabilities unallocated to Output Groups	-	-
Net assets	489,793	488,884

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.

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Administered revenue and other income from transactions			
Revenue from appropriation	3,951	3,951	3,891
Total administered revenue and other income from transactions	3,951	3,951	3,891
Administered expenses from transactions			
Grants and subsidies	3,951	3,951	3,891
Total administered expenses from transactions	3,951	3,951	3,891
Administered net result from transactions (net operating balance)	-	-	-
Administered expense by output			
Ten Days on The Island	1,254	1,254	1,229
Tasmanian Symphony Orchestra	1,519	1,519	1,484
Theatre Royal	178	178	178
Tasmanian Icon Program	1,000	1,000	1,000
Total	3,951	3,951	3,891

Note 4 Explanations of material variances between budget and actual outcomes

The following are brief explanations of material variances between Budget estimates and actual outcomes. Variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and \$250 000.

4.1 Statement of Comprehensive Income

	Notes	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Continuing operations					
Appropriation revenue – section 8A of the <i>Public Account Act 1986</i>	(a)	-	1,000	1,000	n/a
Revenue from Special Capital Investment Funds (SCIF)	(b)	11,344	17,105	5,761	51
Grants	(c)	1,989	516	(1,473)	(74)
Interest	(d)	2,670	2,959	289	11
Contributions received	(e)	-	514	514	n/a
Other revenue	(f)	1,340	4,699	3,359	251
Depreciation and amortisation	(g)	1,925	1,637	(288)	(15)
Supplies and consumables	(h)	26,179	34,952	(8,773)	(34)
Other expenses	(i)	2,575	605	1,970	77
Net gain/(loss) on non-financial assets	(j)	-	(3,823)	(3,823)	n/a
Net gain/(loss) on financial instruments and statutory receivables/payables	(k)	-	(815)	(815)	n/a
Other gains/(losses) from other economic flows	(l)	-	(7,050)	(7,050)	n/a

Notes to Statement of Comprehensive Income variances

- Appropriation revenue – section 8A of the *Public Account Act 1986* is above budget due to the 2011-12 approved carry forward requests for the Renewable Energy Loan Scheme (\$500 000), Netball Boost (\$200 000) and the Hawthorn Football Club – New Agreement (\$300 000).
- Revenue from Special Capital Investment Funds is above budget due to higher than anticipated expenditure on the Tasmanian Museum and Art Gallery (TMAG) Redevelopment project in 2012-13.
- Grants are below budget due to the reclassification of revenue from Grants to Other revenue for funds received from the Community Support Levy (\$1.425 million), Silverdome activities (\$416 000) and Tasmanian Institute of Sport programs (\$64 000).
- Interest is above budget due to higher than anticipated interest from loans disbursed under the Tasmania Development and Resources Loan, Property and Equity portfolio.
- Contributions received relate to donations and bequests received by TMAG.
- Other revenue is above budget due to the reclassification of revenue from Grants to Other revenue for funds received from the Community Support Levy (\$1.425 million), Silverdome activities (\$416 000) and Tasmanian Institute of Sport programs (\$64 000).
- Depreciation and amortisation is below budget mainly due the lower than anticipated depreciation estimate for the redeveloped TMAG.
- Supplies and consumables are above budget mainly due to the classification of the Tasmanian Museum and Art Gallery redevelopment budget as an asset not expense in the 2012-13 Budget (\$3.0 million). As such, some expenditure in relation to the TMAG redevelopment was not capital in nature, rather supplies and consumables expense. In addition several payments originally budgeted as grants being classified as contracted services (\$1.488 million).
- Other expenses are below budget mainly due to the Department being no longer required to pay payroll tax.
- Net gain/(loss) on non financial assets relates to the revaluation of heritage and cultural assets and land and buildings of TMAG.
- Net gain/(loss) on financial instruments and statutory receivables/payables relates to the impairment of Screen Industry Development Equity investments and impairment losses on loan advances.
- Other gains/(losses) from economic flows relates to the renegotiation of a non-repayable loan of \$7.895 million with the Department of Treasury and Finance to an interest-free loan of \$7,050 million repayable in full over 15 years under the *State Advances Act 1935* and *Tasmanian Development Act 1983*.

4.2 Statement of Financial Position

	Notes	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Receivables	(a)	1,940	1,439	(501)	(26)
Equity Investments	(b)	277	48	(229)	(83)
Inventories	(c)	594	232	(362)	(61)
Property, plant and equipment	(d)	91,413	80,130	(11,283)	(12)
Investment property	(e)	11,147	9,070	(2,077)	(19)
Intangibles	(f)	513	890	377	73
Other assets	(g)	2,468	2,168	(300)	(12)
Interest bearing liabilities	(h)	19,621	25,080	(5,459)	(28)
Provisions	(i)	2,747	2,397	350	13
Other liabilities	(j)	881	3,285	(2,404)	(273)

Notes to Statement of Financial Position variances

- a) Receivables are below budget due to lower than estimated tax assets as at 30 June 2013.
- b) Equity investments are below budget due to the impairment of equity investments.
- c) Inventories are below budget due to a lower than estimated balance of inventories as at 30 June 2013.
- d) Property, plant and equipment is below budget based on the revised valuation of the Department's properties.
- e) Investment property assets are below budget based on the revised valuation of the Department's investment properties.
- f) Intangibles are above budget mainly due to the development of the new Discover Tasmania website.
- g) Other assets are below budget due to a lower than estimated balance of prepayments as at 30 June 2013.
- h) Interest bearing liabilities are above budget due to the renegotiation of a non-repayable loan of \$7.895 million with the Department of Treasury and Finance to an interest-free loan of \$7.050 million repayable in full over 15 years under the *State Advances Act 1935* and *Tasmanian Development Act 1983*.
- i) Provisions are below budget due to the renegotiation of tenancy leases held by the Department and to increases in Government discount rates used to calculate the present value of provisions.
- j) Other liabilities are above budget mainly due to section 8(A)2 carry forward requests which increased from \$1.00 million in 2011-12 to \$3.23 million in 2012-13.

4.3 Statement of Cash Flows

	Notes	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Grants	(a)	1,989	516	(1,473)	(74)
GST receipts	(b)	6,500	11,055	4,555	70
Other cash receipts	(c)	1,340	4,345	3,005	224
GST payments	(d)	(6,500)	(9,001)	(2,501)	(38)
Interest payments	(e)	(1,550)	(1,293)	257	17
Supplies and consumables	(f)	(26,412)	(36,121)	(9,709)	(37)
Other cash payments	(g)	(2,575)	(1,271)	1,304	51
Proceeds from the disposal of non-financial assets	(h)	-	537	537	n/a
Receipts from Special Capital Investment Funds	(i)	11,344	16,856	5,512	49
Repayment of loans by other entities	(j)	4,894	22,361	17,467	357
Receipts from investments	(k)	-	891	891	n/a
Loans made to other entities	(l)	-	(19,380)	(19,380)	n/a
Payments for investments	(m)	(2,684)	(903)	1,781	66

Notes to Statement of Cash Flows variances

- a) Grants are below budget due to the reclassification of revenue from Grants to Other revenue for funds received from the Community Support Levy (\$1.425 million), Silverdome activities (\$416 000) and Tasmanian Institute of Sport programs (\$64 000).
- b) GST receipts reflect the actual level of input tax credits received and GST received on services provided.
- c) Other receipts are above budget due to the reclassification of revenue from Grants to Other revenue for funds received from the Community Support Levy (\$1.425 million), Silverdome activities (\$416 000) and Tasmanian Institute of Sport programs (\$64 000).
- d) GST payments reflect actual level of GST paid on purchases of goods and services and payment of GST to the Australian Tax Office.
- e) Interest payments are below budget due to the renegotiation of a non-repayable loan of \$7.895 million with the Department of Treasury and Finance to an interest-free loan of \$7.050 million repayable in full over 15 years under the *State Advances Act 1935* and *Tasmanian Development Act 1983*.
- f) Supplies and consumables are above budget mainly due to the classification of the TMAG redevelopment budget as an asset not expense in the 2012-13 Budget (\$3.0 million). As such, some expenditure in relation to the TMAG redevelopment was not capital in nature, rather supplies and consumables expense. In addition several payments originally budgeted as grants were classified as contracted services (\$1.488 million).
- g) Other cash payments are below budget mainly due to the Department being no longer required to pay payroll tax.
- h) Proceeds from the disposal of non-financial assets relate to the disposal of rural and investment properties.
- i) Receipts from Special Capital Investment Funds are above budget due to higher than anticipated expenditure on the TMAG redevelopment project in 2012-13.
- j) Repayment of loans by other entities is above budget due the early repayment of a loan from JBS Australia Pty Ltd (\$12.0 million).
- k) Receipts from investments are above budget due to return on capital from the Department's equity investments.
- l) Loans made to other entities is above budget due the disbursement of a loan to Norske Skog Paper Mills Australia Pty Ltd (\$13.0 million).
- m) Payments for investments are below budget due to lower than anticipated payments for equity investments.

Note 5 Events occurring after balance date

There have been no events subsequent to balance date which would have a material effect on the Department's Financial Statements as at 30 June 2013 with the exception of a quantifiable contingent liability at Note 12.2(a).

Note 6 Underlying net operating balance

Non-operational capital funding is the income from transactions relating to funding for capital projects. 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	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Net result from transactions (net operating balance)		12,032	14,074	7,638
<i>Less impact of non-operational capital funding</i>				
Revenue from Special Capital Investment Funds	7.2	11,344	16,856	4,175
Fair value of additions Events Tasmania land and building at no cost (Princes Wharf No.1)	7.6	-	-	4,938
Total		11,344	16,856	9,113
Underlying net operating balance		688	(2,782)	(1,475)

Note 7 Income from transactions

7.1 Revenue from Government

Revenue from Government includes revenue from appropriations, appropriations carried forward under section 8A(2) of the *Public Account Act 1986*.

The Budget information is based on original estimates and has not been subject to audit.

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Continuing operations			
Appropriation revenue – recurrent			
Current year	102,405	105,858	99,551
Total	102,405	105,858	99,551
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	-	1,000	2,520
Total	-	1,000	2,520
Total revenue from Government	102,405	106,858	102,071

Section 8A(2) of the *Public Account Act 1986* allows for an unexpended balance of an appropriation to be transferred to an Account in the Special Deposits and Trust Fund for such purposes and conditions as approved by the Treasurer. In the initial year, the carry forward is recognised as a liability, Revenue Received in Advance. The carry forward from the initial year is recognised as revenue in the reporting year, assuming that the conditions of the carry forward are met and the funds are expended.

7.2 Revenue from Special Capital Investment Funds

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

	2013 Actual \$'000	2012 Actual \$'000
Continuing operations		
Economic and Social Infrastructure Fund	249	2,583
Total	249	2,583
Non-operational capital funding		
Economic and Social Infrastructure Fund	16,856	4,175
Total	16,856	4,175
Total revenue from Special Capital Investment Funds	17,105	6,758

Details of total Special Capital Investment Funds revenues and expenses are provided as part of Note 3 Departmental Output Schedules. Details of total cash flows for each project are at Note 14.3.

7.3 Grants

	2013 \$'000	2012 \$'000
Grants from the Australian Government		
Tasmanian Forestry Agreement	-	16,000
Industry Capability Network – National Broadband Network	225	175
General grants	141	30
Total	366	16,205
Other Grants		
General Grants	150	26
Total	150	26
Total Grants	516	16,231

Grants received prior to 30 June 2013 that remained unspent at the end of the year total \$142 419 (2011-12 \$36 185).

7.4 Sales of goods and services

	2013	2012
	\$'000	\$'000
Other goods and services	1,906	2,226
Total	1,906	2,226

7.5 Interest

	2013	2012
	\$'000	\$'000
Interest	2,959	1,965
Total	2,959	1,965

7.6 Contributions received

	2013	2012
	\$'000	\$'000
Fair value of additions to TMAG Collections at no cost	427	250
Fair value of additions Events Tasmania land and building at no cost (Princes Wharf No.1)	-	4,938
Fair value of additions to TMAG plant and equipment at no cost	-	32
Donations and bequests	87	3
Total	514	5,223

7.7 Other revenue

	2013	2012
	\$'000	\$'000
Investment property rental	1,193	1,137
Fees and recoveries	2,264	1,864
Other	1,242	804
Total	4,699	3,805

Note 8 Expenses from transactions

8.1 Employee benefits

	2013	2012
	\$'000	\$'000
Wages and salaries	29,142	30,084
Annual leave	2,067	2,241
Long service leave	32	437
Sick leave	1,006	1,183
Superannuation – defined benefit scheme	414	563
Superannuation – contribution schemes	3,514	3,405
Other post-employment benefits	806	1,920
Other employee expenses	686	555
Total	37,667	40,388

Superannuation expenses relating to defined benefits schemes relate to payments into the Consolidated Fund. 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 superannuation funds at a rate of nine per cent of salary. In addition, departments are also required to pay into the Consolidated Fund a 'gap' payment equivalent to 3.5 per cent of salary in respect of employees who are members of contribution schemes.

8.2 Depreciation and amortisation

(a) Depreciation

	2013	2012
	\$'000	\$'000
Plant and equipment	324	421
Buildings	700	540
Total	1,024	961

(b) Amortisation

	2013	2012
	\$'000	\$'000
Intangibles	298	390
Leasehold improvements	315	320
Total	613	710
Total depreciation and amortisation	1,637	1,671

8.3 Supplies and consumables

	2013	2012
	\$'000	\$'000
Audit fees – financial audit	119	114
Audit fees – internal audit	135	149
Operating lease costs	3,061	2,954
Consultants and contracted services	9,032	5,702
Property services	2,154	1,851
Maintenance	1,122	933
Communications	753	874
Information technology	1,700	2,025
Travel and transport	2,082	2,107
Advertising and promotion	10,911	9,917
Other supplies and consumables	3,883	2,713
Total	34,952	29,339

8.4 Grants and subsidies

	2013	2012
	\$'000	\$'000
Grants		
Business and Industry Assistance	3,179	3,614
Brand Tasmania	200	436
Menzies Development	10,000	5,000
Domain House	-	3,500
North-West/Northern Tasmania Innovation and Infrastructure Fund	-	524
Tasmanian Government Innovation and Investment Fund	4,742	-
Renewable Energy Loan Scheme	183	39
Seaport Boardwalk Expansion	1,000	-
Contact Centres	633	1,230
Tasmanian Forestry Agreement	-	16,000
Intelligent Island	600	1,754
Sport and Recreation	12,290	8,062
Hospitality	98	-
Tourism Development Assistance	2,198	1,763
Major Events	3,304	3,403
Museums and Art Galleries	1,740	1,746
Arts Grants	2,865	3,263
Screen Tasmania Grants	181	156
Special Capital Investment Fund	134	2,568
General Grants	-	59
Total	43,347	53,117
Subsidies		
Other subsidies	20	20
Total	20	20
Sponsorship		
Other sponsorship	609	655
Total	609	655
Total grants and subsidies	43,976	53,792

Grant Program Review

In accordance with Treasurer's Instruction 709 *Grant Management Framework*, the following grant programs have been reviewed by the Department and are considered to be meeting their intended objectives. The Department continues to improve grant program outcome key performance indicators to assist decision making and improve the effectiveness of grant programs in meeting Government objectives.

Grant Programs

Renewable Energy Loan Scheme

The objective of the Renewable Energy Loan Scheme (RELS) is to provide assistance to eligible organisations who wish to invest in commercially viable renewable energy systems or manufacture renewable energy technology components in Tasmania. RELS was announced as part of the 2010-11 State Budget.

Tasmanian Government Innovation and Investment Fund

The objective of Tasmanian Government Innovation and Investment Fund is to generate new private investment and jobs across regional Tasmania as part of the Government's response to regional employment challenges in the 2012-13 Budget. The program was launched in October 2012.

Sport and Recreation State Grant Programs

The objective of the State Grants Program is to increase the capacity of State sporting organisations, service providers and active recreation providers to administer, develop and promote their sport, recreation or service in Tasmania. The program offers tailored grants to large, medium and small sporting organisations on the basis of registered membership numbers.

National/International Sports Championships Program

The objective of the National/International Sport Championships Program is to promote and develop sport by encouraging national and international level competition in Tasmania. The program provides grants to eligible organisations to assist in meeting costs associated with hosting a national or international sport championship event within Tasmania.

Major Grants Program (sporting infrastructure)

The objective of the Major Grants Program is to improve the opportunities for Tasmanians to participate in sport and active recreation through the development and improvement of facilities or playing surfaces that directly benefit sport and recreation clubs. The program offers grants towards 50 per cent of total project costs.

Minor Grants Program (sporting infrastructure)

The objective of the Minor Grants Program is to improve the opportunities for Tasmanians to participate in sport and active recreation through the development and improvement of facilities or playing surfaces that directly benefit sport and recreation clubs. The program offers small grants of up to 50 per cent of total project costs in three rounds.

Major Events Grants Program

Major Events funding is used to secure and grow existing events in Tasmania. It allows Events Tasmania to support a diverse range of events and activities that deliver a range of social, cultural, economic and environmental benefits to the Tasmanian community.

Events Tasmania Grants and Incentives

The objective of the Events Grant Program is to stimulate the growth of events in Tasmania including the attraction and retention of a diverse range of events and the development and support of activities that deliver a range of social cultural economic and environmental benefits to the Tasmanian community.

Arts Grants

The objective of Arts Tasmania's grant funding programs is to support, facilitate, advocate and enable creativity, diversity, cultural excellence and quality arts practice in Tasmania. The program also aims to broaden the engagement of Tasmanians in the arts, highlight the State's diverse arts and cultural sector, and deepen Tasmanian cultural experiences.

The program focuses on providing support to Tasmanian artists and their representative organisations through funding to individual artists, arts organisations and major Tasmanian cultural institutions to assist their planning and realisation of projects, as well as to attract and encourage new work.

Museum/Gallery Grants

The objective of the program is to improve information about collections, increase public access to information and enhance curatorial practice and collection management as a key part of the Government's ongoing support for the preservation of the State's cultural heritage.

The Small Museums and Collections program provides grants and loans to assist the curatorial and collection management practices of smaller public and community collections and museums.

Screen Tasmania – Industry Enterprise and Development

The objective of the program is to enhance professional development for Tasmanian screen practitioners and increase employment outcomes, with an emphasis on key creative roles. Grants are provided for bespoke career pathway support and direct professional experience for emerging Tasmanian screen practitioners in key creative roles including support for interstate and international travel costs.

Screen Tasmania – Festivals and Events

The objective of the program is to support the promotion of local, national and international talent and stories and engender interest in Tasmanian screen culture. The program provides grants for screen-based activities, such as film festivals, conferences, seminars and screenings that build audience interest and awareness of the screen industry including the operational costs of an event.

Non-Program Grants

Business and Industry Assistance

The Department provides a number of grants to support business growth and industry within Tasmania and assist job creation.

Brand Tasmania

The Department provides grant funding to support the Brand Tasmania Council Inc.

Menzies Development

The State Government provided a total of \$15 million over two financial years contributing to the Stage 2 Menzies Research Institute redevelopment in Hobart.

Seaport Boardwalk Expansion

As part of the Government's Tasmanian Jobs Package announced in late 2012, a \$1 million grant was provided to extend the boardwalk at the Launceston Seaport to create a versatile public space at this popular venue. The boardwalk was first constructed by the State Government and the Launceston City Council.

Contact Centres

The Department provides grant funding to support the creation/retention of jobs in Contact Centres located in Tasmania.

Intelligent Island

Intelligent Island funds were used to fund a grant supporting the Tasmanian ICT Centre in conjunction with CSIRO.

Hospitality

The Department provided a grant to the Tasmanian Hospitality Association to support workforce development initiatives in the hospitality industry.

Tourism Development Assistance

Tourism Tasmania provided grants to support the implementation of the Regional Tourism Organisations and Building Opportunities for Business.

Special Capital Investment Fund

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

8.5 Finance costs

		2013	2012
	Note	\$'000	\$'000
Interest expense			
Interest on bank overdrafts and loans		1,225	1,781
Total		1,225	1,781
Other finance costs			
Unwinding of discounting of provisions	11.3(b)	2	262
Other finance costs		419	-
Total		421	262
Total finance costs		1,646	2,043

Other finance costs

During 2012-13 a cost of \$419 000 was incurred as a result of making a partial repayment off an existing long-term borrowing with Tascorp.

8.6 Other expenses

	2013	2012
	\$'000	\$'000
Salary on-costs	262	2,600
Seminars and conferences	211	246
Other	132	562
Total	605	3,408

Note 9 Other economic flows included in net result

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

	Notes	2013 \$'000	2012 \$'000
Revaluation of heritage and cultural assets		9,517	5,102
Revaluation of buildings		(12,996)	8,867
Revaluation of investment property	10.6(b)	(630)	(944)
Net gain/(loss) on non-financial assets transferred		20	97
Net gain/(loss) on sale of non-financial assets		266	47
Total net gain/(loss) on non-financial assets		(3,823)	13,169

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

	Notes	2013 \$'000	2012 \$'000
Impairment reversals/(losses) of:			
Loans advances	10.2	3,157	(1,154)
Equity investments	10.3	(550)	(476)
Loan advances written off during the year		(3,422)	(6)
Total net gain/(loss) on financial instruments		(815)	(1,636)

Tasmanian Development Act 1983 loan advances impaired in 2012-13 related to Cattle Country Australia Pty Ltd (\$54 000) and J & A Gretschnann (\$170 000). Section 35 Loans Administered by Tasmania Development and Resources (TDR) impaired in 2012-13 included Tas-Air Pty Ltd (\$1.5 million), Training Opportunities and Options for Learning Inc (\$70 000) and Blockmack Pty Ltd (\$160 000).

Equity investments impairment transactions during 2012-13 related to First Tasmania Investment Ltd and to Screen Tasmania equity investments.

Loan advances written off in 2012-13 for *Tasmanian Development Act 1983* and Section 35 Loans Administered by TDR related to Tascot Templeton Carpets Pty Ltd (\$3.2 million) and a Convertible Note for Soil First Pty Ltd (\$200 000).

9.3 Other gains/(losses) from other economic flows

	Notes	2013 \$'000	2012 \$'000
Other finance costs	11.2	(7,050)	-
Total other gains/(losses) from other economic flows		(7,050)	-

During 2012-13 under the *State Advances Act 1935* and *Tasmanian Development Act 1983* a non-repayable loan of \$7.895 million was renegotiated with the Department of Treasury and Finance to an interest-free loan of \$7.050 million repayable in full over 15 years.

Note 10 Assets

10.1 Receivables

	2013 \$'000	2012 \$'000
Receivables	433	505
Tax assets	1,006	2,988
Total	1,439	3,493
Settled within 12 months	1,439	3,493
Settled in more than 12 months	-	-
Total	1,439	3,493

10.2 Loan advances

	2013 \$'000	2012 \$'000
Convertible note	-	200
Section 35 Loans Administered by TDR	29,310	33,013
<i>Tasmanian Development Act 1983</i>	1,881	5,609
Renewable Energy Loan Scheme	2,017	584
<i>Fire Damage Relief Act 1967</i>	23	25
<i>Farm Water Development Act 1985</i>	959	1,161
Screen Tasmania Loans	270	270
Arts Loans	1,009	878
No Interest Loan Scheme	404	454
Social Enterprise Loan Fund	17	-
Less: Provision for impairment	(2,007)	(5,164)
Total	33,883	37,030
Settled within 12 months	9,331	8,245
Settled in more than 12 months	24,552	28,785
Total	33,883	37,030

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

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

Reconciliation of movement in provision for impairment of other financial assets	2013 \$'000	2012 \$'000
Carrying amount at 1 July	5,164	4,010
Increase/(decrease) in provision recognised in net result	(3,157)	1,154
Carrying amount at 30 June	2,007	5,164

Tasmanian Development Act 1983 loan advances impaired in 2012-13 related to Cattle Country Australia Pty Ltd (\$54 000) and J & A Gretschnann (\$170 000). Section 35 Loans Administered by TDR impaired in 2012-13 included Tas-Air Pty Ltd (\$1.5 million), Training Opportunities and Options for Learning Inc (\$70 000) and Blockmack Pty Ltd (\$160 000).

10.3 Equity investments

	2013 \$'000	2012 \$'000
Listed shares – at cost	2,412	2,412
Listed shares – converted	944	944
Unlisted equity instruments	11,401	11,389
Less: Provision for impairment	(14,709)	(14,159)
Total	48	586
Settled within 12 months	-	-
Settled in more than 12 months	48	586
Total	48	586

Listed shares

TASSAL Ltd

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

Unlisted equity instruments

First Tasmania Investments Ltd

The Department holds 2 402 105 ordinary shares in First Tasmania Investments Ltd. The shares have been valued at \$Nil as at 30 June 2013.

North West Bay Ships Pty Ltd

The Department acquired 800 000 preference shares (7 per cent) of \$1.00 each in June 2000. The shares have been valued at \$Nil as at 30 June 2013.

SDT Australia Pty Ltd

The Department acquired 200 000 preference shares (9 per cent) of \$1.00 each in June 2000. The company has not operated for the last four and a half years due to a lack of capital for further research and development. The shares have been valued at \$Nil as at 30 June 2013.

Reconciliation of movement in provision for impairment of equity investments	2013 \$'000	2012 \$'000
Carrying amount at 1 July	14,159	13,683
Increase/(decrease) in provision recognised in net result	550	476
Carrying amount at 30 June	14,709	14,159

The provision for impairment movement is the result of the revaluation of Screen Tasmania's equity portfolio and First Tasmania Investment Ltd.

10.4 Inventories

	2013 \$'000	2012 \$'000
Inventory held for sale	232	376
Total	232	376
Settled within 12 months	232	376
Settled in more than 12 months	-	-
Total	232	376

10.5 Property, plant and equipment, heritage and cultural assets

(a) Carrying amount

	2013 \$'000	2012 \$'000
Land		
Properties – at fair value (30 June 2013)	21,160	21,071
Rural properties – at fair value (30 June 2013)	3,417	3,687
Total	24,577	24,758
Buildings		
At fair value (30 June 2013)	52,450	49,799
Less: accumulated depreciation	-	-
	52,450	49,799
Work in progress (at cost)	-	6,779
Total	52,450	56,578
Leasehold improvements		
At cost	5,419	5,419
Less: accumulated amortisation	(3,606)	(3,291)
	1,813	2,128
Work in progress (at cost)	-	-
Total	1,813	2,128
Plant and equipment		
At cost	4,118	4,178
Less: accumulated depreciation	(3,005)	(2,938)
	1,113	1,240
Work in progress (at cost)	177	105
Total	1,290	1,345
Heritage and cultural assets		
At fair value (30 June 2013)	386,703	376,739
Total	386,703	376,739
Total property, plant and equipment, heritage and cultural assets	466,833	461,548

Rural properties

Rural properties are valued as at 30 June 2013 to fair value. Fair value of these properties equates to the option prices deemed on the individual properties. These option prices are the amounts receivable should the tenants exercise the option to purchase the freehold title.

Other properties and buildings

The latest revaluations as at 30 June 2013 were based on valuations undertaken by independent valuers Brothers and Newton Opteon. This valuation was prepared on the basis of market value as defined by the International Valuation Standards Committee, and endorsed by the Australian Property Institute.

Land and the majority of the buildings have been classified as non-specialised assets and accordingly valued on the basis of market value with reference to observable prices in an active market, using traditional valuation methods including sales comparison. These valuations can be adopted as fair values for financial reporting purposes.

Heritage and cultural assets

The Tasmanian Museum and Art Gallery heritage and cultural assets were independently valued with an effective date of 30 June 2013 by RHAS Chartered Valuers and Brokers. The revaluation of these assets was on a fair value basis in accordance with relevant accounting standards and Treasurer's Instruction No 303 *Recognition and Measurement of Non-Current Assets*.

The definition of fair value is defined in AASBI 16, and in summary is the estimated amount for which any asset should be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion, and where the market value has been determined by appraisal.

(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.

2013	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Heritage and cultural assets \$'000	Total \$'000
Carrying value at 1 July	24,758	56,578	2,128	1,345	376,739	461,548
Additions	-	11,134	-	270	427	11,831
Disposals	(270)	-	-	(1)	-	(271)
Revaluation increments (decrements)	89	(14,562)	-	-	9,517	(4,956)
Net transfers	-	-	-	-	20	20
Depreciation and amortisation	-	(700)	(315)	(324)	-	(1,339)
Carrying value at 30 June	24,577	52,450	1,813	1,290	386,703	466,833

2012	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Heritage and cultural assets \$'000	Total \$'000
Carrying value at 1 July	20,763	38,981	2,280	1,471	371,237	434,732
Additions	-	5,013	168	221	52	5,454
Contributions received	2,200	2,666	-	104	250	5,220
Disposals	(267)	-	-	(5)	-	(272)
Revaluation increments (decrements)	2,062	10,433	-	-	5,103	17,598
Net transfers	-	25	-	(25)	97	97
Depreciation and amortisation	-	(540)	(320)	(421)	-	(1,281)
Carrying value at 30 June	24,758	56,578	2,128	1,345	376,739	461,548

10.6 Investment property

(a) Carrying amount

	2013 \$'000	2012 \$'000
Land at fair value	4,420	4,600
Buildings at fair value	4,650	5,100
	9,070	9,700
Work in progress at cost	-	-
Total	9,070	9,700

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

The latest revaluations as at 30 June 2013 were based on valuations undertaken by independent valuers Brothers and Newton Opteon. This valuation was prepared on the basis of market value as defined by the International Valuation Standards Committee, and endorsed by the Australian Property Institute.

(b) Reconciliation of movements

	Note	2013 \$'000	2012 \$'000
Carrying amount at 1 July		9,700	10,610
New purchases		-	34
Net gains/(losses) from fair value adjustments	9.1	(630)	(944)
Carrying amount at 30 June		9,070	9,700

10.7 Intangibles

(a) Carrying amount

	2013 \$'000	2012 \$'000
Intangibles with a finite useful life		
Software at cost	2,566	2,361
Less: accumulated amortisation	(1,676)	(1,599)
Total	890	762

(b) Reconciliation of movements

	2013 \$'000	2012 \$'000
Carrying amount at 1 July	762	926
Additions to work in progress	426	226
Amortisation expense	(298)	(390)
Carrying amount at 30 June	890	762

10.8 Other assets

(a) Carrying amount

	2013 \$'000	2012 \$'000
Other assets		
Prepayments	2,167	2,123
Other	1	2
Total	2,168	2,125
Utilised within 12 months	2,027	2,125
Utilised in more than 12 months	141	-
Total	2,168	2,125

(b) Reconciliation of movements

	2013 \$'000	2012 \$'000
Carrying amount at 1 July	2,125	2,323
Additions	2,168	2,125
Used up	(2,125)	(2,323)
Carrying amount at 30 June	2,168	2,125

Note II Liabilities

II.1 Payables

	2013 \$'000	2012 \$'000
Creditors	58	309
Funds held in trust	782	786
Accrued expenses	1,478	2,621
Paid Parental Leave Scheme liabilities	-	4
Total	2,318	3,720
Settled within 12 months	2,318	3,720
Settled in more than 12 months	-	-
Total	2,318	3,720

Settlement is usually made within 30 days.

Funds held in trust relate to funds held by the Department on behalf of the independent non-Government entities of Brand Tasmania Council and Agreement on the Conservation of Albatrosses and Petrels, for which the Department provides corporate support. Refer to Note 17 for additional information.

II.2 Interest bearing liabilities

(a) Carrying amount

	2013 \$'000	2012 \$'000
Loans from the State Government	6,580	21
Loans from Tascorp	18,500	18,000
Total	25,080	18,021

(b) Maturity schedule

	2013 \$'000	2012 \$'000
One year or less	3,500	-
From one to five years	21,580	18,021
Total	25,080	18,021

During 2012-13 under the *State Advances Act 1935* and *Tasmanian Development Act 1983* a non-repayable loan of \$7.895 million was renegotiated with the Department of Treasury and Finance to an interest-free loan of \$7.050 million repayable in full over 15 years. In addition a cost of \$419 000 was incurred as a result of making a partial repayment off an existing long-term borrowing with Tascorp.

11.3 Provisions

(a) Carrying amount

	2013 \$'000	2012 \$'000
Operating lease provisions	1,157	1,308
Operating lease make-good provisions	1,240	1,451
Total	2,397	2,759
Settled within 12 months	1,157	1,585
Settled in more than 12 months	1,240	1,174
Total	2,397	2,759

The amount of the Department's provisions is the best estimate of the expenditure required to settle the present obligation, as at the end of the reporting period. The best estimate at the end of the reporting period, takes into account increases of costs, using the Consumer Price Index. The provision is discounted to reflect the present value of such expenditures where the time value of money is material.

(b) Reconciliation of movements in provisions

	Operating lease make-good provision		Operating lease provisions		Total Provisions	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Balance at 1 July	1,451	1,189	1,308	1,558	2,759	2,747
Increases	34	61	-	-	34	61
Changes against the provision	(213)	-	-	-	(213)	-
Reversals	-	-	(151)	(250)	(151)	(250)
Changes in discounting	(32)	201	-	-	(32)	201
Balance at 30 June	1,240	1,451	1,157	1,308	2,397	2,759

Movements in operating lease provisions relate to the renegotiation of tenancy leases held by the Department.

11.4 Employee benefits

	2013 \$'000	2012 \$'000
Accrued salaries	1,203	1,028
Annual leave	2,318	2,499
Long service leave	5,021	5,416
State Service Accumulated Leave Scheme provision	91	78
Total	8,633	9,021
Settled within 12 months	3,986	3,993
Settled in more than 12 months	4,647	5,028
Total	8,633	9,021

11.5 Other liabilities

	2013 \$'000	2012 \$'000
Revenue received in advance		
Appropriation carried forward from current and previous years under section 8A of the <i>Public Account Act 1986</i>	3,230	1,000
Other liabilities		
Employee benefits – on-costs	32	579
Other liabilities	23	124
Total	55	703
Settled within 12 months	3,265	1,375
Settled in more than 12 months	20	328
Total	3,285	1,703

Note 12 Commitments and Contingencies

12.1 Schedule of commitments

	2013	2012
	\$'000	\$'000
By type		
<i>Capital commitments</i>		
Buildings	313	12,716
Investment property	-	-
Total capital commitments	313	12,716
<i>Lease commitments</i>		
Operating leases	46,540	45,663
Total lease commitments	46,540	45,663
<i>Other commitments</i>		
Loan commitments	6,260	3,611
Program/project commitments	71,237	52,818
Total other commitments	77,497	56,429
Total	124,350	114,808

By maturity

<i>Capital commitments</i>		
One year or less	313	12,716
From one to five years	-	-
More than five years	-	-
Total capital commitments	313	12,716
<i>Operating lease commitments</i>		
One year or less	3,571	3,022
From one to five years	16,991	14,361
More than five years	25,978	28,280
Total operating lease commitments	46,540	45,663

	2013	2012
	\$'000	\$'000
<i>Other commitments</i>		
One year or less	31,745	30,023
From one to five years	45,752	26,406
More than five years	-	-
Total other commitments	77,497	56,429
Total	124,350	114,808

Capital commitments are associated with maintenance and redevelopment expenditure on the Department's land and buildings and investment properties.

Operating leases are associated with rental costs for leased premises occupied by the Department, office equipment and motor vehicles leased through the Government's fleet manager. The rentals on leased premises generally contain renewal options that extend the lease to match the current lease periods. These range from 2 to 15 years.

Loans commitments are loans approved but not drawn down by clients as at 30 June.

The program/project commitments shows amounts approved to clients payable over a period of one year or greater on which the actual amount payable is dependent upon expenditure being incurred and certain conditions being met by these clients and a claim submitted and approved for payment. The estimated commitment as at 30 June has been included in these cases.

12.2 Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding the amount or timing of the underlying claim or obligation.

(a) Quantifiable contingencies

A quantifiable contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A quantifiable contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

	2013	2012
	\$'000	\$'000
Quantifiable contingent liabilities		
Liability in respect of a guarantee to be given to Export Finance and Insurance Corporation in 2013-2014 for a value of €13 million (EUROS). This is to support further loan funding being provided to Adriatic Fast Ferries Ltd, (an associated entity within the Incat Group of companies), under its existing loan facility agreement. Ultimately, the provision of the guarantee will support the retention of jobs at the Hobart shipyard while further contracts for ferry construction are being negotiated. Conversion factor of 1.43.	18,590	-
Total quantifiable contingent liabilities	18,590	-

(b) Unquantifiable contingencies

At 30 June 2013, the Department had an outstanding legal claim against it as detailed below. It is not possible at the reporting date to accurately estimate the amounts of eventual receipts or payments, if any, that may be required in relation to this claim.

Jill Mure vs Tasmania Development and Resources and the Recorder of Titles. The landowner is disputing the ownership of a strip of foreshore land at Tinderbox currently valued by TDR at \$50 000. The matter has been adjourned to a date to be fixed by the Court.

Note 13 Reserves

13.1 Reserves

2013	Land \$'000	Buildings \$'000	Art work \$'000	Total \$'000
Asset revaluation reserve				
Balance at the beginning of financial year	9,264	1,566	1	10,831
Revaluation increments/(decrements)	89	(1,566)	-	(1,477)
Impairment losses	-	-	-	-
Reversals of impairment losses	-	-	-	-
Transfers to accumulated surplus	-	-	-	-
Transfers to/(from) reserves	-	-	-	-
Balance at end of financial year	9,353	-	1	9,354

2012	Land \$'000	Buildings \$'000	Art work \$'000	Total \$'000
Asset revaluation reserve				
Balance at the beginning of financial year	7,202	-	1	7,203
Revaluation increments/(decrements)	2,062	1,566	-	3,628
Impairment losses	-	-	-	-
Reversals of impairment losses	-	-	-	-
Transfers to accumulated surplus	-	-	-	-
Transfers to/(from) reserves	-	-	-	-
Balance at end of financial year	9,264	1,566	1	10,831

(a) Nature and purpose of reserves

Asset Revaluation Reserve

The Asset Revaluation Reserve is used to record increments and decrements on the revaluation of non-financial assets, as described in Note 2.12(f).

(b) Asset Revaluation Reserve by class of assets

The balance within the Asset Revaluation Reserve for the following classes of assets is:

	2013 \$'000	2012 \$'000
Land	9,353	9,264
Buildings	-	1,566
Art work	1	1
Total Asset Revaluation Reserve	9,354	10,831

Note 14 Cash Flow Reconciliation

14.1 Cash and deposits

Cash and deposits include 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 Department arrangement.

	2013	2012
	\$'000	\$'000
Special Deposits and Trust Fund balance		
T522 Economic Development Operating Account	15,277	6,506
T773 Sports Development Account	398	56
T790 Government Guarantees Reserve Account	351	351
T941 Fire Relief Account	-	3
T797 Intelligent Island Project Account	913	1,543
Total	16,939	8,459
Other cash held		
Cash on hand and at bank	4	5
Cash in transit	-	24
Total	4	29
Total cash and deposits	16,943	8,488

14.2 Reconciliation of net result to net cash from operating activities

	2013	2012
	\$'000	\$'000
Net result from transactions (net operating balance)	2,386	19,171
Increase (decrease) S8A(2) carry forwards	2,230	(1,520)
Special Capital Investment Funds	(16,856)	(4,175)
Depreciation and amortisation	1,637	1,671
Finance costs	7,469	-
(Gain)/loss from sale of non-financial assets	(266)	(47)
(Gain)/loss on non-financial assets transferred	(20)	(97)
Interest	(99)	41
(Gain)/loss on fair value revaluations	4,109	(13,025)
Impairment adjustments	815	1,636
Contributions received	(427)	(5,220)
Decrease (increase) in Receivables	2,054	(1,638)
Decrease (increase) in Inventories	144	183
Decrease (increase) in Other assets	(45)	198
Increase (decrease) in Employee benefits	(387)	178
Increase (decrease) in Payables	(1,398)	1,437
Increase (decrease) in Provisions	(362)	12
Increase (decrease) in Other liabilities	(649)	(178)
Net cash from (used by) operating activities	335	(1,373)

14.3 Acquittal of Capital Investment and Special Capital Investment Funds

The Department received revenues from Special Capital Investment Funds to fund specific projects.

Cash outflows relating to these projects are listed below by category.

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

(a) Project expenditure

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Special Capital Investment Funds			
<i>Economic and Social Infrastructure Fund</i>			
Industry Assistance Program	-	249	369
Tourism Promotion Plan	-	-	10
AFL – Hawthorn Football Club	-	-	1,689
Aurora Stadium	-	-	500
Tasmanian Museum and Art Gallery	11,344	16,856	4,175
<i>Urban Renewal and Heritage Fund</i>			
Whitemark Civic Centre	-	-	15
Total	11,344	17,105	6,758

(b) Classification of cash flows

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

	2013 \$'000	2012 \$'000
Cash outflows		
Employee benefits	798	747
Advertising and promotion	30	45
Grants and transfer payments	134	2,568
Contracted services	1,299	247
Payments for the acquisition of non-financial assets	13,009	2,794
Other cash payments	1,835	357
Total cash outflows	17,105	6,758

Note 15 Financial Instruments

15.1 Risk exposures

(a) Risk management policies

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

- » credit risk
- » liquidity risk
- » market risk.

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

(b) Credit risk exposures

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

The credit risk on financial assets of the Department which have been recognised in the Statement of Financial Position, other than equity investments, is the carrying amount, net of any provision for impairment.

The Department manages credit risk on loan advances by obtaining security over assets in accordance with the provisions of the *Tasmanian Development Act 1983* and by including appropriate risk margins in the Department's interest rate pricing, based on an assessment of the inherent risk of individual clients.

The Department is materially exposed to Norske Skog Paper Mills Australia Pty Ltd (51%). Concentration of credit risk by industry on loan advances is: Paper (51%), Tourism (21%).

Financial Instrument	Accounting and strategic policies (including recognition criteria, measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Receivables	Receivables are recognised at amortised cost, less any impairment losses.	The general term of trade for receivables is 30 days.
Other Financial Assets – loan advances	Loan advances are held to maturity and are measured at amortised cost subsequent to initial recognition. Impairment of loan advances are reviewed on an ongoing basis.	Loan advances include financial assistance provided by the Government to the private sector in the form of loans.
Cash and deposits	Deposits are recognised at the nominal amounts.	Cash means notes, coins and any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund.

The following tables analyse financial assets that are past due but not impaired.

Analysis of financial assets that are past due at 30 June 2013 but not impaired

	Past due >30 days \$'000	Past due >60 days \$'000	Past due >90 days \$'000	Total \$'000
Receivables	78	38	92	208
Other Financial Assets – loan advances	4	4	34	42

Analysis of financial assets that are past due at 30 June 2012 but not impaired

	Past due >30 days \$'000	Past due >60 days \$'000	Past due >90 days \$'000	Total \$'000
Receivables	159	18	193	370
Other Financial Assets – loan advances	5	4	67	76

(c) Liquidity risk

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

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Liabilities		
Payables	Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Department becomes obliged to make future payments as a result of a purchase of assets or services.	The Department's terms of trade are 30 days.
Interest bearing liabilities	Bank loans and other loans are initially measured at fair value, net of transaction costs. These loans are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis. The Department regularly reviews its contractual outflows to ensure that there is sufficient cash available to meet contracted payments.	Contractual payments made on a regular basis.

(c) Liquidity risk (continued)

The following tables detail the undiscounted cash flows payable by the Department relating to the remaining contractual maturity for its financial liabilities.

2013	Maturity analysis for financial liabilities							Undiscounted total \$'000	Carrying amount \$'000
	1 year	2 years	3 years	4 years	5 years	More than 5 years			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
Financial liabilities									
Payables	2,318	-	-	-	-	-	2,318	2,318	
Interest bearing liabilities	3,500	-	-	-	-	21,580	25,080	25,080	
Total	5,818	-	-	-	-	21,580	27,398	27,398	

2012	Maturity analysis for financial liabilities							Undiscounted total \$'000	Carrying amount \$'000
	1 year	2 years	3 years	4 years	5 years	More than 5 years			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
Financial liabilities									
Payables	3,720	-	-	-	-	-	3,720	3,720	
Interest bearing liabilities	-	-	-	-	-	18,021	18,021	18,021	
Total	3,720	-	-	-	-	18,021	21,741	21,741	

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that the Department is exposed to is interest rate risk.

The Department seeks to manage exposure to movements in interest rates by matching the repricing profile of financial assets and financial liabilities. The Department enters into interest rate options on floating rate debt to match capped rate loan advances. The costs of such options are recovered in the interest rate applied to loan advances.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the Department intends to hold fixed rate assets and liabilities to maturity.

At the reporting date, the interest rate profile of the Department's interest bearing financial instruments was:

	2013	2012
	\$'000	\$'000
Fixed rate instruments		
Financial assets	1,487	4,079
Financial liabilities	(17,318)	(21,720)
Total	(15,831)	(17,641)
Variable rate instruments		
Financial assets	50,826	45,518
Financial liabilities	(3,500)	(21)
Total	47,326	45,497

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 2013				
Cash and deposits	111,519	(111,519)	111,519	(111,519)
Loan advances	338,829	(338,829)	338,829	(338,829)
Interest bearing liabilities	(185,000)	185,000	(185,000)	185,000
Net sensitivity	265,348	(265,348)	265,348	(265,348)
30 June 2012				
Cash and deposits	149,436	(146,436)	149,436	(146,436)
Loan advances	370,296	(370,296)	370,296	(370,296)
Interest bearing liabilities	(180,214)	180,214	(180,214)	180,214
Net sensitivity	339,518	(339,518)	339,518	(339,518)

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2012.

15.2 Categories of financial assets and liabilities

	2013	2012
	\$'000	\$'000
Financial assets		
Cash and deposits	16,943	8,488
Loans and receivables	35,322	40,523
Available-for-sale financial assets	48	586
Total	52,313	49,597
Financial Liabilities		
Financial liabilities measured at amortised cost	27,398	21,741
Total	27,398	21,741

15.3 Comparison between carrying amount and net fair value of financial assets and liabilities

	Carrying amount 2013 \$'000	Net fair value 2013 \$'000	Carrying amount 2012 \$'000	Net fair value 2012 \$'000
Financial assets				
Other financial assets				
Equity investments	48	48	586	586
Total financial assets	48	48	586	586

15.4 Net fair values of financial assets and liabilities

2013	Net fair value Level 1 \$'000	Net fair value Level 2 \$'000	Net fair value Level 3 \$'000	Net fair value Total \$'000
Financial assets				
Other financial assets				
Equity investments	-	48	-	48
Total financial assets	-	48	-	48

2012	Net fair value Level 1 \$'000	Net fair value Level 2 \$'000	Net fair value Level 3 \$'000	Net fair value total \$'000
Financial assets				
Other financial assets				
Equity investments	-	586	-	586
Total financial assets	-	586	-	586

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

- » Level 1 – the fair value is calculated using quoted prices in active markets
- » Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- » Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Financial assets

The net fair value of loan advances is based on the differential between the actual interest rates of loans advanced and the equivalent to the Department's market interest rates at the time of reporting. Loan advances are held to maturity and are measured at amortised cost subsequent to initial recognition.

Equity investments are revalued from time to time as considered appropriate by the directors and are not stated at values in excess of their recoverable amounts.

All financial assets are not readily traded on organised markets in a standardised form.

Financial liabilities

The net fair values of payables approximate their carrying amounts.

The net fair value of interest bearing liabilities is based on the differential between the actual interest rates of borrowings held and the equivalent market interest rates accessible by the Department at the time of reporting.

Note 16 Notes to Administered Statements

16.1 Explanations of material variances between budget and actual outcomes

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

(a) Schedule of Administered Income and Expenses

	Notes	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue – recurrent	(a)	3,951	3,951	-	-
Grants and subsidies	(a)	3,951	3,951	-	-

Notes to Schedule of Administered Income and Expenses variances

(a) There were no variances from actual to budget relating to administered payments.

(b) Schedule of Administered Cash Flows

	Notes	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue – recurrent	(a)	3,951	3,951	-	-
Grants and subsidies	(a)	(3,951)	(3,951)	-	-

Notes to Schedule of Administered Cash Flow variances

(a) There were no variances from actual to budget relating to administered payments. Nor is there any difference between Administered Income and Expenses and Administered Cash Flows.

16.2 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*.

The budget information is based on original estimates and has not been subject to audit.

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Appropriation revenue – recurrent			
Current year	3,951	3,951	3,891
Total administered revenue from Government	3,951	3,951	3,891

16.3 Administered grants and subsidies

	2013 \$'000	2012 \$'000
Grants – Government contribution to the Tasmanian Symphony Orchestra	1,519	1,484
Grants – Tasmanian Icon Program	1,000	1,000
Grants – Ten Days On The Island	1,254	1,229
Grants – Theatre Royal	178	178
Total	3,951	3,891

16.4 Schedule of Administered Commitments

	2013	2012
	\$'000	\$'000
By type		
<i>Other commitments</i>		
Grants and subsidies	7,910	11,636
Total other commitments	7,910	11,636
Total	7,910	11,636
By maturity		
<i>Other commitments</i>		
One year or less	2,726	3,726
From one to five years	5,184	7,910
More than five years	-	-
Total other commitments	7,910	11,636
Total	7,910	11,636

Grant and subsidies commitments show amounts approved to clients payable over a period of one year or greater on which the actual amount payable is dependent upon expenditure being incurred and certain conditions being met by these clients and a claim submitted and approved for payment. The estimated commitment as at 30 June has been included in these cases.

Government Contribution to Tasmanian Symphony Orchestra

The Tasmanian Symphony Orchestra (TSO), one of the world's finest small orchestras, will continue to receive State Government support. The TSO plays to audiences throughout the State and its award-winning recordings are heard throughout the world. A versatile orchestra, the TSO is renowned for its expertise in music of the Classical and early Romantic periods and is recognised internationally as a champion of Australian music.

Tasmanian Icon Program

The Tasmanian Icon Program is designed to utilise world-class Tasmanian talent to promote the State both nationally and internationally. Currently, funded icons are the Tasmanian Symphony Orchestra and the State Cricket Team, the Tassie Tigers.

Ten Days On The Island

Ten Days On The Island is Tasmania's premier cultural event. A biennial event that commenced in 2001, Ten Days On The Island has continually attracted the highest quality local and international artists from island nations around the world to celebrate Tasmania's unique island culture. The eighth edition of Ten Days On The Island will be held in 2015 and will continue to lead the way in the presentation of outstanding Tasmanian, Australian and international performance.

Theatre Royal

The Theatre Royal is Australia's oldest continually operating theatre. The Government's commitment in funding the Theatre Royal recognises the Theatre Royal not just as a significant piece of Tasmania's history, but a living centre for the performing arts.

Note 17 Transactions and balances relating to a Trustee or departmental arrangement

Account/Activity	Opening balance \$'000	Net transactions during 2012-13 \$'000	Closing balance \$'000
Agreement for the Conservation of Albatrosses and Petrels	436	269	705
Brand Tasmania Council Incorporated	350	(273)	77

Certification of Financial Statements

The accompanying Financial Statements of the Department of Economic Development, Tourism and the Arts are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990* to present fairly the financial transactions for the year ended 30 June 2013 and the financial position as at end of the year.

At the date of signing, I am not aware of any circumstances which would render the particulars included in the Financial Statements misleading or inaccurate.



Mark Kelleher

Secretary

15 August 2013

Hobart



Independent Auditor's Report

To Members of the Parliament of Tasmania

Department of Economic Development, Tourism and the Arts

Financial Statements for the Year Ended 30 June 2013

I have audited the accompanying financial statements of the Department of Economic Development, Tourism and the Arts (the Department), which comprise the statement of financial position as at 30 June 2013 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 2013 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

Strive | Lead | Excel | To Make a Difference

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
30 September 2013

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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

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Bloom, 2012, Andy Vagg, from the Works Festival. Photo by Lucia Rossi.

Human Calculation, 2012, from Voltage, Tasdance. Photo by Jen Brown.

Palawa Shell Necklace, 2007, Corrie Fullard. Photo by Peter Whyte.

Room 3, 2013, Mairi Ward. Room styling Georgina Freeman. Photo by Jonathan Wherret.

Sleeping Horses Lie, 2012, Terrapin Puppet Theatre. Photo by Peter Mathew.

Images courtesy of Australian Wooden Boat Festival, Burnie City Council, Cricket Tasmania, Hawthorn Football Club, Nyrstar Hobart, The Nant Distillery, University of Tasmania, the Australian Sports Commission, Tourism Tasmania and Wildheart Films Pty Ltd.

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How to contact us

Department of Economic Development, Tourism and the Arts

The Tasmanian Government is implementing a new phone system across the Tasmanian State Service. The Department of Economic Development, Tourism and the Arts will complete its transition to the new system by January 2014. If you are having difficulty locating any numbers, please contact:

Service Tasmania

Phone: 1300 13 55 13

For international access, dial your country's international access code, the Australia country code '61', followed by the phone number listed here.

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