

Annual Report 2013-2014



October 2014

Hon Paul Harriss, MP
Minister for Resources
Parliament House
HOBART 7000

Hon Jeremy Rockliff, MP
Minister for Racing
Parliament House
HOBART 7000

Hon Matthew Groom, MP
Minister for Energy
Parliament House
HOBART 7000

Hon Rene Hidding, MP
Minister for Infrastructure
Parliament House
HOBART 7000

Dear Ministers

In accordance with Section 36 of the *State Service Act 2000* and Section 27 of the *Financial Management and Audit Act 1990*, I am pleased to submit for your information and presentation to Parliament, the Annual Report of the Department of Infrastructure, Energy and Resources for the year ended 30 June 2014.

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

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

Yours sincerely



Kim Evans
SECRETARY

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Department of Infrastructure, Energy and Resources

The Department of Infrastructure, Energy and Resources (known as the Department of State Growth from 1 July 2014 following a merger with the former Department of Economic Development, Tourism and the Arts) provided infrastructure and related services for the social and economic development of Tasmania.

The Department reported to the relevant Ministers responsible for the portfolios of infrastructure, energy and resources, racing, and sustainable transport.

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

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

The Department was responsible for implementation of the Tasmanian Infrastructure Strategy which is an integrated long term strategy to guide future infrastructure priorities and investment decision making over the next 10 years and beyond. This was achieved through co-ordination of government efforts across the major economic sectors of transport, water, energy and digital infrastructure.

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

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

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

The Department also administered a Grants and Subsidies program, managed an infrastructure Capital Investment program and exercised functions and powers under the Abt Railway Development Act 1999.

Secretary's Foreword

This is the final annual report for the Department of Infrastructure, Energy and Resources (DIER). From 1 July 2014, the functions and units which comprised DIER have become part of the new Department of State Growth.

Since April 2014, I have been the Secretary for both DIER and the Department of Economic Development, Tourism and the Arts (DEDTA), charged with delivering the formation of a new department that builds on the strengths of these two organisations.

The Department of State Growth has been established with a mandate to drive state growth for Government's long term plan for creating jobs, growth and opportunities for all Tasmanians. State Growth brings Tasmania's key economic drivers under one roof to benefit from new synergies and efficiencies.

The strengths the former DIER is bringing to this new department are evident within this annual report. I would like to sincerely thank every staff member for their efforts and particularly for the work that has been done to transition to the Department of State Growth. From its creation in 1998, DIER has much to be proud of in terms of delivery of key services to the Tasmanian community.

People are the key to the success of any organisation. As we move to the Department of State Growth, our employees continue to provide us with the strength and confidence to approach any challenges with continued professionalism and responsiveness.

I would like to acknowledge the contribution and leadership of DIER's former Secretary Norm McIlfratrick. I also wish to recognise the work of our key contractors, partners and suppliers for their commitment, hard work and enthusiastic contributions over the past year.

Building a new Department is both exciting and a challenge. What I can already see is the significant potential that integration of our work across all divisions of the Department can bring to the Tasmanian economy and I look forward to working with the staff of the Department of State Growth to consolidate this even further over the next 12 months.



Kim Evans
SECRETARY



Output Group I Infrastructure

I.1 Infrastructure Strategy

I.2 Rail Safety

I.3 Road Safety

I.4 Registration and Licensing

I.5 Vehicle Operations

I.6 Traffic Management and Engineering Services

I.7 Passenger Transport

I.8 Passenger Transport Innovation

Capital Investment Program

Performance Information - Output Group I

I.1 Infrastructure Strategy

The Infrastructure Strategy Branch provides policy guidance and advice on strategic infrastructure issues and transport priorities affecting Tasmania. This includes the development of guiding policy frameworks, high level policy implementation tasks, and the coordination of major infrastructure planning initiatives.

The Branch focuses on ensuring that planning and investment in Tasmania's transport system is strategic, considered, and supportive of industry and community development. The Branch works closely with stakeholders to understand their transport needs, the key issues affecting our transport system, and to identify opportunities for positive change.

The following outlines some of the key initiatives undertaken by the Branch over the past 12 months.

Providing advice on strategic infrastructure issues and transport priorities

The Department works collaboratively with infrastructure users, providers and other Government agencies to provide strategic advice in relation to whole of government infrastructure policy (focusing on economic infrastructure) and transport system policy and planning.

Freight Logistics Coordination Team

The Freight Logistics Coordination Team (FLCT) was established in November 2012, to provide expert advice, guide the completion of a long-term freight strategy in Tasmania, and to provide recommendations to the Minister for Infrastructure on Tasmanian supply chain issues. The FLCT was supported by funding of \$1.5 million from the Australian Government.

The FLCT operated as an independent expert advisory body, and comprised of 19 senior representatives from across major shippers and producers, infrastructure providers, freight logistics companies and peak industry bodies. Chaired by Mr Philip Clark AM, its focus was on outcomes that could deliver improved freight efficiency for Tasmanian businesses, enhance productivity and competitiveness, and support business growth. The efficiency and cost of supporting freight infrastructure was also a focus area.

Over a 12 month period, the FLCT examined freight and supply chain issues in Tasmania, working closely with industry and key stakeholders. In December 2013, it provided its final advisory report to the Tasmanian and Australian Governments. The Report identifies 26 recommendations in five key areas, supported by key

observations across the freight system. It draws on a significant body of work, including a number of major consultancies, on the operation of Tasmania's freight system.

The FLCT's Final Report and supporting consultancies are available at:

www.stategrowth.tas.gov.au/infrastructure/freight/logistics

Tasmanian Infrastructure Advisory Council

The Tasmanian Infrastructure Advisory Council (the Council), was an initiative of the Tasmanian Infrastructure Strategy.

Council membership comprised representatives from across Tasmania's economic infrastructure sectors, including from Government agencies, infrastructure businesses, planning bodies and industry. Consistent with the Council's Terms of Reference, members were appointed for three year terms of office. These terms expired in February 2014.

The Council met formally on 13 August 2013 and 12 November 2013, and held a strategic planning day on 25 February 2014.

As part of these meetings, Council members reviewed updates on key projects, shared strategic information relevant to all infrastructure sectors, and considered the key challenges and opportunities relating to infrastructure planning and delivery in Tasmania. The Chair of the Council, provided a final report to Government on the completion of the Council's term in February 2014.

The Council will be replaced by Infrastructure Tasmania, the establishment of which is discussed further below.

Infrastructure Tasmania

The Tasmanian Government has committed to the establishment of a new body, Infrastructure Tasmania (ITas) to provide a coordinated approach to the planning and delivery of all major infrastructure in Tasmania including rail, major roads, energy, ports, and water and sewerage.

The Department has provided support to key activities relating to the delivery of the Government's commitment, including ITas's functional establishment, work program scoping and staff recruitment processes.

ITas will be established to undertake the following core functions:

- assessment and prioritisation of all major publicly-funded economic infrastructure;

- coordination of funding submissions under State and Commonwealth budget processes;
- management of Tasmania's interface with Infrastructure Australia;
- provision of expert advice on the implementation of Government infrastructure policy; and
- the completion of tasks and investigations at the request of the Government that relate to the matters listed above.

The work ITas undertakes will be underpinned by best practice infrastructure project assessment practices and the establishment of enhanced governance processes for managing and prioritising infrastructure project bids. ITas's high-level direction and work program will be jointly overseen by the Minister for Infrastructure and the Treasurer.

The initial focus of ITas will be on transport infrastructure, in recognition of this being the sector that would most benefit from improved system-wide coordination.

Tasmanian Infrastructure Strategy

The Tasmanian Infrastructure Strategy (the Strategy) provides a long term framework to guide future infrastructure priorities and decision making for the planning, provision, use and maintenance of infrastructure in Tasmania.

The Strategy focuses on four key economic infrastructure sectors – water, digital, energy and transport. Five key focus areas are identified as priority issues to be addressed:

- coordinated infrastructure planning;
- effective governance and decision making;
- viable and sustainable infrastructure;
- efficient infrastructure delivery; and
- leveraging our natural advantage.

The Strategy was developed through consultation with a broad cross-section of Tasmanian businesses and industry, local government, and key sectoral stakeholders.

The Strategy informs the development of strategic priorities for the Tasmanian economic infrastructure sectors. These will be reviewed and developed further by Infrastructure Tasmania.

Advancing Tasmania's interests through national infrastructure and transport reforms

At the national level, the Department continues to participate in the development and implementation of national transport and Infrastructure reforms.

COAG Public Infrastructure Reform

The Council of Australian Governments (COAG) has recognised that investment in infrastructure that improves productivity and unlocks economic growth, including in regional economies, is a priority for all governments.

COAG is progressing infrastructure reforms through the Transport and Infrastructure Council (the Council) which is focussing on four key areas to accelerate and improve the delivery of infrastructure, namely: early planning and streamlined approvals; selecting and prioritising the right projects; facilitating private sector investment; and improving project delivery.

The Department supports this reform agenda through its participation in the Infrastructure Working Group (IWG) under the Council.

In conjunction with the Council's consideration of infrastructure reforms, the Productivity Commission (PC) has undertaken an inquiry into public infrastructure. There is a strong correlation between the issues raised in the PC's draft report and the COAG infrastructure reform agenda in which the Department is participating. The PC's final report has been provided to the Australian Government and will be made public in due course.

Through the IWG, the Department will work collaboratively with other jurisdictions to implement agreed recommendations from this Inquiry.

Productivity Commission's Review on Shipping and Freight

In 2013-14, the Productivity Commission (PC) completed an Inquiry into Tasmanian shipping and freight. The inquiry was a 2013 Federal Election commitment made as part of the Coalition's 'Growth Plan for Tasmania'.

The scope of the inquiry included:

- Tasmania's shipping costs and industry competitive structures;
- barriers to the provision of direct international shipping services;

- the competitiveness of Tasmania's freight industry structure and economic infrastructure (ports, road and rail); and
- the strengths and weaknesses of the Commonwealth's current freight subsidy arrangements for Tasmania, specifically the Tasmanian Freight Equalisation Scheme (TFES), Bass Strait Passenger Vehicle Equalisation Scheme (BSPVES), and the Tasmanian Wheat Freight Scheme (TWFS).

The PC provided its final report to the Australian Government on 7 March 2014, and the report was released publicly on 24 June 2014.

The Department played a lead role in supporting the Tasmanian Government's active participation in the inquiry. The Tasmanian Government prepared two formal submissions to the inquiry, and was represented at public hearings and stakeholder forums. The Government's submissions are available at: www.pc.gov.au/projects/inquiry/tasmanian-shipping/submissions.

The Department will play an ongoing and active role in working with the Australian Government to ensure the outcomes from the inquiry support the Tasmanian Government's economic and social agenda for the State.

Coastal Shipping Review

Vessels that carry freight and passengers between ports in Australian states and territories operate within Australia's coastal shipping regulations.

In April 2014, the Australian Government announced a review of these regulations. This review follows significant amendments made to coastal trading arrangements in 2012 under the 'Reforming Australia's Shipping' package of legislation.

The Australian Government has sought stakeholder views about the current operation of the Australian Shipping Industry through the release of an Options Paper 'Approaches to Regulating Coastal Shipping in Australia'.

Coastal trading is fundamental to Tasmania's intrastate, interstate and international freight flows – with essential coastal routes between Tasmania's major ports and mainland Australia; between the Bass Strait islands and mainland Tasmania; and coastal components of international voyages.

Coastal shipping regulations also apply to cruise vessels and the opportunity to grow this market is important to the Tasmanian economy.

The Department coordinated the Tasmanian Government submission to the options paper. The Tasmanian Government's submission seeks the following outcomes from the review:

- recognition of Tasmania's reliance on coastal shipping;
- arrangements that support a sustainable and reliable fleet of vessels engaged in Tasmania's coastal trade;
- increasingly cost competitive and sustainable coastal shipping services for Tasmanian businesses;
- the inclusion of Australian coastal trading routes in international voyages; and
- improved access for expedition cruise vessels to engage in the Tasmanian tourism market.
- the Tasmanian Government's submission can be found at:

www.infrastructure.gov.au/maritime/business/coastal_trading/review/files/79_Tasmanian_Government_Submission_to_Options_Paper.pdf

The Australian Government will consider submissions to the options paper along with the Productivity Commissions Inquiry into Tasmanian Shipping and Freight.

Heavy Vehicle Charges Review and Determination

In November 2012, the National Transport Commission (NTC) was directed by transport ministers to undertake a review of the heavy vehicle charging system. The Department represented Tasmania through participation in the 'co-design' process adopted by the NTC, working with the heavy vehicle industry, the Commonwealth and State and Territory Governments to develop recommendations to improve the charging system.

Following the release of a final policy paper in May 2013, Ministers endorsed the NTC proceeding with a determination on the basis of its review recommendations. A 'determination' is a process which provides recommendations on registration and fuel-based road user charges for heavy vehicles. Following a public consultation process, ministers decided to implement a new determination, moving to fairer and more equitable heavy vehicle charges from 1 July 2016.

The Department represented Tasmania at the national level in developing the agreed path to introduce the amended charges, balancing the need to implement fairer and more equitable charges (that recover the

cost of road construction and maintenance attributable to heavy vehicles) and the need for governments to maintain the quality of roads and services they deliver to the community.

Additional information is available at: www.ntc.gov.au/heavy-vehicles/charges/

Heavy Vehicle Charging and Investment Reform

The Council of Australian Governments (COAG) is investigating the feasibility of moving to an alternate charging and road planning and investment reform model for heavy vehicles. Under this model, road charges for heavy vehicles would be directly linked to future road spending.

Investigation of a functional framework to implement this type of reform has been undertaken through the Heavy Vehicle Charging and Investment (HVCI) Project. The HVCI Project has operated under a governance framework that included an independent Project Board supported by a Project Directorate. The Department has represented Tasmania through a High Level Reference Group attending workshops and providing advice to the Project Directorate; and on the Project Board itself.

From 1 July 2014, jurisdictions will commence work on implementing initial supply side measures through collaborative business arrangements between jurisdictions, reporting through the Transport and Infrastructure Council. The Department will continue to represent Tasmania through this process.

National and State Transport Security

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

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

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

Making Tasmania's case for national infrastructure funding

The Department continues to engage with the Australian Government to deliver infrastructure priorities for Tasmania.

Infrastructure Investment Fund

The Tasmanian Government has previously submitted a number of infrastructure projects as part of the Australian Government's Infrastructure Investment Program. Tasmania received funding for infrastructure projects under this program as part of the 2013-14 Federal Budget, and has continued to progress significant work on these projects.

Project	Total Project Value	Australian Government Contribution
Freight Rail Revitalisation	\$239.2 million	\$119.6 million
Brooker Highway	\$32.0 million	\$25.6 million
Domain Highway Planning	\$5 million	\$4 million
Huon Highway/Summerleas Road intersection upgrade	\$21.9 million	\$17.5 million
Midland Highway*	\$250 million	\$200 million
Tasman Ramps	\$15 million	\$13 million
Westbury Road**	\$0.5 million	\$0.5 million

*Total project value over 10 years is \$500 million.

**Project will be delivered by the Meander Valley Council.

These projects represent an integrated package of solutions to deliver improved efficiency, safety and accessibility across Tasmania's transport system, particularly its major freight corridors, benefiting both Tasmanian industry and the community.

The Tasmanian Government is working closely with the Australian Government to agree on funding and delivery arrangements for Infrastructure Investment Fund projects through a new National Partnership Agreement.

This new agreement replaces the previous National Partnership Agreement governing the Nation Building Program, and takes effect from 1 July 2014. It provides a collaborative and secure basis for continued investment by the Australian and Tasmanian Governments, in strategic transport system improvements in Tasmania.

Infrastructure Australia Submissions

Infrastructure Australia (IA) is an independent national agency which provides advice on infrastructure policy processes and project funding. IA's focus is on projects of national significance and projects that will enhance Australia's productivity.

As part of its 2014-15 Budget the Australian Government has committed significant funding to Tasmanian transport projects under a new national infrastructure investment program, the Infrastructure Investment Fund (previously referred to as the Nation Building Program).

This funding package includes a major investment in the upgrade of the Midland Highway, revitalisation of the Freight Rail network, and upgrades on the Tasman and Brooker Highways in Hobart. Specific contributions for major projects include the following:

IA manages an Infrastructure Priority List (also known as the project pipeline), which classifies projects into categories according to their degree of readiness, and sets out a pathway for improved national infrastructure networks. IA reports to the Council of Australian Governments in July each year on the assessment of projects in its pipeline.

The IA processes operate in a separate cycle to that of the Australian Government's specific infrastructure funding programs (such as the Infrastructure Investment Fund); however IA has a strategic advisory role in relation to Australian Government investment priorities.

Tasmania has a number of major projects in IA's pipeline, including the following:

- Burnie to Hobart Freight Corridor Strategy (encompassing a suite of road and rail improvement projects, such as the upgrades to the Midland and Brooker Highways);
- Bell Bay Intermodal Expansion; and
- Tasmanian Irrigation Scheme - Tranche 2.

Tasmania put forward a detailed submission to IA

regarding these and other initiatives in 2012, and a number of these projects have received funding.

In 2013, IA commenced a new approach of updating its Priority List three times per year, rather than annually. To align with this new cycle, the Tasmanian Government (on behalf of all public infrastructure entities) provided project updates to IA in September and November 2013. Consistent with IA's preferred approach, the Tasmanian Government's updates have focussed on those major priority projects where there has been significant progress or changes.

In 2013, updates on Tasmania's priority projects were reviewed by the Tasmanian Infrastructure Advisory Council. Following the dissolution of the Council, and consistent with the Tasmanian Government's policy of providing a coordinated approach to the planning and delivery of all major infrastructure in Tasmania, this role will now be undertaken by Infrastructure Tasmania.

All Tasmanian Government submissions to IA are publicly available at: <http://www.stategrowth.tas.gov.au/infrastructure/strategy/submissions>

Driving evidence-based transport planning

The Department works with industry, local government and the community to develop long-term plans to guide transport infrastructure investment. Information on the current and forecast use of our transport system is critical to informing decision-making.

Western Tasmania Export Corridor Plan

The Tasmanian Government is developing a Western Tasmania Export Corridor Plan, supported by the provision of \$550,000 from the Australian Government's Regional Infrastructure Fund.

The plan builds on the Western Tasmania Industry Infrastructure Study, completed in 2011. It will clearly identify and prioritise potential solutions to supply chain constraints that affect the productivity and competitiveness of the mining industry and economic development in the Western Tasmanian region more broadly.

The objectives of the plan are to:

- improve the productivity and efficiency of key freight corridors within the Western Tasmania region;
- protect and enhance infrastructure capacity where required; and

- support industry development and growth through efficient supply chain solutions.

The Department has undertaken detailed scoping of the plan in 2013-14, including consultation with key stakeholders. The Department will continue to develop the plan using a phased approach during 2014. This includes commissioning expert consultancies and engaging closely with stakeholders such as local government, the Australian Government, infrastructure providers and the mining sector.

Northern Integrated Transport Plan

The Northern Integrated Transport Plan is a collaborative initiative of the Tasmanian Government and Northern Tasmanian Development (NTD), including the eight member councils (Break O'Day, Dorset, Flinders, George Town, Launceston, Meander Valley, Northern Midlands and West Tamar).

The plan builds on significant work already completed in the transport sector and across the region. It provides a strategic framework to address transport issues in the Northern Region over the next 20 years, focusing on the future of the Northern Region and the challenges and opportunities which may exist.

The plan is part of an ongoing process to provide a strategic and integrated approach to transport across Tasmania's three regions.

The plan was released in November 2013 after broad consultation with stakeholders. A priority action list was developed and will be further refined in the context of the new Tasmanian Government's priorities. A joint Implementation Committee will meet annually to assess and report on the progress of the actions identified. The plan will continue to be reviewed regularly to ensure it remains relevant.

The plan is available at: www.stategrowth.tas.gov.au/infrastructure/transport/northern

Tasmanian Freight Survey

The Tasmanian Freight Survey (TFS) informs planning for Tasmania's future freight transport system and is undertaken at regular intervals. The most recent survey completed in 2014 covers freight movements in 2011-12, and follows on from earlier surveys covering 2002-03, 2005-06 and 2008-09.

The TFS involves interviews with major freight demanding companies operating across Tasmania, providing comprehensive information on how and where freight is moved within the state, on both road and rail. Major information collected includes:

- location of freight trips;
- movements through major ports and industrial areas;
- freight tonnage;
- commodity type;
- pack type; and
- mode and vehicle type.

Providing reliable and robust data, the TFS describes Tasmania's heavy freight land transport task, and supports a number of different analytical and development purposes, including:

- planning the transport system, including highways, roads, rail, access to ports, airports and intermodal facilities;
- developing the State Road Hierarchy;
- developing regional integrated transport plans;
- assessing the potential impact of road development proposals; and
- informing development of freight strategies and policies through the use of detailed freight movement analysis and modelling.

The TFS was a key input informing work delivered by the Freight Logistics Coordination Team in 2013.

An overview of the Tasmanian Freight Survey and summary report are available at: <http://www.statelibrary.tas.gov.au/infrastructure/freight/survey>

Greater Hobart Travel Speed Survey

The Greater Hobart Travel Speed Survey informs policy and operational considerations regarding the ongoing and future management of road networks, initiatives and planning and associated funding submissions.

Travel speed data provides an indication of how specific routes and networks are performing. This is critical to improve reliability and accessibility for road users. Travel speed data provides objective measures for the subjective experience of traveling on the route or network – with speed, time, delay and variability as output options. The ability to derive these indicators makes travel speed data valuable as an input into the decision making process for infrastructure planning and investment.

The survey has been undertaken three times – 2006, 2011 and 2013-14 – providing an indication of how and where the network is changing and evaluation of infrastructure investment. The Survey currently covers the following major arterial routes feeding into and through the Hobart CBD:

- Brooker Highway;
- Tasman Highway;
- Southern Outlet;
- South Arm Highway;
- East Derwent Highway; and
- Macquarie/Davey Streets couplet.

Further information is available from: http://www.transport.tas.gov.au/road/plans_strategies/travel_speed_survey

Providing direct assistance to Tasmanian exporters

The efficient movement of freight is important for Tasmania, and has an impact on state growth. The Department provides policy advice on freight issues and undertakes a range of high level policy implementation tasks.

Freight Expert Advisory Panel

The Freight Expert Advisory Panel was established in February 2014, to assist small to medium Tasmanian businesses and producers to identify opportunities for cost savings and efficiency gains in their supply chains and freight logistics.

The panel has four members who are experienced freight and supply chain consultants. The panel members are: Mr George Hurst; Mr Ian Locke; Mr Larry Mills; and Mr Ian Newman.

The panel is managed and supported by the Department.

The panel was initially supported by \$1.25 million for a one year period, ending in February 2015. A review of the program will be completed by the end of the funding period. This review will be used to inform decisions on any future extension of the program.

As at June 2014, 35 businesses are currently participating in the program. Feedback from businesses, indicate the program has enabled supply chain expansions and efficiency gains to be implemented.

Feedback from industry and representative groups consulted to date indicate support for the program.

International Shipping

The lack of a direct international container shipping service from Tasmania to key Asian ports was identified by the Freight Logistics Co-ordination Team (FLCT) as a matter that warranted detailed further investigation in August 2013. On behalf of the FLCT, the Department engaged a specialist marine and shipping consultant, Thompson Clarke Shipping Pty Ltd, to engage directly with commercial shipping lines on the viability of providing an international service to Tasmania.

A number of companies provided submissions, which were then assessed based on the Department's identified criteria of financial assistance, strategic robustness and desirability to exporters in order to determine which proposed service provided the best likelihood of operating on a long-term sustainable basis.

Swire Shipping was identified as the preferred operator through this process and the Department started discussions to enter into a non-binding MOU with Swire Shipping in January 2014.

The new Tasmanian Government committed to investing up to \$11 million per year, over three years to support a solution, if it can be demonstrated that this would provide value for money in the context of circumstances facing the Government, and can be transitioned to a viable and sustainable service in the long term.

As a result, new, revised or amended proposals for solutions to the lack of a direct international shipping service to Tasmania were sought from the shipping market by 30 June 2014.

Australian Government Assistance Package for Tasmanian Exporters - \$20 million package

On 22 March 2012, the then Federal Minister for Infrastructure and Transport, the Hon Anthony Albanese MP, announced that the Australian Government would provide a one-off \$20 million funding package to assist Tasmanian exporters access their international markets.

The funding was used to provide immediate and direct financial assistance to exporters; invest in critical infrastructure improvements; and assist with longer-term strategic planning and freight logistics coordination. The Tasmanian and Australian Governments agreed that funds be allocated as follows:

- \$14.5 million in direct industry assistance for exporters via the Tasmanian Shipping Transition Assistance Fund;

- \$4 million to fund infrastructure improvements at Burnie Port; and
- \$1.5 million to establish the industry-led Freight Logistics Co-ordination Team (FLCT) to investigate and make recommendations on options to increase Tasmania's supply-chain efficiency.

The Department is responsible for the management and administration of the assistance package, on behalf of the Tasmanian Government. Most grant monies were disbursed in 2012-13, and the 2012-13 Annual Report provides further background detail on the funding package.

The status of projects funded under the package for 2013-14 is summarised below:

- All \$14.5 million allocated to exporters under the Tasmanian Shipping Transition Assistance Fund has been disbursed to grantees. Individual grantees have advised the Department that all allocated grant funds will be fully expended by 30 June 2014.
- The Industry-led FLCT has completed its work and provided its final report to the Tasmanian and Australian Governments in December 2013 (the FLCT's work is discussed in more detail above). Of the \$1.5 million in funding allocated to the FLCT project, \$850,000 was expended. It is intended that the remaining \$650,000 will be allocated to new work and projects that will support the development of the new integrated freight strategy for Tasmania.
- The Burnie Port redevelopment project is expected to be completed by the end of the 2014-15 financial year. Under an agreement between the Department and TasPorts, funding for the project is disbursed in line with the achievement of specific milestones. To date, \$500,000 has been disbursed to TasPorts to fund the preparation of engineering designs and to undertake preliminary works. The remaining \$3.5 million will be expended in 2014-15 following the awarding of construction contracts (\$2.5 million) and significant progress with physical construction works (\$500,000).

Supporting critical transport links for the Bass Strait Islands

The Department is continuing to work with all stakeholders to ensure that the Bass Strait islands are serviced by regular, reliable and cost effective freight transport which meets the needs of business and the community.

King Island Shipping

The Department engages with King Island freight users through meetings with the King Island Shipping Group.

A weekly shipping service to King Island is currently provided on a commercial basis by SeaRoad Shipping with its vessel the SeaRoad Mersey as part of their regular Bass Strait service between Melbourne and Devonport. This service caters for general cargo and livestock.

In order to meet the extra demand for shipping livestock, the weekly SeaRoad service is complemented by an 'as needs' shipping service by LD Shipping which transports livestock from King Island to Stanley. This service was implemented following the closure of the JB Swift meat processing facility in September 2012, when there was a need to transport a substantially higher number of live cattle from King Island. In response to the closure of the JB Swift abattoir, the Tasmanian Government and the King Island Council entered into a new Partnership Agreement, which amongst other matters identified a project to analyse the options for a long-term, sustainable King Island shipping service.

Specialist transport consultants were engaged by the Department to undertake this work, and this resulted in the release of the King Island Shipping Service Project Report in November 2013. The Report makes the following key observations:

- a Bass Strait triangulated shipping service is the most cost effective solution;
- a medium sized landing craft provides the lowest cost vessel option;
- a single combined general freight and livestock shipping service is the preferred form of service delivery; and
- a fully community run service is an overly risky model for vessel management.

The consultants also prepared a King Island Shipping Contingency Strategy which outlines a proposed response plan with actions that could be activated quickly as a result of an unexpected disruption to shipping services to King Island. The final report has been provided for the consideration of King Island shipping stakeholders, and provides information on:

- different reasons for shipping service cessation and impacts;
- vessel suitability and availability; and

- contingency response plan articulating stages of response, responsibilities, actions and timeframes to re-establish a normalised service.

In May 2014, SeaRoad announced that they will be taking delivery of a new 182 metre vessel in late 2016 or early 2017 to undertake the Bass Strait service replacing SeaRoad Mersey. This larger vessel will be unable to call at King Island due to the physical constraints at the Port of Grassy. SeaRoad have indicated they are willing to explore options to continue servicing King Island.

Consistent with the Partnership Agreement, the Department continues to work with the King Island Council, business and the community to identify key shipping issues and priorities, and to ensure the ongoing continuity of King Island shipping services.

Furneaux Shipping

The Government works in partnership with the Flinders Island Council and the Furneaux Group of Islands communities to identify key issues and priorities for Furneaux Islands shipping services and to ensure the continuation of essential services.

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

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

Shipping services to Flinders Island are being provided by the market on a commercial basis. The Government has recognised that the demand for services from Cape Barren Island is unlikely to be provided on a commercial basis. In recognition of this, the Government subsidises a shipping service to Cape Barren Island, operating on a monthly basis.

In 2013, the major shipping operator servicing the Furneaux Islands raised concerns regarding the longer-term viability of services in the event of a decreased freight task. In response to this, the Department commissioned specialist transport consultants to undertake two projects:

- a review of the Furneaux Islands freight market and shipping services; and
- a shipping contingency strategy and response plan.

Both projects were substantially completed in June 2014, and will inform the future considerations of Government and key stakeholders relating to Furneaux Islands shipping services.

The review provides an update of the status of the Furneaux Islands freight market and assessment of the viability of operating a Furneaux Islands shipping service, with recommendations as to the optimal arrangements to ensure the continuation of essential shipping services. It considers a range of data relating to all sea freight to and from Flinders Island and Cape Barren Island. The Review involved consultation with key stakeholders, including major freight demanders, TasPorts, Flinders Council and the Cape Barren Island Aboriginal Association.

The contingency strategy outlines a proposed response plan with actions which could be activated quickly as a result of any potential cessation of the Furneaux Islands shipping service. It provides information on:

- different reasons for shipping service cessation and impacts;
- vessel suitability and availability; and
- contingency response plan articulating stages of response, responsibilities, actions and timeframes to re-establish a normalised service.

1.2 Rail Safety

Since 20 January 2013, all rail safety regulatory functions in Tasmania are performed by the National Rail Safety Regulator. The Department continued to participate at a national level in reviewing policy documents relating to the maintenance of the Rail Safety National Law and the national accreditation fees applying to rail operators for 2014-15.

The Department is the funder of any rail safety investigation conducted by the Australian Transport Safety Bureau (ATSB) in Tasmania. Under the funding

arrangements, the ATSB is required to liaise with the Department in relation to any investigation.

In 2013-14 two investigations occurred in Tasmania:

- derailment of a Tas Rail freight train near Lowdina on 9 April 2013. The ATSB's final report was released in October 2013;
- collision between two road-rail vehicles on the West Coast Wilderness Railway which occurred on 4 June 2013. The ATSB's final report was released in June 2014.

Further information on these investigations can be found at <http://www.atsb.gov.au/publications/safety-investigation-reports.aspx?mode=Rail>.

1.3 Road Safety

Tasmanian Road Safety Strategy 2007-2016

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

Targets

The long-term vision of the strategy is the elimination of fatalities and serious injuries caused by road crashes in Tasmania. The following road safety targets have been adopted:

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

The first target has been exceeded with a reduction in serious injuries and fatalities by 32%.

Progress towards the next target is trending positively with a 15.9% reduction in serious injuries and fatalities for the 2011 – 2013 period compared to the 2006 – 2010 period.

While progress against our targets is encouraging, there are still areas where greater progress can be made. Based on crash statistics our areas of focus continue to be run-off road crashes, speed, drink-driving and inexperience and motorcycle crashes.

Crash statistics are included later in this section.

Strategic Directions

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

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

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

Details of initiatives under each of the strategic directions are outlined in the Action Plans that support the strategy. The first Action Plan outlined initiatives from 2007–2010, the second from 2011–2013 and the proposed third Action Plan 2014–2016. The current Tasmanian Government's commitments to road safety will be included in the third Action Plan under development. The Government's commitments are:

- PI drivers be permitted to drive at 100 kph on roads with a 110 km/h speed limit and 90 kph on roads limited to 100 km/h, in line with other jurisdictions;
- review the current Graduated Licensing System to identify unnecessary road blocks and promote a more efficient and positive experience for all novice learner drivers;
- task the Road Safety Advisory Council to design a strong marketing campaign based on 'Sharing the Road' principles which will promote stronger respect, and care between all road users;
- task the Road Safety Advisory Council to carry out a full review of motorcyclist training and safety programs, and have them assessed against best practice in other jurisdictions;
- refer the One Metre Rule legislative proposal to better protect cyclists to the Road Safety Advisory Council with the recommendation that a trial be considered if deemed to be practical, having regard to the specific nature of the Tasmanian road network;
- develop new signage for those Tasmanian roads popular with cyclists to warn motorists of heavy cyclist use in those areas;

- provide Driver Mentoring Tasmania with \$1.5 million over three years, funded by the Road Safety Levy, to continue to carry out, and develop further, their exceptional volunteer work in programs around Tasmania;
- provide Rotary Tasmania with \$300,000 over four years to re-establish its Rotary Youth Driver Awareness (RYDA) program.

Funding

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

These funds must be directed to those initiatives with the greatest potential to reduce serious casualties either directly or by facilitating changes.

During the development of the second Action Plan, an independent road safety expert body was commissioned to evaluate, assess and recommend the most effective range of measures to improve road safety in Tasmania. This independent evaluation clearly demonstrated that the greatest reductions in serious casualties on Tasmanian roads will come from strategic investments in road and roadside infrastructure to prevent run-off-road and head-on crashes together with speed reductions on the open road and in built up areas.

The levy is due to expire in December 2017.

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

In 2013-14 the levy raised about \$13 million for road safety initiatives, with around three-quarters of this allocated to best practice infrastructure projects.

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

The Motor Accidents Insurance Board (MAIB) also contributes funds towards specific road safety education and enforcement initiatives.

STRATEGIC DIRECTION 1 - SAFER TRAVEL SPEEDS

Fast Facts:

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

Projects during 2013-14 included:

- Electronic speed limit signs (ESLS) at 40 km/h school zones – In April and May 2014 ESLS were installed on King and Flinders Islands. All school zones across Tasmania now have electronic speed limit signs;
- Safer Rural Travel Speeds - As part of the Safer Roads: Non-Urban Network Strategy, from 1 February 2014, the speed limit on gravel roads was reduced from 100 km/h to 80km/h. New signs have been rolled out to replace the old 'end speed limit' signs and to advise of changing road conditions. These changes were supported by a major public education campaign to alert motorists to the changing nature of rural roads and the need to always drive to the conditions.

STRATEGIC DIRECTION 2 - BEST PRACTICE INFRASTRUCTURE

Fast Facts:

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

Projects during 2013-14 included:

- Flexible safety barriers - The installation of flexible safety barriers is a key initiative funded by the Road Safety Levy. Research shows that the use of flexible safety barriers has the ability to achieve up to a 90% reduction in serious road trauma caused by head-on and run-off road crashes. Flexible safety barriers absorb a substantial amount of physical energy generated by a crash impact, so they are highly effective in reducing the severity of injuries sustained by vehicle occupants in a crash. Flexible safety barriers form an important element of the '2 Plus 1' road design;

The 2 Plus 1 road design incorporates alternating a road configuration of two lanes in one direction and one lane in the opposite direction, separated by a median flexible safety barrier. This allows drivers travelling in each direction to have safe and regular overtaking opportunities;

In December 2013 construction of a 2 Plus 1 road design was completed on 3.21km along the Bass Highway north of Elizabeth Town and early in 2014 for 4.65km along the Midland Highway at Symmons Plains;

- Audible centre and edge lines – Research has shown that the installation of audible lines assists drivers to keep within the traffic lanes. The 'audible' nature of the lines alerts drivers when they are drifting out of their travel lane into opposing traffic or onto the shoulder. The Road Safety Levy is funding the installation and upgrade of audible centre and edge lines on divided sections of the Bass Highway to provide continuity with audible lines installed under the levy in 2012. In March 2014, 8.1km of divided section on the Bass Highway from Launceston to Hadspen was completed;
- Shoulder widening and sealing – Widening and sealing shoulders on high productivity routes reduces the amount of gravel on the road pavement. Sealed shoulders reduce loss-of-control crashes caused by drivers going onto gravel; provide an area for cyclists away from the traffic lanes and enable drivers to pull-off the road safely in the event of a vehicle break down. The Road Safety Levy is funding shoulder sealing and the installation of audible edge and centre lines on the Esk Main Road from the Midland Highway to Avoca. Stage 1 – the 3.7km section of the road east of the junction with the Midland Highway – was completed in May 2014;

- The Safer Roads Vulnerable Road User Program - A new initiative funded under the Road Safety Strategy in 2013-14, the program was developed to improve the overall safety for vulnerable road users (pedestrians, cyclists and motorcycles). The Program operates as a grant with funds being awarded to support Local Government Councils to implement road infrastructure treatments aimed at reducing serious road crashes involving vulnerable road users. In 2013-14, 16 projects were funded across Tasmania;
- Motorcycle safety measures – During 2013-14 shoulder sealing and pavement resurfacing was completed at two high motorcycle crash risk sites on the Lyell Highway and one on the Tasman Highway.

STRATEGIC DIRECTION 3 - INCREASED SAFETY FOR YOUNG ROAD USERS

Fast Facts:

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

Projects during 2013-14 included:

- Road Safety Education in Secondary Schools – the Department and the Department of Education (DoE) have continued to work together to provide quality road safety education programs to secondary school students. Schools have the choice of offering students one of two road safety education courses accredited by the Tasmanian Qualifications Authority (TQA) or developing their own program to deliver content specified in the Tasmanian Road Safety Education Framework. To support schools delivering either a TQA course or a program based on the Tasmanian Road Safety Education Framework, the Department has a road safety education resource entitled 'Road Risk Reduction' and a number of complementary resources to

assist teachers with support for program delivery. In addition Keys to Ps sessions have continued to be conducted in several school communities. This program has been designed to follow up classroom road safety education and prepare parents for the supervisory role when teaching their children when they are learning to drive;

- Learner Driver Mentor Programs (LDMPs) – Road Safety Levy funding has been used to conduct a Grant Funding program to establish, consolidate or expand LDMPs. In 2013-14, a total of \$100,000 was made available to successful applicants. LDMPs provide disadvantaged learner drivers with the opportunity to develop on-road driving experience by providing access to both a suitable vehicle and a responsible supervisory driver. LDMPs now operate out of 18 community organisations across Tasmania. Driver Mentoring Tasmania, the peak body representing LDMPs, is also funded from the Road Safety Levy to employ a state-wide coordinator to help support the development of existing and new LDMPs;
- Graduated Licensing System (GLS) Review – In 2013-14 a review commenced to evaluate 2008-09 reforms and to identify further potential reforms. The review is examining the GLS components of other jurisdictions' licensing systems, national research reports and includes an ongoing program of community and stakeholder consultation.

STRATEGIC DIRECTION 4 - ENHANCED VEHICLE SAFETY

Fast Facts:

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

Projects during 2013-14:

- Australasian New Car Assessment Program (ANCAP) – Contribution to the national ANCAP

program of crash testing and consumer awareness about choosing safer vehicles;

- Crashworthiness and Roadworthiness campaign – In January 2014 the former Minister for Infrastructure launched a campaign that encouraged first car buyers to buy the safest car they can afford. The campaign ran in conjunction with a roadworthiness campaign which aimed to encourage drivers to maintain their cars, so they can continue to be safe. Together the campaigns seek to improve the overall safety of Tasmanian cars. To support this campaign the new brochure 'The First Car Buyers Guide' has been widely distributed through Community Road Safety Partnership (CRSP) networks and used extensively in presentations to younger drivers at 'Keys to Ps' workshops, Youth Week and vehicle safety check programs. Information on safer vehicles was also presented at workplace road safety presentations in early 2014 to organisations such as the Bureau of Meteorology and engineering company Sinclair Knight Merz.

Complementary Initiatives

Fast Facts:

- A number of road safety initiatives complement the four key Strategic Directions under the Strategy;
- New and emerging technologies may offer considerable safety benefits in addressing some of the key contributing factors to serious casualty crashes, such as speed and alcohol;
- Trials of innovative technology enable the most promising road safety solutions to be assessed under Tasmanian conditions.

Projects during 2013-14 included:

- National Road Safety Strategy 2011-2020 – the Department contributed to working groups implementing the National Road Safety Strategy. The national strategy closely aligns with the Tasmanian Road Safety Strategy. Further information can be found at: www.infrastructure.gov.au/roads/safety/national_road_safety_strategy/index.aspx.
- Review of minimum safety standards for Government vehicle fleet - A review of the existing minimum safety standards for the Government vehicle fleet and assessment of potential amendments to improve the overall safety of the Government fleet was undertaken in 2013 and

new minimum safety standards were implemented in 2013. A minimum requirement of a four star ANCAP rating for commercial vehicles and five stars for passenger vehicles was introduced. For those vehicles that do not have an ANCAP rating, a minimum set of safety features is required. Improving the safety standard of these vehicles will offer significant benefits to the broader Tasmanian community as many vehicles originally sold as Government fleet vehicles are later passed on to other road users through the second hand car market;

- Alcohol Interlocks – The Mandatory Alcohol Interlock Program (MAIP) came into effect on 31 July 2013. MAIPs have been implemented in some form in most Australian jurisdictions. The programs are designed to bring about long-term behavioural change for repeat and high-level drink driving offenders. By separating an offender's drinking from their driving, the MAIP provides convicted drink drivers with a pathway back to the economic and social benefits of driving. The MAIP allows higher-risk drivers to legally re-commence driving while not posing a risk to public safety. The MAIP requires high-level drink driving (0.15 or above Blood Alcohol Content (BAC)) and repeat drink driving offenders to fit an alcohol interlock to any vehicle they drive, except where a work exemption has been granted. The interlock must be fitted for a minimum period of 15 months as a condition of relicensing. Participants in the MAIP must adhere to a zero BAC driving condition, and the interlock will not be removed until participants can demonstrate they can separate their drinking from their driving. In late 2013, in response to feedback, amendments were made to provide further exemptions from the program, including for work purposes and severe hardship. Further information on administration of the program is provided in this report at 1.4 – Registration and Licensing. A comprehensive review of the MAIP will be undertaken in 2014-15;
- Child Restraints – the Department, with support from Kidsafe and RACT, has developed a new easy-to-read guide to child car seats. Keep Your Child Safe in the Car: A Guide to Car Seats can help parents and carers to choose the right car seat for their child, know when a child is ready to move to a seatbelt as well as how to correctly fit and install a car seat. The guide has been widely distributed through the CRSP networks. The guide has also

been used during displays and presentations, e.g. the Glenorchy Northgate shopping centre road safety display that was conducted in conjunction with the RACT. The guide has also been distributed to antenatal clinics in the North West and child care centres, hospitals and community houses statewide;

- Support of the Sober Driver Program – \$180,000 from the Road Safety Levy was provided to the Department of Justice to support the Sober Driver Program for 12 months, to provide additional programs and address the backlog of offenders on the waitlist for the program.

Australian Road Rules

The Department continued to participate in the National Transport Commission's (NTC) Australian Road Rules Maintenance Group which is responsible for reviewing and updating the Australian Road Rules. In November 2013, the NTC released the 10th package of amendments for endorsement by jurisdictions at the Standing Council of Transport Infrastructure. The Department has since begun the process of integrating the 10th package of amendments into the Road Rules 2009.

Road Safety Advisory Council

Governance

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

The RSAC has an independent Chair, Mr Jim Cox. Other members include the Secretary of the Department, the Commissioner of Police, CEO of the Motor Accidents Insurance Board, CEO of the Local Government Association of Tasmania, CEO of the Royal Automobile Club of Tasmania, President of the Tasmanian Motorcycle Council, President of the Tasmanian Bicycle Council, a road safety expert formerly from the Monash University Accident Research Centre and an independent marketing expert.

Marketing

The MAIB funds the RSAC's marketing activities. The MAIB provided \$3.5million in the three years to 31 December 2014 and the allocation over the next three

years from 1 January 2015 is still to be confirmed. The money is used for mass media road safety advertising campaigns and other promotional activities.

The major advertising campaign during 2013-14 was Real Mates, a drink driving awareness campaign which was aimed at young men aged between 17 and 25.

A new series of three television advertisements – one each on speed, drink-driving and inattention – with a focus on enforcement were launched in September 2013.

A road safety awareness promotion – "Drive So Others Survive" – was launched by the Minister for Infrastructure, the Hon. Rene Hidding, in May 2014. The week-long promotion was part of a national event, the symbol of which was a yellow ribbon. Tasmania's emergency services and government vehicles displayed a ribbon for the week and the roundabout at the entry of the Hobart CBD was lit in yellow as was the Launceston Town Hall, the Devonport Maritime Centre and the Burnie Makers Centre.

Community Road Safety

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

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

Key CRSP Achievements 2013-14

- In November 2013 community road safety delegates, local and state government representatives gathered to celebrate the 2013 CRSP Awards. The event was conducted to acknowledge 10 years of CRSP operation and to recognise and honour the outstanding efforts of individuals, organisations and communities which undertake local activities to improve safety on Tasmanian roads. The awards were supported by the Road Safety Advisory Council and funded from the Road Safety Levy. The Circular Head Municipality was the recipient of the Major Award;

- The ARRB Group was contracted to undertake a major evaluation study of the value of community engagement in road safety. The Circular Head community has been the focus for trialling an evaluation 'instrument' to measure the economic value of the community road safety contribution. The report which was completed in January 2014 will be used to quantify the contribution communities make to the road safety effort;
- CRSP funding has been used to purchase a number of Variable Message Sign (VMS) trailers for communities. These are used to display electronic road safety messages to complement local speed reduction programs. The VMS trailers are also coordinated state-wide across communities to enable consistent messages to be displayed during major community events and to support Road Safety Advisory Council initiatives in conjunction with Tasmania Police;
- Brighton Council recently joined the Roadside Crash Marker program which has now expanded to 19 municipalities. A Roadside Crash Marker is a standard roadside guidepost placed adjacent to where fatal and serious injury crashes have occurred. Black markers identify fatal crash sites while red markers are used at serious injury crash locations;
- The Launceston Safer Communities Partnership has expanded their 'Get Home Safe' road safety campaign which targets patrons attending Aurora Stadium events;
- Meander Valley, Glamorgan Spring Bay, Central Highlands, Derwent Valley, Dorset and Break O'Day communities have expanded their 'What's Around the Corner?' and 'Expect the Unexpected' public education campaigns which utilise local media networks, signage and promotional material to alert drivers about local driving hazards;
- The Alcolizers on Loan initiative, which provides alcolizers (breath testers) for loan to local hotels and sporting clubs, has continued to operate across many communities state-wide. This program allows breath testers, who are trained by the Department's staff, to test venue patrons and provide them with an indication of their blood alcohol concentration. For example, the program runs in Glamorgan Spring Bay throughout the municipality's hotels and sporting clubs and in remote areas such as the Arthur River Ranger Station in the North-West;
- Free breath testing activities continue to be provided at major community events across Tasmania including Tasmanian and Esk Beer Fests, Hobart Taste Festival, Devonport and Launceston Cups, Festivale in Launceston, Clarence Jazz Festival, Breath of Life Music Festival and A Day on the Green at the Josef Chromy Winery. Breath testing enables drivers to make informed decisions about safe travel plans prior to leaving the event. As an example, approximately 60 volunteer breath testers have been trained during 2013-14 to conduct breath testing across the North-West;
- The 'Who's Des Tonight' initiative, which aims to encourage people to plan ahead and travel with a driver who has not consumed alcohol, has continued in several northern and north western municipalities. Strong support has been established for this program through the Department's involvement with local Liquor Accords. Through the Liquor Accords in Circular Head, Wynyard/Burnie, Mersey Leven and Launceston, the majority of licensees in these areas are supporting programs that discourage drink driving. Partnering with the Liquor Accords has been critical to the success of the 'Who's Des Tonight' program;
- A number of communities including Kingston, Huon Valley, and Launceston have targeted driver distraction and fatigue as key themes for local community education. For example, the Huon Valley CRSP community crashed car display unit has been used to discourage drivers from not using mobile phones when driving while the Northern Tasmanian CRSP communities, partnering with Launceston College, Tas TAFE and Southern Cross Television, were involved in the 'Eyes Up, Eric!' campaign launched as part of National Youth Week. 'The Eyes Up, Eric!' campaign was designed by youth for youth with the aim of combatting the dangerous behaviour of mobile phone use when driving. The campaign includes a range of marketing and promotional materials, including a website and Facebook page, and an animated television advertisement;
- Over 65 organisations statewide now conduct the Learner Licence Assistance Program to support community members, with low literacy or learning difficulties, to pass the learner licence assessment. The program continues to operate through many of the LINC agencies, community houses, job agencies and resource centres;

- Road Safety workshops for seniors, presented by Road Safety Consultants and volunteer peer presenters, continue to be offered across Tasmania, particularly in conjunction with Seniors Week activities. These sessions provide important information to seniors on driving skills, medical conditions and medications, safe driving, licensing and preparing to retire from driving. Presentations were conducted in Sorell, Clarence, Glamorgan Spring Bay, Launceston and West Tamar CRSP communities in 2014.

to road safety and the safety of children crossing roads to get to school on a daily basis;

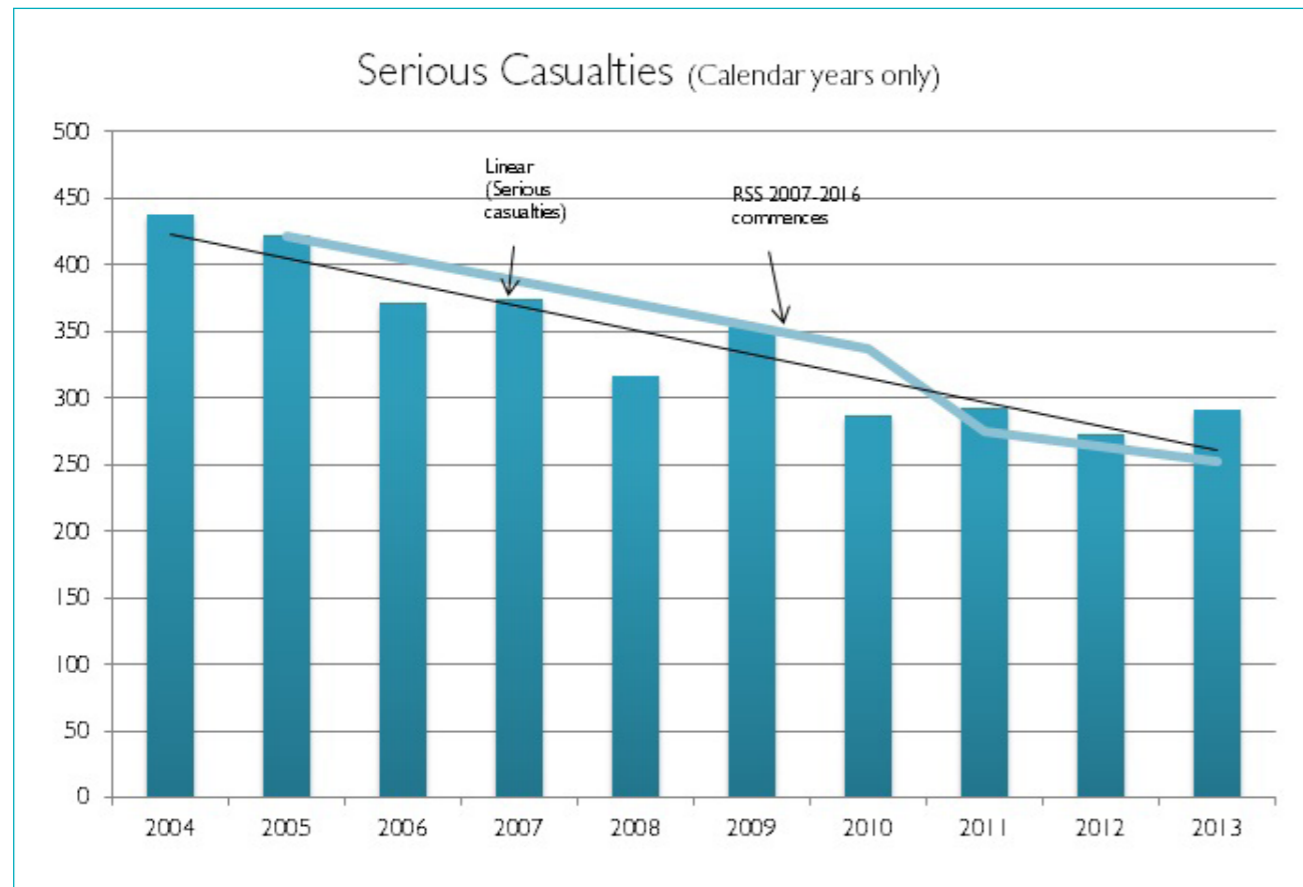
- Electronic Speed Limit Signs (ESLS) are installed at every location at which a SCPO operates. The ESLS have received wide community support;
- In 2013-14 all SCPOs have been extensively retrained in their duties and Workplace Health and Safety. Performance standards have been established to support continued improvement of the SCPO service to the community;
- During 2013-14 the Department reviewed the process to appoint voluntary SCPOs at schools which do not have a Department SCPO;
- The Department continues to offer support and educational material to schools to encourage the use and rules of marked school crossings.

School Crossing Patrol Officers

- The Department manages about 100 School Crossing Patrol Officers (SCPOs) servicing about 71 school crossings throughout Tasmania. SCPOs continue to actively demonstrate their commitment

Statistics

1. Serious Casualties



2. Serious Casualties in Tasmania 2004-2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Serious Casualties	438	422	372	374	316	353	287	296	273	291

3. Serious Casualties by Road User Type 2004-2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Driver	196	190	149	169	139	139	122	131	121	91
Passenger	102	84	95	94	68	83	42	52	52	66
Pedestrian	44	44	30	27	26	31	32	34	37	30
Motorcycle Rider	75	75	76	65	65	74	74	64	46	77
Motorcycle Pillion	1	4	4	1	3	2	2	3	5	6
ATV Rider	1	4	4	11	7	10	3	4	4	3
ATV Pillion	0	1	0	0	0	1	1	0	0	0
Bicyclist	15	17	12	7	8	13	10	8	7	18
Other/Not Stated	4	3	2	0	0	0	1	0	1	0
Total	438	422	372	374	316	353	287	296	273	291

4. Serious Casualties by Age Group and Sex 2004-2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Female										
Under 17	12	17	16	18	7	11	9	8	3	7
17-29	43	44	42	38	29	36	18	24	22	21
30-49	47	44	31	28	38	25	28	22	19	18
50-64	21	19	18	19	13	18	12	16	19	18
Over 64	37	19	20	13	23	19	13	24	25	24
Male										
Under 17	24	33	19	23	14	21	16	16	17	16
17-29	114	92	102	93	87	95	77	76	64	71
30-49	86	99	81	85	56	61	71	56	46	57
50-64	25	27	25	32	30	40	26	34	34	25
Over 64	22	25	17	22	15	27	16	20	23	34
Not Stated	7	3	1	3	4	0	1	0	1	0
Total	438	422	372	374	316	353	287	296	273	291

5. Serious Casualties by Crash Type 2004-2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Multi-vehicle										
From adjacent directions	35	31	21	24	22	19	15	12	12	16
From opposing direction	77	63	94	74	58	63	56	66	60	45
From same direction	25	18	18	9	18	12	14	17	15	13
Overtaking	19	27	11	23	4	15	10	11	5	10
Manoeuvring	16	20	18	29	28	31	18	18	14	22
Passenger and Misc										
Pedestrian	43	42	32	26	26	31	33	34	36	31
Passenger and Misc	7	14	5	3	2	3	2	3	5	5
Single Vehicle										
Off path	207	198	162	177	150	172	128	128	120	135
On path	9	9	11	9	8	7	11	7	6	14
Total	438	422	372	374	316	353	287	296	273	291

6. Serious Casualties by Crash Factors 2004-2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Alcohol	105	88	77	86	93	91	70	63	56	37
Animal on road	1	4	4	8	8	4	15	5	6	8
Asleep – fatigue	16	25	30	43	15	25	10	18	11	9
Distraction – external to vehicle	9	19	17	32	30	40	42	37	25	30
Distraction – in vehicle	10	14	19	12	13	12	15	10	10	16
Drugs	9	32	38	62	48	53	31	24	23	44
Exceeding speed limit	22	49	65	45	59	57	31	31	28	29
Excessive speed for conditions/ circumstances	103	111	110	73	74	85	66	88	78	84
Fail to give way	23	19	29	25	36	31	27	37	39	39
Fail to obey traffic signals	2	3	6	5	7	2	6	5	3	9
Fail to observe road signs and markings	55	31	12	17	21	25	18	12	27	21
Improper overtaking	15	17	8	21	7	27	14	13	8	10
Inattentiveness	175	186	145	147	160	158	74	11	12	33
Inexperience	60	78	98	107	93	126	101	75	84	75
Other	0	0	0	0	0	0	0	0	0	12
Other obstruction on road	5	6	8	12	6	12	15	12	5	2
Pedestrian on road	42	35	22	22	19	28	29	34	36	28
Reversing without care	2	6	4	4	5	3	5	7	7	3
Road defect	21	22	29	18	23	20	20	10	10	17
Turning without care	10	7	15	12	19	22	18	20	21	17
Unwell – infirm	30	26	37	32	40	44	36	35	45	18
Using a mobile phone	0	2	2	3	1	1	2	2	1	0
Vehicle defect	33	23	18	28	18	49	15	21	21	12

Source: Crash Data Manager

Notes:

Serious casualties include fatalities and serious injuries.

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

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

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

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

1.4 Registration and Licensing

During 2013-14, a series of key strategies were developed with a strong focus on delivering an improved customer experience, whilst increasing business efficiency. These strategies also had a strong focus on maximising road safety outcomes for the Tasmanian community.

The Department understands that its customers want to transact at any time so it is focusing on technology driven alternatives to enable this to occur. Some examples include, improvements to the way information is presented on our internet site, online services including direct debit, BPay view and online disposal of registrations.

National Involvement

At a national level, the Department continued to participate in the review, development and implementation of a number of national registration and licensing measures including working with other jurisdictions, agencies and working groups to move towards uniform national policy and increased harmonisation in relation to registration and licensing matters through membership of the Austroads Registration and Licensing Taskforce and Working Group. These policies and national solutions have included issues relating to evidence of identity/customer enrolment (including investigating facial biometrics), identification of a hazard perception test for cars, recognition of driver licences from overseas, alternative vehicle frameworks and cross jurisdictional sharing of information and experiences from implementing and managing an Alcohol Interlock Program.

Motor Registry System

In 2013-14 the Department has initiated significant improvements to the Motor Registry System (MRS) including upgrades to infrastructure and delivery of key business initiatives including:

- implementation of changes to support the introduction of the Mandatory Alcohol Interlock Program;
- changes to support the introduction of the Smart Card for the Transport Access Scheme;
- improvements to increase speed and ease of transactions; and
- introduction of direct debit, electronic delivery through Bpay View and disposals online.

A contract for the ongoing support of the Motor Registry System is being finalised with a local company.

Driving Assessors

This year the Department has continued to focus on addressing the outcomes of the review of the novice driving assessments conducted by ARRB Group Ltd. To date the Department has completed or progressed 27 of the 30 recommendations contained in the report. A significant amount of effort has also gone into improving consistency in the application of the driving standard by all driving assessors through audit, moderation and peer assessment.

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

Learner Driver Mentor Programs – explaining the assessment criteria, the standard and the process to progress through the Graduated Driver Licensing System (GDLS);

- Learner Licence Assistance Programs – providing assistance and advice to those engaged in assisting young people to obtain a learner licence;
- Migrant Resource Centre (Statewide) – advice on the GDLS, structure of the assessments, assessment criteria, available support tools (including translators) and conducting mentor driver mock assessments;
- ADTA Professional Development Seminar (driving instructor forums) - explaining changes to assessment processes and providing updated manuals;
- Driving Instructors – mock assessments, including explaining the assessment criteria and the standard required.

Introduction of Direct Debit

In October 2013 Direct Debit was introduced as a payment option for registration renewal payments from a debit account. The introduction of this payment option should provide a platform to introduce further bill smoothing options.

Introduction of Intelligent Customer Reference Number (iCRN) for BPay payments

In December 2013 the Department became the first organisation in Australia to implement intelligent Customer Reference Numbers (iCRN) for BPay payments. The iCRN (or payment number) ensures

the amount the client pays for a registration renewal is the amount requested on the registration renewal. This new process results in less cases requiring manual intervention and vehicle registrations being updated faster.

Introduction of BPay View

Customers can register for BPay view for registration payments from February 2014 which allows the secure, electronic delivery of registration renewals.

Vehicle Disposals online

Disposals can now be entered online with the details of the disposal being updated immediately.

Older Driver Licensing

Work is continuing on the proposal to abolish mandatory aged medical assessment for drivers aged 75 years or more. It is anticipated that a final decision on this will be made later in 2014, once the findings from an extensive round of stakeholder feedback sessions is analysed to ensure there is still widespread support for this change.

Drivers with medical conditions

The number of drivers with medical conditions is continuing to increase. There are many factors for this increase including an ageing population, increased levels of chronic illness within the community and increased levels of reporting of medical conditions. The medical process continues to be reviewed and some changes have been made to assist in the more timely processes of completed medical assessments.

Mandatory Alcohol Interlock Program

Overview:

The Registrar of Motor Vehicles is responsible for administration of the Mandatory Alcohol Interlock Program (MAIP) and during 2013-14 has introduced significant system changes and developed a number of processes and supporting documents to enable the MAIP to be efficiently managed. Also, during the year a number of improvements have been implemented to how the MAIP is administered with a focus on improving support and the information provided to participants.

Contracted Providers:

The Department has contracted with three alcohol interlock providers, who have established a network of service centres throughout the State. This provides choice to participants as well as good coverage across the State.

MAIP Participation:

As at 30 June 2014 there were 486 alcohol interlock devices installed in private vehicles under the MAIP.

Exemptions:

- Exemptions from some or all aspect of the MAIP may be sought if:
 - the participant has a physical or medical condition, supported by a medical report, that will not allow them to operate an alcohol interlock;
 - the participant resides on or is a frequent visitor to King Island or in the Furneaux Group and it is not feasible to install an alcohol interlock to a vehicle they must drive;
 - the participant or another person will be caused severe hardship if they have to participate in the MAIP; or
 - the participant has an alcohol interlock installed in a personal vehicle, but also needs to drive a work vehicle to or from work or for the purposes of work. In such cases an exemption may be sought from the requirement to have an interlock installed in their work vehicle if the employer consents.
- To assess an applicant's claim to severe hardship, many aspects of their life needs to be examined in detail, including their living and working situations, their finances and those of their family members. The Registrar has developed guidelines to assist in determining when a person meets the requirements to be granted a severe hardship exemption;
- As at 30 June 2014, the following exemptions have been granted:
 - Island exemptions – 7
 - Medical exemptions – 3
 - Severe hardship exemptions – 17
 - Work exemptions (these people are still participants in the MAIP) – 39

Review of Motorcycle Training

Work is underway to review the motorcycle training courses and assessments, for pre-learner, pre-provisional and returning riders. It is a joint industry/regulator review considering the courses in line with national and international best practise.

Registration and Licensing Review

Many of the business improvements identified through the registration and licensing review have either been implemented or are in the process of being implemented. The review is now some years old and one of the key learnings from this review is to build in the registration and licensing business the capacity for continuous ongoing identification and implementation of business improvements, that focus on improving customers' experience, reducing administrative costs without compromising road safety outcomes for all Tasmanians.

Unregistered/Uninsured Vehicles

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

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

Ongoing strategies include:

- deployment of Transport Inspectors on unregistered/uninsured activities, including statewide operations involving Tasmania Police;
- use of Automatic Number Plate Recognition (ANPR) technology to detect unregistered/uninsured vehicles and unlicensed drivers;
- use collected ANPR data (over 445,721 vehicles captured annually) to issue warning notices advising of the risk of incurring a fine of up to maximum of \$2,600;
- public awareness advertising, including the use of Metro Buses and RACT Roadside assistance vehicles to deliver public awareness state wide;
- reminder letters issued when registration has been expired for 21 days;
- targeting interstate vehicles which should be registered in Tasmania and facilitating the re-registration process.

Personalised Registration Plates

TasPlates offers a broad range of personalised registration plates to Tasmanian motorists. The TasPlates scheme involves an arrangement between the State Government and the private sector for the

marketing, sale and administration of personalised registration plates. Aspects of the scheme include an online option for ordering and payment, broader plate designs and pricing structure. Work has commenced on the new delivery model for this service and it is anticipated that tenders will be called later in 2014.

Concessions

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

In August 2013 asylum seekers and ImmiCard holders became eligible to receive a concession on vehicle registration and driver licences.

Transport Enquiry Service

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



Driver Licence Statistics

Current Licensed Tasmanian Drivers: 368,562

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

Licence Type and Class		Class Total
Car	Full	267,003
	L1	12,766
	L2	8,856
	P1	5,936
	P2	9,477
	Learner (other than Novice)*	266
Motorcycle	Full	44,317
	Learner	2,007
	P1	1,728
	P2	1,757
Heavy	Full	63,712
	Learner	727

Note:

* Eg client applies for a learner licence after having a Tasmanian licence expired for more than 5 years.

Registration by Vehicle Type

Vehicle Type	Total	Vehicle Type	Total
Ambulance	156	ATV	6,632
Bus	2,165	Campers	4,612
Car	200,445	Caravan	9,919
Earth Moving Machinery	1,959	Farm Tractor	6,341
Fire Units	541	Horse Float	3,055
Motorcycle	17,065	Other	4,025
Road Construction	437	Station Wagon	100,035
Tow Truck	65	Tractor	650
Trailer	95,007	Truck	41,097
Utility	54,430	Van	12,885
		Total	557,521

I.5 Vehicle Operations

Enforcement Strategy for Road Transport in Tasmania

The Department's enforcement strategy is to promote consistent, effective and efficient enforcement of transport law and to work with all road transport operators to encourage high levels of self-compliance.

Transport Inspectors

Road transport is regulated to maximise road safety while allowing for transport efficiency whilst minimising infrastructure damage. A supplementary objective is to provide competitive equity, so that industry participants who breach legislative requirements do not achieve competitive advantage over those with higher levels of compliance.

Enforcement action is taken by transport inspectors when breaches of road law are detected.

In February 2014, Australia adopted a national approach to the regulation of heavy vehicles. The Heavy Vehicle National Law (HVNL) consolidates more than 20 years of 'model laws' designed to harmonise heavy vehicle freight operations across the country.

The HVNL is intended to promote public safety; manage the impact of heavy vehicles on the environment, road infrastructure and public amenity; provide for the efficient movement of goods and passengers, and promote efficient, innovative, productive and safe business practices.

During the year transport inspectors received extensive training in the HVNL in readiness for the February commencement. A substantial amount of time was devoted to the development of processes and procedures to support transport inspectors use of the HVNL and their appointment as authorised officers by the National Heavy Vehicle Regulator.

Heavy Vehicle Safety

The Department has continued to work with industry to improve heavy vehicle safety via the Heavy Truck Safety Advisory Council (HeTSAC). This has resulted in Tasmania being part of a national trend in the reduction of fatal accidents involving heavy vehicles. HeTSAC has focussed on the strategy of identifying similar contributing factors and addressing these issues in order to increase safety. Crash data records demonstrate that over the last five years fatalities involving heavy vehicles has declined from a high of 12 in 2009 to two in 2013.

Approved Inspection Stations (AIS)

The AIS scheme continues to operate successfully with 195 AISs in place around Tasmania, of which 15 are approved to conduct heavy vehicle and public passenger vehicle inspections. There are 423 Vehicle Examiners (VE) throughout the state approved to conduct inspections on behalf of the AISs. All VEs are required to sit and pass a knowledge test and submit a National Police Check (NPC) every three years. Refresher training is offered quarterly for VEs in their respective regions.

The Approved Motor Body Repair Inspection Station (AMBRIS) scheme for the inspection of written-off vehicles was established in 2012 and is administered by the AIS scheme. There are 12 AMBRISs in place around Tasmania, with 18 Motor Body Examiners (MBE) throughout the state approved to conduct inspections on behalf of AMBRISs. MBE are also required to sit and pass a knowledge quiz and submit a NPC every three years. Refresher training is offered annually to MBEs who wish to attend.

Over Size/Over Mass (OS/OM) Permits

A significant amount of work was required assessing and issuing permits and assisting Tasmanian operators adjust to the change of a National Heavy Vehicle Regulator both prior and post the implementation date of 10 February 2014.

Vehicle Modifications

There continues to be a high number of vehicle modification applications.

Passenger Transport Services Accreditation Scheme

The Department continues to monitor the performance of accredited operators participating in the public passenger transport sector in Tasmania in relation to vehicle and passenger safety. There continues to be a steady increase in the number of applications for accreditation.

Since the introduction of the Passenger Transport Services Act on 1 July 2013, the Department has been reviewing its processes and practices with the aim of increasing efficiencies within the service delivery model for clients.

National Heavy Vehicle Regulator

During 2013-14 the Department finalised legislation to support the introduction of the Heavy Vehicle National Law, including consequential amendments to existing legislation. This work also included the development of Tasmania-specific national notices to preserve local productivity initiatives for industry and the contribution to the development of national gazettal notices for heavy vehicle access.

The Department also contributed to the development of national policies and operational guidelines in areas such as heavy vehicle access, compliance and enforcement, and vehicle standards. A range of communication activities were undertaken by the Department leading up to the commencement aimed at highlighting the major changes, particularly those that were specific to Tasmania.

During 2013-14 the Department also finalised a service agreement with the National Heavy Vehicle Regulator (NHVR) for the delivery of services primarily in regard to compliance and enforcement.

On commencement of the new law in February 2014, the NHVR experienced significant issues with their access permit systems which led to this activity being delegated back to jurisdictions (under varying models). In March 2014 the Department adopted a case management role to facilitate the consent of road managers for access to their road networks and provide assistance and advice to the NHVR.

The Department has worked closely with the NHVR and other jurisdictions to assist in resolving the issues with access. This has also included a collaborative approach with industry and state road managers, particularly local government. In addition significant work has been undertaken by the Department on a vehicle classification framework which will establish a platform for pre-approvals and reduce the number of requests placed on road managers resulting in quicker turnaround times for industry in gaining access.

I.6 Traffic Management and Engineering Services

The Traffic Engineering Branch delivers cost-effective road improvements to reduce the incidence of road crashes and provides specialist, technical traffic management and engineering solutions for the Government, local road authorities, and developers to serve community needs. The Branch operates under three work streams:

Traffic Management

- regulates the use of traffic management devices on Tasmania's roads in accordance with the Traffic Act 1925 and relevant standards;
- identifies and facilitates improvements to existing traffic management provisions;
- works with developers to review and identify best practice traffic management solutions;
- manages regulatory, directional and tourism signage.

Traffic Safety

- identifies and prioritises road safety improvement projects for the Tasmanian Road Safety Strategy, Safer Roads Program, Nation Building Black Spot Program and Australian Government Infrastructure Investment Program (see below);
- provide authoritative technical advice on road safety policy;
- works with road owners and the community to set speed limits;
- investigates fatal road crashes and recommends safety improvements.

Transport Systems

- installs, maintains and operates Tasmania's Intelligent Transport Systems (ITS), which includes traffic signals, variable speed limits signs, electronic school zone signs, weather warning systems, vehicle activated signs, truck and rail warning systems, and the Tasman Bridge Tidal Flow Control System;
- undertakes research, design, and development of technologies that provide for safe and efficient traffic management solutions for Tasmania;
- provide a 24 hour on call service to support Tasmania's traffic signals and ITS.

During 2013-14, several Transport Systems projects were completed or substantially progressed:

- signalisation of Amy Road / Penquite Road, Launceston
- signalisation of University Way/ Alanvale Connector Ramp metering, Launceston
- installation of the Weigh Bridge Electronic Signs, Campbell Town
- intersection upgrades at Goderich and Lindsay, Launceston

- installation of the Tasman Bridge Pedestrian Cameras, Hobart
- truck warning systems upgrade

The Traffic Engineering Branch is also responsible for sponsoring a number of initiatives under the Tasmanian Road Safety Strategy 2007-2016 and a number of other road safety programs.

Tasmanian Road Safety Strategy 2007-2016

As noted above (see 1.3 Road Safety), the Strategy provides a 10-year strategic direction for road safety initiatives in Tasmania. The long term vision of the Strategy is the elimination of fatalities and serious injuries caused by road crashes. The Traffic Engineering Branch supports this vision in its day-to-day operations and sponsors the delivery of a number of approved road safety initiatives. These initiatives include:

- electronic speed limit signs (ESLS) at 40 km/h school zones
- variable speed limit signs
- electronic weather warning signs
- flexible safety barriers
- audible centre and edge lines
- shoulder widening and sealing
- the Safer Roads Vulnerable Road User Program
- motor cycle safety measures

Detailed information regarding these projects can be found above at 1.3 Road Safety (Strategic Direction 1 – Safer Travel Speeds, and Strategic Direction 2 – Best Practice Infrastructure)

Safer Roads Program

In 2013-14 this program provided \$5 million of road safety and traffic efficiency improvements on the State Road Network. Traffic engineers use crash data to identify locations with an over-representation of crashes. Problem locations are subject to detailed crash analysis and thorough on-site inspections to identify the treatment that best addresses the site's specific crash characteristics. Candidate schemes across Tasmania are then prioritised to maximise the number of crashes that can be prevented with the available funding.

Works implemented in 2013-14 included:

- Brooker Highway / Domain Highway – construction of acceleration lane.

- Arthur Highway / Sugarloaf Road (turn-off to Primrose Sands) – provision of right turn lane.
- Channel Highway / Beach Road, Margate – construction of roundabout (cost share with Kingborough Council).
- Resurfacing to provide better skid resistance at various locations with an over-representation of wet weather crashes.

Nation Building Black Spot Program

This is an Australian Government program that funds road safety improvements on both State and Council roads. The program reduces road trauma by identifying and effectively treating locations with a high incidence or risk of casualty crashes. The 2013-14 program comprised 15 schemes worth \$1.42 million. Treatments included improved delineation and installation of safety barriers, kerb extensions and traffic islands, and the installation of separate right-turn phases at existing traffic signals.

Stakeholder Engagement Unit

The Stakeholder Engagement Unit facilitates and delivers public involvement in transport infrastructure projects such as road and bridge construction, maintenance and other infrastructure works.

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

Public Displays

- Ferry Main Road
- Macquarie Heads Road, Strahan
- Murchison Highway Stage 1 and 2
- Tasman Highway access improvements (Ramps)

Internet Road Project Information

Information and updates were provided on the Department website for all key infrastructure projects, including:

- Arthur Highway – Dunalley to Murdunna, south of Murdunna & Taranna to Port Arthur
- Arthur Highway - Iron Creek bridge replacement

- Arthur Highway – Sugarloaf Road, Forcett
- Bass Highway – Mawbanna Road junction
- Bass Highway – Stanley junction
- Bell Bay Main Road / Mobil Road junction
- Bridport Main Road
- Domain Highway/Brooker Highway off ramp
- East Derwent Highway – Cassidys Road to Baskerville Road
- East Derwent Highway / Goodwood Slip Road
- Elwick, Goodwood, Howard Road junctions
- Esk Main Road - Avoca to Leona Road shoulder sealing
- Esk Main Road – bridge replacements
- Ferry Road - Kettering
- Glendevie passing lanes and other passing opportunities and junction upgrades
- Huonville Town Centre - rehabilitation
- Illawarra Main Road upgrade
- Macquarie Heads Road, Strahan
- Mathinna/Evercreech bridges
- Midland Highway, Mangalore
- Midland Highway, Symmons Plains 2+1
- Murchison Highway Stage 1 and 2
- Murphys Bridge, Alonnah
- Port Sorell Main Road
- Prossers Road Junction upgrade
- Railton Main Road – bridge replacements
- Richmond Heavy Vehicle Link Road
- Rokeby Main Road Upgrade Stage 1
- Rokeby Main Road Upgrade Stage 2
- shoulder sealing and junction upgrades between Huonville and Geeveston
- St Marys Pass maintenance
- Tasman Highway access improvements (ramps)
- Tasman Highway and Gladstone Main Road
- Upgrades – Derby to Herrick
- West Tamar Highway near Bradys Lookout
- Bass Highway – Gannons Hill – 2+1

Support for Emergency Events

Information and updates were provided for the following significant emergency event:

- Western Explorer Road closure repairs

1.7 Passenger Transport

Light Rail

Following the completion of business cases (in 2011 and 2013) examining the feasibility of operating light rail on the Northern Suburbs rail corridor, the Government commissioned PricewaterhouseCoopers (PwC) to undertake:

- a strategic assessment of the value of providing a light rail service on the Northern Suburbs corridor;
- an examination of the wider economic benefits of providing light rail on the corridor; and funding and financing options for the project; and
- preliminary planning work, including a high level risk assessment; a scan of legislative, regulatory and tenure requirements; identification of statutory approvals requirements; service and technical requirements; and supporting policy required.

PwC identified car dependency as a major problem for Greater Hobart, particularly given the ageing of the population. Hobart's lack of scale and polycentric nature was also identified as a barrier to economic growth.

The PwC Report noted that providing a light rail service on the Northern Suburbs rail corridor has the potential to reduce car dependency by providing fast, reliable public transport, and supporting higher value land use through residential and mixed use development adjacent to the corridor. It was also noted that light rail could stimulate economic growth in Hobart by increasing activity in the CBD.

However, the report noted that there is a strong risk that light rail, which is a relatively expensive public transport option when compared with buses, would not deliver these benefits if:

- Hobart's economic disadvantages such as lack of scale cannot be overcome by the initiative;
- existing conditions favouring car use (cheap parking, low density urban form, lack of fast, reliable public transport across Greater Hobart) persist; or
- land use policies are not adjusted to encourage denser urban and mixed use development.

The report concluded that in terms of generating wider economic benefits, a light rail service would not be expected to directly deliver significant benefits over and above the benefits that may be generated by alternative approaches to fixing the identified problems. This is because the problems are not specifically related to capacity constraints on the public transport network and the current land use density adjacent to the rail corridor is not supportive of high capacity public transport. Over time, policy changes and long-term investment in the corridor could increase the potential for light rail to generate wider economic benefits, subject to trends in the demand for travel and the attributes of competing mode choices.

Taking into account the risks outlined above and the relatively high cost of light rail, the report noted that in the short term (and as initial steps), the most cost-effective way to begin to address the identified problems would be to:

1. Implement strategies to reduce 'urban sprawl' and increase urban density, particularly on key corridors. This will make it more cost-effective to deliver high quality public transport services to a greater proportion of the population, thereby increasing access and reducing car dependency; and
2. Improve the quality of bus services on key corridors, which will increase public transport mode share.

PwC's Reports are available on the Department's website. The Hobart to Northern Suburbs Light Rail Business Case (2011); the AECOM Peer Review (2012) of that Business Case and the consequent Light Rail Business Case – Hobart to Glenorchy (2013), are also published on this website.

Legislative

Passenger Transport Legislation Review

A comprehensive review of the Passenger Transport Act 1997, which commenced in 2008, led to the replacement of that legislation by the Passenger Transport Services Act 2011. This new Act, together with a range of new supporting regulations, took effect on 1 July 2013. Work to finalise the implementation of the new legislation is nearly complete, including the preparation of Service Eligibility Guidelines for the procurement of bus services, and supporting systems changes.

The development of new legislation has seen some sectors of the passenger transport industry face changes to the way their services are regulated. There has been increased consistency of treatment of vehicle and

service types, removing loopholes which allowed some operations to fall outside the former regulatory scheme.

Some operators have been required to take additional steps to ensure compliance and the Department has been assisting them to comply fully with the new regime. In time, an enforcement strategy will replace the current advisory and educative role.

Taxi, Luxury Hire Car and Restricted Hire Vehicle Services Industries

Legislative Changes

Following the enactment of the Passenger Transport Services Act 2011 and related legislation on 1 July 2013, the following amendment regulations commenced in 2013-14:

- Traffic (Compliance and Enforcement) Amendment Regulations 2013 (9 October 2013);
- Taxi and Hire Vehicle Industries (Review of Decisions) Amendment Regulations 2013 (9 October 2013); and
- Restricted Hire Vehicle Industry Amendment Regulations 2014 (12 February 2014).

After endorsement by the former Minister for Sustainable Transport to increase taxi fares, the Taxi Industry Amendment (Fares) Regulations 2013 commenced on 8 January 2014.

Release of New Taxi Licences

The sixth release of owner-operator taxi licences under the Taxi and Hire Vehicle Industries Act 2008 (the Act) began on 21 September 2013, with the calling of a tender for these licences on that date. Fourteen owner-operator taxi licences were made available for the Hobart taxi area, five for the Launceston taxi area and one for every other taxi area. To 30 June 2014, two Hobart area licences and one Devonport licence had been purchased through the Tender. Licences unsold at tender remain available for sale from the Transport Commission until the 2014 tender is called.

Wheelchair-accessible taxi (WAT) licences have been available on application (to appropriately qualified operators, who own a compliant vehicle) since the commencement of the Act on 24 September 2008. In 2013-14, four new WAT licences were issued (in the Hobart, Launceston, Devonport and Huon Valley taxi areas) and five Hobart licences were surrendered. At 30 June 2014 there were 65 WAT licences on issue across the State.

Taxi Fare Increase

Regulated maximum taxi fares increased by 5.49 per cent in January 2014. This increase was in response to calls from the taxi industry for consideration of the change in business operating costs since the previous taxi fare increase (October 2011). The figure of 5.49 per cent was determined by the use of the Department's Taxi Fare Model.

Review of the Disability Standards for Accessible Public Transport

The national Disability Standards for Accessible Public Transport require state governments and providers of public transport and associated infrastructure to progressively improve the accessibility of transport over a 20 year timeframe starting in 2002 and finishing in 2022.

The Australian Government is required to review the Standards every five years to ensure that they remain relevant and progress towards the benchmarks is being achieved. A Review of the Standards began in 2012, with the Department making a formal submission to the Review in 2013.

In May 2014, the Australian Government released the Review's Draft Report, which contains seven recommendations for public comment. The Department will continue to monitor progress of the review and assess any likely impacts for Tasmanian operators and providers.

Legislative Council: Integrated Transport Options Inquiry

During 2012-13 the Legislative Council completed an Inquiry into the potential development of an integrated and sustainable public transport system in Southern Tasmania. The Department participated in the public hearings for the Inquiry, and provided a range of documentation in response to various matters being examined by the Inquiry Committee.

The Inquiry's Final Report was tabled on 28 June 2013. The State Government's formal response to the Inquiry was tabled on 12 November 2013.

Community Awareness Activities

Passenger Transport Services

The Department administers a range of transport assistance programs and manages contracts to provide core passenger services throughout the State.

Highlights for 2013-14 included:

- launch of a new 'smart card' system to replace vouchers for the Transport Access Scheme (TAS), making it simpler for members to access their taxi subsidies and for operators to claim the subsidies;
- the funding of three separate Service Development Plans submitted by operators of contracted public bus services to trial new or extended services in response to market research and community consultation which suggests potential for commercially viable expansion;
- introducing online application and payment facilities for replacement TAS smartcards and parking permits as well as for free-travel student Greencards (non-Metro), making it even easier for these students to get a replacement card;
- streamlining the application process for student Greencard applications processed by the Department, as well as increasing awareness of the need for the relevant students to hold a Greencard, improving uptake;
- finalising and implementing the five year review of funding for bus services to ensure that they continue to reflect the cost of operation. This included changes to reflect: (i) changes in second-hand vehicle values; (ii) increased administration costs to support new Work Health and Safety and other contemporary legislative requirements; and (iii) increased costs of superannuation and reporting.

The Passenger Transport Services Branch provided ongoing administration of 486 individual contracts for the delivery of regular passenger transport services and maritime services.

The Branch processed approximately 10,200 applications for free and fare-paying Greencards (non-Metro travellers) and made conveyance allowance payments to 632 parents or guardians of 837 students who need to travel more than five kilometres to the nearest school or bus route.

The Branch processed 4,210 applications for membership in the TAS and made subsidy payments on 534,326 taxi and WAT trips taken by eligible members.

Passenger Transport Concessions

Program	Item Reported	Detail	%
Transport Access Scheme (TAS)	Membership applications received	4,210	
	Applications approved	3,965	94.2%
	Applications refused	245	5.8%
	Applications processed within 28 days of receipt	4,156	98.7%
	Total TAS memberships	30,821	
	Disability Parking Permits (Individuals) on issue*	29,699	
	Disability Parking Permits (Organisations) on issue**	235	
	Applications for Disability Parking Permits (Organisations) received	51	
	Taxi concession permits valid for standard taxis (50% concession on metered fare)*	14,822	48.1%
	Taxi concession permits for members totally wheelchair reliant (60% concession on metered fare when travelling in a wheelchair accessible taxi)*	1,874	6.1%
	Taxi concession subsidy trips claimed (total)	534,326	
	• Standard taxis	454,072	85%
	• WATS	80,254	15%
	Taxi concession subsidy cost	\$4,425,614	
	• Standard taxis	\$2,920,947	
	• WATS (incl trip fees)	\$1,504,667	
Average subsidy	\$8.28		
• Standard taxi	\$6.43		
• WATS (incl trip fees)	\$18.74		
Bus Passes	Student Greencard applications processed	10,200 (approx.)	
	Student Greencards on issue	17,983	
Conveyance Allowance***	Families benefitting from the allowance in 2013 school year	632	
	Students covered by approved applications	837	
	Total cost of conveyance allowance for 2013 school year	\$1,693,995	
	Average benefit per eligible family	\$2,608	
Age Pensioner Air Travel - Bass Strait Islands	Total cost of subsidy payments (concession is a subsidy of 50% of one return trip per year from a Bass Strait Island to Northern Tasmania)	\$10,792	
	Claims paid	59	
	Average claim cost	\$182	

Notes:

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

**Organisation Parking Permits do not count as TAS memberships

***Conveyance Allowance is paid for travel over the school calendar year; therefore these figures represent the 2013 calendar year rather than the 2013-14 financial year.

Service Development Plans

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

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

Over the last 12 months, funding has been provided toward the following trials:

- Evandale to Launceston;
- Dodges Ferry to Sorell to Hobart; and
- Channel region to Hobart.

1.8 Passenger Transport Innovation

Beginning in 2010-11, the State Government allocated \$7 million for the Passenger Transport Innovation Program. Investment under the program was aimed at delivering immediate improvements in passenger transport, and also planning for long-term change. Investment was guided by the strategic direction set out by the Tasmanian Urban Passenger Transport Framework, which was released by the State Government on 30 January 2010.

Transit Corridor Planning

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

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

Land use change will also need to occur over time, in order to increase the residential population within easy walking distance of the corridors and improve

the potential market for the public transport services provided on those corridors.

The first Transit Corridor Plan to be developed focused on the Main Road Corridor between the Hobart CBD and Glenorchy, including Elizabeth Street and New Town Road. A draft plan was made available for public comment in July 2013. If implemented, the proposed plan will improve the operation of the corridor for public transport, which will help create more sustainable, accessible, healthy and liveable communities.

As part of the Transit Corridor Project consultants, Pitt & Sherry and Hill PDA were engaged to examine barriers and enablers to infill development in Greater Hobart. The Department of Economic Development, the Southern Tasmanian Councils Authority, City of Hobart, Glenorchy City Council and Kingborough Council partnered with the Department to deliver the project.

The Infill Development Reports (Stage 1 and 2) are available on the Department's website, along with the Main Road (Hobart to Glenorchy) Transit Corridor Plan and associated documents.

Work has commenced on the development of a Transit Corridor Plan for the Hobart to Kingston corridor, via the Southern Outlet and Macquarie and Davey Streets.

Turn Up and Go Trial

With funding from the State Government, Metro Tasmania has been able to offer increased services on the Main Road Corridor between Hobart and Glenorchy since November 2013. The 'Turn Up and Go Trial' offers services scheduled for every 10 minutes between 7am and 7pm weekdays, every 20 minutes between 7am and 7pm on Saturdays and every thirty minutes on Sundays and at other times.

This initiative is a key element of the Transit Corridor Plan for Main Road (see above). The increase in services and the marketing campaign to support the trial have seen an immediate increase in patronage of about 5 per cent on this already intensively-patronised corridor.

The trial will continue until November 2014 and is being supported through the provision of a grant for \$917,000 for services and marketing.

Greater Launceston Metropolitan Passenger Transport Plan

This project will see the development of an integrated, long-term plan to guide passenger transport in the Greater Launceston Metropolitan area. The plan will provide a counterpart to the work completed by the Department in 2009 on passenger transport in the Greater Hobart area, which formed the basis for the Tasmanian Urban Passenger Transport Framework. Themes addressed in the plan focus on the bus network, active travel, land use planning and transport culture. The project has the following intended outcomes:

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

A background report has been published on the Department's website, along with a Problem Identification Paper which was prepared in consultation with local government, passenger transport industry representatives and community stakeholders.

The Draft Greater Launceston Metropolitan Passenger Transport Plan is expected to be completed by early 2015, and a public consultation process will be undertaken before the plan is finalised.

Off-bus infrastructure: urban fringe areas

This project focused on improving the visibility of public transport infrastructure in key locations on the major non-urban bus corridors. It also increased the proportion of non-urban bus stops in Tasmania that meet the requirements of the Disability Standards for Accessible Public Transport 2002.

Since 2010-11, a total of nine grant deeds have been issued for bus stop upgrades in the municipalities of Central Coast, Latrobe, Sorell, Northern Midlands, Huon Valley, Clarence City, Waratah-Wynyard, George Town and West Tamar Councils. These upgrades

covered 18 different population centres and a total of 26 bus stop sites. All site upgrades were agreed through consultation with the relevant council and bus operator. All projects subject to grant deeds have now been completed, with the exception of works at George Town.

To complement the upgrading of bus stops in regional population centres, a number of urban fringe-specific stops and terminals in urban areas have also been enhanced to ensure consistent infrastructure along major non-urban bus corridors.

Tasmanian Walking and Cycling for Active Transport Strategy

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

During 2011-12, the Department worked with councils and community stakeholders to identify the highest priority transport cycling routes – the Principal Urban Cycling Networks – in Hobart, Launceston and Burnie/Devonport.

Since then, the Government has been liaising with stakeholders to support planning, design and delivery of infrastructure on the network. In 2013-14, planning and design work was completed for the extension of the Intercity Cycleway in Hobart; planning and design of the Battery Point shared pathway and a boardwalk at MONA; community consultation in relation to cycle infrastructure on Clarence Street in Bellerive; and delivery of cycle-lanes on Westbury Road.

A Positive Provision Policy has been implemented by the Department to ensure the provision of cycling facilities as part of State Government transport projects, and to provide criteria for maintaining road space in a 'cyclist friendly' condition. The policy applies to State roads identified as part of the Principal Urban Cycling Network.

The Department continues to sponsor the delivery of the annual Bike Futures Seminar, and in late 2013, cycling, transport and community stakeholders were brought together at a Cycling Roundtable Forum to examine safety issues and concerns for cyclists. The report arising from the forum can be found on the Department's website.

Travel Behaviour Change

Commencing in 2012, the Government conducted a pilot Workplace Travel Behaviour Change project (TRAVELCHOICE) that involved Departmental staff based in the south of the State.

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

The project was underpinned by research into current staff travel patterns and the barriers and enablers for change. The most successful initiatives introduced through TRAVELCHOICE included supporting people to walk and cycle for business and commuter travel by providing information, encouragement, change facilities and improved bike storage; and introducing salary sacrifice for Metro Greencard purchase.

The TRAVELCHOICE Pilot was completed in August 2013, and the evaluation of the program found:

- a 9.8% reduction in car travel as the only transport mode for travel to work;
- 7.1% and 14.2% increase in the use of sustainable transport as the main and secondary modes for travel to work respectively;
- 27% increase in the use of sustainable modes for business travel within Hobart CBD (includes 20% increase in walking and 7% increase in bus/cycle); and
- 12% increase in the use of sustainable modes for business travel within Greater Hobart (bus and cycle).

Derwent River Ferries

In recent years there has been considerable local government, public and media interest surrounding various proposals to expand passenger ferry services on the Derwent River. The Legislative Council's Inquiry into Options for Integrated, Sustainable Public Transport in Southern Tasmania (2013) also recommended trialling comprehensive ferry services on the River.

In December 2013, the State Government, in collaboration with Hobart City and Clarence City councils, convened a stakeholder forum (facilitated by consultants SKM) to consider the potential for enhancing ferry services on the Derwent river.

The forum focused on the Bellerive to Hobart route, as previous studies have indicated that this is the most financially viable option. At the forum there was no consensus among stakeholders regarding the type of service that should be pursued, or the relative merits of the State Government directly subsidising a new service.

Due to competing priorities, together with the change in Government following the 2014 State Election, no further work was undertaken on this issue during 2013-14.

Capital Investment Program

Achievements for 2013-14

Completion of Port Sorell Main Road

Port Sorell Main Road provides a key link to the centres of Port Sorell, Shearwater and some smaller centres to the Bass Highway. The Australian Government has provided \$1 million in funding with the State Government contributing \$3 million. All works were completed in the 2013-14 financial year.

Completion of works on Bruny Island

The State Government committed \$4.7 million to continue upgrading various roads on Bruny Island. All works have now been completed and include shoulder widening and sealing at Alonnah, shoulder widening and sealing at Great Bay and the replacement of Murphys Creek Bridge.

Tasman Ramps

The Australian Government will provide a total of \$13 million for this project. The key objectives of the project are to improve access, safety and transport efficiency from the East Derwent Highway to the Tasman Highway for the east and south bound traffic. The scope of works include a new on-ramp for traffic from the East Derwent Highway on to the Tasman Highway to access the Mornington interchange, Cambridge, Hobart Airport and other locations to the east, a dedicated lane from the East Derwent Highway to access Rosny Hill Road eastbound and a concrete shared pedestrian and cycling path linking the Yolla Street pedestrian overpass to the Tasman Highway pedestrian overpass.

Tarkine Drive

The construction contract was awarded to Hazell Bros and work commenced in September 2013. Significant progress has been made on this project and it is anticipated that works will be completed in November 2014. The State Government funded \$23.1 million.

Tarkine Drive project involves the improvement of existing roads in the region, the replacement of three bridges and the upgrading of existing tourism facilities. The project also includes significant environmental mitigation measures with regard to the protection of the existing Tasmanian Devils and Spotted Quoll populations in the area.

Community Roads and West Coast Roads Programs

The State Government provided \$110.38 million in the 2010-11 Budget to be expended over five financial years from 2010-11 to 2014-15 for the Community Roads and West Coast Roads Program.

Program expenditure summary:

- whole of program to end 2013-14 = \$76.205 million
- estimated expenditure 2013-14 = \$30.516 million

Most of the projects within this program are now complete. The following provides an overview of project status as at the end of June 2014:

Completed:

- Arthur Highway, north and south of Murdunna
- Barnbogle Road, sealing
- Bass Highway - Mersey Main Road junctions
- Bass Highway - Stanley Junction upgrade
- Bell Bay Road junction improvements
- Brighton Transport Hub – construction of new v-drain
- Esk Main Road- shoulder widening and road safety improvements
- Ferry Main Road upgrade and ferry terminal queuing improvements
- Ferry Main Road water treatment plan
- Huon Highway road improvements – Sommers Straight south of Franklin – shoulder sealing
- Huon Highway improvements – shoulder sealing and priority junction improvements
- Huonville Main Road pavement rehabilitation
- Lake Road Breona - various road improvements
- Meander Valley Council, Westbury Industrial Estate
- Mud Walls Road - various road improvements
- Murchison Highway, Rosebery to Sterling River
- Pagarah Secondary Road - various road improvements

- Ridgley Main Road - general road improvements
- Tasman Highway, Coles Bay junction and safety improvements
- West Coast Council, Strahan Esplanade
- West Tamar Highway Brady's Lookout - road widening, pavement improvements and installation of flexible barrier
- West Tamar Highway Cormiston Road traffic signals upgrade
- West Tamar Highway Ecclestone Highway - road traffic signals upgrade
- Wielangta Road – contribution to new bridge

Works commenced but not completed as at 30 June 2014:

- Arthur Highway, Taranna to Port Arthur
- Colebrook Main Road, Richmond Link Road- 1.5 km new link road
- Murchison Highway, Cradle Mountain Tourist Road to Anthony Main Road
- Rokeby Main Road from Buckingham Drive to Diosma Street - upgrade

Under development (detailed design and construction planning) as at 30 June 2013

- Macquarie Heads Development Road - various road improvements
- Forward Planning
- Replacement of Brid River Bridge in Bridport

North-East Freight Roads

In November 2007, the Australian Government made a commitment to contribute \$34 million to upgrade specific freight routes in the North East of Tasmania. The Tasmanian Government committed to contribute \$8.5 million, bringing the total funding allocation to \$42.5 million. Status of projects in this package is as follows:

- Bridport Main Road upgrades between Scottsdale and Bridport. Most of the works are now complete. Remaining works have been suspended for winter and it is anticipated that all works will be completed in January 2015.
- Tasman Highway and Gladstone Main Road upgrades between Derby and Herrick. All works are now complete.

- Mathinna/Evercreech bridge replacement of seven load limited bridges (owned by Break O'Day Council). All works are now complete.
- Prossers Road junction upgrades at Lilydale Main Road, Patersonia Road, and Tasman Highway with drainage improvements on Prossers Road. All works are now complete.

Due to stringent cost estimating processes substantial savings have been delivered on this program. The Department is currently working with the Australian Government to extend the scope of this program to include upgrading Emily Street from the junction of Bridport Main Road and Waterhouse Road to assist with heavy vehicle movements between the jetty area to the west and just past the sand mine to the west. It is anticipated these works will be delivered in 2014-15.

State Road Network Bridge Strengthening Strategy

Building on the Bridge Strengthening Strategy which was developed in 2012-13, the Department submitted a Project Proposal Report to replace and strengthen five of these bridges under the Heavy Vehicle Safety and Productivity Program Round Three. The Australian Government provided \$2.395 million in funding with the State Government is also contributing \$2.395 million to the project. The upgrade project comprises of two

bridges on Railton Main Road and three bridges on Esk Main Road. Two separate contracts were tendered in 2013-14, with VEC Civil Engineering being awarded the works on Railton Main Road and Andrew Walter Constructions being awarded the works on Esk Main Road.

It is anticipated that works will be complete on Railton Main Road in October 2014 with works on Esk Main Road to be completed by November 2014.

Planning for Bridgewater Bridge Replacement

The Bridgewater crossing of the River Derwent is a critical element of the National Highway network in Tasmania. The scope of the Bridgewater Bridge project extends from the southern end of the Brighton Bypass at East Derwent Highway through to the four-lane section of the Brooker Highway. Funding for key property acquisition has been provided by the Australian Government. Most of the high priority acquisition is now complete and it is anticipated that the remainder will be completed in the first half of the 2014-15 financial year.

Tasmanian Road Network

The Tasmanian Road Network comprises the following infrastructure assets:

Table 1: Tasmanian State Road Network

Inventory	2010-11	2011-12	2012-13	2013-14
Roads (length in kilometres)	3,660	3,661	3,732 ¹	3,735
Bridges and other structures (number) ²	1,267	1,267	1,295 ¹	1,293
Land under roads & within road reservation (hectares)	12,131	9,328 ³	9,512 ⁴	9,680 ⁴

Notes:

¹2012-13 additions include Tarkine Drive and Brighton Bypass

²Includes bridges, major culverts, retaining walls, New Jersey barriers and gantries

³Area of land revised during 2011-12

⁴Changes by Tas Planning Commission to casements

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

- the Road Maintenance Effectiveness (RME) indicators
- the Smooth Travel Exposure (STE) indicators

Table 2 shows long term trends in these performance indicators.

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

Measure	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
RME ^{4,2}	2.9	3.0	3.5	4.1	4.4	4.4	4.4	4.4	4.8	5.5	5.5
RME ^{5,33}	2.6	2.8	3.3	3.8	4.1	4.1	4.1	4.2	4.5	5.2	5.2
STE ^{4,2}	96.6	97.3	97.7	97.5	97.3	97.3	98.1	98.0	98.0	98.1	98.1
STE ^{5,33}	99.4	99.7	99.7	99.4	99.5	99.5	99.6	99.5	99.8	99.8	99.8

Notes:

The Road Maintenance Effectiveness (RME) indicator represents the cost (in \$1,000) of maintaining one lane kilometre of the road to a set target roughness condition. The increase over time is caused by maintenance cost inflation.

The Smooth Travel Exposure (STE) indicator represents the percentage of the network travel undertaken by vehicles (on sealed roads only) with lower roughness than the nationally recognised points of roughness reference (IRI 4.2 and IRI 5.33).

RME and STE indices are defined by Austroads.

No roughness survey was conducted in 2012-13 or 2013-14; 2011-12 roughness data has been used.

Pavement Condition Data Surveys

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

Survey: The summer 2013 pavement surface condition survey collected surface cracking data for the network's sealed roads.

State Road Valuation

A revaluation of roads was undertaken in 2013-14. At the end of 2013-14, the State road infrastructure was valued at \$4.0 billion.

TABLE 3: State Road Valuation

Infrastructure Category	2010-11 \$ Billion	2011-12 \$ Billion	2012-13 \$ Billion	2013-14 \$ Billion
Roads ¹	2.1	2.3	2.6	2.6
Bridges and other structures	1.1	1.2	1.3	1.2
Land under roads and within road reserves	0.2	0.2	0.2	0.2
Major works in progress	0.2	0.2	0.0	0
TOTAL State Road Infrastructure	3.6	3.8	4.0	4.0

Notes:

¹Road valuation was reviewed in 2012-13.

Performance Information - Output Group 1

Performance Measure	Unit of Measure	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Target
Increasing the number of Local Government Community Road Safety Partnerships ¹	Number	29	29	29	29
Motor Registry System availability	%	99	99	99	99
Transport Enquiry Service – percentage of calls answered	%	95	93	95	97
Vehicles found to be unregistered of those checked*	%	00.62	0.62	0.63	0.75
Heavy vehicles found overweight	%	4.11	3.74	4.72	≤5.0
Linemarking program achieved by the end of the financial year	%	91	67**	100	100
Blackspot interventions in accordance with the program	%	100	100	100	100
Wheelchair Accessible Taxis (WATs) licensed	Number	63	66	65	68
Bus contracts qualifying for a capital payment	%	87.5	92.8	91.0	na

Notes:

¹There are 29 local government authorities in Tasmania.

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

**Expenditure was limited because work was suspended due to contractual issues

Output Group 2 Energy Advisory and Regulatory Services

Report of The Director of Energy Planning
Energy Advisory and Regulatory Services
Performance Information - Output Group 2

Report of The Director of Energy Planning

The Director of Energy Planning is a statutory position established under Section 4 of the Energy Co-ordination and Planning Act 1995 (the Act). The Director of Energy Planning is appointed by the Minister for Energy, and provides advice to the Minister on energy policy affecting Tasmania. This report is provided in accordance with Section 13 of the Act and details the performance of the Director's functions and the exercise of the Director's powers under the Act.

The role of the Director of Energy Planning was created because of the decision to open the Tasmanian energy supply to new entrants, competition and market forces. In turn this meant that relationships between Government and the State owned energy companies had to be more formal with roles and responsibilities clearly stated.

Given the strategic importance of energy to the Tasmanian community and economy, it was and remains important that the Government can obtain accurate information for assessing the overall security, adequacy and efficiency of energy supply and for promoting the objectives as stated in the Act. The Act contains a critical information seeking power for the Director. However, it is exercised very infrequently as there has been a positive culture of effective communication and cooperation from participants in the industry on important energy issues.

Overview

There were several significant developments affecting the Tasmanian energy industry in 2013-14.

In May 2012, the previous Government announced plans to introduce full retail contestability (FRC) for residential customers of electricity from 1 January 2014. It also announced plans to sell the customer base of Aurora Energy to new entrant retailers, to regulate the wholesale sale of electricity by Hydro Tasmania, and to merge Aurora Distribution with Transend Networks.

This was a substantial reform project led by a team in the Department of Treasury and Finance with support from the Department of Infrastructure, Energy and Resources.

In September 2013 the then Government deferred the sale of Aurora Energy but continued with plans for FRC, delaying full implementation until 1 July 2014.

With the election of a new Government in March 2014 a new agenda for energy policy has been established.

Energy has been identified as one of the five pillars of the State's future economy. The development of a new Energy Strategy for Tasmania has commenced to identify and implement ways of using energy to drive economic growth.

The Tasmanian electricity market remains part of the National Electricity Market operated by the Australian Energy Market Operator (AEMO). Its transmission and distribution networks businesses remain regulated by the Australian Energy Regulator.

Accordingly the outcomes for electricity in Tasmania remain heavily influenced by developments in the national framework, plus national policies of the Australian Government directed at Australia's energy supply industries.

At a national level there is a on-going reform agenda that is being pursued by the Council of Australian Governments Energy Council (CEC) to introduce greater efficiency into energy markets and prevent prices rising higher than necessary. The CEC includes the Tasmanian Minister for Energy.

The rules for the wholesale market and the operation of the national electricity grid, and for the economic regulation of the networks businesses, are amended from time to time by the Australian Energy Market Commission. This is the main process for adapting the market to changing circumstances, necessary improvements and new opportunities.

As detailed below, there is much work being done at a national level to ensure that the long-term interests of energy consumers are kept paramount in the regulatory process.

Within Tasmania, the adequacy, security and reliability of energy supply remained robust throughout 2013-14. This was assisted by reasonable rainfalls and a good performance throughout the energy supply chain, including Basslink and the multiple sources of energy supply, and the electricity and gas networks.

Security of Supply, Performance and Reliability

As detailed in the Annual Report, evidence from a number of reviews indicates that Tasmania has adequate access to electricity and natural gas throughout the timeframes of the reviews (10 to 20 years).

Energy supplies to Tasmanians remain secure and reliable. Whilst there are occasional disruptions to supply, these are infrequent and of a relatively short duration and similar to those experienced elsewhere in Australia.

The Office of the Tasmanian Economic Regulator monitors both electricity and natural gas supply reliability and publishes an annual Energy in Tasmania - Performance Report. The last report was released on 12 February 2014. It shows that the frequency and duration of outages in the electricity transmission and distribution network were similar to those experienced in previous years, with customers being supplied 99.95 per cent of the time. There were no outages as a result of the lack of electricity generation.

The reticulated natural gas network remains very reliable with very few outages.

Whilst liquid fuel supply reliability is not measured, there were few instances of 'stock outs' and no reported instances of customers being unable to access fuel when required.

Risk Monitoring

The Committee to Coordinate the Response to Energy Supply Emergencies (CCRESE), of which I am Chair, is a statutory body established under Part 6 of the Electricity Supply Industry Act 1995 and Section 12 of the Energy Coordination and Planning Act 1995.

CCRESE plays a key role in advising the Minister on the adequacy of the current and future energy supply situation and the State's capacity to meet its ongoing energy demands.

Throughout the year, CCRESE has monitored the adequacy of future electricity supply for Tasmania, with the assistance of the major electricity entities and AEMO. CCRESE and its subcommittee, the Water Shortage Advisory Committee, continued to pay particular attention to the management of risks associated with low hydro water storage levels and the continuity of Tasmania's electricity supply.

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

At the end of the 2013-14 financial year, the energy in storage in Tasmania's hydro system was 28.1 per cent, which is lower than where it was at the same time last year but comfortably in a range where supply constraints are not a concern. This lower storage level compared with the previous year was largely due to Hydro Tasmania drawing down storages in order to profit from sales of wholesale electricity into the national market on the mainland.

Basslink and the Tamar Valley Power Station (TVPS), plus increasing amounts of wind and distributed generation, provide significant support to the State's hydro system and reduce the risks to electricity supply adequacy that could arise from a prolonged drought.

Supply and Demand

There has been a gradual decline in electricity demand in Tasmania since the global financial crisis in 2008-09. This reduction in total electricity consumption is evident across the residential, commercial and major industrial sectors and is attributable to a range of factors including tightened economic conditions, structural change in the economy (including reduced manufacturing activity), consumer response to higher electricity prices, improvements in energy efficiency and increased levels of distributed generation (micro solar PV systems). This trend is generally consistent with trends seen across Australia.

There has been a significant increase in hydro electricity generation over the past 12 months with Hydro Tasmania generating over 12,000 GWh as compared to 10,600 GWh in 2012-13 and 8,500 GWh in 2011-12. Exports over Basslink increased to almost 3,300 GWh, up from 2,400 GWh the year before. This is attributable to Hydro Tasmania maximising electricity exports into the more emissions intensive Victorian market in order to take advantage of the carbon pricing mechanism.

Natural gas generation declined in 2013-14 from over 1,600 GWh a year to less than 900 GWh with a change in the operation of the TVPS since its transfer of ownership to Hydro Tasmania. With the connection of Musselroe, wind generation has doubled in 2013-14 to around 1,000 GWh.

Renewable Energy

Musselroe Wind Farm was officially opened on 15 January 2014. It is Tasmania's largest wind farm and is capable of generating enough energy to supply the needs of up to 50,000 homes, equivalent to the residential power needs of Burnie and Devonport combined.

Hydro Tasmania's King Island Renewable Energy Integration Project (KIRIEP) now has all major elements in place and is operational. In 2013 Hydro Tasmania ran the King Island Power Station on renewable energy alone (no diesel) for more than six days using the existing wind turbines and their advanced enabling technology. This achievement is world leading. It is the first time zero diesel operation has been achieved on

a megawatt scale in an off-grid system anywhere in the world.

Strong growth of small generators within the distribution system itself continues. These are mainly small photovoltaic systems and some small/medium wind turbines (up to 250 kW capacity).

Investment in technology to make better use of free heat direct from the sun (mainly solar heated water systems) and high efficiency devices such as various forms of heat pumps also continues.

Lastly it should not be forgotten that around a quarter of Tasmanians use firewood for domestic heating. Wood that is grown and harvested sustainably and burnt cleanly represents a viable, cost effective and ecologically sustainable space heating option for many households.

The number of households using wood for heating has increased since 2008, having fallen sharply between 2005 and 2008, while the use of electricity for domestic heating has remained steady. Approximately 580,000 tonnes per year (about 1 PJ) is estimated to have been used last year.

Energy Legislation

A review is currently underway into the Acts relating to natural gas in Tasmania. Office of Energy Planning and Conservation has also made or amended a number of regulations during 2013-14 which are listed in the Annual Report.

Information about other legislation related to energy can be found in the Annual Report of the Department of Treasury and Finance.

Co-ordination on technical issues

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

The primary role of ETAC is to handle non-market technical issues raised by the Minister for Energy or myself. It provides a high level Tasmanian forum for discussing and resolving technical issues and also helps Tasmanian electricity industry participants to develop coordinated responses to matters of a technical nature and mutual concern. Its focus in the past year has been addressing issues faced by a lack of system inertia when there is a specific combination of imports and wind generation conditions.

Competition

The specific program of divestment of the retail customers of Aurora Energy was halted in the latter half of 2013. The regulatory arrangements to support this and to introduce FRC, with no limitations on customer transfer were already in place for commencement on 1 July 2014, and remained unchanged. The Government remains open to possible sale offers for Aurora Energy and will also monitor whether the commencement of FRC brings competition.

The reticulated natural gas market continues to grow and provides an important element of inter-fuel competition and choice for energy users. More than 42,000 small commercial and residential customers in 43 Tasmanian suburbs and towns have the potential to access natural gas. There are two licensed natural gas retailers in Tasmania - Tas Gas Retail and Aurora Energy - both competing for business. Around 12,000 commercial and residential customers have already connected to natural gas.

Energy Efficiency

It is widely recognised that there are numerous opportunities to increase the benefits from energy use and/or to reduce the amount of energy required for a given level of benefit. Taking advantage of these opportunities reduces energy bills, increases business productivity and can have benefits such as improved health and comfort.

However, there are many reasons why consumers do not take full advantage of these opportunities, such as lack of knowledge or means, split incentives or lack of suitable energy efficiency services.

Since there are economies of scale for Government led action in energy efficiency initiatives, Tasmania has put its emphasis on contributing to national initiatives. Examples include programs for ensuring minimum levels of efficiency for electricity and gas appliances and equipment, and for new houses, and greater disclosure of efficiency information at point of sale.

The evidence is that energy efficiency initiatives and greater use of embedded energy generation are the main factors behind a flattening of the previous trend ever increasing amounts of grid supplied energy in Australia.

Tasmania is an active participant in national energy efficiency policies and programs under the National Strategy on Energy Efficiency. Responsibility for this work was transferred back to the Standing Council on Energy and Resources in 2014.

Energy Programs Managed by the Department

The 2010-11 State Budget allocated \$1 million over four years to promote clean energy and energy efficiency on King and Flinders Islands, and to reduce the costs of diesel based generation. This initiative was assigned to OEPC to manage. The second and final round has been successfully completed and the fund is now closed.

Tasmanian Energy Directory Project

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

Conclusion

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



Gary Swain
DIRECTOR OF ENERGY PLANNING

Energy Advisory and Regulatory Services

Overview

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

OEPC achieves this by:

- providing sound policy and planning advice on all aspects of energy to the Minister, Director of Energy Planning, Department senior management and Government;
- supporting the Shareholder Minister in his responsibilities for the State owned electricity businesses;
- representing Tasmania's interests in national energy market developments;
- helping to maintain an efficient and effective regulatory structure for Tasmanian energy;
- ensuring there is an adequate degree of planning and coordination for Tasmanian energy;
- working with other agencies (mainly the Department of Premier and Cabinet, and the Department of Treasury and Finance), supply side entities, consumers and consumer organisation representatives and the Office of the Tasmanian Economic Regulator;
- contributing to, coordinating or leading energy-related tasks required of the public service, including ensuring there are adequate arrangements in place in case of supply disruptions;
- monitoring the energy supply situation in Tasmania and providing advice on the management and mitigation of risks to the Director of Energy Planning (see Report of the Director of Energy Planning); and
- managing any special tasks or programs assigned to it by Government.

Priorities were re-organised following the election of the new Government in March 2014. In particular, resources were reallocated to support the development of a Whole-of-State Energy Strategy for Tasmania. This

is a first step in broadening the energy policy function within the Department of State Growth in support of the new Government's policy agenda and objectives.

Achievements against Priorities for 2013-14

OEPC achievements in 2013-14 included:

- commencing the development of a Whole-of-State Energy Strategy for the new Government, including assisting with the establishment and support for the Energy Working Group (comprised of representatives from key customer segments);
- continued support to the Council of Australian Governments (COAG) Energy Council (CEC) (formally the Standing Council on Energy and Resources), the Senior Committee of Officials and COAG in the area of national energy market reforms, and advancing Tasmanian interests in such reforms;
- providing Tasmanian-specific feedback on reviews and rule changes conducted by the Australian Energy Market Commission. The current work program includes among other things, setting reliability standards for networks, improving demand side response capabilities, facilitating the connection of embedded generation, managing system restart ancillary services, managing congestion in transmission networks and reporting on retail price drivers;
- compiling reliable historical data and developing a capacity for analysis of supply and demand of energy in Tasmania;
- reviewing supply risk management plans and supply emergency preparedness in conjunction with electricity and gas industry participants and other relevant stakeholders, and undertaking similar planning for petroleum products;
- updates to the Gas Act Codes and starting a project (with Workplace Standards Tasmania) to restructure and streamline various Acts relating to regulation and safety of natural gas in Tasmania;
- continued distribution of the "Save Energy, Save Money" residential energy guides;
- release of the Tasmanian Oil Price Vulnerability Study; and
- completing the administration of the Renewable Energy Fund – King and Flinders Islands.

Priorities in 2014-15

Key Priority Tasks in 2014-15 include:

- completing the Tasmanian Energy Strategy, which will include ongoing support for the Energy Working Group, public consultation and delivering the Energy Strategy to Government;
- participating in national projects aimed at strengthening the regulatory framework and incentive structures for transmission and distribution networks, with a view to containing costs and prices;
- revising the Gas Act 2000 and the Gas Pipelines Act 2000. These Acts currently regulate the gas distribution system and the gas transmission system respectively. The effect of this will be to reduce the cost of administering these Acts, as well as making the regulatory environment clearer for the gas supply industry;
- continue to improve the preparedness to deal with any high impact, low probability supply emergencies in electricity, gas or petroleum products;
- monitoring the implementation of the Tasmanian Energy Reforms, particularly the merger of distribution and transmission networks through the creation of Tasmania Networks Pty Ltd (TasNetworks), the commencement of full retail contestability, and advising Government on progress;
- leading Tasmania's interests in national energy policy developments, including developing Tasmania's response to the Australian Government's Energy Green and White Papers; and
- strengthening energy policy capabilities through the opportunities arising from the creation of the Department of State Growth, including improved engagement with, and understanding of, the Government owned energy businesses.

Tasmanian Energy Strategy

The Government is committed to making energy a competitive advantage for Tasmania, and the Department is responsible for the development of the Tasmanian Energy Strategy.

The key objective of the strategy will be to identify ways in which energy can once again be utilised as an economic driver including by securing a stable and sustainable price path for power that can provide relief to consumers and help grow the economy and attract new investment.

The Government appointed the Energy Working Group to provide advice, ideas, and views on key aspects of energy supply and consumption. This will assist the Department to develop an energy strategy.

The membership of the Working Group represents a range of consumer interests, from major industrials, commercial and small business, and the residential and welfare sectors:

- Rhys Edwards (Chair);
- Ray Mostogl (representing the Tasmanian Minerals and Energy Council);
- Marc White (expert in medium and small business and residential energy users);
- Greg Zooeff (the Big Picture Group);
- Tony Reidy (Tasmanian Council of Social Service); and
- Jan Davis (Tasmanian Farmers and Graziers Association).

In 2014-15 the Working Group will turn its attention to the merits of potential strategies and what actions might be taken to implement them. There will also be opportunity for broader public consultation, before the release of the strategy.

The strategy is scheduled to be released in mid 2014-15.

National Energy Market Reforms

The creation of national markets for electricity and (to a lesser extent) natural gas, has produced a more competitive and efficient energy industry in Australia. The reform process is continuing.

OEPC has been active in numerous working groups to advance Tasmania's interests in this process and continues to ensure jurisdictional energy regulatory arrangements are consistent with, and complementary to, the national energy regulatory framework.

A major focus in the past year has been to complete several reforms aimed at strengthening the national regulatory framework in the long term interests of Australian energy consumers. The Australian Energy Regulator itself has been the initiator of a set of major reforms. Officials have focussed on two other initiatives. The first is a reform of the process for allowing regulated entities, like TasNetworks, to appeal against specific elements of their regulatory allowances. In future, such appeals 'on merits' will only be allowed if it can be demonstrated that the determination as a whole will be improved. This change has now been incorporated into the national energy laws.

The second initiative is the creation of a new body to strengthen the voice of the consumers in the process of regulations, appeals, reviews and reforms generally. It is hoped to have the new body, Energy Consumers Australia, operating by the start of 2015.

OEPC has also provided input into the Australian Government's Renewable Energy Target (RET) Review, the Direct Action Plan and the development of the Energy White Paper.

Energy Security

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

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

AEMO also produces the Energy Adequacy Assessment Projection report every quarter. This report provides an analysis of the potential effects of low storages and other energy constraints on the electricity system over a 24 month period. These reports indicate that there are now no credible situations where the adequacy of electricity generation will be threatened by lack of rainfall over the next two years.

Even though the prolonged drought that occurred in the first decade of this century has now ended, the level of energy in storage continues to be closely monitored. Hydro Tasmania keeps the Government well informed of storage levels and there are agreed triggers for escalated monitoring and reporting should the need arise.

Liquid fuels, petroleum, diesel and LPG are supplied by shipments from the mainland and overseas. These are regular shipments from multiple sources, and use different shippers and multiple docking facilities. There have not been any supply shortages in the recent past and there is no reason to believe this will change.

Energy Supply Emergency Response Planning

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

The Committee to Coordinate the Response to Energy Supply Emergencies (CCRESE) and its fuel specific sub-committees have all met during the past year with their primary concerns being reviews of emergency management plans, reviewing communication plans, supporting members' participation in exercises and discussing the findings of those exercises.

OEPC, along with relevant industry players, participate in national exercises which test the arrangements between jurisdictions (formalised in Memoranda of Understanding) when widespread shortfalls occur. The feedback from these exercises is incorporated into local plans as appropriate.

Energy Efficiency

At a local level OEPC continues to distribute the 'Save Energy, Save Money' series of guides to address the gap between general information provided to the community on energy efficiency, and more specific information to assist people looking to buy, rent, renovate or build a home to better understand what actions they can undertake to reduce energy use and make their homes more energy efficient.

Other agencies have sponsored work to assist low income households to be able to use energy to better effect and at less cost.

Tasmanian Oil Price Vulnerability Study

The previous Government allocated \$250,000 in the 2010-11 State Budget to complete a Tasmanian Oil Price Vulnerability Study in order to gain a greater understanding of risks to the Tasmanian economy and community from large, sudden or sustained increases in oil prices, and what could be done either now or in the event to manage and mitigate any risks. The study was completed and publicly released in November 2013.

Renewable Energy Fund – King and Flinders Islands

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

The Fund was designed to reduce the cost of living on the Bass Strait Islands, while at the same time reducing the Tasmanian taxpayer's spend on the Community Service Obligation. The fund also sought to provide wider community benefit from renewable energy, as well as to help reduce carbon emissions.

The program was implemented as a contestable grant fund run over two rounds. The fund was implemented as two contestable grant programs run in 2011 and 2013. A Selection Panel recommended funding for 12 projects, to the value of almost \$700,000 across both rounds. The previous Minister approved equal funding (i.e. \$40,000 each) to King Island and Flinders Councils for funds unallocated under rounds one and two, to be spent, in a way which met the fund program guidelines. Administrative costs for implementing the fund were authorised to be recovered from the fund itself.

The largest single project from both rounds was for \$202,000 granted to DairyTas to roll out evacuated tube solar hot water systems on King Island. While the Department is still awaiting final reports for Round Two projects, it is understood that the DairyTas project will

be completed by the end of September 2014, and all indications to date are that it has successfully rolled out solar hot water systems to nine dairies on King Island. The savings to farmers, the community and the taxpayer will be assessed during the evaluation of the program, to be undertaken once all projects are complete. The Department expects that all projects will be complete by the end of 2014.

The funding for the Renewable Energy Fund expired on 30 June 2014, and this 2010-11 budget initiative has therefore ended.

Legislation in 2013-14

The following regulations were made during 2013-14, the:

- Gas Infrastructure (Planning Permit Exemption) Regulations 2013;
- Electricity Supply Industry (Network Performance) Amendment Regulations 2013;
- Gas Pipelines Regulations 2014;
- Gas Safety Regulations 2014; and
- Gas Infrastructure (Planning Permit Exemption) Regulations 2014. (note that these regulations repealed the Gas Infrastructure (Planning Permit Exemption) Regulations 2013.



Performance Information - Output Group 2

Performance Measure ¹	Unit of Measure	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Target
Policy Advice					
Provision of effective support to the Government by providing information and advice to enable informed decision making	Satisfaction	4	>4	≥4	4
National Energy Market Development					
Promote and protect Tasmanian interests in national energy market developments and reforms	Outcomes	>4	>4	≥4	4
Emergency Preparedness					
Maintain adequate frameworks to deal with major emergencies in electricity, gas or oil	Adequacy	>4	>4	≥4	4
Projects and Programs					
Achieve objectives within budget and time frame, achieve sponsor and client satisfaction and comply with all prudential guidelines.	Outcomes	>4	>4	≥4	4

Note:

¹ The measures have been assessed using a five point scale where four is rated 'good'. The ratings are assessed by the key stakeholders, being the Minister for Energy and the Director of Energy Planning. In relation to national developments feedback is sought from the Standing Committee of Officials.

Output Group 3 Mineral Resources Management and Administration

Status of Tasmania's Mineral Industry

Mineral Exploration

Tenement Licences and Leases

Revenue from Mineral Resources

Rehabilitation of Mining Lands Trust Fund

Promotion of Mineral Exploration in Tasmania

Protection of Strategic Extractive Resources

Formal Mediation and the Mining Tribunal

Mineral Resources Tasmania Activities

Performance Information - Output Group 3

Mineral Resources Tasmania (MRT) provides information and services to the mineral exploration, mining, quarrying and mineral processing industries for:

- infrastructure development;
- land management groups for geohazards and construction materials; and
- the general public.

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

Status of Tasmania's Mineral Industry

During 2013-14 many major mines in Tasmania continued to perform favourably with successful exploration programs enabling growth in resources data to support production rates.

Exploration expenditure demonstrated the ongoing viability of gold, silver and most base metals and the interest in commodities, with which Tasmania is well endowed, notably tin, tungsten and magnetite, continued to provide strong prospects for the future.

The minerals sector remains a cornerstone of the Tasmanian economy with many potential projects on the horizon, including:

- iron and iron-tungsten-tin mines in the Mount Lindsay and Big Wilson areas by Venture Minerals;
- resumption of tungsten mining on King Island by King Island Scheelite;
- iron ore in the upper Blythe River and Hampshire areas by Forward Mining;
- tin and copper tailings recovery at Renison Bell by the Bluestone Mines Joint Venture and at Luina by Elementos;
- tin at Zeehan and St Dizier by Stellar Resources;
- coal at Fingal by Hard Rock Coal Mining;
- high grade silica at Maydena by Maydena Sands;
- nickel, cobalt and iron in the Beaconsfield area by Proto Resources and Investments;
- bauxite, in the midlands and north, by ABX4;
- gold at Stormont and Mangana by Torque Mining/BCD;

- ilmenite on King Island by Naracoopa Mineral Sands Pty Ltd;
- nickel at Avebury by QCG Resources (who are purchasing the mine from MMG); and
- base and precious metals at Burns Peak by Mancala.

In the reporting period Shree Minerals commenced mining of iron ore at Nelson Bay River and Torque Mining/BCD commenced mining gold at the Stormont, near Moina. After further unsuccessful legal appeals, Venture Minerals have commenced site works at their Riley Creek iron ore mine. There have also been recent exploration successes in and around established mines such as Renison, Henty, Mt Lyell and Rosebery which will support ongoing mining operations.

The cessation of mining at the Tasmania mine at Beaconsfield, the Fossey mine and Shree Mineral Nelson Bay Mine are reminders that individual operations are affected by local mining and processing conditions, global metal prices and currency exchange rates.

The temporary closure of the Mt Lyell mine in Queenstown following incidents at the mine has significantly impacted on the local community and will have significant impacts across the State if it enters a period of care and maintenance. The Department of State Growth continues to work with the management of Copper Mines of Tasmania Pty Ltd to reopen the mine.

Despite some challenging times, the industry overall remains in a strong position for the future.

Mineral Exploration

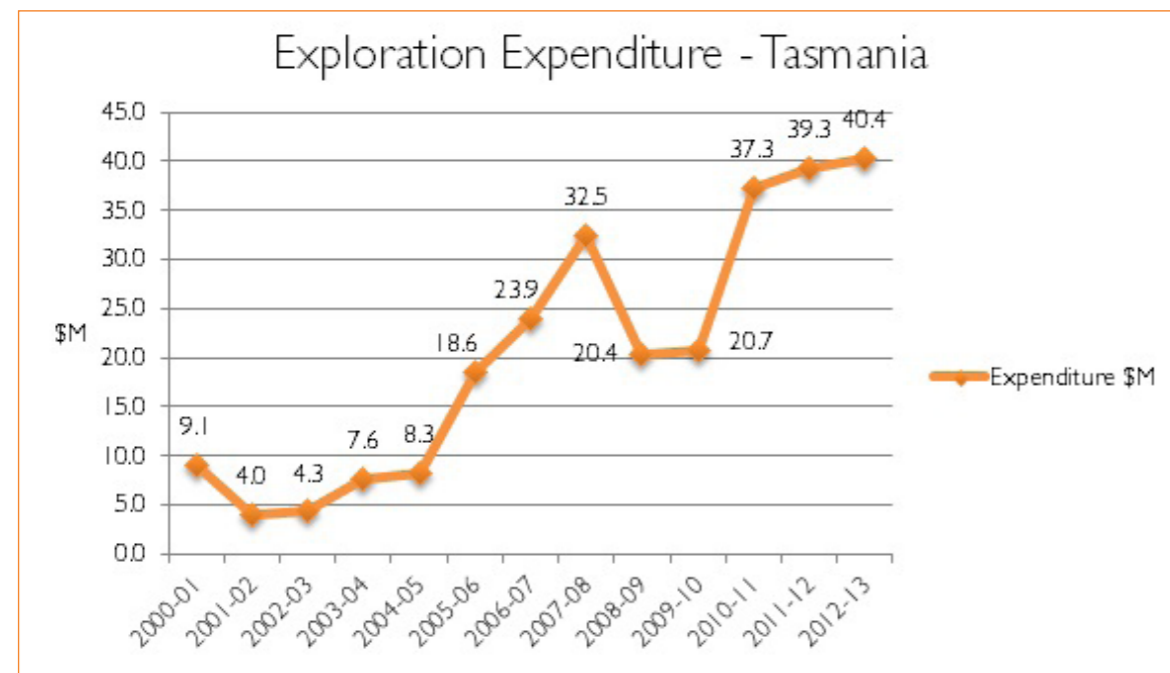
A high level of mineral exploration activity is essential for the future development of the mineral sector and for the economic well-being of Tasmania.

MRT aims to provide the best possible regulatory and precompetitive geoscientific data to attract investment in mineral exploration and mining in Tasmania, but not at the cost of weakening our current high environmental standards.

Australian Bureau of Statistics data shows that the historically high levels of exploration expenditure recorded in the 2010-11 and 2011-12 financial years (>\$37 million) was maintained in the 2012-13 year, with \$40.4 million spent.

As with all other jurisdictions in Australia, exploration expenditure has decreased in the first 3 quarters of 2013-14, to \$24.5 million (compared with \$31 million in the same period of 2012-13) but remains at historically high levels. Tasmania's share of the total national exploration spend is also still at high levels (1.6%).

Ongoing access to land and to up-to-date precompetitive data is essential for the continuance of the State's mineral exploration and mining industries.

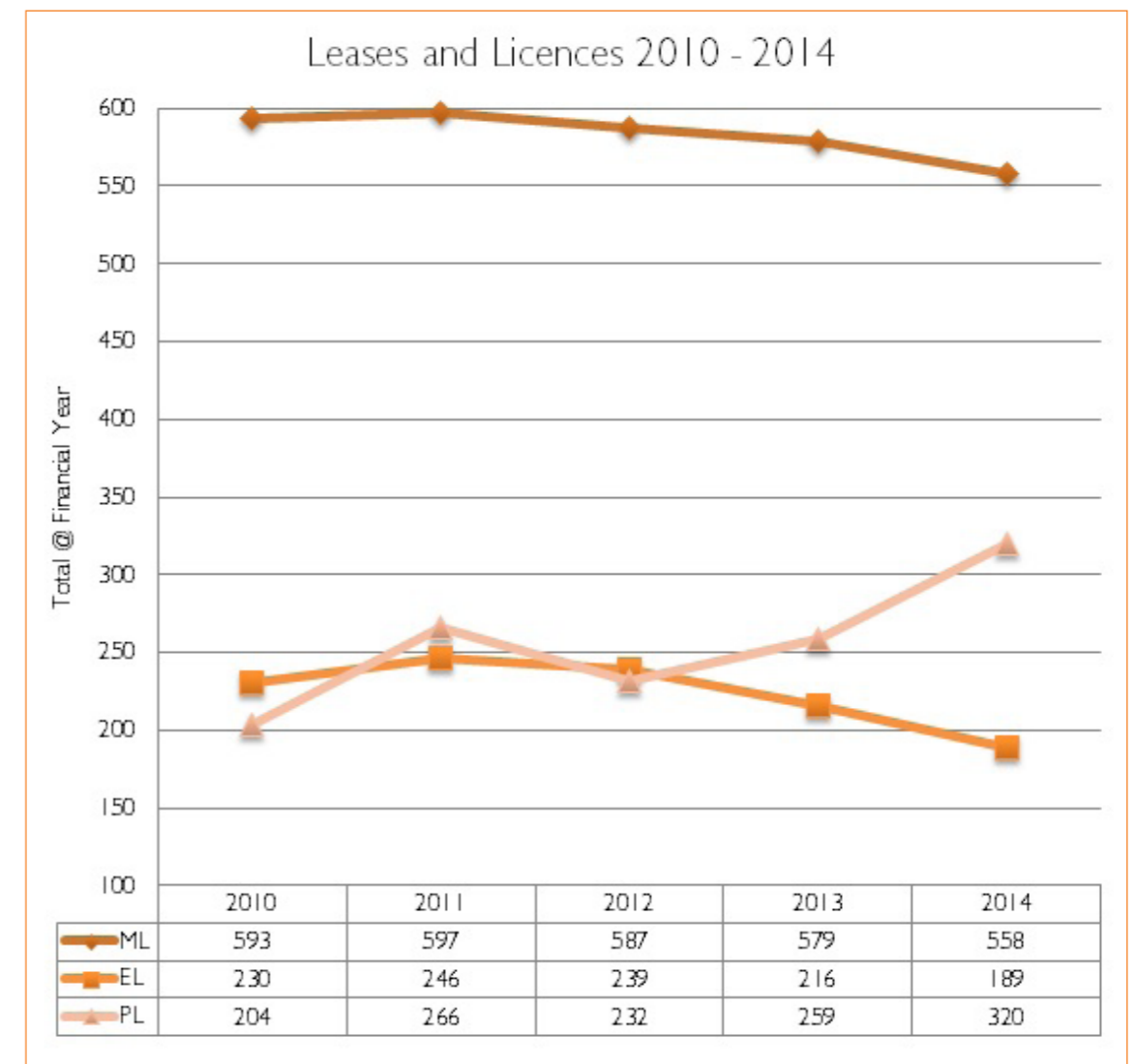


Tenement Licences and Leases

The Mineral Resources Development Act 1995 provides for the Minister for Energy and Resources to grant tenements enabling mineral exploration activities and also for the extraction of minerals from mines and quarries. Tenements are issued for all operations with appropriate rehabilitation security deposits and conditions.

The number of tenements held by individuals, private companies and government agencies in Tasmania has

been in steady decline since 2011, when mining leases reached a peak of 597 and exploration licences totalled 246. The primary cause of this decline is shrinking exploration expenditures and mining revenues as outlined above. Although the decline in exploration expenditure has only recently become apparent (2013-14), it has been understood for some time that a small number of companies contribute toward the greater portion of Tasmania's exploration expenditure, and that generally the amount of work being undertaken in the state has been falling in recent years.



ML: Mining Lease

EL: Exploration Licence

PL: Prospecting Licence

Another reason for the decline in the number of tenements under administration is MRT's recent policy of encouraging tenement holders to rationalise their tenure through consolidation of small tenements into fewer, but larger, areas. During the 2013-14 financial

year, 13 consolidations were processed resulting in an overall reduction of 22 tenements. Consolidations are desirable because they ease the administrative burden on MRT staff while simultaneously reducing the quarterly and annual reporting requirements for tenement holders.

Although it has not contributed to the reduction in mineral exploration or mining in the state, it should be noted that MRT altered its policy in relation to the

release of new exploration ground for competitive tender in 2014. This policy change was implemented in response to a fall in the number of applications for new ground. The current policy involves holding surrendered ground for longer periods prior to release in order to group surrendered areas together and create larger areas of prospective ground which will prove attractive to established companies with robust

exploration budgets and strong technical expertise. This is an important measure given that Tasmania is in direct competition with other states and territories for both local and international investment dollars. MRT is also looking at new ways to advertise Exploration Release Areas and current applications to a wider audience.

Tenement statistics for Tasmania as at 11 June 2013 were:

Tenement Applications Received		
Application Type	2012-13	2013-14 YTD @ 11/06/14
Exploration Licences	20	20
Retention Licences	nil	nil
Special Exploration Licences	nil	nil
Offshore Mineral Licences	nil	1
Mining Leases	30	21
Total	50	42

Tenements 11 June 2014			
Tenement Type	Tenements	Area	Area Units
Licences			
Exploration Licences	180	21,424	Square Kilometres
Retention Licences	33	246	Square Kilometres
Special Exploration Licences	5	18,172	Square Kilometres
Total	218	39,842	Square Kilometres
Offshore Mineral Licence	nil	-	Sub-Blocks
Leases			
Mining Leases	579	55,761	Hectares

Note:

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

Revenue from Mineral Resources

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

Revenue from mineral royalties, rents and fees for 2013-14 financial year was \$34.1 million, comprising

\$32.1 million in royalty and \$2 million in rents and fees. The last financial year royalty revenue was \$2 million higher than the previous financial year and was a good result considering the temporary closure of the Mt Lyell copper mine. The 10 year average for royalty payments is \$33.7 million with the highest revenue being \$50.3 million collected in 2011-12.

Mineral royalty revenue is budgeted to decline for the 2014-15 financial year mainly due to uncertainty around the Mt Lyell mine moving to care and maintenance and continued lower iron ore prices.

The Tasmanian royalty regime operates under two systems with the royalty rate dependant on the type of mineral recovered. Companies producing a metallic mineral or coal pay under a two-tiered system, where royalty is paid on the net sales and profits earned from

the operation. Royalty on the recovery of industrial minerals and construction materials on Crown leases is set on a per tonne basis.

MRT conducts a royalty audit program to ensure tenement holders are paying royalty in accordance with the Mineral Resources Development Act 1995 and associated regulations. The audit program concentrates on the metallic mines which pay the vast majority of royalty collected.



Rehabilitation of Mining Lands Trust Fund

The rehabilitation work undertaken on abandoned mining sites in Tasmania is funded from the Rehabilitation of Mining Lands Trust Fund. The program of work each year is agreed to by a committee made up of Government agencies, Crown Land managers and industry representatives.

Approximately \$150,000 was spent on the Trust Fund program during 2013-14, which included:

- ongoing remediation of Royal George mine tailings;
- rehabilitation at the Montana Silver Lead mine near Zeehan;
- weed control at abandoned mines in the Zeehan area (through the West Coast Weed & Fire Management Group);
- mine safety work at Dundas, Beaconsfield, Balfour, Storys Creek and Royal George;
- preparation for revegetation of former tailings dams at Rossarden;

- ongoing rehabilitation of abandoned quarries near Frankford and Avoca;
- rehabilitation of vehicle tracks at the Endurance mine near Gladstone; and
- site investigations in preparation for rehabilitation at the Magnet mine near Waratah.

Some of the available funds were used to respond to unplanned requirements for safety work, such as mine shaft collapses at Royal George and Storys Creek. The availability of resources through the Trust Fund ensures a quick response to community concerns.

Rehabilitation of tailings at Royal George should near completion in 2014-15 and move to a maintenance phase. In addition to other works, MRT staff will be undertaking rehabilitation of the Scotia Mine site located in the far north east of Tasmania at Gladstone. This mining lease was surrendered and MRT has a statutory responsibility to use the company's security deposit to undertake rehabilitation activities of the site.

Promotion of Mineral Exploration in Tasmania

MRT continues to pursue an active marketing and promotion campaign to inform the minerals industry of the new, world class precompetitive geo-scientific information provided by the Government, in particular developments such as the 3D geoscientific model of the State.

MRT works with industry, and other government departments to ensure potential investors in exploration and mining have access to clear guidelines for investing in Tasmania and the Government is proactive in raising Tasmania's profile on the international scene to increase investment in the State.

Mineral exploration is a globally competitive enterprise and the provision of funds to MRT allowed for a continued active marketing and promotion campaign.

In 2013-14 MRT staff undertook promotional activities, which included:

- attended China Mining 2013, in Tianjin, as part of the "Australia Minerals" delegation and participated in a forum on investing and exploring in Australia (October 2013).
- MRT held a display and presented a paper at Mining 2013, Australia's only integrated mining and energy investment forum, in Brisbane, attended by 890 people from all over the world (October 2013).
- participating and presenting at the GSA/AUSIMM Symposium in Cradle Mountain, Tasmania, which focused on new advances in scientific methods and how these advances have assisted in the discovery of new deposits as well as extensions to currently known deposits (December 2013).
- presenting and displaying material at the Tasmanian Minerals Council Business Forum in Launceston (February 2014).
- travelling to Toronto, Canada to join with Geoscience Australia, and other representatives from around Australia, to promote the Australian mining industry in a "Team Australia" display and presentation session at the PDAC 2014 convention (March 2014).
- sponsoring, presenting two talks and displaying material at the Tasmanian Mineral Council Conference in Hobart (May 2014).

MRT also liaised with a wide range of organisations and groups on issues varying from data management, gem, and mineral collection matters. These organisations and groups included:

- community groups
- University of Tasmania (UTas)
- CODES (Australian Research Council Centre of Excellence in Ore Deposits)
- Geoscience Australia (GA)
- Chief Geologist Group
- Commonwealth Standing Committee on Energy and resources (SCER)
- Productivity Commission
- lapidary clubs
- Tasmanian Minerals and Energy Council
- ESRI GSI Community
- local government
- Surveying and Spatial Sciences Institute
- Tasmanian Chapter of the Australian Institute of Building Surveyors
- Parks and Wildlife Service
- Environment Protection Authority (EPA)
- Queen Victoria Museum and Art Gallery (QVMAG)
- the general public

MRT staff also presented technical talks at ASEG and SSSI conferences, presented two seminars at the University of Tasmania, attended the gem and mineral shows in Hobart, Zeehan, Launceston and Devonport, and presented talks to school, university and community groups during the year.

Protection of Strategic Extractive Resources

It is imperative that planning processes include the consideration of strategic extractive resources. There has been an increase in cases where planning approvals that would potentially sterilise strategic extractive resources (sand, gravel, and stone) have been made. MRT continues to take an active role in guiding planning decisions to ensure the protection of these resources. This includes adopting a strategic approach to development of a planning tool that will assist in identifying existing quarries and strategic extractive resources and associated buffers.

Formal Mediation and the Mining Tribunal

The Mineral Resources Development Act 1995 provides for a person to object to the granting of a mineral tenement where they hold an estate or proprietary interest in lands within the area of the application. Objections are lodged with the Registrar of Mines and may be mediated by the Director of Mines. Where mediation is unsuccessful, the Registrar may refer the matter to the Mining Tribunal. All objections must be withdrawn, or the Mining Tribunal must have made a ruling in favour of the applicant, before the Minister can issue a licence or grant a lease.

The majority of objections received in the 2013-14 year related to the grant of ELA3/2013, a category 4 exploration licence application lodged by Petragas Pty Ltd. The principal commodity sought in this instance was tight gas, however a series of community meetings held in Oatlands enflamed local fears that coal seam gas exploration would be conducted across the area and fracking would inevitably ensue. As a result MRT received 23 objections to the grant of EL3/2013, along with many other informal comments from parties whose land lay outside the area of application. All objections were subsequently resolved through direct contact with company representatives, and were later withdrawn.

A further six objections were received relating to the grant of two offshore exploration licence applications in favour of Kenex Pty Ltd. The objections were primarily against the use of seismic surveying in proximity to scallop beds and other fisheries. Fishing bodies blamed a previous survey conducted by the Victorian Geological Survey for the destruction of scallop beds in the area. A subsequent study conducted by the Tasmanian Aquaculture and Fisheries Institute found the claims to be baseless, however objections were lodged regardless. All objections were resolved following direct contact with Kenex and were later withdrawn.

Sundry other objections were received to the grant of various tenements.

Only one matter was referred to the mining tribunal: a compensation agreement dispute between ABxTasMLI Pty Ltd, XBxTasMLI Pty Ltd, and Northern Midlands landowners. The dispute was initially mediated by the Director of Mines, however no agreement could be reached at that time. Several directions hearings have been convened at the Mining Tribunal in the Hobart Magistrates Court. The parties are currently negotiating a mutually beneficial agreement.

During 2013-2014:

- 31 objections were accepted by the Registrar;
- 29 objections were resolved by direct company-objector interaction;
- Two objections are in the process of being resolved at a company-objector level; and
- One compensation dispute was formally mediated and subsequently referred to the Mining Tribunal.

Various environmentally-focussed interest groups including the Environmental Defender's Office (EDO), Save the Tarkine and to a lesser extent Mining Access Denied (MAD) are in the process of raising awareness of the formal objection process within the community which may result in an increased level of objections in the future.

Mineral Resources Tasmania Activities

Security Deposits

Ongoing work undertaken with the Environment Protection Authority and mining lease holders has seen an increase in security deposits held by MRT. This significantly reduces the Government's risk from current operations. These deposits are held as a combination of bank guarantees and cash deposits and total \$54.85 million as at June 2014.

Drill Core Library

During 2012-13, the library went through a significant reorganisation, improving workflows and client access to samples. The reference archives of drill core, drill chips, rock specimens and crushed rock samples were utilised by a number of visitors, contributing to mining exploration, geotechnical engineering, geohazard assessment, university student education, and geoscientific research in Tasmania.

In 2011-12 MRT held approximately 700km of drill core. Additional drill core has continued to be added to the archives and the accessibility of rock specimens has been vastly improved over the course of 2012-13. The closure of the BCD Resources gold mine had a significant impact on operations, stretching the storage capacity beyond its limits. MRT staff continue to manage and archive the influx of more than 18km of drill core.

The strategic acquisition of equipment and expansion of infrastructure have improved efficiency, capacity, accessibility, and safety at the facility. This included the purchase of auto core cutters as well as the relocation of the HyLogger facility, which now has access to longer benches, and improved thermal and dust control.

3D Facility

A 3D viewing facility is now operational at the MRT offices. This allows industry, science and the community to view the 3D geological models of Tasmania produced by MRT. Work will be continuing over the next year, and beyond, on updating the 3D geological model of western and northern Tasmania. This work is being carried out as part of a joint research project with CODES (UTas) which will be completed in mid 2014-15.

Geoscientific Information

MRT undertakes significant collection, integration, interpretation, publication and presentation of geoscientific data and information which benefits industry, science and the community. During 2013-14 collection of new geoscientific data, as part of the Western Tasmanian Geoscience initiative, included geological mapping, dating of rocks and collection of gravity data.

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

Additionally, MRT consulted and had significant input into the land use decisions made during the Intergovernmental Agreement (IGA) on Forestry given the potential for substantial impact on mining and exploration activities in Tasmania.

During the year a new X-Ray Diffraction (XRD) unit, purchased in 2012-13, was commissioned in the MRT laboratories. In addition to supporting geoscience information collection, and in particular the interpretation of HyLogger data, the new XRD will be used for forensic and environmental samples, such as dust and soils.

Geotechnical Developments (Land stability/Landslide)

A set of new maps in the Tasmanian Landslide Map Series, for the Northern Tamar region (15 maps), was launched in early 2014, with an associated Landslide Workshop and field excursion.

MRT has continued to work with the Department of Premier and Cabinet (DPAC) in developing the state-wide Landslide Planning Overlay.

MRT staff have provided oversight of the investigation for the Tarroona Landslide Risk Assessment and Mitigation Plan and the final report and associated maps on the Parnella Landslide area at St Helens was published.

A study of past debris flows and modelling of debris flow events from Mt Wellington is ongoing.

Advice has been provided to various stakeholders (Councils, Parks and Wildlife Service, landowners, etc.) in regard to management of landslide issues at various sites around the state.

Amendment of Mineral Resources Regulations 2006

A number of minor amendments to the Regulations are currently in the process of being drafted. The changes are required to allow for the new provisions in the Act to be prescribed. These changes include:

- provision of Group Prospecting Licences
- prescription of fees and charges associated with new licences (production licences for petroleum and geothermal)
- new definitions relating to iron ore pellets for the purposes of royalty calculations
- the inclusion of geothermal energy as a prescribed matter

The amendments will be provided at the earliest opportunity.

Performance Information — Output Group 3

Performance Measure ¹	Unit of Measure	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Target
Area covered by modern remote sensing data with subsequent 1:25 000 scale geological mapping coverage ²	%	71.5	72.1	71.0	74.4
Programmed abandoned mining lands rehabilitation projects completed	%	100	100	100	100

Notes:

1. The area covered by modern remote sensing data (less than 15 years old) is subject to change. The performance targets are regularly re-factored based on area of modern remote sensing data available at a given point in time.
2. The 2010-11 actual was incorrectly reported as 95 in the 2012-13 Budget Papers.



Output Group 4 Support for the Minister (Forest Policy)

Achievements for 2013-2014

Performance Information - Output Group 4

The Department provides the Minister for Resources with advice on forest policy and major reform initiatives, and undertakes a range of high level policy implementation tasks.

This Output Group is delivered by the Forest Policy Branch, within the Growth, Policy and Reform Group, in liaison with other State and Commonwealth government departments, business enterprises, statutory authorities and external organisations. The Forest Policy Branch participates in a range of forestry-related bodies including those concerned with forest practices and conservation compensation.

Achievements for 2013-14

The Forest Policy Branch provides high level strategic advice to the Minister and Secretary on a range of forest and forestry-related policy initiatives of governments.

The major focus of the Branch in 2013-14 was support for the Tasmanian Forests Agreement (TFA) process, in collaboration with the Policy Reform Unit, and subsequent support for the incoming Government in the delivery of its forest policy priorities including development, with the assistance of other agencies, of new forestry legislation.

Performance Information - Output Group 4

User Satisfaction Survey 2

Set and maintain high standards in administrative process and policy development that meet the needs of the end-user:

Performance Measure	Unit of Measure	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Target
Minister	Satisfaction	Satisfied	Satisfied	Satisfied	Satisfied
Agency	Satisfaction	Satisfied	Satisfied	Satisfied	Satisfied

Notes:

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

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



Output Group 5 Racing Policy and Regulation

Performance Information - Output Group 5

Statistical Information - Bookmakers

Statistical Information - Licensing and Registration

Handicapping and Grading

Appeals

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

Outputs within this Group include:

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

Key Clients

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

How this Output Group is delivered

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

How this Output Group's Performance is Measured

The following performance measures reflect both the level of activity undertaken and the outcomes achieved

by RST in providing high-level integrity to the Tasmanian racing industry.

Performance Information - Output Group 5

Performance Measure ¹	Unit of Measure	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Target
Swabs taken by stewards	Number	3324	3534	3695	3700
Positive swabs to swabs taken	%	0.42	0.14	0.38	0.27
Suspensions, disqualifications and fines imposed by stewards on licensed persons	Number	500	444	462	450
Suspensions, disqualifications and fines appealed to the Tasmanian Racing Appeal Board	Number	13	23	18	14
Appeals to the Tasmanian Racing Appeal Board where conviction quashed	Number	1	6	6	4
Number of Licensed persons ²	Number	2198	2338	2278	2300
Licence applications not referred to Licensing Panel approved within 14 days	%	98	100	100	100
Appeals to the Integrity Assurance Board	Number	4	2	3	4
Races handicapped ³	Number	802	766	759	770
Races handicapped requiring a redraw due to errors ⁴	Number	0	0	2	0
Races graded ³	Number	1689	1651	1615	1650
Races graded requiring a redraw due to errors ⁴	Number	0	0	0	0

Notes:

¹In accordance with the Auditor-General's Report on Public Sector Performance Information (April 2008), the Department is progressing a comprehensive review of its performance measures to incorporate the Auditor General's recommendations.

²This performance measure was changed in 2012-13 from licence applications received to the actual number of persons licensed per annum. This measure takes into account multiple year licensing which is provided to the greyhound code.

³The number of races conducted each season is determined by Tasracing.

⁴Refers to redraws after publication of fields.

Achievements

Enhanced Drug Detection

It is fundamental to the integrity of the Tasmanian racing industry that all racing animals and persons when participating in races and trials do so free of any prohibited substances. In this regard, RST has continued to increase its level of drug testing and analysis.

Of particular note is the increased emphasis on out of competition drug testing, wherein stewards attend the stables and kennels of racing animals and take urine and/or blood samples to test for prohibited and illegal substances.

Memorandum of Understanding with Australian Crime Commission

The Director of Racing has entered into a Memorandum of Understanding (MOU) with the Australian Crime Commission (ACC) to share information and intelligence in relation to persons involved in the racing industry. The sharing of information provides benefits to both organisations and provides high-level support to the Director in delivering integrity to the racing industry.

Tasmania is one of only two racing jurisdictions in Australia to have entered into the MOU with the ACC.

Animal Welfare

Animal welfare is a crucial issue in all three codes of racing and Tasmania has been extremely proactive in this respect. With the creation of a Steward/ Investigator role, key welfare mechanisms such as increased kennel and stable inspections, forensic analysis and action with respect to drug testing results and increased surveillance have been prioritised.

The non-race day role of the Steward/Investigator continues to develop and the key areas of integrity and animal welfare have benefitted by the establishment of this new position.

Stewards' Training

In October 2013, RST hosted its annual Stewards' Training Day. This day is designed to enhance the skills and knowledge of stewards to ensure the ongoing provision of best practice integrity to the racing industry. The majority of full-time and casual stewards were in attendance and a wide range of subjects were covered including Workplace, Health & Safety training and a review and evaluation of drug testing procedures.

In addition to this annual training event RST also provides training opportunities for stewards through an interstate stewards' exchange program. This program enables RST stewards to work at interstate race meetings to further their knowledge and experience and also allows interstate stewards to be exposed to cross coding in Tasmania.

A number of full-time stewards attended a two-day investigative course in Melbourne in November 2013. This was organised by the Office of the Racing Integrity Commissioner and covered such topics as 'the essentials of investigation' and 'collection and presentation of evidence'.

RST continues to provide significant resources for the training and development of stewards which further enhances the delivery of integrity to the Tasmanian Racing Industry.

Enhanced Communication with Key Stakeholders

RST has undertaken a number of initiatives to enhance its interaction with key stakeholders. These include:

- Twitter
 - RST (@RacingTas) commenced utilising the social media platform Twitter in 2013. Twitter is an online social networking and micro-blogging

service where users can send and read short 140-character text messages, called 'tweets'. Users access Twitter through the website interface, SMS, or mobile device app.

- RST 'tweets' all information relevant to the three racing codes and has sent approximately 1,000 tweets since inception. The tweets provide users with information and links to RST stewards' reports, race day information and track conditions. RST's Twitter account has in excess of 250 followers and continues to grow rapidly.
- the use of Twitter has significantly enhanced real-time communication with key stakeholders, which is a necessity in the modern racing environment.
- After hours service
 - RST has recently introduced an after-hours nomination and scratching service to complement its internet services. The service allows industry participants to notify RST of greyhound nominations and scratchings as well as harness scratchings outside normal business hours.
 - this service provides flexibility for participants to undertake key activities at a time which best suits their individual needs. RST will continue to explore technological and other opportunities to further enhance its interaction with participants.

Statistical Information - Bookmakers

Bookmakers Registered

Racing Year	Individual Bookmakers Registered	Bookmaking Operations (including partnerships)		Bookmaker's Agents Registered ^
		Total	Telephone Betting endorsements	
2011-12	13*	13	2	13
2012-13	10	10	2	11
2013-14	10	10	1	11

Note:

*Including one company registration

Bookmakers' Holdings

	2012-13 (1/7/12 - 30/6/13)	2013-14 (1/7/13 - 30/6/14)	Variation
No of Race Meetings where bookmakers fielded	157	147	-6%
Local Holdings	\$1,574,500	\$1,203,526	-24%
Mainland Holdings	\$168,886	\$174,556	3%
Total Holdings	\$1,743,386	\$1,378,082	-21%



Statistical Information - Licensing and Registration

Licensing

Licences Issued	2011-12 (1/8/11 - 31/7/12)	2012-13 (1/8/12 - 31/7/13)	2013-14 (1/8/13 - 31/7/14)
Thoroughbred			
Trainer (All Categories)	125	117	111
Jockey (All Categories)* inc:	73	71	71
• Jockey A (Interstate Resident)*	46	45	45
• Apprentice Jockey*	9	11	14
• Jockey A (Tasmanian Resident)*	18	15	12
Trial Rider (New category)	21	17	14
Riders' Agent	3	1	1
Stable Employee (All Categories) inc:	328	312	315
• Stable Foreman	21	35	37
• Stable Foreman/Trackwork Rider [^]	15		
• Stable Hand	204	277	278
• Stable Hand/Trackwork Rider [^]	88		
Trackwork Rider	7	128	114
Farrier (including restricted plating)	31	30	26
Harness⁺			
Trainer	114	101	95
Driver	55	48	51
Trainer/Driver	99	97	94
Stablehand	134	135	126
Greyhound			
Trainer (All Categories) inc:	206	212	215
• Trainer Public	128	133	135
• Owner/Trainer	78	79	80
Owner	148	165	148
Owner/Attendant	93	103	97
Attendant	46	48	40
Catcher	29	28	20
Syndicate	17	23	22
Syndicate Member	62	89	117

Notes:

*Figures in the 2012-13 column were identified as containing errors. They have now been corrected.

[^]Due to the introduction of a new database recording of these dual categories is no longer available. Each licence category is recorded separately.

⁺The harness racing season commences on 1 September and ends on 31 August each year. Information provided in these statistics is obtained as at 31 July for licences issued to commence 1 September which are consistent with statistics provided in previous years.

Registration

Registrations Processed	2011-12 (1/8/11 - 31/7/12)	2012-13 (1/8/12 - 31/7/13)	2013-14 (1/8/13 - 31/7/14)
Harness			
Namings	168	169	145
Breeding Services	99	82	41
Greyhound			
Namings	341	340	330
Breeding Services	102	102	123

Notes:

[^]Breeding services halved this season due to the fact that

(a)A stallion that would normally have served around 30 mares died on the eve of the breeding season,

(b)Another stud reduced its numbers dramatically, and

(c)A larger number of people are now using transported semen.

Handicapping and Grading

Harness	2011-12 (1/8/11 - 31/7/12)	2012-13 (1/8/12 - 31/7/13)	2013-14 (1/8/13 - 31/7/14)
Race Meetings Held	93	91	93
Races Run	802	766	759
Nominations Processed	9 777	9 269	7 995
Number of Starters	7 930	7 197	6 709
Average Starters Per Race	9.89	9.40	8.84
Average Starters Per Meeting	85.27	79.08	72.14

Greyhound	2011-12 (1/8/11 - 31/7/12)	2012-13 (1/8/12 - 31/7/13)	2013-14 (1/8/13 - 31/7/14)
Race Meetings Held	162	159	158
Races Run	1 689	1 651	1 615
Nominations Processed	19 170	18 396	16 253
Number of Starters	13 173	12 909	12 501
Average Starters Per Race	7.84	7.82	7.75
Average Starters Per Meeting	82.6	81.19	79.12

Appeals

Tasmanian Racing Appeal Board	2011-12 (1/8/11 - 31/7/12)	2012-13 (1/8/12 - 31/7/13)	2013-14 (1/8/13 - 31/7/14)
Notices of Appeal Lodged:	13(1)	23	18(1)
• Thoroughbred	3(1)	7	9
• Harness	7	10	9(1)
• Greyhound	3	6	0
Appeals – Major	6	5	4(1)
Appeals - Minor	7(1)	18	14
Appeals Withdrawn	1	4	2
Appeals Pending	0	1	2
Appeals Determined	12(1)	18	14(1)
• Allowed in full (conviction quashed)	1	6	6
• Allowed in part (penalty reduced, increased or varied)	4	4	5(1)
• Dismissed	7(1)	7	3
• Referred back to stewards	0	1	0
Applications - Stay of Proceedings:	10	11	16
• Granted	7	11	16
• Declined	3	0	0
Legal Representation/Advocate at Appeal Hearings			
• Stewards	2	0	3
• Appellant	6(1)	9	10
Appeal Deposits Withheld	9	12	6
• in full	0	0	0
• in part	9(1)	12	6

Note:

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

Integrity Assurance Board	2011-12 (1/8/11 - 31/7/12)	2012-13 (1/8/12 - 31/7/13)	2013-14 (1/8/13 - 31/7/14)
Notices of Appeal Lodged:	4	2	3
• Thoroughbred	1	0	1
• Harness	1	1	2
• Greyhound	1	1	0
• Betting Dispute	1	0	0
Appeals withdrawn/not within Jurisdiction / Incompetent / Invalid	2	0	1
Appeals Determined	2	2	2
• Upheld	1	0	1
• Dismissed	1	1	1
• Varied	0	1	0
Legal Representation/Advocate at Appeal Hearings			
• Director of Racing	0	0	0
• Appellant	1	2	1
Appeal Deposits Withheld	1	2	2
• in full	0	0	0
• in part	1	2	2

Output Group 6 Transport Subsidies and Concessions

Administered Payments

Metropolitan Public Transport Services

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

Non-Metropolitan Public Transport Services

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

Rural and Special Needs School Buses

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

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

Bruny Island Ferry Service

Ferry services to and from Bruny Island are operated by the Bruny Island Ferry Company Pty Ltd. The company charters the MV Mirambeena, which is owned by the Crown, and provides the regular ferry service under a long-term contract administered by the Passenger Transport Services Branch. The contract for the ferry service commenced on 1 July 2008 and runs until 30 June 2018. A subsidy is paid to enable Bruny Island residents and ratepayers to travel to and from the island at fares below commercial rates.

Furneaux Shipping

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

Administered Payment

Contribution to Marine and Safety Tasmania

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

Conveyance Allowance

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

National Transport Commission (NTC): Local Government Contribution

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

Payments on Behalf of the Forest Practices Authority

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

Student-Only Regular Passenger Transport Services

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

Pensioner Air Travel Subsidy

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

Private Forests Tasmania

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

Tasmanian Racing Assistance

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

Transport Access Scheme

The main financial component of the TAS is subsidised taxi travel for eligible TAS members. The scheme also covers the issue of disability parking permits, and a range of concessions on driver licensing fees, motor tax, registration fees, stamp duty and MAIB premiums.

Tasmanian Railway Pty Ltd

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



The Abt Railway Ministerial Corporation

Management

Operations

Capital Works

Management

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

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

By Administrative Arrangements Order (No. 2) 2010, the Minister for Infrastructure assumed responsibility for the ARMC. Under Section 8 of the Act the Ministerial Corporation, which consists of the Minister, is able to delegate the functions and powers of the corporation to other persons. The Secretary, Deputy Secretary, General Manager of the Railway and Manager of Railway Operations have delegations under this provision.

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

The ARMC Statement of Corporate Policy provides the Minister's expectations for the employees of the ARMC. The principal objectives of the corporation are:

1. to operate, or to arrange for the operation of a heritage passenger railway service;
2. to operate in accordance with sound commercial and asset management practises and as efficiently as possible;
3. minimise non-commercial funding requirements of the Corporation having regard to specific operational policy directions issued by the Minister; and
4. to promote increased visitor numbers to the west coast of Tasmania.

Operations

The West Coast Wilderness Railway (WCWR) is an iconic west coast attraction and helps attract visitors to the region and Queenstown.

Following a commercial decision by Federal Holdings Tasmania Pty Ltd on 4 February 2013 to cease operation of the railway before the end of its lease period, the Department, through the Abt Railway Ministerial Corporation, took over the management of the West Coast Wilderness Railway from 1 May 2013.

The Department also commissioned an expression of interest process to find a new operator of the WCWR. However a new operator was not appointed.

In November 2013 the Tasmanian Parliament passed amendments to the Abt Railway Development Act 1999 (Act) to provide the ARMC with the appropriate powers to operate a passenger railway service and ARMC continued to manage and operate the railway.

In January 2014, a General Manager and Rail Operations Manager were recruited to manage the operations of the railway and the National Rail Regulator provided a Notice of Accreditation for the ARMC to operate a passenger service.

After a nine month closure the historic steam train railway re-opened for passenger services on 6 January 2014 operating from Queenstown to Dubbil Barril, which encompasses the 'rack' section of the track and the King River Gorge. The passenger experience has been tailored around the history of the railway, the extreme environment and the majestic wilderness that it encompasses.

A 2014 winter schedule was released, operating over the period from June to August 2014. Staff numbers

have been reorganised to enable an efficient operating setting whilst the railway operates over the winter period.

Since the reopening of passenger services the railway has carried in excess of 10,000 passengers. Guest feedback has been collected via questionnaires and through social media and the response from passengers has been excellent.

Management of the railway has also commenced planning for the resumption of services out of Strahan along the entire track for the 2014-15 summer season, allowing for increased passenger experience options. The additional services will enable increased passenger numbers and greater revenue.

Capital Works

Major track infrastructure works have been carried out in 2013-14 financial year by EDI Downer Works Pty Ltd and by WCWR Infrastructure Employees.

Works have been concentrated on the Queenstown to Dubbil Barril section of track that is currently operating passenger services. Works have included sleeper replacement, clearing of surface track debris, replacing sections of rail, drain regrading, drain clearing and track realignment. Other completed projects include the creation of a large secure storage depot for all track infrastructure.

Forthcoming works include the replacement of Bridge 37 to facilitate the recommencement of a full passenger service from Queenstown to Strahan for the 2014-15 summer period, tamping and realigning the track between Dubbil Barril and Regatta Point (Strahan), the purchase of a new road rail vehicle and the construction of a steam locomotive light up shed.



Corporate Services

Corporate Services

Right to Information Statistics

Public Interest Disclosures Act 2002

Major Contracts and Consultancies

Legislation Administered by the Department

Documents Published

Statutory and Non-Statutory Bodies

Corporate Services

'Quality Today, Creating Value for Tomorrow'

The purpose of the Corporate Services Division is to work with our partners to deliver quality financial, communication, human, information, legislation and resource management services. Corporate Services is a key support to assist the Department in achievement of its strategic objectives, and to lead organisational development efforts to make the Department an even better place to work.

The Division's key objectives are:



The Year in Summary

While continuing to support the Department to deliver our programs and key activities, significant work was undertaken from the last quarter in preparation for the establishment of the new Department of State Growth. The decision to transition to a single Corporate Services by 1 July also involved a significant amount of work by the team in addition to setting up frameworks for and systems to support organisational change. The key focus areas for the Division's activity and achievements are described below.

Managing Information Improvements

The Information Management Branch (IMB) of the Division is responsible for the management, procurement and maintenance of a significant amount of corporate Information, Communication and Technology (ICT). During 2013-14, IMB delivered:

- The Department ICT Strategy 2012-2016 - Report and Update. Almost everything the Department does involves ICT or spatial services in one form or another. The Department ICT Strategy 2012-2016 sets the Department's vision for ICT direction and guides current and future decisions on the selection and deployment of ICT within the Department. It has been developed within the broader context of the Tasmanian Government's ICT Strategy. The ICT Strategy objectives were reviewed using the identified measures of success and progress against the four year ICT Activity Plan reported on. Good progress is being made.
- TRIM Rollout and Upgrade. The Department corporate information management system (TRIM) rollout process received an accelerated effort during the reporting period. The Department Executive re-endorsed its support and additional resources were applied to enhance the rollout. The implementation of TRIM workflow processes continued.

- Spatial Services Group. The Department Spatial Services Group is accessing spatial services developed under the Spatial Information Foundation Project (SIF) and is continuing to expand its analytical support and services to the Department's business units.
- Modern Communications Project. The replacement of the existing Spectrum (TASINET) telephone services by the Modern Communications (Connect V) Project was completed successfully. All the Department worksites have been converted to Connect V.

The Corporate Affairs Branch continued to focus on business improvements especially in the online space, these were aimed at ensuring a more consistent approach to the delivery of information across both internal and external stakeholders, with the overall aim to improve promotion of and engagement with the Department's operational and policy initiatives.

Communication achievements during the year included:

- the redevelopment and launch of the new Transport website with an emphasis on creating a customer focused and dynamic portal which will encompass all the key areas of service delivery in the transport areas.
- this is a major project which encompasses three stages of development with the first stage being delivered. This stage concentrated on key areas such as registration and licensing, in particular information pages which attract the highest levels of web traffic. This information was reviewed from a simple English, disability and ease of navigation perspective. A key feature of the new website is that it has been redesigned to meet Web Content Accessibility Guidelines 2.0 AA compliance.

- the overall aim will be to improve customer accessibility to information through enhancing existing resources and developing new ones.
- a key focus of the branch has been to provide comprehensive communication and marketing support for a number of major projects in the organisation. This financial year these include the Tarkine Drive Project, Heavy Vehicle Reform, the Light Rail Project, the Tasmanian Forest Agreement, Safer Non-Urban Roads, the Abt Railway reopening, the Review of Tasmania's Private Hardwood Estate and the Freight Logistic Coordination Team.
- working with the Registration and Licensing Branch to deliver greater customer choice in payment including Bpay View disposals and transfers of registrations online via the new Transport website.
- the last three months of the financial year saw the Corporate Affairs Branch being heavily involved in the transition to the new Department of State Growth. This project included supporting the rebranding and renaming of the new department, creation of new internal and external websites and communication with both internal and external stakeholders.

Financial and Resource Management

Resource Management

The Resource Management Branch is responsible for budget and resource management within the Department. This includes; budgeting and related matters, finance systems administration, facilities management and management reporting on the Department's expenditure.

In 2013-14, the focus of the Divisional Plan Deliverables for the Branch included:

- provide budget management advice and oversight across the Department;
- manage resource management projects including the Parliament Square Development, accommodation review, revenue forecasting and vehicle management system;
- provision, development and maintenance of financial management information and ancillary systems;
- provide asset management, security and safety services within 10 Murray Street; and
- provision expert facilities management advice within the Department

Highlights of the achievements of the Branch are:

- introduction of a whole of department integrated vehicle management and booking system;
- progress towards a revenue forecasting methodology, aiming to deliver automated revenue forecasting models using multiple data sources;
- investigating replacement accommodation for the current Patrick and Campbell Street sites in Hobart, and reviewing lease options for the Wellington Street site in Launceston;
- advertising a tender for Security Services at 10 Murray Street;
- progressing a major upgrade release of the financial system; and
- continuing work on the Parliament Square Redevelopment Project, and addressing accommodation issues resulting from adjacent demolition works.

Risk Management

Risk management is integral to the management of the Department and the delivery of the wide range of services and outputs provided by the Department. The Department has implemented a number of mechanisms for the management of risks associated with its activities.

The Department has established risk management policies and associated mitigation strategies that address high risk areas. The Department's Risk and Audit Committee undertakes a comprehensive review of the Department's strategic risks and ensures that the Department's internal audit program reflects these strategic risks. These reviews enable the Department to test and refine the adequacy of its controls to manage these risks and its response when risk incidents occur.

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

- clear definition of accountabilities;
- executive review of system effectiveness;
- management of risk within processes;
- feedback systems for improvement;

- audits of these activities; and
- audits of the work of contractors to the Department.
- the Department is a member of the Tasmanian Risk Management Fund (TRMF). The TRMF is a significant mitigation measure to ensure that there is adequate financial provision to insure the risks of the Department.

Our People

The focus on organisational development initiatives continued to support the Department through the challenges of 2013-14.

Leadership Development

The Department's Leadership Development Program has been delivered to approximately 237 managers and senior executive participants over the seven years of the Program.

The 2013-14 program was delivered to one cohort with around 25 managers participating. This cohort included participants from the Department of Justice and Forestry Tasmania. The program focused on four key areas:

- self-awareness and self-management
- leading teams
- communicating with influence
- leading change

The participants of the program completed a series of workshops, undertook a number of diagnostic tools, participated in one-on-one coaching and undertook self-directed development activities.

The Leadership Development Program will be evaluated with the establishment of the Department of State Growth.

Management Development

A Management Essentials Program was developed for middle managers, team leaders and 'up and coming' managers as an integrated pathway into the Leadership Development Program. The intent of the program is to provide practical knowledge in functional areas such as people and performance management, financial management, managing in government, project management and effective communication. Participants also have the opportunity to gain the skills to assist in moving from team members to team leaders/managers enabling them to manage integrated functions and develop teams.

The Program was delivered in October 2013 as a 'trial' with 25 participants. Due to overwhelming positive feedback the program will run a further two times during 2013-2014 with approximately 50 participants.

The program focuses on the following core modules:

- Moving from Team Member to Team Leader
- Managing People and Performance
- Financial Management

Further development of remaining modules will be undertaken and implemented with the ongoing delivery of the program to the Department of State Growth.

Pulse Check

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

The 2013 Pulse Check provided an opportunity to monitor progress since 2008. Overall, the Department received a 67% positive rating across all questions (a positive result required a rating of 4 or 5 out of 5 on the rating scale). This is a slight decrease of 3% from the 2012 survey, however given the significant change processes within the Department during this time, the result was pleasing. The 2013 result equalled the 2011 survey and made improvements of 3% from the 2010 survey and 9% from the 2008 survey.

Work continued with a focus on improving the way the Department recognises, develops and retains our people, on managing change effectively and internal communication mechanisms.

The Pulse Check Survey will be evaluated with the establishment of the Department of State Growth.

Performance Management

Through our 'Managing for High Performance' Framework, the Department continues its commitment to a high performance culture where individuals and teams are supported and encouraged to work effectively and productively. In addition the Framework continues to support an integrated approach by aligning the key elements of performance management and development.

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

During the 2013-14 performance management cycle 368 the Department employees participated in the open and review performance conversations, which equates to 64% participation rate. 14 participants attended a two day Performance Management Workshop for Managers. In addition, a Managing People and Performance module was developed as part of the Department's Management Essentials Program.

Further training will be organised for employees and managers following the establishment of the Department of State Growth and a review of the approach.

Results from the 2014 Tasmanian State Service Workforce Survey indicated that 67% of employees agree or strongly agree that they understood how the Department's performance management system worked.

Further results from the Tasmanian State Service Workforce Survey indicated that 75% of employees agreed or strongly agreed that the performance conversations they had with their manager provided constructive suggestions to improve their performance, while 83% agreed or strongly agreed that they were able to raise concerns regarding their Performance Development Agreement with their manager.

These results suggest the performance management and development cycle continues to support effective and meaningful performance conversations that are a two-way discussion around an individual's performance.

Learning and Development

The Department provided a range of corporate learning and development activities during 2013-14, with a focus on leadership and management development, managing for high performance and successfully managing poor performance sessions for managers, achieving high performance sessions for employees, induction sessions for new employees, writing workshops and mandatory workplace health and safety sessions for both managers and employees.

During 2013-14, five employees were supported through the Study Assistance Program receiving study leave and/or financial assistance. Corporate Sponsorship was provided for one employee to attend the Public Sector Management Program.

In addition, the Department's professional engineers continue to be provided with professional development allowance and professional development leave to assist them to achieve the competencies set out in the

Department's Engineers Competency Framework.

With the transition to the Department of State Growth, we will look at our corporate learning and development requirements and priority areas moving forward. An area of focus will be information sessions to support our employees through the change process.

Change Management

The Department continues to work in an environment of ongoing change related to the establishment of the Department of State Growth, current budget challenges facing the Tasmanian State Service and technological advancement. 'Department's Approach to Change' Framework provides support for the delivery and success of outcomes by ensuring effective management of change and better change management practices.

Change continues to be an area for improvement for the Department as confirmed in the Pulse Check Survey results with a 7% decrease in positive rating from the 2012 survey.

With the transition to the Department of State Growth, a range of support documentation, processes and tools were developed to assist employees and managers with this significant change process.

Workforce Information and Reporting

The Department's Executive Group and Executive Sub-Committee has continued to be provided with:

- monthly workforce reports focusing on employee numbers, recruitment and turnover;
- quarterly reports detailing key human resource measures;
- workforce profiles for Divisions and Branches to assist in understanding current workforce and future requirements; and
- an extensive annual report including detailed workforce demographic data.

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

Workforce Demographics & Employee Number Statistics as at 30 June 2014

Employees – headcount and full time equivalent

Total number of employees (excluding board members and casuals)	586
Full time equivalent (FTE) employees	501

Employees – by employment type

Permanent	522
Fixed Term	49
Senior Executive	15

Employees – by employment condition

Full Time	418
Part Time	168

Employee information – by gender

Males	313
Females	273

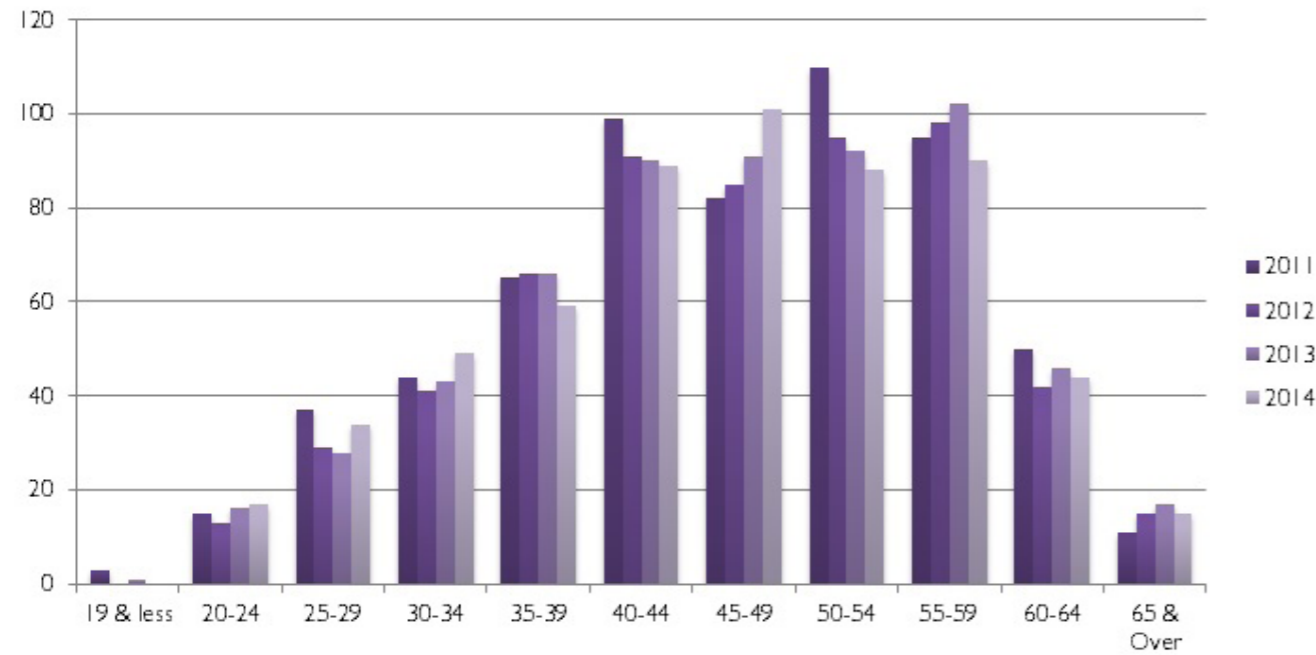
Commencements & Separations

Commencements	64
Separations	66

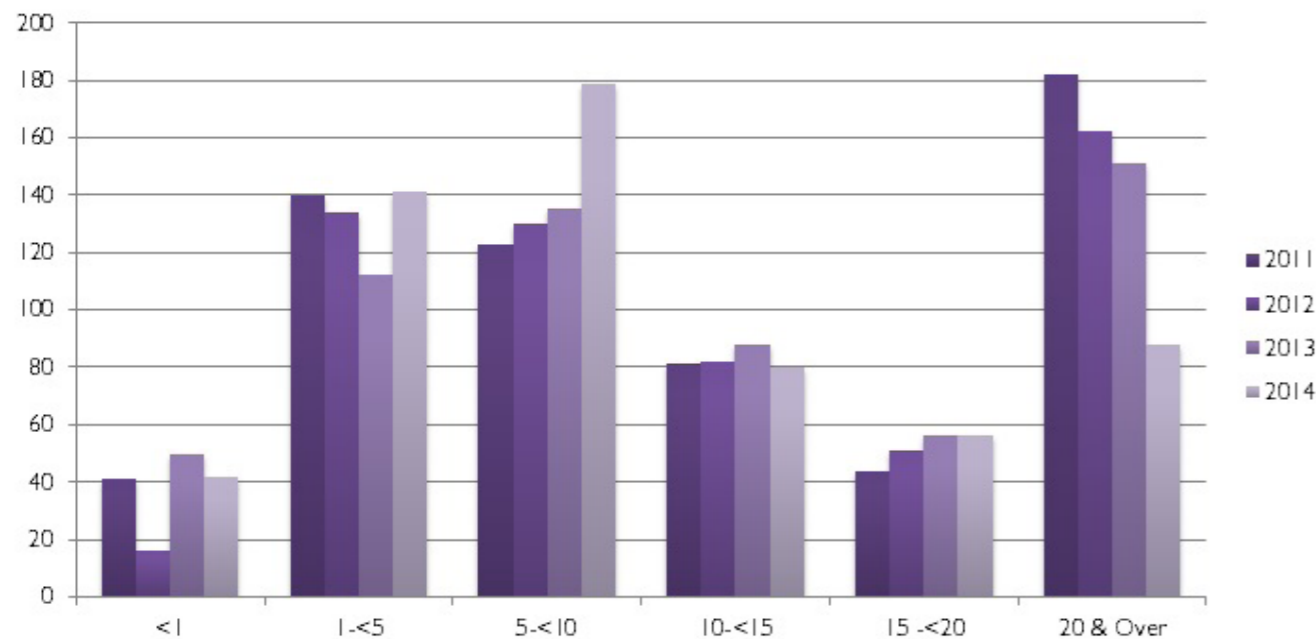
Flexible Work Options

Number of employees who accessed State Service Accumulated Service Leave System (SSALS)	2
Number of employees who accessed State Service Purchased Leave Scheme	49
Number of employees who accessed Maternity Leave	11
Number of employees who accessed leave without pay greater than 20 days	27
Number of part-time employees	168
Number of employees on Phased in Retirement plan	0

The Department's Age profile - 20 June 2014



The Department's Length of Service profile - 30 June 2014



Managing Workplace Diversity

The Department's Workplace Diversity Policy and Action Plan focus on fostering a workplace that values and utilises diversity of our people.

The Department promoted and attended the Anti-Discrimination Commission Employment to foster cross-department relationships and improve department employment programs and facilitate inclusion within the Department.

Representatives from the department have been working closely with diversity advocates across the State Service to facilitate ideas and strategies in relation to improving the approach to recruitment and retention to actively support a diverse workshop and reap the benefits of this diversity. The workshops and subsequent information exchanges have resulted in quality action plans.

The Department has continued to promote the 'Work-Life Balance Framework' to enable employees to maximise flexible working arrangements. During 2014-2015 this will be expanded through a consultative process within State Growth utilising the experience and actions from both Department and the Department of Economic Development Tourism and the Arts. Contact Support Officers (previously known as Workplace Behaviour Contact Officers) met regularly to discuss trends and issues that arise, and participated in information sessions on health and wellbeing and disability issues and initiatives in the State Service.

At the end of 2013, the Department developed and launched a new webpage to provide information and support to employees that may be experiencing family violence. The Department continues to update the webpage with information, survey results and promotional material and promotes the changes through the Department newsletter and all staff emails as appropriate.

The Intranet site has been updated to support an overarching Employee Assistance Strategy that focuses on:

- employee assistance providers
- family violence support resources
- contact support officer network.

The Department will be reviewing its Workplace Diversity Policy and Action Plan during the latter half of 2014.

Disability Action Plan

The Disability Framework for Action 2005-2010 (DFA) seeks to remove barriers and enable people with disability to enjoy the same rights and opportunities as all other Tasmanians. In 2013-14 the plan was redrafted to the extent of action plans for each key action area. With the establishment of the new Department of State Growth, a Disability Action Plan will be developed in the first half of 2014-15.

The following initiatives and programs were undertaken in the areas of access to services and facilities:

Access to Services

- wheelchair accessible taxi licences were made available at no capital cost in unlimited numbers.
- roll out of smart card technology commenced for delivery of the taxi fare subsidy scheme to increase convenient for Transport Access Scheme members and the taxi industry.
- the Department adopted a positive provision policy for accessible bus stops on state roads.
- ongoing dialogue with the Anti-Discrimination Commission on matters concerning access to transport continued.

Access to Facilities

- the Department provided the resources and undertook measures required for existing staff with disability, including completion of personal emergency and evacuation plans for hearing and mobility impaired staff, installation of disabled facilities at 10 Murray Street and provision of parking for mobility impaired staff.
- the department included the need for disabled access and facilities in all planning areas for new facilities.
- continuing to ensure any leases are compliant with disability access and other requirements.
- review of all access and associated signage for disabled access to ensure all existing office locations are suitably signed.

Access to Employment Opportunities, Career Development, Retention and Recruitment

- the Department participated in the Graduate Program for People with Disability.
- disability awareness sessions were also conducted for management and staff.

- continued support for existing employees with disability and their managers.
- work continued to identify opportunities to recruit people with disability, and to do it better.

Access to Information [printed materials, websites, audio and video]

- printed material is available on the website in multiple formats, closed captioning in all multi-media productions and all new pdf documents have an alternative version available in an accessible format.
- redesign and upgraded transport website to ensure it is compliant by December 2014.
- ensured plain language is used for web content and printed materials and where possible, images or symbols are used.

Work Health & Safety (WHS)

The Department continues to have a strong commitment to Work, Health and Safety (WHS) with the completion of face to face training program rolled out to all staff in the Department. In addition, an e-learning program has been adopted to ensure ongoing and timely WHS training is available in all state-wide locations as well as additional opportunities for other workers such as volunteers and small contractors to support our contractual relationships.

An external, whole of the Department audit was completed by the State Service Management Office that confirms findings of the internal branch/divisional level audits and will enable further progression towards

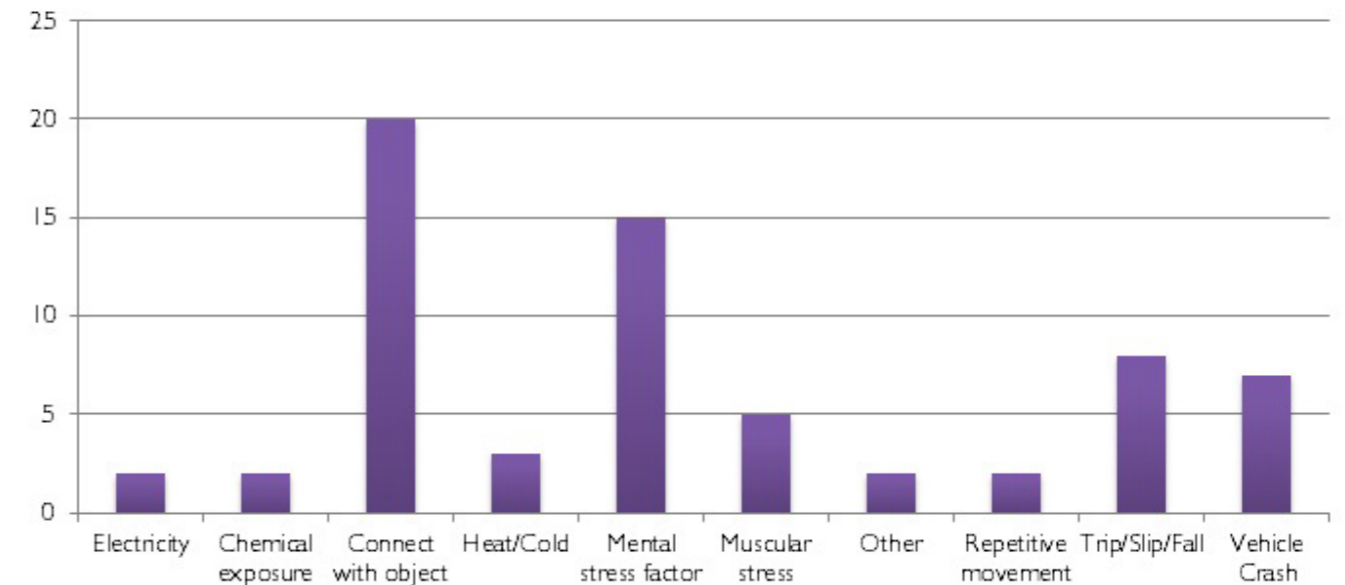
a fully compliant Safety Management System. The final document received, recently identified the WHS strengths in the Department including management of risks, good safety leadership, comprehensive training regime, very good safety culture and the overall improvements that have been made in WHS practices. Opportunities for improvement include requirements for improved visibility of risks for management, completion of the Work Health and Safety Management System, review of the manual system for incident and hazard reporting, building of our representative structures and consultation and greater understanding of the contractual relationships. Many of these opportunities are under development and the actions identified will be woven into our future planning.

A review of internal Branch and Division Audits, that were undertaken across the Department in 2012-13, is underway to determine progress against actions identified for improvement. This positive approach provided a benchmark to enable measurement of improvements as well as a greater understanding and acceptance of the links between well managed work health and safety systems and sound business practices. Early indicators have identified significant progress in each of the sites visited to date, as well as an improved culture and compliance against current legislative requirements and responsibilities at all levels.

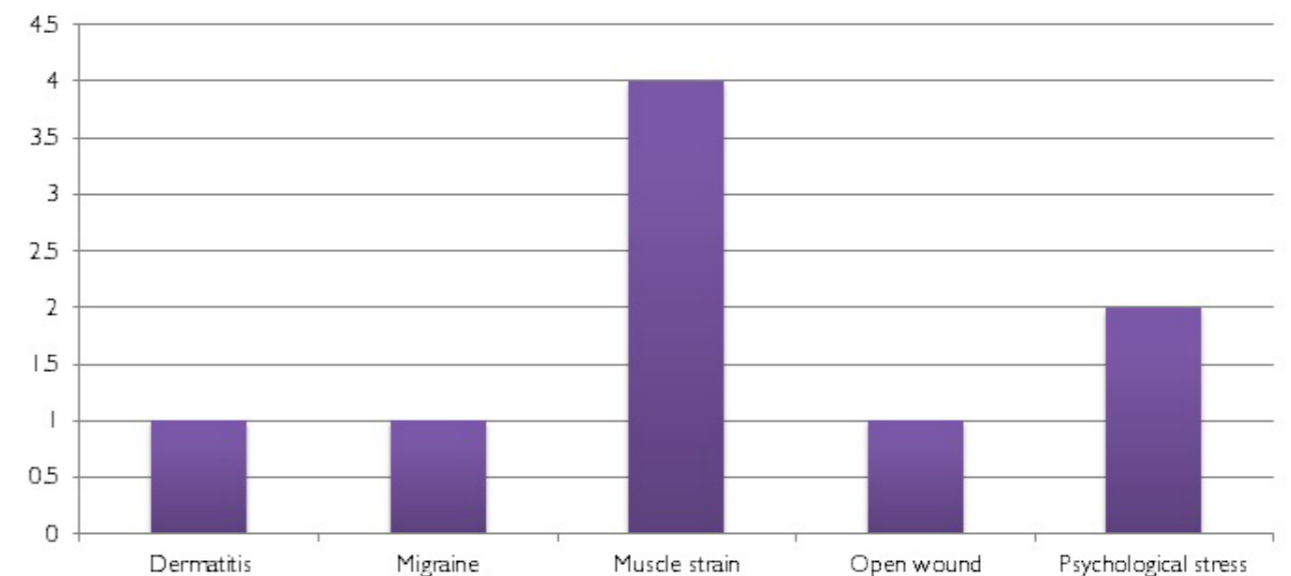
The future will require the amalgamation of Safety Management Systems for the Department of State Growth which brings the benefit of employing the best of the systems available.

Incident Count and Type

66 incidents were recorded in the 2013-14 period with nine resulting in personal injury



Injury Count and Type



Employee Health and Wellbeing

The Department strives to be an employer of choice and continues to tailor its health and wellbeing program to meet the needs of its employees, their family members and business priorities with an emphasis on stress management, health promotion and disease prevention.

The key focus areas for 2013-2014 were:

- a Bupa Immunity seminar and flu vaccinations.
- a six week pedometer challenge taking participants on a virtual tour around Tasmania.

- a Health Expo covering many topics such as nutrition, sleep, hydration, exercise, disease prevention, men's and women's health issues, reducing stress and building resilience and healthy choices at work. The Expo was officially opened by the Head of Department and Mr Matt Welsh, Health and Wellness Ambassador for Bupa. Informative presentations were also given by Healthy Business; Personal Best Fitness; Cameron Blight; Hobart Women's Health Centre; Eudoxia; Stroke Foundation; DHHS Cancer Screening & Control Services; Diabetes Tasmania and Carl Cazaly. There were a number of booths with

giveaways and practical information and ideas and a suggestion box was available for employees' health and wellbeing ideas.

- installation of Exertime (an e-health and wellbeing program that prompts desk based employees to engage in healthy movement through the day) on a number of the Department computers
- introduction of on-site lunchtime yoga sessions.
- a calendar of Health and Wellbeing Activities and Events for 2014 including:
- a morning tea with special guest speaker Alastair Lynch;
- launch of the Department's Nutrition and Healthy Catering Guidelines; and
- Bupa Healthy Heart Checks.
- a number of articles in the weekly staff newsletter including sleep awareness, hand hygiene, healthy eating in the workplace, cold and flu prevention and Bowel Cancer Awareness
- continuation of a quarterly Health and Wellbeing Newsletter 'Health Bites'
- continuation of the Department's Health and Wellbeing Committee which met six times during 2013-2014.

- health and wellbeing priorities and interests will be reviewed for State Growth and a new Health and Wellbeing Program will be developed.

Workers Compensation

The Department continues to meet its Workers Compensation legislative obligations and to work on implementing changes in relation to claims management and injury management processes and documentation.

There were a total of nine new Workers Compensation claims submitted in 2013-14 (compared with 18 for 2012-13) with five claims resulting in lost time.

As a result of all managed claims for 2013-14 a total of 919 lost time injury hours were recorded at a cost of \$30,084.81. The Department is currently managing 13 claims.

The Workers Compensation insurance contribution for 2013-14 was \$268,537 compared with \$136,617 for 2012-13.

Following the transition of the Department of Infrastructure, Energy and Resources to the Department of State Growth, claims management and injury management processes and documentation will be reviewed.



Right to Information Statistics

Section A: Number of Applications

1	Number of applications for assessed disclosure received	29
2	Number of applications for assessed disclosure accepted	22
3	Number of applications for assessed disclosure transferred or part transferred to another public authority	1
4	Number of applications withdrawn by the applicant	3
5	Number of applications for assessed disclosure determined	19

Section B: Outcome of Applications

Note: the total of the numbers in this section should equal the number of applications determined as in question A5.

1	Number of determinations where the information applied for was provided in full.	3 ¹
2	Number of determinations where the information applied for was provided in part with the balance refused or claimed as exempt.	2
3	Number of determinations where all the information applied for was refused or claimed as exempt.	11 ²
4	Number of applications where the information applied for was not in the possession of the public authority or Minister	3
5	Number of applications where the information was not released as it was subject to an external party review under section 44	0

Section C: Reasons for Refusal

s.5, s.11, s.17	Refusal where information requested was not within the scope of the Act (s.5 – Not official business; s.11 – available at Archives Office and s.17 – Deferred).	0
s.9, s.12	Refusal where information is otherwise available or will become otherwise available in the next 12 months	7
s.10,s.19	Refusal where resources of public authority unreasonably diverted	1
s.20	Refusal where application repeated; or Vexatious; or Lacking in definition after negotiation	1

Section D: Exemptions.

Number of times where the following sections were invoked as reasons for exempting information from disclosure

s.25	Executive Council Information	0
s.26	Cabinet Information	0
s.27	Internal briefing information of a Minister	0
s.28	Information not relating to official business	0
s.29	Information affecting national or state security, defence or international relations	0
s.30	Information relating to the enforcement of the law	1
s.31	Legal professional privilege	1
s.32	Information relating to closed meetings of council	0
s.34	Information communicated by other jurisdictions	0
s.35	Internal deliberative information	1
s.36	Personal information of a person other than the applicant	2
s.37	Information relating to the business affairs of a third party	0
s.38	Information relating to the business affairs of a public authority	0
s.39	Information obtained in confidence	0
s.40	Information on procedures and criteria used in certain negotiations of public authority	0
s.41	Information likely to affect the State economy	0
s.42	Information likely to affect cultural, heritage and natural resources of the State	0

Section E: Time to Make Decisions

1	1 – 20 working days of the application being accepted.	12
2	More than 20 working days of the application being accepted.	4
3	Number of requests which took more than 20 working days to decide that involved an extension negotiated under s.15(4)(a).	0
4	Number of requests which took more than 20 working days to decide that involved an extension gained through an application to the Ombudsman under s.15(4)(b).	0
5	Number of requests which took more than 20 working days to decide that involved consultation with a third party under s.15(5)	3

Section F: Reviews

Internal Reviews

Number of internal reviews were requested in this financial year	0
Number of internal reviews were determined in this financial year	0
Number where the original decision upheld in full	0
Number where the original decision upheld in part	0
Number where the original decision reversed in full	0

External Reviews (reviews by the Ombudsman)

Number of external reviews were requested in this financial year	1
Number of external reviews were determined in this financial year	1
Number where the original decision upheld in full	1
Number where the original decision upheld in part	0
Number where the original decision reversed in full	0

Note: please include any explanation known for anomalies in statistics, or other information to assist in the interpretation of these statistics.

¹This number includes an application where the applicant subsequently agreed to amend the scope of their application to exclude information that would otherwise have been exempt.

²This number includes 9 applications where no exemption was claimed:

7 refusals under s12 (information otherwise available)

1 refusal under s19 (unreasonable diversion of resources)

1 refusal under s20 (vexatious)

Public Interest Disclosures Act 2002

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

by the Department or members, officers or employees of the public body are available at www.stategrowth.tas.gov.au

Disclosures may be made by people who are "public officers" with the Department, or by people who are or have been "contractors" with the Department for the supply of goods or services.

Since the commencement of the PID Act the Department has not received any disclosures either directly or indirectly via the Ombudsman.

Major Contracts and Consultancies

The Department ensures procurement is undertaken in accordance with the mandatory requirements of the Treasurer's Instructions relating to procurement, including that Tasmanian businesses are given every opportunity to compete for Agency business. It is the Department's policy to support Tasmanian businesses whenever they offer best value for money for the Government. Table A provides a summary of the level of participation by local businesses for contracts, tenders and/or quotations with a value of \$50,000 or over (excluding GST). Tables B and C(1) provide detailed information on new consultancies and other contracts with a value of \$50,000 or over (excluding

GST). Table C(2) provides detailed information on consultancies engaged under Contract No. 1280 - Provision of Professional Services Panel A (comprising Pitt and Sherry Pty Ltd, GHD Pty Ltd Pty Ltd, and Sinclair Knight Merz(Jacobs)) with a value of \$50,000 or over (excluding GST). Table D provides a summary of contracts awarded as a result of a direct/limited submission sourcing process approved in accordance with Treasurer's Instructions 1114 or 1217. Table E provides a summary of contract extensions approved in accordance with Treasurer's Instruction 1115(4).

Table A

Summary of Procurement including Participation by Local Business (for procurement processes of \$50,000 or more excluding GST)	
Total number of contracts awarded	26
Total number of contracts awarded to Tasmanian businesses	26
Total value of contracts awarded	\$155,469,598
Total value of contracts awarded to Tasmanian businesses	\$155,469,598
Total number of tenders called and/or quotation processes run	26
Total number of bids and/or written quotations received	87
Total number of bids and/or written quotations received from Tasmanian businesses	87
Total number of new consultancies awarded	16
Total number of new consultancies awarded to Tasmanian businesses	6
Total value of new consultancies awarded	\$3,610,806
Total value of new consultancies awarded to Tasmanian businesses	\$1,550,000
Total number of tenders called and/or quotation processes run	16
Total number of bids and/or written quotations received	49
Total number of bids and/or written quotations received from Tasmanian businesses	21
Total number of consultancies awarded under Contract No. 1280 - Provision of Professional Services Panel A	20
Total number of consultancies awarded under Contract No. 1280 - Provision of Professional Services Panel A to Tasmanian businesses	20

Total value of consultancies awarded under Contract No. 1280 - Provision of Professional Services Panel A	\$4,507,662
Total value of consultancies awarded under Contract No. 1280 - Provision of Professional Services Panel A to Tasmanian businesses	\$4,507,662
Total number of contracts and consultancies awarded	42
Total number of contracts and consultancies awarded to Tasmanian businesses	32
Total value of contracts and consultancies awarded	\$159,080,404
Total value of contracts and consultancies awarded to Tasmanian businesses	\$157,019,598
Total number of tenders called and/or quotation processes run	32
Total number of bids and/or written quotations received	136
Total number of bids and/or written quotations received from Tasmanian businesses	108

Table B

Contracts with a value of \$50 000 or over (ex. GST) and excluding consultancy contracts				
Name of Contractor	Location of Contractor	Description of contract	Period of contract	Total value of contract
Hazell Bros Group P/L	Moonah, TAS	Contract No. 2003 - Tarkine Forest Drive - Arthur River Township to Tayatea Bridge	22/8/2013 - 28/11/2014	\$14,813,137
VEC Civil Engineering P/L	Ulverstone, TAS	Contract No. 2062 - East Tamar Highway (A0265) Slip at Hillwood Jetty Road - Remediation Works	9/5/2014 - 13/6/2014	\$294,149
DCS Civil Tas P/L	Blackmans Bay, TAS	Contract No. 2120 - Domain Highway/Brooker Highway Interchange - Upgrade of On-Ramp from Brooker	12/9/2013 - 29/1/2014	\$791,212
Shaw Contracting (Aust) P/L	Whitemore, TAS	Contract No. 2138 - Bridport Main Road - Scottsdale to Bridport - Roadworks	20/8/2013 - 31/10/2014	\$7,341,104
Andrew Walter Constructions P/L	Austins Ferry, TAS	Contract No. 2145 - Rokeby Main Road Upgrade - Stage 1 - Buckingham Drive to Diosma Street	11/10/2013 - 5/12/2014	\$8,096,192
Hazell Bros Group P/L	Moonah, TAS	Contract No. 2158 - Ferry Main Road Upgrade	23/9/2013 - 4/5/2014	\$3,878,073
Venarchie Contracting P/L	Mowbray Heights, TAS	Contract No. 2160 - Colebrook Main Road (A1154) - Richmond Heavy Vehicle Link Road	26/8/2013 - 1/6/2014	\$2,441,398
Andrew Walter Constructions P/L	Austins Ferry, TAS	Contract No.2165 - Bell Bay Main Road	10/9/2013 - 9/12/2013	\$493,263

Andrew Walter Constructions P/L	Austins Ferry, TAS	Contract No. 2166 - Bass Highway - Stanley Junction - Upgrades	30/8/2013 - 29/11/2013	\$799,374
Andrew Walter Constructions P/L	Austins Ferry, TAS	Contract No. 2174 - Arthur Highway Upgrade - North and South of Murdunna	7/11/2013 - 10/12/2014	\$6,009,895
Andrew Walter Constructions P/L	Austins Ferry, TAS	Contract No. 2175 - Arthur Highway Upgrade - South of Taranna	22/10/2013 - 20/5/2014	\$2,096,474
Roadways Pty Ltd	Glenorchy, TAS	Contract No. 2176 - Road Specific Maintenance - Pavement Resurfacing 2013/14 South	1/10/2013 - 15/2/2014	\$2,359,070
Roadways Pty Ltd	Glenorchy, TAS	Contract No. 2177 - Road Specific Maintenance - Pavement Resurfacing 2013/14 North	1/10/2013 - 28/2/2014	\$3,153,555
Venarchie Contracting P/L	Mowbray Heights, TAS	Contract No. 2181 - Arthur Highway - Sugarloaf Road Junction Upgrade	21/11/2013 - 12/2/2014	\$536,824
VEC Civil Engineering P/L	Ulverstone, TAS	Contract No. 2178 - Bruny Main Road (A1222) - Murphys Creek Bridge (B6115) - Bridge Replacement	17/10/2013 - 23/1/2014	\$492,716
DCS Civil Tas P/L	Blackmans Bay, TAS	Contract No. 2184 - Huon Highway - Shield Street to Huon River Bridge - Road Reinstatement	5/12/2013 - 13/2/2014	\$2,109,864
Andrew Walter Constructions P/L	Austins Ferry, TAS	Contract No. 2188 - Esk Main Road - Blanchards Creek, Stynes Creek and Joe Woods Creek Bridge Replacement	12/12/2013 - 2/4/2014	\$1,423,566
Stornoway Maintenance Pty Ltd	Hobart, TAS	Contract No. 2191 - State Road Network Maintenance Services - Southern Region	1/7/2014 - 30/6/2019	\$46,724,234
Stornoway Maintenance Pty Ltd	Hobart, TAS	Contract No. 2192 - State Road Network Maintenance Services - North East Region	1/7/2014 - 30/6/2019	\$45,417,223
RJ Welsh & Son Pty Ltd	West Moonah, TAS	Contract No. 2194 - Mornington Drill Core Library Additions	14/1/2014 - 15/4/2014	\$155,090
Venarchie Contracting P/L	Mowbray Heights, TAS	Contract No. 2196 - Huon Highway - Huonville to Geeveston Shoulder Sealing and Junction Upgrades	16/12/2013 - 5/5/2014	\$2,119,997
Roadways Pty Ltd	Glenorchy, TAS	Contract No. 2198 - Brooker Highway - Jimbiri Overpass to Arncliffe Road Overpass - Road Rehabilitation	3/2/2014 - 3/4/2014	\$1,261,508
Zaganite Specialised Coatings Pty Ltd	Glenorchy, TAS	Contract No. 2199 - State-Wide Concrete Repairs 2013-2014	3/2/2014 - 26/5/2014	\$267,189

VEC Civil Engineering P/L	Ulverstone, TAS	Contract No. 2203 - Railton Main Road (A1251) - Caroline Creek and Blacksmiths Creek Bridge Replacement	10/3/2014 - 14/7/2014	\$1,549,860
Hazell Bros Group P/L	Moonah, TAS	Contract No. 2213 - Midland Highway - North of Ross - Road Reinstatement	14/2/2013 - 31/3/2013	\$564,631
Hazell Bros Group P/L	Moonah, TAS	Contract No. 2215 - Heemskirk Development Road - Longback Hill Slip Repair - Roadworks	3/3/2014 - 14/4/2014	\$280,000

Table C (1)

Consultancy contracts with a value of \$50 000 or over (ex. GST)				
Name of consultant	Location of consultant	Description of consultancy	Period of consultancy	Total value of contract
QMIS Pty Ltd	Mount Eliza, VIC	Contract No. 2185 - Transport Infrastructure Services - Health & Safety Auditors	14/10/2013 - 13/10/2014	\$100,000
University of Canberra	Bruce, ACT	Contract No. 2208 - Tasmanian Forest Industry Participation Survey	1/12/2013	\$99,570
Pricewaterhouse Coopers	Sydney, NSW	Contract No. 2197 - Strategic Assessment and Preliminary Planning - Hobart Light Rail	18/11/2013 - 31/1/2014	\$135,000
TESS Solutions (Australia) Pty Ltd	Blackburn, VIC	Contract No. 2179 - Supply, Installation and Commissioning of Remote Access Unit	15/7/2013 - 30/8/2013	\$50,600
Victoria University	Melbourne, VIC	Contract No. 2212 - Modelling of Economic Impacts of Changes to the TFES and the BSPVES	13/01/2014	\$55,091
Inventis Technology Pty Ltd	Caringbah, NSW	Contract No. 2214 - Supply, Installation and Commissioning of Inventis Remote Server	17/4/2014 - 30/6/2014	\$94,500
GR Webb Consulting Pty Ltd	North Hobart, TAS	Contract No. 2219 - Facilitated Maturity Assessment and RoadWise System Joint Development	3/4/2014 - 30/9/2014	\$70,000
George Hemmens Hurst	North Hobart, TAS	Contract No. 2205 - Freight Expert Advisory Panel	3/2/2014 - 31/1/2015	\$220,000
Ian Charles Newman	Westbury, TAS	Contract No. 2205 - Freight Expert Advisory Panel	3/2/2014 - 31/1/2015	\$220,000

Ian George Locke	Leith, TAS	Contract No. 2205 - Freight Expert Advisory Panel	3/2/2014 - 31/1/2015	\$220,000
Tasmanian Redline Coaches Pty Ltd	Invermay, TAS	Contract No. 2205 - Freight Expert Advisory Panel	3/2/2014 - 31/1/2015	\$220,000
Forestry Tasmania	Hobart, TAS	Contract No. 2206 - Forestry Tasmania - Forest Management Advice	17/01/2014	\$600,000
URS Australia Pty Ltd	Melbourne, VIC	Contract No. 2202 - Forest Residues Solutions Project	7/1/2014 - 30/6/2014	\$305,040
Cabcharge Australia Limited	East Sydney, NSW	Contract No. 2096 - Electronic Payment System	25/9/2013 - 24/9/2018	\$1,000,000
Asset Edge Pty Ltd	Werribee, VIC	Contract No. 2187 - DIER Maintenance Information Management System (IMS)	4/02/2014	\$128,090
A. D. Engineering Pty Ltd	Malaga, WA	Contract No. 2221 - Provision of Electronic Speed Limit and Changeable Message Signs	26/6/2014 - 2/10/2019	\$92,915

Table C (2)

Consultancies engaged under Contract No. 1280 - Provision of Professional Services Panel A (comprising Pitt and Sherry Pty Ltd, GHD Pty Ltd and Sinclair Knight Merz) with a value of \$50 000 or over (ex. GST)

Name of consultant	Location of consultant	Description of consultancy	Date awarded	Value of consultancy
GHD Pty Ltd	Hobart, TAS	Brooker Highway - Elwick Road to Howard Road - Design & Documentation	12/02/2014	\$871,789
GHD Pty Ltd	Hobart, TAS	Bass Highway - Travellers Rest U-Turn - Design & Documentation	9/07/2014	\$68,000
Pitt and Sherry	Hobart, TAS	DIER Statewide Weed Management Strategy & Regional Service Delivery Plans	16/04/2014	\$51,719
GHD Pty Ltd	Hobart, TAS	Domain Highway/Lower Domain Road, Hobart - Right Turn Lane - Design & Documentation	24/02/2014	\$67,500
Pitt and Sherry	Hobart, TAS	Midland Highway/Kings Meadows Connector - New Roundabout - Design & Documentation	11/03/2014	\$133,294
Pitt and Sherry	Hobart, TAS	Review & Redraft of DIER Road & Bridge Maintenance Contracts	12/08/2013	\$56,000

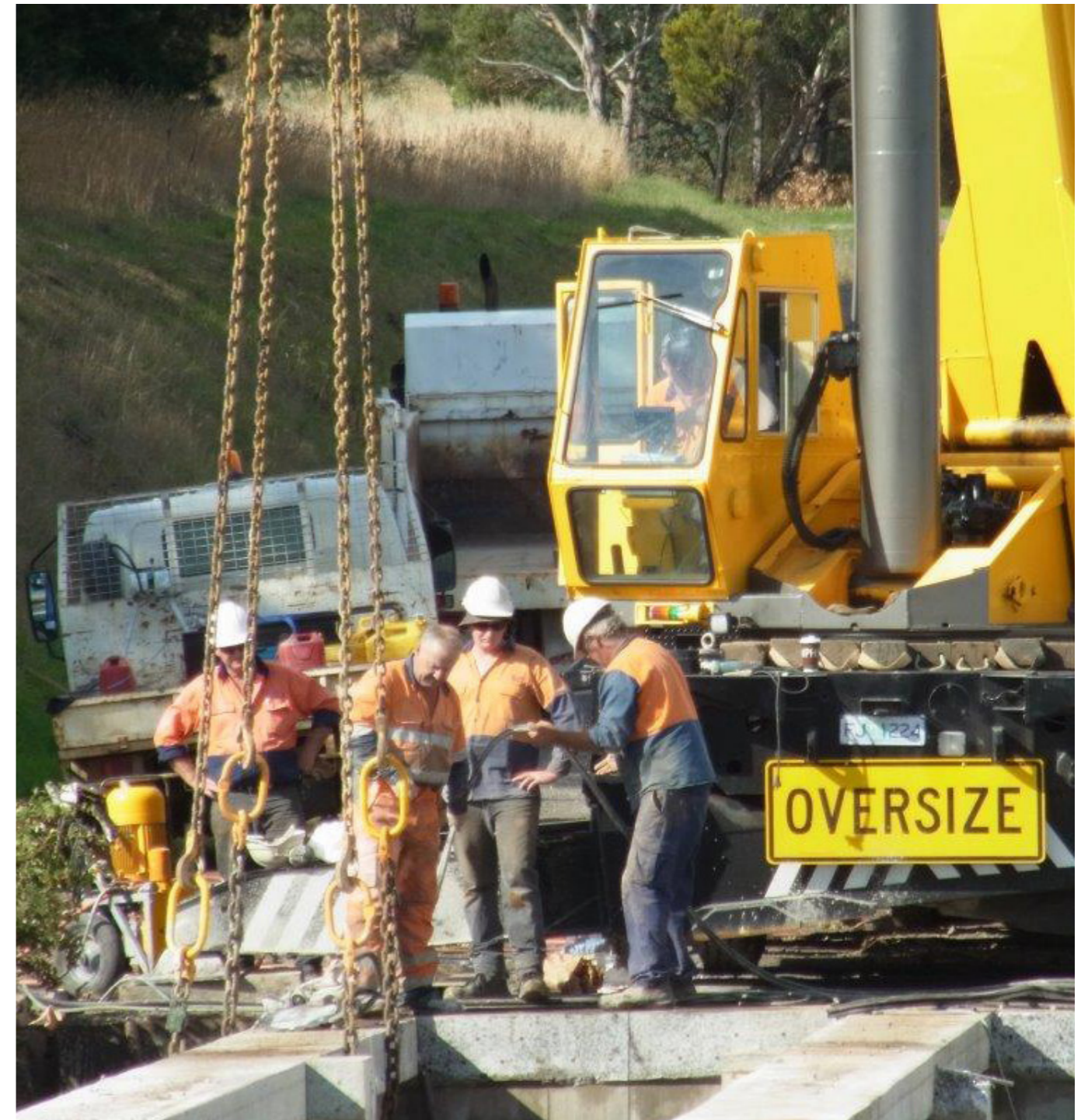
Pitt and Sherry	Hobart, TAS	Road Reinstatement Design - Nubeena Secondary Road & Glen Huon Main Road	19/05/2014	\$234,253
Pitt and Sherry	Hobart, TAS	Tasman Bridge Piles - Corrosion Investigation & Preliminary Concept Proposal	7/11/2013	\$66,681
GHD Pty Ltd	Hobart, TAS	Traffic Modelling - Perth Bypass & Midland Highway Duplication (Perth to Breadalbane)	17/06/2014	\$62,900
Pitt and Sherry	Hobart, TAS	Evandale Main Road - Corridor Study	18/06/2014	\$63,766
Sinclair Knight Merz Pty Ltd	Hobart, TAS	Midland Highway & Lyell Highway - MLS Data Capture	3/02/2014	\$551,250
Pitt and Sherry	Hobart, TAS	Perth to Breadalbane - Heritage Field Surveys & Noise Investigations	7/11/2013	\$64,553
Sinclair Knight Merz Pty Ltd	Hobart, TAS	St Marys Pass - Landslide Hazard Assessment - Laser Scanning	18/06/2014	\$87,394
Pitt and Sherry	Hobart, TAS	Tasman Bridge Maintenance Inspection Gantry (MIG) Review	17/04/2014	\$138,405
Sinclair Knight Merz Pty Ltd	Hobart, TAS	Huon Highway - Glendevie Climbing Lanes - Design & Documentation	12/02/2014	\$366,862
Pitt and Sherry	Hobart, TAS	Macquarie Heads Development Road - Design & Documentation	16/12/2013	\$388,718
Sinclair Knight Merz Pty Ltd	Hobart, TAS	Murchison Highway - Stage 3 & 4 - Design and Documentation	13/02/2014	\$776,493
Pitt and Sherry	Hobart, TAS	Rokeby Main Road - Stage 2 - Oceana Drive to Buckingham Drive - Detailed Design	17/09/2013	\$351,685
GHD Pty Ltd	Hobart, TAS	Provision of Professional Services - Project & Contract Management - Stephen Kelly	4/10/2013	\$54,000
GHD Pty Ltd	Hobart, TAS	Provision of Professional Services - Contract Supervision - Ian Wooldridge	4/11/2013	\$52,400

Table D

Consultancies or Contracts awarded under an approved limited or direct sourcing process				
Name of supplier	Location of supplier	Description of contract	Reason for the Procurement Methodology	Total value of contract
VEC Civil Engineering Pty Ltd	Ulverstone, TAS	Contract No. 2062 - East Tamar Highway (A0265) Slip at Hillwood Jetty Road - Remediation Works	Urgent Requirements	\$294,149
Forestry Tasmania	Hobart, TAS	Contract No. 2206 - Forestry Tasmania - Forest Management Advice	Single Supplier	\$600,000
University of Canberra	Bruce, ACT	Contract No. 2208 - Tasmanian Forest Industry Participation Survey	Cost of tender outweighs value for money benefits	\$99,570
TESS Solutions (Australia) Pty Ltd	Blackburn, VIC	Contract No. 2179 - Supply, Installation and Commissioning of Remote Access Unit	Single Supplier	\$50,600
Victoria University	Melbourne, VIC	Contract No. 2212 - Modelling of Economic Impacts of Changes to the TFES and the BSPVES	Urgent Requirements	\$55,091
Inventis Technology Pty Ltd	Caringbah, NSW	Contract No. 2214 - Supply, Installation and Commissioning of Inventis Remote Server	Absence of competition for technical reasons	\$94,500
Hazell Bros Group P/L	Moonah, TAS	Contract No. 2215 - Heemskirk Development Road - Longback Hill Slip Repair - Roadworks	Urgent Requirements	\$280,000
GR Webb Consulting Pty Ltd	North Hobart, TAS	Contract No. 2219 - Facilitated Maturity Assessment and RoadWise System Joint Development	Specialist nature of work	\$70,000
Asset Edge Pty Ltd	Werribee, VIC	Contract No. 2187 - DIER Maintenance Information Management System (IMS)	Urgent Requirements	\$128,090
ARRB Group Limited	Vermont South, VIC	Develop a proposal aimed at improving supply of quality pavement materials, re-use of existing pavement materials and develop specifications for sealing aggregates for road projects.	Specialist nature of work	\$47,250

Table E

Contract extensions approved in accordance with Treasurer's Instruction 1115(4)				
Name of supplier	Location of supplier	Description of contract	Period of extension	Total value of contract
Furneaux Freight Pty Ltd	Bridport, TAS	Operation of subsidised shipping services to Cape Barren Island	1/3/2014 - 31/08/2014	\$30,000



Legislation Administered By the Department

Minister For Infrastructure

Abt Railway Development Act 1999

Aerodrome Fees Act 2002

Air Navigation Act 1937

Civil Aviation (Carriers' Liability) Act 1963

Common Carriers Act 1874

Commonwealth Powers (Air Transport) Act 1952

Damage by Aircraft Act 1963

Emu Bay Railway (Operation and Acquisition) Act 2009

Heavy Vehicle Accreditation Scheme Validation Act 2013

Heavy Vehicle National Law (Tasmania) Act 2013

Heavy Vehicle Road Transport Act 2009¹

Highways Act 1951

Marine and Safety Authority Act 1997

Marine Safety (Domestic Commercial Vessel National Law Application) Act 2013

Metro Tasmania Act 1997

Metro Tasmania (Transitional and Consequential Provisions) Act 1997

Passenger Transport Services Act 2011

Port Companies Act 1997

Rail Company Act 2009

Rail Infrastructure Act 2007

Rail Safety National Law (Tasmania) Act 2012

Repeal of By-laws Postponement Act 2012²

Repeal of Regulations Postponement Act 2013

Roads and Jetties Act 1935

Tasmanian Ports Corporation Act 2005

Taxi and Hire Vehicle Industries Act 2008

Traffic Act 1925

Transport Act 1981

TT-Line Arrangements Act 1993

Vehicle and Traffic Act 1999

Vehicle and Traffic Amendment (Heavy Vehicle Charges) Act 2012

Vehicle and Traffic (Transitional and Consequential) Act 1999

Motor Accidents Insurance Board

Motor Accidents (Liabilities and Compensation) Act 1973

Minister For Racing

Lyons Trusts Act 1993

Racing Regulation Act 2004

Racing Regulation Amendment (Governance Reform) (Transitional and Consequential Provisions) Act 2008

Racing Regulation (Transitional and Consequential Provisions) Act 2004

Racing (Tasracing Pty Ltd) Act 2009

Racing (Tasracing Pty Ltd) (Transitional and Consequential Provisions) Act 2009

Minister For Sustainable Transport

(refer Minister for Infrastructure)

Minister For Energy

Electricity – National Scheme (Tasmania) Act 1999

Electricity Supply Industry Act 1995 except Part 2 and Divisions 3, 4, 4A, 5, 5A, 6 and 10 of Part 3 and in so far as it relates to contestable customers, price regulation and contracts and the making of regulations under section 122, in so far as those regulations relate to Part 2 and Divisions 3, 4, 4A, 5, 5A, 6 and 10 of Part 3, contestable customers, price regulation or contracts (see *Department of Treasury and Finance under the Treasurer*)

Electricity Supply Industry Restructuring (Savings and Transitional Provisions) Act 1995

Electricity Wayleaves and Easements Act 2000

Energy Co-ordination and Planning Act 1995

Gas Act 2000

except in so far as it relates to provisions relating to the appointment, functions, powers and duties of the Director of Gas Safety (see *Department of Justice under the Treasurer*)

Notes:

¹Repealed 10 February 2014

²Expired 24 December 2013

Gas Pipelines Act 2000

except in so far as it relates to provisions relating to the functions, powers and duties of the Director of Gas Safety (see *Department of Justice under the Treasurer*)

National Energy Retail Law (Tasmania) Act 2012

National Gas (Tasmania) Act 2008

Petroleum Products Emergency Act 1994

Repeal of Regulations Postponement Act 2012

Hydro-Electric Corporation

Hydro-Electric Corporation Act 1995

Minister For Resources

Beauty Point Landslip Act 1970

Forest Management Act 2013

Forestry (Fair Contract Codes) Act 2001

Lawrence Vale Landslip Act 1961

Mineral Resources Development Act 1995

Mining (Strategic Prospectivity Zones) Act 1993

Petroleum (Submerged Lands) Act 1982

Private Forests Act 1994

Rosetta Landslip Act 1992

Tasmanian Forests Agreement Act 2013

Forest Practices Authority

Forest Practices Act 1985

except in so far as it relates to the Forest Practices Tribunal (see *Department of Justice under the Minister for Resources*)

Forest Practices (Private Timber Reserves Validation) Act 1999

Forestry Corporation

Forestry Act 1920³

Public Land (Administration and Forests) Act 1991

except Part 2 (see *Department of Justice under the Minister for Planning and Local Government*)

Regional Forest Agreement (Land Classification) Act 1998 except Divisions 2 and 3 of Part 2 and the making of regulations under section 26, in so far as those regulations relate to Divisions 2 and 3 of Part 2 (see *Department of Primary Industries, Parks, Water and Environment under the Minister for Environment, Parks and Heritage*)

Timber Promotion Act 1970

Legislation Enacted

Abt Railway Development Amendment Act 2013

Forest Management Act 2013

Forest Management (Consequential Amendments) Act 2013

Heavy Vehicle Accreditation Scheme Validation Act 2013

Heavy Vehicle National Law (Tasmania) Act 2013

Marine Safety (Domestic Commercial Vessel National Law Application) Act 2013

Marine Safety (Domestic Commercial Vessel National Law Application) Consequential Amendments Act 2013

Motor Accidents (Liabilities and Compensation) Amendment Act 2013

Racing Regulation Amendment (Bookmaker Betting) Act 2013

Legislation Repealed or Expired

Electricity Reform (Implementation) Act 2013

Forestry Act 1920

Heavy Vehicle Road Transport Act 2009

Mineral Resources Development Amendment Act 2013

Passenger Transport Act 1997

Passenger Transport (Consequential and Transitional) Act 1997

Passenger Transport (Transitional Regulations Validation) Act 2002

Repeal of By-laws Postponement Act 2012

Repeal of Regulations Postponement Act 2011

Repeal of Regulations Postponement Act (No. 2) 2012

Vehicle and Traffic Amendment (Written-Off Vehicles) Act 2013

Note:

³Repealed 11 December 2013

Documents Published

Vehicle Information Technical Bulletins and Manuals (ongoing).

Industry Newsletters, including safety bulletins (ongoing)

Tasmanian Road Safety Strategy Progress Report (ongoing)

Inattention and distractions as a crash factor in Tasmania : A road safety perspective – June 2013

Unlicensed drivers and unregistered vehicles in Tasmania – June 2013

Vehicle inspections in Tasmania – June 2013.

Coastal Shipping Review Submission – June 2014

Freight Logistics Coordination Team Final Advisory Report – Dec 2013

Interim Response to the Freight Logistics Coordination Team's Report – Dec 2013

Infrastructure Australia Submission – Combined Project Updates – Sept 2013

Infrastructure Australia Submission – Tasmanian Irrigation Update – Sept 2013

Infrastructure Australia Submission – Tasmanian Irrigation Update – Nov 2013

International Shipping Services, GPS Logistics – Feb 2013

Journey to Work ABS Data Analysis Report – May 2014

King Island Shipping Service Project Final Report (GHD) – Nov 2013

Northern Integrated Transport Plan – Nov 2013

Productivity Commission Inquiry into Tasmanian Shipping and Freight, Tasmanian Government's Submission – Feb 2014

Productivity Commission Inquiry into Tasmanian Shipping and Freight Report – Mar 2014

Tasmanian Empty Container Movements Study (Aurecon) – Nov 2013

Tasmanian Freight Infrastructure Systems (Juturna) – Aug 2013

Tasmanian Freight Survey Data Summary Report – 2013

Tasmanian Shipping and Ports (Aurecon) – Sept 2013

Tasmanian Supply Chains (Aurecon) – Aug 2013

Travel Speed Survey Report 2013 – Apr 2014

Mineral Resources Tasmania

CORBETT, K.D., QUILTY, P.G., CALVER C.R., 2014. The Geological Evolution of Tasmania. Geological Society of Australia Special publication 24, 639pp. (contributions to all chapters by MRT staff).

CRACKNELL, M.J., READING, A.M., MCNEILL, A.W., 2014. Mapping geology and volcanic-hosted massive sulphide alteration in the Hellyer-Mt Charter region, Tasmania; an automated approach using random forests and self-organising maps. Australian Journal of Earth Science, 61:287-304. [26 November 2013].

HALPIN, J.A., JENSEN, T., MCGOLDRICK, P., MEFFRE, S., BERRY, R.F., EVERARD, J.L., CALVER, C.R., THOMPSON, J., GOEMANN, K., WHITTAKER, J., 2014. Authigenic monazite and detrital zircon dating from the Proterozoic Rocky Cape Group, Tasmania: Links to the Belt-Purcell Supergroup, North America. Precambrian Research. 250:50-67. [6 June, 2014]

LARGE, R.R. HALPIN, J.A., DANYUSHEVSKY, L.V., MASLENIKOV, V.V., BULL, S.W., LONG, J., GREGORY, D.D., LOUNEJEVA, E., LYONS, T.J SACK, P.J., MCGOLDRICK P., CALVER, C.R. 2014. Trace element content of sedimentary pyrite as a new proxy for deep-time ocean-atmosphere evolution. Earth and Planetary Science Letters, 389:209-220.

Tasmanian Oil Price Vulnerability Study – November 2013

Tasmanian Forests Agreement - Durability Report - July 2013

Review of the Tasmanian Private Hardwood Plantation Estate - November 2013

Statutory Bodies and Non-Statutory Bodies

Statutory Bodies

Tasmanian Racing Appeal Board

Established under Section 25 of the <i>Racing Act 1983</i> and continues under Section 23 the <i>Racing Regulation Act 2004</i> .	The Board comprises six members appointed by the Governor, and a secretary appointed by the Secretary of the Department.	Mr Tom Cox (Chairperson) Ms Kate Cuthbertson (Deputy Chairperson) Mr Rohan Foon (Deputy Chairperson) Mr Graham Elliott Dr Suzanne Martin Mr William Burnett Mrs Glenda Attenborrow (Secretary)
The Board is an independent body that adjudicates appeals against certain decisions of the stewards, Tasracing Pty Ltd and race clubs made pursuant to the Rules of Racing.		

Integrity Assurance Board

Established under Section 21 of the <i>Racing Regulation Act 2004</i> .	The Board comprises five members appointed by the Governor, and a secretary appointed by the Secretary of the Department.	Mrs Kate Brown (Chairperson) Ms Leigh Mackey (Deputy Chairperson) Mr Rodney Lester Mr Roger Broomhall (Vacant) Member Mrs Glenda Attenborrow (Secretary)
The Board is an independent body that adjudicates appeals against certain statutory decisions of the Director of Racing, Tasracing Pty Ltd and race clubs. The Board also adjudicates betting disputes.		

Forestry

Special Council

Energy

Electricity Technical Advisory Committee

Committee to Coordinate the Response to Energy Supply Emergencies

Non-Statutory Bodies

Transport

Australian Motor Vehicle Certification Board

Australian Road Rules Maintenance Group

Australian Transport Data Action Network

Australian Vehicle Standards Rules Maintenance Group

Austroroads Freight Taskforce

Austroroads Registration and Licensing Taskforce

Austroroads Road Safety Program

COAG Infrastructure Working Group

Fatigue Authority Panel

Fatigue Maintenance Group

Freight Logistics Coordination Team

Heavy Truck Safety Advisory Council (HeTSAC)

Heavy Vehicle Charging and Investment Reform Board and High level Reference Group (renamed Heavy Vehicle Road Reform Working Group)

National Land Freight Strategy Intergovernmental Working Group

National Ports Strategy Implementation Steering Committee

Performance Based Standards Review Panel

Tasmanian Infrastructure Advisory Council

Forestry

Residues Advisory Group

Tasmanian Privately-owned Hardwood Plantation Consultative Panel
Pulp Mill Consultative Group

Energy

National Oil Supplies Emergency Committee

National Gas Emergency Response Advisory Committee

National Electricity Market Emergency Management Forum

Energy Market Reform Working Group (including sub groups)

Energy Efficiency Working Group (including sub groups)

Energy Working Group

Limited Merits Reform Working Group

Consumer Advocacy Working Group

FINANCIAL STATEMENTS
For the year ended 30 June 2014

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Department of Infrastructure, Energy and Resources Statement of Comprehensive Income for the year ended 30 June 2014

	Notes	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
Continuing operations				
Revenue and other income from transactions				
Revenue from Government				
Appropriation revenue - recurrent	2.9(a), 8.1	112,739	118,407	112,514
Appropriation revenue - works and services	2.9(a), 8.1	124,901	123,077	102,187
Other revenue from Government	2.9(a), 8.1	52	...	...
Revenue from Special Capital Investment Funds	2.9(b), 8.2	...	180	790
Grants	2.9(b), 8.3	51,855	87,153	76,615
Sales of goods and services	2.9(d), 8.4	684	1,133	1,079
Fees and fines	2.9(e), 8.5	13,155	12,903	13,095
Other revenue	2.9(i), 8.6	1,046	1,538	4,087
Total revenue and other income from transactions		304,432	344,391	310,367
Expenses from transactions				
Employee benefits	2.10(a), 9.1	38,661	40,170	41,119
Depreciation and amortisation	2.10(b), 9.2	109,492	86,967	83,146
Supplies and consumables	2.10(f), 9.3	42,039	67,586	76,238
Grants and subsidies	2.10(c), 9.4	71,780	74,223	85,914
Other expenses	2.10(f), 9.5	329	944	1,391
Total expenses from transactions		262,301	269,890	287,808
Net result from transactions (net operating balance)		42,131	74,501	22,559
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	2.11(a)(d), 10.1	4	(63,136)	38,351
Net gain/(loss) on financial instruments and statutory receivables/payables	2.11(b), 10.2	...	(5)	13
Total other economic flows included in net result		4	(63,141)	38,364
Net result from continuing operations		42,135	11,360	60,923
Net result		42,135	11,360	60,923
Other comprehensive income				
Changes in physical asset revaluation reserve	14.1	136,211	43,651	162,806
Total other comprehensive income		136,211	43,651	162,806
Comprehensive result		178,346	55,011	223,729

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 5 of the accompanying notes.

Department of Infrastructure, Energy and Resources Statement of Financial Position as at 30 June 2014

	Notes	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and deposits	2.12(a), 11.1	14,654	33,179	32,041
Receivables	2.12(b), 11.2	3,374	3,405	2,879
Other financial assets	2.12(c), 11.3	307	6,955	...
<i>Non-financial assets</i>				
Plant and equipment	2.12(g), 11.4	26,188	26,757	27,128
Land and buildings	2.12(g), 11.4	84,663	84,211	96,945
Infrastructure	2.12(g), 11.5	4,152,587	4,065,471	4,045,073
Intangibles	2.12(i), 11.6	7,070	7,577	9,517
Other Assets	11.7	881	656	1,164
Total assets		4,289,724	4,228,211	4,214,747
Liabilities				
Payables	2.13(a), 12.1	4,095	4,963	4,635
Employee benefits	2.13(d), 12.2	11,473	12,570	12,161
Other liabilities	2.13(f), 12.3	1,303	17,042	14,086
Provisions	2.13(c), 12.4	...	1,848	6,679
Total liabilities		16,871	36,423	37,561
Net assets		4,272,853	4,191,788	4,177,186
Equity				
Reserves	14.1	1,610,141	1,546,189	1,502,538
Accumulated funds		2,662,712	2,645,599	2,674,648
Total equity		4,272,853	4,191,788	4,177,186

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 5 of the accompanying notes.

Department of Infrastructure, Energy and Resources Statement of Cash Flows for the year ended 30 June 2014

	Notes	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
Cash flows from operating activities		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash inflows				
Appropriation receipts - recurrent		111,939	115,107	113,244
Appropriation receipts - works and services		61,888	47,521	56,189
Appropriations receipts - other		52	...	...
Receipts from Special Capital Investment Funds		...	...	790
Grants		29,835	22,277	29,144
Sales of goods and services		684	1,196	1,141
Fees and fines		13,155	12,918	13,085
GST receipts		10,398	24,336	21,548
Other cash receipts		1,046	1,507	4,178
Total cash inflows		228,997	224,862	239,319
Cash outflows				
Employee benefits		(38,420)	(39,775)	(39,951)
Grants and subsidies		(71,780)	(74,215)	(85,885)
Supplies and consumables		(42,039)	(72,411)	(81,888)
GST payments		(10,399)	(25,009)	(20,823)
Other cash payments		(329)	(967)	(1,644)
Total cash outflows		(162,967)	(212,377)	(230,191)
Net cash from (used by) operating activities	15.2	66,030	12,485	9,128
Cash flows from investing activities				
Cash inflows				
Proceeds from the disposal of non-financial assets		4	25	3
Receipts from non-operational capital funding - recurrent		800	5,449	635
Receipts from non-operational capital funding - works and services		63,013	75,949	50,262
Receipts from Australian Government funding		22,020	58,405	42,336
Receipts from Tasmanian Government funding		...	...	5,136
Total cash inflows		85,837	139,828	98,372
Cash outflows				
Payments for acquisition of non-financial assets		(129,776)	(111,356)	(58,310)
Equity transfers to other Government entities		(21,380)	(40,409)	(37,680)
Total cash outflows		(151,156)	(151,765)	(95,990)
Net cash from (used by) investing activities		(65,319)	(11,937)	2,382
Cash flows from financing activities				
Cash inflows				
Trust receipts		...	1,554	6,594
Total cash inflows		...	1,554	6,594

Department of Infrastructure, Energy and Resources Statement of Cash Flows for the year ended 30 June 2014 (continued)

	Notes	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
Cash outflows				
Trust payments		...	(964)	...
Total cash outflows		...	(964)	...
Net cash from (used by) financing activities		...	590	6,594
Net increase (decrease) in cash and cash equivalents held		711	1,138	18,104
Cash and deposits at the beginning of the reporting period		13,943	32,041	13,937
Cash and deposits at the end of the reporting period	15.1	14,654	33,179	32,041

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 5 of the accompanying notes.

Department of Infrastructure, Energy and Resources Statement of Changes in Equity for the year ended 30 June 2014

	Notes	Reserves \$'000	Accumulated surplus / deficit \$'000	Total Equity \$'000
Balance as at 1 July 2013		1,502,538	2,674,648	4,177,186
Total comprehensive result		43,651	11,360	55,011
Transactions with owners in their capacity as owners:				
Equity contributions to Tasmanian Railway Pty Ltd		...	(40,409)	(40,409)
Total		43,651	(29,049)	14,602
Balance as at 30 June 2014		1,546,189	2,645,599	4,191,788

		Reserves \$'000	Accumulated surplus / deficit \$'000	Total Equity \$'000
Balance as at 1 July 2012		1,339,732	2,651,405	3,991,137
Total comprehensive result		162,806	60,923	223,729
Transactions with owners in their capacity as owners:				
Equity contribution to Tasmanian Railway Pty Ltd		...	(37,680)	(37,680)
Total		162,806	23,243	186,049
Balance as at 30 June 2013		1,502,538	2,674,648	4,177,186

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	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
Administered revenue and other income from transactions				
Revenue from Government				
Appropriation revenue - recurrent	2.9(a), 18.2	80,806	82,305	77,917
Grants	2.9(b), 18.3	6,235	39,391	153
State taxation	2.9(c), 18.4	34,960	36,390	35,210
Sales of goods and services	2.9(d), 18.5	5,396	5,026	4,484
Fees and fines	2.9(e), 18.6	8,489	10,210	11,405
Interest	2.9(f)	...	31	69
Other revenue	2.9(i), 18.7	49,013	32,070	29,732
Total administered revenue and other income from transactions		184,899	205,423	158,970
Administered expenses from transactions				
Employee benefits	2.10(a), 18.8	981	1,379	1,541
Depreciation and amortisation	2.10(b), 18.9	1	8	14
Supplies and consumables	2.10(f), 18.10	714	1,823	1,774
Grants and subsidies	2.10(c), 18.11	86,672	120,125	76,560
Transfers to the Consolidated Fund		96,648	82,231	79,416
Other expenses	2.10(f), 18.12	4	23	54
Total administered expenses from transactions		185,020	205,589	159,359
Administered net result from transactions attributable to the State		(121)	(166)	(389)
Administered other economic flows in administered net result				
Net gain/(loss) on sale of non-financial assets		1	...	...
Net gain/(loss) on financial instruments and statutory receivables/payables	18.13	...	(1)	1
Total administered other economic flows included in net result		1	(1)	1
Administered net result		(120)	(167)	(388)
Administered comprehensive result		(120)	(167)	(388)

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 18.1 of the accompanying notes.

I.2 Schedule of Administered Assets and Liabilities

	Notes	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
Administered assets				
<i>Administered financial assets</i>				
Cash and deposits	2.12(a), 18.22	4,140	3,358	3,430
Receivables	2.12(b), 18.14	153	97	44
Other financial assets	2.12(c), 18.15	25	20	15
<i>Administered non-financial assets</i>				
Property, plant and equipment	2.12(g), 18.16	15	5	10
Intangibles	2.12(i), 18.17	13	...	3
Total administered assets		4,346	3,480	3,502
Administered liabilities				
Payables	2.13(a), 18.18	202	284	210
Employee benefits	2.13(d), 18.19	558	304	240
Other liabilities	2.13(f), 18.20	1,916	1,537	1,530
Total administered liabilities		2,676	2,125	1,980
Administered net assets		1,670	1,355	1,522
Administered equity				
Accumulated funds		1,670	1,355	1,522
Total administered equity		1,670	1,355	1,522

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 18.1 of the accompanying notes.

I.3 Schedule of Administered Cash Flows

	Notes	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
Administered cash flows from operating activities				
Administered cash inflows				
Appropriation receipts - recurrent		80,806	82,305	77,917
Taxation		34,960	36,390	35,210
Grants		6,235	39,096	153
Sales of goods and services		5,396	4,983	4,543
Fees and fines		8,489	10,218	11,400
Other cash receipts		49,013	32,176	29,635
Total administered cash inflows		184,899	205,168	158,858
Administered cash outflows				
Employee benefits		(966)	(1,307)	(1,830)
Grants and subsidies		(86,672)	(119,752)	(76,576)
Transfers to the Consolidated Fund		(96,648)	(82,231)	(79,416)
Other cash payments		(718)	(1,806)	(1,740)
Total administered cash outflows		(185,004)	(205,096)	(159,562)
Administered net cash from (used by) operating activities	18.23	(105)	72	(704)
Administered cash flows from investing activities				
Administered cash inflows				
Proceeds from the disposal of non-financial assets		1	...	...
Total administered cash inflows		1	...	...
Administered cash outflows				
Payments for acquisition of non-financial assets		(1)	...	...
Total administered cash outflows		(1)	...	...
Administered net cash from (used by) investing activities		...	...	...
Cash flows from financing activities				
Cash outflows				
Trust payments		...	(144)	(216)
Total cash outflows		...	(144)	(216)
Net cash from (used by) financing activities		...	(144)	(216)
Net increase (decrease) in administered cash held		(105)	(72)	(920)
Administered cash and deposits at the beginning of the reporting period		4,245	3,430	4,350
Administered cash and deposits at the end of the reporting period	18.22	4,140	3,358	3,430

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 18.1 of the accompanying notes.

1.4 Schedule of Administered Changes in Equity

	Accumulated surplus / deficit \$'000	Total Equity \$'000
Balance as at 1 July 2013	1,522	1,522
Total comprehensive result	(167)	(167)
Balance as at 30 June 2014	1,355	1,355

	Accumulated surplus / deficit \$'000	Total Equity \$'000
Balance as at 1 July 2012	1,910	1,910
Total comprehensive result	(388)	(388)
Balance as at 30 June 2013	1,522	1,522

This Schedule of Administered Changes in Equity should be read in conjunction with the accompanying notes.

Significant Accounting Policies

Note 2 Significant Accounting Policies

2.1 Objectives and Funding

The Department provides infrastructure and related services for the social and economic development of Tasmania.

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

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

The Department reports to the Minister for Infrastructure, the Minister for Energy and Resources, the Minister for Racing, and the Minister for Sustainable Transport.

The Department also provides support to Ministers in relation to the Government's relationships with many Government Business Enterprises, State-owned Companies, and statutory authorities.

Department activities contributing towards these outcomes are classified as either controlled or administered.

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

The Department is a Tasmanian Government not-for-profit entity that is predominantly funded by parliamentary appropriations. Other funding sources include Commonwealth grants, industry grants and miscellaneous recoveries from various sources. The Forest Practices Authority is funded by industry contributions and parliamentary

appropriations. The Abt Railway Ministerial Corporation is funded by Commonwealth grants, parliamentary appropriations, and revenue generated from the operation of a tourist railway. The financial statements encompass all funds through which the Department controls resources to carry on its functions.

As a result of an administrative order, the Department changed its name to Department of State Growth effective on 1 July 2014. The administrative order also amalgamates the Department of Economic Development, Tourism and the Arts (DEDTA) with the Department of State Growth. A further administrative order has enacted the following departmental restructure, effective on 1 July 2014:

1. The part of the Department of State Growth known as Sport and Recreation Tasmania is amalgamated with the Department of Premier and Cabinet,
2. The part of the Department of State Growth known as Tourism Tasmania is amalgamated with the State authority established as Tourism Tasmania,
3. The part of the Department of Education known as Skills Tasmania is amalgamated with the Department of State Growth.

The final financial statements for the Department as it existed on 30 June 2014 are prepared as a going concern.

2.2 Basis of Accounting

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

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

The Financial Statements were signed by the Secretary on 13 August 2014.

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

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

2.3 Reporting Entity

The Financial Statements include all the controlled activities of the Department. The Financial Statements consolidate material transactions and balances of the Department and entities included in its output groups. Material transactions and balances between the Department and such entities have been eliminated.

The Department consolidate with the following entities; refer to note 17.1.

2.4 Functional and Presentation Currency

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

2.5 Changes in Accounting Policies

(a) Impact of new and revised Accounting Standards

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

- AASB 13 Fair Value Measurement (AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13)– 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 reviewed its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to ensure those methodologies comply with AASB 13. There is no financial impact.

AASB 13 requires increased disclosures 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 disclosures are significantly greater.

AASB 2011-8 replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as a result of AASB 13

- AASB 119 Employee Benefits (2011-10 Amendments to Australian Accounting Standards arising from AASB 119). This Standard supersedes AASB 119 Employee Benefits, introducing a number of changes to accounting treatments. The Standard was issued in September 2013. There is no financial impact.
- 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB 132] – This Standard makes amendments to AASB 7 and AASB 132 as a consequence of the issuance of amendments to IFRS 7 by the International Accounting Standards Board in December 2011. It is anticipated that there will not be any financial impact.
- 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 & AASB 2011-8] – This Standard makes amendments to various standards as a consequence of the issuance of International Financial Reporting Standard Mandatory Effective Date and Transition Disclosures (Amendments to IFRS 9 and IFRS 7) by the International Accounting Standards Board in December 2011. It is anticipated that there will not be any financial impact.
- 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049, & 2011-7 and Interpretation 12] – This Standard makes amendments to various standards as a consequence of the issuance of the International Financial Reporting Standard Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) by the International Accounting Standards Board in June 2012, deferral of the application of AASB 10, AASB 11, AASB 12, AASB 127, AASB 128 and AASB 2011-7 to not-for-profit entities, and editorial corrections. It is anticipated that there will not be any financial impact.
- AASB 2013-2 Amendments to Australian Accounting Standards - Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB 132] – This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. It is anticipated that there will not be any 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 and is available from 1 January 2017 for application by not-for-profit entities. The application or potential impact of the Standard has not yet been determined.
- AASB 10 Consolidated Financial Statements – This Standard supersedes requirements under AASB 127 Consolidated and Separate Financial Statements and Interpretation 112 Consolidation – Special Purpose Entities, introducing a number of changes to accounting treatments. The Standard was issued in August 2011 and is

available from 1 January 2014 for application by not-for-profit entities. The application or potential impact of the Standard has not yet been determined.

- AASB 11 Joint arrangements – this Standard supersedes AASB 131 Interest in Joint Ventures, introducing a number of changes to accounting treatments. The Standard was issued in August 2011 and is available from 1 January 2014 for application by not-for-profit entities. It is not expected to have a financial impact.
- AASB 12 Disclosure of Interests in Other Entities – This Standard supersedes disclosure requirements under AASB 127 Consolidated and Separate Financial Statements and AASB 131 Interests in Joint Ventures. The Standard was issued in August 2011 and is available from 1 January 2014 for application by not-for-profit entities. It is not expected to have a financial impact.
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 1023, & 1038 and Interpretations 5, 9, 16 & 17] – This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures. For not-for-profit entities, it applies to annual reporting periods beginning on or after 1 January 2014. The application or potential impact of the Standard has not yet been determined.
- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] – This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. It is anticipated that there will not be any financial impact.
- AASB 2013-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2] – This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. It is anticipated that there will not be any financial impact.
- AASB 2013-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASBs 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 and 17] – This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2013. It is not expected to have a financial impact.
- AASB 2013-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance to Not-For-Profit Entities – Control and Structured Entities [AASB 10, AASB 12 & AASB 1049] - The amendments to AASB 10 add Appendix E Australian Implementation Guidance for Not-for-Profit Entities as an integral part of that Standard. The appendix explains various principles in AASB 10 regarding the criteria for determining whether one entity controls another entity from the perspective of not-for-profit entities, and illustrates the principles with examples. The Department has determined that the potential impact of application is (specify assessed impact).

2.6 Administered Transactions and Balances

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

Administered assets, liabilities, expenses and revenues are disclosed in Note 1 to the Financial Statements. Administered expenses include employee expenses incurred in the conduct of Administered transactions.

2.7 Activities Undertaken Under a Trustee or Agency Relationship

Transactions relating to activities undertaken by the Department in a trust or fiduciary (agency) capacity do not form part of the Department's activities. Trustee and agency arrangements, and transactions/balances relating to

those activities, are neither controlled nor administered.

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

Transactions and balances relating to a trustee or an agency arrangement are not recognised as departmental revenues, expenses, assets or liabilities in these Financial Statements. Details of these transactions are provided in Note 19.

2.8 Transactions by the Government as Owner – Restructuring of Administrative Arrangements

Net assets received under a restructuring of administrative arrangements are designated as contributions by owners and adjusted directly against equity. Net assets relinquished are designated as distributions to owners. Net assets transferred are initially recognised at the amounts at which they were recognised by the transferring agency immediately prior to the transfer.

2.9 Income from transactions

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

(a) Revenue from Government

Appropriations, whether recurrent or capital, are recognised as revenues in the period in which the Department gains control of the appropriated funds. Except for any amounts identified as carried forward in Notes 8.1 and 18.2, control arises in the period of appropriation.

(b) Grants

Grants payable by the Australian Government, State Government (eg Special Capital Investment Funds) or industry are recognised as revenue when the Department gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant.

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

(c) State taxation

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

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

(d) Sales of goods and services

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

Revenue from Mineral Royalties is recognised on receipt based on self assessment by mining companies. The royalties are calculated and paid based on mined volumes each quarter and supported by spot audits by Mineral Resources Tasmania staff. Due to inherent difficulties of accounting for this revenue on an accrual basis, mineral royalties revenue is accounted for on a cash basis.

(e) Fees and fines

Revenue from fees and fines is recognised when obligation to pay arises, pursuant to the issue of an assessment.

(f) Interest

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

(g) Contributions received

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

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

(h) Investment Income

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

(i) Other revenue

Revenue from sources other than those identified above are recognised in the Income Statement when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

2.10 Expenses from transactions

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

(a) Employee benefits

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

(b) Depreciation and amortisation

All applicable non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Land and the earthworks component of major roadworks, being assets with an unlimited useful life, are not depreciated.

The following table details the asset lives, and depreciation rates and the methods for the various classes of assets employed in the current and previous reporting periods. Asset useful lives depreciation methods are reviewed annually and adjusted according to the expected rate and/or pattern of consumption, asset condition, and industry best practice.

Asset	Estimated Useful Life (years)	Depreciation Rate (per annum)	Method
Road Infrastructure:			
Earthworks	Unlimited	Nil	NA
Pavement – category 1	40	2.50%	Straight Line
category 2	40	2.50%	Straight Line
category 3	50	2.00%	Straight Line
category 4	55	1.82%	Straight Line
category 5	60	1.67%	Straight Line
(Note: road categories are determined by freight carrying task, ie category 1 the highest freight task, category 5, the lowest)			
Surface, seal	15	6.67%	Straight Line
Bridge Infrastructure:			
Steel, Concrete	70	1.43%	Parabolic
Timber	25	4.00%	Parabolic
T-Beam	50	2.00%	Parabolic
Historic	250	0.40%	Parabolic
Major Structures	100	1.00%	Parabolic
Traffic Signal Installations: (Residual value 10% applies to all traffic signals assets)			
Cable	50	2.00%	Straight Line
Above and below ground	30	3.33%	Straight Line
Electronics	25	4.00%	Straight Line
Site Hardware	10	10.00%	Straight Line
Buildings	20	5.00%	Straight Line
Electrical and Office Equipment	5	20.00%	Straight Line
Technical Equipment	5	20.00%	Straight Line
Plant	10	10.00%	Straight Line
Computer Hardware	3	33.33%	Straight Line
Computer Software	3	33.33%	Straight Line
Marine Vessels and Equipment (Residual value 10%)	10.67	9.37%	Straight Line
Abt Railway Infrastructure:			
Tracks, bridges, structures, culverts and station buildings	40	2.50%	Straight Line
Railway carriages	30	3.33%	Straight Line
Locomotives	25	4.00%	Straight Line
Buildings	20	5.00%	Straight Line
Rail wagons	5	20.00%	Straight Line

Road Infrastructure

The identifiable components of the road infrastructure have been grouped into three major components for the purpose of assessing and of assigning an estimated useful life. Useful lives are based on analysis of historical data, road condition surveys, and best practice employed by other State Road Authorities.

The components that have a limited useful life (eg pavement, surfacing) are systematically depreciated over their useful lives in a manner that reflects the consumption of service potential embodied in those components. Earthworks, representing the cut and fill activity associated with major roadworks, is similar to land in that its useful life is unlimited, therefore is not depreciated.

Bridge Infrastructure

Bridges are depreciated systematically over their useful life having regard to their unique rate of deterioration. Bridge values are depreciated parabolically to reflect the greater depreciation towards the end of a bridge's life, i.e.:

$$\text{Present Value} = \text{Replacement Cost} \times (1 - (\text{age}/\text{life})^2)$$

Intangible Assets

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

Major amortisation rates applicable to intangible assets appear in the table below:

Asset	Estimated Useful Life (years)	Depreciation Rate (per annum)	Method
Motor Registry System	10	10.00%	Straight Line
In-house computer software (eg RIMS, Contract Management System, Geomodeller)	3	33.33%	Straight Line

The Motor Registry System is computer software developed internally over a four year period and is essential for the collection of motor registry and driver licensing revenues and data maintenance. The system was implemented on 25 August 2008 and its useful life is estimated at 10 years.

(c) Grants and subsidies

Grant and subsidies expenditure is recognised to the extent that:

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

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

(d) Finance costs

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

Borrowing costs include:

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

(e) Contributions provided

Contributions provided free of charge by the Department, to another entity, are recognised as an expense when fair value can be reliably determined.

(f) Other expenses

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

2.11 Other Economic Flows included in Net Result

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

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

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

(b) Impairment – Financial assets

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

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

All impairment losses are recognised in the Statement of Comprehensive Income and Schedule of Administered Income and Expenses.

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

(c) Impairment – Non-financial assets

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

All impairment losses are recognised in Statement of Comprehensive Income and Schedule of Administered Income and Expenses.

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

(d) Write down of assets measured at fair value

A revaluation decrement is recognised as an expense in the Statement of Comprehensive Income except to the extent that the decrement reverses a revaluation increment previously credited to, and still included in the balance of, an Asset Revaluation Reserve in respect of the same class of asset. In this case, it is debited direct to that Revaluation Reserve.

Where an increment reverses a revaluation decrement previously recognised as an expense in the Income Statement, in respect of that same class of Non-current assets, the revaluation increment is recognised as revenue.

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

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

2.12 Assets

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

(a) Cash and deposits

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

(b) Receivables

Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value. Impairment losses are recognised when there is an indication that there is a measurable decrease in the collectability of receivables.

(c) Other financial assets

Investments are initially recorded at fair value.

All investments are held to maturity and are measured at amortised cost using the effective interest method less any impairment losses subsequent to initial recognition.

(d) Inventories

Inventories held for distribution are valued at cost adjusted, when applicable, for any loss of service potential. Inventories comprise of stock in the West Coast Wilderness café operated by Abt Railway Ministerial Corporation.

(e) Assets held for sale

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

(f) Equity investments

Equity investments are initially recorded at cost based on the equity contributions made to State-owned Companies and Government Business Enterprises. Subsequent to initial recognition equity investments are measured at fair value through profit and loss.

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

The change in the value of the investment is recorded as income or as an expense in the Statement of Comprehensive Income.

(g) Property, plant, equipment and infrastructure

(i) Valuation basis

Land, buildings, infrastructure, heritage and cultural assets and other long-lived assets are recorded at fair value less accumulated depreciation. All other Non-current physical assets, including work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses.

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

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

Road Infrastructure

The Road Infrastructure valuation is based on depreciated replacement cost, calculated on a base unit construction cost rate per square metre of given road carriageway area. The rate is then adjusted to reflect the additional factors that contribute significantly to the replacement cost. These factors are as follows:

- land use;
- traffic volumes; and
- national highway as the Commonwealth Government demands a higher standard.

The relative importance of each factor is determined by a statistical analysis of recent road construction project costs.

The road replacement cost gives the cost to provide a new road of the existing standard, less accumulated depreciation calculated on the basis of such cost to reflect the already consumed future economic benefits of the asset.

Road infrastructure is divided into three components or strata, primarily for depreciation purposes, as follows:

- Earthworks, cut and fill – are in the nature of land and therefore are non-depreciable and represents 35% of the cost of building road infrastructure.
- Pavement – the layer on which the road surface is placed. Typical useful life of road pavements is 40 to 60 years. Represents 58.5% of the cost of building road infrastructure.
- Surface – the bitumen seal visible on the road surface, designed to protect the pavement from water and weathering. Typical useful life of road seal is 15 years. Represents 6.5% of the cost of building road infrastructure.

Full valuation occurs every 5 years, with the last valuation conducted in 2013. Values are indexed annually using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16).

Bridge Infrastructure

Bridge infrastructure valuation is based on depreciated replacement cost, calculated from base unit rates for construction of different bridge types.

The bridge replacement cost gives the cost to provide a new bridge of the existing standard, less accumulated depreciation calculated on the basis of such cost to reflect the already consumed future economic benefits of the asset.

Full valuation occurs every 5 years, with the last valuation completed in 2012. Values are indexed annually using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16).

Land Under Roads and within Road Reserves

Land under roads and within road reserves value is determined by the Valuer-General from the most recent valuations of land titles adjoining and within a 200 metre corridor of the State road network. The Valuer General provides average values per hectare or square metre for the urban and non-urban sectors in each Municipality, and the Department inputs the average values into the land areas in each sector and Municipality.

Traffic Signals

Traffic Signals assets are valued every 5 years by the Australian Valuation Office on a depreciated replacement cost basis, with the last valuation completed in 2012. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

Abt Railway Infrastructure

Abt Railway infrastructure comprises of the rail track, bridges, culverts, sidings, ramps and earthworks owned by the Abt Railway Ministerial Corporation. Railway assets are revalued every five years on a depreciated replacement cost basis, with the last valuation completed in 2012. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

Property Acquired for Roadworks

Expenditure on the acquisition of land and buildings acquired for roadworks is recognised in the accounts at settlement date and is capitalised until such time as formal possession of the property takes place for the purpose of commencing construction on the roadway.

Three methods of valuation for property and land purchased for infrastructure purposes are used by the Department, which are:

Valuer-General Sale Valuation

A sale valuation is obtained from the Valuer-General for properties that are intended to be sold in the near future. In most cases, these are the pieces of property that are left over as a result of the completion of a road construction project.

Valuer-General Rates Valuation

The rates valuation is considered to be a reasonable valuation of properties held, mostly for future roadwork purposes.

Department of Infrastructure, Energy and Resources Valuation

This valuation is applied to properties that remain as a result of completion of the relevant road construction project, where the Valuer-General valuation is considered inappropriate. Due to factors such as non-accessibility, usefulness of land and marketability, the true value of a property may be close to zero when accounting for disposal costs or, in any case, significantly lower than the Valuer-General's valuation.

Rail Corridor Land

Rail Corridor Land (ie the land beneath the State's rail lines) was transferred to the control of the Department by the Crown Lands (Railway Land) Order 2006 on 1 December 2009, as part of the purchase of the Tasmanian Rail operation and the Melba Line by Tasmanian Railway Pty Ltd, the associated corridor land was also transferred to the control of the Department.

The land is valued at either current Valuer-General valuation where one exists, or at the average rate per land area in each Municipality according to adjacent land zoning. The Valuer General provides average values per hectare or square metre for the urban and non-urban sectors in each Municipality, from the most recent valuations of land titles adjoining and within a 200 metre corridor of the rail lines.

(ii) Subsequent costs

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

(iii) Asset recognition threshold

The asset capitalisation threshold adopted by the Department is \$5,000. Assets valued at less than \$5,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

(iv) Revaluations

Assets are revalued at least once in every 5 years with the following exceptions:

- plant and equipment having a cost or revaluation less than the threshold of \$50,000;
- land and buildings that are to be utilised for future roadworks (as required);
- land remaining after the completion of the relevant roadworks project which is regarded as non-saleable due to, for example, limited or no access (as required), and;
- Road and Bridge infrastructure which is revalued every 5 years, with values indexed annually between valuations.

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

The recoverable amount test is not applicable to the Department of Infrastructure, Energy and Resources as its non-current assets are not held for the purpose of generating net cash inflows from services provided by the Department.

Those assets that are restricted by government directives or legislation are disclosed in the Statement of Financial Position as administered assets. The restriction on these assets includes the inability of the Department of Infrastructure, Energy and Resources to benefit from the asset in the pursuit of its objectives and to deny access of others to that benefit.

(h) Investment property

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

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

Investment property is not depreciated.

Investment property is revalued with sufficient regularity to ensure it reflects fair value at balance date.

(i) Intangibles

An intangible asset is recognised where:

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

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

2.13 Liabilities

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

(a) Payables

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

(b) Interest bearing liabilities

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

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

(c) Provisions

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

(d) Employee benefits

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

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

A liability for on-costs (payroll tax and workers compensation premiums) is recognised and disclosed as part of Payables. On-costs are not classified as an employee benefit.

(e) Superannuation

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

During the reporting period, the Department paid 12.75 percent of salary in respect of contributory members of the Retirement Benefits Fund into the Superannuation Provision Account within the Special Deposits and Trust Fund. The Department paid the appropriate Superannuation Guarantee Charge into the nominated superannuation fund in respect of non-contributors. Under these arrangements the Department has no further superannuation liability for the past service of its employees.

(f) Other liabilities

Liabilities other than those identified above are recognised in accordance with the general criteria noted above.

2.14 Leases

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

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

2.15 Judgements and Assumptions

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

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

Judgements made by the Department that have significant effects on the Financial Statements are disclosed in the relevant notes to the Financial Statements.

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

2.16 Foreign Currency

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

2.17 Comparative Figures

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

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

Restructures of Outputs within the Department (internal restructures) that do not affect the results shown on the face of the Financial Statements are reflected in the comparatives in the Output Schedule at Note 3.

2.18 Budget Information

Budget information refers to original estimates as disclosed in the 2013-14 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.

2.21 Goods and Services Tax

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

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

Note 3 Departmental Output Schedules

3.1 Output Group Information

Comparative information has not been restated for external administrative restructures.

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

Output Group 1 – Infrastructure

	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	32,924	26,670	28,373
Grants	20,949	47,279	57,195
Sales of goods and services	582	928	901
Fees and fines	4,840	6,323	5,754
Other revenue	75	1,211	460
Total revenue and other income from transactions	59,370	82,411	92,683
Expenses from transactions			
Employee Entitlements	23,023	24,413	21,987
Depreciation and Amortisation	3,369	3,935	3,471
Grants and subsidies	2,020	1,108	13,209
Supplies and Consumables:			
Consultants	1,693	1,259	1,193
Property Services	1,271	550	17
Maintenance	4,008	3,677	1,588
Communications	694	1,205	1,005
Information Technology	2,189	2,606	2,509
Travel and Transport	580	722	449
Operating Lease costs	...	1,782	1,509
Advertising and Promotion	611	1,399	1,200
Other Supplies and Consumables	599	6,521	7,823
Other expenses	267	509	861
Total expenses from transactions	40,324	48,686	56,821
Net result from transactions (net operating balance)	19,046	33,725	35,862
Other economic flows included in net result			
Net gain/(loss) on nonfinancial assets	4	(338)	(795)
Total other economic flows included in net result	4	(338)	(795)
Net result from continuing operations	19,050	33,387	35,067
Net result	19,050	33,387	35,067
Other comprehensive income			
Changes in physical asset revaluation reserve	...	(10,873)	4,406
Total other comprehensive income	...	(10,873)	4,406
Comprehensive result	19,050	22,514	39,473

Output Group 1 – Infrastructure (continued)

	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
Expense by output			
I.1 Infrastructure Strategy	3,118	13,430	18,817
I.2 Rail Safety	307	82	398
I.3 Road Safety	9,953	8,856	7,462
I.4 Registration and Licensing	12,600	14,541	15,607
I.5 Vehicle Operations	4,134	3,486	4,045
I.6 Traffic Management and Engineering Services	5,585	4,266	7,114
I.7 Passenger Transport	4,217	1,749	2,802
I.8 Passenger Transport Innovation	410	3,614	1,371
Total	40,324	50,024	57,616
Net Assets			
Total assets deployed for Output Group 1		146,820	159,833
Total liabilities incurred for Output Group 1		10,639	7,683
Net assets deployed for Output Group 1		136,181	152,150

Output Group 2 – Energy Advisory and Regulatory Services

	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
<i>Continuing operations</i>			
Revenue and other income from transactions			
Revenue from appropriation	1,152	1,525	1,101
Grants	...	503	...
Fees and fines	475	...	...
Other revenue	1	...	...
Total revenue and other income from transactions	1,628	2,028	1,101
Expenses from transactions			
Employee Entitlements	967	1,018	1,076
Depreciation and Amortisation	...	1	1
Grants and subsidies	465	...	16
Supplies and Consumables:			
Consultants	101	3	3
Property Services	23	3	4
Communications	14	9	9
Information Technology	13	8	9
Travel and Transport	23	15	16
Operating Lease costs	...	54	42
Advertising and Promotion	29	...	3
Other Supplies and Consumables	(6)	777	(57)
Other expenses	1	6	28
Total expenses from transactions	1,630	1,894	1,150
Net result from transactions (net operating balance)	(2)	134	(49)
Comprehensive result	(2)	134	(49)
Expense by output			
2.1 Energy Policy and Advice	1,630	1,894	1,150
Total	1,630	1,894	1,150
Net Assets			
Total assets deployed for Output Group 2		83	312
Total liabilities incurred for Output Group 2		251	530
Net assets deployed for Output Group 2		(168)	(218)

Output Group 3 –Mineral Resources Management and Administration

	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
<i>Continuing operations</i>			
Revenue and other income from transactions			
Revenue from appropriation	5,679	10,110	7,237
Other revenue	776	103	52
Total revenue and other income from transactions	6,455	10,213	7,289
Expenses from transactions			
Employee Entitlements	4,143	4,482	4,604
Depreciation and Amortisation	352	302	339
Grants and subsidies	177	5	105
Supplies and Consumables:			
Consultants	74	34	63
Property Services	598	206	251
Maintenance	(13)	91	104
Communications	57	49	48
Information Technology	314	377	418
Travel and Transport	62	174	178
Operating Lease costs	...	781	489
Advertising and Promotion	93	4	28
Other Supplies and Consumables	318	6	(26)
Other expenses	12	79	116
Total expenses from transactions	6,187	6,590	6,716
Net result from transactions (net operating balance)	268	3,623	572
Other comprehensive income			
Changes in physical asset revaluation reserve	...	65	...
Total other comprehensive income	...	65	...
Comprehensive result	268	3,688	572
Expense by output			
3.1 Minerals Exploration and Land Management	3,292	4,419	4,043
3.2 Tenement Management of the Exploration and Minerals Industry	2,895	2,171	2,674
Total	6,187	6,590	6,716
Net Assets			
Total assets deployed for Output Group 3		7,993	7,656
Total liabilities incurred for Output Group 3		7,182	6,536
Net assets deployed for Output Group 3		811	1,120

Output Group 4 –Support for the Minister (Forest Policy)

	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
<i>Continuing operations</i>			
Revenue and other income from transactions			
Revenue from appropriation	1,048	1,053	1,108
Grants	...	503	322
Other revenue	...	200	(5)
Total revenue and other income from transactions	1,048	1,756	1,425
Expenses from transactions			
Employee Entitlements	1,086	1,182	1,094
Depreciation and Amortisation	...	1	1
Grants and subsidies	...	(22)	235
Supplies and Consumables:			
Consultants	2	29	94
Property Services	2	2	3
Communications	6	8	10
Information Technology	5	...	3
Travel and Transport	36	28	21
Operating Lease costs	...	34	47
Advertising and Promotion	...	33	17
Other Supplies and Consumables	(84)	76	(3)
Other expenses	...	7	21
Total expenses from transactions	1,053	1,378	1,543
Net result from transactions (net operating balance)	(5)	378	(118)
Comprehensive result	(5)	378	(118)
Expense by output			
4.1 Support for the Minister	1,053	1,378	1,543
Total	1,053	1,378	1,543
Net Assets			
Total assets deployed for Output Group 4		528	56
Total liabilities incurred for Output Group 4		236	193
Net assets deployed for Output Group 4		292	(137)

Output Group 5 – Racing Policy and Regulation

	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
<i>Continuing operations</i>			
Revenue and other income from transactions			
Revenue from appropriation	2,931	3,100	3,154
Sales of goods and services	2	...	3
Fees and fines	340	278	294
Other revenue	194	...	2
Total revenue and other income from transactions	3,467	3,378	3,453
Expenses from transactions			
Employee Entitlements	2,060	2,514	2,262
Depreciation and Amortisation	8	27	30
Grants and subsidies	272	...	...
Supplies and Consumables:			
Consultants	...	8	10
Property Services	189	10	44
Communications	56	63	45
Information Technology	70	235	155
Travel and Transport	167	137	118
Operating Lease costs	...	330	350
Advertising and Promotion	...	...	3
Other Supplies and Consumables	633	550	754
Other expenses	34	29	71
Total expenses from transactions	3,489	3,903	3,842
Net result from transactions (net operating balance)	(22)	(525)	(389)
Comprehensive result	(22)	(525)	(389)
Expense by output			
5.1 Racing Regulation	3,489	3,903	3,842
Total	3,489	3,903	3,842
Net Assets			
Total assets deployed for Output Group 5		(4)	84
Total liabilities incurred for Output Group 5		70	456
Net assets deployed for Output Group 5		(74)	(372)

Output Group 6 – Transport Subsidies and Concessions

	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
<i>Continuing operations</i>			
Revenue and other income from transactions			
Revenue from appropriation	69,005	71,707	69,945
Reserved by Law	52	...	...
Total revenue and other income from transactions	69,057	71,707	69,945
Expenses from transactions			
Depreciation and Amortisation	...	349	335
Grants and subsidies	68,710	70,853	67,718
Supplies and Consumables:			
Consultants	...	51	...
Other Supplies and Consumables	347	841	(1,726)
Total expenses from transactions	69,057	72,094	66,327
Net result from transactions (net operating balance)	...	(387)	3,618
Comprehensive result	...	(387)	3,618
Expense by output			
6.1 Bruny Island Ferry Service	640	1,127	967
6.2 Furneaux Shipping Contract	288	163	284
6.3 King Island Shipping	49	...	44
6.4 Metropolitan General Access Services	38,869	38,720	37,510
6.5 Rural and Special Needs School Buses	21,707	18,994	14,652
6.6 Non-Metropolitan General Access Services	7,452	13,090	12,870
6.7 Construction of Streets in Towns	52	...	...
Total	69,057	72,094	66,327
Net Assets			
Total assets deployed for Output Group 6		4,497	4,713
Total liabilities incurred for Output Group 6		170	...
Net assets deployed for Output Group 6		4,327	4,713

Output Group –Capital Investment Program

	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
<i>Continuing operations</i>			
Revenue and other income from transactions			
Revenue from appropriation	124,901	123,077	102,187
Grants	30,906	39,371	19,098
Sales of goods and services	100	157	168
Fees and fines	7,500	6,302	7,047
Other revenue	...	72	3,585
Total revenue and other income from transactions	163,407	168,979	132,085
Expenses from transactions			
Employee Entitlements	7,382	3,954	10,363
Depreciation and Amortisation	105,763	83,217	77,798
Grants and subsidies	...	2,258	1,665
Supplies and Consumables:			
Consultants	...	433	124
Maintenance	50,581	38,013	53,309
Property Services	...	367	3,405
Communications	(1)	258	275
Information Technology	...	247	127
Travel and Transport	...	503	544
Operating Lease costs	...	833	1,199
Advertising and Promotion	...	16	24
Other Supplies and Consumables	(333)	3,407	1,607
Other expenses	15	273	450
Total expenses from transactions	163,407	133,779	150,890
Net result from transactions (net operating balance)	...	35,200	(18,805)
Other economic flows included in net result			
Net gain/(loss) on nonfinancial assets	...	63,691	39,278
Total other economic flows included in net result	...	63,691	39,278
Net result	...	(28,491)	20,473
Other comprehensive income			
Changes in physical asset revaluation reserve	136,211	54,460	158,399
Total other comprehensive income	136,211	54,460	158,399
Comprehensive result	136,211	25,969	178,872

Output Group –Capital Investment Program (continued)

	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
Expense by output			
Arthur Hwy	9,000	5,846	991
Rokeby Main Road	7,500	7,125	608
West Tamar Highway Bradys Lookout	2,773	1,826	5,373
West Tamar Highway Cormiston Road	...	...	295
Huon Highway upgrade	2,043	3,616	1,137
Ferry Road Kettering	5,127	4,223	761
Murchison Highway upgrade	11,000	10,858	2,361
Richmond Link Road	2,500	2,905	656
Esk Main Road	396	(275)	3,385
Tasman Highway Scottsdale to Launceston	3,000	53	310
North East Freight Roads	25,020	21,912	5,048
Port Sorell Main Road	3,000	2,063	456
Ridgley Main Road	...	...	1,137
Lakes Secondary Road	...	1	115
Illawarra Main Road	...	29	263
Brighton Bypass	...	(282)	2,896
Bridgewater Bridge Refurbishment	...	...	1
Kingston Bypass	...	64	219
Brighton Transport Hub	...	1	2,969
Bell Bay Intermodal Terminal	3,620	...	300
Bell Bay Main Road	750	555	92
Bass Highway/Mersey Main Road Junction	...	...	213
Bass Highway/Stanley Highway Junction	1,100	1,210	202
Mudwalls Road	427	237	5,514
Tarkine Drive	7,655	12,706	898
South Arm Road	...	...	998
Bruny Island Road Sealing	...	49	399
Tasman Highway/Coles Bay Road Junction	...	...	3
Lyell Highway – Granton to New Norfolk	...	...	(138)
Infrastructure Development	122	48,524	32,489
Infrastructure Maintenance	52,577	50,121	62,692
Road Safety	15,274	6,818	4,121
Environmental	519	383	391
NBESP High Risk Rail Crossings	...	3	7
NBESP Heavy Vehicle Program	...	2,996	476
Program Management	2,218	8,040	7,340
Asset Management	5,091	3,063	3,669
Strategic Policy	2,695	2,800	2,709
Total	163,407	197,470	151,356
Net Assets			
Total assets deployed for Output – Capital Investment Program		4,062,350	4,040,166
Total liabilities incurred for Output – Capital Investment Program		14,666	19,464
Net assets deployed for Output – Capital Investment Program		4,047,684	4,020,702

Output Group—Special Capital Investment Fund (SCIF) Allocations

	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
<i>Continuing operations</i>			
Revenue and other income from transactions			
Revenue from Special Capital Investment Funds	...	180	790
Total revenue and other income from transactions	...	180	790
Expenses from transactions			
Grants and subsidies	...	180	790
Total expenses from transactions	...	180	790
Net result from transactions (net operating balance)
Comprehensive result
Expense by output			
Leven River Wharf Redevelopment	190
Smithton Wharf and Marina	...	180	600
Total	...	180	790
Net Assets			
Total assets deployed for Output – Special Capital Investment Fund
Net assets deployed for Output – Special Capital Investment Fund

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

	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
Total comprehensive result of Output Groups	156,966	51,771	221,256
Reconciliation to comprehensive result			
Revenues unallocated to Output Groups (overheads)	...	4,242	1,595
Expenses unallocated to Output Groups (accruals)	...	(1,002)	878
Comprehensive result	156,966	55,011	223,729

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

	2014 Actual \$'000	2013 Actual \$'000
Total net assets deployed for Output Groups	4,189,053	4,177,958
Reconciliation to net assets		
Assets unallocated to Output Groups (overheads)	5,944	1,927
Liabilities unallocated to Output Groups (overheads)	(3,209)	(2,699)
Net assets	4,191,788	4,177,186

3.4 Administered Output Schedule

Comparative information has not been restated for external administrative restructures.

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

Output Group – Grants and Subsidies

	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
Administered revenue and other income from transactions			
Revenue from appropriation	80,422	82,305	77,917
Grants	6,155	39,391	153
Sales of goods and services	1,249	945	467
Fees and fines	16	13	5
Other revenue	26	48	294
Total administered revenue and other income from transactions	87,868	122,702	78,836
Administered expenses from transactions			
Employee Entitlements	981	1,378	1,529
Depreciation and Amortisation	1	8	14
Grants and subsidies	86,808	120,363	76,560
Supplies and Consumables:			
Consultants	6	510	34
Property Services	81	26	31
Maintenance	...	20	21
Communications	30	18	16
Information Technology	45	62	83
Travel and Transport	167	59	48
Operating Lease costs	...	125	211
Advertising and Promotion	...	3	63
Other Supplies and Consumables	249	205	164
Other expenses	4	10	48
Total administered expenses from transactions	88,372	122,787	78,822
Administered net result from transactions (net operating balance)	(504)	(85)	14
Total administered comprehensive result	(504)	(85)	14
Administered expense by output			
91.595 Student-Only Passenger Services	23,662	15,524	17,312
91.598 National Road Transport Commission: Local Government Contribution	1,500	1,500	1,500
91.621 Payments on behalf of Forest Practices Authority	2,927	3,271	3,475
91.624 Conveyance Allowance	1,630	1,635	1,930
91.625 Pensioner Air Travel Subsidy	10	11	8
91.626 Transport Access Scheme	4,518	4,580	4,282
91.643 Contribution to Marine & Safety Authority	1,033	4,443	1,036
91.729 Tasmanian Racing Assistance	29,210	29,318	28,435
91.739 Private Forests Tasmania	1,432	1,432	1,414
91.786 Intergovernmental Forestry Agreement	...	36,316	142
91.882 Tasmanian Railway Pty Ltd	16,450	16,569	16,288
91.883 West Coast Wilderness Railway	6,000	8,188	3,000
Total	88,372	122,787	78,822
Net Assets			
Total assets deployed for Output – Grants and Subsidies		(307)	(1,096)
Total liabilities incurred for Output – Grants and Subsidies		317	(260)
Net assets deployed for Output – Grants and Subsidies		(624)	(1,356)

3.5 Reconciliation of Total Administered Output Groups Comprehensive Result to Administered Statement of Changes in Equity

	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
Total administered comprehensive result of Output Groups	(120)	(85)	14
Reconciliation to administered net surplus (deficit)			
Administered revenue collections	...	82,720	80,134
Transfers to the Consolidated Fund	...	(82,231)	(79,416)
Other administered transactions (ie unallocated to Output Groups)	...	(571)	(1,120)
Administered comprehensive result	(120)	(167)	(388)

3.6 Reconciliation of Total Administered Output Groups Net Assets to Schedule of Administered Assets and Liabilities

	2014 Actual \$'000	2013 Actual \$'000
Total administered net assets deployed for Output Groups	(624)	(1,356)
Reconciliation to administered net assets		
Assets unallocated to Output Groups	3,788	4,598
Liabilities unallocated to Output Groups	(1,809)	(1,720)
Administered net assets	1,355	1,522

Note 4 Expenditure under Australian Government Funding Arrangements

	State Funds	Australian Govt Funds	State Funds	Australian Govt Funds
	2014 Actual \$'000	2014 Actual \$'000	2013 Actual \$'000	2013 Actual \$'000
National Partnership Payments				
<i>Via appropriation</i>				
Interstate Road Transport projects	103	375	...	302
National Transport Regulators – Transitional assistance	654	424	...	...
West Coast Wilderness Railway	5,966	3,988	1,069	...
Commonwealth Own Purpose Expenditures				
<i>Via appropriation</i>				
Nation Building program- Road	65,968	8,272	74,199	11,615
Nation Building program – Rail	16,569	31,342	16,288	30,748
Nation Building program - Heavy Vehicle Safety	796	2,200	3	661
Nation Building Program - Off-Network Projects – Road	4,698	21,421	5,471	1,281
Nation Building program - Black Spot Projects	...	2,371	...	978
Nation Building program - Boom Gates Rail Crossing	...	3	...	7
Nation Building Program - Off-Network Projects – Rail	...	337	...	6,932
Temporary Assistance for Tasmanian Exporters	1,138	779	322	14,601
Tasmanian Forest Contractors Financial Support	2,152	34,013	...	...
Total	98,044	105,525	97,352	67,125

Additional details of capital expenditures included in the above note are included within Note 15.3.

Note 5 Explanations of Material Variances between Budget and Actual Outcomes

The following are brief explanations of material variances between Budget estimates and actual outcomes. Variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and \$500,000.

5.1 Statement of Comprehensive Income

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Grants	(a)	51,855	87,153	32,298	68%
Depreciation and amortisation	(b)	109,492	86,967	(22,525)	(21%)
Supplies and consumables	(c)	42,039	67,586	25,547	61%
Other expenses	(d)	329	944	615	187%
Net gain/(loss) on non-financial assets	(e)	4	(63,136)	(63,140)	...
Changes in physical asset revaluation reserve	(f)	136,211	43,651	(92,560)	(68%)

Notes to Statement of Comprehensive Income variances

(a) The original budget was increased by \$7.0M (\$5.0M Midland Hwy planning, \$1.4M Exporters' assistance program). Additional \$24.1M capital funding was provided by the Australian Government, \$16.1M for TasRail and \$8.0M for roads.

(b) Lower depreciation is largely due to a significant proportion of the Road asset having reached its expected useful life, whereby depreciation ceases.

(c) Budget overestimated the proportion of road contractor expenses that would be capitalised.

(d) Predominantly other employee expenses (\$0.8M) including training/development costs, OH&S costs, and recruitment expenses.

(e) Represents the write-down of the value of land under roads (\$41.7M) as a result of the most recent land values provided by Valuer General, and write-off of replaced/upgraded roads (\$15.3M), bridges (\$4.4M), traffic signals (\$0.3M), and disposal of land assets surplus to requirements (\$1.4M).

(f) Reflects a lower than expected valuation increment resulting from the annual indexation of road infrastructure values (+\$55.78M), and the annual Valuer General revaluation of Rail Corridor Land that resulted in \$10.9M write-down.

5.2 Statement of Financial Position

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Cash and deposits	(a)	14,654	33,179	18,525	126%
Other financial assets	(b)	307	6,955	6,648	2,165%
Payables	(c)	4,095	4,963	868	21%
Other liabilities	(d)	1,303	17,042	15,739	1,208%
Provisions	(e)	...	1,848	1,848	...

Notes to Statement of Financial Position variances

(a) Higher than expected cash holdings in Mining Bonds (\$5.9M) and Abt Railway Ministerial Corporation trust account (\$2.3M), and \$9.2M appropriation funds held for carry to 2014-15 forward under s. 8A of the Public Accounts Act.

(b) Predominantly \$6.9M accrued revenue representing Australian Government grant funding expended by the Department in 2013-14 but not claimed for re-imburement from State Treasury until July 2014.

Notes to Statement of Financial Position variances (cont.)

(c) Reflects higher than expected payments activity across then end of the financial year, particularly in the roads program.

(d) Predominantly revenue received in advance for carry forward to 2014-15 under s. 8A of the Public Accounts Act (\$9.2M), and \$5.9M monies held in trust (Mining Bonds) that is not reflected in the budget.

(e) Provisions for compulsory land acquisitions for road works not recognised in the budget.

5.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation receipts - recurrent (investing)	(a)	800	5,449	4,649	581%
Appropriation receipts - works and services (operating)	(b)	61,888	47,521	(14,367)	(23%)
Appropriation receipts - works and services (investing)	(c)	63,013	75,949	12,936	21%
Grants (operating)	(d)	29,835	22,277	(7,558)	(25%)
Receipts from Australian Government Funding (investing)	(e)	22,020	58,405	36,385	165%
Sales of goods and services	(f)	684	1,196	512	75%
Supplies and consumables	(g)	(51,339)	(81,888)	(30,549)	(60%)
Other cash payments	(h)	(2,233)	(1,644)	589	26%
GST receipts/payments (net)	(i)	(1)	725	726	...
Payments for acquisition of non-financial assets	(j)	(129,776)	(111,356)	18,420	14%
Equity transfers to other Government entities	(k)	(21,380)	(40,409)	(19,029)	(89%)
Trust receipts/payments (net)	(l)	0	590	590	...

Notes to Statement of Cash Flows variances

(a) Additional \$5.1M funding allocated for TasRail.

(b) and (c) Budget anticipated higher proportion of expenditure to be capitalised. Overall works and services appropriation budget shortfall less than 1%.

(d) and (e) Predominantly the \$24.1M increase in capital funding provided by the Australian Government, \$16.1M for TasRail and \$8.0M for roads. The differences between their application between operating and investing activities reflects the difference between expectation and reality of the expenditure of funding between for capital and operating purposes.

(f) Reflects better than expected results in collection of vehicle inspection fees and taxi industry administration fees.

(g) Budget over estimated the proportion of road contractor expenses that would be capitalised.

(h) Predominantly other employee expenses (\$0.8M) including training/development costs, OH&S costs, and recruitment expenses.

- (i) Reflects timing differences of the receipt of GST refunds over the end of financial years.
- (j) Budget over estimated the proportion of road contractor expenses that would be capitalised.
- (k) Funding for TasRail was increased by \$19.0M subsequent to publication of budget papers, funded predominantly by the Australian Government (\$16.1M).
- (l) Budget did not include the movement of funds in trust accounts. The overall increase occurred predominantly in net receipts of Mining Bonds.

Note 6 Events Occurring After Balance Date

The following occurred after the reporting date, effective from 1 July 2014:

- the name of the Department is changed to Department of State Growth, and;
- the Department of Economic Development, Tourism and the Arts is amalgamated with the Department of State Growth;
- the part of the Department of State Growth known as Sport and Recreation Tasmania is amalgamated with the Department of Premier and Cabinet;
- the part of the Department of State Growth known as Tourism Tasmania is amalgamated with the State authority established as Tourism Tasmania;
- the part of the Department of Education known as Skills Tasmania is amalgamated with the Department of State Growth.

The financial effect of this event has not been recognised.

The following is an estimate of the financial effect of the event:

Statement of Financial Position	Assets/Liabilities Assumed \$'000
Assets	
<i>Financial assets</i>	
Cash and deposits	30,658
Receivables	1,358
Other financial assets	34,445
<i>Non-financial assets</i>	
Property, plant and equipment	78,937
Heritage and cultural assets	389,676
Investment property	9,364
Intangibles	1,360
Other Assets	2,311
Total assets	548,109
Liabilities	
Payables	2,222
Employee benefits	8,755
Interest bearing liabilities	36,110
Other liabilities	5,765
Total liabilities	52,852
Net assets (liabilities) assumed on restructure	495,257

The Department's financial statements will continue to be prepared on the ongoing concern basis.

Note 7 Underlying net operating balance

Non-operational capital funding is the income from transactions relating to funding for capital projects and equity contributions to Tasmanian Railway. 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	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
Net result from transactions (net operating balance)		42,131	74,501	22,559
Less impact of Non-operational capital funding				
Revenue from Government – recurrent	2.9(a), 8.1	800	5,110	635
Revenue from Government – works and services	2.9(a), 8.1	63,013	75,752	50,223
Revenue from Australian Government	2.9(a), 8.3	22,020	57,645	42,336
Revenue from Tasmanian Government	2.9(a), 8.3	...	...	5,136
Total		85,833	138,507	98,330
Underlying Net operating balance		43,702	(64,006)	(75,771)

Note 8 Income from transactions

8.1 Revenue from Government

Revenue from Government includes revenue from appropriations, appropriations carried forward under section 8A(2) of the Public Account Act 1986 and Items Reserved by Law.

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

	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
Continuing operations			
Appropriation revenue – recurrent			
Current year	111,939	115,446	113,244
Items Reserved by Law:			
Contribution towards Construction of Streets in Towns by Municipal Councils (Local Government Act 1993)	52	...	...
Appropriation carried forward under section 8A(2) of the Public Account Act 1986 taken up as revenue in the current year	...	2,365	1,000
Less: Revenue received in advance	...	(4,825)	(2,365)
Total	111,991	112,986	111,879
Appropriation revenue – works and services	61,888	47,718	56,228
Total	61,888	160,704	56,228
Non-operational capital funding			
Appropriation revenue – recurrent	800	5,110	635
Appropriation revenue – works and services	63,013	75,752	50,223
Revenue from Government – other			
Appropriation carried forward under section 8A(2) of the Public Account Act 1986 taken up as revenue in the current year	...	4,264	...
Less: Revenue received in advance	...	(4,346)	(4,264)
Total	63,813	80,780	46,594
Total revenue from Government	237,692	241,484	214,701

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

8.2 Revenue from Special Capital Investment Funds

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

	2014 Actual \$'000	2013 Actual \$'000
Continuing operations		
Urban Renewal and Heritage Fund	...	190
Major Capital Projects Fund	180	600
Total	180	790
Total revenue from Special Capital Investment Funds	180	790

Details of total Special Capital Investment Funds revenues and expenses are provided as part of Note 3 Departmental Output Schedules. Details of total cash flows for each project are at Note 15.3.

8.3 Grants

	2014 \$'000	2013 \$'000
Continuing operations		
Grants from the Australian Government	5,191	24,299
Grants from the Tasmanian Government	5,084	3,253
Industry contributions	1,739	1,591
Total	12,014	29,143
Non-operational capital funding		
Grants from the Australian Government	75,139	42,336
Grants from the Tasmanian Government	...	5,136
Total	75,139	47,472
Total revenue from Grants	87,153	76,615

8.4 Sales of goods and services

	2014 \$'000	2013 \$'000
Goods	823	614
Services	310	465
Total	1,133	1,079

8.5 Fees and fines

	2014 \$'000	2013 \$'000
Road Safety Levy	12,513	12,918
Racing Services	211	117
Other	179	60
Total	12,903	13,095

8.6 Other revenue

	2014	2013
	\$'000	\$'000
Abt Railway ticketing sales and retail revenue	1,203	...
Miscellaneous revenue	335	587
Recovery of funds from contractual dispute	...	3,500
Total	1,538	4,087

Note 9 Expenses from transactions

9.1 Employee benefits

	2014	2013
	\$'000	\$'000
Wages and salaries	34,507	35,806
Long service leave	1,245	1,019
Superannuation	4,127	4,048
Fringe Benefits Tax	291	246
Total	40,170	41,119

Superannuation expenses relating to defined benefits schemes relate to payments into the Superannuation Provision Account held centrally and recognised within the FinanceGeneral Division of the Department of Treasury and Finance. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 12.5 per cent of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to the superannuation funds at a rate of 9.25 per cent (2013: 9.0 per cent) of salary. In addition, departments are also required to pay into the SPA a "gap" payment equivalent to 3.5 per cent of salary in respect of employees who are members of the contribution scheme.

9.2 Depreciation and amortisation

(a) Depreciation

	2014	2013
	\$'000	\$'000
Plant and equipment	602	472
Marine vessels and equipment	347	335
Traffic signal installations	775	793
Buildings	434	283
Aerodromes	12	12
Computer equipment	201	277
Road infrastructure	81,778	78,070
Other infrastructure	818	905
Total	84,967	81,147

(b) Amortisation

	2014	2013
	\$'000	\$'000
Intangibles	2,000	1,999
Total	2,000	1,999
Total depreciation and amortisation	86,967	83,146

9.3 Supplies and consumables

	2014	2013
	\$'000	\$'000
Consultants	1,920	1,732
Property services	1,196	3,761
Communications	1,693	1,561
Information technology	3,712	3,649
Travel and transport	1,651	1,420
Advertising and promotion	1,570	1,472
Operating Lease costs	4,024	3,922
Maintenance	42,378	57,296
Other supplies and consumables	9,224	1,103
Audit fees – financial audit	139	133
Audit fees – internal audit	79	190
Total	67,586	76,238

9.4 Grants and subsidies

	2014	2013
	\$'000	\$'000
Grants		
Roadworks – Grants to Councils	2,016	1,375
Urban Renewal & Heritage Fund	...	190
Major Capital Projects funding to Councils	180	600
Roadworks – Grants to GBE's	...	230
Forest Contractors Financial Support program	...	260
Temporary Assistance for Tasmanian Exporters	...	14,500
West Coast Geosciences Project	...	99
Passenger Transport Innovation Program	1,126	630
Learner Driver Mentoring Program	70	200
Furneaux Islands Shipping	54	216
Environmental management	210	...
Other grants	65	42
Total grants	3,721	18,342
Subsidies		
Payments to the Metro Tasmania Pty Ltd	38,580	37,504
Payments to School Bus Operators: Contract Services	31,922	29,997
Other Subsidies	...	71
Total subsidies	70,502	67,572
Total	74,223	85,914

9.5 Other expenses

	2014 \$'000	2013 \$'000
Workers compensation	158	128
Payroll Tax	...	626
Other employee expenses (inc. training/development, OH&S, recruitment)	786	637
Total	944	1,391

Note 10 Other economic flows included in net result

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

	2014 \$'000	2013 \$'000
Revaluation decrement of Land under Roads applied to Statement of Comprehensive Income	(41,747)	39,744
Write down of assets measured at fair value	...	(346)
Write off of replaced road, bridge and traffic signal assets	(19,934)	(123)
Net gain/(loss) on disposal of physical assets	(1,455)	(924)
Total net gain/(loss) on non-financial assets	(63,136)	38,351

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

	2014 \$'000	2013 \$'000
Impairment of Statutory receivables	(5)	...
Reversal of impairment of Statutory receivables	...	13
Total net gain/(loss) on financial instruments	(5)	13

Note 11 Assets

11.1 Cash and deposits

Cash and deposits includes the balance of the Special Deposits and Trust Fund held by the Department, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2014 \$'000	2013 \$'000
Special Deposits and Trust Fund balance	32,992	31,936
Commonwealth Bank Account – Queenstown (Abt Railway Ministerial Corporation)	182	100
Petty Cash	5	5
Total	33,179	32,041

11.2 Receivables

	2014 \$'000	2013 \$'000
Receivables	4,139	3,613
Less: Provision for impairment	(734)	(734)
Total	3,405	2,879
Sales of goods and services (inclusive of GST)	107	238
Fees and fines (inclusive of GST)	...	48
Other receivables (inclusive of GST)	245	284
Tax assets	3,053	2,309
Total	3,405	2,879
Settled within 12 months	3,264	2,738
Settled in more than 12 months	141	141
Total	3,405	2,879

	2014 \$'000	2013 \$'000
Reconciliation of movement in provision for impairment of receivables		
Carrying amount at 1 July	(734)	(854)
Amounts written off during the year	...	7
Amounts recovered during the year	(5)	13
Increase/(decrease) in provision recognised in profit or loss	5	...
Reclassification of previously impaired debt as recoverable	...	100
Carrying amount at 30 June	(734)	(734)

11.3 Other financial assets

	2014 \$'000	2013 \$'000
Accrued revenue	6,955	...
Accrued interest	...	...
Total	6,955	...
Settled within 12 months	6,955	...
Total	6,955	...

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

Description	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Buildings – specific purpose/use (Abt Railway buildings)	4,131	A – labour and materials cost to replace	Highly variable due to location	Increase / decrease in replacement costs would increase / decrease the fair value
		B – useful life of specialised buildings	20 years	Increase / decrease in useful life would increase / decrease the fair value
Rail Corridor Land – specific purpose/use land	56,793	A – market value of adjacent land per square metre	\$0.01 - \$324 per sq metre	Increase / decrease in rates per square metre would increase / decrease the fair value
		B – discount factor on market value of adjacent land to reflect specialised nature of asset	30%	Increase / decrease in discount rate would decrease / increase the fair value
Aerodromes – specific purpose/use	998	A – market value of land	Highly variable due to location	Increase / decrease in replacement costs would increase / decrease the fair value
		B - labour and materials cost to replace	20 years	Increase / decrease in useful life would increase / decrease the fair value
		C – useful life of specialised buildings		
Marine Vessels and equipment – specific purpose/use vessel (Bruny Island Ferry)	4,427	A – Australian Valuation Office valuation based on a depreciated replacement cost methodology	10% - 30%	Increase / decrease in replacement cost would increase / decrease the fair value
		B – useful life of Ferry	10.7 years	Increase / decrease in useful life would increase / decrease the fair value
Abt Railway Rolling Stock – specific purpose/use	4,081	A – labour and materials cost to replace	Highly variable due to specialised nature	Increase / decrease in replacement costs would increase / decrease the fair value
		B – useful life of rolling stock	5 – 30 years	Increase / decrease in useful life would increase / decrease the fair value
Traffic Signal installations – specific purpose/use	16,737	A – labour costs to replace	\$2,000 to \$18,000 /site	Increase / decrease in replacement costs would increase / decrease the fair value
		B – materials costs to replace	\$3,000 to \$50,000 /site	
		C – useful life of installation components	10 – 50 years	Increase / decrease in useful life would increase / decrease the fair value

(d) Assets where current use is not the highest and best use

The agency holds vacant land that is specifically acquired for future roadworks. Unless there is an explicit Government policy to the contrary, the highest and best use of an asset is the purpose for which that asset is currently being used/occupied. The Department considers that the highest and best use for these assets is vacant land in an active market. The fair value of this vacant reflects its estimated selling price in the principal market.

11.5 Infrastructure

Roads

(a) Carrying amount

	2014 \$'000	2013 \$'000
At fair value (30 June 2014)	4,991,901	4,877,328
Less: Accumulated depreciation	(2,347,050)	(2,311,784)
Total	2,644,851	2,565,544

The latest revaluation of the Road asset as at 30 June 2013 was completed by DIER Asset Management Branch on a depreciated replacement cost basis. Replacement cost was calculated using most recent contract cost experience for Tasmanian road construction. Values are indexed annually between revaluations using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16). Current replacement cost is depreciated by the proportion of the asset that has been consumed.

(b) Reconciliation of movements

	Notes	2014 Level 3 \$'000	2013 \$'000
Carrying amount at 1 July		2,565,544	2,491,821
Work in progress additions (transfer to Bridges)		...	(40,459)
Capital improvements		97,788	54,116
Deletions	10.1	(15,259)	(12,758)
Revaluation increments (decrements)	14.1	55,899	143,231
Depreciation expense		(59,121)	(56,453)
Carrying amount at 30 June		2,644,851	2,565,544

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

Description	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Road Infrastructure	2,644,851	A – labour and materials cost to replace	\$94 to \$170 per sq metre	Increase / decrease in replacement costs would increase / decrease the fair value
		B – useful life of road components	15 years - unlimited	Increase / decrease in useful life would increase / decrease the fair value
		C – annual indexation factor (ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16))	2.4%	Increase / decrease in indexation factor would increase / decrease the fair value

Land Under Roads and within Road Reserves

(a) Carrying amount

	2014 \$'000	2013 \$'000
At fair value(30 June 2014)	158,122	199,869
Total	158,122	199,869

The Valuer-General provides the Department with average rateable values per hectare or square metre for land under roads as determined by the Valuer-General from the most recent valuations of land titles adjoining and within a 200 metre corridor of the State road network. The average land values for land under roads is updated annually by the Valuer-General.

(b) Reconciliation of movements

	Notes	2014 Level 3 \$'000	2013 \$'000
Carrying amount at 1 July		199,869	160,126
Revaluation increments (decrements)	10.1	(41,747)	39,743
Carrying amount at 30 June		158,122	199,869

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

Description	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Land under Roads	158,122	A – market value of adjacent land per square metre	\$0.01 - \$193 per sq metre	Increase / decrease in rates per square metre would increase / decrease the fair value
		B –discount factor on market value of adjacent land to reflect specialised nature of asset	30%	Increase / decrease in discount rate would decrease / increase the fair value

Bridges

(a) Carrying amount

	2014 \$'000	2013 \$'000
At fair value(30 June 2014)	1,776,952	1,277,209
Less: Accumulated depreciation	(538,118)	(21,617)
Total	1,238,834	1,255,592

The latest revaluation of the Bridge assets as at 30 June 2012 was completed by DIER Asset Management Branch on a depreciated replacement cost basis, based on an independent valuation of the seven major Tasmanian bridge structures completed by GHD Pty Ltd as at 30 June 2012. Values are indexed annually between revaluations using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16).

(b) Reconciliation of movements

	Notes	2014 Level 3 \$'000	2013 \$'000
Carrying amount at 1 July		1,255,592	1,193,889
Work in progress additions (transfer from Roads)		...	40,459
Capital improvements		11,677	2,344
Write offs	10.1	(4,408)	(224)
Revaluation increments (decrements)	14.1	(1,370)	97,934
Depreciation expense		(22,657)	(21,617)
Carrying amount at 30 June		1,238,834	1,255,592

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

Description	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Bridges	1,238,834	A – labour and materials cost to replace	\$1,585 to \$10,557 per sq metre	Increase / decrease in replacement costs would increase / decrease the fair value
		B – useful life of bridges	25 – 250 years	Increase / decrease in useful life would increase / decrease the fair value
		C – annual indexation factor (ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16)	2.4%	Increase / decrease in indexation factor would increase / decrease the fair value

Abt Railway Infrastructure

(a) Carrying amount

	2014 \$'000	2013 \$'000
At fair value (30 June 2013)	32,968	32,554
Less: Accumulated depreciation	(9,304)	(8,486)
Total	23,664	24,068

The latest revaluation of ABT Railway infrastructure as at 30 June 2012 was completed by the Project Manager on a depreciated replacement cost basis. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

(b) Reconciliation of movements

	Notes	2014 Level 3 \$'000	2013 \$'000
Carrying amount at 1 July		24,068	24,972
Additions		414	...
Revaluation increments (decrements)	14.1	...	...
Depreciation expense		(818)	(904)
Carrying amount at 30 June		23,664	24,068

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

Description	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Abt Railway Infrastructure	23,664	A – labour and materials cost to replace: Rail lines (35.8 Klm) Other infrastructure B – useful life of infrastructure	\$400 - \$500 per metre Highly variable due to location 40 years	Increase / decrease in replacement costs would increase / decrease the fair value Increase / decrease in useful life would increase / decrease the fair value
Total Infrastructure			4,065,471	4,045,073

11.6 Intangibles

(a) Carrying amount

	2014 \$'000	2013 \$'000
Intangibles with a finite useful life (at cost)		
Motor Registry System	17,504	17,504
Other software systems	1,831	1,831
Less: Accumulated amortisation	(11,818)	(9,818)
Total	7,517	9,517
Work in progress (at cost)		
Work-in-progress (in-house software development)	60	...
Total	60	...
Total intangibles	7,577	9,517

(b) Reconciliation of movements

	2014 Level 3 \$'000	2013 \$'000
Carrying amount at 1 July	9,517	11,110
Additions – internal development	60	406
Amortisation expense	(2,000)	(1,999)
Carrying amount at 30 June	7,577	9,517

The above listed Intangible assets are all in-house developed specialised computer software systems. Work in progress represents computer software undergoing internal development that has not yet been released into production.

11.7 Other assets

	2014 \$'000	2013 \$'000
Prepayments	646	1,164
Inventory held for sale – West Coast Wilderness Railway café stock	10	...
Total	656	1,164
Settled/consumed within 12 months	656	1,164
Total	656	1,164

Note 12 Liabilities

12.1 Payables

	2014 \$'000	2013 \$'000
Creditors	3,708	2,841
Accrued expenses	1,255	1,794
Total	4,963	4,635
Settled within 12 months	4,963	4,635
Settled in more than 12 months	...	...
Total	4,963	4,635

Settlement is usually made within 30 days.

12.2 Employee benefits

	2014 \$'000	2013 \$'000
Accrued salaries	1,422	1,254
Annual leave	3,658	3,516
Long service leave	7,490	7,391
Total	12,570	12,161
Settled within 12 months	10,412	5,797
Settled in more than 12 months	2,158	6,364
Total	12,570	12,161

12.3 Other liabilities

	2014 \$'000	2013 \$'000
Revenue received in advance		
<i>Appropriation carried forward from current and previous years under section 8A of the Public Account Act 1986</i>	9,171	6,629
Other revenue received in advance	38	30
Other liabilities		
Monies held in trust	7,916	7,448
Suspense accounts	(83)	(21)
Total	17,042	14,086
Settled within 12 months	17,042	14,086
Settled in more than 12 months	...	...
Total	17,042	14,086

Monies held in Trust are primarily Mines Deposit Accounts (\$5.9M), which are held by the Department in trust as mine rehabilitation bonds.

12.4 Provisions

(a) Carrying amount

	2014 \$'000	2013 \$'000
Compulsory acquisition of land for roadworks	1,848	6,679
Total	1,848	6,679
Settled within 12 months	932	2,414
Settled in more than 12 months	916	4,265
Total	1,848	6,679

(b) Reconciliation of movements in provisions

	2014 \$'000	2013 \$'000
Balance at 1 July	6,679	...
Additions/increases	624	6,679
Charges against provision	(5,455)	...
Balance at 30 June	1,848	6,679

Note 13 Commitments and Contingencies

13.1 Schedule of Commitments

	2014 \$'000	2013 \$'000
By type		
<i>Capital commitments</i>		
Infrastructure – State Roads	110,747	49,166
Infrastructure – Nationals Roads	21,815	28,330
Other	17	...
Total capital commitments	132,579	77,496
<i>Lease Commitments</i>		
Operating leases	4,936	1,258
Total lease commitments	4,936	1,258
By maturity		
<i>Capital commitments</i>		
One year or less	48,454	53,489
From one to five years	65,683	24,007
More than five years	18,442	...
Total capital commitments	132,579	77,496
<i>Operating lease commitments</i>		
One year or less	1,726	423
From one to five years	1,958	811
More than five years	1,252	24
Total operating lease commitments	4,936	1,258
Total	137,515	78,754

NB: Commitments are shown as GST exclusive.

The majority of the Department's leases are represented by land and building rental costs and vehicle lease costs. The total lease commitment excludes local government and other executory costs where they are paid directly to a party other than the lessor. These costs are included elsewhere in the Department's expenditures.

The Department also has entered into contingent rental arrangements. Contingent rental costs relate to land and building leases, and in the main comprise local government charges and the periodic escalation of leases by the Consumer Price Index. Since Contingent Rentals cannot be reliably determined, they have been excluded in the calculations of Total Lease Commitments.

The Department does not have any purchase rights flowing from the lease of the land and buildings. Some buildings have renewal options exercisable by the lessee. There are no building leases that have renewal rights exercisable at the sole discretion of the lessor.

The minimum lease payment for vehicles is based on the average age of the vehicle fleet and a standard lease period of 30 months.

State Roads infrastructure commitments will be funded by capital appropriations by the State Government, together with funds provided and held over from prior years. Funding of commitments for National Roads is provided by the Australian Government through the Nation Building, Strategic Regional and Blackspots programs.

13.2 Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding any possible amount or timing of any possible underlying claim or obligation.

(a) Quantifiable contingencies

A quantifiable contingent asset is any possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A quantifiable contingent liability is any possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or any present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. To the extent that any quantifiable contingencies are insured, details provided below are recorded net.

Quantifiable Contingent Assets	2014 \$'000	2013 \$'000
The Abt Railway Surrender and Transition Deed provides for the purchase of certain items of plant and equipment to be completed within two years at written down value, currently estimated at:	2,011	2,297
Total quantifiable contingent assets	2,011	2,297

Quantifiable Contingent Liabilities	2014 \$'000	2013 \$'000
The Abt Railway Surrender and Transition Deed provides for the settlement of the purchase of certain items of plant and equipment to be completed within two years at written down value, currently estimated at:	2,011	2,297
Asbestos removal from traffic signal sites: This involves the identification and removal of any asbestos from approximately 890 traffic signal sites, predominantly pits, associated with traffic signals. The nature and location of the individual traffic signal sites will have a significant impact on the cost of any remediation with the cost range from a few hundred dollars per site to more than \$10,000 for some complex sites. The extent of work on each site will be based on individual assessment which creates significant uncertainty about the final cost.	3,500	3,500
Total quantifiable contingent liabilities	5,511	5,797

(b) Unquantifiable Contingencies

The Department has not identified any unquantifiable contingent assets as at 30 June 2014.

At 30 June 2014 the Department had a number of legal claims against it for:

- compensation in relation to the acquisition of property for road construction; and
- personal injury or damage allegedly caused by the actions or inactions of the Department.

It is not possible at the reporting date to accurately estimate the amounts of any eventual payments that may be required in relation to these claims.

Note 14 Reserves

14.1 Reserves

	2014 \$'000	2013 \$'000	Vacant Land \$'000	Land under Buildings \$'000	Rail corridor land \$'000	Buildings \$'000	Aero- dromes \$'000	Plant and Equip-ment \$'000	Traffic Signals \$'000	Road Infras- tructure \$'000	Bridges \$'000	Other Infras- tructure \$'000	Total \$'000
Asset revaluation reserve	6,595	6,441	3,651	3,736	17,234	3,279	710	4,127	7,156	1,030,422	422,949	6,415	1,502,538
Balance at 1 July	(154)	6,441	85	3,736	17,234	3,279	710	4,127	7,156	1,030,422	422,949	6,415	1,502,538
Revaluation increments/ (decrements)	...	...	...	...	(10,873)	64	...	...	...	55,899	(1,370)	...	43,651
Impairment losses	...	...	...	...	...	...	...	...	...	...	...	...	...
Reversals of impairment losses	...	...	...	...	...	...	...	...	...	...	...	...	...
Balance at 30 June	6,441	6,441	3,651	3,736	6,361	3,343	710	4,127	7,156	1,086,321	421,579	6,415	1,546,189
Asset revaluation reserve	5,660	6,595	3,651	3,651	12,829	2,995	687	4,127	7,156	913,904	382,308	6,415	1,339,732
Balance at 1 July	935	6,595	3,651	3,651	12,829	2,995	687	4,127	7,156	913,904	382,308	6,415	1,339,732
Revaluation increments/ (decrements)	...	...	...	...	4,406	284	23	...	...	116,518	40,641	...	162,806
Impairment losses	...	...	...	...	...	...	...	...	...	...	...	...	...
Reversals of impairment losses	...	...	...	...	...	...	...	...	...	...	...	...	...
Balance at 30 June	6,595	6,595	3,651	3,651	17,235	3,279	710	4,127	7,156	1,030,422	422,949	6,415	1,502,538

(a) Nature and purpose of reserves

The Asset revaluation reserve is used to record increments and decrements on the revaluation of non-financial assets, as described in Note 2.12(g)(iv).

Note 15 Cash Flow Reconciliation

15.1 Cash and deposits

Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by the Department, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2014 \$'000	2013 \$'000
Special Deposits and Trust Fund balance		
Special Deposits and Trust Fund balance	32,992	31,936
Commonwealth Bank account - Queenstown	182	100
Total	33,174	32,036
Other cash held		
Petty cash	5	5
Total	5	5
Total cash and deposits	33,179	32,041

15.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2014 \$'000	2013 \$'000
Net operating result from transactions	74,501	22,559
Depreciation and amortisation	86,967	83,146
(Gain) loss on non-financial assets	...	(530)
Bad and doubtful debts provision	(5)	13
Decrease (increase) in Receivables	(526)	493
Decrease (increase) in other financial assets	(6,447)	24
Increase (decrease) in Employee entitlements	409	1,170
Increase (decrease) in Payables	328	540
Increase (decrease) in Other liabilities	(2,939)	82
Less: non-operational capital funding – recurrent appropriation	(5,449)	(635)
Less: non-operational capital funding - works & services appropriation	(75,949)	(50,262)
Less: non-operational capital funding – Australian Government grants	(58,405)	(47,472)
Net cash from (used by) operating activities	12,485	9,128

15.3 Acquittal of Capital Investment and Special Capital Investment Funds

The Department received Works and Services Appropriation funding and revenues from Special Capital Investment Funds to fund specific projects.

Cash outflows relating to these projects are listed below by category.

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

(a) Project expenditure

	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
Capital Investment Program			
<i>National Highway System</i>			
Infrastructure Development - Continuing Projects	...	5,821	913
Infrastructure Maintenance	7,280	8,288	7,440
Road Safety and Traffic Management Works	1,606	2,600	...
Brighton Bypass	...	(1,236)	3,261
Port Sorell Main Road	1,000	598	...
North East Freight Roads	21,020	20,572	872
Illawarra Main Road	...	122	409
NBESP Heavy Vehicle Routes	...	2,189	661
NBESP Black Spots	...	...	978
NBESP High Risk Rail Crossings	...	3	7
<i>State Funded Projects</i>			
Infrastructure Development - Continuing Projects	122	5,315	1,444
Lyell Hwy Granton to New Norfolk	...	..	(138)
South Arm Road - Shoreline to Police Academy	...	...	998
Brighton Bypass	...	(2)	1,018
Brighton Transport Hub	...	...	2,969
Bruny Island road sealing	...	49	399
Illawarra Main Road	...	(109)	(146)
North East Freight Roads	4,000	3,600	1,936
Kingston Bypass	...	59	762
Bridgewater Bridge Refurbishment	...	...	1
NBESP Heavy Vehicle Routes	...	806	3
Rokeby Main Road	7,500	6,979	619
Huon Highway Upgrade	2,043	3,599	1,137
Ferry Road Kettering	5,127	3,686	752
Mudwalls Road	427	237	5,514
Richmond Link Road	2,500	2,784	646
Esk Main Road	396	153	2,980
Ridgley Main Road	...	...	269
Lakes Secondary Road	...	1	115
Arthur Highway upgrade	9,000	6,231	432
Bass Highway/Mersey Main Road Junction	...	...	213
Bass Highway/Stanley Highway Junction	1,100	1,205	202
Tasman Highway Scottsdale to Launceston	3,000	53	325
Tasman Highway/Coles Bay Road Junction	...	...	3
West Tamar Highway Bradys Lookout	2,773	2,716	4,483
West Tamar Highway/Corminston Road junction	...	...	295
Westbury Industrial Estate	...	...	1,418
Murchison Highway Upgrade	11,000	7,454	300
Bell Bay Intermodal Terminal	3,620	3,620	92
Bell Bay Main Road port access	750	555	456
Port Sorell Main Road	2,000	1,337	1,205
Tarkine Drive	7,655	12,707	...
Infrastructure Maintenance	45,297	42,004	59,435
Road Safety and Traffic Management	13,668	11,450	10,999
Environmental Management	519	266	362
Program Management	2,218	4,701	5,269
Asset Management	5,091	6,840	3,196
Strategic Policy and Planning	2,695	2,800	2,709
Total	163,407	170,053	129,729

	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
<i>Urban Renewal and Heritage Fund</i>			
Smithton Wharf	...	180	600
Leven River Wharf Redevelopment	...		190
Total	...	180	790
Total cash outflows	163,407	170,233	130,519

(b) Classification of cash flows

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

	2014 \$'000	2013 \$'000
Cash outflows		
Other cash payments		
Maintenance	44,536	58,830
Other (overheads, management, systems)	14,341	13,690
Payments for acquisition of assets	111,356	57,999
Total cash outflows	170,233	130,519

Note 16 Financial Instruments

16.1 Risk exposures

(a) Risk management policies

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

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

The Head of Agency has overall responsibility for the establishment and oversight of the Department's risk management framework. Risk management policies are established to identify and analyse risks faced by the Department, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Department does not hold any derivative financial instruments.

(b) Credit risk exposures

Credit risk is the risk of financial loss to the Department if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Receivables (including Tax assets)	Recognised upon the provision of a good or service and the issuance of an invoice or claim eg BAS, measured at face value	Payment terms generally 30 days. Collectability of receivables is reviewed at balance date and a provision for impairment raised when collection of a debt is judged to be doubtful.
Cash and deposits	Recognised upon receipt of cash, measured at face value	At call
Other financial assets (eg accrued revenue)	Recognised upon the accrual of the future benefit, measured at face value	Majority of accrued revenues are settled within 6 months

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Department's maximum exposure to credit risk. The Department is not exposed to credit risk of any significance.

The following tables analyse financial assets that are past due but not impaired:

Analysis of financial assets that are past due at 30 June 2014 but not impaired	Past due 31 to 60 days \$'000	Past due 61 to 90 days \$'000	Past due over 90 days \$'000	Total \$'000
Receivables	68	10	347	425

Analysis of financial assets that are past due at 30 June 2013 but not impaired	Past due 31 to 60 days \$'000	Past due 61 to 90 days \$'000	Past due over 90 days \$'000	Total \$'000
Receivables	96	17	296	409

(c) Liquidity risk

Liquidity risk is the risk that the Department will not be able to meet its financial obligations as they fall due. The Department's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Liabilities		
Payables	Recognised upon the receipt of a good or service that has not been paid for; measured at face value	Settled within 30 days
Monies held in Trust	Recognised upon receipt of monies, measured at face value	At call
Revenue received in advance	Recognised upon receipt of monies, measured at face value	Expended by 30 September of the following year in terms of section 8A of the Public Account Act 1986

The Department is not exposed to liquidity risk of any significance. Appropriation funding is provided to the Department from State Treasury as funds are spent by the Department, provided the Department does not exceed its budget. The following tables detail the undiscounted cash flows payable by the Department by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

2014

Maturity analysis for financial liabilities:	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	4,963	...	...	...	...	...	4,963	4,963
Monies held in Trust	7,916	...	...	...	...	...	7,916	7,916
Provisions	1,848	...	...	...	...	...	1,848	1,848
Total	14,727	...	...	...	...	...	14,727	14,727

2013

Maturity analysis for financial liabilities:	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	4,635	...	...	...	...	...	4,635	4,635
Monies held in Trust	7,448	...	...	...	...	...	7,448	7,448
Provisions	6,679	...	...	...	...	...	6,679	6,679
Total	18,762	...	...	...	...	...	18,762	18,762

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that the Department is exposed to is interest rate risk.

At the reporting date, the interest rate profile of the Department's interest bearing financial instruments was:

	2014 \$'000	2013 \$'000
Fixed rate instruments		
Financial assets	...	...
Financial liabilities	...	...
Total	...	...
Variable rate instruments		
Financial assets	...	...
Financial liabilities	(827)	(837)
Total	(827)	(837)

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 2014				
Cash in Special Deposits and Trust Fund	...	...	...	...
Monies held in Trust	(8)	(8)	...	...
Net sensitivity	(8)	(8)	...	...
30 June 2013				
Cash in Special Deposits and Trust Fund	...	...	...	...
Monies held in Trust	(8)	8	...	...
Net sensitivity	(8)	8	...	...

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2013.

16.2 Categories of Financial Assets and Liabilities

	2014 \$'000	2013 \$'000
Financial assets		
Cash and deposits	33,179	32,041
Loans and receivables	10,360	2,879
Total	43,539	34,920
Financial Liabilities		
Financial liabilities measured at amortised cost	14,727	18,762
Total	14,727	18,762

There has been no change, during the period and cumulatively, in the fair value of any receivables or financial liabilities that is attributable to changes in the credit risk of that asset or liability.

16.3 Reclassifications of Financial Assets

The Department has not reclassified any financial assets.

16.4 Derecognition of Financial Assets

The Department has not transferred financial assets in such a way that part or all of the financial assets do not qualify for derecognition.

16.5 Comparison between Carrying Amount and Net Fair Value of Financial Assets and Liabilities

	Carrying Amount 2014 \$'000	Net Fair Value 2014 \$'000	Carrying Amount 2013 \$'000	Net fair Value 2013 \$'000
Financial assets				
Cash at bank	187	187	100	100
Cash in Special Deposits and Trust Fund	32,992	32,992	31,941	31,941
Receivables	10,360	10,360	2,879	2,879
Total financial assets	43,539	43,539	34,920	34,920
Financial liabilities (Recognised)				
Trade creditors	4,963	4,963	4,635	4,635
Other financial liabilities:				
Monies held in Trust	7,916	7,916	7,448	7,448
Provisions	1,848	1,848	6,679	6,679
Total financial liabilities (Recognised)	14,727	14,727	18,762	18,762

16.6 Net Fair Values of Financial Assets and Liabilities

2014

	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				
Cash at bank	...	187	...	187
Cash in Special Deposits and Trust Fund	...	32,992	...	32,992
Receivables	10,360	10,360
Total financial assets	...	33,179	10,360	43,539
Financial liabilities (Recognised)				
Trade creditors	4,963	4,963
Other financial liabilities:				
Monies held in Trust	...	7,916	...	7,916
Provisions	1,848	1,848
Total financial liabilities (Recognised)	...	7,916	6,811	14,727

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				
Cash at bank	...	100	...	100
Cash in Special Deposits and Trust Fund	...	31,941	...	31,941
Receivables	2,879	2,879
Total financial assets	...	32,041	2,879	34,920
Financial liabilities (Recognised)				
Trade creditors	4,635	4,635
Other financial liabilities:				
Monies held in Trust	...	7,448	...	7,448
Provisions	6,679	6,679
Total financial liabilities (Recognised)	...	7,448	11,314	18,762

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

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

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

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

The Department uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

The net fair values of receivables are based on the nominal amounts due less any provision for impairment.

The net fair values of other financial assets approximate their carrying amounts.

Financial Liabilities

The net fair values for trade creditors and other financial liabilities are approximated by their carrying amounts.

Note 17 Details of Consolidated Entities

17.1 List of Entities

The following entities have been consolidated by the Department:

Entity	Ownership Interest	Proportion of Ownership Interest
Abt Railway Ministerial Corporation	State of Tasmania	100%
Forest Practices Authority (consolidated within the Administered Financial Statements)	State of Tasmania	100%

Note 18 Notes to Administered Statements

18.1 Explanations of Material Variances between Budget and Actual Outcomes

The following are brief explanations of material variances between budget estimates and actual outcomes. Variances are considered material where the variance exceeds the greater of 10 per cent of budget estimate and \$500,000.

(a) Schedule of Administered Income and Expenses

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Grants	(i)	6,235	39,391	33,156	532%
Fees and fines	(ii)	8,489	10,210	1,721	20%
Other revenue	(iii)	49,013	32,070	(16,943)	(35%)
Supplies and consumables	(iv)	714	1,823	1,109	155%
Grants and subsidies	(v)	86,672	120,125	33,453	39%
Transfers to the Consolidated Fund	(vi)	96,648	82,231	(14,417)	(15%)

Notes to Schedule of Administered Income and Expenses variances

- (i) Predominantly Australian Government funding receipts for the Forest Contractors financial support program.
- (ii) Higher than expected driver licence fees (+\$1.4M) and mining fees (+\$0.2M).
- (iii) Mineral Royalties \$17M under budget due to tightening commodities markets and diminishing mining profits.
- (iv) Budget treats the revenue/production cost of custom number plates and other costs incurred in the collection of administered revenues on a net basis, therefore no budget for these expenditures is provided, however Australian Accounting Standards do not permit the aggregation of revenues and expenditures.
- (v) Predominantly grants paid in the Forest Contractors financial support program funded by the Australian Government.
- (vi) Reflects the \$17M shortfall in Mineral Royalties, partly offset by increased driver licence and mining fees (+\$1.6M), and motor registration fees (+\$1.4M).

(b) Schedule of Administered Assets and Liabilities

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Cash and deposits	(i)	4,140	3,358	(782)	(19%)

Notes to Schedule of Administered Assets and Liabilities Variances

- (i) Reflects lower than anticipated cash holdings by Forest Practices Authority and Mineral Resources trust accounts.

(c) Schedule of Administered Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Grants	(i)	6,235	39,096	32,861	527%
Fees and fines	(ii)	8,489	10,218	1,729	20%
Other cash receipts	(iii)	49,013	32,176	(16,837)	(34%)
Grants and subsidies	(iv)	(86,672)	(119,752)	(33,080)	(38%)
Transfers to the Consolidated Fund	(v)	(96,648)	(82,231)	14,417	15%
Other cash payments	(vi)	(718)	(1,806)	(1,088)	(152%)

Notes to Schedule of Administered Cash Flow variances

- (i) Predominantly Australian Government funding receipts for the Forest Contractors financial support program.
- (ii) Higher than expected driver licence fees (+\$1.4M) and mining fees (+\$0.2M).
- (iii) Mineral Royalties \$17M under budget due to tightening commodities markets and diminishing mining profits.
- (iv) Predominantly grants paid in the Forest Contractors financial support program funded by the Australian Government.
- (v) Reflects the \$17M shortfall in Mineral Royalties, partly offset by increased driver licence and mining fees (+\$1.6M), and motor registration fees (+\$1.4M).
- (vi) Budget treats the revenue/production cost of custom number plates and other costs incurred in the collection of administered revenues on a net basis, therefore no budget for these expenditures is provided, however Australian Accounting Standards do not allow for the aggregation of revenues and expenditures.

18.2 Administered revenue from Government

Administered revenue from Government includes revenue from appropriations, appropriations carried forward under section 8A(2) of the *Public Account Act 1986* and Items Reserved by Law.

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

	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
Continuing operations			
Appropriation revenue - recurrent			
Current year	80,806	82,305	77,917
Total	80,806	82,305	77,917

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

18.3 Administered Grants

	2014 \$'000	2013 \$'000
Tasmanian Forestry Agreement	34,014	143
Grants from other Government Department	5,377	10
Total	39,391	153

18.4 Administered State taxation

	2014 \$'000	2013 \$'000
Vehicle Registration Fee	36,390	35,210
Total	36,390	35,210

18.5 Administered Sales of goods and services

	2014 \$'000	2013 \$'000
Goods		
Mineral Land Rentals	986	982
Custom Plates	712	667
Services		
MAIB Commission	2,193	2,155
Registration and Licensing	171	312
Forest Practice Plan fees	613	319
Forest Practice consulting fees	301	...
Other	50	49
Total	5,026	4,484

18.6 Administered Fees and fines

	2014 \$'000	2013 \$'000
Regulatory Fees		
Public Vehicle Licensing	457	1,166
Fees from Mineral Lands	1,083	1,219
Driver Licensing	8,654	9,013
Fines		
Weighbridge	3	2
Other	13	5
Total	10,210	11,405

18.7 Administered other revenue

	2014 \$'000	2013 \$'000
Mineral Royalties	32,040	29,508
Other	30	224
Total	32,070	29,732

Revenue from Mineral Royalties is recognised on receipt based on self assessment by mining companies. The royalties are calculated and paid based on mined volumes each quarter and supported by spot audits by Mineral Resources Tasmania staff. Due to inherent difficulties of accounting for this revenue on an accrual basis, mineral royalties revenue is accounted for on a cash basis.

18.8 Administered Employee benefits

	2014 \$'000	2013 \$'000
Wages and salaries	1,188	1,339
Long service leave	33	66
Superannuation	150	131
Fringe Benefits Tax	8	5
Total	1,379	1,541

Superannuation expenses relating to defined benefits schemes relate to payments into the Superannuation Provision Account held centrally and recognised within the FinanceGeneral Division of the Department of Treasury and Finance. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 12.5 per cent of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to the superannuation funds at a rate of 9.25 per cent (2013: 9.0 per cent) of salary. In addition, departments are also required to pay into the SPA a "gap" payment equivalent to 3.5 per cent of salary in respect of employees who are members of the contribution scheme.

18.9 Administered Depreciation and amortisation

(a) Depreciation

	2014 \$'000	2013 \$'000
Plant and equipment	5	5
Total	5	5

(b) Amortisation

	2014 \$'000	2013 \$'000
Intangibles	3	9
Total	3	9
Total depreciation and amortisation	8	14

18.10 Administered Supplies and consumables

	2014 \$'000	2013 \$'000
Consultants	528	87
Property services	42	31
Maintenance	36	78
Communications	18	17
Information technology	94	91
Travel and transport	59	49
Advertising and promotion	14	75
Operating Lease costs	125	211
Other supplies and consumables	904	1,132
Audit fees – financial audit	3	3
Total	1,823	1,774

18.11 Administered Grants and subsidies

	2014 \$'000	2013 \$'000
Grants		
National Road Transport Commission: Local Government Contribution	1,500	1,500
Tasmanian Racing Assistance	29,318	28,435
Private Forests Tasmania	1,432	1,414
Forest Practices Authority	1,514	1,355
Contribution to Marine and Safety Tasmania	4,443	1,036
Tasmanian Railway Pty Ltd	16,569	16,288
West Coast Wilderness Railway	8,188	3,000
Forest Contractors financial support program	35,411	...
Total Grants	98,375	53,028
Subsidies		
Payments to School Bus Operators: Route Services	15,524	17,312
Conveyance Allowances	1,635	1,930
Pensioner Air Travel Subsidy	11	8
Transport Access Scheme	4,580	4,282
Total Subsidies	21,750	23,532
Total	120,125	76,560

18.12 Administered Other expenses

	2014 \$'000	2013 \$'000
Payroll Tax	...	39
Workers Compensation	3	3
Bad debts written off	14	6
Miscellaneous expenses	6	6
Total	23	54

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

	2014 \$'000	2013 \$'000
Impairment of Statutory receivables	(1)	...
Reversal of impairment of Statutory receivables	...	1
Total net gain/(loss) on financial instruments	(1)	1

18.14 Administered Receivables

	2014 \$'000	2013 \$'000
Receivables	98	44
Less: Provision for impairment	(1)	...
Total	97	44
Sales of goods and services (inclusive of GST)	75	26
Fees and fines (inclusive of GST)	12	10
Other receivables	10	8
Total	97	44
Settled within 12 months	97	44
Settled in more than 12 months	...	...
Total	97	44

	2014 \$'000	2013 \$'000
Reconciliation of movement in provision for impairment of administered receivables	...	1
Carrying amount at 1 July	...	1
Increase/(decrease) in provision recognised in profit or loss	1	(1)
Carrying amount at 30 June	1	...

18.15 Administered other financial assets

	2014 \$'000	2013 \$'000
Accrued revenue	20	15
Accrued interest	...	...
Total	20	15
Settled within 12 months	20	15
Total	20	15

18.16 Administered Property, plant and equipment

(a) Carrying amount

	2014 \$'000	2013 \$'000
Plant and equipment		
At cost	47	47
Less: Accumulated depreciation	(42)	(37)
Total property, plant and equipment	5	10

(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.

	2014 \$'000	2013 \$'000
Plant, equipment and vehicles		
Carrying value at 1 July	10	15
Depreciation expense	(5)	(5)
Carrying value at 30 June	5	10

18.17 Administered Intangible assets

(a) Carrying amount

	2014 \$'000	2013 \$'000
Intangibles with a finite useful life (at cost)		
Software systems	67	67
Less: Accumulated amortisation	(67)	(64)
Total intangibles	...	3

(b) Reconciliation of movements

	2014 \$'000	2013 \$'000
Carrying amount at 1 July	3	13
Amortisation expense	(3)	(10)
Carrying amount at 30 June	...	3

18.18 Administered Payables

	2014 \$'000	2013 \$'000
Creditors	202	194
Accrued expenses	82	16
Total	284	210
Settled within 12 months	284	210
Total	284	210

Settlement is usually made within 30 days.

18.19 Administered Employee benefits

	2014 \$'000	2013 \$'000
Accrued salaries	37	29
Annual leave	93	74
Long service leave	174	137
Total	304	240
Settled within 12 months	228	178
Settled in more than 12 months	76	62
Total	304	240

18.20 Administered Other liabilities

	2014 \$'000	2013 \$'000
Other liabilities		
Monies held in trust	1,537	1,530
Total	1,537	1,530
Settled within 12 months	1,537	1,530
Total	1,537	1,530

Monies held in Trust are primarily third party revenues collected by the Department through motor registration receipts, held pending daily transfer to the owning third parties. Third parties include MAIB, State Revenue Office and Tasmania Fire Service (refer Note 19).

18.21 Schedule of Administered Commitments

	2014 \$'000	2013 \$'000
By type		
<i>Lease Commitments</i>		
Operating leases	248	97
Total lease commitments	248	97
By maturity		
<i>Operating lease commitments</i>		
One year or less	119	37
From one to five years	129	60
Total operating lease commitments	248	97
Total	248	97

Note: Commitments are GST exclusive where relevant.

The majority of the Department's administered leases are represented by land and building rental costs and vehicle lease costs. The total lease commitment excludes local government and other executory costs where they are paid directly to a party other than the lessor. These costs are included elsewhere in the Department's expenditures.

Contingent Rental costs relate to land and building leases, and in the main comprise local government charges and the periodic escalation of leases by the Consumer Price Index. Since Contingent Rentals cannot be reliably determined, they have been excluded in the calculations of Total Lease Commitments.

There is no difference between the value of minimum lease payments and the value of Total Lease Commitments. The Department does not have any purchase rights flowing from the lease of the land and buildings. There are no building leases that have renewal rights exercisable at the sole discretion of the lessor.

The minimum administered lease payment for vehicles is based on the average age of the vehicle fleet and a standard lease period of 30 months.

18.22 Administered Cash and deposits

Administered Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by the Department, and other cash held, which are administered or held in a trustee capacity or agency arrangement.

	2014 \$'000	2013 \$'000
Special Deposits and Trust Fund balance	2,211	2,879
Total	2,211	2,879
Other cash held		
Tascorp Interest Bearing Deposit	1,147	551
Total	1,147	551
Total cash and deposits	3,358	3,430

18.23 Reconciliation of Administered Net Result to Net Cash from Administered Operating Activities

	2014 \$'000	2013 \$'000
Net operating result from transactions	(166)	(389)
Depreciation and amortisation	8	14
Bad and doubtful debt provision	(1)	1
Decrease (increase) in Receivables	(53)	81
Decrease (increase) in Accrued revenue	(5)	10
Increase (decrease) in Employee entitlements	64	(288)
Increase (decrease) in Payables	76	35
Increase (decrease) in Other liabilities	149	(168)
Net cash from (used by) operating activities	72	(704)

18.24 Administered Financial Instruments

18.25 Risk exposures

(a) Risk management policies

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

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

The Head of Agency has overall responsibility for the establishment and oversight of the Department's risk management framework. Risk management policies are established to identify and analyse risks faced by the Department, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Department does not hold any derivative financial instruments.

(b) Credit risk exposures

Credit risk is the risk of financial loss to the Department if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Receivables (including Tax assets)	Recognised upon the provision of a good or service and the issuance of an invoice or claim eg BAS, measured at face value	Payment terms generally 30 days. Collectability of receivables is reviewed at balance date and a provision for impairment raised when collection of a debt is judged to be doubtful.
Cash and deposits	Recognised upon receipt of cash, measured at face value	At call
Other financial assets (eg accrued revenue)	Recognised upon the accrual of the future benefit, measured at face value	Majority of accrued revenues are settled within 6 months

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Department's maximum exposure to credit risk. The Department is not exposed to credit risk of any significance.

The following tables analyse financial assets that are past due but not impaired:

Analysis of financial assets that are past due at 30 June 2014 but not impaired	Past due 31 to 60 days \$'000	Past due 61 to 90 days \$'000	Past due over 90 days \$'000	Total \$'000
Receivables	15	1	26	42
Analysis of financial assets that are past due at 30 June 2013 but not impaired	Past due 31 to 60 days \$'000	Past due 61 to 90 days \$'000	Past due over 90 days \$'000	Total \$'000
Receivables	10	1	...	11

(c) Liquidity risk

Liquidity risk is the risk that the Department will not be able to meet its financial obligations as they fall due. The Department's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Liabilities		
Payables	Recognised upon the receipt of a good or service that has not been paid for, measured at face value	Settled within 30 days
Monies held in Trust	Recognised upon receipt of monies, measured at face value	At call
Revenue received in advance	Recognised upon receipt of monies, measured at face value	Expended by 30 September of the following year in terms of section 8A of the Public Account Act 1986

The Department is not exposed to liquidity risk of any significance. Appropriation funding is provided to the Department from State Treasury as funds are spent by the Department, provided the Department does not exceed its budget. The following tables detail the undiscounted cash flows payable by the Department by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

2014

Maturity analysis for financial liabilities:	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	284	...	...	...	...	...	284	284
Monies held in Trust	1,537	...	...	...	...	...	1,537	1,537
Total	1,821	...	...	...	...	...	1,821	1,821

2013

Maturity analysis for financial liabilities:	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	210	...	...	...	...	...	210	210
Monies held in Trust	1,530	...	...	...	...	...	1,530	1,530
Total	1,740	...	...	...	...	...	1,740	1,740

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that the Department is exposed to is interest rate risk.

At the reporting date, the interest rate profile of the Department's interest bearing financial instruments was:

	2014 \$'000	2013 \$'000
Fixed rate instruments		
Financial assets	...	...
Financial liabilities	...	...
Total	...	...
Variable rate instruments		
Financial assets	1,147	551
Financial liabilities	...	...
Total	1,147	551

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 2014				
Cash and deposits	11	(11)	...	...
Net sensitivity	11	(11)	...	...
30 June 2013				
Cash and deposits	5	(5)	...	...
Net sensitivity	5	(5)	...	...

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2013.

18.26 Categories of Administered Financial Assets and Liabilities

	2014 \$'000	2013 \$'000
Financial assets		
Cash and deposits	3,358	3,430
Receivables and accrued revenue	117	59
Total	3,475	3,489
Financial Liabilities		
Financial liabilities measured at amortised cost	1,821	1,740
Total	1,821	1,740

There has been no change, during the period and cumulatively, in the fair value of any receivables or financial liabilities that is attributable to changes in the credit risk of that asset or liability.

18.27 Reclassifications of Administered Financial Assets

The Department has not reclassified any financial assets.

18.28 Derecognition of Administered Financial Assets

The Department has not transferred financial assets in such a way that part or all of the financial assets do not qualify for derecognition.

18.29 Comparison between Carrying Amount and Net Fair Value of Administered Financial Assets and Liabilities

	Carrying Amount 2014 \$'000	Net Fair Value 2014 \$'000	Carrying Amount 2013 \$'000	Net fair Value 2013 \$'000
Financial assets				
Cash in Special Deposits and Trust Fund	3,358	3,358	3,430	3,430
Receivables	97	97	44	44
Other financial assets:				
Accrued revenue	20	20	15	15
Total financial assets	3,475	3,475	3,489	3,489
Financial liabilities (Recognised)				
Trade creditors	284	284	210	210
Other financial liabilities:				
Monies held in Trust	1,537	1,537	1,530	1,530
Total financial liabilities (Recognised)	1,821	1,821	1,740	1,740

18.30 Net Fair Values of Administered Financial Assets and Liabilities

2014	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				
Cash at Tascorp	...	1,147		1,147
Cash in Special Deposits and Trust Fund	...	2,211		2,211
Receivables	97	97
Other financial assets:				
Accrued revenue and interest	20	20
Total financial assets	...	3,358	117	3,475
Financial liabilities (Recognised)				
Trade creditors	284	284
Other financial liabilities:				
Monies held in Trust	...	1,537	...	1,537
Total financial liabilities (Recognised)	...	1,537	284	1,821

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				
Cash in Special Deposits and Trust Fund	...	3,430	...	3,430
Receivables			44	44
Other financial assets:				
Accrued revenue and interest	15	15
Total financial assets	...	3,430	59	3,489
Financial liabilities (Recognised)				
Trade creditors	210	210
Other financial liabilities:				
Monies held in Trust	...	1,530	...	1,530
Total financial liabilities (Recognised)	...	1,530	210	1,740

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

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

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

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

The Department uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Administered Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

The net fair values of receivables are based on the nominal amounts due less any provision for impairment.

The net fair values of other financial assets approximate their carrying amounts.

Financial Liabilities

The net fair values for trade creditors and other financial liabilities are approximated by their carrying amounts.

Note 19 Transactions and Balances Relating to a Trustee or Agency Arrangement

Account/Activity	Opening balance \$'000	Net transactions during 2013-14 \$'000	Closing balance \$'000
Monies collected on behalf of external bodies	1,790	287,066	
Less: Monies transferred to external bodies		287,191	1,665

The Department is responsible for the collection of revenue on behalf of other agencies and organisations and the transfer of those funds on an agreed basis. The following revenues are processed through the Department's Operating Account and then forwarded to the relevant organisation:


- Motor tax;
- Duties;
- Motor Accidents Insurance Board premiums;
- State Fire Service levy; and
- Federal Interstate Registration Scheme payments.

The balance of these activities merely reflects a timing difference between receipt of the revenue and forwarding the funds to the relevant body.

Certification of financial statements for the year ended 30 June 2014

The accompanying financial statements of the Department of Infrastructure, Energy and Resources are in agreement with the relevant accounts and records and have been prepared in compliance with Treasurer's Instructions issued under the provisions of the Financial Management and Audit Act 1990 to present fairly the financial transactions for the year ended 30 June 2014 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.



Kim Evans
SECRETARY

Date: 13 August 2014

Independent Auditor's Report

To Members of the Tasmanian Parliament

Department of Infrastructure, Energy and Resources

Financial Statements for the Year Ended 30 June 2014

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Infrastructure, Energy and Resources (the Department), which comprise the statement of financial position as at 30 June 2014 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 2014 and its financial performance, cash flows and changes in equity for the year then ended
- (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

...1 of 2

audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, I considered 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
- 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



Jara K Dean
Assistant Auditor-General Financial Audit
Delegate of the Auditor-General

Hobart
15 September 2014

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FINANCIAL STATEMENTS

For the year ending 30 June 2014

Abt Railway Ministerial Corporation

Abt Railway Ministerial Corporation Statement of Comprehensive Income for the year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
<i>Continuing operations</i>			
Revenue and other income from transactions			
Revenue from Government			
Appropriation revenue - recurrent	1.3(a)	4,200	3,000
Australian Government Grants	1.3(b)	3,988	...
Sales of goods and services	1.3(c), 3.1	1,047	...
Other revenue	1.3(d), 3.2	194	397
Total revenue and other income from transactions		9,429	3,397
Expenses from transactions			
Employee benefits	1.4(a)	2,722	171
Superannuation	1.4(a)	230	15
Depreciation and amortisation	1.4(b)	1,343	1,198
Supplies and consumables:	1.4(c)		
Consultants		439	269
Property services		275	11
Communications		148	51
Information technology		71	13
Maintenance		3,580	108
Travel and transport		139	26
Advertising and promotion		143	...
Operating lease costs		210	10
Other supplies and consumables	4.1	1,571	30
Other expenses	1.4(c), 4.2	196	81
Total expenses from transactions		11,067	1,983
Net result from transactions (net operating balance)		(1,638)	1,414
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	1.5(a), 5.1	(100)	...
Total other economic flows included in net result		(100)	...
Net result from continuing operations		(1,738)	1,414
Net result		(1,738)	1,414
Comprehensive result		(1,738)	1,414

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

Abt Railway Ministerial Corporation Statement of Financial Position as at 30 June 2014

	Notes	2014 \$'000	2013 \$'000
Assets			
<i>Financial assets</i>			
Cash and deposits	1.6(a)	2,502	3,171
Receivables	1.6(b)	12	...
<i>Non-financial assets</i>			
Inventory	1.6(c)	10	...
Plant and equipment	1.6(d), 6.1	4,286	4,314
Land & Buildings	1.6(d), 6.1	5,231	5,390
Infrastructure	1.6(d), 6.1	23,664	24,068
Total assets		35,705	36,943
Liabilities			
Payables	1.7(a), 7.1	267	61
Employee benefits	1.7(b), 7.2	283	...
Monies held in Trust		226	215
Total liabilities		776	276
Net assets (liabilities)		34,929	36,667
Equity			
Accumulated funds		26,366	28,104
Reserves		8,563	8,563
Total equity		34,929	36,667

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

Abt Railway Ministerial Corporation Statement of Cash Flows for the year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
Cash flows from operating activities			
		Inflows (Outflows)	Inflows (Outflows)
Cash inflows			
Revenue from Government			
Appropriation revenue - recurrent		4,200	...
Australian Government Grants		3,988	3,000
Other cash receipts		1,228	472
Total cash inflows		9,416	3,472
Cash outflows			
Employee benefits		(2,669)	(186)
Supplies and consumables		(6,363)	(480)
Other cash payments		(202)	(65)
Total cash outflows		(9,234)	(731)
Net cash from (used by) operating activities	8.2	182	2,741
Cash flows from investing activities			
Cash outflows			
Payments for acquisition of non-financial assets		(851)	(29)
Total cash outflows		(851)	(29)
Net cash from (used by) investing activities		(851)	(29)
Net increase (decrease) in cash held and cash equivalents		(669)	2,712
Cash and deposits at the beginning of the reporting period		3,171	459
Cash and deposits at the end of the reporting period	8.1	2,502	3,171

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

Abt Railway Ministerial Corporation Statement of Changes in Equity for the year ended 30 June 2014

	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
Balance as at 1 July 2013	8,563	28,104	36,667
Total comprehensive result	...	(1,738)	(1,738)
Balance as at 30 June 2014	8,563	26,366	34,929

	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
Balance as at 1 July 2012	8,563	26,690	35,253
Total comprehensive result	...	1,414	1,414
Balance as at 30 June 2013	8,563	28,104	36,667

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to and forming part of the Special Purpose Financial Statements for the year ended 30 June 2014

Note 1 Significant Accounting Policies

1.1 Objectives and Funding

The Abt Railway Ministerial Corporation (the Ministerial Corporation) is a body corporate, established by the *Abt Railway Development Act 1999*.

When in operation, the main activity of Abt railway is passenger and freight services between Queenstown Station and Regatta Point Station at Strahan. The railway provides the only means of access between Lowana and Lower Landing (Teepookana Plateau), which is State Forest under the control of Forestry Tasmania (FT).

Since the 1st May 2014, the West Coast Wilderness Railway (WCWR) has been managed by the Ministerial Corporation. Passenger and freight services were suspended during 2013 allowing for infrastructure maintenance and capital improvements to be undertaken. The maintenance and improvements will be funded by \$6million from Commonwealth Government and funds of up to \$1.5million over the next 4 years from the State Government. The State Government has contributed \$4.2 million in operational funding during 2013-14. The WCWR tourist railway was re-opened for business in January 2014.

1.2 Basis of Accounting

As there are no users dependent on a general purpose financial report, the financial statements are therefore a special purpose financial report that has been prepared in order to meet the financial reporting obligations of the Corporation.

This Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flow', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality', AASB 1048 'Interpretation and Application of Standards' and AASB 116 'Property Plant and Equipment'.

The financial statements have been prepared as a going concern.

The financial statements were initially signed by the Delegate of the Minister on 13 August 2014.

1.3 Income from transactions

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

(a) Revenue from Government

Appropriations, whether recurrent or capital, are recognised as revenues in the period in which the Ministerial Corporation gains control of the appropriated funds.

(b) Grants

Grants payable by the Australian Government, State Government or industry are recognised as revenue when the Ministerial Corporation 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) Other revenue

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

1.4 Expenses from transactions

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

(a) Employee benefits

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

(b) Depreciation and amortisation

All applicable Non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential.

The following table details the asset lives, and depreciation rates and the methods for the various classes of assets employed in the current and previous reporting periods. Asset useful lives depreciation methods are reviewed annually and adjusted according to the expected rate and/or pattern of consumption, asset condition, and industry best practice.

Asset	Estimated Useful Life (years)	Depreciation Rate (per annum)	Method
Tracks, bridges, structures, culverts and station buildings	40	2.50%	Straight Line
Railway carriages	30	3.33%	Straight Line
Locomotives	25	4.00%	Straight Line
Turntables, ramps, shelters	20	5.00%	Straight Line
Buildings	20	5.00%	Straight Line
Rail wagons	5	20.00%	Straight Line
Plant and equipment	5	20.00%	Straight Line

(c) Other expenses

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

1.5 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 non-financial assets

Gains or losses from the disposal of Non-financial assets are recognised when control of the assets has passed from the Ministerial Corporation.

1.6 Assets

Assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to the Ministerial Corporation 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.

(b) Receivables

Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value. Impairment losses are recognised when there is an indication that there is a measurable decrease in the collectability of receivables.

(c) Inventories

Inventories held for distribution are valued at cost adjusted, when applicable, for any loss of service potential.

(d) Infrastructure, property, plant and equipment

(i) Valuation basis

Abt Railway infrastructure comprises of the rail track, bridges, culverts, sidings, ramps and earthworks. Railway infrastructure is revalued every 5 years on a depreciated replacement cost basis, with the last valuation completed in 2012. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

Land and buildings are recorded at fair value less accumulated depreciation, and are revalued every 5 years by the Valuer General, the last valuation completed in 2012.

Railway Rolling Stock is revalued every 5 years on a depreciated replacement cost basis, with the last valuation completed in 2012. Replacement cost is based on the estimated current cost to build similar assets, which are depreciated on a straight line basis on the expired proportion of the estimated useful life of the assets.

All other Non-current physical assets having a cost of more than \$5,000 are recorded at historic cost less accumulated depreciation and accumulated impairment losses.

(ii) Asset recognition threshold

The asset capitalisation threshold adopted by the Ministerial Corporation is \$5,000. Assets valued at less than \$5,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

(iii) Contract to acquire plant and equipment

The Ministerial Corporation has entered into a contract to purchase plant and equipment from the former operator of the WCWR. The contract provides for settlement within two years for the items listed in the contract that can be identified and are used by the Ministerial Corporation during the period.

1.7 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 Ministerial Corporation becomes obliged to make future payments as a result of a purchase of assets or services.

(b) 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.

Note 2 Events after Balance

There have been no events subsequent to balance date which would have a material effect of the Ministerial Corporation's Financial Statements as at 30 June 2014.

Note 3 Income from transactions

3.1 Sales of goods and services

	2014 \$'000	2013 \$'000
Ticket sales – West Coast Wilderness Railway	728	...
Café sales	219	...
Retail sales	100	...
Total	1,047	...

Other revenue

	2014 \$'000	2013 \$'000
Insurance claim settlement	178	...
Rent	...	142
“Sinking Fund” transfer from lessee	...	195
Miscellaneous revenue	16	60
Total	194	397

Note 4 Expenses from transactions

4.1 Other supplies and consumables

	2014 \$'000	2013 \$'000
Insurance	969	...
Contractor payments – other	366	...
Contract labour	74	...
Other supplies and consumables	162	...
Total	1,571	...

4.2 Other expenses

	2014 \$'000	2013 \$'000
Audit fees	...	3
Other employment expenses	196	78
Total	196	81

Note 5 Other Economic Flows included in Net Result

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

	2014 \$'000	2013 \$'000
Vehicle write-off resulting from accident	(100)	...
Total	(100)	...

Note 6 Assets

6.1 Infrastructure, property, plant and equipment

(a) Carrying amount

	2014 \$'000	2013 \$'000
Plant and equipment:		
Plant and equipment (at cost)		
At cost	295	51
Less: Accumulated depreciation	(91)	(51)
Total	204	...
Railway Rolling Stock (at fair value)		
At fair value	6,760	6,751
Less: Accumulated depreciation	(2,678)	(2,437)
Total	4,082	4,314
Total Plant and equipment	4,286	4,314
Land and Buildings:		
Land (at fair value)		
At fair value	1,100	1,100
Total	1,100	1,100
Buildings (at fair value)		
At fair value	4,462	4,400
Less: Accumulated depreciation	(331)	(110)
Total	4,131	4,290
Total Land and Buildings	5,231	5,390
Abt Railway infrastructure (at fair value)		
At fair value	32,968	32,554
Less: Accumulated depreciation	(9,304)	(8,486)
Total	23,664	24,068
Total infrastructure, property, plant and equipment	33,181	33,772

(b) Reconciliation of infrastructure, property, plant and equipment

Reconciliations of the carrying amounts of each class of infrastructure, 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.

2014	Land \$'000	Buildings \$'000	Railway Rolling Stock \$'000	Abt Railway Infrastructure \$'000	Plant and equipment \$'000
Carrying value at 1 July	1,100	4,290	4,314	24,068	...
Additions		62	9	414	367
Disposals					(100)
Depreciation		(221)	(263)	(818)	(41)
Net transfers			22		(22)
Carrying value at 30 June	1,100	4,131	4,082	23,664	204

2013	Land \$'000	Buildings \$'000	Railway Rolling Stock \$'000	Abt Railway Infrastructure \$'000	Plant and equipment \$'000
Carrying value at 1 July	1,100	4,400	4,363	24,972	105
Additions	...	...			29
Depreciation	...	(110)	(179)	(904)	(4)
Net transfers	...	...	130		(130)
Carrying value at 30 June	1,100	4,290	4,314	24,068	...

Note 7 Liabilities

7.1 Payables

	2014 \$'000	2013 \$'000
Creditors	257	61
Accrued expenses	10	...
Total	267	61
Settled within 12 months	267	61
Total	267	61

Settlement is usually made within 30 days

7.2 Employee benefits

	2014 \$'000	2013 \$'000
Accrued salaries	71	...
Annual leave	109	...
Long service leave	103	...
Total	283	...
Settled within 12 months	214	...
Settled in more than 12 months	69	...
Total	283	...

Note 8 Cash Flow Reconciliation

8.1 Cash and deposits

Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by the Ministerial Corporation, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2014 \$'000	2013 \$'000
Special Deposits and Trust Fund balance	2,320	3,071
Total Special Deposits and Trust Fund	2,320	3,071
Deposits:		
Commonwealth Bank cheque account (Queenstown)	182	100
Total Deposits	182	100
Total Cash and deposits	2,502	3,171

8.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2014 \$'000	2013 \$'000
Net result	(1,738)	1,414
Depreciation and amortisation	1,343	1,198
(Gain) loss on non-financial assets	100	...
Decrease (increase) in Receivables	(12)	...
Increase (decrease) in Employee entitlements	283	...
Increase (decrease) in Payables	206	129
Net cash from (used by) operating activities	182	2,741

Note 9 Commitments and Contingent Liabilities

9.1 Schedule of Commitments

	2014 \$'000	2013 \$'000
By type		
<i>Capital commitments</i>		
Plant & Equipment	...	184
Railway Infrastructure	250	...
Total capital commitments	250	184
<i>Lease Commitments</i>		
Operating leases	105	...
Total lease commitments	105	...
By maturity		
<i>Capital commitments</i>		
One year or less	250	184
Total capital commitments	250	184
<i>Operating lease commitments</i>		
One year or less	48	...
From one to five years	57	...
Total operating lease commitments	105	...
Total	355	184

9.2 Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding any possible amount or timing of any possible underlying claim or obligation.

(a) Quantifiable contingencies

A quantifiable contingent asset is any possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A quantifiable contingent liability is any possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or any present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. To the extent that any quantifiable contingencies are insured, details provided below are recorded net.

Quantifiable Contingent Assets	2014 \$'000	2013 \$'000
--------------------------------	----------------	----------------

The Abt Railway Surrender and Transition Deed provides for the purchase of certain items of plant and equipment to be completed within two years of 30 April 2013 at written down value, currently estimated at:	2,011	2,297
--	-------	-------

Quantifiable Contingent Liabilities

The Abt Railway Surrender and Transition Deed provides for the settlement of the purchase of certain items of plant and equipment to be completed within two years of 30 April 2013 at written down value, currently estimated at:	2,011	2,297
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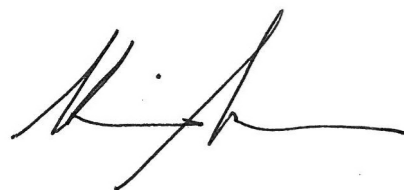
(b) Unquantifiable Contingencies

The Ministerial Corporation has not identified any unquantifiable contingencies as at 30 June 2014

Certification of financial statements for the year ended 30 June 2014

The accompanying special purpose financial statement of Abt Railway Ministerial Corporation is in agreement with the relevant accounts and records and has been prepared in compliance with the Abt Railway Development Act 1999 to present fairly the financial transactions for the year ended 30 June 2014 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.



Kim Evans
(Delegate of the Minister)

Date: 13 August 2014



Independent Auditor's Report

To Members of the Tasmanian Parliament

Abt Railway Ministerial Corporation

Special Purpose Financial Report for the Year Ended 30 June 2014

Report on the Special Purpose Financial Report

I have audited the accompanying special purpose financial report (the financial report) of the Abt Railway Ministerial Corporation (the Ministerial Corporation), which comprises the statement of financial position as at 30 June 2014 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 of compliance by the Delegate of the Minister.

Auditor's Opinion

In my opinion the Ministerial Corporation's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2014, and its financial performance, cash flows and changes in equity for the year then ended
- (b) is in accordance with the *Abt Railway Development Act 1999* and Australian Accounting Standards.

Basis of Presentation and Restrictions on Distribution

Without modifying my opinion, I draw attention to Note 1.2 to the financial report, which describes the purpose of the financial report and the basis of presentation, which is as special purpose framework. The financial report has been prepared solely for the purpose of fulfilling the Corporation's financial reporting responsibilities under the *Abt Railway Development Act 1999*. As a result, the financial report may not be suitable for another purpose.

The Responsibility of the Delegate of the Minister for the Financial Report

The Delegate of the Minister is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Abt Railway Development Act 1999* and has determined that the basis of preparation, which is a special purpose framework, is appropriate to meet his financial reporting obligations. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is 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.

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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

Auditor's Responsibility

My responsibility is to express an opinion on the financial report 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 report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, I considered internal control relevant to the preparation and fair presentation of the financial report 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 Ministerial Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Delegate of the Minister, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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
- 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



Jara K Dean
Assistant Auditor-General Financial Audit
Delegate of the Auditor-General

Hobart
19 September 2014

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To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

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