



Annual Report 2008/09

Department of Infrastructure, Energy and Resources



October 2009

Hon Graeme Sturges, MP
Minister for Infrastructure
Parliament House
HOBART 7000

Hon David Llewellyn, MP
Minister for Energy and Resources
Parliament House
HOBART 7000

Hon Michael Aird, MLC
Minister for Racing
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 2009.

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

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

Norm McIlfatrick
SECRETARY
Department of Infrastructure, Energy and Resources

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DEPARTMENT OF INFRASTRUCTURE, ENERGY AND RESOURCES

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

The Department reports to the Minister for Infrastructure, the Minister for Energy and Resources and the Minister for Racing.

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

- facilitate a safe and efficient transport system that enhances economic development;
- promote reliable, efficient, safe and sustainable energy systems;
- facilitate forest policy for Tasmania's sustainable forestry practices and forest industries;
- facilitate mineral exploration and land management of Tasmanian land and offshore waters; and
- maintain probity and integrity in the racing industry.

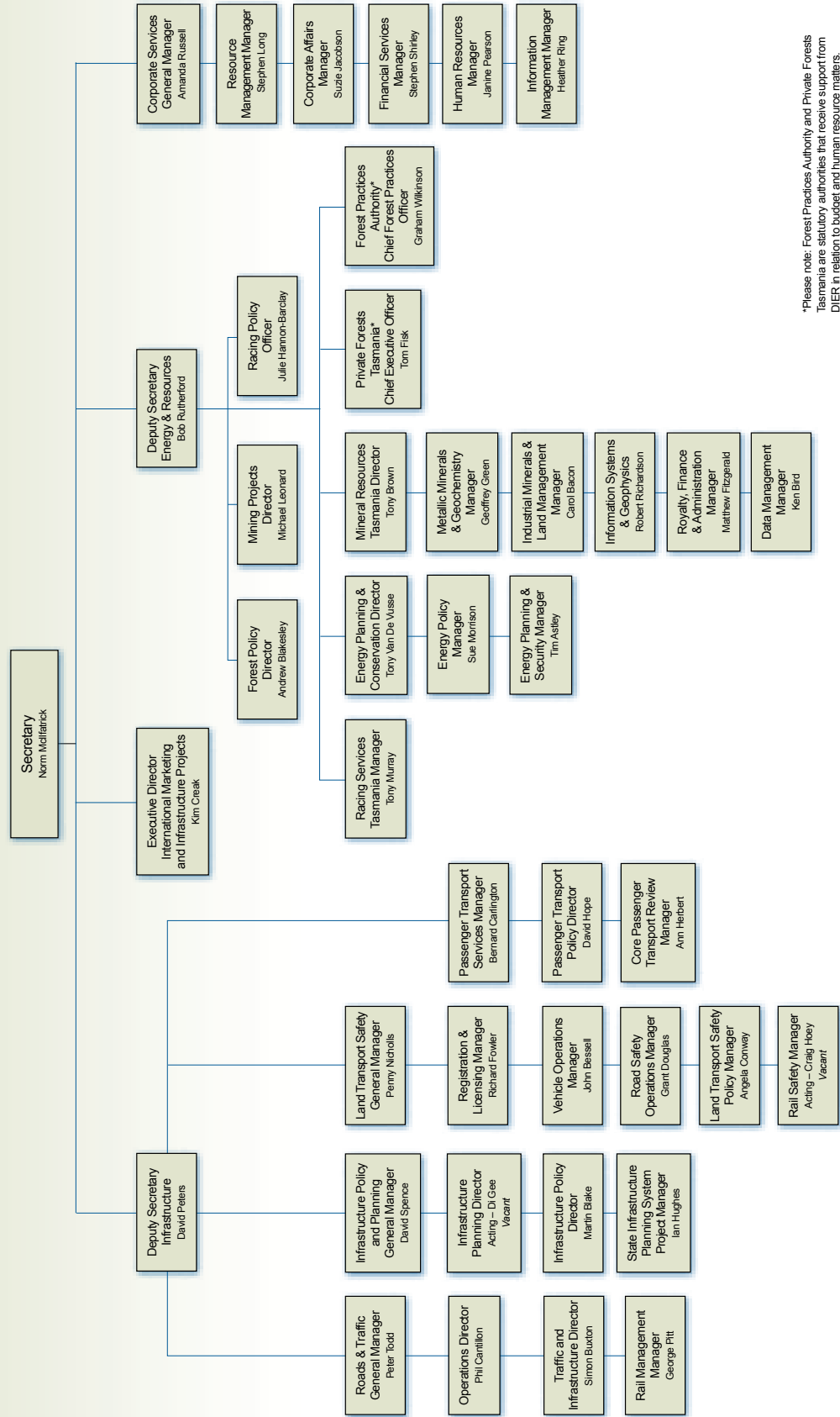
Outputs of the Department of Infrastructure, Energy and Resources are provided under the following Output Groups:

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

The Department also administers a Grants and Subsidies program, manages a Capital Investment program that supports road, rail and jetty assets, and exercises functions and powers under the *Abt Railway Development Act 1999*.

Department of Infrastructure, Energy and Resources

(As at 30 June 2009)



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

SECRETARY'S OVERVIEW

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

Rail

DIER has led the negotiations for the Government purchase of Pacific National Tasmania's (PNT) rail business, which was brought about by Asciano Limited's decision earlier this year to withdraw from the Tasmanian transport market.

On 30 June 2009, the Government entered into a Heads of Agreement under which it committed to negotiating a Business Sale Agreement for the purchase of the PNT business for a price of \$32 million. At the time of writing, the Business Sale Agreement was still being finalised. In the event that a formal Business Sale Agreement between the parties is ratified by Parliament, the Government will take on the rail business from 1 December 2009. PNT will continue to deliver rail services on the Tasmanian rail network, including all West Coast services, until the transfer of the business is completed.

Rail is an important part of the Tasmanian freight logistics sector and DIER has supported the Government in taking all reasonable steps to ensure that rail continues to be a viable transport option. DIER will now coordinate the significant body of work to complete the successful transition of the business, including the establishment of appropriate governance arrangements.

Major capital infrastructure project highlights on the Tasmanian rail network in 2008/09 included the replacement of the Jordan River Bridge (\$1.5 million); restoration of the Cam River Rail Bridge to working order on the Wiltshire line in the North-West of the State (\$320,000); completion of remedial works on the Leven River Rail Bridge to strengthen the bridge's halving joints on the Western Line and repairs to the North-South Line.

Work began in January 2009 on an extensive statewide re-sleeper program with a project value of \$38 million, and by June 2009 130,000 sleepers had been replaced throughout the network and 20 kilometres of rail laid.

The upgrading of 67 level crossings across the Tasmanian rail network began in April 2009 and by the end of June 38 crossings had been completed.

Brighton Transport Projects

In April 2009 the first sod was turned on one of Tasmania's largest ever transport infrastructure projects – the \$243 million Brighton Bypass and Transport Hub. These projects are vital components of joint State-Australian Government plans to upgrade the northern approaches to Hobart.

The bypass will cut travelling time on the Midland Highway and improve safety in the built-up areas at its southern end.

Other major projects in this area include the upgrading of the Midland Highway/Lyell Highway junction and the refurbishment of the Bridgewater Bridge. Planning is also under way for a replacement for the Bridgewater Bridge.

State Infrastructure Strategy

The State Infrastructure Strategy encompasses the key infrastructure sectors of transport, digital, energy and water. It complements the Innovation Strategy and Skills Strategy as the third tier of the Government's Economic Strategy.

In addition to new initiatives identified during the State Infrastructure Strategy's development, the Strategy also provides an overarching framework for the large number of infrastructure policies, plans and projects that are already in place or currently being developed.

The State Infrastructure Strategy, to be submitted to Government in September 2009, will outline actions that will be taken to establish the Government's short, medium and long term infrastructure objectives over the next decade.

Extensive consultation has been undertaken as part of the Strategy's development, with input sought from local government, transport, telecommunications, water, energy and other key stakeholders in relation to the broader issues surrounding the planning, provision (including funding), use and maintenance of infrastructure in Tasmania.

Road Safety

Launched in June 2007, the Road Safety Strategy 2007-2016 provides a 10 year strategic direction for road safety initiatives in Tasmania. The Strategy is evidence-based, uses the safe systems, best practice approach to road safety and draws upon the experiences of countries that have successfully reduced road trauma, such as Sweden.



The Road Safety Levy funds initiatives under the Strategy. Introduced in December 2007, the levy of \$20 a year (\$12 concession) is payable for five years on the registration of all vehicles that have broad access to the road network. The levy is a revenue source expressly for the purpose of improving road safety in accordance with the Strategy.

A comprehensive range of projects undertaken during 2008/09 included the introduction of electronic speed limit signs at 40 km/h school zones; the installation of flexible safety barriers to substantially reduce the severity of injuries caused by head-on and run-off-road crashes; continuing reforms to Tasmania's novice driver licensing system; and the installation of the latest roadside technology such as the Wet and Icy Traffic (WIT) system at Constitution Hill on the Midland Highway.

Energy

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

In spite of persistent low inflows into hydro storages, Tasmanian electricity supply has not been disrupted and confidence in Tasmania's energy security has been maintained. Even though the last few years have been

particularly dry, Tasmania has still obtained over 70% of its electricity from hydro energy.

Late in 2008/09 the hydro storage situation improved. Hydro storages were 27.7% at the end of the financial year - 8.6% above the level at the same time last year.

Basslink, the Tasmanian Natural Gas Project, conversion of the Bell Bay thermal plant from oil to gas and the development of wind energy have been instrumental in avoiding power restrictions.

Mining industry

A high level of mineral exploration activity is essential for the future development of the mineral sector and for the economic well-being of Tasmania. The mineral extraction and processing sector is Tasmania's largest export industry, accounting for 53% of mercantile exports.

The mining industry in Tasmania was affected by lower metal prices during the year, which was one of significant change. The outlook for 2009/10 is uncertain, with commodity prices generally increasing towards the end of 2008/09, but mostly not reaching the highs experienced in 2007/08. Royalty revenue collected for the State by Mineral Resources Tasmania totalled \$27.8 million in 2008/09.

Racing Industry Governance Structure

Following wide consultation with the three code racing councils, racing industry associations, the CEOs of the peak national administration bodies and all other key industry stakeholder groups, the Minister for Racing was presented with a report recommending a number of key changes to the racing industry governance structure.



These recommendations formed the basis of the amendments to the *Racing Regulation Act 2004*, which were passed by Parliament in November 2008. The changes were implemented on 1 January 2009.

The new governance structure provides for a clear and concise separation of integrity and commercial functions between Racing Services Tasmania and the newly established Tasmanian Racing Board. The Director of Racing is responsible for the enforcement of the Rules of Racing by stewards, the determination of all licences and registrations, all harness handicapping and greyhound grading functions and the registration of clubs and bookmakers

Our People

In November 2008, DIER conducted its first Pulse Check Survey. The purpose was to find out what DIER staff think about leadership, planning and communication in DIER, with the results being used to directly inform Agency organisational planning. The survey covered four main areas:

- Alignment – how clear people’s understanding was of the role of the Agency and their part in it and whether they felt their contribution was valued.
- Leadership – about how supervisors, managers and senior leaders performed and how supported people felt in carrying out their work.
- Communication – an assessment of how well informed management kept staff and whether people felt their ideas and issues were listened to.
- Change – how well change is managed in the agency and whether people felt they were involved in decisions that affected them.

The survey results were made available to staff, with General Managers presenting the results face to face in their respective Divisions. This was also used as an opportunity to seek feedback on the results, together with suggestions from staff on how the Agency could improve.

In response to the Pulse Check findings, DIER will be focusing on the following areas in the coming 12 months:

- Leadership development;
- Internal communication;
- Strategic planning / key performance measures;
- Recognition, development and retention of our staff; and
- Managing change effectively

In conclusion, I wish to thank staff throughout the Department for their commitment and hard work over the past year and the enthusiasm with which they have worked to help make a real and lasting difference in the community.

Norm McIlfratrick
SECRETARY

Tasmania Together Government Activity Report 2008/09 – Department of Infrastructure, Energy and Resources

BENCHMARK	INITIATIVE	WHAT HAS BEEN ACHIEVED THIS YEAR (2008/09)	LEAD AGENCY
10.8.3 Mineral exploration expenditure	<i>Promotion of Mineral Exploration in Tasmania</i>	<p>Activities</p> <p>The Government has a multi-pronged strategy to attract and increase the effectiveness of mineral exploration in Tasmania, which includes:</p> <ul style="list-style-type: none"> • enhancement of the TIGER system through the four year TasExplore project, which is providing new geoscientific information over the North East and North West; • updating the 3D geological model and prospectivity analysis of Tasmania; • provision of seamless digital geological maps; • provision of information from a wide range of modern data collection programs delivered by the World Wide Web; and • drill core held at the Core Library, at Mornington. <p>This infrastructure provides a set of tools that are used to promote the advantages of investing in Tasmania to Australian and overseas exploration companies.</p> <p>In addition to producing new, high quality geoscientific data, the Department of Infrastructure, Energy and Resources (DIER) continues to pursue an active marketing and promotion campaign. Funding committed in the Budget to the Tasmanian Minerals Promotion Program is being utilised to strategically promote Tasmania at trade shows and conferences, on company-by-company head office visits in Australia and overseas, as well as presenting on Tasmanian prospectivity at overseas seminars.</p> <p>Contribution towards Benchmark</p> <p>The annual promotional program is yielding results in the form of new investment and exploration projects in the State. In the 2008 calendar year, Tasmanian expenditure was 1.18 per cent of the national total, still ahead of the 2010 Tasmania Together target of 1.0 per cent.</p> <p>In recent years exploration projects valued at over \$1 million per annum have been directly attracted by promotional activities conducted by DIER. These include major exploration projects in the west, northwest and northeast of the state being conducted by explorers previously not active within Tasmania. In addition, the promotional activities have been successful in raising the profile of Tasmania as an exploration destination amongst the exploration community.</p> <p>The quality and currency of geoscience information is critical to maintaining credibility with the exploration community. In particular, the \$4.1 million government TasExplore initiative will upgrade the 3D geological model and prospectivity analysis of the state that has attracted strong praise from major international mining companies. Some of these are active in Tasmania, either directly or through alliances with junior companies.</p>	DIER

Tasmania Together Government Activity Report 2008/09 – Department of Infrastructure, Energy and Resources (continued)

BENCHMARK	INITIATIVE	WHAT HAS BEEN ACHIEVED THIS YEAR (2008/09)	LEAD AGENCY
2.1.8 Road crash fatalities and serious injuries.	<i>Tasmanian Road Safety Strategy 2007-2016</i>	<p>Activities</p> <p>The Tasmanian Road Safety Strategy 2007-2016 was launched on 19 June 2007, providing the strategic direction for road safety initiatives in Tasmania for the next 10 years.</p> <p>The Strategy is evidence based and incorporates the most successful approaches from around the world that have the proven ability to reduce road trauma.</p> <p>The 10-year Strategy has adopted the Tasmania Together road safety targets of:</p> <ul style="list-style-type: none"> • by 2010 a 20% reduction in serious injuries and fatalities from 2005; and • by 2015 a 20% reduction in serious injuries and fatalities from 2010. <p>To achieve these targets, the Strategy outlines four key Strategic Directions that are evidence based, achievable and that will be likely to deliver the greatest reductions in serious injuries and fatalities. They are:</p> <ul style="list-style-type: none"> • Safer Travel Speeds • Best Practice Infrastructure • Increased Safety For Young Road Users • Enhanced Vehicle Safety <p>The Strategy also identifies a number of complementary and ongoing initiatives which support the effort to eliminate serious casualty crashes on our roads.</p> <p>Contribution towards Benchmark:</p> <p>Initiatives to be delivered under the Strategy's first, three-year Action Plan include the following practical measures:</p> <ul style="list-style-type: none"> • Installation of safety barriers along the medians and/or sides of selected high volume roads to reduce run-off-road and head-on crashes; • Novice driver licensing reforms to increase young drivers' driving experience, limit exposure to high-risk behaviour and situations and apply tougher sanctions; • Publishing of a resource kit to assist community organisations to establish and develop Learner Driver Mentor Programs (LDMP) to help disadvantaged young people to secure their provisional licence. • New technology to vary speed limits at high crash locations during peak periods; • Electronic speed signs for all school speed zones to warn motorists when lower speed limits are operating; • Provision of funding on a dollar for dollar basis to support Local Government Councils to undertake traffic calming treatments in shared urban spaces such as town centres and shopping precincts; • The development of a public education campaign on choosing safer vehicles; and • A trial of alcohol interlocks for repeat drink driving offences 	DIER

Tasmania Together Government Activity Report 2008/09 – Department of Infrastructure, Energy and Resources (continued)

BENCHMARK	INITIATIVE	WHAT HAS BEEN ACHIEVED THIS YEAR (2008/09)	LEAD AGENCY
2.1.8 Road crash fatalities and serious injuries.	<i>Community Road Safety Partnerships (CRSP)</i>	<p>Activities</p> <p>The CRSP program has continued to consolidate and sustain impetus. CRSP partnerships have now been successfully introduced to 25 municipalities across Tasmania. Through this expansion new community projects have continued to be developed.</p> <p>Contribution towards Benchmark</p> <p>The CRSP Program contributes to achieving this Benchmark through:</p> <ul style="list-style-type: none"> • Involving community groups in local speed reduction programs using digital speed display trailers. • Expansion of the Roadside Crash Marker program to new municipalities. • Working with communities to implement further programs to assist people experiencing difficulties in obtaining a learner licence (Learner Licence Assistance Programs) or gaining the required 50 hours practical 'on road' driving experience (Learner Driver Mentor Programs). • Expansion of a "Heavy Going" awareness campaign promoting safe driving practices for heavy vehicle operators / drivers and the general community. • Establishing innovative drink driving / alcohol awareness programs in hotels and clubs or in association with major community events. <p>Road Safety Education programs are now conducted in most secondary schools across Tasmania.</p>	DIER
	<i>Motorcycle Safety</i>	<p>Activities</p> <p>Improving motorcycle safety is recognised as an important way to improve road safety and reduce serious road trauma. The Tasmanian Motorcycle Safety Strategy addressed the main issues impacting on motorcycle safety and further work continues under the Tasmanian Road Safety Strategy.</p> <p>Contribution towards Benchmark</p> <p>The Tasmanian Motorcycle Council (TMC) is represented on the Tasmanian Road Safety Council (TRSC) and continues to provide the TRSC and DIER with advice on motorcycle safety issues.</p> <p>DIER has also been working with the TMC to identify and trial additional measures to maximise the safety of roadside barrier systems for motorcyclists:</p> <ul style="list-style-type: none"> • 'Stack cushions', an energy absorbing padding, have been retrofitted to flexible safety barrier posts on the Mornington Interchange off-ramp from the Tasman Highway. • 'Rub rail', a metal strip that fits on the bottom section of steel 'w-beam' safety barrier and protects motorcyclists from hitting the barrier posts in the event of a crash, has been installed at high priority sites around the State, based on motorcycle crash data. Locations include the Channel Highway, Tasman Highway and Grass Tree Hill Road. <p>On 25 August, 2008 a two-tiered provisional period for novice riders was introduced as part of the Phase 1 Novice Licensing System Reforms.</p>	

Tasmania Together Government Activity Report 2008/09 – Department of Infrastructure, Energy and Resources (continued)

BENCHMARK	INITIATIVE	WHAT HAS BEEN ACHIEVED THIS YEAR (2008/09)	LEAD AGENCY
2.1.8 Road crash fatalities and serious injuries.	<i>Road Safety Task Force (RSTF)</i>	<p>Activities</p> <p>The RSTF is a joint initiative of DIER, Tasmania Police and is wholly funded by MAIB. Its aim is to help reduce unsafe road user behaviour through the development and implementation of public education campaigns and is integrated with enforcement.</p> <p>Contribution towards Benchmark</p> <p>The RSTF develops public education campaigns aimed at changing driver behaviour in the areas of speed, alcohol, fatigue, inattention, restraints and targets all road users including car drivers, motorcyclists, cyclists, heavy vehicle drivers, pedestrians and tourists.</p> <p>These campaigns included mass media advertising, voluntary breath testing and promotion and selected events and public relations.</p> <p>Funding is provided by MAIB through DIER to develop the public education campaigns and through Tasmania Police to fund 16 police officers around the state.</p>	DIER
	<i>Heavy Vehicle Safety</i>	<p>Activities</p> <p>DIER has continued to work with the heavy and public passenger transport sectors to increase those sectors' self-compliance with road law through education, compliance and enforcement activities.</p> <p>The Heavy Truck Safety Advisory Council has continued its role of developing and progressing heavy vehicle initiatives aimed at improved heavy vehicle road safety and reduced crashes involving heavy vehicles. This includes the development of a comprehensive Heavy Vehicle Safety Code that brings together 'best practice' information on safe systems and practices for adoption by heavy vehicle drivers and operators.</p> <p>Contribution towards Benchmark</p> <p>Safer heavy vehicle operations within Tasmania through increased industry self-compliance with road laws.</p> <p>Increased heavy vehicle industry awareness of road safety issues affecting their industry.</p>	

Tasmania Together Government Activity Report 2008/09 – Department of Infrastructure, Energy and Resources (continued)

BENCHMARK	INITIATIVE	WHAT HAS BEEN ACHIEVED THIS YEAR (2008/09)	LEAD AGENCY
1.1.7 Transport Accessibility	<i>Core Passenger Services Review</i>	<p>Activities</p> <p>As part of implementing recommendations from the Core Passenger Services Review, new service contracts were finalised with all operators of core passenger services in December 2008. The contracts provide specific funding opportunities for operators to improve both vehicles and their services. The contracts also require operators to consult with Councils and local communities in developing services in their areas. The contracts provide a structure for bus operators to work with both the State Government and communities to identify new service demands, and to respond accordingly. Already, for example, a new bus service has been introduced between Ulverstone and Devonport, effectively connecting the coastal towns between Wynyard and Port Sorell. New services have also been introduced between Legana and Launceston, and between New Norfolk and Hobart.</p> <p>The contract funding for vehicles enables bus operators to meet their obligations to provide vehicles that comply with <i>Disability Standards for Accessible Public Transport 2002</i>, increasing opportunities for people with disabilities to use public transport. The new contracts also require operators to have Disability Action Plans in place.</p> <p>A new fares structure has been introduced as part of the new contracting framework. These fares, which provide for a flat student fare for school age students and a new adult student fare for full-time students 19 years and over, are available 24/7 on all services. The new fares structure recognises that young people have a broad range of travel needs that involve more than just their travel to and from their educational institution. These new fares have made a notable difference to young people's access to public transport.</p> <p>Contribution towards Benchmark</p> <p>The activities described above improve access to public transport by increasing the number of services available, providing accessible vehicles and making public transport more affordable for the most public transport dependent groups in our community.</p>	DIER
	<i>Wheelchair Accessible Taxis (WAT) program</i>	<p>Activities</p> <p>New legislation passed by Parliament in late 2008 has made two significant changes to the WAT program:</p> <ul style="list-style-type: none"> • WAT licences are now available on demand, which enables a suitably qualified operator with a compliant vehicle to obtain a licence without charge; and • WAT operators are able to use a second hand vehicle of appropriate standard to provide services in areas designated as remote. <p>Contribution towards Benchmark</p> <p>These changes in legislation have significantly reduced the cost and complexity of obtaining a WAT licence in remote areas of Tasmania. They have already resulted in the first remote area WAT commencing operation in 2009, and will facilitate future increases in the number of new WATs operating in urban areas. Both of these changes will improve accessibility for wheelchair-reliant persons by providing a more streamlined process for additional WATs to commence operation.</p>	

Tasmania Together Government Activity Report 2008/09 – Department of Infrastructure, Energy and Resources (continued)

BENCHMARK	INITIATIVE	WHAT HAS BEEN ACHIEVED THIS YEAR (2008/09)	LEAD AGENCY
11.2.1 Area reduction of clear felling in old-growth forests	<i>Tasmanian Community Forest Agreement</i>	<p>Activities</p> <p>The Tasmanian Government, through Forestry Tasmania, is continuing to implement the Tasmanian Community Forest Agreement (TCFA) program to develop alternatives to clear felling in old-growth forests on public land (State forests).</p> <p>The objective of the program is to achieve non-clear felling harvest techniques in a minimum of 80 per cent of the area of old growth harvested on State forest each year by 2010. Under the TCFA the Commonwealth and Tasmanian Governments agreed to jointly fund a package of measures to assist Forestry Tasmania to achieve this objective.</p> <p>An Operating Plan for the Research into Alternatives to Clear felling in Old-growth Forests was approved in May 2006 and is being progressively implemented. The Plan includes research, over a five-year period, on variable retention silviculture, biodiversity implications, evaluation of risks to forest workers, effects on future yields, fire management aspects, economics and social acceptability.</p> <p>Forestry Tasmania is on track to achieve the TCFA program objective with non-clear felling techniques being used in 2007/08 for 32 per cent of old growth forest harvested compared with 53 per cent in 2006/07.</p> <p>Contribution to Benchmark</p> <p>In 2007/08 the area of public old growth forest clear felled reduced by a further 90 hectares. The area of old-growth clear felled on State Forest has reduced from 1190 hectares in 2004/05 at the start of the TCFA program to 690 hectares in 2007/08, a decrease of 42 per cent.</p>	DIER



DISABILITY FRAMEWORK FOR ACTION

The *Disability Framework for Action 2005-2010 (DFA)* sets out the Government's vision of Tasmania as an inclusive and caring community. It provides a whole of government approach to addressing the needs of people with disability in the design and delivery of all Government policies, programs, services and facilities. The DFA complements Tasmania *Together*, the community's 20 year social, environmental and economic plan.

Consistent with the objective to ensure that action to implement the DFA is taken by all Government agencies, the Department of Infrastructure, Energy and Resources prepared a disability action plan which was launched on the International Day of Disabled Persons (3 December 2008).

This plan included measures to address issues identified in the framework as important to people with disability. The plan is located at <http://www.dier.tas.gov.au/publications>. The following areas resulting from the implementation of the action plan have been identified within the last financial year.

Physical access to public buildings, facilities and off premises events

A review of parking arrangements has been undertaken at 10 Murray Street, Hobart, resulting in increased and more flexible options for disabled parking.

Improved wheelchair ramps have been provided on the Lower Ground floor of the 10 Murray Street building.

Disability Awareness training for Passenger Transport staff contributes to the continuous improvement and removal of accessibility barriers for all people with disability.

Passenger Transport Services Branch is working with interstate authorities to progress the *National Harmonisation of Disability Parking* initiative. This initiative will ultimately result in the adoption of a standardised national permit.

The ATC Joint Communiqué released on 7 November 2008 states: *The national scheme will improve opportunities for eligible people with a disability by providing common eligibility criteria, entitlements and a national parking permit.* It will reduce confusion and uncertainty for permit holders when travelling interstate or moving between jurisdictions on a permanent basis.

Information and communication dissemination

The redesign of DIER's intranet site in 2008/09 has increased usability and accessibility, making searching and general intranet use easier. The Corporate Affairs Branch continues to assist people with disabilities in providing a range of features to ensure the websites are more accessible.

Attitudes and awareness of employees

In 2008/09 all Passenger Transport Services Branch staff attended Disability Awareness training. Training is available to all DIER employees and further sessions will be provided in 2009/10.

The Department continues to promote the People with Disabilities Fixed Term Employment Register to General and Branch Managers across the Department.



Recruitment and retention

The Department engaged three people from the Fixed Term Employment Register for periods of short term employment for the 2008/09 financial year. The Department does not collect data in relation to the number of employees with a disability.

Provision of high quality services

As part of the implementation of the recommendations of the Core Passenger Services Review, all service providers delivering general access regular passenger transport services are contractually required to submit Action Plans to the Human Rights and Equal Opportunity Commission (HREOC).

The Plans are to outline how the operator intends to comply with the *Disability Standards for Accessible Public Transport 2002*. Copies of the Plans and responses from HREOC will also be provided to DIER.

Consultative relationships and processes

A joint initiative between the Department of Education, Tasmanian Polytechnic, Tasmanian Academy and DIER has been endorsed. The initiative is to provide additional transport assistance and support to students with a disability, who have not completed two years of post-year 10 education by the school year of their 19th birthday and who might otherwise face higher transport costs.

CLIMATE CHANGE

DIER has met its commitment to reduce day-to-day carbon emissions with the introduction of intelligent and innovative changes to how we do business, ranging from vehicle selection to energy reduction policies in DIER-occupied buildings.

The following initiatives have been introduced as key steps in reducing our impact on the climate:

- 65% of DIER's vehicle fleet complies with a greenhouse rating of greater than 5.5.
- 22% of DIER vehicles are classified as operational or special purpose vehicles with a greenhouse rating greater than 3.5 and the appropriate exemptions have been obtained. These will be reviewed on each occasion that replacement action is required.
- A new vehicle policy requiring eligible DIER employees to select a vehicle from a subset of the Treasury contract, ensuring that only vehicles that comply with the required greenhouse rating, and that meet strict safety requirements, are deemed suitable.
- A vehicle driving policy that focuses on reducing overall travel and developing a culture of driving practices to reduce greenhouse emissions, such as decreasing speed to reduce fuel consumption.

In 2008 the DIER Emissions Action Team (DEAT) was established to develop policies and introduce strategies to reduce greenhouse emissions within the agency. DEAT has played a key role in the development of the Carbon Emissions Reduction Plan and in the implementation of initiatives that underpin the four focus areas for action.

These include:

- **Travelling smarter**
 - reducing the vehicle fleet and promotion of car pooling;
 - providing a strategy on Workplace Travel Plans to ensure that DIER staff travel smarter;
 - promoting teleconferences rather than travel.
- **Reducing waste**
 - developing a Waste Management Plan to ensure maximum recycling across the Department;
 - promoting on-screen reading, double-sided printing and electronic circulation of material resulting in a reduction in paper and toner usage.
- **Using less energy**
 - Installation of switch timers on electrical items such as heaters, printers, photocopiers, auto boilers and shredders;
 - replacing printers and photocopiers with multi-function devices to reduce energy usage.
- **Raising awareness and commitment to reducing emissions**
 - establishment of an intranet page to increase awareness of climate-friendly activity;
 - conducting forums for staff on climate change and what it means to DIER, especially in relation to developing policy in key areas such as Transport, Energy and Forestry.

The Department is also working closely with the Tasmanian Climate Change Office on implementing the results from the Tasmanian Government audit on emissions as well as important initiatives such as the *Greater Hobart Passenger Transport Survey*.



Output Group 1 Infrastructure



1.1 TRANSPORT SYSTEM POLICY AND PLANNING

The Infrastructure Policy and Planning Division develops strategic policy and planning frameworks to guide transport planning, decision-making and investment over the long-term. The focus is on an evidence-based approach that combines current information and analysis with stakeholder engagement and input.

The Division also plays a key role in developing processes to enhance decision making for whole of government infrastructure as evidenced with development of the State Infrastructure Strategy.

The Division has invested considerable resources in developing and improving its information and analytical capabilities. This includes freight and passenger surveys to better understand transport patterns and volumes; forecasting to predict future impacts across the transport network; and the development of a targeted spatial system and tools to support analysis of a wide range of infrastructure and socio-demographic data.

State Infrastructure Strategy

The development of a State Infrastructure Strategy provides a strategic approach to infrastructure planning, provision and use in Tasmania.

The State Infrastructure Strategy encompasses the key infrastructure sectors of transport, digital, energy and water. It complements the Innovation Strategy and Skills Strategy as the third tier of the Government's Economic Strategy.

In addition to new initiatives identified during the State Infrastructure Strategy's development, the Strategy also provides an overarching framework for the large number of infrastructure policies, plans and projects that are already in place or currently being developed.

The State Infrastructure Strategy, to be submitted to Government in September 2009, will outline actions that will be taken to establish the Government's short, medium and long term infrastructure objectives over the next decade.

Extensive consultation has been undertaken as part of the Strategy's development, with input sought from Local Government, transport, telecommunications, water, energy and other key stakeholders in relation to the broader issues surrounding the planning, provision (including funding), use and maintenance of infrastructure in Tasmania.

The consultation process was critical in identifying common infrastructure themes as key to the direction and the development of the State Infrastructure Strategy.

The five infrastructure themes are:

Coordinated infrastructure planning - *In order to be effective, infrastructure planning needs to be undertaken by fewer bodies, include coordination between sectors and achieve greater alignment with land use planning.*

Effective governance and decision making - *Addressing the need for a clearer definition of roles, responsibilities and transparency in planning and providing infrastructure.*

Viable and sustainable infrastructure - *One of the most effective ways government can facilitate increased economic productivity and contain expenditure is through efficiently utilised and financially sustainable infrastructure.*

Efficient infrastructure delivery - *The full benefits of effective decision making and planning will only be realised through contemporary and efficient infrastructure delivery models.*

Leveraging our natural advantage - *The long term advantages of Tasmania such as renewable energy, availability of water, our natural heritage and attractive lifestyle need greater emphasis in the planning and provision of infrastructure.*

These themes will continue to act as a set of reference principles for the future.

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

Critically, the Strategy also provides a framework for greater evidence based infrastructure decision making.

Infrastructure Australia Audit submission

In 2008, the Australian Government established Infrastructure Australia to provide advice on infrastructure priorities and investment, commencing with a national audit of the energy, water, telecommunications and transport sectors. An initial infrastructure priority list was released in March 2009.

Tasmania's submission to Infrastructure Australia highlighted key infrastructure gaps in each of the key sectors, supported by priority projects that met Infrastructure Australia's focus on nationally significant infrastructure supported by rigorous economic analysis.

The Division developed detailed economic analysis for five key transport infrastructure projects. Of these, the Bell Bay Port Expansion project was identified by Infrastructure Australia as one of 28 additional projects nationally for further assessment. The Project focuses on major expansion at Tasmania's key export port, supporting container and freight growth over the long-term. DIER will continue to work closely with TasPorts and Infrastructure Australia to progress this critical project.

Tasmanian Urban Public Transport Study

A Study has been undertaken to better understand passenger transport issues and responses in Tasmania, focusing initially on the Greater Hobart metropolitan area. The Study:

- Examined major passenger transport issues, needs and barriers at the metropolitan level;
- Considered a range of transport modes (buses, walking and cycling, light rail, ferries); and
- Compared the impacts of different measures.

The Study was run in partnership with the Tasmanian Climate Change Office, with consideration of how we can reduce greenhouse gas emissions from transport, a key focus of the Study.

The final reports informed the development of a Tasmanian passenger transport framework, due to be released in September 2009.

Southern Integrated Transport Plan

DIER, together with the Southern Tasmanian Councils Authority, released the draft Southern Integrated Transport Plan for public comment in June 2009. The Plan is the third and final regional integrated transport plan to be developed in Tasmania.

Regional integrated transport plans provide a common, strategic framework for regional transport and infrastructure planning and investment over the longer term. Each plan:

- Examines whole of transport system issues;
- Develops principles to inform strategic investment decisions across transport modes;
- Focuses on improving integration of land use and transport planning; and
- Identifies strategies to address regional transport, economic and social needs.

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

The Plan provides a key opportunity for state and local government to work together, cooperatively, to identify both regional transport issues of importance and potential responses.

North-East Freight Strategy

The North East roads are major passenger and tourist routes and increasing freight volumes will have an impact upon the safety and positive experience for tourists.

The North East freight task is dominated by transport of forest product. The North East has the most significant forestry freight task of Tasmania's three major regions – around twice the tonnages of the South and North-West. The forestry freight task will continue to increase regardless of whether the pulp mill proceeds, with significant plantation establishment across the Region.

The destination for the majority of forestry freight will remain focused on Gunns' woodchip mill at Longreach and Forest Enterprises Australia's recently opened plantation-based hardwood and softwood sawmill at Bell Bay.

Funding committed at the 2007 Federal election totalled \$42.5 million, of which \$8.5 million is a State Government commitment, for the delivery of strategic road upgrades to both State-owned and 'off state network' routes.

The project objectives and strategic benefits are to:

- Minimise interaction between forestry freight and tourist/passenger vehicles
- Reduce the numbers of log trucks through towns
- Reduce the general impact of forestry freight on the road network in the North-East.

In order to maximise value from the funding there has been a focus on 'off state network' routes. The strategic benefits of this approach are to:

- Reduce freight on parts of the State road network
- Improve safety through less interaction of freight and passenger vehicles
- Maximise use of existing forest roads
- Improve freight efficiency

DIER began the strategic route assessment and consultation phase for the project in late 2007. Initially a number of potential routes were identified, and following stakeholder consultation, modelling of freight flow using a Forestry Freight Model, and preliminary cost estimations of the routes, this has been reduced to two strategic routes – a southern and a northern route.

Integral to these routes are upgrades to some of the State road network, such as the Bridport Main Road, and several key intersections and bridges. Preliminary work examining prioritisation of project components making up the strategy has been undertaken.

Detailed planning and costing will be conducted over the next 12 months, with construction to commence in 2010/11.

Clarence Plains Outline Development Plan

After extensive consultation with local residents and council, supported by detailed planning, the State Government finalised the Clarence Plains Outline Development Plan in December 2008. The final Plan focuses on improving community access, integrating the existing road network and identifying future traffic management options to improve safety and traffic flows on the South Arm Highway through Rokeby and Clarendon Vale.

The Government has identified the upgrade of the existing highway as its preferred option. Over the long term, the highway will be upgraded to four lanes from Oceana Drive to Droughty Point Road, with a southern bypass around the existing Rokeby commercial area, over the next 20 years.

The Government committed \$10 million for upgrades to the South Arm Highway, with duplication of the highway between Shoreline and Howrah and connection of Oceana Drive now complete. The State Government is designing options for intersections in Rokeby to improve safety and efficiency in line with the recommendations of the Outline Development Plan.

Noise Strategy

To better understand the relationship between transport-related noise on linear infrastructure networks and adjacent land use and development, two noise modelling and mapping projects were completed:

- Baseline mapping of noise levels along the State road network to identify any areas of potentially excessive noise impact on residents in adjacent dwellings; and

- Detailed modelling of noise levels along a key arterial road in the Hobart area and assessment of the types of treatments and costs that might be involved in mitigating the impacts of excessive transport noise on adjacent residences.

Further work has been done to assess noise levels across the entire State road network. The outcomes of these projects inform the development of a Transport Noise Strategy for DIER (as agreed to in the Environmental Protection Policy [Noise] released in July 2009), as well as corridor planning and specific road projects. The draft Transport Noise Strategy will be completed in 2009.

Freight and Passenger Surveys

The Division has invested in major freight and passenger surveys to understand real trip patterns.

Freight Demanders Survey

DIER conducts the Freight Demanders Survey (FDS) to improve understanding of the flows of heavy freight across the land transport network. The data from the FDS is analysed and used for a number of purposes including developing regional transport plans, assessing the potential impact of road development proposals, and assessing the impact of potential changes in freight movements. The third Freight Demanders Survey will be completed in 2009/10.

Greater Hobart Household Travel Survey

To make informed decisions regarding the urban land transport network, DIER needs to understand how people are travelling throughout Tasmania's major urban areas.

In 2008, DIER began the Greater Hobart Household Travel Survey, a demand-side, participatory survey designed to provide information about travel patterns over a 48-hour period, detailing how, why and when people travel. It is the first survey of its kind to be conducted in Tasmania.

The survey involved 2,600 households in the Greater Hobart area surveyed over a 12-month period (June 2008 to June 2009). Information collected included the following broad categories:

- Mode choice;
- Trip path and distribution;
- Trip purposes and length;
- Vehicle occupancy; and
- A range of demographic data.

Information from the Survey will be a key input into metropolitan passenger transport planning – for example, along key corridors, for specific trip types and for different modes – and will support the implementation of the Tasmanian Urban Public Transport Study.

Transport System Analysis

To make informed decisions regarding Tasmania's transport network, DIER needs to understand current and future transport demands. Using the Freight Demanders Survey and the Greater Hobart Household Travel Survey as key inputs, the Division undertakes long-term transport forecasting at a range of spatial scales (statewide, regional, corridor) supported by economic and project analysis.

The following key tasks in relation to transport system analysis were undertaken this year:

- Development of a corridor level urban travel demand model for greater Hobart, forecasting future passenger transport movements. The model was developed specifically for the Tasmanian Urban Passenger Transport Study and will have continued use for the analysis of other passenger transport projects in the Hobart region.
- Forecasting of future freight movement through the development of specialised freight models for a number of critical projects, including Tasmania's submission to the Infrastructure Australia Audit, development of regional freight strategies and as part of the Southern Integrated Transport Plan.

National and State Transport and Energy Counter Terrorism Security

DIER continued work to ensure appropriate security and emergency management arrangements for transport and energy that fulfil the State's obligations and responsibilities under the *Intergovernmental Agreement on Australia's Counter-Terrorism Arrangements*. This included participation on the following national and state working groups:

- The Australian Transport Council's Transport Security Working Group (TSWG) – addressing nationally important transport security issues, developing and coordinating policy and mitigation strategies and frameworks for disruptive incidents or potential incidents from terrorism, complementing national counter-terrorism arrangements and other planning for security and emergency management, and applying these as appropriate to the local context.
- The national Critical Infrastructure Protection Modelling and Analysis (CIPMA) working group as it relates to transport - to strengthen national security and deliver strategic support to government and business decision makers involved in critical infrastructure protection, counter-terrorism and emergency management, especially with regard to prevention, preparedness and planning, forecasting and recovery.
- The national Trusted Information Sharing Network's Energy Infrastructure Assurance Advisory Group (EIAAG) – addressing nationally important energy critical infrastructure security issues in collaboration with the industry.

- The Tasmanian Security and Emergency Management Advisory Group (SEMAG) - responsible for addressing security and emergency management issues affecting and/or involving the Tasmanian Government and providing policy advice.

State Infrastructure Planning System (SIPS) and the Infrastructure and Resources Information Service (IRIS)

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

- **Phase One:** State Infrastructure Planning System: Base information and models primarily in relation to DIER's portfolio area.
- **Sorell Infrastructure Pilot Plan:** A 20-year modelling of infrastructure for Sorell, Primrose Sands and Dodges Ferry areas. The Sorell pilot highlighted the capabilities of SIPS to better understand the demand and supply factors affecting growth and change in Sorell, across a range of areas (road and water infrastructure, land use planning, population and demographic change, service provision).
- **Phase Two:** Whole of Government Functionality. Development and application of SIPS analytical and modelling tools to key State economic and social infrastructure projects and Local Government physical infrastructure. Phase Two activities have included:
 - Land use and supply issues – support provided to Housing Affordability and Homelessness projects.
 - Transport and freight modelling.
 - Socio-economic/demographic issues – support provided to Kids Come First project, Tasmanian Early Years Foundation Research and the analysis of future Child and Family Centre locations.

The following areas have progressed as part of the SIPS project:

Decision Support System Framework: Further development of the SIPS architecture, rules for use and operating environments are an ongoing aspect of the SIPS project.

Infrastructure, Resource, Activity and Demographic Information Tool: The consolidated database and GIS analysis tool includes a broad range of transport infrastructure, resource activity and demographic information. The database continues to expand as new datasets become available. The tool is widely available at desktop level and used for a range of research and analysis activities. Data is updated according to specific service level and data sharing agreements.

Freight Demander System: This tool is an interactive GIS system showing point in time freight demand across the State transport network. The system includes an explorer tool for research and analysis and a recorder tool to assist with the capture of freight data. The third round of survey data is to be collected and added to the database.

Forestry Freight Model: Work has neared completion of the updated forestry freight model. The updated model incorporates additional functionality and will include revised forest harvest data once collected. The model assists in strategic level forecasting for the movement of forestry freight across the State road network.

Demographic Data Explorer Tool: The data explorer tool has been developed to enable users to explore, analyse and filter a range of concorded Australian Bureau of Statistics (ABS) data in a GIS environment. The tool now includes data from the most recent 2006 ABS Census.

The Infrastructure and Resources Information Service (IRIS) website presents up to date infrastructure and resource information for Tasmania. It aims to present a current view of infrastructure related activity, resource activity as well as constraint information of interest to planning and investment decision makers. IRIS has continued to maintain and update its range of links to key information and data providers.

National Transport Reform

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

- Commenced drafting jurisdictional implementation policy for the Performance Based Standards Scheme (PBS Scheme) and the national Quad-Axle Policy approved by Australian Transport Ministers in October 2007 and March 2007 respectively.
- Participated in the continuing development of the PBS Scheme reform through submissions to the PBS Scheme Review.
- Participated in the review of the National Transport Commission (NTC) through a submission to the review and through engagement with NTC officers.
- Participated on the National Economic Framework for an Efficient Transportation Marketplace working group.
- Participated on the Australian Maritime working group as it relates to the development of national maritime policy.
- Participated on the Aviation Working Group as it relates to the development of national aviation policy and submitted Tasmania's comments to the Aviation Green and White Papers.
- Participation on the Workforce Skills and Planning working group, including the formation of the Tasmanian Transport and Logistics Workforce Advisory Group in co-chair with the Tasmanian Freight Logistics Council. The purpose of the Tasmanian Advisory Group is to identify current and future workforce planning and skills priorities and issues; and identify effective solutions to contribute to the National Transport and Logistics Industry People Strategy.
- Participation on the Capacity Constraints and Supply Chain Performance working group.
- Participation on the working group progressing the COAG Road Reform Plan for heavy vehicle charging developing the Incremental Pricing Scheme (including national road pricing principles).

Furneaux Shipping

The Tasmanian Government has an agreement with the Southern Shipping Company Pty Ltd to provide essential shipping services to the Furneaux Group of Islands. The Agreement provides for a once weekly service to Flinders Island and a once every four weeks service to Cape Barren Island. Other services, including services to the outer islands are provided on a commercially accepted basis. All services are undertaken in accordance with capped freight rates set out in the Agreement. In the 2007/08 financial year a service fee payment of \$236,506 (CPI adjusted) was made to Southern Shipping.

The Division manages the Agreement on behalf of the Transport Commissioner, including responding to stakeholder queries regarding the provision of the shipping service under the Agreement. In 2009, IPP implemented a service monitoring program, agreed between Southern Shipping, the Flinders Council and the Cape Barren Island Aboriginal Association. As part of these arrangements, IPP continues to represent the Department on the Flinders Council Special Shipping Group.

Quad-Axle Network

Tasmania has agreed to the use of quad axle semi-trailers and B-doubles through the Australian Transport Council's (ATC) endorsement of the National Transport Commission's (NTC) 'Adoption of More General Use of Quad Axle Groups in Semi-Trailers and B-Doubles Policy Paper', subject to the identification of suitable routes.

The quad axle policy is an extension of the Performance Based Standards (PBS) Scheme allowing higher mass on quad axle combinations under stringent national safety, environmental and performance standards. The primary application of the policy in Tasmania is the adoption of quad axle B-doubles to transport containers between the northern ports and Hobart, particularly where the freight task is mass constrained. It is expected that the implementation of the policy will lead to significant productivity benefits for the road transport industry.

The Department has identified key quad axle routes and sourced funding to undertake the necessary bridge upgrades for the B-double strategic network. These upgrades will be undertaken in the 2009/10 and 2010/11 financial years.

Rail

DIER has led the negotiations for the Government purchase of Pacific National Tasmania's (PNT) rail business, which was brought about by Asciano Limited's decision earlier this year to withdraw from the Tasmanian transport market.

On 30 June 2009, the Government entered into a Heads of Agreement under which it committed to negotiating a Business Sale Agreement for the purchase of the PNT business for a price of \$32 million. At the time of writing, the Business Sale Agreement was still being finalised. In the event that a formal Business Sale Agreement between

the parties is signed, the Government will take on the rail business from 1 December 2009. PNT will continue to deliver rail services on the Tasmanian rail network, including all West Coast services, until the transfer of the business is completed.

Rail is an important part of the Tasmanian freight logistics sector and DIER has supported the Government in taking all reasonable steps to ensure that rail continues to be a viable transport option. DIER will now coordinate the significant body of work to complete the successful transition of the business, including the establishment of appropriate governance arrangements.

1.2 RAIL SAFETY

DIER is responsible for the regulation of rail safety in Tasmania. All railway organisations in Tasmania are required to be accredited under the *Rail Safety Act 1997* before beginning operations. The system of accreditation provides assurance that railway organisations have the competency, capacity and systems in place to operate safely.

As at 30 June 2009, 18 railway organisations were accredited in Tasmania.

The audit, inspection and investigation powers available under the Act, together with analysis of rail safety incident data collected, enabled DIER to continue to monitor the compliance of accredited railway organisations with their statutory accreditation requirements. This includes the completion of safety compliance audits for all accredited railway organisations in accordance with the Annual Audit Program.

Along with other jurisdictions, DIER has continued to work with the National Transport Commission towards the implementation of best practice model rail safety legislation that will form part of a system of nationally consistent rail safety laws.

Highlights in rail safety for 2008/09 include:

- Rail safety accreditation of five new rail organisations in Tasmania;
- Progress on national model legislation in consultation with industry;
- Compliance with the current rail safety management standard by all accredited railway organisations in Tasmania, to improve the quality of their Safety Management Systems;
- Continued improvement of all accredited railways' Safety Management Systems and identification and management of risk;
- Agreement by the Australian Transport Council to work towards establishing a national rail safety regulator;
- Tasmania received funding for safety upgrades of 13 level crossings as part of the "Nation Building and Jobs Plan".

1.3 ROAD SAFETY

Tasmanian Road Safety Strategy 2007-2016

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

The Strategy recognises that drivers and riders make mistakes and that crashes will occur. It focuses on changes that can be made to vehicles, travel speeds, roads and the roadside environment so that if a crash does occur, injuries will be less severe and death may be prevented. The Strategy also calls on road users to play their part and accept responsibility for their own safety – to abide by all road rules and speed limits and adjust driving to the prevailing conditions.

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

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

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

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

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

Details of initiatives under each of the Strategic Directions are outlined in the first three-year Action Plan (2007-10).

The Road Safety Levy funds initiatives under the Strategy. Introduced in December 2007, the levy of \$20 a year (\$12 concession) is payable for five years on the registration of all vehicles that have broad access to the road network. The levy is a revenue source expressly for the purpose of improving road safety in accordance with the Strategy.

All projects funded by the levy contribute to the reduction of road trauma in Tasmania. Oversight of levy expenditure is undertaken by the Tasmanian Road Safety Council.

In 2008/09 the levy raised \$9.1 million for road safety initiatives. Approximately three-quarters of the levy is allocated to best practice infrastructure projects.

A progress report on projects funded during the first year of the Road Safety Levy is available at www.transport.dier.tas.gov.au. Notice of this report was given in regional newspapers.



SCHOOL ZONE SPEED SIGNS GO HI-TECH

The Department is continuing to roll out new electronic speed limit signs to advise motorists when the 40 km/h limit is operating through school zones. Some 700 signs at about 240 school sites are scheduled to be installed by July 2011. The flashing circle signs use high intensity light emitting diodes to boost visibility and also feature wireless communication so that each sign can be remotely monitored and adjusted from a central computer.



SAFETY BARRIERS SAVING LIVES

The installation of flexible safety barriers is a key initiative funded by the Road Safety Levy. Research shows that the use of such barriers has the ability to achieve up to a 90% reduction in serious road trauma caused by head-on and run-off-road crashes. DIER has also been working with the Tasmanian Motorcycle Council to identify additional measures to maximise the safety of roadside barrier systems for motorcyclists, including 'stack cushions' and 'rub rail'.

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 undertaken during 2008/09 include:

- *Electronic speed limit signs at 40 km/h school zones* – installation of new electronic speed limit signs (ESLS) that advise motorists when lower speed limits operate at school zones is under way. To date 72 new signs have been installed and commissioned around the State covering some 34 schools. Some 700 signs at about 240 school sites are scheduled to be installed by July 2011.
- *Safer shared urban spaces with local government* – the Government is partnering with local councils to improve road safety through traffic calming and speed management treatments in shared urban spaces. Local councils make a dollar-for-dollar contribution to the program. Projects in 2008/09 were completed in Hobart City, Kentish and Latrobe and are underway in Clarence, Derwent Valley and Glenorchy City councils. In 2009/10 new traffic calming projects will be undertaken by Latrobe, Break O’Day, Central Coast, Burnie and George Town councils.
- *Variable speed limits* – installation of a Variable Speed Limit on the Tasman Highway (a high crash location). This will lower vehicle speeds during peak periods. During 2008/09 the tender was awarded for civil works which will commence in the first quarter of 2009/10.
- *Demonstration of Safer Travel Speeds in Kingborough* – in September 2007, the Kingborough Safer Speeds (KiSS) Demonstration began. It is the first demonstration in Australia of reduced rural travel speeds based on harm minimisation principles. The rural default speed limit has been reduced from 100 km/h to 90 km/h on sealed roads and from 100 km/h to 80 km/h on unsealed roads. A 12 month evaluation of KiSS, conducted by the Monash University Accident Research Centre (MUARC), showed positive results. The demonstration is to continue with more data to be analysed as part of a two-year evaluation.
- *Tasman Safer Speeds Trial* – in September 2008, the Tasman Community Road Safety Working Group was established under the Community Road Safety Partnerships (CRSP) program. The Working Group resolved to launch a trial of safer speeds, similar to those being demonstrated in Kingborough. As well as reducing the number and severity of crashes in the Tasman Municipality, the project aims to improve safety for wildlife on Tasman roads, including the endangered Tasmanian Devil.

The trial commenced on 19 December 2008. As with Kingborough, the rural default speed limits in the Tasman municipality were reduced from 100 km/h to 90 km/h on sealed roads and from 100 km/h to 80 km/h on unsealed roads. A 12 month analysis of the trial will be conducted in the 2009/10 financial year.

- *Safer Travel Speeds Community Attitudes* – Tasmania participated in a national web survey run by MUARC to investigate community attitudes towards current and possible speed limit changes. The survey was completed in April 2009 and the final report is expected in August 2009.
- *Safer Travel Speeds Economic Evaluation* – an economic evaluation of the costs and benefits of lower rural speed limits in Tasmania is being undertaken by Monash University Accident Research Centre. The project is investigating impacts of speed limits on travel time costs; vehicle operating costs; crash costs and pollution costs. This research will provide information on the optimum economic speed for vehicles on Tasmanian rural roads.

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 undertaken during 2008/09 include:

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

During the 2008/09, flexible safety barriers have been installed at the following locations:

- East Derwent Highway (Grass Tree Hill to Clive Avenue)
- East Derwent Highway (Clive Avenue to Gage Road)
- Bass Highway (Sassafras to Elizabeth Town)
- Bass Highway (Somerset to Doctors Rocks)
- Sheffield Main Road (South of Melrose)

Further flexible safety barriers will be installed at priority locations in 2009/10.

- *Trialling of motorcycle safety measures* – DIER has also been working with the Tasmanian Motorcycle Council to identify and trial additional measures to maximise the safety of roadside barrier systems for motorcyclists.
 - ‘Stack cushions’, an energy absorbing padding, have been retrofitted to flexible safety barrier posts on the Mornington Interchange off-ramp from the Tasman Highway.
 - ‘Rub rail’, a metal strip that fits on the bottom section of steel ‘w-beam’ safety barrier, has been installed at high priority sites around the State, based on motorcycle crash data including the Channel Highway, Tasman Highway and Grass Tree Hill Road.
- *Other infrastructure works* – during 2008/09, works have been undertaken at a number of locations to provide additional shoulder sealing and enhanced delineation to improve the visibility of edge and centre lines at night.

- *Development of the 2009/10 infrastructure program* – during 2008/09, scoping and design work has been undertaken for approximately \$7.7 million of best practice infrastructure projects to be rolled out in 2009/10. Projects were selected based on crash data and the cost-effectiveness of treatments in reducing the likelihood and severity of crashes. Projects include further installation of flexible safety barrier, shoulder sealing, tree removal, roundabout and improved right-hand turn facilities.
- The first of the new L2 and P1 assessments will be conducted from late July 2009.
- A Novice Drivers' Training Kit has been developed and was made available from April 2009. The kit provides information to both the learner driver and their supervisory driver about the assessments.
- Information on the reforms to the novice driver licensing system has also been made available via the Transport website (www.transport.tas.gov.au)
- *Support to establish programs to assist learners to accumulate supervised driving hours* – a number of Learner Driver Mentor Programs have been established through the Community Road Safety Partnerships program. These programs link volunteer supervisory drivers with socially and/or economically disadvantaged novice drivers. These programs play a valuable role in assisting disadvantaged novice drivers to gain supervised driving experience.

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 undertaken during 2008/09 include:

- *Stage 1 Novice Driver Licensing Reforms* - Stage 1 of the latest reforms to the novice driver licensing system was launched in August 2008. This introduced:
 - a minimum 2 year provisional period for all drivers and motorcycle riders regardless of age;
 - the requirement to complete separate provisional periods in relation to cars and motorcycles;
 - a driving reward, in the form of a refund of provisional licence fees, for drivers and riders who complete the provisional stages without committing a driving-related offence; and
 - tougher penalties for drivers and riders who break the law.
- *Stage 2 Novice Reforms* - Stage 2 of the reforms was introduced in April 2009. This introduced:
 - Extended supervised learner period from six to twelve months and an additional practical driving assessment;
 - first assessment will assess the learner's basic car control skills and their progress towards automating these; and
 - second assessment will place greater emphasis on assessing higher order driving skills such as hazard perception and identification, responsiveness and decision making.

A resource kit for establishing these programs has been developed and is available to the public. The resource kit will assist community organisations to establish and develop Learner Driver Mentor Programs to support these learners in acquiring supervised driving hours.

DIER is currently developing a seed funding model to assist community organisations to establish Learner Driver Mentor Programs across the State. The seed funding is expected to be available to community organisations later in 2009.

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 undertaken during 2008/09 include:

- *Vehicle Safety for the Government Vehicle Fleet* – Tasmania is the first Australian jurisdiction to mandate a minimum safety standard for its entire vehicle fleet. From 1 July 2008, Tasmanian Government fleet vehicles must have a minimum four-star Australasian New Car Assessment Program (ANCAP) safety rating or comply with a set of minimum mandatory safety features. The policy also includes a set of 'optional' safety features and a forward timetable for transitioning these to mandatory requirements. .

- *Public Education Campaign on choosing safer vehicles* – continuation of a public education campaign encouraging buyers to purchase safer vehicles. It is expected that this will improve consumer decision-making and see a greater uptake of vehicle safety features in the Tasmanian vehicle fleet.
- *Australasian New Car Assessment Program (ANCAP)* – contribution to the national ANCAP program of crash testing and consumer awareness about choosing safer vehicles.
- *Trial of innovative technology* – continuation of the trial of Vehicle Activated Signs (VAS) at Mount Pleasant Interchange (Bass and Midland Highways). Speed has been identified as a contributing factor to crashes in this location and about half of these crashes have resulted in an occupant receiving an injury. A VAS warns or reminds motorists to slow down to safely negotiate traffic conditions ahead. The trial is being evaluated to assess suitability of the signs for other similar sites.
- *Ongoing initiatives* – throughout the year, DIER continued to work on the ongoing initiatives outlined in the Strategy's first three-year Action Plan.

COMPLEMENTARY INITIATIVES

FAST FACTS:

- A number of road safety initiatives complement the four key Strategic Directions under the Strategy.
- New and emerging technologies may offer considerable safety benefits in addressing some of the key contributing factors to serious casualty crashes, such as speed and alcohol.
- Trials of innovative technology enable the most promising road safety solutions to be assessed under Tasmanian conditions.
- A very small portion of levy revenue (approximately 1%) is expended on technical management and coordination of projects delivered under the Strategy.

Projects undertaken during 2008/09 include:

- *Wet and Icy Traffic System (Constitution Hill)* – a Wet and Icy Traffic System (WIT) was installed on the Midland Highway at Constitution Hill which detects when the road is wet and when ice is about to form. The system incorporates electronic signage to provide real time information on road conditions and an appropriate advisory speed warning. Sensors in the road determine whether the motorist has modified this speed sufficiently, and if not an additional electronic sign is triggered that displays the message 'Too Fast, Slow Down'.
- *Trial of alcohol interlocks* – an alcohol interlock is an electronic breath alcohol analyser with a microcomputer and an internal memory wired to the vehicle's ignition system. Its purpose is to measure the driver's breath alcohol concentration (BAC) prior to each attempt to start the vehicle. If the driver's breath sample exceeds a preset limit (eg zero BAC), the ignition locks and the car is immobilised.

In July 2008 DIER commenced the trial of alcohol interlocks by recruiting drivers with a past drink driving offence and a zero alcohol licence restriction and later engaged DIER staff and their friends and family. The trial which included participants from Hobart and Launceston continued through to May 2009. Most participants successfully completed a six month trial of an interlock. Two types of alcohol interlocks were trialled and an overall evaluation of the trial was conducted by the University of Tasmania (UTAS) which presented a final report to DIER in June 2009. The State Government will consider the report in the second half of 2009.

National Transport Reforms

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

- commenced drafting of Tasmanian legislation to implement the Heavy Vehicle Driver Fatigue Management reform approved by Australian Transport Ministers in February 2007;
- commenced drafting of Tasmanian legislation to implement the Heavy Vehicle Speed Compliance legislation approved by Australian Transport Ministers in January 2008;
- continued participation in the national implementation and operation of the Intelligent Access Program (IAP) via membership of Transport Certification Australia's Jurisdiction Liaison Group;
- submitted to Parliament, Tasmanian legislation for the implementation of the national model Compliance and Enforcement Bill and Regulations;
- participated in the continuing development of the Performance Based Standards reform as a member of the National Transport Commission's Productivity and Technology Group and various sub-groups;
- responded to various discussion papers, reports, regulatory impact statements, proposals, reviews and evaluations; and
- participated, with the Commonwealth and other State jurisdictions, to develop Regulatory Impact Statements (RISs) on possible single, national systems for the regulation of rail safety and heavy vehicles. RISs are scheduled to be considered by the Council of Australian Governments (COAG) in the second half of 2009.

Australian Road Rules

DIER continued to participate in the national process to maintain the Australian Road Rules (ARRs) so they clearly reflect intended policy and continue to remain up to date and free from anomalies. In February 2009, Australian Transport Ministers approved an eighth amendment package that clarified the use of mobile phones, driver aids and Visual Display Units by drivers and addressed various technical matters. A complete review of Tasmania's road rules required under the *Subordinate Legislation Act 1992* was commenced

in September 2008. The review is expected to result in Tasmania's implementation of all outstanding nationally agreed road rules and provide local rules that are up to date, relevant and appropriate to Tasmanian road users. The review and subsequent remake of Tasmania's road rules is due by 30 November 2009.

Cycling Safety

During 2008/09, DIER continued to facilitate implementation of the *Australian National Cycling Strategy 2005-2010* and its contribution to cycling policy through representation on the Australian Bicycle Council. Cycling is an important consideration in DIER's development of regional transport plans. Cycling safety issues are addressed on an ongoing basis through DIER's partnerships with local government, and through the Community Road Safety Partnerships program.

The Road Safety Task Force undertook promotion of safer cycling through media advertising and public education. DIER also commenced a project to develop a cycling arterial network plan to underpin its decision making and budget processes. DIER has also commenced development of a high level transport strategy that focuses on cycling and walking as part of the Urban Passenger Transport Study.

The Tasmanian Road Safety Council (TRSC)

The TRSC is the peak body in Tasmania advising the Minister for Infrastructure on road safety policy. During 2008/09, the TRSC was chaired by Mr Bryan Green, MP and included members from the RACT, Tasmania Police, Tasmanian Motorcycle Council, Local Government Association of Tasmania, DIER, the Coroner's Office, a road safety expert from Monash University and a community representative.

Key achievements during 2008/09 include:

- Guidance and oversight of approximately 25 programs underway or completed under the 2008/09 work program of the *Tasmanian Road Safety Strategy 2007-2016* and its first three-year Action Plan. Many of these are detailed elsewhere in this report, and include:
 - Installation of flexible safety barrier on Tasmania's major highways and arterial roads
 - Dollar-for-dollar funding for Councils to undertake traffic calming treatments in shared urban spaces
 - Progressive roll-out of electronic speed limit signs at schools
 - Installation of motorcycle safety infrastructure, including 'stack cushions' and 'rub rail'
 - Demonstration and trial of safer rural default travel speeds in Kingborough and Tasman Municipalities
 - Reforms to the Novice Driver Licensing System (Stages 1 and 2)
 - New safety standards for the Government vehicle fleet
 - A public education campaign on choosing safer vehicles: 'How Safe is Your Car?'

- Trial of innovative technologies such as wet weather warning systems, vehicle activated signs, and alcohol interlocks.
- Guidance and oversight of revenue and expenditure of the Road Safety Levy. Approximately \$9 million is received and committed annually to fund new road safety initiatives.
- Review of seatbelt penalties and recommendation to the Minister for these to be increased. Due to be implemented in late 2009.
- Council meeting and community road safety workshop held in North-West Tasmania (Burnie, May 2009).

Road Safety Task Force (RSTF)

The role of the RSTF is to develop, implement and monitor an integrated public education and enforcement program aimed at decreasing the number of fatalities and severity of injuries on Tasmanian roads. The RSTF is funded by the Motor Accidents Insurance Board (MAIB) which this year committed a further three years support, January 2009 to December 2011. The annual contribution for this period is around \$3.16 million which includes the funding of sixteen police officers who undertake traffic enforcement activities.

The RSTF's primary focus is driver behaviour, including speed, alcohol and drugs, inattention/distraction, fatigue, seatbelt compliance, motorcyclists and vulnerable road users (cyclists, pedestrians and tourists).

Speed is one of the most common crash factors in serious injury statistics and the RSTF continues to promote and develop extensions of the 'Limit your speed. Limit the Damage' campaign. Drink Driving is another common crash factor and a campaign was developed late in 2008 with the message of 'Drink Driving, Don't Push your Luck'. The campaign consisted of a television campaign, supported by promotional material in bars, hotels and bottle shops.

Other campaigns, including inattention/ distraction, restraint use, fatigue and vulnerable road users were supported by advertising, public relations and enforcement activities.

Community Road Safety

DIER actively involves communities in road safety education and awareness programs across Tasmania using a community based approach.

Since 2003 the Community Road Safety Partnerships (CRSP) program, a statewide initiative, has been instrumental in promoting a community based approach to road safety responsibility and ownership. The CRSP program aims to address road safety issues within the framework of the *Tasmanian Road Safety Strategy 2007-2016*, primarily through raising public awareness and conducting community-based programs.

CRSP, in its second developmental phase (2006-2009), has resulted in active partnerships between DIER, 25 local government authorities and their respective communities. Funding to support the CRSP program has been extended for 2009/10.

Community road safety projects include:

Safer Travel Speeds

- *Tasman Safer Speeds Trial* (see above).
- *Digital Speed Display Trailers* – through the support of CRSP funding DIER has assisted several Tasmanian municipalities to purchase or hire digital speed display trailers to complement local speed reduction programs in their communities. The trailers are used to encourage drivers to slow down, drive safely and be aware of pedestrians and other traffic. Currently Glenorchy, Kingborough, Clarence, Glamorgan Spring Bay, Brighton, West Tamar, Break O'Day, Burnie, Circular Head and Kentish are benefiting from this initiative. A recent CRSP initiative resulted in a large variable message board trailer being purchased to allow Kingborough, Hobart and Huon Valley municipalities to introduce a district-wide road safety program.
- Safer travel speeds in built-up areas in Brighton were highlighted through a range of community activities. A "Street Cricket" initiative in Tottenham Road, Gagebrook and Seymour Street, Brighton was highly successful in emphasising the need to slow down in residential areas which have high numbers of children playing in the area.
- *You Just Don't Know What's Around the Corner?* – was implemented by the Meander Valley CRSP. It aims to increase awareness by drivers of other road users, particularly heavy vehicles, pedestrians, school children, cyclists and stock and farm machinery. This project is reinforced through targeting different road users at various times throughout the year and a travelling educational 'roadshow' to Deloraine High, Westbury and Hagley Farm Primary School.
- Speeding on gravel roads is a key issue mainly involving visitors on King Island. The local King Island Safety Committee developed a mirror tag for hire cars highlighting reducing speed, caution with wildlife between dusk and dawn and the wearing of seatbelts.
- *Let's Keep Kentish Kids Safe*, designed to address concerns from the Kentish community about school bus students on and near roads in rural areas of high speed and high volume traffic, has continued in 2008/09. The key messages of driving at 40km/h near a school bus with flashing lights; and the need for adults to ensure children are supervised when crossing the road, were delivered through a variety of ways. These included school newsletter / local newspaper articles, posters displayed at key outlets and Police cautionary cards.

Drink Driving

- The *Alcolizer on Loan* initiative, introduced in Glamorgan Spring Bay involving free breath testing and education in local hotels and clubs, has expanded. Eight breath testers are made available on loan and

bar staff are provided with training in how to use the testers. The following venues have been involved in the program – Blue Waters Hotel, Orford Golf Club, Eastcoaster Resort, Swansea RSL Club, Swansea Bark Mill, Iluka Tavern Coles Bay, Bicheno RSL and Bowls Club and Bicheno Golf Club. The Spring Bay Lions club has helped sponsor the program. The initiative received a 'Highly Commended' award at the 2008 Australian Safer Communities Awards.

- Free breath testing was provided at a number of community events including, the 'Big Truckin' Music Car Show, 'Ten Days on the Island', the Hobart and Launceston Cups, Festivale and the 2009 Bellerive Water Jazz Festival. Patrons attending these events were also provided with information about alternative travel plans in order to reduce their risk of driving under the influence of alcohol.
- The *Who's Des Tonight* program continues to expand in the Burnie and Circular Head Municipal Areas. This expansion has included the purchase of Fatal Vision Goggles, breath testers, postcards, and radio advertising. The North West Liquor Accord formally accepted the program as part of its business plan.
- In 2008, Kentish CRSP committee members conducted extensive research of local drinking issues and driving behaviours. Planning is currently underway to initiate a local industry-driven, anti-drink driving intervention.
- DIER is responsible for educating first-year provisional drivers apprehended with alcohol in their system. These drivers are often ordered by the Magistrates' Court to attend a specific program, *Alcohol and Your Responsibilities*, which is conducted by road safety consultants.

Young Drivers

- DIER continues to promote the *Keys to P's* program widely across Tasmanian communities. The program has been designed to follow up classroom road safety education and prepare parents and their pre-learner driver students for the challenging process of achieving the necessary skills to pass the Provisional Licence Test.
- To target young drivers Clarence's Youth Network Advisory Group (YNAG) conducted a Road Safety Expo at Rosny College. Local high schools and other college students attended the event where emergency services and Tasmania Police participated in a mock crash and other activities.
- *Getting Home Safely* was a focus for the Glenorchy CRSP, the Moonah Precinct and Glenorchy Youth Task Force. A successful consultation saw more than 80 youth and residents join together to discuss the dangers faced by young drivers and their passengers and develop solutions, such as promotion of the CABIT program, that could be supported in the Glenorchy municipality.

- In 2008 The Don College was assisted to introduce innovative novice driver activities. These included surveying students on the driving behaviour of young people and developing activities, such as an anti-noon campaign. Awareness raising activities, including a student poster competition, were successfully employed.
- Youth Week provided an opportunity for the Burnie Safety Committee, in conjunction with RACT, to conduct road safety sessions at the Marist College. Two RACT dual controlled cars were made available for students to drive through an obstacle course wearing fatal vision goggles. Their experience was then related to standard drinks and .05 BAC and zero alcohol.
- Awareness raising campaigns highlighting issues relevant to novice drivers were conducted during 2008 for year 11 and 12 students at Hobart, Guilford Young and Elizabeth Colleges and The Friends School. Representatives from Tasmania Police, the Tasmanian Ambulance Service, DIER's Driver Assessors and the Brain Injury Association of Tasmania delivered informative and engaging presentations to the students.
- In January 2009 DIER was invited to conduct activities as part of George Town's School Holiday Program for the local youth community. Driver inattention was the focus for the older group, while bicycle safety activities were conducted for the younger age group.
- DIER provided road safety information and advice to students on Newnham and Invermay Campus over three Student Lifestyle and Wellbeing Expos held in 2008/09.

Motorcycle Safety

Several community groups have identified motorcycle incidents as a growing concern. The King Island Safety Committee conducted a motorcycle awareness program placing educational posters and brochures at key community locations. Waratah Wynyard Council's tourist information centre and library also displayed educational brochures targeting visiting riders.

Fleet Safety

- Through the Devonport CRSP a new fleet safety and safer driving program has been introduced to the Mersey Community Care Association (MCCA). This community based organisation provides transport, home help and recreational outings for eligible clients. It has a volunteer driver base of 170 and a client list of just over 1000 people. DIER has developed a comprehensive fleet safety policy and safer driving program which underpins every action taken as a driver for the MCCA services.
- In 2008/09 the Glenorchy CRSP trialed a *Fleet Safety Guide* with some businesses that operate commercial drivers out of the Glenorchy municipality.

Learner Driver Support Programs

- Learner Licence Assistance Programs (LLAP) have been developed with organisations to support community members, genuinely in need of assistance, to pass the learner licence test. The program provides opportunities for a range of clients, including migrants and those with low literacy levels or learning difficulties to access community assistance to pass the Driver Knowledge Test. A Memorandum of Understanding has been developed so that these organisations can conduct the Learner Licence Test in a supportive environment.
- Learner Driver Mentor Programs (LDMPs) have continued to be a focus. These programs are designed to assist disadvantaged novice drivers gain their 50 hours of on road driving experience. Eight programs currently operate across Tasmania in Hobart (Migrant Resource Centre TOP Gear), Glenorchy (Claremont College), Bridgewater (Jordan River Services TOP Gear), Huonville (Gearing Up), Rokeby (Ready Set Go), Sorell (B Ready) and Launceston (Wheels4work and Migrant Resource Centre Drive4Life). New programs will commence soon in St Helens (Get in2 Gear) and Sheffield (REV).

Fatigue/Inattention

- The Glamorgan Spring Bay and Break O'Day CRSP communities have expanded the Drowsy Driver Free Coffee initiative to more East Coast establishments. Through the support of local cafes and additional sponsorship from Gunns Ltd the program has reached over 5,000 drivers, encouraging them to take a break from driving to enjoy a cup of coffee. The initiative recently expanded into Sorell and Tasman municipalities.
- Through a partnership between DIER and TasVacations an important driver fatigue message has been included in the latest editions of the *Launceston Tamar Valley Official Visitors' Guide-2009 and Official Visitors' Guide to Hobart & Surrounds 2008*. The message advises tourists of travel times to key Tasmanian destinations and the need to take regular rest breaks.

School Education

- Road Risk Reduction, a road safety program aimed at years 9 and above or the "pre- learner" period, is being used in 65 per cent of secondary schools and colleges throughout Tasmania. The program covers issues relevant to young people as well as developing positive attitudes and behaviour as they become new drivers.
- In partnership with DIER and local schools, a series of guest speakers from Tasmania Police, the Tasmanian Ambulance Service, Brain Injury Association and DIER's Registration and Licensing and Road Safety Operations branches have delivered presentations to young drivers in colleges throughout Tasmania.

School Crossing Patrol Officers

- DIER manages about 100 School Crossing Patrol Officers (SCPOs) throughout Tasmania. The SCPOs service about 65 sites and are primarily based in Greater Hobart, Launceston, Devonport, Burnie, Smithton, George Town, Ulverstone, Perth, and Margate.
- Electronic Speed Limit Signs continue to be installed at locations where SCPO operate. The new signs more closely reflect peak pedestrian movements and coincide with the SCPOs' hours of operation.

Roadside Crash Markers

The aim of this program is to raise awareness of road trauma by placing roadside crash marker posts at the sites of fatal and serious injury crashes. The program, coordinated by DIER in conjunction with participating local government authorities and the Coroner's Office, has recently expanded to involve 10 municipalities: Huon Valley, Glamorgan Spring Bay, Southern Midlands, Sorell, Clarence, West Tamar, Meander Valley, Northern Midlands, Waratah Wynyard, Circular Head, Kentish and Devonport.

Other Projects and Community Awareness

- Older Driver Seminars continue to be conducted throughout the State, educating many of Tasmania's older citizens about safe driving practices and the need to monitor health issues with the ageing process. The Older Driver Handbook is distributed free at seminars and is also available through a number of networks, such as Service Tasmania, Seniors' Clubs, and doctors' surgeries. The handbook is also available on the transport website: www.transport.tas.gov.au
- Child restraint information booklets have been distributed to the public throughout the year via community networks and directly from DIER. In addition, child restraint check days have been conducted throughout Tasmania, in collaboration with the RACT, to make sure restraints are appropriate and correctly fitted.
- Volunteers and local stakeholders have conducted a series of vehicle safety check days with the assistance of the RACT. Many local residents took the opportunity to have their car lights, tyres, battery, fan belts and windscreens checked. Safety checks continue to be conducted in most municipalities.
- In 2008 *Heavy Going*, a northern Tasmanian CRSP project, was introduced. The project aims to raise the awareness of both heavy and light vehicle drivers on how to share our roads safely. The campaign includes a revised local *Code of Behaviour for Truck Drivers and Operators* which is being promoted by companies across the North-East. The campaign also has the key message to other road users *Be Patient, Drive Safely* which is being promoted through truck stickers, posters, banners, local newspapers and community radio. The project recently extended to the Kentish region.

- During May 2009, Road Safety South, a partnership between Hobart, Kingborough and Huon Valley CRSP groups, conducted *Crash Reduction Fortnight*. This was a public awareness campaign promoting safe messages through the use of radio, variable message signs and the Mercury on-line and Road Safety South's websites. The campaign received support from Tasmania Police who provided increased enforcement activities during the fortnight.
- The Hobart Safe Summer Campaign continues to receive support from the CRSP program. Safe driving messages were promoted to the public through various events including a launch in the Elizabeth Street Mall and during 'O' week at UTAS.
- The *Respect Rural Recreation* initiative is a joint program between DIER, Kingborough Council, and the Trail Riders Action Club (TRAC). The program is part of a broader 'Drive to the Conditions' message with the aim of raising awareness of the types of recreational activities (horse riding, walking and cycling) undertaken in the rural areas of the Kingborough municipality.

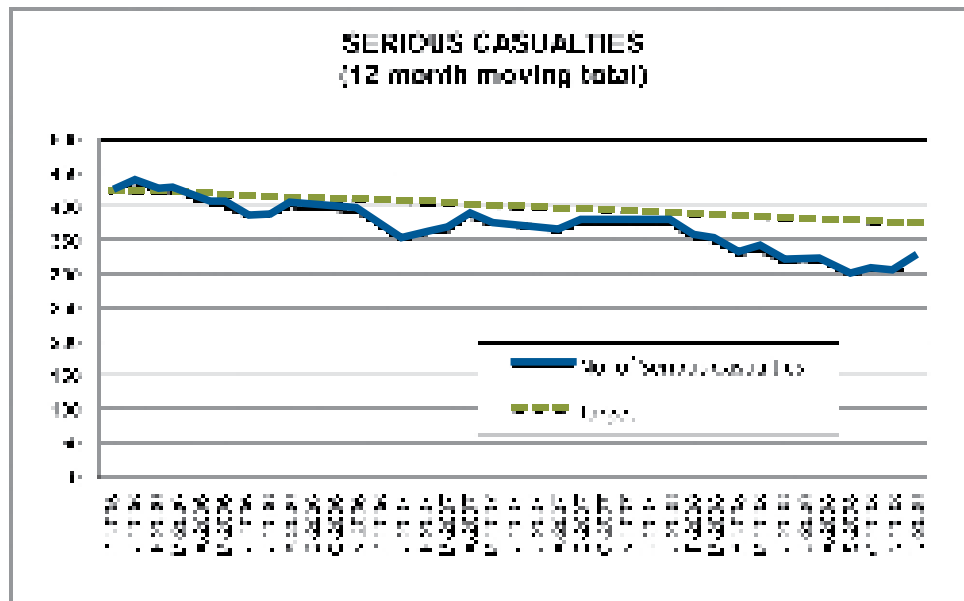


HELPING KEEP SCHOOL CROSSINGS SAFE

DIER manages about 100 School Crossing Patrol Officers throughout Tasmania, servicing about 65 sites. Pictured on duty is Graeme Harriss at the South Hobart Primary School crossing.

STATISTICS

1. Tasmania *Together* Targets and Actual Serious Casualties



2. Serious Casualties in Tasmania 1999-2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Serious Casualties	553	569	534	461	433	438	422	372	374	317

3. Serious Casualties by Road User Type 1999-2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Driver	235	251	223	241	208	196	190	149	169	140
Passenger	175	165	142	73	97	102	84	95	94	68
Pedestrian	58	56	53	53	38	44	44	30	27	26
Motorcycle Rider	59	77	95	79	73	75	76	76	65	65
Motorcycle Pillion	1	1	2	2	2	1	4	4	1	3
ATV Rider	1	0	0	1	0	1	4	4	11	7
ATV Pillion	0	0	0	0	0	0	1	0	0	0
Bicyclist	19	12	15	8	13	15	17	12	7	8
Other/Not Stated	5	7	4	4	2	4	3	2	0	0
Total	553	569	534	461	433	438	422	372	374	317

4. Serious Casualties by Age Group and Sex 1999-2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Female										
Under 17	28	26	26	14	8	12	17	16	18	7
17-29	83	66	49	52	46	43	44	42	38	29
30-49	50	49	45	50	40	47	44	31	28	38
50-64	17	24	23	24	17	21	19	18	19	13
Over 64	28	28	32	16	27	37	19	20	13	23
Male										
Under 17	49	51	37	23	31	24	33	19	23	14
17-29	145	145	133	117	113	114	92	102	93	88
30-49	83	98	103	93	78	86	99	81	85	56
50-64	34	45	37	46	27	25	27	25	32	30
Over 64	23	26	35	20	38	22	25	17	22	15
Not Stated	13	11	14	6	8	7	3	1	3	4
Total	553	569	534	461	433	438	422	372	374	317

5. Serious Casualties by Crash Type 1999-2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Multi-vehicle										
From adjacent directions	93	44	36	26	41	35	31	21	24	22
From opposing direction	89	95	109	88	90	77	63	94	74	59
From same direction	27	35	37	27	22	25	18	18	9	18
Overtaking	0	5	3	11	5	19	27	11	23	4
Manoeuvring	0	18	27	19	13	16	20	18	29	28
Passenger and Misc										
Pedestrian	62	55	49	54	35	43	42	32	26	26
Passenger and Misc	0	25	19	12	14	7	14	5	3	2
Single Vehicle										
Off path	231	265	234	204	198	207	198	162	177	150
On path	51	27	20	20	15	9	9	11	9	8
Total	553	569	534	461	433	438	422	372	374	317

6. Serious Casualties by Crash Factors 1999-2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Alcohol	86	93	89	73	63	105	87	88	86	93
Animal on road	8	11	4	14	8	1	4	4	8	8
Asleep – fatigue	18	21	17	19	18	16	25	30	43	15
Distraction – external to vehicle	1	1	8	6	7	9	19	17	32	28
Distraction – in vehicle	13	7	5	3	4	10	14	17	12	9
Drugs	0	0	17	7	15	9	32	38	60	52
Exceeding speed limit	2	5	4	9	13	22	49	65	45	58
Excessive speed for conditions/circumstances	113	130	98	86	89	103	111	110	73	73
Fail to give way	33	41	30	24	34	23	19	28	25	37
Fail to obey traffic signals	9	5	4	10	8	2	3	6	5	7
Fail to observe road signs and markings	41	52	50	47	40	55	31	12	10	19
Improper overtaking	17	7	8	8	13	15	17	8	21	7
Inattentiveness	116	128	138	150	127	175	185	144	147	169
Inexperience	56	56	48	44	46	58	76	97	107	91
Other	172	186	159	118	117	0	0	0	0	0
Other obstruction on road	3	6	0	6	6	5	6	8	12	5
Pedestrian on road	55	59	43	40	27	42	35	21	21	19
Reversing without care	2	3	9	7	7	2	5	4	4	5
Road defect	12	8	17	13	22	21	22	29	18	22
Turning without care	12	16	16	2	6	10	7	15	12	19
Unwell – infirm	6	20	10	9	16	28	26	37	31	38
Using a mobile phone	0	0	0	0	0	0	2	2	3	1
Vehicle defect	10	15	11	16	23	33	26	21	43	34

Source: Crash Data Manager as at 3 June 2009.

Note: 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.

1.4 REGISTRATION AND LICENSING

During 2008/09, a series of key strategies was developed to deliver business more efficiently in an effort to maximise road safety outcomes for the Tasmanian community.

Operational

Throughout 2008/09, services and support associated with registration and licensing legislation and processes continued to be administered. These include:

- administering driver licensing and registration regulation and operational policy;
- recording and management of demerit points and convictions;
- issuing, varying, suspending and cancelling of driver licences and ancillary certificates;
- managing the Novice Driver Licensing Scheme;
- assessing suitability for holding a driver licence (medical conditions and aged drivers);
- managing the driver test booking system and driver knowledge test;
- managing ancillary certificates (e.g. taxi and bus drivers);
- managing strategies and systems to deal with unregistered vehicles including the use of Automatic Number Plate Recognition (ANPR) technology;
- managing Conditional Registration Schemes and written off vehicles, stolen vehicle registers and motor vehicle security registers;
- providing information (Freedom of Information, Court evidence);
- administering the Vehicle Identification Number (VIN) system;
- managing standard registration plate systems;
- managing the Dealer Registration Scheme;
- administering the telephone Transport Enquiry Service;
- maintenance of the Motor Registry System;
- reviewing all Service Level Agreements and service provider contracts; and
- managing alternative payment channels via Bpay, Australia Post, Internet and Interactive Voice Recognition.

National Involvement

At a national level, DIER continued to participate in the development and implementation of a number of national registration and licensing measures:

- through membership of the Austroads Registration and Licensing Taskforce, continued to examine and work towards developing strategic uniform national policy in relation to registration and licensing matters including further improvements of the harmonisation of licensing and registration practices.

- in relation to Council of Australian Governments (COAG) requirement that regulators enter into partnership arrangements with the Australian Qualification Authority in their jurisdiction, DIER has held preliminary discussions with the Tasmanian Qualification Training Authority about the partnership arrangement and participated in some of their audits of heavy vehicle and motorcycle training providers.
- DIER participated in a national working group to develop a nationally recognised training course for motor car driving instructors which meets both the regulators' and industry needs. This course is to be registered in December 2009.
- to enable those with occupational licences to move more freely around Australia without undergoing additional testing and registration processes, DIER participated in COAG Land Transport Action Group and Regulatory Groups that mapped and documented the different land transport occupations such as drivers of public passenger vehicles and driving instructors. This work is now complete and ministerial declarations were agreed in April 2009.
- DIER participated in a national working group to determine a nationally consistent approach in the use and application of ANPR technology. This work is being done in conjunction with Tasmania Police.
- DIER continues to assist in strategies aimed at increased detection of stolen vehicles. DIER is to be part of a national expert reference group to look at future strategies in relation to the classification of repairable and statutory write-offs.

Motor Registry System

The new Motor Registry System (MRS) was introduced on 25 August 2008. It replaced an ageing system that had been in place for 27 years and allowed for changes to support the introduction of new technologies, Novice Driver Licensing Reforms, the full implementation of Tasmania's interface to NEVDIS (National Exchange of Vehicle & Driver Information System) and other functionality such as real time access in the field for Tasmania Police and Transport Inspectors.

On implementation it was recognised some areas of functionality required further attention. The approach taken was to accelerate a program of work to address key functional areas on a monthly basis. Following this successful rapid deployment the system stabilised and now effectively supports a range of registration and licensing business activities. The MRS, which is a key asset for the Tasmanian government, is now undergoing normal maintenance and development work through a contracted software development company based in Hobart.

Some other work completed during the year included changes to the Driver Test Booking System to support the new Novice Driver Licensing Reforms and the introduction of a practice Driver Knowledge Test available on the internet. The new system also provides a basis for the introduction of further online services.

Driving Assessors

During 2008/09 an additional 7.1 FTE (full-time-equivalent) Driving Assessors were employed to reduce waiting times for driving assessments and in preparation for the implementation of the Novice Driver Licensing reforms. Waiting times are now well within the acceptable period of 3 weeks at all assessment centres around the State.

The focus this year has been on ensuring consistency of assessment practices statewide and providing input and direction to the Novice Driver Licensing Reforms team, including conducting on-road trials, reviewing and providing comment on documentation, preparation of training materials for conversion training of existing assessors and induction training for new assessors.

Novice Driver Licensing Reforms

The State Government launched Stage 1 of the latest reforms to the novice licensing system on 25 August 2008 and Stage 2 on 27 April 2009 as further initiatives under the *Tasmanian Road Safety Strategy 2007-2016* funded by the Road Safety Levy.

The changes reinforce good driving practices and compliance with road rules by rewarding those provisional drivers who remain offence-free during the provisional period with a refund of their provisional licence fees.

By contrast, novice drivers who disobey driving laws will find themselves subject to tougher penalties that will delay progress to a full licence.

Stage 2 of the reforms is aimed at increasing the experience and skills of car learner drivers in a safe, supervised environment, better preparing them for the challenge and risks of solo driving.

Practice Driver Knowledge Test

In April 2009 DIER implemented an online practice Driver Knowledge Test, that will enable people to assess their knowledge of the road rules at home or anywhere a person has access to the internet. This online practice environment complements the existing Road Rules booklet.

Unregistered/Uninsured Vehicles

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

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

Ongoing strategies include:

- Deployment of Transport Inspectors to specifically undertake unregistered/uninsured duties including regular statewide joint operations with Tasmania Police.
- Use of Automatic Number Plate Recognition (ANPR) technology to detect unregistered/uninsured vehicles and those driven by unlicensed drivers.
- Use of ANPR in unmanned situations whereby operators of vehicles detected driving an unregistered vehicle are sent a warning notice advising that the

vehicle was detected and asking that they register the vehicle or risk incurring a fine of up to \$2,000.

- Continued development in the use of ANPR with the ability to now undertake ANPR activities in a mobile situation. This allows for the ANPR camera to be fitted to a vehicle and for detection to be undertaken while the vehicle is being used for other activities, for example when undertaking escorts of over dimensional loads.
- Public advertising via radio, back of envelopes and through mobile advertising on Metro buses in all major cities. This advertising ensures the travelling public is aware of the risks of driving an unregistered/uninsured vehicle.
- Reminder letters being sent to operators of all vehicles for which registration has expired for 21 days.

Personalised Registration Plates

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

Concessions

A new concession policy was introduced in 2008/09 to limit the concession to one particular vehicle type. Prior to this a person could have many vehicles registered in their name, receiving a concession even for vehicles they did not own. The new policy is fairer and more equitable and aligns well with concession schemes in other jurisdictions.

Registration and Licensing concessions were also extended to all Health Care Card holders.

Quality Assurance

Quality Assurance continues to be a high priority in the delivery of the registration and licensing function. A quality assurance team has been established and is currently implementing strategies to monitor and improve data quality and other processes and systems.

Transport Enquiry Service

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

Licensed Drivers in Tasmania

Class of Licence	As at 30 June 2009
Leamer	19,502
Provisional	21,119
Full Basic	321,578



A ROAD TRAGEDY AVERTED - A CHILD'S LIFE SAVED

Tasmania's Transport Inspectors are multi-skilled, but they just never know what they may be called upon to do when they are on duty.

This was the case in July for Transport Inspector Wayne Rice (pictured) whose prompt and brave actions averted a possibly serious and perhaps fatal crash when a small child ran out into the path of busy traffic in Wellington Street, Launceston.

Transport Inspectors were planning to do some static checks on Wellington Street when a small girl, about 2-3 years old, came out from the front gate of a house opposite their position and ran onto the southbound lane of Wellington Street. At the time the traffic flow was medium to heavy.

Wayne Rice ran from the western side of the road, across two lanes of moving traffic, without regard for his own personal safety, and picked the child up, removing her from the path of an oncoming vehicle. His prompt reaction in an emergency situation most certainly saved the child from serious personal injury, and potentially death. It appeared that the driver of the vehicle travelling south was not aware of the presence of the child on the road until he saw Wayne running in front of the vehicle towards the child. His presence caused the driver to brake suddenly, and brought both lanes of traffic to a standstill.

Truly a selfless act of bravery!

Current Tasmanian Registrations

Vehicle Type	As at 30 June 2009
Cars and Station Wagons	284,757
Motorcycles	13,395
Trailers and Caravans	91,133
Others	123,527

1.5 VEHICLE OPERATIONS

Enforcement Strategy for Road Transport in Tasmania

DIER continues to educate operators and drivers to self-comply with road laws, monitor compliance and enforce the law.

Transport Inspectors have continued to take strong enforcement action with non-compliant operators and drivers. In particular Transport Inspectors have been regularly checking heavy vehicle drivers' compliance with seat belt laws. Those drivers found in breach of the law have been issued with a Traffic Infringement Notice. This action by Transport Inspectors has led to an increase in seat belt compliance by heavy vehicle drivers.

Heavy Vehicle Safety

The Heavy Truck Safety Advisory Council (HeTSAC) continued to develop and progress vehicle safety initiatives.

An important recent safety initiative of HeTSAC has been the development of a comprehensive Heavy Vehicle Safety Code that brings together 'best practice' information on safe systems and practices, for adoption by heavy vehicle drivers and operators.

The Code was launched on 10 December 2008. A large number of key transport operators and associations have already pledged their adherence to the principles of the Code.

This gives a strong and clear message that the heavy vehicle industry wants the Tasmanian heavy vehicle fleet to be as safe as possible.

HeTSAC has championed the Code's implementation and continues to work with DIER on sign up to the Code by others in the transport industry.

The Code advises the Transport Industry on "what" they need to do to achieve improved road safety.

Approved Inspection Stations (AIS)

The AIS scheme began in July 1997 and continues to operate successfully. DIER, in conjunction with TAFE, has reviewed vehicle examiner training and assessment processes and introduced a three yearly skills audit for examiners at the beginning of 2009.

Over Size/Over Mass (OS/OM) Permits

A significant increase in applications for OS/OM permits has been managed during 2008/09. This included the issue of permits to enable stadium roof trusses manufactured in Breadalbane to be transported to Devonport and Burnie for shipping to Melbourne. The movement of these especially large items was supported by Transport Inspectors who escorted the loads.

1.6 TRAFFIC MANAGEMENT AND ENGINEERING SERVICES

Safer Roads Program

This program provided more than \$4 million for road safety and traffic efficiency improvements on the State road network. DIER uses its Crash Data Manager computer system to identify locations with a high incidence of crashes.

Problem locations are subject to detailed crash analysis and thorough on-site inspections to identify the treatment that best addresses the site's specific crash characteristics. Candidate schemes from throughout Tasmania are then prioritised to maximise the number of crashes that can be prevented with the available funding.

State Black Spot Program

The Tasmanian Government allocated the program \$2 million over the four-year period 2006/07 to 2009/10, which funded 34 schemes in 12 different municipalities. Councils are responsible for arranging detailed design and construction of the schemes. Twenty-three of the projects have now been completed with the remainder scheduled for implementation in 2009/10. The Motor Accidents Insurance Board (MAIB) contributed an additional \$1 million in 2008/09 for improved delineation and roadside hazard reduction on Council-owned rural roads. This funding was used for road safety improvements on 11 roads in nine different municipalities.

AusLink Black Spot Program

This is an Australian Government program that funds road safety improvements on both State and Council roads that have a high incidence or risk of casualty crashes. Typical treatments include roundabouts, median treatments, improved delineation and roadside hazard reduction. The 2008/09 program comprised 17 schemes worth \$1.5 million and its implementation is progressing. The 2009/10 program has been approved and it comprises 20 schemes worth \$1.7 million. The Australian Government's Nation Building packages allocated additional funding for black spot projects and this allowed a further 27 schemes worth \$4 million to be approved.

Best Infrastructure – Road Safety Strategy

A continuation of the program to roll out flexible safety barriers has resulted in an additional 7.3 kilometres of flexible safety barriers being installed. This is a key initiative under the *Tasmanian Road Safety Strategy 2007-2016* as a strategic direction of harm minimisation. Research shows that the use of flexible safety barriers has the ability to achieve up to a 90 percent reduction in serious road trauma caused by head-on and run-off road crashes.

The Department established a working relationship with the Tasmanian Motorcycle Council to improve motorcycle safety. Two new motorcycle safety measures are being trialled at locations with a propensity for crashes and are designed to prevent a motorcyclist from hitting barrier posts in the event of a rider coming off their motorcycle.

- "Stack cushions" were retro-fitted to tensioned wire rope safety barrier posts at the Mornington Interchange.
- "Rub-rail" was trialled at various locations totalling 5 kilometres to protect motorcyclists from the posts of curved sections of steel w-beam safety barrier.

DIER has constructed 10 kilometres of sealed shoulders on the Bass Highway, East Derwent Highway and Sheffield Main Road under the *Tasmanian Road Safety Strategy 2007-2016*. Shoulder sealing reduces run-off-road crashes by 30% and head on crashes by 15%.

Traffic Signals

The Traffic Signals Section continues to install signals at new sites and maintain and upgrade existing signals infrastructure. There are currently 265 traffic signal sites throughout Tasmania with approximately 70% connected to the Sydney Coordinated Adaptive Traffic System (SCATS). SCATS enables remote adjustment of signals timings, fault reporting and traffic counts.

The Traffic Signals Section has begun upgrading traffic signals to highly efficient Extra Low Voltage/Light Emitting Diode (ELV/LED) technology. ELV/LED signals fail gradually (known as graceful degradation) over a period of months or years and not catastrophically like incandescent globes.

The Traffic Signals Section has been heavily involved with the tender process, installation and maintenance of several Intelligent Traffic System (ITS) projects. These are:

- Electronic Speed Limit Signs (ESLS) at schools: These signs improve safety when children are arriving at and leaving schools. The signs feature highly visible LED displays and only activate when needed to remove confusion about when the school 40 km/h speed limit operates. The Department uses a Network Management System to monitor, control and communicate with the signs in real time from a desktop computer. At the end of June 2009 72 electronic signs had been installed at 34 schools. Approximately 50 poles have been installed and are awaiting the delivery of electronic signs.
- A Wet and Icy Traffic System (WIT) was installed on the Midland Highway at Constitution Hill. A weather station can detect when the road is wet and when ice is about to form. The control system then activates electronic signs which display warning messages and lowers advisory speed limits as required. Sensors in the road determine whether the motorist has modified speed sufficiently, and if not, an additional electronic sign is triggered that displays the message 'Too Fast, Slow Down'. At the end of June 2009 all signs and control equipment had been installed. Traffic Signals staff are completing final testing before the system is commissioned.
- Variable Speed Limit, Tasman Highway: The tender for the civil works has been awarded. Traffic Signals staff are continuing to investigate potential equipment that can be used to manage the vehicle sensors and electronic signs.

Safer Travel Speeds

DIER is responsible for setting all speed limits on all public roads throughout the State. In 2008/09 numerous requests were investigated from the community and a number of speed limit changes were implemented to better reflect the needs of the Tasmanian community.

The KiSS (Kingborough Safer Speeds) demonstration, under which the rural default speed limit was reduced within the Kingborough municipality, continued successfully.

The twelve-month evaluation indicated a high degree of community acceptance for the reduced speed limits. In December 2008 the Safer Speeds model was also adopted by the Tasman Municipality.

The Safer Travel Speeds in Shared Urban Spaces program was another initiative under the Tasmanian Road Safety Strategy. The Tasmanian Government provided dollar-for-dollar funding with local government for speed management and traffic calming measures to provide protection for vulnerable road users, including children, pedestrians and cyclists.

During 2008/09 shared urban spaces projects were completed in the Hobart, Kentish and Latrobe municipalities.

Stakeholder Engagement Unit

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

Public contact activities on the following road and bridge projects provided advice to the community and consultation with key stakeholders. The activities included newspaper and radio advertising, letters, special signage, brochures, posters, displays, meetings, presentations, workshops and web publications:

- Bass Highway - Sisters Hills
- Bass Highway –Shoulder Widening Somerset to Mt Hicks Road
- Bass Highway – West of Victoria Bridge
- Boyer Secondary Rd – Burst Pipe Emergency
- Brooker Highway - Derwent Entertainment Centre to Arncliffe Road Overpass Road Reinstatement (north-bound lanes)
- Brooker Highway - Resurfacing of on and off ramps between Claremont and Granton
- Brooker Highway – Risdon Rd Resurfacing
- Brooker Highway – Risdon Rd to Clearys Gates Light Pole Replacement Project
- Bruny Island Main Rd
- Denison Canal Traffic Barriers
- Dilston Bypass
- East Arm Rail Bridge – Replacement Following Accident
- East Derwent Highway – Clives/Fouche Roundabout
- East Derwent Highway – Lamprill Circle/Gage Road
- East Tamar Highway – Batman Bridge Junction
- East Tamar Highway – Egg Island Creek
- Golconda Road – Clover Hill to Pipers Brook
- Henty River Bridge
- Lake Secondary Road – Deloraine to Meander Upgrade
- Midland Highway Improvements Projects
- Midland Highway – Constitution Hill
- Mudwalls Secondary Road – Stage 3
- Murchison Highway – Tree Removal
- Porkys Creek Bridge King Island

- Sheffield Main Rd – South of Melrose Rd
- Sorell Link Rd
- South Arm Highway – Mornington Roundabout
- South Arm Highway – Shoreline to Oceana Drive
- Southern Outlet – Priority Bus Lane Trial
- Tasman Highway – Tasman Bridge to Mornington Interchange Refurbishment
- Tea Tree Secondary Road – Pavement Widening and Junction Improvements

Public Displays

- Brooker Highway – Elwick/Goodwood and Howard Rd Upgrade
- Denison Canal Traffic Barriers
- East Derwent Highway – Lamprill Circle/Gage Rd Junction
- Kingston Bypass
- Midland Highway – Lyell Highway Junction Improvements
- South Arm Highway - Mornington Roundabout



RAIL BRIDGE SUCCESSFULLY REPLACED

One of the more challenging engineering tasks completed last year was the replacement of the overhead East Arm rail bridge on the East Tamar Highway. The bridge was damaged after being struck by an excavator being transported on the back of a truck and the bridge span had to be lifted out and a new span installed. DIER engineers and leading bridge contractor Van Ek Contracting (now VEC Civil Engineering) joined forces to ensure the complex repair job was successfully completed and a vital rail link restored.

Special Events

- Sod Turning - Brighton Hub and Brighton Bypass Projects

Accessibility of Crash Data to Local Government

DIER is providing greater access to crash data for its key stakeholders. The Department's Road Information Management System is currently being enhanced to enable secure access to crash data by key stakeholders outside the secure Government computer network. During 2008/09 access and training were provided to Hobart, Glenorchy and Launceston City Councils, which operate within that network.

Nation Building Package – Safety Improvements at High Risk Level Crossings

The Department has begun work to improve safety at high risk rail crossings. Four rail crossing sites will be upgraded from Passive to Active Control, while another nine active control rail crossings will be augmented with Active Advanced Warning Systems

Performance Information – Output Group 1

Performance Measure	Unit of Measure	2008/09 Target	2008/09 Actual
Linemarking program achieved by the end of the financial year	%	100	100
Blackspot interventions in accordance with program	%	100	100
ELV/LED technology integrated into the existing traffic signals system	%	24	4 ¹

1. The 2008/09 budget allocation was reduced to \$100,000 due to the tender process taking longer than expected and the time taken for the successful tenderer to ramp up manufacturing to meet the quantity require by DIER. This delay has also required the installation plan to change. The installation plan for the next three years is 20% in 2009/10, 20 % in 2010/11 and 30% in 2011/12.

1.7 PASSENGER TRANSPORT

Taxi and Luxury Hire Car Industry Reform

The *Taxi and Luxury Hire Car Industries Act 2008* commenced on 24 September 2008. The associated regulations, the *Taxi Industry Regulations 2008* and the *Luxury Hire Car Industry Regulations 2008* also took effect on that date.

These instruments were developed following a review of the previous legislation (the *Taxi and Luxury Hire Car Industries Act 1995* and its regulations) conducted during 2006 and 2007.

The new legislation introduces owner-operator taxi licences, which must be operated by the holder of the licence and cannot be leased. New licences are made available for sale by tender every year, with a total of 5 per cent of the number of licences on issue in each taxi area (or one licence, whichever is greater) made available each year. No further perpetual taxi licences will be released.

The Act also provides for wheelchair accessible taxi (WAT) licences to be made available on application to qualified operators who have a compliant vehicle, at no cost. It also allows for older vehicles to be used as WATs in designated remote areas, and for operators of perpetual or owner-operator taxi licences to operate WAT-style services under those licences in areas where no WAT licences are on issue.

Measures to clarify the distinction between luxury hire cars and taxis are also included in the legislation. DIER is consulting with representatives of the luxury hire car industry on further amendments to the *Luxury Hire Car Industry Regulations*.

Safe Community Transport Review

Community transport is a generic term used to describe passenger transport provided to the transport disadvantaged: usually frail elderly people, those with disabilities, those with mental health issues and their carers.

In 2007, DIER received legal advice that some community transport providers were, inadvertently, operating in breach of the law (*Passenger Transport Act 1997* and *Vehicle and Traffic Act 1999*). Temporary exemptions are currently in place for community transport service providers to alleviate this situation, while DIER is undertaking the *Safe Community Transport Review*.

Community transport is growing, and the safety of an increasing number of clients is paramount. This review will identify the best way to ensure safety within this sector over the longer term.

In this task, DIER is working with a Reference Group that has been constituted specifically for the purposes of this review. The Reference Group includes representatives from the Department of Health and Human Services (DHHS), community transport organisations and other key stakeholders, including Volunteering Tasmania and TasCOSS.

The next major stage of the review is the preparation of an options paper, which will be made publicly available and submissions sought from any interested parties. The current intention is that the options paper will be released before 30 September 2009.

Passenger Transport Legislation Review

A review of Tasmania's legislation regulating the passenger transport industry began in December 2008 with release of an information paper seeking input from the community and providing details about the review to key industry stakeholders.

The review aims to put in place a modern and contemporary regulatory framework that better supports the management of public passenger transport services in Tasmania.

The operating environment and the state of the passenger transport industry have changed significantly over the last decade. Some of these changes include the expansion of the community transport sector, growth in the overall Tasmanian passenger transport market and implementation of new contract arrangements for bus operators as a result of completion of the core passenger services review (leading to a newer and safer bus fleet).

The legislation needs to be positioned so it can respond to change and support new directions for passenger transport without stifling innovation. It is generally recognised that this can only be achieved by a thorough review and a subsequent rewrite of the current legislation.

The industry is supportive of the review and ongoing consultation with stakeholders will continue to form a key element of the review.

It is anticipated that draft legislation will be released for comment and for detailed discussion with stakeholders in the latter half of 2009.

Review of Core Passenger Services – Implementation

The Department's Passenger Transport Division continues to implement recommendations from the Review, which support six key outcomes:

- Consistent urban bus services;
- Better connections for urban fringe communities;
- Free rural school bus services;
- Meeting needs in regional towns;
- Long distance bus services that offset the disadvantage of living in communities isolated from schools and other key services; and
- Better buses.

New Service Contracts were finalised in December 2008 for the provision of all core passenger services. The new contracts provide funding incentives for bus operators to continually upgrade their buses and improve their services. Since July 2008, 173 new and more modern buses have been purchased by operators, reducing the average age of Tasmania's bus fleet by 5 years. As a result of the new contracts, bus services have been streamlined and encourage more sustainable patronage for the services that continue to be provided.

Changes to bus services are progressively being introduced across Tasmania, to minimise disruption to passengers and operators. In January 2009, a new general access bus service was introduced between Ulverstone and Devonport, effectively connecting the coastal communities between Wynyard and Port Sorell. New bus services have also been introduced between Legana and Launceston, and in the New Norfolk area. The new contracts provide a structure for bus operators to work with both the State Government and communities to identify and respond to changing service demands.

The new student fares policy was introduced on 1 July 2008, and means that:

- All students who meet the criteria for the Student Bus Pass for Free Travel continue to travel free to and from school;
- Students using similar services pay similar fares; and
- Student fares apply on all buses at all times, and not just going to and from school.

A new Adult Student Fare is now available at all times for full-time students aged 19 years and over. This new fare is equal to the standard adult concession fare which is up to 50% of the full adult fare.

Community Awareness Activities

Regional forums were conducted in August and September 2008 to seek feedback from the clients and providers of community transport for the Safe Community Transport Review. These sessions were advertised publicly and were facilitated by PDF Consulting.

The Review Implementation Branch has been involved in the following community awareness activities:

- Publicity regarding
 - The introduction of the new student bus fares policy
 - The increase in student fares from 30 cents to 60 cents per trip at the start of 2009
 - Changes to school bus services at the start of the 2009 school year
 - Changes to general access bus services in New Norfolk and Bridport
 - The introduction of new general access bus services between Devonport and Ulverstone
 - The introduction of new general access bus services between Legana and Launceston
- Consultation with bus operators and the Tasmanian Bus Association regarding Service Development Planning
- Consultations for the Manions West Tamar Highway Bus service (a community forum in November 2008), and the Phoenix Ulverstone to Devonport Service (community forums in July and November 2008)
- Media launches for:
 - Phoenix Coaches' new disability friendly buses
 - Brendon Manions Coaches' new services on the West Tamar Highway
 - O'Driscoll Coaches' launch of New Norfolk to Hobart services
 - Belbins' \$320,000 investment in new buses to service Dunalley Primary School.

Performance Information – Output Group 1

Performance Measure ^{1,2}	Unit of Measure	2006/07 Actual	2007/08 Actual	2008/09 Actual
Service Level Agreements completed to acquire data for state infrastructure mapping	%	na	30	60
Rail Safety compliance audits completed within agreed audit program timeframes	%	100	100	100
Schools participating in road safety education (using the 9 and 10 Road Risk Reduction ⁸ resource)	%	30	60	65 ¹⁰
Nominated teachers attending Professional Development for the 9 and 10 Road Risk Reduction ⁸ resource	%	30	60	100 ¹¹
Local Government Community Road Safety Partnerships ⁹	Number	18	24	25
Motor Registry System availability	%	99.75	100	98
Transport Enquiry Service – percentage of calls answered	%	93	86	83
Vehicles checked found to be unregistered ³	%	0.81	0.86	0.78
Heavy Vehicle Weighings Performed ⁴	Number	7,922	16,874	17,910
Heavy vehicles found overweight	%	8.66	5.16	4.77
Wheelchair accessible taxis (WATS) licensed	Number	36	44	46
Bus contracts qualifying for a capital payment	%	na	na	80.4

**** Some delays have occurred, as local government authorities were not in a position to complete scheduled work. \$130,000 has been carried over to the 2008/09 period to allow for completion of this work.**

Notes:

1. The Department's performance measures have been revised following the Auditor-General's Report on *Public Sector Performance Information* (April 2008). Preliminary measures to address the Auditor-General's Report have been included in the 2008/09 Budget. The Department is progressing a comprehensive review of its performance measures to incorporate the Auditor General's recommendations in future Budget Papers and Annual Reports.
2. 'na' indicates that data is not available or measurement has not yet commenced.
3. This measure is based upon Automatic Number Plate Recognition cameras in accordance with the Memorandum of Understanding between the Department and the Motor Accidents Insurance Board (MAIB).
4. A heavy vehicle weighing strategy commenced in January 2007 that ensures heavy vehicles are regularly weighed throughout the state.
8. Road Risk Reduction is a road safety education resource developed for use in schools aimed at Years 9 and above or the pre-learner period.
9. There are 29 local government authorities in Tasmania.
10. The decision to conduct road safety education is entirely the responsibility of the individual school and is one of a number of options that competes for a place in the school curriculum.
11. Percentage of schools (with Yr 9-10 and / or 11-12 curriculum) who have nominated teachers to attend Road Risk Reduction professional development.

Output Group 2 ENERGY ADVISORY AND REGULATORY SERVICES



Overview

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

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

The OEPC achieves this by:

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

Achievements against Priorities for 2008/09

The major priorities for the OEPC in 2008/09 were:

- Supporting the Ministerial Council on Energy (MCE) and the Council of Australian Governments (COAG) in the area of national energy market reforms, and advancing Tasmanian interests in such reforms.
- Reviewing the remaining Tasmanian energy regulation functions following the implementation of national energy market reforms and the centralisation of certain economic and non-economic regulatory functions in national bodies.
- Strengthening the Department's planning and coordination role in the new era of competitive gas and electricity markets.
- Helping to develop Tasmanian policy and initiatives in anticipation of a national emissions trading scheme and other climate change and energy efficiency related policies.
- Compiling reliable historical data and developing an enhanced capacity for modelling and analysis of supply and demand of energy in Tasmania.

- Developing 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.
- Administering the Renewable Remote Power Generation Program, including the Residential Remote Area Power Supply Program and the Residential and Medium Scale Program.

National Energy Market Reforms

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

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

The two major areas of the national reform process over the past year have been the development of the National Energy Customer Framework (NECF) and the establishment of the Australian Energy Market Operator (AEMO).

The NECF will provide for the distribution and retail regulation functions required to deliver retail services to both electricity and gas end-use customers. The First Exposure Draft of the NECF, comprising draft Law, Rules and Regulations, was released on 30 April 2009 for public consultation. A second exposure draft will be available later this year for further consultation prior to decisions being made by the MCE. Legislation to give effect to the NECF is scheduled for introduction into the South Australian Parliament in 2010.

It had been anticipated that the NECF would commence at the beginning of 2010. However, the complexity of the package, the need to ensure that the needs of quite diverse regional areas can be accommodated, and the desire for consistency between both electricity and gas, has meant that this project could not be accomplished as quickly as originally anticipated. Consequently, this has resulted in a delay to the OEPC's review of energy regulatory functions following the implementation of the current national energy market reform program.

Tasmania is broadly supportive of the NECF policy position as, overall, it is not a dissimilar match for significant components of Tasmania's current retail and distribution framework. For any matters that do represent significant differences to the current regulatory environment, the OEPC is working to ensure the implementation of appropriate arrangements to enable a smooth transition to the national framework.

AEMO is being established as part of a COAG initiative to establish a single, industry funded national energy market operator for both electricity and gas. Amendments to the National Electricity Law and National Gas Law to effect the establishment of AEMO were passed by the South Australian Parliament in June 2008, and AEMO officially commenced operation on 1 July 2009.

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

The OEPC also represents the State on the national Smart Meters Working Group (SMWG). The SMWG is responsible for developing the policy and legislative framework to facilitate and support the accelerated roll-out and trials of smart meters across the NEM where it can be demonstrated that the benefits outweigh the costs. The SMWG released an exposure draft of the proposed smart meter amendments to the NEL in December 2008.

Following a period of consultation and policy refinement, the second exposure draft and policy response to submissions on the first exposure draft were released for public consultation in July 2009. The smart meter NEL amendments are due to be put to the South Australian Parliament in September 2009.

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

The OEPC also represents Tasmania on the Network Policy Working Group (NPWG). The NPWG is responsible for developing a national regulatory framework for electricity and gas distribution networks. Currently the NPWG is focusing on establishing the national framework for electricity distribution connection and connection charge arrangements. To this end, the policy response on Electricity Distribution Network Planning and Connection was developed by the NPWG and released for consultation in December 2008. The NPWG is refining this policy as a result of submissions, and amendments to the NEL to deliver this national framework will be progressed in 2010 as part of the same legislative package as the NECF.

Review of Tasmanian Energy Regulatory Functions

In 2008/09 work continued on reviewing the energy regulatory functions that will remain the responsibility of State and Territory jurisdictions under the terms of Annexure 2 of the AEMA. Following in-depth consultation it has become apparent that the process of national energy reforms will eventually mean that there will no longer be a 'critical mass' of regulatory roles sufficient to sustain the administrative system supporting the existing Tasmanian energy regulatory regime.

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

A key input to the review is the NECF. However, development of the NECF has been delayed for a number of reasons and this has subsequently slowed progress on the review. It is anticipated that the review will be completed following the finalisation and implementation of the NECF in 2010.

Planning and Coordination

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

ETAC is established under section 12 of the *Energy Coordination and Planning Act 1995*. The primary role of ETAC is to provide the Government with technical advice relating to the reliability of the electricity supply network and its safe and secure operation. 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. ETAC also considers matters referred to it by the Director of Energy Planning or the Minister and provides a forum for the dissemination of information related to the technical operation and performance of the electricity supply system. The Committee reports regularly to the Director of Energy Planning.

During the past year ETAC has been primarily concerned with issues surrounding the review and implementation of new Frequency Operating Standards in Tasmania. Other issues it has investigated include the capacity of the Tasmanian electricity network to incorporate large scale wind farms, how to improve automated voltage control and the level of inertia required in the Tasmanian system.

In 2006, the natural gas industry resolved to establish the Gas Industry Working Group (GIWG) as a forum where matters of common interest may be discussed. Discussion tends to focus on matters of technical implementation and industry development, but may include matters of wider policy including matters for discussion with government. During 2008/09 the OEPC provided the secretariat for the working group but as the market continues to mature there has been less need for meetings as many of the issues involved with the formation of the market have now been resolved.

Emissions Trading, Energy Efficiency and Climate Change

Since the energy industry is Australia's major source of greenhouse gas emissions, the OEPC has been involved in climate change and emissions trading policy for some years. Following the change in the Australian Government in 2008 there was a rapid increase in the level of activity.

Tasmania's involvement in the development of national climate change policies was led by the Department of Premier and Cabinet (including the Climate Change Office), assisted by the OEPC, Treasury and others. The Standing Committee of Officials under the MCE also contributed, including the proposed treatment of strongly affected industries.

COAG created a working group for the design of a major extension to the Renewable Energy Target Scheme. The OEPC represented Tasmania's interests on this group.

The OEPC continues to represent the Tasmanian Government on the Energy Efficiency Working Group (E2WG) under the MCE. E2WG is focused on the increased use of energy efficient technologies and processes, and overcoming the barriers to the wider uptake of energy efficiency across the Australian economy. It is responsible for the National Framework for Energy Efficiency (NFEE).

NFEE commenced in December 2004 and is jointly funded by the Australian and Tasmanian Governments. NFEE initially consisted of nine integrated and inter-linked policy packages focused on demand-side energy efficiency opportunities, increasing the use of energy efficient technologies and processes, and overcoming the barriers to the wider uptake of energy efficiency. In December 2007 the MCE approved the implementation of NFEE Stage Two, which commenced on 1 July 2008.

OEPC represented the State on the Senior Officials Group on Energy Efficiency that has been responsible for the development of a National Strategy on Energy Efficiency under the auspices of COAG.

OEPC has also engaged with the Local Government Division of the Department of Premier and Cabinet in providing input into energy efficiency issues within the context of the Partnership Agreement between the State Government and the Local Government Association of Tasmania on climate change.

OEPC is represented on the Steering Committee for the Wedges Analysis being undertaken by the Climate Change Office. A report on the Analysis is expected in the latter part of 2009.

OEPC continues also to represent the State on the National Green Power Steering Group as a participating member.

As part of the Nation Building economic stimulus package, the Australian Government and COAG announced a \$4 billion package to stimulate "green jobs" installing insulation and solar hot water units. The OEPC was involved in the design of this package in a very tight timeframe.

In addition to these many initiatives, the Australian Government is producing a new high level White Paper on Australian energy. Since Tasmanian energy is influenced by national developments, the OEPC has welcomed the opportunity to participate in the development of the White Paper.

Tasmanian Energy Directory Project

The OEPC runs the Energy Directory Project to provide quality factual information to meet the growing need in Government for well-informed energy planning and coordination. The provision of detailed and readily accessible information is an important tool in providing policy makers with the ability to produce a policy framework that will encourage the correct level of investment to meet the recognised requirements of the Tasmanian energy sector.

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

A key part of the project is the Tasmanian Energy Reporting Tool, which is a database aimed at providing Tasmanian officials with a rigorous source of data for making informed decisions relating to energy planning.

The State of Energy Report is another key element of the Energy Directory Project. The State of Energy Report aims to illustrate both the past and current status of the supply and demand balance in Tasmania.

Energy Balance Diagrams are one of the primary outputs of both the database and report. The energy balance diagrams provide a snapshot of the overall state of energy flow in Tasmania on a yearly basis and these are now available on request and will be released formally on a financial and calendar year basis.

Energy Supply Emergency Response Planning

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

The Energy Coordination Advisory Committee (ECAC) is established under Part 6 of the *Electricity Industry Supply Act 1995* and Section 12 of the *Energy Coordination and Planning Act 1995* and 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. ECAC has most recently been focused on the implications of low hydro water storage levels, and in particular the continuity of Tasmania's electricity supply. In addition to being a key member, the OEPC provides the Secretariat for ECAC.

The OEPC has also undertaken a review of the current energy supply emergency arrangements and has recommended a number of modifications to the current committee structure. These modifications reflect the changing nature of the energy market, particularly the increasing competition in the electricity market as well as the growing inter-dependency between the various energy sources. The new structure aims to provide a more robust and streamlined approach to handling energy supply emergencies should they occur.

With the establishment of AEMO, the MCE has formed an Energy Security Working Group to undertake a review of national energy sector emergency management arrangements. The OEPC is part of this Working Group. The Working Group has had input into the roles and responsibilities that the AEMO will have during energy supply incidents. It is now moving into the next phase of its work where it will advise the MCE on its potential role in energy emergency management.

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

During 2008 a review of the guidelines was undertaken which led to a revised Load Shedding Priorities document being submitted to NEMMCO. Following an exercise in December

2008 to test the Emergency Services response to a load shedding event, issues with the application of the Priorities were identified and a further review is underway.

In Tasmania, the JSSC is also responsible for development of guidelines for the preparation of emergency management plans for all licensed entities in the electricity supply industry. The guidelines provide for an annual independent review of the emergency preparedness of each entity. This review has recently been completed with no major changes recommended.

The OEPC has developed a Tasmanian Electricity Emergency Management Plan to coordinate emergency response activities and set out the responsibilities of the various industry participants. This plan has been reviewed and a revised version has been circulated throughout the industry.

Tasmania participates on an annual basis in a NEMMCO coordinated emergency exercise involving all jurisdictions. The objective is to test and exercise emergency arrangements and provide a basis for continual improvement of emergency preparedness.

During the past year the OEPC has met regularly with Hydro Tasmania to monitor the level of its storages. During August and September 2008 storages were at their lowest ever for that time of the year. During this time ECAC met regularly to be updated on conditions and the probability of there being insufficient generation to meet demand.

The OEPC has also developed a Tasmanian Gas Supply Emergency Coordination Plan in conjunction with the Tasmanian Gas Industry Working Group. The Plan was developed and formally issued in order to ensure Tasmania's gas emergency response arrangements are aligned with an Inter-Government Agreement signed by Commonwealth, State and Territory Energy Ministers in 2006/07. The Plan provides for a State communications protocol in a manner similar to the national communications protocol.

A simulation exercise was held on 13 February 2008 to test state emergency arrangements and a national exercise was held on 11 June 2008 to practice the new National Gas Emergency Procedures. Another exercise was held in July 2009 to test the efficacy of the changes made. The national exercises were run by the National Gas Emergency Response Advisory Committee (NGERAC) on which the OEPC represents Tasmania. A number of projects have started as a result of the exercises, including changes to the National Gas Emergency Procedures.

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

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

Subsequent to the amendment of the *Liquid Fuel Emergency Act 1998* (LFE Act) in December 2007, NOSEC provided

input into the Liquid Fuel Emergency Guidelines 2008 and the Liquid Fuel Emergency (Activities – Essential Users) Determination 2008. With the enactment of those pieces of subordinate legislation, NOSEC commenced a revision of the National Liquid Fuel Emergency Response Plan (NLFERP). NOSEC will use findings from the Liquid Fuel Vulnerability Assessment undertaken by consultants as well as findings from Exercise Catalyst to improve the NLFERP.

Exercise Catalyst was held on 17 June 2008 and the final report on the exercise was released in December 2008. The main findings for Tasmania were that the Tasmanian Petroleum Products Emergency Management Plan needs to be updated and more specifically, be updated to include current strategies that are further in line with the national plan.

The OEPC has the responsibility for providing a Chair and Secretariat for the Petroleum Products Emergency Management Committee (TPPEMC) to support the Minister for Energy in his responsibility for managing liquid fuel emergencies under the *Petroleum Products Emergency Act 1994*. Recent amendments to national arrangements, including the LFE Act and the NLFERP have served as a catalyst for a review of Tasmania's *Petroleum Products Emergency Act 1994* and the Tasmanian Petroleum Products Emergency Plan.

The OEPC held a Petroleum Products Forum in April 2009 to kick-start a review process aimed at modifying petroleum products emergency supply arrangements and to reinvigorate the TPPEMC. The forum was attended by representatives from industry, government and consumer groups. The forum discussed, among other topics, a work program for updating planning and emergency response arrangements in Tasmania and the re-formation of the TPPEMC. Progress since the forum has included drafting new terms of reference for the Petroleum Products Supply Emergency Coordination Committee (PPSECC) and the development of a project plan for the review.

Administration of Federal Programs

The OEPC administers the Australian Government's National Renewable Remote Power Generation Program (RRPGP) in Tasmania. The OEPC has administered the RRPGP in Tasmania since June 2000 on behalf of the Australian Government under a partnership agreement between the Tasmanian Government and the Department of the Environment, Water, Heritage and the Arts (DEWHA).

Total funding provided for the original RRPGP (RRPGP1) for the period 30 June 2000 to 30 June 2011 was \$6.791 million. The program was designed to promote the replacement of fossil fuelled electricity generation in off-grid locations with renewable energy systems.

RRPGP rebates were provided across three sub-programs:

- Residential and Medium Scale projects (RM)
- Renewable Energy Water Pumping (REWP)
- Major Projects and Industry Support

Phase 2 of the National RRPGP (RRPGP2) was introduced by the previous Australian Government prior to the 2007 election, and promised \$197.7 million.

The processing of RRP GP applications was put on hold in Tasmania by DEWHA on 16 April 2009, due to the over-commitment of RRP GP1 monies. The OPEC received a new contract, allowing Tasmania to access funding under RRP GP2 from 17 June 2009. However, subsequent to signing the new contract, on 22 June 2009, DEWHA announced the closure of the RRP GP 2 program.

Other Outputs and Initiatives

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

Legislation in 2008/09

In 2008-09 the OEPC finalised the review of the *Hydro-Electric Commission (Service and Installation) By-laws 1993*, and the *Hydro-Electric Commission By-laws 1994* to ensure that appropriate substitute regulatory instruments were in place to allow the repeal of the Bylaws. This process resulted in the repeal of these bylaws through the *Occupational Licensing Amendment Act 2008*.

Also OEPC finalised the review of the *Electricity Supply Industry Regulations 1996*. The review recommended some minor amendments which resulted in the enactment of the *Electricity Supply Industry Regulations 2008*.

Performance Measures

Performance Measure	Unit of Measure	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Target
Policy Advice					
Provision of effective support to the Government by providing information and advice to enable informed decision making	Satisfaction	Satisfied	4	4	≥4
National Energy Development					
Promote and protect Tasmanian interests in national energy market developments and reforms	Outcomes	Satisfied	4	4	≥4
Emergency Preparedness					
Maintain adequate frameworks to deal with major emergencies in electricity, gas or oil	Adequacy	na	4	4	≥4

Notes:

The performance measures have been revised following the Auditor-General's Report on *Public Sector Performance Information* (April 2008). Prior to 2007/08, satisfaction was measured by feedback from the Minister's Office and the Director of Energy Planning based on a two point scale, either Satisfied or Unsatisfied. From 2007/08 the survey process has been refined and the measures are being assessed using a five point scale where four is rated 'good'. The ratings are assessed by the key stakeholders, being the Minister for Energy and the Director of Energy Planning. In relation to national developments feedback is sought from the Standing Committee of Officials.



REPORT OF THE DIRECTOR OF ENERGY PLANNING

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

The Minister for Energy appointed me as the Director of Energy Planning in June 2007. Under Section 5 of the Act, the Director of Energy Planning's functions are:

- (a) to assist the Minister in planning and co-ordinating the provision of energy in the State;
- (b) to advise the Minister on all aspects of energy policy, including:
 - (i) the energy needs of the State and any factors which might put the supply of electrical energy at risk; and
 - (ii) ways of using energy and sources of energy, including renewable energy; and
 - (iii) the introduction and encouragement of competition in the energy industry; and
 - (iv) ways of achieving greater efficiency in the use of energy; and
- (v) the use of energy policy to assist in achieving other policy objectives of the State;
- (c) for the purposes of paragraphs (a) and (b):
 - (i) to monitor the operation of the State's energy industry and its participants; and
 - (ii) to consult with interested groups and persons;
- (d) to examine and monitor factors affecting the supply and demand for energy for the State;
- (e) to co-ordinate activities to ensure that adequate arrangements are in place for the planning of the State's electrical system;
- (f) to undertake, sponsor and co-ordinate research, development and demonstration relating to energy;
- (g) to promote the development of commercial applications of renewable energy;
- (h) to produce and publish information and reports on energy-related matters;
- (i) to provide support in the resolution of disputes about energy-related matters.

In accordance with Section 6 of the Act, the Office of Energy Planning and Conservation (OEPC) assists and supports me in carrying out my statutory functions.

Overview

In 2008/09 a number of significant events occurred affecting the Tasmanian energy industry, including:

- Purchase of the Tamar Valley Power Station by Aurora Energy and work on its completion;
- Periods of continued below average rainfall into Hydro Tasmania's storage catchments;

- Further significant increases in electricity prices;
- Establishment of the Australian Energy Market Operator;
- Commencement of the National Gas Law;
- Further developments on the proposed national Carbon Pollution Reduction Scheme;
- Development of a major proposed expansion of the Renewable Energy Target Scheme;
- Extension of contestability to a further tranche of Tasmanian electricity customers; and
- Growing interest in geothermal and wave energy and further development of wind resources.

Planning and Coordination

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

Established pursuant to Section 12 of the *Energy Coordination and Planning Act 1995*, under its terms of reference the primary role of ETAC is to provide technical advice relating to the reliability of the electricity supply network and its safe and secure operation. However, it also provides a high level Tasmanian forum for discussing and resolving technical issues and assists industry participants to develop coordinated responses to technical matters. ETAC also considers matters referred to it by me or the Minister and provides me with regular reports on its progress.

The main focus for ETAC during the past year has been a number of issues associated with the review and implementation of new Frequency Operating Standards in Tasmania. It has also looked at issues including the capacity of the Tasmanian electricity network to incorporate large scale wind farms, how to improve automated voltage control and the level of inertia required in the Tasmanian system.

The Tasmanian Energy Directory Project is another valuable tool that is being developed by the OEPC to enable better informed energy planning and coordination. The aim of the project is to provide sufficient information to policy makers to develop policy and regulatory frameworks that promote timely and efficient investment in Tasmania's energy industry.

Risk Monitoring

The Energy Coordination and Advisory Committee (ECAC), 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*. ECAC 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, ECAC has monitored the adequacy of future electricity supply for Tasmania, with the assistance of the major electricity entities and the National Electricity Market Management Company (NEMMCO). ECAC has particularly focused on the management of risks associated with low hydro water storage levels and the continuity of Tasmania's electricity supply.

During August and September 2008 storages were at their lowest ever for the time of year. ECAC met regularly to discuss conditions and the supply/demand situation. The OEPC has also met regularly with Hydro Tasmania to further its understanding of the low storage levels.

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

It is pleasing to note that late in 2008/09 the hydro storage situation improved. Hydro storages were 27.7% at the end of the financial year, 8.6% above the level at the same time last year.

However, had we not taken a number of actions the situation could be much worse. Our support for Basslink, the Tasmanian Natural Gas Project, conversion of the Bell Bay thermal plant from oil to gas and the development of wind energy has been instrumental in avoiding power restrictions.

In particular Basslink has played a significant role in minimising the risks of drought to the State's energy security. Basslink gives the State access to up to 470MW of electricity supply that can be imported from the very large and robust national electricity grid. Access to this electricity supply through Basslink has enabled Tasmania's hydro storages to be managed so as to minimise the risk of supply disruptions to the Tasmanian community. In fact since Basslink commenced commercial operation just over 3 years ago, Basslink net imports have provided around 5 months of a full year of Tasmanian electricity requirements. Without access to imports across Basslink it is almost certain that supply disruptions would have occurred.

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

Emergency Preparedness

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

The OEPC represents Tasmania's interests in the development of national emergency management arrangements, covering the supply of electricity, natural gas and petroleum products. The OEPC is also working to ensure the consistency of State emergency response plans with national arrangements.

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

In the last year a review of these load shedding guidelines was undertaken. As a result a revised Load Shedding Priorities document was submitted to NEMMCO. To test the response to a load shedding event an exercise was held in December 2008 which identified a number of issues with the application of the Load Shedding Priorities. Another review is being undertaken to ensure a load shedding framework that is flexible yet robust enough to cope with a wide range of electricity supply emergency events.

ECAC is also tasked with regularly reviewing and advising on the State's preparedness to manage electricity supply emergencies. As part of this role, the OEPC, which provides the Secretariat for ECAC, has undertaken a review of the current energy supply emergency arrangements. The review has recommended a number of modifications to the current committee structure to reflect the changing nature of the energy market, particularly the increasing competition in the electricity market and the growing inter-dependency between the various energy sources of electricity, natural gas and liquid fuels. The new structure aims to provide a more robust and streamlined approach to handling energy supply emergencies should they occur.

The OEPC has also developed a Tasmanian Electricity Emergency Management Plan to coordinate emergency response activities and set out the responsibilities of the various industry participants. During the past year this plan was reviewed and a number of amendments have been made to reflect current arrangements.

With respect to natural gas supply emergencies, Energy Ministers signed a Memorandum of Understanding in June 2005 in relation to a National Gas Emergency Response Protocol. The protocol provides for the establishment of the National Gas Emergency Response Committee (NGERAC). The membership of NGERAC consists of state jurisdictional representatives and a representative of each of the major gas industry associations. A number of exercises were held during the past year to test the adequacy of both state and national gas supply emergency arrangements. As a result of these exercises a number of changes were recommended, with further exercises planned to test the new arrangements.

To complement the national arrangements, the OEPC has developed a Tasmanian Gas Supply Emergency Coordination Plan in conjunction with the Tasmanian Gas Industry Working Group. The Plan provides for a State communications protocol in a manner similar to the national communications protocol.

The OEPC has the responsibility for providing a Chair and Secretariat for the Tasmanian Petroleum Products Emergency Management Committee (TPPEMC) to support the Minister for Energy in his responsibility for managing liquid fuel emergencies under the *Petroleum Products Emergency Act 1994*. Recent changes to national arrangements for liquid fuel emergencies have led to a review of Tasmania's Petroleum Products Emergency Act 1994 and the Tasmanian Petroleum Products Emergency Management Plan (TPPEMP).

The OEPC held a Petroleum Products Forum in April 2009 to provide an opportunity for industry stakeholders to have input into the review of both the Act and the TPPEMP.

Competition

In accordance with Government policy, electricity retail contestability has been phased into the Tasmanian electricity market since July 2006. Contestable customers are able to choose retailers other than Aurora Retail, thereby promoting competition for customers amongst electricity retailers. There are now 4 licensed electricity retailers in Tasmania.

On 1 July 2006, 19 large customers (consumption in excess of 20 Gigawatt hours (GWh) per year) became contestable. On 1 July 2007 a second tranche of customers (consumption in excess of 4 GWh per annum) became contestable. On 1 July 2008 the third tranche of customers became contestable (more than 75 GWh pa). On 1 July 2009 the fourth tranche of customers became contestable (more than 0.15 GWh pa).

The Energy Regulator has conducted a public benefits review, and has recommended that competition for the remaining tranche of customers, which includes small businesses and households, not occur on 1 July 2010, and only be introduced once specified preconditions, relating to the level of active competition in the sector, are met.

The Government will not make a decision to extend retail competition to small business and household customers until taking account of the Regulator's public benefit assessment.

Connection to the NEM via Basslink enables retailers in Tasmania to obtain electricity from suppliers other than Hydro Tasmania. In addition, Aurora Energy's Tamar Valley Power Station (AETV), which is expected to be operational in late 2009, will provide the first substantial on-island competitor in the Tasmanian electricity generation sector. Comprising a 203MW combine cycle gas turbine, three 40MW open cycle gas turbines and one 60MW open cycle gas turbine, AETV will reduce pressure on the State's water reserves and reliance on imported electricity from mainland Australia. With the introduction of AETV there are now 11 licensed electricity generators in Tasmania.

To facilitate the entry of AETV, and other on-island generation competitors, a number of technical issues have had to be resolved, most importantly, the development of new frequency standards. The OEPC played a key role in the review of Tasmania's Frequency Operating Standards which was undertaken by the Reliability Panel. The outcome of the review led to changes to the Frequency Operating Standards.

The implementation of these new standards is crucial in determining the start-up date of the combined cycle unit at the Tamar Valley Power Station. Not only will the new frequency standards allow AETV to connect to and operate as part of the Tasmanian electricity system, but they will also allow the connection of other potential on-island generation competitors, such as the Gunns Ltd proposed power plant and new wind developments.

The reticulated natural gas market also continues to grow and provides an important element of inter-fuel competition and choice for energy users. More than 42,000 small commercial and residential customers in 43 Tasmanian suburbs and towns have the potential to access natural gas. There are now 3 licensed gas retailers in Tasmania; Tas Gas Retail, Aurora Energy and County Energy, all competing for business. Around 6,500 customers have already connected to natural gas.



Energy Efficiency

The OEPC continues to represent the Tasmanian Government on the Energy Efficiency Working Group (E2WG) under the Ministerial Council on Energy (MCE). E2WG is focused on the increased use of energy efficient technologies and processes, and overcoming the barriers to the wider uptake of energy efficiency across the Australian economy. It is responsible for the National Framework for Energy Efficiency (NFEE).

NFEE commenced in December 2004 and is jointly funded by the Commonwealth and State Governments. Key elements of the NFEE include building energy efficiency, commercial/industrial energy efficiency; Government energy efficiency; appliance and equipment energy efficiency; training and accreditation and increasing awareness.

The OEPC also represents Tasmania on the Senior Officials Group on Energy Efficiency. This group has made recommendations to the Council of Australian Governments (CoAG) on a national strategy for energy efficiency.

Renewable Energy

One of my statutory roles as Director of Energy Planning is promoting the development of renewable energy. The OEPC administers the Renewable Remote Power Generation Program (RRPGP) in Tasmania. This program provides assistance to eligible off-grid renewable energy developments and residential sites, with the aim of displacing or preventing diesel generation. Since the commencement of the RRPGP, approximately \$6.5M has been provided to stimulate investment in off-grid renewables in Tasmania.

Tasmania has already made a large investment in wind energy. Roaring 40s, a 50 per cent joint venture between Hydro Tasmania and China Light and Power, has made major advances in wind farm consulting and development in Tasmania, other Australian States and overseas.

Roaring 40s already operate the Bluff Point and Studland Bay wind farms at Woolnorth in Tasmania's north-west. Roaring 40's has also proposed a 129MW wind farm at Musselroe Bay in north-east Tasmania. The Musselroe Bay wind farm has obtained all necessary development approvals and Roaring 40s is currently finalising turbine procurement. Further wind farm developments are planned around the State, including the 200MW White Rock wind farm development on Robbins Island near Smithton.

Geothermal energy has the potential to produce large quantities of emission free, renewable and sustainable energy. Currently three companies are exploring Tasmania's geothermal resources. The geology in Tasmania is favourable for 'hot rocks' geothermal energy, and prospective sites in Tasmania are relatively close to transmission infrastructure.

During the past year there has also been keen interest in accessing Tasmania's wave and tidal resources for the development of wave and tidal power schemes in the State. A number of areas around the State are being investigated to assess this potential.

The renewable energy sector will continue to gain in importance both at a State and national level, not only through the expansion of the Renewable Energy Target, but particularly when a price on carbon is introduced through the Australian Government's proposed Carbon Pollution Reduction Scheme.

Policy Objectives of the State

National energy market reforms

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

Tasmania is an active participant in shaping the emerging national framework for energy regulation. A nationally consistent scheme will reduce regulatory costs by having uniform requirements for industry participants. Participants will not have to comply with differing and sometimes conflicting regulatory regimes, leading to more efficient operations and lower costs, with the result being more competitive and efficient electricity prices.

While Tasmania has a very light-handed regulatory regime for gas, the Government will ensure that the national retail regime for electricity, which is due to commence in 2010, will meet the needs of Tasmanian customers. Consideration of whether and when Tasmania moves to full retail contestability for electricity will be integrated with the transition to the national framework, to ensure the best outcome for Tasmanians within the national scheme.

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

Emissions trading and climate change policy

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

The OEPC continues to have an ongoing role in supporting the Tasmanian Climate Change Office (TCCO) within the Department of Premier and Cabinet in progressing initiatives to help Tasmania and Australia adapt to a "carbon constrained" future.

Together the OEPC and TCCO have been active in pursuing an emissions trading scheme that recognises Tasmania's emissions profile and significant realised and potential renewable energy contribution and which does not place unwarranted burdens on the community.

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

I note that we have negotiated a very difficult year in terms of low rainfall and the consequences for hydro generation without the need for demand obstructions. This is in no small part due to the work over many years of the OEPC in planning for a more diverse and robust energy system for Tasmania.

BOB RUTHERFORD

Director of Energy Planning

Output Group 3 **MINERAL RESOURCES
MANAGEMENT AND
ADMINISTRATION**



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

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

MRT is responsible for the:

- collection, integration, interpretation, publication and presentation of geoscientific information for mineral exploration and land-use planning and management to encourage investment to maintain and improve the quality of life of all Tasmanians;
- collection, integration, interpretation, publication and presentation of information on Tasmania's land stability;
- regulation of mineral and petroleum exploration and development in Tasmania, including offshore waters administered by the State, and the promotion of vacant areas available for onshore and offshore exploration;
- setting and monitoring of standards for both the performance of exploration activities and the technical reporting of exploration records and case histories;
- environmental appraisal, monitoring and management of mining heritage and land access issues; and
- issue of legal titles for mining tenements, collation and recording of statistics relating to mining production, collection of fees and rentals, management of royalty regimes, and recording of mining tenements.

A high level of mineral exploration activity is essential for the future development of the mineral sector and for the economic well-being of Tasmania. The mineral extraction and processing sector is Tasmania's largest export industry, in 2007/08 accounting for 53% of mercantile exports (worth \$2.8 billion), up from 49.4% the previous year.

MRT, by providing information on areas of high mineral resource potential in Tasmania, encourages private sector exploration which will lead to new operations coming on stream as the economic life of existing operations declines. By ensuring an adequate return from our mineral resources, all Tasmanians can share the benefits of our mineral wealth.

The mining industry in Tasmania was affected by lower metal prices during the year, which was one of significant change. The outlook for 2009/10 is uncertain, with commodity prices generally increasing towards the end of 2008/09, but mostly not reaching the highs experienced in 2007/08. Royalty revenue collected for the State by MRT totalled \$27.8 million in 2008/09.

The Avebury nickel mine produced its first concentrates in July 2008, but due to sharply lower nickel prices, the mine was placed on care and maintenance in December and concentrate production from the mill ceased in January.

The OZ Minerals Limited Rosebery mine continued to operate successfully during the year, but lower metal prices forced curtailment of mineral exploration, upgrade of the mill and construction of a new ventilation rise. Construction of a new tailings dam is proceeding.

In June, the sale of most of OZ Minerals' assets, including the Rosebery and Avebury mines, to China Minmetals Non-Ferrous Metals Company Limited was completed.

Bass Metals Ltd continued its profitable open-cut operation at the Que River mine. The Hellyer tailings retreatment project, operated by the Intec Limited–Polymetals Pty Ltd joint venture, closed at the end of August following the collapse in the zinc price. Bass has purchased the Hellyer mill with a view to treating ore there when mining recommences at Hellyer.

Australian Bulk Minerals has become part of Grange Resources Limited, with the consortium of Chinese companies, headed by the Shagang Group, becoming major shareholders in the company. The open-cut mine at Savage River is being expanded.

Metals X Limited continued mining tin ore at Mount Bischoff and Renison Bell. Production was ramped up during the year and an operating surplus was achieved in the March quarter. A feasibility study into recovering tin and copper from the Renison Bell tailings dam was completed. Although it was found that the project is technically and economically feasible, it is unlikely that the project will be financed until economic conditions and metal prices further improve.

Following receipt of all approvals, King Island Scheelite Limited has formalised its joint venture with the Hunan Nonferrous Metals Corporation to commence the redevelopment of the Grassy scheelite mine and at year's end was conducting geotechnical and metallurgical studies. Acquiring land for the project is underway.

Exploration programs continued at the Mount Lyell, Beaconsfield and Henty mines.

Van Dieman Mines Pty Ltd commenced trial mining at its alluvial tin mine at the Scotia deposit near Gladstone, but the operation was placed under care and maintenance in February when the company appointed administrators.

Tasmanian Advanced Minerals Pty Ltd continued silica flour extraction from tenements at Corinna and Blackwater and continued silica flour treatment operations at their plant near Wynyard. The Wynyard plant reduced operations to one shift but has recently received increased orders and is now hiring staff to run a second shift.

The Thylacine and Yolla gasfields are both in Tasmanian waters. Thylacine commenced production in September 2007, while Yolla began production in October 2006. The gas from both these fields is piped to Victoria.

The new *Commonwealth Offshore Greenhouse Gas and Petroleum Act 2006* was proclaimed in 2008. This Act replaced the *Offshore Petroleum Act 2006* which had replaced the long standing *Petroleum (Submerged Lands) Act 1967*. Tasmania finalised its amendments to the mirror legislation and four sets of Regulations on 16 June 2008.

The major initiatives and issues affecting MRT in 2008/09 included:

- Continuation of the four-year TasExplore geoscientific data and promotion initiative, with acquisition of aeromagnetic and radiometric data over northeast Tasmania and the Furneaux Group, and geological data acquisition in central northern Tasmania to upgrade old geological mapping, especially where discrepancies with the 3-D geological model were noted. All airborne geophysical datasets and associated interpretation reports have been released and the final stage of the gravity survey in northeast Tasmania was completed. New geological mapping in central northern Tasmania has been completed, compiled and submitted for drafting.
- Enhancing the provision of geoscientific data through the Tasmanian Information on Geoscience and Exploration Resources (TIGER) system.
- Undertaking a series of promotional activities to further encourage mineral exploration in Tasmania.
- Provision of resources for environmental monitoring of exploration and mining tenements, and for inspection of mines and quarries.

The major issues and initiatives for 2009/10 are to:

- Continue work on the TasExplore geoscientific data initiative through continuing to upgrade the geological mapping of northeast Tasmania and King Island. Construction of a revised three-dimensional geological model of northeast Tasmania will commence.
- Continue updating data of the Tasmanian Information on Geoscience and Exploration Resources (TIGER) system.
- Undertake a series of promotional activities to encourage mineral exploration in Tasmania, including the promotion of the three-dimensional model of geological structure and major mineralising pathways of Tasmania.
- Produce land stability maps of urban areas in Tasmania, in line with the guidelines developed following the Thredbo disaster.
- Provide resources for environmental monitoring of exploration and mineral tenements, and for inspection of mines and quarries.
- Continue the rehabilitation of abandoned mining sites in Tasmania.

Key Clients

The major clients of this Output Group include the Minister for Energy and Resources, the various levels of government, infrastructure developers, the mining and mineral processing industries, and the general public.

How this Output Group is Delivered

This Output Group is delivered by Departmental officers, in close liaison with industry bodies, local government and other government departments.

ACHIEVEMENTS AGAINST STRATEGIES IDENTIFIED FOR 2008/09

New Initiatives to Stimulate Mineral Exploration in Tasmania

The buoyant investment climate in mineral exploration was maintained to the end of calendar year 2008.

According to Australian Bureau of Statistics (ABS) data, expenditure on mineral exploration for the 2008 calendar year was \$30.8 million, up 12% from the previous year. Tasmania's share of Australian exploration expenditure was 1.18%, down from 1.47%. ABS data show that \$16.9 million, or 55% of total expenditure, was spent on the search for new deposits.

MRT data indicate that the ABS continues to under-report Tasmanian exploration expenditure, as the MRT figure for calendar year 2008 was \$40.10 million of which \$20.39 million or 50.8% of the total was spent on exploration licences.

The high proportion of expenditure directed to the search for new deposits in both data sets is an extremely satisfying result as it indicates investment in the future Tasmanian mining industry.

The figures for the March 2009 quarter show that the global economic crisis has severely impacted on the level of activity, with the ABS reporting total expenditure of \$3.3 million, the lowest quarterly figure for two years. This compares with \$2.85 million recorded by MRT.

Promotion of Mineral and Petroleum Potential

The Tasmanian Government provided \$240,000 in 2008/09 to actively market mineral exploration opportunities in Tasmania. Activities undertaken included presentation of a paper and holding a display at the world's leading exploration forum, the Annual Meeting of the Prospectors and Developers Association of Canada (PDAC) in Toronto, and visiting leading international mining companies in Tokyo, Toronto, London and Vancouver, both as part of an Australian team and as a separate Tasmanian group. Presentations were made at an Australian Mineral Exploration Investment seminar at the Australian embassy in Tokyo and to the University of British Columbia in Vancouver.

Several meetings were also held with companies on a one-on-one basis with DIER personnel. In addition to the PDAC meeting, displays were presented at the *Mining 2008* meeting in Brisbane in October.

Presentations were made at the *Mining 2008* meeting in Brisbane in November, to the Tasmanian Minerals Council Exploration Group Meeting at Launceston in May, and to the Association of Mineral Exploration Companies Convention in Perth in May.

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

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

These promotions have been successful and continue to play a direct part in attracting new exploration companies to Tasmania, as well as stimulating interest in potential new mining and processing projects.

Exploration successes during the year include the announcement of tin and tungsten resources at Mount Lindsay north of Renison Bell by Venture Minerals Limited to complement the iron ore resource announced last year, and new zinc-lead-gold-silver resources by Bass Metals Ltd at the Fossey zone at the southern end of the Hellyer ore body, where a study has been undertaken into commencing a new mining project in early 2010.

Two petroleum exploration wells were drilled in offshore Tasmanian waters, Peejay 1 in the Bass Basin and Jarver 1 in the Sorell Basin. Neither encountered economic hydrocarbons. Nine offshore seismic surveys were completed during the year. Offshore petroleum exploration expenditure was approximately \$37 million.

Aeromagnetic data were collected over the south-western margin of the Gippsland Basin as a joint project with Geoscience Australia.

Collection, Integration, Interpretation, Publication and Presentation of Data

Verification, upgrading and loading of information into the TIGER system continued. The TIGER system has a single geoscience data model with user interfaces for geohazards, geophysics, drilling, mineral deposits, samples and geochemistry. Once loaded, the information is made available to clients using the MRT website. Other information available includes mineral tenements and documents held by MRT, and general information for MRT and DIER clients.

The recorded volume of downloads from the MRT website totalled 5602 gigabytes compared to a total of 2538 gigabytes in the previous year. Approximately 2000 gigabytes of this resulted from downloads in one month (May 2009) but even discounting this there has been a significant increase in download volume over the previous year.

Some of this increase may be attributed to a higher level of desktop studies during the current period of financial constraint by business. The peak of 707 gigabytes was downloaded in June 2009. Development and maintenance of the TIGER system was successfully carried out using a combination of contractors and MRT staff. In addition to data being accessed from the MRT website, 150 data packages were distributed on CD to clients.

Data capture/output was completed for the remaining eleven *TasExplore* initiative map tiles in central northern Tasmania (Cethana, Gog, Lea, Liena, Loongana, Loyetee, Pencil Pine, Railton, Riana, Ulverstone and Wilmot). Data capture/output was also completed for five other 1:25 000 scale map tiles (Grassy, Gordonvale, Propsting, Rookery and Tiger).

New aeromagnetic and radiometric data for North East Tasmania were released in December 2007 and three interpretive reports were released in February 2008. The geophysical data, including Lidar data acquired in December 2008, are providing a firm basis for the geological mapping team. Mapping of the Mathinna Supergroup sedimentary succession in North East Tasmania was continued by a team of six geologists and is about 60% complete, with the first mapped subdivisions of this major unit being defined.

The work is also identifying major structures and will provide a better understanding of the controls of gold location and a major foundation for the 3-D geological model of the region. Two geologists continued work on King Island. The Grassy sheet has been published and identifies new prospective areas for tungsten mineralisation. At year's end, another two map tiles, Naracoopa and Stokes, were close to completion.

A report on the petrology of rocks from the Savage River iron deposit was published during the year and provides a new understanding of the origin of the deposit. The project will conclude with an examination of the geochemistry of the deposit, with work nearing completion. This work will have important implications for future exploration of the Arthur Lineament of North West Tasmania.

A revised edition of the *Catalogue of Minerals of Tasmania*, the first in some forty years, was published during the year.

Land instability is a significant hazard in Tasmania, with many homes having been destroyed over the years and significant damage caused to infrastructure. By studying and understanding the landslide hazard it is often possible to minimise or avoid the effects of land instability. MRT is actively addressing this hazard in three main areas; hazard mapping, databases and monitoring.

A regional landslide mapping project of the North West Coast area and the northern Tamar Valley will be published soon, with maps of the Launceston, Hobart and Glenorchy areas having been completed in previous years. Funding assistance from the Australian and Tasmanian governments through the Natural Disaster Mitigation Programme (NDMP) has supported this project. The resultant landslide maps are assisting local governments to make informed decisions on planning and development issues, especially given the pressure to develop marginal lands around our cities.

The information has also been supplied to other stakeholders, including the geotechnical community and the State Emergency Services' Emergency GIS project.

The TIGER Geohazards (landslide) database forms a critical data foundation for the landslide project and to service enquiries from stakeholders. There are currently about 2300 records in the database including details of landslide damage.

Historically, MRT has monitored a number of active landslides in Tasmania that have affected roads, railways and subdivisions. The Taroona landslide at Hobart and the Lawrence Vale landslide at Launceston are currently being monitored. The Lawrence Vale landslide is monitored on an annual basis and no detectable movement was recorded in this time. The Taroona landslide in comparison continues to move very slowly. A near real-time monitoring facility was established at Taroona at the beginning of the year and is providing important information on the relationship of rainfall and groundwater to landslide movement.

The monitoring facility is able to remotely detect ground movement that allows timely warnings to stakeholders. A satellite-based radar survey (InSAR) was undertaken with the aim of better defining the area of active movement. The results of this study were inconclusive and require further analysis. A review of historical monitoring on the Taroona site was undertaken in preparation for a risk assessment in June. The risk assessment workshop, addressing a range of elements at risk from the Taroona landslide, was held at the Kingborough Council. The workshop, attended by a range of stakeholders including service providers and a community group, was organised by MRT in partnership with a stakeholder group and facilitated by the State Emergency Service.

There is a growing amount of evidence to suggest that parts of Tasmania are susceptible to tsunami. In order to improve our understanding of the risks posed by this hazard MRT coordinated a project, funded through the NDMP, in the Hobart area to determine whether tsunamis have affected the area during the last 10 000 years. A report on palaeotsunami investigations has been completed and passed onto the State Emergency Service while a compilation of historical records will be published shortly. MRT has collaborated with Geoscience Australia to model tsunami inundation and calibrate it against the geological record. This information will be useful for emergency management planning and Local Government planning schemes. Preliminary results from the tsunami studies have recently been used in the Lauderdale Quay Canal Development hearing.

Setting and Monitoring of Standards for Exploration Activities

MRT is responsible for ensuring that all exploration activity in Tasmania achieves the highest environmental standards and complies with the *Mineral Resources Development Act 1995* and the requirements of other legislation which protects, for example, threatened species and cultural heritage.

The fourth edition of the Mineral Exploration Code of Practice outlines the current requirements, the approvals process, and the controls and monitoring procedures that MRT has in place.

During the year 70 exploration work programs were submitted to MRT, compared with 96 in the previous year. Of these programs 68 were approved, 33 of which were in reserves derived from the Regional Forest Agreement (RFA) and required assessment by the Mineral Exploration Working Group.

To comply with the RFA, MRT has developed a system to spatially record exploration activity and attributes that chart the process of approval of individual work programs. All work programs, whether on Crown land, State Forest or private property, are entered into this system to give a complete record of all the environmental information relating to exploration.

This system provides an integrated textual and spatial environment to ensure that compliance auditing of the exploration work approval system is adhered to and that derived statistics reflect the requirements of the RFA and the recommendations of the Resource Planning and Development Commission.

Mining Leases

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

At the end of 2008/09 there were 614 mining leases in force of which 576 were granted and 38 were still in the application stage.

A total of 25 new leases and 80 lease renewals were applied for during 2008/09. This took the overall total of applications and renewals currently being processed to 228.

Mining development continued during the year, requiring assessment and approval of several operations. The downturn in the minerals industry resulted in some mine closures and other operations reducing to care and maintenance.

At Hellyer, the Polymetals Pty Ltd–Intec Ltd joint venture tailings mining project closed. Open-cut development of the former Que River mine by Bass Metals Ltd continued and regular shipments of ore were made to Rosebery for treatment. Metals X Limited continued mining at Mount Bischoff, with the tin ore being transported to Renison Bell for treatment. Operations at the Beaconsfield gold mine resumed normal levels with good production reported. Mining to recover alluvial tin commenced at Scotia near Gladstone, but a fall in the tin price resulted in the operation being placed in receivership soon after. Development of the Fenton Seam at Mt Nicholas by the Cornwall Coal Company is continuing.

Town planning can be an important constraint on the development of extractive operations. Submissions, representations and appeals have been made to the Northern Midlands, Glenorchy, Clarence and Meander Valley councils concerning planning schemes or development applications. A long running appeal over the Tolosa Street quarry in Glenorchy was resolved. The most important representation was to the Northern Midlands Council concerning a proposed residential development adjacent to three quarries at Western Junction, with a successful outcome being achieved.

Alleged illegal mining was investigated at Sandford, Buckland, Northern Midlands and at Circular Head.

Rehabilitation of Mining Lands Trust Fund

The major focus of activity during 2008/09 was again on shaft safety, with mine shafts at Pipers River, Lefroy, Blessington and Mount Victoria being either capped or fenced to provide for public safety. Remediation works were begun on historic mine tailings at Royal George and a historic mine camp was removed at the Den Reserve near Pipers River. Weed control was continued at Punched Terror near Dunorlan and at The Badgers near Sheffield. A total of \$166,420 was spent on trust fund projects during 2008–09.

Royalty Assessment

MRT is responsible for the collection of mineral royalties from Crown land tenements. Royalty is not a tax but a payment to the community for the purchase of their non-renewable resources.

The Tasmanian royalty regime operates under two systems depending on the type of resource recovered. Companies producing a metallic mineral or coal pay under a two-tiered system, where royalty is paid on the net sales and profits earned from the operation. Royalty on the recovery of industrial minerals and construction materials on Crown leases is set on a per cubic metre or per tonne basis.

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

Mineral royalty revenues received for 2008/09 totalled \$27.8 million, a marked decline on the previous year because of the global financial crisis and the associated impact on commodity prices. Revenues were better than expected following the initial rapid decline in commodity prices, mainly due to some moderate strengthening in commodity prices, particularly copper.

Royalty collections for the 2007/08 financial year were \$41.4 million, which was a marked increase from the \$33.8 million received for the 2006/07 financial year. Whilst mineral royalty revenues have declined this year, the revenues remain well above the \$4.5 million collected in 2002–03 and above the five-year average of \$25 million.

Community Awareness Activities

The petrologist attended and manned a booth at the Zeehan Mineral Fair and helped organise a mineralogical conference in Queenstown in November and gave a number of presentations to schools during the year.

Performance Information – Output Group 3

Performance Measure ¹	Unit of Measure	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Target
Area covered by modern remote sensing data with subsequent 1:25 000 scale geological mapping coverage ²	%	44.8	44.9	45.2	61.7
Programmed abandoned mining lands rehabilitation projects completed	%	88	100	92.8	100

Notes:

1. In accordance with the Auditor-General's Report on *Public Sector Performance Information* (April 2008), the Department is progressing a comprehensive review of its performance measures to incorporate the Auditor-General's recommendations. Revised performance measures will be reflected in future Budget Papers and Annual Reports.
2. An increase in area of the state covered by remote sensing data occurred in 2006/07 as a result of the additional flying funded by the TasExplore program. The additional flying in 2006/07 increased the area covered by modern remote sensing data from 23 945 square kilometres in 2005/06 to 33 772 square kilometres. There has been no additional mapping completed in these areas as yet as mapping programs start the year following obtaining new remote sensing data. The percentages above are based on the present coverage of modern remote sensing data.

A photograph of a paved path winding through a dense, lush green forest. The path is dark and reflects some light. The trees are tall and have thick canopies, with sunlight filtering through the leaves, creating dappled light on the path. The overall scene is vibrant and natural.

Output Group 4 **SUPPORT FOR THE
MINISTER FOR ENERGY
AND RESOURCES**

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

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

Achievements for 2008/09

- The Forest Policy Branch provides high level strategic advice to the Minister and Secretary on a range of resource-related policy initiatives of governments, including support to the Ministerial Councils and their Standing Committees on Primary Industries and Natural Resource Management.
- The Forest Policy Branch has a lead role in the coordination across the Tasmanian Government of implementation and reporting of commitments under the Tasmanian Regional Forest Agreement (RFA), and the Tasmanian Community Forest Agreement (TCFA). An annual report on implementation of the TCFA commitments was prepared.
- The second RFA five-year review for the period 2002-07 was completed in February 2008. The Department has coordinated discussions with the Australian Government on development of a detailed joint response to the review recommendations. Many of the recommendations have been implemented or are underway.
- A report by the Australian Government on the State of Conservation of the Tasmanian Wilderness World Heritage Area was considered by the World Heritage Committee in July 2008. The Committee made a number of recommendations to the Australian Government. Discussions have continued with the Australian Government on the implementation of these recommendations.
- The Branch participated in the Forests and Forest Industry Council, the Forest Practices Advisory Council, the Vegetation Management Policy Advisory Group, the development of new Tasmanian Aboriginal Heritage legislation, the review of the Crown Lands Act, the review of the State Policy on Protection of Agricultural Land, the Tasmanian Biosecurity Committee, and the development of national and State climate change policies.
- A review of the roles and functions of Private Forests Tasmania was completed and endorsed by the Secretary and the Board of Private Forests Tasmania.
- Additional support for the Minister included meeting the expectations of the mining industry on the Government's involvement in the promotion of the potential of the mineral diversity and opportunity in Tasmania.
- High level advice was provided to the Minister on matters covering the granting of all classes of access to exploration and mining areas.

Performance Measures

Performance Measure ¹	Unit of Measure	2006/07 Actual	2007/08 Actual	2008/09 Actual
User Satisfaction Survey ²				
Set and maintain high standards in administrative process and policy development that meet the needs of the end-user:				
Minister	Satisfaction	Satisfied	Satisfied	Satisfied
Agency	Satisfaction	Satisfied	Satisfied	Satisfied

Notes:

1. The Department's performance measures have been revised following the Auditor-General's Report on *Public Sector Performance Information* (April 2008).
2. A User Satisfaction Survey seeks stakeholder feedback regarding the level of satisfaction perceived on such issues as quality, equity, efficiency and openness of the consultation process.

Output Group 5 RACING POLICY AND REGULATION



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

Outputs within this Group include:

- support and provision of policy advice aimed at ensuring that Government requirements and expectations are met in relation to the regulation of the racing industry in Tasmania;
- registration of race clubs;
- operations of the Stipendiary Stewards' Panel;
- licensing and registration of industry participants and racing animals, as approved by the Director of Racing, pursuant to the rules of racing;
- handicapping for harness racing and grading for greyhound racing;

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

The main users of this Output Group are the Minister for Racing, race clubs, racing industry bodies and participants, the Tasmanian Racing Board, the Tasmanian Racing Appeal Board and the Integrity Assurance Board.

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 the Tasmanian Racing Board, race 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 performance measures reflect both the level of activity undertaken and the outcomes achieved by Racing Services Tasmania in providing high level integrity to the Tasmanian Racing Industry.

Performance Information – Output Group 5

Performance Measure	Unit of Measure	2006/07 Actual	2007/08 ² Actual	2008/09 Actual
Swabs taken by stewards ¹	Number	1,811	2,520	2,650
Positive swabs to swabs taken ²	%	1.21	0.39	0.40
Suspensions, disqualifications and fines imposed by stewards on licensed persons	Number	251	250	389
• This measure details the number of actions taken by stewards against licensed persons under the Rules of Racing.				
Suspensions, disqualifications and fines appealed to the Tasmanian Racing Appeal Board	Number	42	44	30
Appeals to the Tasmanian Racing Appeal Board where conviction quashed ³	Number	5	2	2
	%	12	6	7
Licence applications received	Number	1,539	1,622	1,620
Licence applications not referred to Licensing Panel approved within 14 days ⁴	%	94	97	100
Appeals to the Integrity Assurance Board ⁵	Number	na	na	2
Races handicapped ⁶	Number	815	738	755
Races handicapped requiring a redraw due to errors	Number	2	2	1
Races graded	Number	1,546	1,564	1,550
Races graded requiring a redraw due to errors ⁷	Number	1	8	1

Notes:

1. The increase in this measure in 2007/08 is due to additional funding directed at this activity in 2007/08.
2. The increase in this measure in 2006/07 reflects reprioritisation of swabs taken.
3. Targets reflect improved training programs for stewards.
4. Interviews were conducted by Regulatory Panels until 31 December 2008. Following an industry restructure, interviews are now conducted by Racing Services Tasmania Licensing Panel.
5. The integrity Assurance Board was established on 1 January 2009.
6. The number of races conducted is determined by the Tasmanian Racing Board.
7. The errors in 2007/08 refer to one race meeting where two nomination forms were misplaced. This error impacted on eight races.

Achievements Against Strategies Identified for 2008/09

Stewards' Training

Racing Services Tasmania (RST) has taken a proactive approach to staff training, with a particular focus on up-skilling its stipendiary stewards given the critical role they play in ensuring the integrity of the racing industry.

In 2007 RST entered into a formal training agreement with

Racing Victoria Limited (RVL). The first phase of the training agreement involved all RST full-time stewards undertaking a Certificate IV in Racing Administration (Steward).

This qualification requires competency over 24 units, with some of the units being: Principles of Administrative Law, Dealing with Conflict, Promoting Ethical Behaviour, Applying EEO and OH&S Procedures, Interview Techniques, Working with the Media and First Aid. It is anticipated that all full-time stewards will achieve this qualification by December 2009.

Further to this training, all full-time stewards attended a 5-day investigators' course involving theoretical and practical training in conducting high-level investigations. RVL investigation staff, Victorian Police and forensic officers presented the course.

In addition to formal training, RST has further enhanced the development of stewards by entering into an exchange program with RVL. The exchange program will provide the opportunity for RST stewards to attend and work at Victorian race meetings and also for Victorian stewards to attend and work at Tasmanian race meetings.

RST has allocated significant resources to the training and development of Tasmanian stewards and there is no doubt that this will further enhance the delivery of integrity to the Tasmanian racing industry.

Website Redevelopment

In 2008 RST undertook a review of its divisional website, with a view to improving information available to the racing industry. The review included both an internal analysis of the website and the consideration of key stakeholder views. The website was developed by Squiz.net utilising their MySource Matrix content management system.

The key feature of the new website is the ability to provide stakeholders with access to all relevant information on a 24/7 basis. The new site provides stakeholders with; rules, policies, forms, documents, race fields, stewards' reports and industry news. The new website went live in June 2009 and enhances the communication and interaction between RST and stakeholders.

Implementation of Occupational Health & Safety Reforms

In recent years RST has continued to take a proactive approach to OH&S in line with DIER policies, with particular emphasis on the unique risks inherent within the racing industry.

In early 2009, RST and the Tasmanian Racing Board (TRB) undertook a major review of stewards' facilities at all Tasmanian race tracks. This process reinforced RST's proactive approach to its OH&S responsibilities.

A five year plan was presented to the TRB, the body responsible for Tasmanian race tracks, with a view to achieving the following:

- All stewards' observation towers will be upgraded in line with Australian Standards AS 1657 by 2013. There will be a particular emphasis placed on both the Mowbray and Hobart multi-code centres
- All animal swabbing facilities are to be standardised to ensure the safety of both animal and persons

swabbing whilst maintaining the highest levels of integrity control over collection and storage of samples

- Stewards' rooms are undertaking ergonomic assessments
- Ongoing training in OH&S awareness on race tracks and stable inspections in line with RST's OH&S Policy Manual
- Developing and maintaining standards of safety

An internal OH&S Group has been formed which takes the role of educating staff in the awareness and reporting of potential hazards. Stewards attend 324 race meetings and in excess of 150 trials and jump outs per year, working both day and night, and as such it is essential that a proactive and comprehensive approach is taken to OH&S at all times.

Additional Achievements for 2008/09

Reform of the Tasmanian Racing Industry Governance Structure

In August 2008, the Minister for Racing announced that the Director of Racing, Tony Murray, and the Chief Executive Officer of TOTE Tasmania, Craig Coleman, had been requested to provide advice to Government on options for the future governance structure of the racing industry, from both an integrity and commercial perspective.

Mr Murray and Mr Coleman consulted widely with the three code racing councils, racing industry associations, the CEOs of the peak national administration bodies and all other key industry stakeholder groups. Included in the consultation process were two full day industry workshops, one in Hobart and one in Launceston, where a proposed new structure was discussed and critically assessed.

In October 2008, Mr Murray and Mr Coleman presented the Minister with a report recommending a number of key changes to the governance structure. These recommendations formed the basis of the amendments to the *Racing Regulation Act 2004*, which were passed by the Parliament of Tasmania in November 2008.

The changes to the governance structure of the industry were implemented on 1 January 2009.

The new governance structure provides for a clear and concise separation of integrity and commercial functions between RST and the newly established Tasmanian Racing Board. The Director of Racing is responsible for the enforcement of the Rules of Racing by stewards, the determination of all licences and registrations, all harness handicapping and greyhound grading functions and the registration of clubs and bookmakers.

Statistical Information – Bookmakers

Bookmakers Registered

Racing Year	Individual Bookmakers Registered	Bookmaking Operations (including partnerships)		Clerks Registered #	Bookmaker's Agents Registered ^
		Total	Telephone Betting endorsements		
1999/00	16	11	4	70	–
2000/01	14	9	3	94	–
2001/02	15	10	3	117	–
2002/03	15	10	3	133	–
2003/04	16	11	2	134	–
2004/05	15	11	0	36	2
2005/06	15	13	2	–	13
2006/07	15	13	2	–	14
2007/08	17	15	2	–	17
2008/09	19*	17	4	–	8

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

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

- Including one company registration

Bookmakers' Holdings

	2006/07 (01/07/06 – 30/06/07)	2007/08 (01/07/07 – 30/06/08)	Variation
Number of Race Meetings	266	261	-2%
Local Holdings	\$ 3,548,131	\$ 3,766,2151	6%
Mainland Holdings	\$ 965,754	\$ 968,804	0%
Holdings			
Total Holdings	\$ 4,516,935	\$ 4,606,648	2%

Statistical Information – Licensing and Registration

Licences Issued

	2006/2007 (01/08/06 – 31/07/07)	2007/2008 (01/08/07 – 31/07/08)	2008/2009 (01/08/08 – 31/07/09)
Thoroughbred			
Trainer (All Categories)	119	115	117
Jockey (All Categories) inc:	37	80	83
- Interstate Jockeys ^c		48	56
- Apprentice Jockey (inc. 2 on loan)	13	13	12
- Jockey A (Tasmanian Resident)	19	*15	15
- Cross Country * (No longer have category)	4	4	0
- King Island ** (No longer have category)	1	0	0
- Trial Rider (New category)			9
- Riders' Agent>			1
Stable Employee (All Categories) inc:	349	310	291
- Stable Foreman	43	27	24
- Stable Foreman/Trackwork Rider*	10	17	19
- Stable Hand	198	200	191
- Stable Hand/Trackwork Rider	57	66	57
Trackwork Rider	12	12	20
Farrier (including restricted plating)	29	23	31
Harness			
Trainer	132	119	119
Driver	39	43	40
Trainer/Driver	106	105	102
Stablehand	191	194	170

	2006/2007 (01/08/06 – 31/07/07)	2007/2008 (01/08/07 – 31/07/08)	2008/2009 (01/08/08 – 31/07/09)
Greyhound			
Trainer (All Categories) inc:	205	211	191
-Trainer Public**	153	145	132
- Owner/Trainer**	52	66	59
- Owner	160	145	110
- Owner/Attendant**	80	85	75
- Attendant**	54	56	41
- Catcher	36	45	31
- Syndicate	29	17	13
- Syndicate Member^		50	27

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

* Recording of separate statistics commenced 1/8/06

+ Category no longer exists

New licence category effective 1/8/06

^ New licence category effective 1/8/07

> New license category effective 1/1/09

Registrations Processed

	2006/2007 (01/08/06 – 31/07/07)	2007/2008 (01/08/07 – 31/07/08)	2008/2009 (01/08/08 – 31/07/09)
Harness			
Namings	197	214	165
Breeding Services	141	137	141
Greyhound			
Namings	291	266	286
Breeding Services	138	84	98

Racing Office

Handicapping of Harness Racing

	2006/2007 (01/08/06 – 31/07/07)	2007/2008 (01/08/07 – 31/07/08)	2008/2009 (01/08/08 – 31/07/09)
Race Meetings Held	98	94	91
Races Run	829	738	734
Nominations Processed	11,036	9311	9113
Number of Starters	7936	7138	7306
Average Starters Per Race	9.57	9.66	9.95
Average Starters Per Meeting	80.98	75.93	80.30

Grading of Greyhound Racing

	2006/2007 (01/08/06 – 31/07/07)	2007/2008 (01/08/07 – 31/07/08)	2008/2009 (01/08/08 – 31/07/09)
Race Meetings Held	156	157	154
Races Run	1546	1564	1537
Nominations Processed	18,803	18,475	18,397
Number of Starters	12,072	12,337	11,989
Average Starters Per Race	7.81	7.89	7.80
Average Starters Per Meeting	77.38	78.58	77.85

Tasmanian Racing Appeal Board

Appeals

	2006/2007 (01/08/06 – 31/07/07)	2007/2008 (01/08/07 – 31/07/08)	2008/2009 (01/08/08 – 31/07/09)
Notices of Appeal Lodged:	45(2)	44(10)	29(2)
- Thoroughbred	10	11	9
- Harness	27(2)	31(10)	13(2)
- Greyhound	6	1	7
- Bookmaking +	2	1	–
Appeals - Major #	22(1)	15(9)	10(2)
Appeals - Minor	23(1)	29(1)	18
Appeals Withdrawn	5	8(1)	5
Appeals Pending	10	2	1
Appeals not within Jurisdictions/ Incompetent/Invalid	3	0(1)	2
Appeals Determined	27(2)	34(8)	21(2)
- Allowed in full (conviction quashed)	4(1)	9(8)	2
- Allowed in part (penalty reduced, increased or varied)	12	9(8)	8
- Dismissed	11(1)	23	11(2)
Applications - Stay of Proceedings	33	35(8)	19(2)
- Granted	29	21	12(2)
- Declined	4	14	7
Legal Representations/Advocate at Appeal Hearings			
- Stewards	14	5	1
- Appellant	16	11	8
Appeal Deposits Withheld	1	0	10
- in full			0
- in part ^			10

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

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

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

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



Output Group 6 **TRANSPORT SUBSIDIES
AND CONCESSIONS**

Metro Tasmania

Metro Tasmania Pty Ltd provides metropolitan public passenger transport services in the Hobart, Launceston and Burnie metropolitan areas under contract to the Transport Commission. Metro's current contract commenced on 1 January 2009 and will run until 30 December 2013.

Devonport Urban Bus Service

The Mersey Bus and Coach Company Pty Ltd provides metropolitan public passenger transport services under the Merseylink brand in the Devonport metropolitan area under contract to the Transport Commission. The Company's current contract commenced on 1 January 2009 and will run until 30 December 2013.

Bruny Island Ferry Service

Ferry services to and from Bruny Island are operated by North Western Shipping and Towage Pty Ltd. The company charters the MV Mirambeena, which is owned by the Crown, and provides the regular ferry service under a long-term contract administered by the Passenger Transport Services Branch.

The contract for the ferry service commenced on 1 July 2008 and runs until 30 June 2013.

A subsidy is paid to enable Bruny island residents and ratepayers to travel to and from the Island at fares below commercial rates.

School Bus Operators: Contract Services

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.

ADMINISTERED PAYMENTS

Contribution to Marine and Safety Tasmania

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

Conveyance Allowance

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

National Transport Commission (NTC): Local Government Contribution

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

Payments on Behalf of the Forest Practices Authority

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

Payments to School Bus Operators: Route Services

In accordance with Government policy, provision is made for payments to operators of private route service buses to supplement the fare revenue from students which is set at levels significantly below the commercial adult fare.

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.

Pensioner, Aged and Unemployed Concessions (Private Operators)

These payments are made to operators of non-metropolitan fare charging bus services for the difference between the full adult fare and the 50 per cent concession fare paid by eligible pensioners and unemployed persons.

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 will separately fund the Tasmanian Racing Industry under a legally binding 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 the Tasmanian Racing Board to facilitate key administration roles and functions, including the responsibility for the corporate governance, strategic direction and funding of the Tasmanian racing industry, as well as ratification of national rules, the making of local rules and the setting of licence standards and criteria.

Transport Access Scheme

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



CAPITAL INVESTMENT PROGRAM

SOD TURNED ON BRIGHTON PROJECTS

In April the first sod was turned on one of Tasmania's largest ever transport infrastructure projects – the \$243 million Brighton Bypass and Transport Hub. The projects are vital components of joint State – Federal Government plans to upgrade the northern approaches to Hobart. The bypass will bring significant improvements to local communities by cutting travelling time on the Midland Highway and improving safety in the built-up areas at its southern end. Pictured doing the honours are (from left) Senator Mark Arbib, representing the Australian Government, Premier David Bartlett, Brighton Mayor Tony Foster and Treasurer Michael Air

Major infrastructure investment project highlights for 2008/09 included:

- Continued development and implementation of specific improvements associated with the North East Tasmania Access Study (\$1.84 million of \$20 million project);
- Key planning works associated with the replacement of the Bridgewater Bridge and for the future Bagdad Bypass (\$0.66 million of \$6.2 million project)
- Pre-construction work:
 - Refurbishment of the Bridgewater Bridge (\$2.19 million of \$14 million project);
 - Brighton Bypass on the Midland Highway (\$12.55 million of \$164 million);
 - Brighton Transport Hub on the Midland Highway (\$7.2 million of \$79 million project);
 - Brooker Highway including junction and safety improvements (\$0.98 million of \$10 million project);
 - Brooker Highway between the Derwent Entertainment Centre and Upper Hilton Road (south bound) (\$1.97 million of \$4 million project);
 - Various roads on Bruny Island (\$0.27 million of \$4.7 million project);
 - Dilston Bypass on the East Tamar Highway (\$1.34 million of \$48.7 million project);
 - East Derwent Highway at the Gage Road junction (\$0.82 million of \$2.1 million project);
 - Evandale Main Road between High Street and the turn-off to the airport (0.008 million of \$1.4 million project);
- Georges River Bridge on the Tasman Highway near St Helens (\$0.08 million of \$2.2 million project);
- Illawarra Main Road, including the construction of a roundabout at the junction of Poatina Main Road and road widening between Bishopbourne Rd and Esk Farm Road (\$0.29 million of \$6.2 million project);
- Kingston Bypass on the Channel Highway (\$4.7 million of \$41.5 million project);
- Leven River Bridge in Ulverstone (\$0.29 million of \$9.1 million project);
- Macquarie, Emu, Blythe and Meander River Bridges to allow for high productivity vehicles (\$0.11 million of \$3 million project);
- Mersey Main Road (\$0.21 million of \$3.2 million project);
- Mudwalls Secondary Road (\$0.04 million of \$2 million project);
- The Southern Outlet and Macquarie Street to improve peak-time traffic flow (\$0.04 million of \$1.5 million project); and
- Tarkine Road (North-West Tourist Road) (\$0.47 million of \$23 million project).
- Start of construction work:
 - Bass Highway at Sisters Hills at Broomhalls and Bramich Roads junctions (\$0.81 million of \$30 million project);
 - Bass Highway at Sisters Hills, west of Carroll's Creek (\$0.71 million of \$30 million project);

- East Tamar Highway at Egg Island (\$2.64 million of \$60 million project);
- Porkys Creek Bridge on King Island (\$0.62 million of \$0.74 million project);
- Lake Secondary Road between Meander and Deloraine (4.2 million of \$8 million project);
- Lyell Highway between Granton and New Norfolk (\$5.16 million of \$14 million project);
- Midland Highway at Constitution Hill (\$3.3 million of \$5.6 million project);
- Midland and Lyell Highways junction (2.19 million of \$14 million project);
- Improve junction accesses on the Tasman and Arthur Highways through the township of Sorell \$0.22 million of \$3.4 million project);
- Improve access and shoulder sealing on the Tea Tree Secondary Road (\$1.66 million of \$4 million project); and
- Replacement of the Tebrakunna Bridge as part of the North East Freight Roads project (1.27 million of \$42.5 million project).
- Completion of construction works:
 - Arthur Highway at Dunalley (\$0.98 million of \$1.1 million project);
 - Bass Highway between Penguin and Ulverstone (\$1.64 million of \$41.46 million project);
 - Bass Highway at Sisters Hills with the replacement of Wilson's Creek Bridge (\$2.72 million of \$30 million project);
 - Bass Highway between Somerset and Mt Hicks (\$1.394 million project);
 - Bass Highway, west of Victoria Bridge (\$0.23 million project);
 - Brooker Highway between the Derwent Entertainment Centre and Upper Hilton Road (north-bound) (\$1.97 million of \$4 million project);
 - East Derwent Highway to improve access from Clives and Fouche Avenues (\$0.51 million of \$1.2 million project);
 - Pavement strengthening and shoulder sealing at Dalrymple on the East Tamar Highway (\$6.4 million of \$60 million project);
 - Upgrade of the Batman and East Tamar Highway junctions (\$0.19 million of \$1.1 million project);
 - Henty Main Road - Henty River Bridge (\$2.2 million of \$2.6 million project);
 - Midland Highway at Cleveland (\$0.47 million project);
 - Midland Highway between Granton and Launceston - audible line marking (\$3.3 million of \$5.6 million project);
 - Mornington Roundabout to improve traffic flow at peak times (\$1.97 million of \$2.4 million project);
 - South Arm Highway between the Shoreline roundabout and the Police Academy (\$3.73 million of \$10 million project);
 - Tasman Highway between the Tasman Bridge and the Mornington Interchange (\$3.6 million project);
 - Zeehan Highway - Little Henty River Bridge (\$0.67 million project);
 - Implementation of projects identified under the Tasmanian Safer Roads Program (\$3.6 million program);
 - Pavement resurfacing across all regions of the State (\$11.5 million program);
 - Maintenance of critical bridges and structures across the State (\$8.5 million program).

A NEW BRIDGE FOR KING ISLAND

A new \$750,000 bridge on the King Island Main Road at Porky Creek was ceremonially opened by Braddon MP Bryan Green and the Mayor of King Island, Charles Arnold. The work included road excavation and alignment changes on the southern approach and minor alignment changes on the northern approach. The work was completed by the King Island Council once the new bridge was in place. The decking for the new bridge was cast on site by the contractor, VEC Civil Engineering Pty Ltd. Pictured (left to right) are the Deputy Mayor of King Island, Greg Barratt, Bryan Green, MP and the Mayor of King Island, Charles Arnold.



Bagdad Bypass

The Bagdad Bypass is the northernmost of the Midland Highway Improvements projects, extending 12.5km between Pontville and Dysart. The project is currently in the detailed planning phase with ground survey and flora, fauna, Aboriginal and heritage assessments being undertaken. Initial landowner consultation has been completed and further consultation will be undertaken as route detail evolves.

Heavy Vehicle Management Concepts for Richmond

Richmond Village is a historic town with significant heritage value and high numbers of tourists. There is also a high level of heavy vehicle traffic that is becoming incompatible with the pedestrian-based tourist nature of the town. Traffic management concepts developed to overcome this conflict include a heavy vehicle link road. Following positive community response this project will move into detailed planning.

Kettering Precinct Study

The Department is participating in the Kettering Precinct Study, which will develop a holistic approach to resolve a number of long-standing issues in the Ferry Road area.

These include traffic congestion and safety, sewage treatment and disposal, ferry marshalling and land development. The study is a collaborative effort between DIER, the Department of Economic Development and Tourism and the Kingborough Council. It will provide a blueprint for development of infrastructure in the Ferry Road area of Kettering, with significant benefits to the community.

Skid Resistance Management Plan

The Department has produced a Skid Resistance Management Plan to final draft stage. This is a plan for the achievement, maintenance and monitoring of skid resistance on the State Road network.

Table 1: Tasmanian State Road Network

	2007/2008	2008/2009
Roads (road km)	3652	3652
Structures (No.)	1248	1248
Land (ha)	7902	7902

Capital Investment Program Key Performance Indicators are provided below. Table 2 provides comparative information on two key effectiveness indicators for the Roads Program.

- The Road Maintenance Effectiveness (RME) indicator represents the cost per lane kilometre to maintain road pavements to target conditions.

- The Smooth Travel Exposure (STE) indicator represents the proportion of travel being undertaken by vehicles on sealed roads of roughness less than a nationally specified level.

Table 2: Road Maintenance Effectiveness and Smooth Travel Exposure

Measure	2000/01	2001/02	2002/03	2002/04	2004/05	2005/06	2006/07	2007/08	2008/09
Road Maintenance Effectiveness - 4.2 IRI (\$'000)	3.4	3.1	2.9	2.9	3.0	3.5	4.1	4.4	4.4
Road Maintenance Effectiveness - 5.33 IRI (\$'000)	3.1	2.8	2.6	2.6	2.8	3.3	3.8	4.1	4.1
Smooth Travel Exposure - 4.2 IRI (%)	95.0	95.4	95.7	96.6	97.3	97.7	97.5	97.3	97.3
Smooth Travel Exposure - 5.33 IRI (%)	99.2	99.2	99.4	99.4	99.7	99.7	99.4	99.5	99.5

Note: RME and STE – definitions as per Austroads National Performance Indicators
IRI – International Roughness Index

Pavement Condition Surveys

The 2008/09 annual pavement surface condition survey collected roughness, rutting and surface texture data on AusLink and selected sites of the network. The condition data is used in management of the road asset.

Upgrade of Weigh-in-Motion and Permanent Traffic Counters

The long term program of upgrading the traffic monitoring equipment has continued.

- One additional weigh-in-motion unit is being installed on Bass Highway, Ulverstone. This brings the total number to seven operational WIM sites throughout the State.
- An extra 14 permanent traffic counters have been upgraded in 2008/09 and provision for further work in 2009/10 has been put in place.

RAIL MANAGEMENT

The Rail Management Branch (RMB) has continued to administer the requirements under the Rail Maintenance and Management Deed and to make monthly payments to Pacific National Tasmania for maintenance work that has been verified by RMB Rail Infrastructure Supervisors.

Major capital infrastructure project highlights for 2008/2009 include:

- An initial resleepering project of 20,000 sleepers was completed by Transfield in August 2008. Total project costs including materials were \$2.8 million.

- The replacement of the Jordan River Bridge (\$1.5 million) has now been completed by VEC Civil Engineering, with the first train crossing the bridge on 29 March 2009.
- Completion of investigative and remedial works to restore the Cam River Rail Bridge to working order on the Wiltshire line in the North-West of the State (\$320,000).
- Completion of remedial works on the Leven River Rail Bridge to strengthen the bridge's halving joints on the Western Line.
- Repairs to the North-South Line.

Currently underway is the capital re-sleepering program by Queensland Rail. Initially this contract was for the replacement of 140,000 sleepers and 20 kilometres of rail, but after a variation this is now for 160,000 sleepers and 25 kilometres of rail. Work began in January 2009 and by June 130,000 sleepers had been replaced throughout the network and 20 kilometres of rail.

Also underway is the infrastructure upgrade of 67 level crossings across the Tasmanian railway network by Downer EDI. This work began in April 2009 and by the end of June 2009 38 crossings had been completed.

Request for tenders were advertised for the replacement of seven timber bridges and the 100% replacement of transoms on another five bridges in May/June 2009.

The RMB will continue work on other projects, including capacity improvements to the Main North-South Line and in the Rhyndaston area and the Bell Bay Intermodal to improve the capacity of the Tasmanian Rail Network.



THE ABT RAILWAY MINISTERIAL CORPORATION (WEST COAST WILDERNESS RAILWAY)

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 arrange for a person to operate the railway development; and
- to facilitate associated developments in the vicinity of the railway.

Section 31 of the Act requires the Minister to make a report to the Parliament on the activities of the ARMC within four months of the end of each financial year.

Section 31 also provides that the report may be by statement in an annual report from an agency for which the Minister is responsible.

By Administrative Order 2006 (S.R. 2006, No. 23), the Minister for Infrastructure assumed responsibility for the ARMC.

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

Background

The railway was first constructed by the private sector in the 1890s to transport ores from Queenstown mines to Macquarie Harbour for export from the State by ship. It was constructed and owned by the Mt Lyell Mining and Railway Company Limited until its closure in 1963. Its closure was largely due to the significant costs of maintaining the railway and improved road transport to the North-West of the State, making road transport of the ore more cost-effective.

Reconstruction as a tourist heritage railway was made possible through a Federal Government decision in 1998 to provide \$20.45 million from the Federation Fund, with the balance of the funding to complete the project coming from the State Government and the private sector.

On-site work began in February 2000, after some 15 months of planning, investigation and tender preparation.

The reconstructed Abt Railway includes property, buildings, track infrastructure, bridges, three Abt steam locomotives, two diesel locomotives, carriages and various other rolling stock items. These assets, owned by the ARMC, were initially leased to Abt Railway Holdings Pty Ltd, a company owned by entrepreneur, Roger Smith, to operate the Railway. In early August 2002, the leases

were reassigned to Federal Holdings Tasmania Pty Ltd (FHT) and operated by West Coast Wilderness Railway, a wholly owned subsidiary of FHT.

Following market research, the Abt Railway was renamed the West Coast Wilderness Railway (WCWR).

Train services over the full length of the railway began on 27 December 2002, with four train services running daily - two from each of Queenstown Station and Regatta Point Station in Strahan, with changeover at Dubbil Barril station. The train services are cut back to one service over the winter months.

As required under the Lease Agreement, WCWR also operates a freight train service that provides access to the Teepookana Plateau for Forestry Tasmania and its "licensed operators", which include timber extraction contractors, an apiarist and tourism operators. These activities require a number of special trains, mainly over the summer months.

FHT at Strahan Village also operates a signature wilderness experience called the "Piners and Miners" in which part of the experience involves travel in a specially adapted 4WD vehicle over the Railway from Regatta Point to Hall's Creek and then by road to Kelly Basin on the banks of Macquarie Harbour, returning to Strahan by boat.

Highlights 2008/09

- For the financial year to 30 June 2009, 40,300 passengers travelled on the railway, down by some 2,000 from the previous financial year.
- WCWR undertook a series of initiatives aimed at improving efficiency through upgrades to the maintenance workshops so that more work can be undertaken in-house and trackwork to reduce wear on the rolling stock and improve the rideability. These changes have seen an increase in employment of tradespersons and apprentices in the workshops.
- Some of the changes to the Carswell Park Maintenance Facility included an upgrade of the three-phase power supply, the installation of a 20t travelling crane, the installation of a heavy lathe in the workshop and building alterations to increase the workshop area and an improvement in the staff amenities area.
- A comprehensive review of the infrastructure and rolling stock used in the Huon pine and leatherwood honey harvesting operation began during the year and is on-going.

General

DIER will incur on-going costs associated with the management of the ARMC's affairs and the Railway assets, which will include auditing of the Operator's compliance with the terms of the lease and the asset maintenance operations, property management and maintenance and reporting to Government. There may also be opportunities from time to time for the Lessee (WCWR) and the Lessor (ARMC) to individually or jointly contribute towards asset improvement.

The ARMC receives rental income from the lease of its assets and from a percentage of the gross revenue generated from the Railway's operation. This income is of the order of \$160,000 per annum. It is intended that any surplus funds, after deduction for management and administration costs, will be put towards the future benefit of the asset. A Trust Account operates to receive payments from the Lessee and other revenue received.

Financial

The Australian Government, through Centenary of Federation funding, allocated a total of \$20.45 million to the project and the final payment under the Grant Deed was made in January 2003. The State Government committed additional funding of \$18 million to ensure the project's completion.

A recent review of the assets owned by the ARMC estimated the replacement value as \$44 million.

CORPORATE SERVICES

OVERVIEW

The Corporate Services Division provides services to all Divisions of the Agency, and corporate support to the Forest Practices Authority and Private Forests Tasmania.

The Division's core responsibility and focus is to provide strategic leadership, corporate policy, professional services and advice in relation to human, financial, physical, communication, legislation, and information management.

The Division is central in organisational change by collaborating with business units to enable the delivery of desired outcomes for DIER based on the Agency's Charter and Values.

The Division strives to continually improve the delivery of its core services with the aim of assisting the Department to better achieve its strategic objectives. It does this by focusing on:

- Using its expertise to provide leadership and influence others to achieve outcomes for DIER;
- Creating policies, processes and systems that align with DIER values and create value for the business units of DIER;
- Facilitating solutions for relevant business issues while recognising that there are diverse business needs in DIER;
- Facilitating a Whole of Agency understanding of the Charter and Values; and
- Enabling informed decision-making by turning "data into information" and solutions.

Clients and Stakeholders

The main clients of Corporate Services are the offices of the Ministers for Infrastructure, Energy and Resources and Racing, the Department's management and staff; other government agencies such as the Departments of Premier and Cabinet and Treasury and Finance; and *Service Tasmania*.

The stakeholders include debtors and creditors, suppliers and contractors, employee and employer organisations, and the public who use the services of DIER business units.

Provision of Services

Corporate Services staff deliver most corporate functions: communications, financial, budget, asset management, human resources, information technology, information management, policy and planning, and legislation; with assistance from external contractors as required.

OFFICE OF THE GENERAL MANAGER

The Office of the General Manager provides leadership and direction to the Division in managing the development and improvement of divisional business policies, strategies and practices. The Office also provides strategic advice and leadership in the formulation of whole of Agency programs aimed at organisational change, business improvement, corporate planning and whole of government initiatives and programs.

Climate Change

In 2008/09 the Office of the General Manager led the establishment of DIER's Carbon Emissions Reduction Team (DEAT). Through DEAT the Department has developed and implemented its *Carbon Emissions Reduction Plan*. Actions to date include: establishment of communication protocols; the review of the vehicle fleet to achieve a 65% compliance with the greenhouse ratings of 5.5 or greater; replacement program for printers and photocopiers with multi-function devices; development of a Waste Management Plan; a review and reduction in the Agency's vehicle fleet.

Legislation and Freedom of Information

The Office participated in the review of the *Freedom of Information Act 1991*, including the development of the *Right to Information Bill* with the Department of Justice. The legislation program for the Department delivered over nine legislation projects during the financial year in addition to reviews of driver licensing and other key review functions for the Department.

Influenza Pandemic

Much work has been done over the last 12 months to ensure DIER's preparedness for an influenza breakout. A number of plans have been developed, including Business Continuity Plans for essential services, Governance and Communication Plans. The development of these plans includes strategies to address identified impacts of a pandemic.

Ministerial Liaison

In 2008/09 the Ministerial Liaison Unit (MLU) became part of the functions of the Office of the General Manager Corporate Services. Over the past year the MLU has managed approximately 5,000 ministerial related documents.

In consultation with DIER's Corporate Information Management Branch, the Office of the General Manager developed user-friendly templates during 2008/09 and made these accessible to all departmental staff directly from the desktop.

A comprehensive review and update of the Department's Ministerial manual has also been undertaken during the year to reflect current process, protocol, quality and best practice standards.

The year saw the development of reports from DIER's Records Management System (TRIM) to support more effective management and monitoring of ministerial correspondence and trends.

CORPORATE AFFAIRS

The Corporate Affairs Branch has continued to focus on business improvements aimed at ensuring a more consistent approach to the delivery of information to the Tasmanian community and agency staff, with the overall aim of making both better informed of DIER's operational achievements and policy initiatives.

The importance of this approach was highlighted by two emerging issues.

DIER is currently undertaking one of its most ambitious infrastructure programs. The increasing complexity and more intensive approval processes of infrastructure projects, coupled with a more informed and information-hungry community, mean that the Department has to lift its communication delivery to meet community expectations.

Corporate Affairs has become increasingly involved in the design and implementation of stakeholder engagement plans for all the major capital works programs. It has also greatly enhanced the delivery of information on its website to inform the community on planning and construction of major projects.

The second emerging issue is the internal pulse check survey results, which indicated a number of areas for improvement within the agency.

A two-year internal communications framework and action plan has been developed that makes use of new social media technology to deliver communications benefits, in conjunction with the implementation of a content management system for the department's intranet site.

The Corporate Affairs branch has responded to more than 900 media enquiries on statistical and operational information in the past year and has produced 280 media releases.

The volume increase is due in part to the continued interest in road safety, but also the increase in current and future construction projects. Significant in this is the communication and consultation planning required for projects such as the Midland Highway Improvements (Bridgewater Bridge refurbishment, Brighton Bypass/North, Transport Hub and Constitution Hill). Other major projects that are increasingly being supported by the Branch include the Tarkine Road, Mornington Roundabout, Lyell Highway improvement, South Arm Road and Kingston Bypass.

Communication tasks associated with the continued roll-out of the 10-year Road Safety Strategy, including the implementation of school zone electronic speed limit signs, implementation of the novice driver package, and Core Passenger Services Review, were also a key focus.

Communication planning and review work continued with projects in the resources portfolio, such as the communication components of the Private Forests Review and the review of communication protocols for management of electricity emergencies.

The communication management of the repair of the East Tamar Rail Bridge was also a significant task during the year.

RESOURCE MANAGEMENT

In collaboration with Divisions the Resource Management Branch undertook the following activities in 2008/09:

- Provided dedicated support to the Registration and Licensing Branch to assist completion of the implementation of the new Motor Registry System;
- Continued to work with the Passenger Transport Division on implementation of the Core Passenger Services Review and payments to clients;
- Continued to implement policies aimed at reducing greenhouse gas emissions, including installation of timer switches for electrical appliances, recycling of waste and electrical/electronic items, provision of more space to store bicycles and reduced electricity use with Department-controlled premises through lease negotiations;
- Managed a major motor vehicle, travel and communications review that resulted in a reduction in mobile phone and travel requirements, the disposal of 18 vehicles, a reduction in the need to home garage 29 vehicles and changes to lease terms and parking arrangements for a number of agency vehicles;
- Managed facility projects including relocation of Private Forests Tasmania, relocation of the Rail Management Unit, lease negotiations at properties in Hobart, Brighton, Launceston and Burnie, electrical audits at the Campbell Street, Hobart and Wellington Street, Launceston sites, testing and tagging of all electrical fittings across the DIER property portfolio and upgrades to 10 Murray Street evacuation and security systems;
- Co-ordinated the annual budget review within DIER to meet reduced budget targets following the Government response to the Global Financial Crisis.

ASSET MANAGEMENT

Asset Management and Risk Policies

The Department maintains a register of assets with a value of \$5,000 or more. Factors such as attractiveness and portability are also considered when determining whether an asset should be recorded in the Department's asset register. Purchased computer equipment costing \$5,000 or more is included in the register.

The Department is also responsible for the management of the State Classified Road Network, which consists of

over 3,700 kilometres (km) of roads servicing all major population centres and transport routes. It includes 561 km of the National Highway, 232 km of unsealed roads in rural areas as well as responsibility for 1,200 bridges and structures.

The Department has an asset management focus when looking at future strategies and assessment of the Road Network. The Department also manages the State's rail assets returned to State ownership in 2007.

Asset Management Systems

The Department maintains a computerised database of assets, with regular updates to record acquisitions, transfers and disposals. Detailed asset management systems have also been developed for infrastructure assets, including the maintenance of condition data to assist in asset valuation and management.

Asset Valuation

The Department uses a range of methods for valuing its assets. Full details are disclosed in the Annual Financial Statements for the year ended 30 June 2009.

Road Infrastructure

The Department undertakes an extensive process each year to value its roads assets. It produces a document which supports the valuations as at 30 June each year. The aggregated details are disclosed in the Annual Financial Statements for the year ended 30 June 2009.

Asset Acquisition and Disposal

The acquisition and disposal of assets is undertaken in accordance with the requirements of the *Financial Management and Audit Act 1990*.

Risk Management

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

The Department has established risk management policies and associated mitigation strategies that address high risk areas. These high risk areas have been identified through various risk reviews and assessments conducted by the Department.

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

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

- 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 Agency.

INFORMATION MANAGEMENT

Information, Communications and Technology (ICT) Initiatives

DIER continues to adopt Information, Communications and Technology (ICT) principles to meet increasing demands for efficiency and effectiveness in the achievement of Corporate, Divisional and Branch outcomes through the clever use of ICT standards. These ICT principles are aimed at delivering agency-wide approaches that align with whole of government directions for ICT transformation.

The following initiatives were progressed during 2008/09:

- The introduction of application and technology infrastructure for the new Motor Registry System and the resolution of various performance issues experienced at *Service Tasmania* shopfronts. In addition to this IMB undertook the migration of various Web applications to technologies that align with the new MRS directions.
- The introduction of a new Intelligent Case Management System for the effective management of heavy vehicle infringements.
- The development of the Tasmanian Government Web Services Technical Standard which was ratified by the whole of government Interoperability Steering Committee.
- Assisted the introduction of Electronic Speed Limit Signs (ESLS) which have been rolled out to approximately 80 school sites in Tasmania.
- Assisted the introduction of the VyperNet System for automatic number plate recognition.
- Further centralisation of the Information Technology services in DIER with the delivery of IT infrastructure and support services for Private Forests Tasmania, and the relocation of the Roads Information Management Systems (RIMS) development team responsible for the delivery of RIMS application maintenance and support.
- Further consolidation of DIER's records keeping systems with integration of disparate data sets, finalisation of a Business Classification Scheme to assist the effective recording and management of corporate information while meeting legislative obligations.
- Implementation of tailored training in the records management system (TRIM) for staff to assist the timely recording and retrieval of information using the Department's new classification scheme.



LOYAL SERVICE RECOGNISED

Pictured are some of the 50 DIER employees who were presented with awards in July by Minister Sturges for their many years of service with the State Government – 23 for 25 years of service and 27 for 35 years of service.

- Working with staff in Corporate Information Services (CIS) to increase their awareness and capacity to influence cultural change for information management practices, to appreciate the business outcomes that are to be achieved and to adopt agile approaches towards the introduction of new information management directions.
- Finalised the consolidation of existing GIS software licenses and maintenance in DIER to support an agency wide approach that will dovetail into future enterprise licensing directions in the Tasmanian Government.
- Finalised the tendering process to underpin the rollout of a whole of agency approach for output devices, including photocopying, printing, faxing and scanning to enable the consolidation and rationalisation of devices in DIER.
- Completed the rollout of DIER's new desktop environment including an upgrade to Office 2007 for all desktop devices in DIER.
- Introduced technical infrastructure to increase the IT network capacity in DIER by interconnecting a number of sites within the Hobart CBD and upgrading the core network switch using Aurora's 'dark fibre' telecommunications.
- Worked with Transport Inspectors on the mobile technology needed in their vehicles for remote access to information systems to support the inspection of vehicles in the field.
- Leveraged the use of technologies that will help consolidate and rationalise the infrastructure costs needed to maintain better Information, Communications and Technology practices.

During 2008/09, the Information Management Branch also actively participated in various whole of government initiatives, including the Information Security project; and provided input to the directions for *Reforming the Management of Information and Communication Technology in the Tasmanian Public Sector*.

HUMAN RESOURCES

Leadership Development

In challenging economic times it is more important than ever for DIER to build upon, develop and encourage the leadership capability of its people. DIER's leadership development program is in its second year, with up to 80 managers and senior staff participating in the program. The objectives of the program are to increase leadership capability and engagement of staff.

Each participant will complete four workshops and other self-directed developmental activities. Workshops and development activities focus on:

- Increasing emotional intelligence and self awareness in a leadership context;
- Using coaching techniques to support and lead individuals and teams;
- Leading teams, including a focus on leading through change; and
- Thinking and acting strategically.

Each module includes a number of diagnostic tools that provide data to participants to reinforce learning objectives of the modules. An external coaching panel has been established to provide support to the participants as they work through the program.

Pulse Check

In November 2008, DIER conducted its first Pulse Check Survey. The purpose was to find out what DIER staff think about leadership, planning and communication in DIER, with the results being used to directly inform Agency organisational planning. The survey covered four main areas:

- Alignment – how clear people’s understanding was of the role of the Agency and their part in it and whether they felt their contribution was valued;
- Leadership – about how supervisors, managers and senior leaders performed and how supported people felt in carrying out their work;
- Communication – an assessment of how well informed management kept staff and whether people felt their ideas and issues were listened to; and
- Change – how well change is managed in the agency and whether people felt they were involved in decisions that affected them

The survey results were made available to staff, with General Managers presenting the results face to face in their respective Divisions. This was also used as an opportunity to seek feedback on the results, together with suggestions from staff on how the Agency could improve.

In response to the Pulse Check findings, DIER will be focusing on the following areas in the coming 12 months:

- Leadership development;
- Internal communication;
- Strategic planning / key performance measures;
- Recognition, development and retention of our staff; and
- Managing change effectively

Learning and Development

DIER is committed to the continuing development of its people. A range of corporate learning and development activities were provided during 2008/09, with a focus on leadership development; recruitment and selection, bullying and harassment; occupational health and safety; new employee orientation sessions and the development and implementation of a tailored competency based Performance Management Framework for DIER’s professional engineers.

During 2008/09, 17 employees were supported through the Study Assistance Program through provision of study leave and/or financial assistance. Corporate sponsorship was also provided for one employee to attend the Public Sector Management Program.

Workforce Information & Reporting

During 2008/09, DIER introduced improvements to its workforce reporting process. A report detailing key human resource measures is provided to the Agency’s Executive Group on a quarterly basis, and a more extensive report that includes more detailed workforce demographic data is generated annually.

The information in the reports assists DIER to evaluate

the effectiveness of its human resource management processes and strategies, and the demographic data will inform Whole of Agency workforce planning processes.

In the coming 12 months DIER will refine and build on its Workforce Report. Data sets will be created to assist Divisions and Branches to monitor workforce performance and trends, and to assist managers to undertake workforce planning that addresses the issues specific to their operational areas.

Managing Workplace Diversity

DIER continues to implement its Workplace Diversity Policy and Plan (2008-2010), focusing on the implementation of DIER’s Disability Action Plan, in response to an initiative of the Department of Premier and Cabinet’s *Disability Framework for Action 2005-2010*.

A Work Life Balance Framework is currently being developed in conjunction with the development and review of related policies in accordance with the Tasmanian State Service Award 2008. Support is provided for employees to access flexible workplace arrangements:

Number of employees who accessed State Service Accumulated Leave System (SSALS)	3
Number of employees who accessed Maternity Leave	12
Number of employees who accessed leave without pay greater than 20 days	15
Number of part-time employees as at 30 June 2009	139

Occupational Health & Safety

The Agency continues to improve workplace health and safety through the implementation of its Safety Management System and integrating OHS processes into everyday business decisions and work activities.

Following a review of the Agency’s health and safety system, a revised OHS governance structure has been developed and is being implemented.

Based on a risk identification process, the Agency has determined that managing risk associated with remote/isolated work is a high priority focus area. A policy has been developed and training provided to staff to assist in this area. Seven training sessions were held during the year with 108 employees attending.

Workers Compensation

A total of 61 incidents occurred in 2008/09 with 27 resulting in claims for workers compensation, compared to 16 in 2007/08. Of the 27 claims submitted, 21 resulted in lost time. The Agency is currently managing 14 claims of various duration:

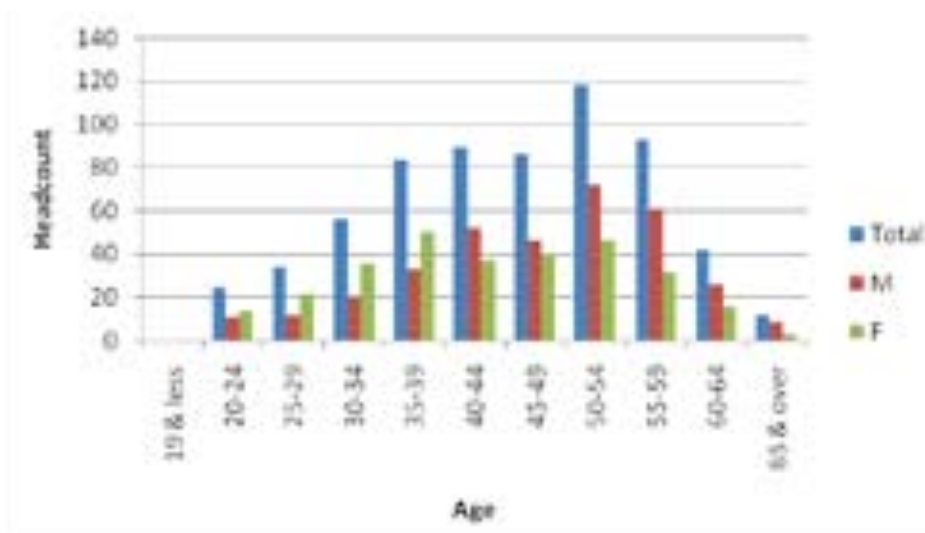
2008/09	10 claims
2007/08	3 claims
1984/85	1 claim

The contribution rate for 2008/09 was \$206,266 compared with \$182,486 in 2007/08.

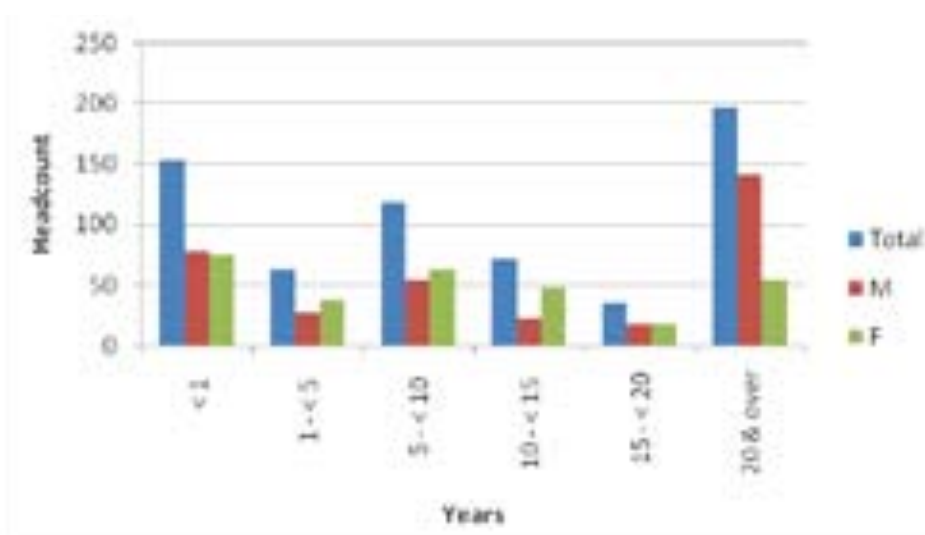
Workforce Information as at 30 June 2009

Total number of employees (excluding board members and casuals)	642
Full time equivalent (FTE) employees	583.38
Employees – by employment type	
Permanent	568
Fixed Term	53
Senior Executive	21
Employees – by employment condition	
Full Time	513
Part Time	139
Employee information – by gender	
Males	343
Females	299

DIER Age Profile – 30 June 2009



DIER Length of Service Profile – 30 June 2009



Workers Compensation Claims – Summary of Claims and Lost Time

(For Divisions of DIER for 2008/09 and 2007/08)

Division	Number of Claims Submitted (By Financial Year)		Lost Time (hours) (Current Managed Claims)		Cost of all Managed Claims \$ (Wages)	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Corporate Services	3	4	51.45	1009.51	\$1,710	\$38,976
Land Transport Safety	6	7	131.10	442.64	\$3,186	\$11,160
Mineral Resources Tasmania	2	1	205.80	298.95	\$8,261	\$11,962
Office of the Secretary	1	1	14.7	1069.57	\$379	\$27,930
Racing Services Tasmania	0	1	0	90.86	0	\$2,387
Roads and Traffic	3	8	442.85	970.85	\$8,613	\$23,090
Passenger Transport	1	1	0	0	0	0
Infrastructure Policy & Planning	0	0	0	0	0	0
Private Forests Tasmania	0	1	0	29.40	0	\$1,176
Forest Practices Authority	0	3	0	0	0	0
All Divisions	16	27	845.85	3,911.78	\$26,300	\$116,681

Freedom of Information Act – Requests

Status as at 30 June 2009

Number & Source of Requests	Land Transport Safety	Roads & Traffic	Corporate Services	Mineral Resources Tasmania	Racing Services Tasmania	Passenger Transport	Energy Planning & Conservation	
Individuals	8	1	–	6	–	–	1	
Solicitors for clients	12	10	–	1	3	–	–	
Politicians	1	10	5	8	3	1	2	
Companies	10	1	–	–	–	–	1	
Media	–	3	1	5	–	–	–	
Other jurisdictions	–	–	–	–	–	–	–	
Total for Agency = 93	31	25	6	10	6	1	3	
Request Status	LTS	R&T	IP	CS	MRT	RST	PT	EPC
Carried over from previous year (07/08)	2	2	2	–	1	–	–	–
Awaiting decision a 30 June 2009	2	4	–	–	–	–	–	–
Decided (+ including no information held)	22(+)	14(+3)	7	12(+5)	3	1	2	(+1)

Freedom of Information Act – Requests

Status as at 30 June 2009

Withdrawn by applicant	3	1	–	1	1	–	–	–
Transferred externally	–	1	–	2	–	–	–	–
Resolved by means outside of FOI (DIER policy)	2	–	–	1	–	–	1	–
Outside scope of the Act (S5)	–	–	–	–	–	–	–	–
Other (S8, S10, S18, S20)	–	1	–	–	–	–	–	–
Outcome of Requests	LTS	R&T	IP	CS	MRT	RST	PT	OEPC
Decided – Full access	14	10	1	10	2	1	1	–
Decided – Partial access	4	7	6	2	1	–	1	–
Decided – Denied access	4	–	–	–	–	–	–	–
Of these how many were requests for personal information about the applicant	1	–	–	1	–	–	1	–
Personal files amended	–	–	–	–	–	–	–	–
Personal files not amended	–	–	–	–	–	–	–	–
Decision Time (Days)	LTS	R&T	IP	CS	MRT	RST	PT	OEPC
1 - 30 days	16	14	3	16	1	1	1	1
More than 30 days	8	6	4	1	2	–	1	–
Requests with a negotiated extension S17(6)	6	4	4	1	2	–	–	–
Refusal Reasons	Land Transport Safety	Roads & Traffic		Corporate Services	Mineral Resources Tasmania	Racing Services Tasmania	Passenger Transport	Energy Planning & Conservation
S 23 Executive Council Information	–	–	–	–	–	–	–	–
S 24 Cabinet Information	1	1	2	1	–	–	–	–
S 25 Information not relating to official business	–	–	–	–	–	–	–	–
S 26 Information Communicated by Other States	–	–	–	–	–	–	–	–
S 27 Internal working information	–	2	2	1	–	–	1	–
S 28 Law Enforcement Information	–	–	–	–	–	–	–	–
S 29 Information affecting legal proceedings	–	1	1	–	–	–	–	–
S 30 Personal privacy	3	4	1	1	–	–	–	–
S 31 Trade secrets or undertakings	2	4	4	1	–	–	–	–
S 32 Trade secrets or undertaking agency	–	2	2	–	–	–	–	–

Freedom of Information Act – Requests

Status as at 30 June 2009

S 33 Information obtained in confidence	1	2	4	–	1	–	–	–
S 34 Procedures and clients	–	–	–	–	–	–	–	–
S 35 Information likely to affect State economy	–	–	–	–	–	–	–	–
Reviews	LTS	R&T	IP	CS	MRT	RST	PT	EPC
Internal								
Upheld in full	–	1*	–	1	1	–	–	–
Upheld in part	1	–	–	–	–	–	–	–
Reversed	–	–	–	–	–	–	–	–
External (open as at 30/6/09)								
Upheld in full	–	–	–	–	–	–	–	–
Upheld in part	–	–	–	–	–	–	–	–
Reversed	1	–	–	–	–	–	–	–
Fees and Charges (\$)	LTS	R&T	IP	CS	MRT	RST	PT	EPC
Total amount of charges collected	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	–
Waived or reduced	\$297.74	\$4,073.30	\$1,776.00	\$456.40	\$456.40	\$36.30	\$45.80	–
Waiving Reasons	LTS	R&T	IP	CS	MRT	RST	PT	EPC
Routine request	16	6	–	3	–	–	–	–
Personal information	2	–	–	1	–	–	1	–
General public interest	–	1	–	4	–	–	–	–
Impecunious applicant	–	–	–	–	–	–	–	–
Member of Parliament	1	8	7	6	2	1	1	–
Other (eg. Agency Policy)	1	2	–	1	–	–	–	–

PUBLIC INTEREST DISCLOSURES ACT 2002

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

The Department of Infrastructure, Energy and Resources (DIER) has implemented procedures for the reporting, receiving and handling of disclosures of improper conduct or detrimental action by DIER or its employees, in accordance with Part 7 of the PID Act. A copy of DIER's procedures may be viewed at Level 8, 10 Murray Street, Hobart; or obtained by writing to:

Executive Officer (Freedom of Information & Privacy)
Office of the General Manager Corporate Services
GPO Box 936
Hobart
Tasmania 7001
Telephone: (03) 6233 3142 or (03) 6233 2407

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

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 \$
Downer EDI Works	Austins Ferry, TAS	Contract No. 762 - Tasman Highway - Tasman/Bowen Bridges - Operations and Maintenance	Jul 08 to Sep 08	\$186,150.00
VEC Civil Engineering P/L	Ulverstone, TAS	Contract No. 1193 East Tamar Highway Egg Island Creek Pavement Widening and Strengthening	Jan 09 to Dec 09	\$6,396,035.76
Roadways Pty Ltd	Glenorchy, TAS	Contract No. 1194 Brooker Highway Derwent Entertainment Centre to Arncliffe Road Overpass - North Bound Lanes Road Reinstatement	Dec 08 to Feb 09	\$1,482,829.76
Downer EDI Works	Austins Ferry, TAS	Contract No. 1197 - Arthur Highway South of Dunalley Road Reinstatement	Sep 08 to Jan 09	\$985,499.22
Andrew Walter Constructions P/L	Austins Ferry, TAS	Contract No. 1198 - Midland Highway - Constitution Hill Roadworks/Safety	Oct 08 to Mar 09	\$2,544,096.11
Shaw Contracting	Whitemore, TAS	Contract No. 1210 Bass Highway Somerset to Mt Hicks Road - Shoulder Sealing	Aug 08 to Dec 08	\$1,236,343.05
Spectran Pty Ltd	Derwent Park, TAS	Contract No. 1211 South Arm Highway - Mornington Roundabout Upgrading	Dec 08 to Feb 09	\$1,227,344.01
Ingal Civil Products	Preston, VIC	Contract No. 1213 - Design and Supply of Tensioned Wire Rope Safety Barrier	Jul 08 to Aug 08	\$96,900.00
Downer EDI Works	Austins Ferry, TAS	Contract No. 1214 Five Key Bridge Structures - Operations and Maintenance	Sep 08 to Sep 11	\$1,919,403.36
Hazell Bros Civil Contracting P/L	Derwent Park, TAS	Contract No. 1215 Tasman Highway Sorell Link Road Roadworks	May 09 to Nov 09	\$1,754,461.16
GeoTas P/L	Moonah, TAS	Contract No. 1216 Statewide Roadside Hazard Reduction	Nov 08 to May 09	\$1,025,055.23
Zaganite Specialised Coatings P/L	Glenorchy, TAS	Contract No. 1217 Midland Highway Bagdad to Launceston Audible Line Markings	Nov 08 to Apr 09	\$1,130,766.60
Negri Contractors (Vic) Pty Ltd	Tolmans Hill, TAS	Contract No. 1219 Tea Tree Secondary Road Pavement Widening and Junction Improvements	Dec 08 to Apr 09	\$2,764,718.90
Roadways Pty Ltd	Glenorchy, TAS	Contract No. 1220 National Highway/State Roads North East Region Bituminous Surfacing 2008/2009	Sep 08 to Feb 09	\$2,355,741.79
Roadways Pty Ltd	Glenorchy, TAS	Contract No. 1221 National Highway/State Roads North West Region Bituminous Surfacing 2008/2009	Sep 08 to Feb 09	\$1,448,173.19
Roadways Pty Ltd	Glenorchy, TAS	Contract No. 1222 National Highway/State Roads South Region Bituminous Surfacing 2008/2009	Sep 08 to Feb 09	\$3,387,637.81
Hazell Bros Civil Contracting P/L	Derwent Park, TAS	Contract No. 1223 Lake Secondary Road - Meander Road Junction to Deloraine Roadworks	Nov 08 to Jan 10	\$5,365,564.18
Andrew Walter Constructions P/L	Austins Ferry, TAS	Contract No. 1224 Lyell Highway Murphys Flats Overtaking Lanes to Molesworth Road Junction Roadworks	Oct 08 to Apr 09	\$3,684,588.75
Metal Protection Service P/L	Breadalbane, TAS	Contract No. 1226 Batman Bridge Maintenance Painting	Oct 08 to Jun 10	\$354,767.00
Shaw Contracting	Whitemore, TAS	Contract No. 1230 Bass Highway Sisters Hills - West of Carrolls Creek Roadworks - Upgrade of Broomhalls and Bramichs Road Junctions	Feb 09 to Jan 10	\$4,088,880.00
Supalux Paint Co P/L	Kewdale, WA	Contract No. 1231 Statewide Thermoplastic and Southern Regional Network Pavement Marking Maintenance	Nov 08 to May 09	\$675,052.70
Supalux Paint Co P/L	Kewdale, WA	Contract No. 1232 Regional Network North East Maintenance Pavement Marking	Nov 08 to May 09	\$313,225.22
Supalux Paint Co P/L	Kewdale, WA	Contract No. 1233 Regional Network North West Maintenance Pavement Marking	Nov 08 to May 10	\$350,786.80
Downer EDI Works	Somerton, VIC	Contract No. 1234 State Roads Bituminous Slurry Surfacing and Minor Bituminous Works 2008/2009	Jan 09 to Mar 09	\$601,474.37
Downer EDI Works	Port Melbourne, VIC	Contract No. 1235 National Highway and State Roads - High Pressure Water Blasting of Bituminous Surfacing	Jan 09 to Mar 10	\$383,295.36
VEC Civil Engineering P/L	Ulverstone, TAS	Contract No. 1238 King Island Main Road - Porky Creek Bridge Replacement Design and Construct	Jan 09 to Jul 09	\$345,000.00
Clarks Painting Services	Latrobe, TAS	Contract No. 1239 Bridge Maintenance Painting Fences and Structural 2008-2010	Feb 09 to Jun 10	\$2,058,690.00
Dwyer Construction Services P/L	Blackmans Bay, TAS	Contract No. 1240 Denison Canal Bridge Traffic Barrier Upgrade	May 09 to Aug 09	\$509,792.20

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 \$
Downer EDI Works	Austins Ferry, TAS	Contract No. 1241 Tasman Highway - Tasman Bridge to Mornington Interchange - Pavement Rehabilitation	Dec 08 to Apr 09	\$3,919,933.00
Andrew Walter Constructions P/L	Austins Ferry, TAS	Contract No. 1242 Golconda Road - Clover Hill Road to Carins Road Safety Improvements	Jan 09 to mar 09	\$1,044,294.64
Venarchie Contracting P/L	Mowbray, TAS	Contract No. 1244 Sheffield Main Road - South of Melrose Road - Shoulder Sealing and Safety Barriers	Jan 09 to Apr 09	\$768,695.05
Downer EDI Works	Port Melbourne, VIC	Contract No. 1245 Midland Highway/Lyell Highway Junctions Roadworks	Mar 09 to Jul 09	\$2,469,724.58
Andrew Walter Constructions P/L	Austins Ferry, TAS	Contract No. 1246 Gilbert Street/River Road Junction Latrobe Roadworks	Nov 08 to Jan 09	\$226,979.40
Venarchie Contracting P/L	Mowbray, TAS	Contract No. 1247 Bass Highway West of Victoria Bridge Road Reinstatement	Jan 09 to Feb 09	\$137,407.12
Downer EDI Works	Port Melbourne, VIC	Contract No. 1249 East Derwent Highway Clives Avenue to Gage Road - Shoulder Sealing and Junction Upgrading	Feb 09 to Jun 09	\$810,472.31
John Holland/Hazell Bros Joint Venture	"Abbotsford, VIC Derwent Park, TAS"	Contract No. 1257 Midland Highway - Brighton Bypass Southern Section Project	Apr 09 to Jun 12	\$64,000,000.00 (Estimate only)
VEC/Thiess Joint Venutre	Melbourne, VIC Ulverstone, TAS	Contract No. 1258 Midland Highway - Brighton Bypass Northern Section Project	Apr 09 to Jun 13	\$100,000,000.00 (Estimate only)
Solux P/L	Melbourne, VIC	Contract No. 1259 Supply of components for the upgrade of traffic signals to Extra Low Voltage (ELV) Light Emitting Diode (LED) technology	Mar 09 to Mar 12	\$2,680,750.00
Clark Purton Civil Maintenance Services P/L	Glenorchy, TAS	Contract No. 1260 Brooker Highway Risdon Road to Clearys Gates - Replacement of Light Poles	May 09 to Aug 09	\$609,780.00
CDC Development (Tas) P/L	Howden, TAS	Contract No. 1265 - 64 Midland Highway, Brighton - Extension to Information Centre	Apr 09 to Jul 09	\$263,324.00
Protector-Rail P/L	Margate, TAS	Contract No. 1267 Statewide Roadside Hazard Reduction	Apr 09 to Jul 09	\$766,705.00
Axent Global	Sandy Bay, TAS	Contract No. 1199 - Electronic Speed Limit Signs (School Zones)	Jul 08 to Jul 11	\$3,600,775.00
Spectran Pty Ltd	Moonah, TAS	Contract No. 1269 Tasman Highway - Eastern End of Tasman Bridge to First Cambridge Interchange (Redgate) Roadworks	Jun 09 to Aug 09	\$472,330.00
Bruny Island Ferry Company P/L	North Hobart, TAS	Contract No. 1206 - Operation of the Bruny Island Ferry Service	Jul 08 to Jun 13	\$3,200,000.00
Crawn Motors P/L	Highclere, TAS	Contract No. 1262 Rural School Bus Service Oldina/Yolla	Jun 09 to Dec 13	\$233,526.70
Integrated Mapping Technologies P/L	Cherrybrook, NSW	MRT 2008/01 Ground Acquisition of Gravity Data North East Asmania	Sep 08 to Apr 09	\$320,000.00
Bruker Biosciences P/L	Preston, VIC	Contract No. 1248 Wavelength Dispersive XRF Spectrometer	May 09	\$319,900.00
Queensland Rail Services	Brisbane, QLD	RMU-0010 Rail and Sleeper Replacement on the Tasmanian Railway Network Stage 2	Jan 09 to Jan 10	\$19,955,700.00
Downer EDI Works	Melbourne, VIC	RMU-0012 Refurbishment of Railway Level Crossings	Feb 09 to Aug 09	\$3,846,510.00
Austrak Pty Ltd	Moorooka, QLD	RMU-0014 - Supply of 3,000 Concrete Railway Sleepers Conforming to AS 1085.14-2003	Sep 09	\$549,300.00
Van Ek Contracting	Ulverstone, TAS	RMU-0015 - Cam River Railway Bridge Remedial and Investigative Works	Jul 09	\$291,127.24
Van Ek Contracting	Ulverstone, TAS	RMU-0016 Superstructure Replacement - Mountford Private Access Bridge	Sep 08	\$65,610.26
Boral Construction Group Materials P/L	Invermay, TAS	RMU-0017 Supply of nominal 52mm ballast for railway track	Oct 08	\$1,548,568.00
Alcoa Fastening Systems	Clayton, VIC	RMU-0018 Supply of 70 insulated joint assemblies for railway track	Sep 08	\$76,650.00
OneSteel Manufacturing Pty Ltd	Whyalla, SA	Purchase of 30,000 steel railway sleepers and associated items	May 09	\$4,900,000.00
OneSteel Manufacturing Pty Ltd	Whyalla, SA	Purchase of 300 steelrailway sleepers, 50,000 NG sleepers and 510 lengths of rail	Jan 09	\$6,000,000.00

Consultancy contracts with a value of \$50,000 or over (ex. GST)

Name of Contractor	Location of Contractor	Description of Contract	Period of Contract	Total value of contract \$
ODS Management Consulting P/L	Surry Hills, NSW	"Contract No. 1236 Delivery of Leadership Modules and Coaching Services	Dec 08 to Dec 10	\$167,400.00
Dattner Grant P/L	Eltham, VIC	<i>Seven companies were successful for placement on DIER's Panel to provide coaching services. Services to be accessed on an as needs basis and fees paid on this basis."</i>		
Jeffrey Human Resources P/L	Howrah, TAS			
Impact Solutions International P/L	New Town, TAS			
BC Learning Solutions P/L	Sydney, NSW			
People Flourishing	Coningham, TAS			
Tranmere Personal Wellbeing"	Tranmere, TAS"			
Parsons Brinckerhoff	Melbourne, VIC		Contract No. 1253 Review of Passenger Travel Demand Measures	Jan 09	$99,750.00
Parsons Brinckerhoff	Melbourne, VIC	Contract No. 1254 Travel Demand Forecasts	Jan 09	\$99,800.00
Projenco P/L	Canning Bridge, WA	Contract No. 1251 ECI Consultancy Services - Brighton Bypass Project	Dec 08 to Jul 09	\$68,500.00
Dwyer Construction Services P/L	Blackmans Bay, TAS	Contract No. 1270 Estimating Services - Brighton Bypass Project	May 09 to Aug 09	\$84,500.00
Pricewaterhouse Coopers	Sydney, NSW	OEPC 1-08 Review of Strategic options for Tasmania's State Owned Electricity Businesses	Sep 08 to Dec 08	\$403,636.00

Total No of Contracts Awarded	62
Total Contracts Awarded to Tasmanian Businesses	41
Total Value of Contracts Awarded	272,673,921
Total Value of Contracts Awarded to Tasmanian Businessess	151,485,093
Total Consultancies	6
Total Value of Consultancies Awarded	923,586
Total Number of Tender or Quotation Requests	62
Total Number of Tenders or Quotations Received	262
Total Number of Tenders or Quotations Received from Tasmanian Businesses	160



Legislation Administered by the Department

Minister for Infrastructure

Abt Railway Development Act 1999

Aerodrome Fees Act 2002

Air Navigation Act 1937

Burnie to Waratah Railway Act 1939

Civil Aviation (Carriers' Liability) Act 1963

Common Carriers Act 1874

Commonwealth Powers (Air Transport) Act 1952

Damage by Aircraft Act 1963

Emu Bay Railway Acts 1965 and 1976

Highways Act 1951

Marine and Safety Authority Act 1997

Metro Tasmania (Transitional and Consequential Provisions) Act 1997

Metro Tasmania Act 1997

Motor Vehicles Securities Act 1984

Passenger Transport (Consequential and Transitional) Act 1997

Passenger Transport (Transitional Regulations Validation) Act 2002

Passenger Transport Act 1997

Port Companies Act 1997

Printing Authority of Tasmania Act 1994

Rail Infrastructure Act 2007

Rail Safety Act 1997

Railway Management Act (Repeal) Act 1997

Roads and Jetties Act 1935

Sullivans Cove Waterfront Authority Act 2004

Tasmanian Ports Corporation Act 2005

Taxi and Luxury Hire Car Industries Act 1995

Traffic Act 1925

Transport Act 1981

TT-Line Arrangements Act 1993

Van Diemen's Land Company's Waratah and Zeehan Railway Acts 1895, 1896 and 1948

Vehicle and Traffic (Transitional and Consequential) Act 1999

Vehicle and Traffic Act 1999

Motor Accidents Insurance Board

Motor Accidents (Liabilities and Compensation) Act 1973

Minister for Energy and Resources

Beauty Point Landslip Act 1970

Electricity – National Scheme (Tasmania) Act 1999

Electricity Supply Industry Act 1995

except Part 2 and Divisions 3, 4, 5, 6, 8A and 10 of Part 3 (see *Department of Treasury and Finance under the Treasurer*)

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

Electricity Wayleaves and Easements Act 2000

Energy Co-ordination and Planning Act 1995

Forestry (Fair Contract Codes) Act 2001

Gas Act 2000

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

Gas Pipelines Access (Tasmania) Act 2000

Gas Pipelines Act 2000

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

Lawrence Vale Landslip Act 1961

Mineral Resources Development Act 1995

Mining (Strategic Prospectivity Zones) Act 1993

Petroleum Products Emergency Act 1994

Petroleum (Submerged Lands) Act 1982

Private Forests Act 1994

Repeal of Regulations Postponement Act 2007

Rosetta Landslip Act 1992





Forestry Corporation

Forestry Act 1920

Public Land (Administration and Forests) Act 1991

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

Regional Forest Agreement (Land Classification) Act 1998

except Division 2 of Part 2 (see *Department of Primary Industries and Water under the Minister for Primary Industries and Water*) and Division 3 of Part 2 (see *Department of Environment, Parks, Heritage and the Arts under the Minister for Environment, Parks, Heritage and the Arts*)

Timber Promotion Act 1970

Forestry Practices Authority

Forest Practices (Private Timber Reserves Validation) Act 1999

Forest Practices Act 1985

Forest Practices Amendment (Private Timber Reserves) Act 1998

Hydro-Electric Corporation

Hydro-Electric Corporation Act 1995

Minister for Racing

Lyons Trusts Act 1993

Racing Regulation Act 2004

Racing Regulation (Transitional and Consequential Provisions) Act 2004

Repeal of Racing Regulation Regulations Postponement Act 2003

TOTE Tasmania Act 2000

TOTE Tasmania (Racing Regulation) Act 2004

TOTE Tasmania (Transitional and Consequential Provisions) Act 2000

Legislation enacted in 2007/08

Taxi and Luxury Hire Car Industries Act 2008

Taxi and Luxury Hire Car Industries (Consequential Amendments) Act 2008

The Office of Energy Planning and Conservation finalised the review of the *Electricity Supply Industry Regulations 1996*. The review recommended some minor amendments which resulted in the enactment of the *Electricity Supply Industry Regulations 2008*.

Racing Regulation Amendment (Race Fields) Act 2008

Racing Regulation Amendment (Governance Reform) Act 2008

Legislation repealed in 2008/09

Taxi and Luxury Hire Car Industries Act 1995

Taxi and Luxury Hire Car Industries Reform Act 1999

Taxi and Luxury Hire Car Industries Amendment Act 2003

Taxi and Luxury Hire Car Industries Amendment Act 2007

In 2008/09 the Office of Energy Planning and Conservation finalised the review of the *Hydro-Electric Commission (Service and Installation) By-laws 1993*, and the *Hydro-Electric Commission By-laws 1994* to ensure that appropriate substitute regulatory instruments were in place to allow the repeal of the Bylaws. This process resulted in the repeal of these bylaws through the *Occupational Licensing Amendment Act 2008*.

Documents Published in 2008/09

Transport

Draft Southern Integrated Transport Plan

Tasmanian Government Submission to Infrastructure Australia

Kingborough Safer Speeds (KiSS) Demonstration pamphlet/brochure

Learner Driver Logbook (ongoing)

Supervisory Driver Handbook (ongoing)

Tasmanian Road Rules Handbook (ongoing) – Released April 2009

Novice Drivers' Training Kit – released April 2009

Tasmanian Motorcycle Riders' Handbook – (ongoing)

Vehicle Information Technical Bulletins and Manuals (ongoing).

Industry Newsletters, including safety bulletins (ongoing)

CRSP Progress Report 2009– released March 2009

Learner Driver Mentor Program Resource Kit

Your Road Safety Levy at Work – First Year Progress Report

Taxi and Luxury Hire Car Industries Act 2008: Information for licence holders, licence owners, responsible operators, drivers and authorised meter adjusters (December 2008)

State Road and Bridge Emergency Management Plan (December 2008)

Mineral Resources

EVERARD, J. L. Inclusions of high pressure origin in Tasmanian Cainozoic basalts: A catalogue of localities. *Record Geological Survey Tasmania* 2001/09 [1 May 2009].

VICARY, M. Revisions to geological maps in the southern part of the Dial Range/Fossey Mountain Trough, northern Tasmania, with emphasis on Cambrian geology. *Record Geological Survey Tasmania* 2008/01 [15 July 2008].

The Tasmanian security deposit system for mining and exploration tenements. *Record Geological Survey Tasmania* 2008/02 [21 July 2008]

CALVER, C. R. Geological setting of Jurassic plant fossils near Lune River. *Record Geological Survey Tasmania* 2009/02 [30 March 2009]

BOTTRILL, R. S. A catalogue of the minerals of Tasmania. *Bulletin Geological Survey Tasmania* 73 [23 December 2008]

Mineral Resources Tasmania — Annual Review, 2007/2008. [12 February 2009]

Mineral tenements — Guidelines for reporting [1 May 2009]

Energy

Feed-in Tariffs Discussion Paper

Statutory and Non-Statutory Bodies

Statutory Bodies

Tasmanian Racing Appeal Board

Established under Section 25 of the <i>Racing Act 1998</i> and continues under Section 23 of the <i>Racing Regulation Act 2004</i>	The Board comprises eight members appointed by the Governor, and a secretary appointed by the Secretary of the Department.	Mr Robert Pearce (Chairman) Mr Tom Cox (Deputy Chairman) Mr Graham Elliott Mr Bernard McKay Ms Paula Murphy Ms Rae Green Dr Suzanne Martin Mr Philip Wright Mrs Glenda Attenborrow (Secretary)
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Integrity Assurance Board

Established under Section 18 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.	Vacant (Chairman) Mrs Kate Brown (Deputy Chairman) Ms Leigh Mackey Ms Madeleine Ogilvie Vacant Mrs Glenda Attenborrow (Secretary)
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Energy Coordination and Advisory Committee (ECAC)

The Committee is established under Part 6 of the *Electricity Industry Supply Act 1995* to monitor and advise the Minister on the adequacy of water supplies available for hydro-electric electricity generation. The Chairman is the Director of Energy Planning and the Secretariat is provided by the OEPC.

Electricity Technical Advisory Committee (ETAC)

The ETAC is established under the *Energy Co-ordination and Planning Act 1995* and helps the Tasmanian industry to resolve or develop a coordinated response to matters of a technical nature, such as the maintenance of standards for voltage control. The Chairman and secretariat is provided by Transend Networks.

Non Statutory Bodies

Transport

Australian Bicycle Council
Australian Motor Vehicle Certification Board
Australian Road Rules Maintenance Group
Austroads IAP Technical Feasibility and Standards Sub-Project Team
Austroads National Exchange of Vehicle and Driver Information System (NEVDIS)
Austroads Registration and Licensing Program Taskforce
Committee for Advice on Recalls and Safety
Commonwealth Cross Government Proof of Identity Working Group
Forest Products Transport Council
Heavy Truck Safety Advisory Council (HeTSAC)
National Motor Vehicle Theft Reduction Council
National Road Safety Strategy Panel
National Taxi Regulators Group
National Transport Commission (NTC) Review of Administrative Arrangements for Exchange of Demerit Points
National Transport Commission (NTC) Review of Medical Examination for Commercial Vehicle Drivers
Performance Based Standards Interim Regulatory Panel
Rail Safety Policy and Regulation Group
Rail Safety Regulators Panel
Rail Safety Consultative Forum
Recreational Vehicle Advisory Group
Road Safety Task Force (RSTF)
Standing Committee on Transport (SCOT) Rail Group
Standing Committee on Transport Aviation Working Group
Standing Committee on Transport National Framework for an Efficient Marketplace Working Group
Standing Committee on Transport Australian Maritime Group [National Maritime Policy]
Standing Committee on Transport Workforce Skills and Planning Group
Standing Committee on Strategic Research and Technology Group
State Bicycle Advisory Committee
Tasmanian Road Safety Council
Technical Liaison Group
Transport Operator Accreditation Board
Transport Certification of Australia Board (TCA)

Forestry

Forests and Forest Industry Council
Primary Industries Ministerial Council Standing Committee
Natural Resource Management Ministerial Council Standing Committee
Forestry Local Government Consultative Committee

Racing Services Tasmania

Racing Training Tasmania

Mineral Resources

Ministerial Council for Mineral and Petroleum Resources (MCMPR) and associated Standing Committee of Officials, Task Forces and Working Groups
ABS Mining Statistics User Advisory Group
Australian Society of Exploration Geophysicists Data Standards Committee
Chief Government Geologists Committee
Government Geoscience Information Committee and associated Working groups
CODES Centre of Excellence in Ore Deposits Advisory Board
CODES Centre of Excellence in Ore Deposits Science Planning Committee
Crown Land Assessment Working Group
Inter-Departmental Oceans Policy Working Group
Land Information Coordination Committee (LICC)
LICC Sub-committee — The LIST Management Advisory Group
Mineral Exploration Working Group
National Virtual Core Library Project Committee
Rehabilitation of Mining Lands Trust Fund Committee
Tasmanian Statistical Advisory Committee

Energy

Support is provided by OEPC to the Director of Energy Planning for his role as Chair of the Energy Policy Steering Committee (EPSC). EPSC provides coordinated whole of government advice to Ministers on high level and strategic issues in the energy sector.

The State Government is represented by the OEPC on the following national forums and working groups reporting to the Ministerial Council on Energy:

- The Standing Committee of Officials;
- The Energy Markets Reform Working Group;
- Energy Efficiency Working Group;
- Energy Security Working Group;
- Network Policy Working Group;
- Retail Policy Working Group;
- Smart Meters Working Group;
- AEMO Implementation Steering Committee;
- AEMO Legal Working Group;
- Governance Documents Reference Group; and
- National Oil Supplies Emergency Committee

OEPC also represented the State on the following working groups:

- Senior Officials Group on Energy Efficiency under the COAG Climate Change and Water Taskforce;
- Energy Efficiency Subgroup under the COAG Climate Change and Water Taskforce;
- Renewable Energy Targets Subgroup under the COAG Climate Change and Water Taskforce; and
- National Gas Emergency Response Advisory Committee.

The OEPC also participates in a range of other forums with other agencies and industry stakeholders to develop energy policy and regulatory frameworks for energy in Tasmania.

FINANCIAL STATEMENTS

For the year ended 30 June 2009



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Department of Infrastructure, Energy and Resources

Financial Statements for the year ended 30 June 2009

Income Statement for the year ended 30 June 2009

	Notes	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Revenue and other income				
Revenue from Government				
Appropriation revenue – recurrent	2.9(a), 6.1	93,394	96,578	96,338
Appropriation revenue – works and services	2.9(a), 6.1	169,896	153,544	119,912
Other revenue from Government	6.1	52	...	...
Revenue from Special Capital Investment Funds	6.2	14,464	15,365	41,595
Grants	2.9(b), 6.3	2,999	3,195	2,403
Sales of goods and services	2.9(d), 6.4	550	1,730	988
Fees and fines	2.9(e), 6.5	9,963	9,707	5,547
Interest income	2.9(g)	2,103	2,945	4,001
Gain on sale of non-financial assets	2.9(f), 6.6	4	4	5
Other revenue	2.9(i), 6.7	1,046	2,310	2,458
Total income and other revenue		294,471	285,378	273,247
Expenses				
Employee benefits	2.10(a), 7.1	34,505	42,280	33,793
Depreciation and amortisation	2.10(b), 7.2	87,084	86,941	80,580
Loss on sale of non-financial assets	2.9(f), 6.6	...	25	89
Supplies and consumables	7.3	66,638	96,167	84,658
Grants and subsidies	2.10(c), 7.4	53,121	59,328	51,209
Impairment Losses	2.10(e)(f), 7.5	...	20	34
Write down of assets measured at fair value	2.10(g), 7.6	...	550	5,684
Transfers to the Consolidated Fund		...	25,000	...
Other expenses	2.10(i), 7.7	2,240	2,617	2,215
Total expenses		243,588	312,928	258,262
Net surplus (deficit) attributable to the State		50,883	(27,550)	14,985

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 4.1 of the accompanying notes.

Department of Infrastructure, Energy and Resources

Financial Statements for the year ended 30 June 2009

Balance Sheet as at 30 June 2009

	Notes	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and deposits	2.11(a), 8.1	61,538	48,301	91,558
Receivables	2.11(b), 8.2	1,123	2,116	1,265
Other financial assets	2.11(c), 8.3	5,868	7,717	5,096
<i>Non-financial assets</i>				
Assets held for sale	2.11(e)	10	...	...
Plant and equipment	2.11(g), 8.4	11,914	12,078	12,536
Land and Buildings	2.11(g), 8.4	23,147	25,212	21,568
Road Infrastructure	2.11(g), 8.5	4,073,407	4,489,346	4,266,946
Other Infrastructure	2.11(g), 8.4	34,504	33,986	34,504
Intangibles	2.11(i), 8.6	18,083	16,841	17,252
Total assets		4,229,594	4,635,597	4,450,725
Liabilities				
<i>Financial Liabilities</i>				
Payables	2.12(a), 9.1	5,115	9,702	6,128
Employee benefits	2.12(c), 9.2	9,045	11,014	9,581
Other liabilities	2.12(e), 9.3	2,600	1,179	4,712
Total liabilities		16,760	21,895	20,421
Net assets (liabilities)		4,212,834	4,613,702	4,430,304
Equity				
Reserves		2,734,336	1,993,359	1,782,411
Accumulated funds		1,478,498	2,620,343	2,647,893
Total equity	11.1	4,212,834	4,613,702	4,430,304

This Balance Sheet should be read in conjunction with the accompanying notes.

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

Explanations of material variances between budget and actual outcomes are provided in Note 4.2 of the accompanying notes.

Department of Infrastructure, Energy and Resources

Financial Statements for the year ended 30 June 2009

Cash Flow Statement for the year ended 30 June 2009

Notes	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Cash inflows			
Appropriation receipts - recurrent	93,394	96,443	94,879
Appropriation receipts - capital	169,896	150,131	122,064
Appropriation receipts - other	52	...	...
Receipts from Special Capital Investment Funds	14,464	15,365	41,599
Grants	2,999	2,448	3,006
Sales of goods and services	550	1,035	994
Fees and fines	9,963	9,711	5,538
GST receipts	10,398	23,476	20,980
Interest received	2,103	3,156	3,958
Other cash receipts	1,046	3,054	1,910
Total cash inflows	304,865	304,819	294,928
Cash outflows			
Employee benefits	(34,264)	(40,804)	(32,835)
Grants and subsidies	(53,121)	(59,173)	(53,119)
Supplies and consumables	(66,638)	(95,160)	(83,029)
GST payments	(10,399)	(24,445)	(21,116)
Transfers to the Consolidated Fund	...	(25,000)	...
Other cash payments	(2,240)	(2,403)	(2,235)
Total cash outflows	(166,662)	(246,985)	(192,334)
Net cash from (used by) operating activities	138,203	57,834	102,594
	12.2		
Cash flows from investing activities			
Cash inflows			
Proceeds from the disposal of non-financial assets	4	4	5
Total cash inflows	4	4	5
Cash outflows			
Payments for acquisition of non-financial assets	(163,651)	(101,095)	(82,248)
Total cash outflows	(163,651)	(101,095)	(82,248)
Net cash from (used by) investing activities	(163,647)	(101,091)	(82,243)
Net increase (decrease) in cash held	(25,444)	(43,257)	20,351
Cash and deposits at the beginning of the reporting period	86,982	91,558	71,207
Cash and deposits at the end of the reporting period	61,538	48,301	91,558
	12.1		

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 4.3 of the accompanying notes.

Department of Infrastructure, Energy and Resources

Financial Statements for the year ended 30 June 2009

Statement of Recognised Income and Expense for the year ended 30 June 2009

	Notes	2009 \$'000	2008 \$'000
Income and expenses recognised directly in equity			
Increase(decrease) in asset revaluation reserve		210,948	436,895
Net income recognised directly in equity		210,948	436,895
Net surplus/(deficit) for the financial year		(27,550)	14,985
Total recognised income and expense for the financial year		183,398	451,880
Net effect of new accounting standards	2.5(a)	...	...
Net effect of the voluntary change in accounting policy		...	...
Net effect of correction of errors		...	...

This Statement of Recognised Income and Expense should be read in conjunction with the accompanying notes.

Department of Infrastructure, Energy and Resources

Financial Statements for the year ended 30 June 2009

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Department of Infrastructure, Energy and Resources

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Department of Infrastructure, Energy and Resources

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Note 1 Administered Financial Statements

1.1 Schedule of Administered Income and Expenses

	Notes	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Revenue and other income				
Revenue from Government				
Appropriation revenue – recurrent	2.9(a), 15.5	27,042	28,245	20,700
Appropriation revenue – capital	2.9(a), 15.5	...	2,000	500
Grants	2.9(b), 15.6	64,403	73,725	44,483
State Taxation	2.9(c), 15.7	26,176	29,663	28,210
Sales of goods and services	2.9(d), 15.8	48,238	33,863	44,119
Fees and fines	2.9(e), 15.9	7,025	8,997	10,418
Interest income	2.9(g)	...	92	99
Gain on sale of non-financial assets	2.9(f)	1	444	...
Other revenue	2.9(i), 15.10	2,061	105	366
Total revenue and other income		174,946	177,134	148,895
Expenses				
Employee benefits	2.10(a), 15.11	1,848	1,886	1,809
Depreciation and amortisation	2.10(b), 15.12	1	15	3
Grants and subsidies	2.10(c), 15.14	25,906	29,078	19,181
Supplies and consumables	15.13	696	1,900	3,705
Impairment Losses	2.10(e)(f), 15.15	...	(2)	(61)
Transfers to the Consolidated Fund		146,458	143,906	128,320
Other expenses	2.10(i), 15.16	157	155	125
Total expenses		175,066	176,938	153,082
Net surplus (deficit) attributable to the State		(120)	196	(4,187)

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 15.2 of the accompanying notes.

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1.2 Schedule of Administered Assets and Liabilities

	Notes	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and deposits	2.11(a), 15.27	3,048	2,605	3,102
Receivables	2.11(b), 15.17	3,120	584	405
Equity investments	2.11(f), 15.18	278	338	268
Other financial assets	2.11(c), 15.19	2,469	524	211
<i>Non-financial assets</i>				
Property, plant and equipment	2.11(g), 15.20	2	46	...
Intangibles	2.11(i), 15.21	...	25	39
Total assets		8,917	4,122	4,025
Liabilities				
<i>Financial liabilities</i>				
Payables	2.12(a), 15.22	705	99	83
Employee benefits	2.12(c), 15.23	386	390	364
Other liabilities	2.12(e), 15.24	1,889	1,447	1,588
Total liabilities		2,980	1,936	2,035
Net assets (liabilities)		5,937	2,186	1,990
Equity				
Accumulated funds		5,937	2,186	1,990
Total equity	15.26	5,937	2,186	1,990

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 15.3 of the accompanying notes.

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1.3 Schedule of Administered Cash Flows

Notes	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Cash inflows			
Appropriation receipts – recurrent	27,042	28,245	20,700
Appropriation receipts – capital	...	2,000	500
Taxation	26,176	29,663	28,546
Grants	64,403	73,737	44,510
Sales of goods and services	48,238	33,521	48,975
Fees and fines	7,025	8,894	10,544
Other cash receipts	2,061	496	365
Total cash inflows	174,945	176,556	154,140
Cash outflows			
Employee benefits	(1,833)	(1,858)	(1,802)
Grants and subsidies	(25,906)	(28,994)	(19,900)
Transfers to the Consolidated Fund	(146,458)	(143,906)	(128,320)
Other cash payments	(853)	(2,685)	(4,234)
Total cash outflows	(175,050)	(177,443)	(154,256)
Net cash from (used by) operating activities	(105)	(887)	(116)
	15.28		
Cash flows from investing activities			
Cash inflows			
Proceeds from the disposal of non-financial assets	1	444	...
Total cash inflows	1	444	...
Cash outflows			
Payments for acquisition of non-financial assets	(1)	(54)	(40)
Total cash outflows	(1)	(54)	(40)
Net cash from (used by) investing activities	...	390	(40)
Net increase (decrease) in cash held	(105)	(497)	(156)
Cash and cash equivalents at the beginning of the reporting period	3,153	3,102	3,258
Cash and cash equivalents at the end of the reporting period	3,048	2,605	3,102
	15.27		

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 15.4 of the accompanying notes.

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1.4 Schedule of Recognised Administered Income and Expenses

	Notes	2009 \$'000	2008 \$'000
Income and expenses recognised directly in equity			
Increase(decrease) in asset revaluation reserve		...	...
Gains(losses) on revaluation of financial assets available for sale		...	...
Net income recognised directly in equity		...	...
Net surplus/(deficit) for the financial year		196	(4,187)
Total recognised income and expense for the financial year		196	(4,187)
Net effect of new accounting standards	2.5(a)	...	...
Net effect of the voluntary change in accounting policy		...	...
Net effect of correction of errors		...	...

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

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Note 2 Significant Accounting Policies

2.1 Objectives and Funding

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

The Department's role is to support the existing economic and social infrastructure and to facilitate new development that will enable Tasmania to prosper. The Department aims to ensure effective integration of the key infrastructure serving the community. This comprises the physical transport and energy assets (for example roads, bridges and ports), the information systems capturing, maintaining and providing data (for example in transport, mining and forestry) and the policy environment and regulatory systems in which business is conducted. A collaborative approach by the Department is critical to ensuring the right outcomes are delivered for the Tasmanian community.

The delivery areas within the Department comprise:

Infrastructure

- infrastructure policy;
- land transport safety;
- roads and public transport; and
- rail infrastructure.

Energy

- energy policy; and
- regulatory services.

Resources

- forest policy advice; and
- minerals resource management

Racing Services

- Racing Industry policy advice; and
- Racing Industry regulatory services.

These four delivery areas report separately to the Minister for Infrastructure, Minister for Energy and Resources and the Minister for Racing.

The Department also provides independent strategic policy advice and support in relation to the Government's relationships with many Government Business Enterprises, State-owned Companies, and statutory authorities.

The Department's Corporate Plan sets out a strategic approach to the provision of both physical and regulatory infrastructure and regulatory frameworks. The Corporate Plan targets key Government outcomes, including those outlined in Tasmania *Together*, the Industry Development Plan and Partnerships with Local Government. The Department's strategic focus is on the following Government outcomes:

- facilitation of a safe and efficient transport system that enhances economic development;
- promotion of reliable, efficient, safe and sustainable energy systems, and the promotion of energy efficiency and conservation;
- facilitation of forest policy advice to underpin Tasmania's sustainable forestry practices and Tasmania's forest industries;
- facilitation of mineral exploration and land management for Tasmanian land and offshore waters; and
- maintenance of probity and integrity in the racing industry.

Department activities contributing towards these outcomes are classified as either controlled or administered.

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

The Department is predominantly funded by parliamentary appropriations. Other funding sources include direct Commonwealth grants, industry grants and miscellaneous recoveries from various sources. The Forest Practices Authority is funded by industry contributions. The financial statements encompass all funds through which the Department controls resources to carry on its functions.

2.2 Basis of Accounting

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

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

The financial statements were originally signed by the Secretary on 14th August 2009.

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

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

2.3 Reporting Entity

The financial statements include all the controlled and administered activities of the Department. The financial statements consolidate material transactions and balances of the Department and entities included in its output groups. Material transactions and balances between the Department and such entities have been eliminated.

2.4 Functional and Presentation Currency

These financial statements are presented in Australian dollars, which is the Department's functional currency.

2.5 Changes in Accounting Policies

(a) Impact of new and revised Accounting Standards

In the current year, the Department has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:

- AASB 2008-10 *Amendments to Australian Accounting Standards: Reclassification of Financial Instruments* permits the reclassification of certain non-derivative financial assets. The Department does not intend on reclassifying its financial assets in the current period, accordingly there will be no financial impact.
 - AASB 2007-9 *Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31* – The primary focus of this Standard has been on relocating, where necessary, the requirements in AASs 27, 29 and 31, substantively unamended (with some exceptions), into topic-based Standards. The Standard will not have a material financial impact on the Financial Statements.
 - AASB Interpretation 14 AASB 119 *the Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* - The interpretation clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on the impact of minimum
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funding requirements on such assets. It also gives guidance on when a MFR might give rise to a liability. The Interpretation will not have a material financial impact on the Financial Statements.

(b) Impact of new and revised Accounting Standards yet to be applied

The following new standards have been issued by the AASB and are yet to be applied:

- AASB 2007-6 *Amendments to Australian Accounting Standards Arising from AASB 123* – revised standard to be applied in reporting periods on or after 1 January 2009. Eliminates the option of expensing borrowing costs directly attributable to the construction or production of qualifying assets, instead requiring capitalisation. The transitional provisions apply for prospective application as a result there will be no retrospective financial impact on the 2009 financial statements.
 - AASB 2007-8 *Amendments to Australian Accounting Standards Arising from AASB 101* - revised standard to be applied in reporting periods on or after 1 January 2009. The Standard will not have a financial impact on the financial statements but will require a number of changes in disclosures.
 - AASB 2007-10 *Further Amendments to Australian Accounting Standards arising from AASB 101* revised Standard to be applied from reporting periods beginning on or after 1 January 2009. This Standard changes the term “general purpose financial report” to “general purpose Financial Statements” and the term “financial report” to “Financial Statements”, where appropriate, in Australian Accounting Standards (including Interpretations) and the *Framework* to better align with IFRS terminology. The Standard will not have a financial impact on the Financial Statements.
 - AASB 2008-3 *Amendments to Accounting Standards arising from AASB 3 and AASB 127* - revised Standard to be applied to annual reporting periods beginning on or after 1 July 2009. The focus of the Standard is to reduce alternatives in accounting for subsidiaries in consolidated financial statements and in accounting for investments in the separate financial statements of a parent. The Standard will not have a material financial impact on the financial statements.
 - AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* – revised Standard to be applied from reporting periods beginning on or after 1 January 2009. The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The Standard will not have a material financial impact on the Department’s Financial Statements.
 - AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* - revised Standard to be applied from annual reporting periods beginning on or after 1 July 2009. This Standard amends AASB 1 and AASB 5 to include requirements relating to a sale plan involving the loss of control of a subsidiary. The amendments require all the assets and liabilities of such a subsidiary to be classified as held for sale and clarify the disclosures required when the subsidiary is part of a disposal group that meets the definition of a discontinued operation. The Standard will not have a financial impact on the Financial Statements.
 - AASB 2008-7 *Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* – revised Standard to be applied from reporting periods beginning on or after 1 January 2009. The Standard removes the requirement to deduct dividends declared out of pre-acquisition profits from the cost of an investment in a subsidiary, jointly controlled entity or associate and to include recognising a dividend from a subsidiary, jointly controlled entity or associate, together with other evidence, as an indication that the investment in the subsidiary, jointly controlled entity or associate may be impaired. The Standard will not have a financial impact on the Financial Statements.
 - AASB 2008-13 *Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners* - revised Standard to be applied from annual reporting periods beginning on or after 1 July 2009. The amendments are in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners and the disclosure requirements for dividends that are declared after the reporting period but before the Financial
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Financial Statements for the year ended 30 June 2009

Statements are authorised for issue, respectively. The Standard will not have a material financial impact on the Department's Financial Statements.

2.6 Administered Transactions and Balances

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

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

2.7 Activities Undertaken Under a Trustee or Agency Relationship

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

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

Transactions and balances relating to a trustee or an agency arrangement are not recognised as departmental revenues, expenses, assets or liabilities in these Financial Statements. Details of these transactions are provided in Note 16.

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

Income is 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.

(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 6.1 and 15.5, control arises in the period of appropriation.

(b) Grants

Grants payable by the Australian Government are recognised as revenue when the Department gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant. Non-reciprocal grants are recognised as revenue when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

(c) State Taxation

Revenue from State taxation is recognised upon the first occurrence of either:

- receipt by the State of a taxpayer's self-assessed taxes; or
- the time the obligation to pay arises, pursuant to the issue of an assessment.

(d) Sales of Goods and Services

Amounts earned in exchange for the provision of goods are recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the provision of services is recognised in proportion

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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) Gain (Loss) from the Sale of Non-financial Assets

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

(g) Interest

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

(h) Contributions Received

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

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

(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

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

(a) Employee Entitlements

Employee entitlements 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 Non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Land and the earthworks component of major roadworks, being assets with an unlimited useful life, are not depreciated.

The following table details the asset lives, and depreciation rates and the methods for the various classes of assets employed in the current and previous reporting periods. Asset useful lives depreciation methods are reviewed annually and adjusted according to the expected rate and/or pattern of consumption, asset condition, and industry best practice. Depreciation methods as detailed below have not changed since the previous reporting period.

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Asset	Estimated Useful Life (years)	Depreciation Rate (per annum)	Method
Road Infrastructure:			
Unlimited life components - Earthworks	Unlimited	Nil	NA
Long-life components - Drainage, landscape	100	1.00%	Straight Line
Medium life components - Pavement	40	2.50%	Straight Line
Short-life components - Surfacing, traffic facilities	15	6.67%	Straight Line
Bridge Infrastructure:			
Steel, Concrete	70	1.43%	Parabolic
Timber	25	4.00%	Parabolic
T-Beam	50	2.00%	Parabolic
Historic	250	0.40%	Parabolic
Major Structures	100	1.00%	Parabolic
Traffic Signal Installations:			
Cable	50	2.00%	Straight Line
Above and below ground	30	3.33%	Straight Line
Electronics	25	4.00%	Straight Line
Site Hardware	10	10.00%	Straight Line
Buildings	20	5.00%	Straight Line
Electrical and Office Equipment	5	20.00%	Straight Line
Technical Equipment	5	20.00%	Straight Line
Plant	10	10.00%	Straight Line
Computer Hardware	3	33.33%	Straight Line
Computer Software	3	33.33%	Straight Line
Motor Registry System (computer software)	10	10.00%	Straight Line
Motor Vehicles	5	20.00%	Straight Line
Marine Vessels and Equipment	30	3.33%	Straight Line
Abt Railway Infrastructure:			
Tracks, bridges, structures, culverts and station buildings	40	2.50%	Straight Line
Railway carriages	30	3.33%	Straight Line
Locomotives	25	4.00%	Straight Line
Turntables, ramps, shelters	20	5.00%	Straight Line
Rail wagons	5	20.00%	Straight Line

Road Infrastructure

The identifiable components of the road infrastructure have been grouped into three major components for the purpose of assessing and of assigning an estimated useful life. Useful lives are based on analysis of historical data, road condition surveys, and best practice employed by other State Road Authorities.

The components that have a limited useful life (eg pavement, surfacing, traffic facilities) are systematically depreciated over their useful lives in a manner that reflects the consumption of service potential embodied in those components. Earthworks, representing the cut and fill activity associated with major roadworks, is similar to land in that its useful life is unlimited, therefore is not depreciated.

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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.:

$$\text{Present Value} = \text{Replacement Cost} \times (1 - (\text{age}/\text{life})^2)$$

Motor Registry System (computer software)

The Motor Registry System is computer software developed internally over a four year period and is essential for the collection of motor registry and driver licensing revenues and data maintenance. The system was implemented on 25 August 2008 and its useful life is estimated at 10 years.

(c) Grants and Subsidies

Grant and subsidies expenditure is recognised to the extent that:

- the services required to be performed by the grantee have been performed; or
- the grant eligibility criteria have been satisfied.

A liability is recorded when the Department has a binding agreement to make the grants but services have not been performed or criteria satisfied. Where grant monies are paid in advance of performance or eligibility, a prepayment is recognised.

(d) Borrowing Costs

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

Borrowing costs include:

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

(e) 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 Income Statement.

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 the Income Statement. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(f) 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

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flows; therefore value in use is based on depreciated replacement cost where the asset would be replaced if deprived of it.

Impairment losses are generally recognised in the Income Statement. However, an impairment loss on a revalued asset is recognised directly against any revaluation reserve for the asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same asset.

An impairment loss in respect of goodwill is not reversed. 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.

(g) Write Down of Assets

A revaluation decrement is recognised as an expense in the Income Statement 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.

(h) 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.

(i) Other Expenses

Expenses from activities other than those identified above are recognised in the Income Statement when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

2.11 Assets

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

(a) Cash and deposits

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

(b) Receivables

Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value. Impairment losses are recognised when there is an indication that there is a measurable decrease in the collectability of receivables.

(c) Other Financial Assets

Investments are initially recorded at fair value.

All investments are held to maturity and are measured at amortised cost using the effective interest method less any impairment losses subsequent to initial recognition.

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(d) Inventories

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

(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 fair value. Changes in the value of equity investments are accounted for in the Schedule of Administered Income and Expenses. Valuation increments are recognised as revenue, and decrements as expenses. Dividend revenue is recognised as administered revenue.

(g) Property, plant, equipment and infrastructure

(i) Valuation basis

Land, buildings, infrastructure, long lived plant and equipment and heritage and cultural assets are recorded at fair value less accumulated depreciation. All other Non-current physical assets, including work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses.

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

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

Road Infrastructure

The Road Infrastructure valuation is based on depreciated replacement cost, calculated on a base unit construction cost rate per square metre of given road carriageway area. The rate is then adjusted to reflect the additional factors that contribute significantly to the replacement cost. These factors are as follows:

land use;

traffic volumes; and

national highway as the Commonwealth Government demands a higher standard.

The relative importance of each factor is determined by a statistical analysis of recent road construction project costs.

The road replacement cost gives the cost to provide a new road of the existing standard, less accumulated depreciation calculated on the basis of such cost to reflect the already consumed future economic benefits of the asset.

Full valuation occurs every 5 years, with the last valuation conducted in 2008. Values are indexed annually using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16).

Bridge Infrastructure

Bridge infrastructure valuation is based on depreciated replacement cost, calculated from base unit rates for construction of different bridge types.

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The bridge replacement cost gives the cost to provide a new bridge of the existing standard, less accumulated depreciation calculated on the basis of such cost to reflect the already consumed future economic benefits of the asset.

Full valuation occurs every 5 years, with the last valuation completed in 2007. Values are indexed annually using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16).

Land Under Roads and Within Road Reserves

Land under roads and within road reserves is valued at the Valuer-General's average rateable value per hectare for the urban and non-urban sectors in each Local Government area. Average rateable value per hectare is supplied by the Valuer-General and is based on adjacent land use type.

Traffic Signals

Traffic Signals assets are valued every five years by the Australian Valuation Office on a depreciated replacement cost basis. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

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. 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.

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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 Infrastructure

The Rail Infrastructure is valued at Fair Value and on this basis is considered to have a Fair Value less than the \$1,000 reporting threshold for the Statements of Account. The expenditure undertaken during 2008-09 did not increase the value of the asset during the reporting period. The valuation of the Rail Infrastructure will be reviewed annually.

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(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Department and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in the Income Statement 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 Income Statement in the year of purchase (other than where they form part of a group of similar items which are material in total).

(iv) Revaluations

Assets are revalued at least once in every 5 years with the following exceptions:

- plant and equipment having a cost or revaluation less than the threshold of \$50,000 (annually);
- land and buildings that are to be utilised for future roadworks (as required);
- land remaining after the completion of the relevant roadworks project which is regarded as non-saleable due to, for example, limited or no access (as required);
- Road and Bridge infrastructure which is revalued every 5 years, with values indexed annually between valuations; and,
- Rail infrastructure valuation policy is reviewed annually.

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 Balance Sheet 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 Income Statement.

Investment property is not depreciated.

(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 initially at cost. After initial recognition, intangible assets are carried at fair value where an active market exists and are amortised on a straight line basis over their estimated useful life. Where no active market exists, intangibles are valued at cost less any accumulated amortisation and impairment losses.

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2.12 Liabilities

Liabilities are recognised in the Balance Sheet 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) 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.

(c) 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 2009, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Expected future payments are discounted using interest rates attaching, as at the reporting date, to Commonwealth Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

A liability for on-costs (payroll tax and workers compensation premiums) is recognised and disclosed as part of Other Liabilities. On-costs are not classified as an employee benefit.

(d) 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 11 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.

(e) Other Liabilities

Liabilities other than those identified above are recognised in accordance with the general criteria noted above.

2.13 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 Income Statement 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.

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2.14 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.

2.15 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.

2.16 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.

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

2.17 Budget Information

Budget information refers to original estimates as disclosed in the 2008-09 Budget Papers and is not subject to audit.

2.18 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.

2.19 Departmental Taxation

The Department is exempt from all forms of taxation except Fringe Benefits Tax, Payroll Tax and the Goods and Services Tax.

2.20 Goods and Services Tax

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

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

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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

	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Revenue			
Revenue from Appropriation	32,671	34,496	31,158
Grants	1,069	1,146	1,217
Sales of Goods and Services	448	495	551
Fees and Fines	2,177	9,395	5,260
Proceeds from Disposal of Assets	4	4	5
Other Revenue	75	4	145
Total	36,444	45,540	38,336
Expenses			
Employee Entitlements	21,301	21,700	17,772
Depreciation and Amortisation	1,349	796	1,020
Grants and subsidies	500	26	336
Supplies and Consumables:			
Consultants	1,033	2,155	581
Property Services	1,474	272	1,938
Maintenance	2,046	...	...
Communications	925	984	856
Information Technology	2,624	2,274	2,503
Travel and Transport	833	470	1,002
Operating Lease costs	...	2,334	45
Advertising and Promotion	679	1,178	902
Other Supplies and Consumables	3,270	5,041	6,210
Other Expenses	1,504	1,740	1,145
Total	37,538	38,970	34,310
Net Result	(1,094)	6,570	4,026
Expense By Output			
1.1 Transport System Policy and Planning	2,738	1,859	1,790
1.2 Rail Safety	407	...	...
1.3 Road Safety	6,404	6,402	4,729
1.4 Registration and Licensing	11,690	15,264	11,260
1.5 Vehicle Operations	3,894	4,740	4,432
1.6 Traffic Management and Engineering Services	8,728	6,917	7,970
1.7 Passenger Transport	3,677	3,788	4,129
Total	37,538	38,970	34,310

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Output Group 2 – Energy Advisory and Regulatory Services

	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Revenue			
Revenue from Appropriation	1,189	126	1,106
Grants	500	1,836	637
Fees and Fines	429	...	...
Other Revenue	1	(146)	271
Total	2,119	1,816	2,014
Expenses			
Employee Entitlements	715	1,049	927
Depreciation and Amortisation	...	2	1
Grants and subsidies	929	1,365	524
Supplies and Consumables:			
Consultants	149	28	33
Property Services	31	13	43
Communications	21	20	20
Information Technology	19	15	5
Travel and Transport	37	31	45
Operating Lease costs	...	67	...
Advertising and Promotion	34	1	1
Other Supplies and Consumables	144	498	100
Other Expenses	42	66	53
Total	2,121	3,155	1,752
Net Result	(2)	(1,339)	262
Expense By Output			
2.1 Energy Policy and Advice	2,121	3,155	1,752
Total	2,121	3,155	1,752

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Output Group 3 – Mineral Resources Management and Administration

	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Revenue			
Revenue from Appropriation	7,108	5,760	6,938
Grants	80	...	102
Other Revenue	776	714	1,110
Total	7,964	6,474	8,150
Expenses			
Employee Entitlements	3,651	3,857	3,736
Depreciation and Amortisation	346	214	201
Grants and subsidies	360	...	...
Supplies and Consumables:			
Consultants	81	70	76
Property Services	778	139	410
Communications	62	48	63
Information Technology	524	383	642
Travel and Transport	260	370	410
Operating Lease costs	...	38	...
Advertising and Promotion	309	70	54
Other Supplies and Consumables	1,064	1,227	893
Other Expenses	228	247	207
Total	7,663	6,663	6,692
Net Result	301	(189)	1,458
Expense By Output			
3.1 Minerals Exploration and Land Management	4,338	3,811	3,705
3.2 Tenement Management of the Exploration and Minerals Industry	3,325	2,852	2,987
Total	7,663	6,663	6,692

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Output Group 4 – Support for the Minister for Energy and Resources

	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Revenue			
Revenue from Appropriation	435	462	263
Sales of Goods and Services	...	163	154
Other Revenue	...	26	90
Total	435	651	507
Expenses			
Employee Entitlements	338	503	334
Depreciation and Amortisation	...	1,063	1,066
Supplies and Consumables:			
Consultants	2	39	132
Property Services	2	1	...
Communications	6	5	5
Information Technology	5	...	3
Travel and Transport	43	29	53
Operating Lease costs	...	31	...
Other Supplies and Consumables	30	(15)	48
Other Expenses	14	30	23
Total	440	1,686	1,664
Net Result	(5)	(1,035)	(1,157)
Expense By Output			
4.1 Support for the Minister	440	1,686	1,664
Total	440	1,686	1,664

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Output Group 5 – Racing Policy and regulation

	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Revenue			
Revenue from Appropriation	2,819	3,023	2,887
Grants	...	188	...
Fees and Fines	304	312	287
Sales of Goods and Services	2	...	1
Other Revenue	194	2	195
Total	3,319	3,525	3,370
Expenses			
Employee Entitlements	1,789	2,088	1,913
Depreciation and Amortisation	8	12	14
Grants and subsidies	273	426	252
Supplies and Consumables:			
Consultants	...	5	19
Property Services	179	4	236
Communications	58	55	53
Information Technology	68	78	183
Travel and Transport	171	132	174
Operating Lease costs	...	314	...
Advertising and Promotion	...	1	3
Other Supplies and Consumables	690	352	486
Other Expenses	105	132	104
Total	3,341	3,599	3,437
Net Result	(22)	(74)	(67)
Expense By Output			
5.1 Racing Regulation	3,252	3,034	3,170
5.2 Racing Policy	89	565	267
Total	3,341	3,599	3,437

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Output Group 6 – Transport Subsidies and Concessions

	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Revenue			
Revenue from Appropriation	49,172	53,379	51,774
Reserved by Law	52	...	...
Total	49,224	53,379	51,774
Expenses			
Depreciation and Amortisation	...	236	2
Grants and subsidies	48,923	54,617	49,224
Supplies and Consumables:			
Other Supplies and Consumables	301	2,436	2,325
Total	49,224	57,289	51,551
Net Result	...	(3,910)	223
Expense By Output			
6.1 Support for the Minister	654	882	609
6.2 Furneaux Shipping Contract	248	265	275
6.3 King Island Shipping	49	...	...
6.4 CSO: Payment to Metro Tas Pty Ltd	28,544	28,477	27,372
6.5 Payments to School Bus Operators: Contract Services	18,078	26,140	21,811
6.6 Urban Bus Service	1,599	1,525	1,475
6.7 Contribution towards the Construction of Streets in Towns by Municipal Councils	52
6.8 Rail	9
Total	49,224	57,289	51,551

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3.2 Reconciliation of Total Output Groups Net Result to the Income Statement

	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Total net Result of Output Groups:			
Group 1 – Infrastructure	(1,094)	6,570	4,025
Group 2 – Energy Advisory and Regulatory Services	(2)	(1,339)	262
Group 3 – Mineral Resources Management and Administration	301	(189)	1,458
Group 4 – Support for the Minister for Energy and Resources	(5)	(1,035)	(1,157)
Group 5 – Racing Policy and regulation	(22)	(74)	(67)
Group 6 – Transport Subsidies and Concessions	...	(3,910)	223
Total Output Groups reported in Note 3.1	(822)	23	4,744
Other Outputs (refer Note 12.3 Acquittal of Capital Investment and Special Capital Investment Funds):			
Group 92 – Capital Investment Program	42,787	(15,288)	(30,883)
Group 94 – Urban Renewal and Heritage Fund	(2,000)	(25,002)	24,983
Group 95 – Better Roads Fund	9,174	10,546	6,480
Group 96 – Economic and Social Infrastructure Fund	1,924	2,056	1,365
Group 97 – Structural & Performance Initiative Program	(180)	115	8,296
Total of all Controlled Output Groups	50,883	(27,550)	14,985
Net operating surplus(deficit) from Income Statement	50,883	(27,550)	14,985

3.3 Explanations of Material Variances between Output Group Budget and Actual Outcomes

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Output Group:					
Group 1 – Infrastructure	(a)	(1,094)	6,570	7,664	701%
Group 2 – Energy Advisory and Regulatory Services	(b)	(2)	(1,339)	(1,337)	(66,850%)
Group 4 – Support for the Minister for Energy and Resources	(c)	(5)	(1,035)	(1,030)	(20,600%)
Group 6 – Transport Subsidies and Concessions	(d)	...	(3,910)	(3,910)	

Notes to Output Group variances

(a) Primarily Road Safety Levy underbudgeted due to lack of historical data (introduced Dec 2007).

(b) \$0.8M carried over from prior year expended on remote power rebates during the current year.

(c) \$1M depreciation charge on ABT Railway fixed assets not budgeted.

(d) Predominantly over-budget payments to school bus operators due to additional demand and patronage factors, the impacts of higher fuel and running costs, higher than expected take up of new buses, and higher than expected compensation claims from operators of existing contracts.

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3.4 Administered Output Schedule

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

Output Group 91 – Grants and Subsidies

	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Revenue			
Revenue from Appropriation	27,042	28,325	20,024
Grants	155	156	160
Fees and Fines	16	17	41
Sales of Goods and Services	1,249	1,456	1,411
Gain on sale of non-financial assets	1	1	
Other Revenue	25	124	214
Total	28,488	30,079	21,850
Expenses			
Employee Entitlements	1,848	1,733	1,682
Depreciation and Amortisation	1	15	3
Grants and subsidies	25,906	27,078	17,831
Supplies and Consumables:			
Consultants	6	203	329
Property Services	116	127	141
Communications	32	27	30
Information Technology	50	84	50
Travel and Transport	172	76	232
Operating Lease costs	...	199	...
Advertising and Promotion	...	1	...
Other Supplies and Consumables	320	347	435
Other Expenses	157	147	114
Total	28,608	30,037	20,847
Net Result	(120)	42	1,003
Expense By Output			
91.595 Payments to School Bus Operators: Route Services	13,152	13,834	6,933
91.598 National Road Transport Commission: Local Government Contribution	1,500	1,500	1,500
91.621 Payments for Forest Practices Authority	2,780	2,911	3,021
91.624 Conveyance Allowance	851	1,537	1,016
91.625 Pensioner Air Travel Subsidy	8	9	7
91.626 Transport Access Scheme	3,279	3,443	2,934
91.628 Pensioner, Aged and Unemployed Concessions	862	627	788
91.643 Contribution to Marine & Safety Authority	2,050	2,050	800
91.729 Tasmanian Racing Assistance	1,060	1,060	1,060
91.739 Private Forests Tasmania	1,311	1,311	1,288
91.742 TT-Line Marketing	...	...	1,500
91.881 Sullivans Cove Waterfront Authority	1,755	1,755	...
Total	28,608	30,037	20,847

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3.5 Reconciliation of Total Administered Output Groups Net Result to Administered Schedule of Income and Expenses

	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Output Group:			
Group 91 – Grants and Subsidies	(120)	42	1,003
Total Administered Output Groups reported in Note 3.2	(120)	42	1,003
Non-output reporting administered transactions:			
Administered revenue collections	146,458	145,035	125,686
Transfers to the Consolidated Fund	(146,458)	(143,906)	(128,320)
Forest Practices Authority revenues (ex appropriation)	1,446	1,740	1,816
Forest Practices Authority expenditure	(1,446)	(2,911)	(3,022)
West Coast Sawmiller grants	...	...	(850)
Jetties (part of Capital Investment Program)	...	...	(500)
Total of all Administered Output Groups and non-output transactions	(120)	196	(4,187)
Net operating surplus(deficit) from Schedule of Administered Income and Expenses	(120)	196	(4,187)

3.6 Explanations of Material Variances between Administered Output Group Budget and Actual Outcomes

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Output Group:					
Group 91 – Grants and Subsidies		(120)	42	162	135%
(No material variances for comment)					

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Note 4 Explanations of Material Variances between Budget and Actual Outcomes

The following are brief explanations of material variances between Budget estimates and actual outcomes. Variances are considered material where the variance exceeds the greater of 10% of Budget estimate and \$500,000.

4.1 Income Statement

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue - capital	(a)	169,896	153,544	(16,352)	(10%)
Sales of goods and services	(b)	550	1,730	1,180	215%
Interest income	(c)	2,103	2,945	842	40%
Other revenue	(d)	1,046	2,310	1,264	121%
Employee benefits	(e)	34,505	42,280	7,775	23%
Grants and subsidies	(f)	53,121	59,328	6,207	12%
Supplies and consumables	(g)	66,638	96,167	29,529	44%
Write down of assets measured at fair value	(h)	...	550	550	...
Transfers to the Consolidated Fund	(i)	...	25,000	25,000	...

Notes to Income Statement variances

(a) Appropriation revenue not received due to shortfall in CIP expenditure against original budget, including budget revision down by \$10M in the Bridgewater Bridge project and \$22M for continuing infrastructure projects, offset by budget revision up by \$10M for Rail and \$10M for the Brighton Bypass project. Shortfalls in spending against revised budgets included \$4m in continuing infrastructure projects, \$2.6M in Rail, \$3.6M Lyell/Midland Hwys projects, \$1.5M NE freight roads.

(b) Primarily one large claim for recovery for damages to roadworks.

(c) Higher than expected interest rate during first half of the financial year on East Tamar Highway funds

(d) Unbudgeted miscellaneous revenues, including \$0.7M mine rehabilitation bond receipts.

(e) Increases due to negotiated wage agreements, including reclassifications of positions in new bands, new agreement for engineers, and annual wage escalation.

(f) Predominantly over-budget payments to school bus operators due to additional demand and patronage factors, the impacts of higher fuel and running costs, higher than expected take up of new buses, and higher than expected compensation claims from operators of existing contracts.

(g) Primarily expected increased contractor expenses in the road and rail programs. The budget anticipated rail expenditure estimated at \$28M to be capitalised, however it has been determined that expenditure was more in the character of maintenance than capital.

(h) Write off of replaced bridge and traffic light assets (unbudgeted)

(i) Unbudgeted transfer of \$25M Urban Renewal and Heritage Fund to State Treasury.

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4.2 Balance Sheet

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Cash and deposits	(a)	61,538	48,301	(13,237)	(22%)
Receivables	(b)	1,123	2,116	993	88%
Other financial assets	(c)	5,868	7,717	1,849	32%
Road Infrastructure	(d)	4,073,407	4,489,346	415,939	10%
Payables	(e)	5,115	9,702	4,587	90%
Employee benefits	(f)	9,045	11,014	1,969	22%
Other liabilities	(g)	2,600	1,179	(1,421)	(55%)

Notes to Balance Sheet variances

- (a) Primarily reflects the transfer of \$25M Urban Renewal and Heritage Fund to State Treasury (unbudgeted).
- (b) Primarily reflects one large debt which is the subject of legal proceedings.
- (c) Higher than anticipated tax asset (GST refund due) and prepayment accruals.
- (d) Revaluation increases of Roads (+\$119M), Bridges (+\$55M) and Land under Roads (+\$35M) not budgeted.
- (e) Reflects higher than anticipated creditor and expense accruals at 30 June 2009 as a result of increased construction activity.
- (f) Increased provision for accrued leave entitlements due to negotiated wage agreements.
- (g) Reflects lower than expected carry forward of revenue received in advance designated for 2009-10 programs.

4.3 Cash Flow Statement

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue - capital	(a)	169,896	150,131	(19,765)	(12%)
Grants	(b)	2,999	2,448	(551)	(18%)
Interest received	(c)	2,103	3,156	1,053	50%
GST receipts	(d)	10,398	23,476	13,078	126%
GST payments	(e)	(10,399)	(24,445)	(14,046)	(135%)
Employee benefits	(f)	(34,264)	(40,804)	(6,540)	(19%)
Grants and subsidies	(g)	(53,121)	(59,173)	(6,052)	(11%)
Supplies and consumables	(h)	(66,638)	(95,160)	(28,522)	(43%)
Transfers to the Consolidated Fund	(i)	...	(25,000)	(25,000)	...
Payments for acquisition of non-financial assets	(j)	(163,651)	(101,095)	62,556	38%

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Notes to Cash Flow Statement variances

- (a) Appropriation revenue not received due to shortfall in CIP expenditure against original budget, including budget revision down by \$10M in the Bridgewater Bridge project and \$22M for continuing infrastructure projects, offset by budget revision up by \$10M for Rail and \$10M for the Brighton Bypass project. Shortfalls in spending against revised budgets included \$4m in continuing infrastructure projects, \$2.6M in Rail, \$3.6M Lyell/Midland Hwys projects, \$1.5M NE freight roads.
- (b) Primarily \$0.5M Remote Area Power Subsidies invoiced to the Commonwealth but not received by 30 June 2009.
- (c) Higher than expected interest rate during first half of the financial year on East Tamar Highway funds.
- (d) and (e) Net effect of GST receipts and payments is in line with budget.
- (f) Increases due to negotiated wage agreements, including reclassifications of positions in new bands, new agreement for engineers, and annual wage escalation
- (g) Predominantly over-budget payments to school bus operators due to additional demand and patronage factors, the impacts of higher fuel and running costs, higher than expected take up of new buses, and higher than expected compensation claims from operators of existing contracts.
- (h) Primarily expected increased contractor expenses in the road and rail programs. The budget anticipated rail expenditure estimated at \$28M to be capitalised, however it has been determined that expenditure was more in the character of maintenance than capital.
- (i) Unbudgeted transfer of \$25M Urban Renewal and Heritage Fund to State Treasury.
- (j) Budget appears to be set for majority of CIP spending, however this item only relates to expenditure on capital items, and excludes expenditure for maintenance. Refer Note 11.3 Acquittal of Capital Investment and Special Capital Investment Funds for details of CIP Program spending.

Note 5 Events Occurring After Balance Date

On 30 June 2009 the Crown signed a Heads of Agreement with Pacific National to purchase the Pacific National Tasmania (PNT) business subject to finalisation of a Business Sale Agreement (BSA). The Crown has agreed to purchase the PNT business for \$32 million plus any adjustments for residual Melba Line inventory, with completion scheduled for 30 November 2009.

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Note 6 Income

6.1 Revenue from Government

Revenue from Government includes revenue from appropriations, appropriations carried forward under section 8A2 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.

	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Recurrent Appropriation	93,394	96,443	94,879
Works and Services Appropriation	169,896	150,131	122,064
Appropriation carried forward under section 8A2 of the <i>Public Account Act 1986</i> taken up as revenue in the current year	...	4,247	3,554
Items Reserved by Law	52	...	...
Less: Revenue received in advance	...	(699)	(4,247)
Total revenue from Government	263,342	250,122	216,250

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.

6.2 Revenue from Special Capital Investment Funds

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

	2009 \$'000	2008 \$'000
Social Infrastructure Fund	172	160
Economic and Social Infrastructure Fund	2,055	1,814
Structural & Performance Initiative Program	3,064	8,399
Urban Renewal and Heritage Fund	287	25,000
Infrastructure Tasmania Fund	6,100	...
Other grants	3,687	6,222
Total	15,365	41,595

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 12.3.

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6.3 Grants

	2009 \$'000	2008 \$'000
Grants from the Australian Government		
Specific grants - recurrent	1,478	1,030
Specific grants - capital	206	...
Other grants		
Industry contributions	1,511	1,371
Other non-Government grants	...	2
Total	3,195	2,403

6.4 Sales of goods and services

	2009 \$'000	2008 \$'000
Goods	1,582	846
Services	148	142
Total	1,730	988

6.5 Fees and fines

	2009 \$'000	2008 \$'000
Road Safety Levy	9,295	5,190
Racing Services	260	241
Other	152	116
Total	9,707	5,547

Road Safety Levy was introduced in December 2007.

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6.6 Gain (Loss) on sale of non-financial assets

	2009 \$'000	2008 \$'000
Non financial assets – plant and equipment:		
Proceeds from sales	4	5
Written down value of disposed assets	...	...
Net Gain/(Loss)	4	5
Non financial assets – land and buildings:		
Proceeds from sales	...	...
Written down value of disposed assets	(25)	(89)
Net Gain/(Loss)	(25)	(89)
Total Proceeds from sales	4	5
Total Written down value of disposed assets	(25)	(89)
Total Gains/(Losses) on sales	(21)	(84)

The gross proceeds of the sale of land and buildings owned by the Crown are usually paid into a central fund. Consequently, when land or buildings owned by the Crown, but controlled by the Department are sold, only the written down value of the sold assets are included in the Department's financial statements.

6.7 Other revenue

	2009 \$'000	2008 \$'000
Miscellaneous revenue	2,310	2,458
Total	2,310	2,458

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Note 7 Expenses

7.1 Employee benefits

	2009 \$'000	2008 \$'000
Wages and salaries	37,540	29,651
Long service leave	705	687
Superannuation	3,644	3,146
Fringe Benefits Tax	391	309
Total	42,280	33,793

Superannuation expenses relating to defined benefits schemes relate to payments into the Superannuation Provision Account (SPA) held centrally and recognised within the Finance-General Division of the Department of Treasury and Finance. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 11 per cent of salary.

Superannuation expenses relating to the contribution scheme are paid directly to the superannuation fund at a rate of nine per cent of salary. In addition, departments are also required to pay into the SPA a "gap" payment equivalent to two per cent of salary in respect of employees who are members of the contribution scheme.

7.2 Depreciation and amortisation

	2009 \$'000	2008 \$'000
Depreciation:		
Plant and equipment	111	104
Marine vessels and equipment	236	235
Traffic signal installations	540	522
Buildings	416	360
Aerodromes	6	6
Computer equipment	418	428
Road infrastructure	82,693	77,926
Other infrastructure	938	943
Total depreciation	85,358	80,524
Amortisation:		
Intangibles	1,583	56
Total amortisation	1,583	56
Total depreciation and amortisation	86,941	80,580

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7.3 Supplies and consumables

	2009 \$'000	2008 \$'000
Consultants	8,149	5,374
Property services	7,887	4,767
Communications	1,580	1,332
Information technology	3,419	4,130
Travel and transport	1,759	1,769
Advertising and promotion	1,475	1,103
Operating Lease costs	4,278	3,345
Other supplies and consumables	67,620	62,838
Total	96,167	84,658

7.4 Grants and subsidies

	2009 \$'000	2008 \$'000
Grants		
Project CODES	...	200
Furneaux shipping contract	...	39
Roadworks – Grants to Councils	2,536	570
Urban Renewal & Heritage Fund – Oatlands underground power lines	54	...
Racing Club and Stakes grants	424	249
Other grants	...	9
Total grants	3,014	1,067
Subsidies		
Community Service Obligation: Payment to the Metro Tasmania Pty Ltd	28,477	27,372
Payments to School Bus Operators: Contract Services	26,394	22,202
Remote Renewable Power Generation Program	1,415	551
Other Subsidies	28	17
Total subsidies	56,314	50,142
Total grants and subsidies	59,328	51,209

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7.5 Impairment losses

	2009 \$'000	2008 \$'000
Financial assets – impairment losses		
Receivables (bad and doubtful debts)	20	53
Total	20	53
Financial assets – reversal of impairment losses		
Receivables (bad and doubtful debts)	...	(19)
Total	...	(19)
Total impairment losses	20	34

Descriptions of any circumstances of any material impairment losses or reversals are at Note 8.2.

7.6 Write down of assets

	2009 \$'000	2008 \$'000
Non-financial assets		
Bridge infrastructure – write down	315	5,641
Traffic Signals – write down	235	43
Total	550	5,684

Major write down of assets include the written down value of road and bridge assets that were rebuilt or replaced during the reporting period to the extent that no future economic benefits are expected from the replaced assets.

Write down of assets excludes written down value on sale of assets, which is recorded under Note 6.6.

7.7 Other expenses

	2009 \$'000	2008 \$'000
Audit fees – financial audit	135	118
Workers compensation	120	121
Payroll Tax	2,360	1,976
Other expenses	2	...
Total	2,617	2,215

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Note 8 Assets

8.1 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.

	2009 \$'000	2008 \$'000
Special Deposits and Trust Fund balance	48,297	91,554
Petty cash	4	4
Total Cash and deposits	48,301	91,558

8.2 Receivables

	2009 \$'000	2008 \$'000
Sales of goods and services and other revenue	2,207	1,336
Less: Provision for impairment	(91)	(71)
Total	2,116	1,265
Settled within 12 months	1,900	1,049
Settled in more than 12 months	216	216
Total	2,116	1,265

During 2008-09, several accounts receivable were assessed as being impaired due to changed debtor circumstances. The amount of the impairment loss is \$20,498 and is included in Bad debts written off expense included in Note 7.5 Impairment losses.

During 2008-09, accounts receivable that were previously assessed as being impaired, were reversed and the amount of \$240 recovered. The amount of reversed impairment loss \$240 is included in Note 7.5 Impairment losses.

Reconciliation of movement in provision for impairment of receivables	2009 \$'000	2008 \$'000
Carrying amount at 1 July	(71)	(37)
Amounts written off during the year	...	...
Amounts recovered during the year	...	19
Increase/(decrease) in provision recognised in profit or loss	(20)	(53)
Carrying amount at 30 June	(91)	(71)

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8.3 Other Financial Assets

	2009 \$'000	2008 \$'000
Tax assets	4,581	3,608
Prepayments	2,616	1,126
Accrued revenue	520	362
Less: Provision for impairment	...	...
Total	7,717	5,096
Settled within 12 months	7,717	5,096
Settled in more than 12 months	...	...
Total	7,717	5,096

8.4 Property, plant and equipment

(a) Carrying amount

	2009 \$'000	2008 \$'000
Plant and equipment:		
Plant and equipment (at cost)	2,480	2,254
Less: Accumulated depreciation	(2,089)	(1,978)
	391	276
Abt Railway rolling stock (at valuation)	6,600	6,157
Less: Accumulated depreciation	(1,509)	(823)
	5,091	5,334
Marine vessels and equipment (at valuation)	6,400	6,400
Less: Accumulated depreciation	(471)	(235)
	5,929	6,165
Computer equipment (at cost)	4,111	3,787
Less: Accumulated depreciation	(3,444)	(3,026)
	667	761
Total plant and equipment	12,078	12,536
Land and buildings (at valuation)		
Buildings	11,172	9,569
Less: Accumulated depreciation	(2,085)	(1,718)
	9,087	7,851

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Land under buildings	2,248	1,660
	2,248	1,660
Vacant land holdings	12,878	11,052
	12,878	11,052
Aerodromes	1,037	1,037
Less: Accumulated depreciation	(38)	(32)
	999	1,005
Total Land and buildings	25,212	21,568
Other Infrastructure		
Traffic Signal installations (at valuation)	20,546	20,115
Less: Accumulated depreciation	(9,635)	(9,382)
	10,911	10,733
Abt Railway infrastructure (at valuation)	25,076	25,076
Less: Accumulated depreciation	(2,001)	(1,305)
	23,075	23,771
Total Other Infrastructure	33,986	34,504

The latest revaluation of ABT Railway infrastructure and rolling stock as at 30 June 2007 was completed by the DIER Project Manager on a depreciated replacement cost basis. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

The latest revaluations of vacant land, land under buildings, buildings and aerodromes are valued at the Valuer-General's latest published valuations updated as at 30 June 2009.

The latest revaluation of the Marine Vessel and Traffic Signal assets as at 30 June 2007 was completed by the Australian Valuation Office on a depreciated replacement cost basis. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

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(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.

2009	Plant and Equipment	Abt Railway Rolling Stock	Marine Vessels and Equipment	Computer Equipment	Buildings	Land Under Buildings	Vacant Land Holdings	Aerodromes	Other Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	276	5,334	6,165	761	7,851	1,660	11,052	1,005	34,504
Additions	228			324	1,626	350	407		954
Disposals							(25)		(236)
Revaluation increments/(decrements)					26	238	1,444		
Impairment losses									
Assets held for sale									
Depreciation and amortisation	(111)	(243)	(236)	(418)	(416)			(6)	(1,236)
Net transfers									
Work in progress									
Carrying value at 30 June	391	5,091	5,929	667	9,087	2,248	12,878	999	33,986
2008	Plant and Equipment	Abt Railway Rolling Stock	Marine Vessels and Equipment	Computer Equipment	Buildings	Land Under Buildings	Vacant Land Holdings	Aerodromes	Other Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	269	5,576	6,400	617	7,574	1,654	10,562	1,011	36,702
Additions	111			572	539		228		514
Disposals							(79)		(43)
Revaluation increments/(decrements)					98	6	341		
Impairment losses									
Assets held for sale									
Depreciation and amortisation	(104)	(242)	(235)	(428)	(360)			(6)	(1,217)
Net transfers									
Work in progress									
Carrying value at 30 June	276	5,334	6,165	761	7,851	1,660	11,052	1,005	34,504

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8.5 Road Infrastructure

	2009 \$'000	2008 \$'000
Roads (at valuation)		
(a) Carrying amount		
At valuation	2,585,762	2,450,843
	2,585,762	2,450,843
Work in progress	9,639	...
Total	2,595,401	2,450,843

(b) Reconciliation of movements

Carrying amount at 1 July	2,450,843	2,114,162
Less: Deletions	...	...
Add: Capital improvements	80,508	68,658
Add: Work in progress additions	9,639	...
Add: Revaluation Increment (Decrement)	119,577	329,787
Less: Annual depreciation	(65,166)	(61,764)
Carrying amount at 30 June	2,595,401	2,450,843

Land Under Roads and within Road Reserves (at valuation)

(a) Carrying amount

At independent valuation	810,434	775,878
	810,434	775,878
Work in progress	...	...
Total	810,434	775,878

(b) Reconciliation of movements

Carrying amount at 1 July	775,878	722,317
Add: Revaluation Increment (Decrement)	34,556	53,561
Carrying amount at 30 June	810,434	775,878

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	2009 \$'000	2008 \$'000
Bridges (at valuation)		
(a) Carrying amount		
At independent valuation	1,101,038	1,056,388
Less: Accumulated depreciation	(17,527)	(16,163)
	1,083,511	1,040,225
Work in progress	...	...
Total	1,083,511	1,040,225
(b) Reconciliation of movements		
Carrying amount at 1 July	1,040,225	1,004,437
Less: Deletions/ corrections	(315)	(5,641)
Add: Capital improvements	6,021	4,490
Add: Revaluation Increment (Decrement)	55,107	53,102
Less: Annual depreciation	(17,527)	(16,163)
Carrying amount at 30 June	1,083,511	1,040,225
Total Road Asset Infrastructure	4,489,346	4,266,946

The latest revaluation of the Road asset as at 30 June 2008 was completed by DIER Asset Management Branch on a depreciated replacement cost basis. Replacement cost was calculated using most recent contract cost experience for Tasmanian road construction. Values are indexed annually between revaluations using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16). Current replacement cost is depreciated by the proportion of the asset that has been consumed.

The latest revaluation of Land under roads and within road reserves as at 30 June 2009 is valued at the Valuer-General's average rateable value per hectare for the urban and non-urban sectors in each Local Government area. Average rateable value per hectare is supplied by the Valuer-General and is based on adjacent land use type.

The latest revaluation of the Bridge assets as at 30 June 2007 was completed by DIER Asset Management Branch on a depreciated replacement cost basis, based on an independent valuation of the five major Tasmanian bridge structures completed by GHD Pty Ltd as at 18 June 2007. Values are indexed annually between revaluations using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16).

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8.6 Intangibles

(a) Carrying amount

	2009 \$'000	2008 \$'000
Intangibles with a finite useful life (at cost)		
RIMS Consolidation and RIMS 3 Development	322	322
Rail Explorer	50	34
Motor Registry System	17,504	...
Greyhound Racing STWDS System	20	...
Geomodeller Geology Modelling System	30	...
Contract Management System	350	...
Less: Accumulated amortisation	(1,639)	(56)
	16,637	300
Work-in-progress:		
Work-in-progress (Motor Registry Project)	...	16,908
Work-in-progress (Intelligent Case Management System Project)	117	44
Work-in-progress (Rail Document Manager)	21	...
Work-in-progress ('VyperNET' system)	66	...
Total work in progress	204	16,952
Total intangibles	16,841	17,252

(b) Reconciliation of movements

Carrying amount at 1 July	17,252	8,770
Additions – internal development	1,172	8,538
Less: Annual amortisation	(1,583)	(56)
Carrying amount at 30 June	16,841	17,252

The Motor Registry System (previously Motor Registry Project work in progress) was implemented on 25 August 2008.

The Development of the Intelligent Case Management System and the Rail Document Manager system scope is improvement of management systems.

The Development of the 'VyperNET' system scope is to provide an automated numberplate recognition system for the detection of unregistered motor vehicles.

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Note 9 Liabilities

9.1 Payables

	2009 \$'000	2008 \$'000
Creditors	7,742	3,220
Accrued expenses	1,960	2,908
Total	9,702	6,128
Due within 12 months	9,702	6,128
Due in more than 12 months	...	...
Total	9,702	6,128

Settlement is usually made within 30 days.

9.2 Employee benefits

	2009 \$'000	2008 \$'000
Accrued salaries	624	290
Annual leave	3,742	3,419
Long service leave	6,648	5,872
Total	11,014	9,581
Due within 12 months	9,522	8,169
Due in more than 12 months	1,492	1,412
Total	11,014	9,581

9.3 Other liabilities

	2009 \$'000	2008 \$'000
Appropriation carried forward from current and previous years under section 8A of the <i>Public Account Act 1986</i>	699	4,247
Other revenue received in advance	89	92
Other liabilities		
Monies held in Trust	391	373
Total	1,179	4,712
Due within 12 months	1,179	4,712
Due in more than 12 months
Total	1,179	4,712

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Note 10 Commitments and Contingencies

10.1 Schedule of Commitments

	2009 \$'000	2008 \$'000
By Type		
<i>Capital commitments</i>		
Infrastructure – State Roads	15,170	11,549
Infrastructure – National Roads	53,101	64,646
Other	16,700	1,399
<i>Total capital commitments</i>	84,971	77,594
<i>Lease Commitments</i>		
Operating leases	4,529	5,803
<i>Total lease commitments</i>	4,529	5,803
By Maturity		
<i>Capital commitments</i>		
One year or less	63,513	40,721
From one to five years	21,458	36,873
More than five years	...	...
<i>Total capital commitments</i>	84,971	77,594
<i>Operating lease commitments</i>		
One year or less	2,910	3,123
From one to five years	1,586	2,645
More than five years	33	35
<i>Total operating lease commitments</i>	4,529	5,803
Total	89,500	83,397

NB: Commitments are shown as GST exclusive.

The majority of the Department's leases are represented by land and building rental costs and vehicle lease costs. The total lease commitment exclude local government and other executory costs where they are paid directly to a party other than the lessor. These costs are included elsewhere in the Department's expenditures.

The Department also has entered into contingent rental arrangements. Contingent rental costs relate to land and building leases, and in the main comprise local government charges and the periodic escalation of leases by the Consumer Price Index. Since Contingent Rentals cannot be reliably determined, they have been excluded in the calculations of Total Lease Commitments.

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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 24 months.

State Roads infrastructure commitments will be funded by capital appropriations by the State Government, together with funds provided and held over from prior years. Funding of commitments for National Roads is provided by the Australian Government through the AusLink, Strategic Regional and Blackspots programs.

As part of the State Rail Rescue Package the State Government has entered into a commitment to maintain, develop and manage Rail Infrastructure. The State Government will provide \$40.0 million over ten years to meet costs associated with the ongoing maintenance of the State's rail infrastructure. Also as part of the Rescue Package, the Australian Government will provide \$78.0 million for the redevelopment of the State's rail infrastructure over 10 years. The Department is responsible for the ongoing management, assessment and oversight functions of the State's investment in rail infrastructure.

10.2 Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet due to uncertainty regarding the amount or timing of the underlying claim or obligation.

(a) Quantifiable contingencies

A quantifiable contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A quantifiable contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

The Department has not identified any quantifiable contingent assets nor quantifiable contingent liabilities as at 30 June 2009.

(b) Unquantifiable contingencies

At 30 June 2009, the following unquantifiable contingent liabilities exist:

- A number of claims for limited access compensation;
- A number of acquisitions for current road projects which are at various stages of settlement;
- Contractual disputes which are not sufficiently clear or advanced to quantify;
- A number of claims relating to personal injury or damage caused to property (including vehicles) allegedly due to road works or road condition;
- Asbestos removal from up to 1000 traffic signal sites in Tasmania;
- Many rail accommodation crossings require upgrading from a rail and pavement perspective. The extent or potential cost has yet to be fully assessed;
- Non-operational rail lines are not subject to the maintenance funding agreement. However some level of maintenance will need to be undertaken. This cannot yet be quantified; and,
- The Department may need to assume the cost of identification and surveying of rail corridor land.

Due to the nature of the claims and the uncertainty as to the timing and quantum of potential settlement in each case, it is not possible to reliably measure these obligations in the Financial Statements.

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Note 11 Equity and Movements in Equity

11.1 Reconciliation of Equity

	Accumulated Results		Asset Revaluation Reserve		Total Equity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Balance at 1 July	2,647,893	2,632,908	1,782,411	1,345,516	4,430,304	3,978,424
Net surplus/(deficit)	(27,550)	14,985	...	...	(27,550)	14,985
Revaluation Increments:						
Roads Infrastructure		...	119,577	329,787	119,577	329,787
Land under Roads		...	34,556	53,561	34,556	53,561
Bridges		...	55,107	53,102	55,107	53,102
Traffic Signals		...	...	...	...	...
Vacant Land		...	1,444	341	1,444	341
Land under Buildings		...	238	6	238	6
Buildings		...	26	98	26	98
Aerodromes		...	...	...	...	...
Plant and Equipment		...	...	...	...	...
Other Infrastructure		...	...	...	...	...
Balance at 30 June	2,620,343	2,647,893	1,993,359	1,782,411	4,613,702	4,430,304

Note that accumulated funds include both contributed capital on formation of the Department and accumulated surpluses or deficits in subsequent years.

(a) Nature and purpose of reserves

Asset Revaluation Reserve

The Asset Revaluation Reserve is used to record increments and decrements on the revaluation of Non-financial assets, as described in Note 2.11(g).

11.2 Asset revaluation reserve by class of asset

The balance within the Asset Revaluation Reserve for the following classes of assets is:

	2009 \$'000	2008 \$'000
Buildings	2,343	2,317
Vacant Land	5,310	3,866
Property, plant and equipment	4,004	4,004
Roads Infrastructure	1,199,984	1,080,407
Land under Roads	532,720	498,164
Bridges	242,004	186,897
Traffic Signals	3,043	3,042
Land under Buildings	875	638
Aerodromes	645	645
Other Infrastructure	2,431	2,431
Total Asset Revaluation Reserve	1,993,359	1,782,411

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Note 12 Cash Flow Reconciliation

12.1 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.

	2009 \$'000	2008 \$'000
Special Deposits and Trust Fund Balance		
Special Deposits and Trust Fund balance	48,297	91,554
Total	48,297	91,554
Other cash held		
Petty cash	4	4
Total	4	4
Total cash and deposits	48,301	91,558

12.2 Reconciliation of Operating Surplus (Deficit) to Net Cash from Operating Activities

	2009 \$'000	2008 \$'000
Net operating surplus (deficit)	(27,550)	14,985
Depreciation and amortisation	86,941	80,580
(Gain) loss from sale of non-financial assets	25	89
Gain (loss) on revaluation of non-financial assets	550	5,684
Decrease (increase) in Receivables	(851)	(142)
Decrease (increase) in other financial assets	(1,648)	1,141
Decrease (increase) in Tax assets	(1,107)	(331)
Increase (decrease) in Employee entitlements	1,433	1,018
Increase (decrease) in Payables	4,522	(1,895)
Increase (decrease) in Accrued expenses	(948)	746
Increase (decrease) in Other liabilities	(3,533)	719
Net cash from (used by) operating activities	57,834	102,594

12.3 Acquittal of Capital Investment and Special Capital Investment Funds

The Department received Works and Services Appropriation funding and revenues from the Economic and Social Infrastructure Fund 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.

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(a) Project expenditure

	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
<i>National Highway System</i>			
Infrastructure Development - Continuing Projects	46,946	21,078	26,884
Infrastructure Maintenance	5,430	5,716	5,449
Road Safety and Traffic Management Works	1,162	1,562	1,173
Program Management	1,221	1,596	1,445
Asset Management	783	783	783
Rail - Infrastructure Development	18,330	27,348	14,082
Bagdad Bypass	1,550	627	...
Brighton Bypass	2,500	12,176	...
Bridgewater Bridge Refurbishment	10,750	933	...
Kingston Bypass	1,050	2,685	...
Midlands – Lyell Hwy Junction	2,300	1,199	...
North East Freight Roads	1,000	952	...
NBESP Heavy Vehicle Routes	...	106	...
NBESP Black Spots	...	69	...
NBESP High Risk Rail Crossings	...	84	...
<i>State Funded Projects</i>			
Infrastructure Development - Continuing Projects	3,999	2,945	5,222
Tasman Hwy - Nunamara to Targa	169	169	2,054
Lyell Hwy Granton to New Norfolk	7,785	5,165	1,925
South Arm Road - Shoreline to Police Academy	4,178	3,733	2,513
South Arm Hwy - Mornington Roundabout	1,100	1,482	228
Macquarie St Traffic Flow	1,028	159	326
Brooker Hwy Stage 1	4,810	975	375
Central Highlands - Main Access Routes	1,050	4,157	632
Tasman Hwy - Sorell Traffic Management	2,005	225	514
East Tamar Hwy and Southern Approaches to Launceston	1,180	1,047	4,735
Tea Tree Secondary Road	900	1,578	194
Batman Hwy – Spring Hill MR Junction	100	77	921
Old Beach - Clives/Fouche Junction	1,000	509	521
Brighton Transport Hub	...	1,701	...
Bell Bay Intermodal Terminal	800	...	...
Bruny Island road sealing	600	274	...
Illawarra Main Road	400	290	...
North East Freight Roads	500	267	...
Infrastructure Maintenance	41,761	43,775	40,633
Road Safety and Traffic Management	14,479	10,721	7,244
Environmental Management	450	242	560
Program Management	3,242	3,083	3,950
Asset Management	5,297	5,134	5,218
Strategic Policy and Planning	2,400	2,325	2,309
Jetties	2,000	2,000	500

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	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Rail - Infrastructure Maintenance	4,203	4,205	2,831
Rail – Administration	4,970	3,801	2,495
X-Ray Fluorescent Spectrophotometer	369	4	...
Total	203,797	176,957	135,716
Special Capital Investment Funds			
<i>Economic and Social Infrastructure Fund</i>			
Road and Bridge Maintenance	...	156	1,499
Kingston By-Pass Acquisition	1,924	1,905	323
<i>Major Capital Projects Fund</i>			
Better Roads	4,420	3,513	6,034
<i>Social Infrastructure Fund</i>			
Road Safety	...	174	177
<i>Structural and Performance Initiative Program</i>			
Motor Registry Project	1,620	3,064	8,408
<i>Infrastructure Tasmania Fund</i>			
Brighton Transport Hub	5,500	5,500	...
North West Tourist Road	1,000	474	...
<i>Urban Renewal and Heritage Fund</i>			
Light Rail Study	...	232	...
Oatlands Underground Power Lines	...	54	...
Urban Renewal and Heritage Fund	2,000	25,000	...
Total	16,464	40,072	16,441

The budgets stated above are original budgets, many of which were revised to reflect project start and completion timing differences in the reported financial year.

(b) Classification of cash flows

The project expenditure above is reflected in the Cash Flow Statement as follows:

	2009 \$'000	2008 \$'000
Cash outflows		
Other cash payments		
Maintenance	79,603	58,834
Other (overheads, management, systems)	41,722	16,200
Payments for acquisition of assets	95,704	77,123
Total cash outflows	217,029	152,157

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Note 13 Financial Instruments

13.1 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.

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.

Cash deposits and cash held in Treasury's Special Deposits and Trust Fund are readily convertible to cash.

Standard debtor terms are 30 days net. Collectability of receivables is reviewed at balance date and a provision for impairment raised when collection of a debt is judged to be doubtful.

The following tables analyse financial assets that are past due but not impaired:

Analysis of financial assets that are past due at 30 June 2009 but not impaired

	Past due 31 to 60 days	Past due 61 to 90 days	Past due over 90 days	Total
	\$'000	\$'000	\$'000	\$'000
Receivables	561	23	1,206	1,790
Other Financial Assets	...	...	...	...

Analysis of financial assets that are past due at 30 June 2008 but not impaired

	Past due 31 to 60 days	Past due 61 to 90 days	Past due over 90 days	Total
	\$'000	\$'000	\$'000	\$'000
Receivables	130	286	342	758
Other Financial Assets

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(c) Liquidity risk exposure

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.

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:

2009

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	9,702	...	...	...	...	...	9,702	9,702
Monies held in Trust	391	...	...	...	...	...	391	391
Revenue received in advance	788	...	...	...	...	...	788	788
Total	10,881	...	...	...	...	...	10,881	10,881

2008

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	6,128	...	...	...	...	...	6,128	6,128
Monies held in Trust	373	...	...	...	...	...	373	373
Revenue received in advance	4,339	...	...	...	...	...	4,339	4,339
Total	10,840	...	...	...	...	...	10,840	10,840

(d) Market risk exposure

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:

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	2009 \$'000	2008 \$'000
Fixed rate instruments		
Financial assets
Financial liabilities
Total	...	...
Variable rate instruments		
Financial assets	46,089	57,229
Financial liabilities	...	...
Total	46,089	57,229

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

	Income Statement		Equity	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
30 June 2009				
Cash in Special Deposits and Trust Fund	461	(461)	...	...
Net sensitivity	461	(461)	...	...
30 June 2008				
Cash in Special Deposits and Trust Fund	572	(572)	...	...
Net sensitivity	572	(572)	...	...

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2008.

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13.2 Categories of Financial Assets and Liabilities

	2009 \$'000	2008 \$'000
Financial assets		
Financial assets at fair value through profit and loss – designated on initial recognition	9,929	39,425
Financial assets at fair value through profit and loss – held for trading	...	...
Held-to-maturity investments	...	...
Loans and receivables	2,116	1,265
Available-for-sale financial assets	...	...
Total	12,045	40,690
Financial Liabilities		
Financial liabilities at fair value through profit and loss	10,881	10,840
Financial liabilities measured at amortised cost	...	...
Total	10,881	10,840

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.

13.3 Reclassifications of Financial Assets

The Department has not reclassified any financial assets.

13.4 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.

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13.5 Net Fair Values of Financial Assets and Liabilities

	2009		2008	
	Total Carrying Amount \$'000	Net Fair Value \$'000	Total Carrying Amount \$'000	Net Fair Value \$'000
Financial assets				
Cash	4	4	4	4
Cash in Special Deposits and Trust Fund	48,297	48,297	91,554	91,554
Receivables	2,116	2,116	1,265	1,265
Other financial assets				
Prepayments	2,616	2,616	1,126	1,126
Tax assets	4,581	4,581	3,607	3,607
Accrued revenue	520	520	362	362
Total financial assets	58,134	58,134	97,918	97,918
Financial liabilities (Recognised)				
Trade creditors	9,702	9,702	6,128	6,128
Other financial liabilities				
Monies held in Trust	391	391	373	373
Revenue received in advance	788	788	4,339	4,339
Total financial liabilities (Recognised)	10,881	10,881	10,840	10,840

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 14 Details of Consolidated Entities

14.1 List of Entities

The following entities have been consolidated by the Department:

Entity	Ownership Interest	Proportion of Ownership Interest
Department of Infrastructure Energy and Resources	State of Tasmania	100%
Abt Railway Ministerial Corporation	State of Tasmania	100%
Forest Practices Authority (consolidated within the Administered Financial Statements)	State of Tasmania	100%

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Note 15 Notes to Administered Statements

15.1 Explanations of Material Variances between Budget and Actual Outcomes

The following are brief explanations of material variances between Budget estimates and actual outcomes. Variances are considered material where the variance exceeds the greater of 10% of Budget estimate and \$500,000.

15.2 Schedule of Administered Income and Expenses

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue – capital	(i)	...	2,000	2,000	...
Grants	(ii)	64,403	73,725	9,322	14%
State Taxation	(iii)	26,176	29,663	3,487	13%
Sales of goods and services	(iv)	48,238	33,863	(14,375)	(30%)
Fees and Fines	(v)	7,025	8,997	1,972	28%
Other revenue	(vi)	2,061	105	(1,956)	(95%)
Grants and subsidies	(vii)	25,906	29,078	3,172	12%
Supplies and consumables	(viii)	696	1,900	1,204	173%

Notes to Income Statement variances

(i) Represents the Administered payment to MAST for capital expenditure on jetties, however the budget for jetties is included in the CIP (DIER Controlled) section of the Budget Papers (refer Note 12.3(a)), hence no budget appearing in the Administered accounts.

(ii) Represents funding from the Australian Government for National Roads and Rail programs, for which the original budget was revised upwards to reflect additional spending programmed on Rail and the Brighton Bypass project.

(iii) Motor registration fee collections exceeded expectations.

(iv) \$14M below budget (\$9M reduction from 2007-08 actual) in mineral royalty receipts as a result of downturn in mining extractions and world commodity prices.

(v) Reflects higher than expected driver licence fee collections and vehicle escort and inspection fees.

(vi) Budget does not appear to correctly reflect this category of revenue.

(vii) Predominantly over-budget payments to school bus operators due to additional demand and patronage factors, the impacts of higher fuel and running costs, higher than expected take up of new buses, and higher than expected compensation claims from operators of existing contracts.

(viii) Includes payments to the contractor for production of custom registration plates (Tasplates), however the budget only records the net profit from sales. True net result is \$0.3M against budget \$0.37M

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15.3 Schedule of Administered Assets and Liabilities

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Receivables	(i)	3,120	584	-2,536	-81%
Other financial assets	(ii)	2,469	524	-1,945	-79%
Payables	(iii)	705	99	-606	-86%

Notes to Balance Sheet variances

(i), (ii), (iii) The Budget projections were based on historical information which includes entities since transferred to other Departments. The 2007-08 actual figures would have proven to be a more accurate guide.

15.4 Schedule of Administered Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation receipts – capital	(i)	...	2,000	2,000	...
Taxation	(ii)	26,176	29,663	3,487	13%
Grants	(iii)	64,403	73,737	9,334	14%
Sales of goods and services	(iv)	48,238	33,521	(14,717)	(31%)
Fees and Fines	(v)	7,025	8,894	1,869	27%
Other cash receipts	(vi)	2,061	496	(1,565)	(76%)
Grants and subsidies	(vii)	(25,906)	(28,994)	(3,088)	(12%)
Other cash payments	(viii)	(853)	(2,685)	(1,832)	(215%)

Notes to Cash Flow Statement variances

(i) Represents payment to MAST for capital expenditure on jetties, however the budget for this has been misplaced in the Controlled section.

(ii) Motor registration fee collections exceeded expectations.

(iii) Represents funding from the Australian Government for National Roads and Rail programs, for which the original budget was revised upwards to reflect additional spending programmed on Rail and the Brighton Bypass project.

(iv) \$14M below budget (\$9M reduction from 2007-08 actual) in mineral royalty receipts as a result of downturn in mining extractions and world commodity prices.

(v) Reflects higher than expected driver licence fee collections and vehicle escort and inspection fees.

(vi) Budget does not appear to correctly reflect this category of revenue.

(vii) Predominantly over-budget payments to school bus operators due to additional demand and patronage factors, the impacts of higher fuel and running costs, higher than expected take up of new buses, and higher than expected compensation claims from operators of existing contracts.

(viii) Includes payments to the contractor for production of custom registration plates (Tasplates), however the budget only records the net profit from sales. True net result is \$0.3M against budget \$0.37M

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15.5 Administered Revenue from Government

Revenue from Government includes revenue from appropriations, appropriations carried forward under section 8A 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.

	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Recurrent Appropriation	27,042	28,245	20,700
Works and Services Appropriation	...	2,000	500
Appropriation Carried Forward under section 8A of the <i>Public Account Act 1986</i> taken up as revenue in the current year	...	...	...
Less: Revenue received in Advance	...	...	...
Total Administered Revenue from Government	27,042	30,245	21,200

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.

15.6 Administered Grants

	2009 \$'000	2008 \$'000
Grants from the Australian Government		
Commonwealth allocation of National Road Funds	73,569	44,323
Other Grants		
Grants from other Government Departments	83	145
Industry contributions	73	5
Other Grants	...	10
Total	73,725	44,483

15.7 Administered State Taxation

	2009 \$'000	2008 \$'000
Vehicle Registration – Motor Tax	29,663	28,210
Total	29,663	28,210

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15.8 Administered Sales of Goods and Services

	2009 \$'000	2008 \$'000
Goods		
Mineral Royalties	28,179	36,648
Mineral Land Rentals	859	872
Custom Plates	747	1,976
Services		
MAIB Commission	2,017	1,937
Registration and Licensing	545	1,750
Other	1,516	936
Total	33,863	44,119

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.

15.9 Administered Fees and Fines

	2009 \$'000	2008 \$'000
Regulatory Fees		
Public Vehicle Licensing	826	1,889
Fees from Mineral Lands	857	792
Driver Licensing	7,052	7,685
Fines		
Weighbridge	9	11
Other	253	41
Total	8,997	10,418

15.10 Other Administered Revenues

	2009 \$'000	2008 \$'000
Gains on equity investment	70	...
Other Administered Revenue	35	366
Total	105	366

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15.11 Administered Employee Benefits

	2009 \$'000	2008 \$'000
Wages and salaries	1,646	1,571
Long service leave	60	59
Superannuation	172	169
Fringe Benefits Tax	8	10
Total	1,886	1,809

Superannuation expenses relating to defined benefits schemes relate to payments into the Superannuation Provision Account (SPA) held centrally and recognised within the Finance-General Division of the Department of Treasury and Finance. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 11 per cent of salary.

Superannuation expenses relating to the contribution scheme are paid directly to the superannuation fund at a rate of nine per cent of salary. In addition, departments are also required to pay into the SPA a "gap" payment equivalent to two per cent of salary in respect of employees who are members of the contribution scheme.

15.12 Administered Depreciation and Amortisation

	2009 \$'000	2008 \$'000
Depreciation:		
Plant, equipment and vehicles	2	2
Amortisation:		
Intangible assets	13	1
Total	15	3

15.13 Administered Supplies and Consumables

	2009 \$'000	2008 \$'000
Consultants	203	373
Property services	127	64
Communications	27	30
Information technology	89	50
Travel and transport	87	162
Advertising and promotion	16	34
Operating Lease costs	200	179
Other supplies and consumables	1,151	2,813
Total	1,900	3,705

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15.14 Administered Grants and Subsidies

	2009 \$'000	2008 \$'000
Grants		
National Road Transport Commission: Local Government Contribution	1,500	1,500
Tasmanian Racing Assistance	1,060	1,060
Private Forests Tasmania	1,311	1,288
Contribution to Marine and Safety Tasmania	2,050	800
Jetties	2,000	500
Marketing – Spirit 1 & 11	...	1,500
Compensation - West Coast Sawmillers	...	850
Sullivans Cove Waterfront Authority	1,755	...
Other Grants	2	14
Total Grants	9,678	7,512
Subsidies		
Payments to School Bus Operators: Route Services	13,784	6,933
Conveyance Allowances	1,537	1,012
Pensioner Air Travel Subsidy	9	7
Transport Access Scheme	3,443	2,929
Pensioner, Aged and Unemployed Concessions (Private Operators)	627	788
Total Subsidies	19,400	11,669
Total Grants and Subsidies	29,078	19,181

15.15 Administered impairment losses

	2009 \$'000	2008 \$'000
Financial assets – impairment losses		
Receivables (bad and doubtful debts)	...	22
Total	...	22
Financial assets – reversal of impairment losses		
Receivables (bad and doubtful debts)	(2)	(83)
Total	(2)	(83)
Total Administered impairment losses	(2)	(61)

Details of the circumstances giving rise to the impairment loss or reversal are at Note 15.17.

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15.16 Other Administered Expenses

	2009 \$'000	2008 \$'000
Audit fees – financial audit	39	2
Payroll Tax	113	110
Workers Compensation	3	3
Loss on equity investments	...	10
Total	155	125

15.17 Administered Receivables

	2009 \$'000	2008 \$'000
Sales of goods and services and other revenue	605	427
Less: Provision for impairment	(21)	(22)
Total	584	405
Settled within 12 months	584	405
Settled in more than 12 months	...	...
Total	584	405

During 2008-09, no accounts receivable were assessed as being impaired due to changed debtor circumstances.

During 2008-09, accounts receivable that were previously assessed as being impaired, were reversed and the amount of \$1,562 recovered. The amount of reversed impairment loss \$1,562 is included in Note 15.15 Administered impairment losses.

Reconciliation of movement in provision for impairment of administered receivables

	2009 \$'000	2008 \$'000
Carrying amount at 1 July	22	84
Amounts written off during the year	...	7
Amounts recovered during the year	(2)	(8)
Increase/(decrease) in provision recognised in profit or loss (rounding)	1	(61)
Carrying amount at 30 June	21	22

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15.18 Administered Equity Investments

	2009 \$'000	2008 \$'000
Shares in Forte Energy NL (formerly Murchison United Ltd)	338	268
Less: Provision for impairment	...	...
Total	338	268
Settled within 12 months	...	...
Settled in more than 12 months	338	268
Total	338	268

The latest revaluation of shares in Forte Energy NL as at 30 June 2009 is based on the listed ASX share price as published in 'The Mercury' on 30 June 2009.

Reconciliation of movements in administered equity investments

	2009 \$'000	2008 \$'000
Carrying amount at 1 July	268	278
Acquisition of Shares as Dividend	...	...
Revaluation Increment/(decrement) recognised in profit or loss	70	(10)
Carrying amount at 30 June	338	268

15.19 Administered Other Financial Assets

	2009 \$'000	2008 \$'000
Accrued revenue	518	338
Prepayments	6	...
Tax assets	...	(127)
Less: Provision for impairment	...	...
Total	524	211
Settled within 12 months	524	211
Settled in more than 12 months
Total	524	211

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15.20 Administered Property, plant and equipment

(a) Carrying amount

	2009 \$'000	2008 \$'000
Plant and equipment		
Plant and equipment at cost	47	26
Less: Accumulated depreciation	(1)	(26)
Total Property, plant and equipment	46	...

(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.

2009	Plant and equipment \$'000	Total \$'000
Carrying value at 1 July	...	...
Additions	47	47
Depreciation and amortisation	(1)	(1)
Carrying value at 30 June	46	46
<hr/>		
2008	Plant and equipment \$'000	Total \$'000
Carrying value at 1 July	2	2
Additions	...	...
Depreciation and amortisation	(2)	(2)
Carrying value at 30 June

Department of Infrastructure, Energy and Resources

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15.21 Administered Intangible assets

(a) Carrying amount

	2009 \$'000	2008 \$'000
Intangibles with a finite useful life		
FPA Cover Page software at cost	40	40
Less: Accumulated amortisation	(15)	(1)
Less: Provision for impairment		...
Total Intangible assets	25	39

(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.

2009	Intangible assets \$'000	Total \$'000
Carrying value at 1 July	39	39
Additions	...	...
Depreciation and amortisation	(14)	(14)
Carrying value at 30 June	25	25

2008	Intangible assets \$'000	Total \$'000
Carrying value at 1 July	...	...
Additions	40	40
Depreciation and amortisation	(1)	(1)
Carrying value at 30 June	39	39

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15.22 Administered Payables

	2009 \$'000	2008 \$'000
Creditors	33	43
Accrued expenses	66	40
Total	99	83
Due within 12 months	99	83
Due in more than 12 months	...	...
Total	99	83

Settlement is usually made within 30 days.

15.23 Administered Employee Benefits

	2009 \$'000	2008 \$'000
Accrued salaries	29	14
Annual leave	107	118
Long service leave	254	232
Total	390	364
Due within 12 months	351	322
Due in more than 12 months	39	42
Total	390	364

15.24 Other Administered Liabilities

	2009 \$'000	2008 \$'000
Monies held in Trust	1,447	1,588
Total	1,447	1,588
Due within 12 months	1,447	1,588
Due in more than 12 months	...	...
Total	1,447	1,588

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 16).

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15.25 Schedule of Administered Commitments

	2009 \$'000	2008 \$'000
By Type		
<i>Lease Commitments</i>		
Operating leases	830	741
<i>Total lease commitments</i>	830	741
By Maturity		
<i>Operating lease commitments</i>		
One year or less	273	244
From one to five years	508	435
More than five years	49	62
<i>Total operating lease commitments</i>	830	741
Total	830	741

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 24 months.

Department of Infrastructure, Energy and Resources

Financial Statements for the year ended 30 June 2009

15.26 Reconciliation of Administered Equity

	Accumulated results		Total Equity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Balance at 1 July	1,990	6,177	1,990	6,177
Net surplus/(deficit)	196	(4,187)	196	(4,187)
Balance at 30 June	2,186	1,990	2,186	1,990

Note that accumulated funds include both contributed capital on formation of the Department and accumulated surpluses or deficits in subsequent years.

15.27 Administered Cash and Cash Equivalents

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.

	2009 \$'000	2008 \$'000
Special Deposits and Trust Fund Balance	1,866	2,179
Tascorp Interest Bearing Account	739	923
Total	2,605	3,102
Total Cash and Cash Equivalents	2,605	3,102

15.28 Reconciliation of Administered Operating Surplus (Deficit) to Net Cash from Administered Operating Activities

	2009 \$'000	2008 \$'000
Net operating surplus (deficit)	196	(4,187)
Depreciation and amortisation	15	3
(Profit)/Loss on sale of non financial assets	(444)	...
(Gain)/Loss on revaluation of equity investment	(70)	...
Decrease (increase) in other financial assets	(306)	2,268
Decrease (increase) in Receivables	(179)	2,715
Increase (decrease) in Employee entitlements	26	8
Increase (decrease) in Payables	16	(622)
Increase (decrease) in Other liabilities	(141)	(301)
Net cash from (used by) operating activities	(887)	(116)

Department of Infrastructure, Energy and Resources

Financial Statements for the year ended 30 June 2009

15.29 Financial Instruments (Administered)

(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.

(b) Credit risk exposures

Credit risk is the risk of financial loss to the Department if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Departments maximum exposure to credit risk. The Department is not exposed to credit risk of any significance.

Cash deposits and cash held in Treasury's Special Deposits and Trust Fund or Tascorp are readily convertible to cash.

Standard debtor terms are 30 days net. Collectability of receivables is reviewed at balance date and provision for impairment raised when collection of a debt is judged to be doubtful.

The following tables analyse financial assets that are past due but not impaired:

Analysis of financial assets that are past due at 30 June 2009 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	94	88	79	261
Other Financial Assets	...	...	...	...

Analysis of financial assets that are past due at 30 June 2008 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	182	86	74	342
Other Financial Assets	...	...	...	...

(c) Liquidity risk exposure

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.

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Financial Statements for the year ended 30 June 2009

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:

2009

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	99	...	...	...	...	...	99	99
Monies held in Trust	1,447	...	...	...	...	...	1,447	1,447
Total	1,546	...	...	...	...	...	1,546	1,546

2008

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	83	...	...	...	...	...	83	83
Monies held in Trust	1,588	...	...	...	...	...	1,588	1,588
Total	1,671	...	...	...	...	...	1,671	1,671

(d) Market risk exposure

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 market risks that the Department is exposed to are interest rate risk and equity price risk.

At the reporting date the interest rate profile of the Department's interest bearing financial instruments was:

	2009 \$'000	2008 \$'000
Fixed rate instruments		
Financial assets	...	...
Financial liabilities	...	...
Total	...	...
Variable rate instruments		
Financial assets	739	923
Financial liabilities	...	...
Total	739	923

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:

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Financial Statements for the year ended 30 June 2009

Sensitivity Analysis of Department's Exposure to Possible Changes in Interest Rates

	Income Statement		Equity	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
30 June 2009				
Cash at Tascorp	7	(7)	...	...
Net sensitivity	7	(7)	...	...
30 June 2008				
Cash at Tascorp	9	(9)	...	...
Net sensitivity	9	(9)	...	...

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2008.

Equity securities price risk arises from investments in equity securities. The Department's holding of shares in Forte Energy NL (formerly Murchison United Ltd) came about as a result of a debt repayment arrangement pursuant to a Deed of Company Arrangement entered into by the company's creditors. The company's shares are listed on the ASX.

The following table details the available-for-sale financial assets:

	2009 \$'000	2008 \$'000
Shares – Australian listed		
Forte Energy NL (formerly Murchison United Ltd)	338	268
Total	338	268

Changes in the share price between prior year highest and lowest listed prices 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 Share prices:

	Profit or Loss		Equity	
	Highest listed price	Lowest listed price	Highest listed price	Lowest listed price
30 June 2009				
Shares in Forte Energy NL	99	(193)	...	...
Net sensitivity	99	(193)	...	...

Department of Infrastructure, Energy and Resources

Financial Statements for the year ended 30 June 2009

30 June 2008

Shares in Forte Energy NL	60	(119)	...	...
Net sensitivity	60	(119)	...	...

15.30 Categories of Financial Assets and Liabilities

	2009 \$'000	2008 \$'000
Financial assets		
Financial assets at fair value through profit and loss – designated on initial recognition	2,390	3,313
Financial assets at fair value through profit and loss – held for trading	...	...
Held-to-maturity investments	...	...
Loans and receivables	584	405
Available-for-sale financial assets	338	268
Total	3,312	3,986
Financial Liabilities		
Financial liabilities at fair value through profit and loss	1,546	1,671
Financial liabilities measured at amortised cost	...	...
Total	1,546	1,671

There has been no change, during the period and cumulatively, in the fair value of any receivables or financial liabilities that is attributable to changes in the credit risk of that asset or liability.

15.31 Reclassifications of Financial Assets

The Department has not reclassified any financial assets.

15.32 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.

Department of Infrastructure, Energy and Resources

Financial Statements for the year ended 30 June 2009

15.33 Net Fair Values of Financial Assets and Liabilities

	2009		2008	
	Total Carrying Amount \$'000	Net Fair Value \$'000	Total Carrying Amount \$'000	Net Fair Value \$'000
Financial assets				
Cash at Tascorp	739	739	923	923
Cash in Special Deposits and Trust Fund	1,866	1,866	2,179	2,179
Receivables	584	584	405	405
Available-for-sale financial assets				
Equity investment – shares in Forte Energy NL	338	338	268	268
Other financial assets	524	524	211	211
Total financial assets	4,051	4,051	3,986	3,986
Financial liabilities (Recognised)				
Trade creditors	99	99	83	83
Other financial liabilities				
Monies held in Trust	1,447	1,447	1,588	1,588
Total financial liabilities (Recognised)	1,546	1,546	1,671	1,671

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 listed available-for-sale financial assets have been determined by reference to published price quotations in the ASX.

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.

Department of Infrastructure, Energy and Resources

Financial Statements for the year ended 30 June 2009

Note 16 Transactions and Balances Relating to a Trustee or Agency Arrangement

Account/Activity	Opening balance	Net transactions during 2008-09	Closing balance
	\$'000	\$'000	\$'000
Monies collected on behalf of external bodies	1,592	239,859	
Less: Monies transferred to external bodies		239,940	1,511

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.

Department of Infrastructure, Energy and Resources

Financial Statements for the year ended 30 June 2009

Certification of financial statements for the year ended 30 June 2009

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 2009 and the financial position as at end of the year.

At the date of signing, I am not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



.....
Norm McIlfratrick
SECRETARY

Date: 29 September 2009



INDEPENDENT AUDIT REPORT

To Members of the Parliament of Tasmania

DEPARTMENT OF INFRASTRUCTURE, ENERGY AND RESOURCES

Financial Statements for the Year Ended 30 June 2009

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Infrastructure, Energy and Resources (the Department), which comprises the balance sheet as at 30 June 2009, the income statement, statement of recognised income and expense and cash flow statement 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.

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 (including Australian Accounting Interpretations) 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 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.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. An audit also includes evaluating the appropriateness of

accounting policies used and the reasonableness of accounting estimates made by the Secretary, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in the Department's financial statements.

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. The *Audit Act 2008* further promotes independence by:

- Providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- Mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

Auditor's Opinion

In my opinion the financial statements of the Department of Infrastructure, Energy and Resources:

- (a) presents fairly, in all material respects, the financial position of the Department of Infrastructure, Energy and Resources as at 30 June 2009, and of its financial performance, cash flows and changes in equity for the year then ended; and
- (b) are in accordance with the *Financial Management and Audit Act 1990* and Australian Accounting Standards (including Australian Accounting Interpretations).

TASMANIAN AUDIT OFFICE



E R De Santi
DEPUTY AUDITOR-GENERAL
Delegate of the Auditor-General

HOBART
30 September 2009

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Traffic Signal Faults 1300 139 933

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Registration and Licensing 1300 851 225
(cost of a local call)
03 6233 5201
(interstate callers)

Roads and Bridges 1300 135 513

Passenger Transport 03 6233 5193

Mineral Resources

General enquiries 03 6233 8377

Office of Energy Planning and Conservation

General enquiries 03 6233 2009

Racing Services Tasmania

General enquiries 03 6336 2450

Contact numbers are also listed in the White Pages under 'Infrastructure, Energy and Resources'.





Tasmania

Explore the possibilities

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