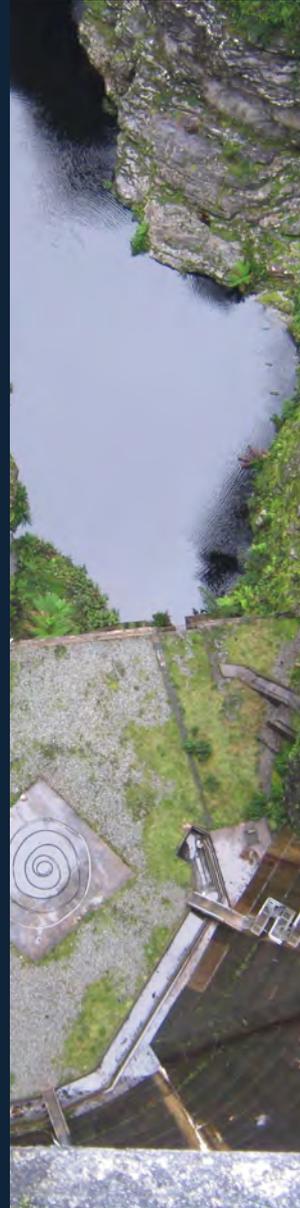
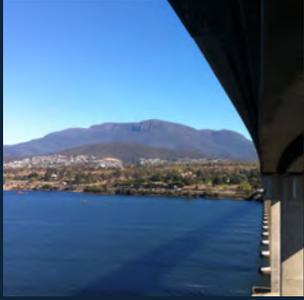


# Annual Report 2012–2013

Department of Infrastructure, Energy and Resources



October 2013  
Hon David O'Byrne, MP  
Minister for Infrastructure  
Parliament House  
HOBART 7000

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

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

Dear Ministers

In accordance with Section 36 of the *State Service Act 2000* and Section 27 of the *Financial Management and Audit Act 1990*, I am pleased to submit for your information and presentation to Parliament, the Annual Report of the Department of Infrastructure, Energy and Resources for the year ended 30 June 2013.

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

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

Yours sincerely

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

Norm McIlfatrick  
SECRETARY



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## Department of Infrastructure, Energy and Resources

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

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

By providing a strategic approach to the provision of both physical infrastructure and regulatory frameworks, the Department aims to: enhance infrastructure decision making across Government; facilitate safe, sustainable and efficient transport systems that enhance economic and social development; in the context of the challenges of climate change; promote reliable, efficient, safe and sustainable energy systems; facilitate forest policy for Tasmania's sustainable forestry practices and forest industries; facilitate mineral exploration and land management of Tasmanian land and offshore waters; and maintain probity and integrity in the racing industry.

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

digital infrastructure.

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

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

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

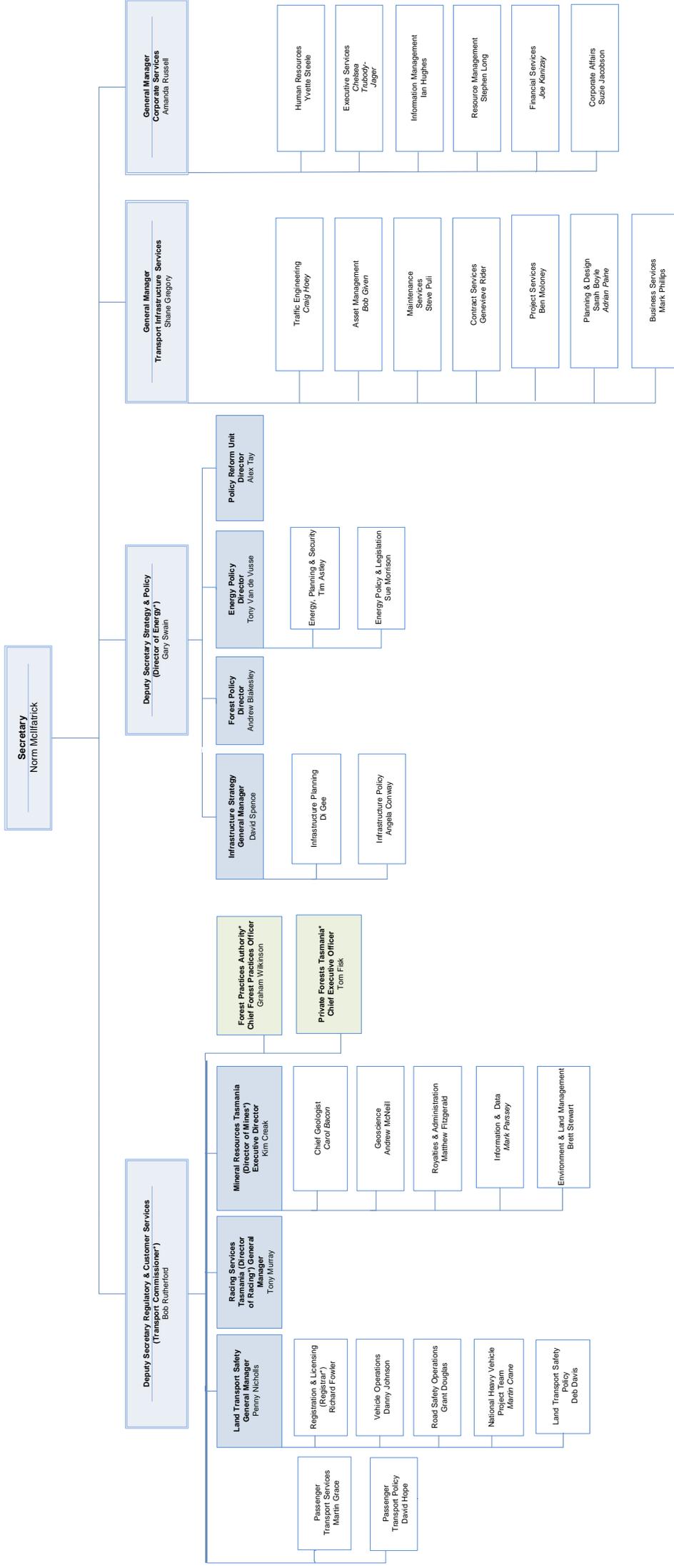
The Department also administers a Grants and Subsidies program, manages an infrastructure Capital Investment program and exercises functions and powers under the *Abt Railway Development Act 1999*.



Photo by: AndrewZ Photography

Brighton Bypass Opening

# Department of Infrastructure, Energy and Resources



**NOTES:**

*Names in italics identifies acting in role*

Forest Practices Authority and Private Forest Tasmania are statutory authorities that receive support from DIER in relation to budget and human resource matters

• Statutory Roles



Photo by: the late Glenn Ashby

Hobbs Parade, Ulverstone

## 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.

This year we have had a strong focus on bedding down the significant organisational restructure that was initiated in 2012. It has also been a period of consolidation, with employee numbers rising slightly for the first time since the global financial crisis.

### Staffing changes

The year under review has followed previous trends, in the face of continued budget pressure to meet the State Government financial challenges, we have maintained a strong focus on employee renewal and development. A number of key senior managers and other long-serving staff departed the Agency in 2012-13 – these Baby Boomers have done their part in creating employment opportunities for the next generation.

## Our People

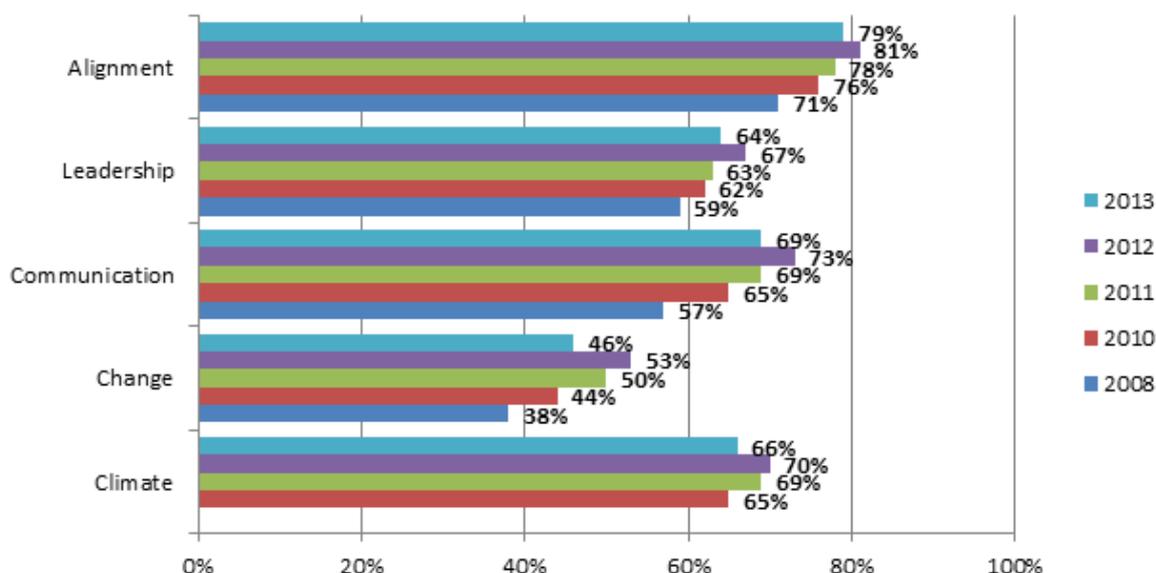
The *Pulse Check Survey* aims to strengthen employee engagement through seeking their views on the alignment between organisational vision and operational activities; and the effectiveness of communication, change management and leadership in DIER.

Since the initial 2008 survey, DIER has invested in key areas for improvement raised by employees, including lifting our focus on leadership development, managing change and internal communications.

The 2013 Pulse Check provided an opportunity to monitor progress and improvements with the baseline data in 2008. Overall, DIER received a 67% positive rating across all questions (a positive result required a rating of 4 or 5 out of 5 on the rating scale).

The following table shows the overall satisfaction ratings across the major elements of the survey since 2008. This year the results in all categories have shown a slight decrease in positive rating.

**% Satisfaction by Category**  
(responses of strongly agree/agree)



This trend takes us back to results similar to those in 2011. While we are always hopeful of continuous improvement, these results are a strong indication from employees that not all of the changes implemented during the year have been managed or communicated to their expectations. I am confident that we can return to the positive trend seen in previous years, but this will require constant and sustained effort by all managers to leverage our investment in leadership development, managing performance and people development is to continuously improve our employee engagement.

## The Budget Challenge

The Department of Infrastructure, Energy and Resources, as one of the State's most diverse Agencies, has responded well to the State Financial Challenge. I am proud of the efforts of all our employees who have helped us meet our tight budget targets over the past four years whilst maintaining essential services in the Tasmanian community.

After a significant consolidation over the past three years, our employee numbers have stabilised this year. The continuation of our program of business improvement projects has been a key contributor to sustaining our financial position going forward.

Steady progress has been made this year on individual projects, and identification of areas where more innovative ways of looking at business processes can support departmental staff to deliver on services to the community.

Overall we have managed to live within our means, and deliver a balanced consolidated fund budget. There have also been some additional savings identified that will start us off in a good position going into the new 2013-14 financial year.

## Bushfire Recovery

The Agency responded operationally and participated as part of the Southern Regional Emergency Management Committee, The Security Emergency Management Advisory Group and Multi-Agency Recovery Committee as a support Agency during the January 2013 bushfires events to ensure the safety of the travelling public on State roads.

As part of our response, DIER Transport Inspectors escorted emergency power generators installed by Aurora, and Transport Infrastructure Services organised restoration works including: guide post reinstatement, replacement of regulatory and directional signs, repair of guard fences and removal of fire damaged trees posing a risk to road users.

Registration and Licensing Branch staff provided assistance, replacing lost documents and cancelling registration of burnt out vehicles. DIER staff also managed the Hazel Bros' cleanup contract to remove debris from burnt out properties.

A temporary bridge was installed on Wielangta Road to ensure that the road was trafficable for emergency service vehicles for the remainder of the fire season.

## Tasmanian Forest Agreement

In an attempt to resolve the conflict over the future of forests in Tasmania, a major focus in the past two years has been on reaching agreement on framework legislation to give effect to the Tasmanian Forests Agreement (TFA) entered into by industry, environmental and union groups (the Signatories) in November 2012.

The TFA has been designed to support the Tasmanian forest industry, protect important environmental values and assist affected communities through a period of transition.

Under inter-governmental agreements to support TFA implementation, more than \$200 million of additional funding will flow to workers, businesses and communities affected by the downturn in the forest industry, and for the management of new reserves.

This includes \$100 million for economic diversification and regional development projects over the next four years.

On 21 June 2012 the *Tasmanian Forests Agreement Bill 2012* was tabled in the Tasmanian Parliament, honouring the Government's commitment to introduce legislation by 30 June. After vigorous debate, the legislation was passed by both Houses and given Royal Assent on 3 June 2013 - marking an historic turning point for Tasmania and the forest industry.

The passing of the legislation was a joint multi-agency task, which DIER co-ordinated and which placed our people right in the heart of the activity over many years.

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

A Special Council was formed from the core membership of the Signatories in June 2013 and is in the process of implementing the TFA, with support from DIER.

## Nation Building 2

The Federal Government's Nation Building 2

program (NB2) covers the five years from 2014-15 to 2018-19. This will follow on from the completion of works in 2013-14 in the final year of the NBI program which has delivered many significant projects over the past four years – including Rail revitalisation, and Dilston, Kingston and Brighton bypasses.

The Tasmanian Government's submission for Nation Building 2 funding focussed on priority transport infrastructure needs. Projects which represent a significant investment in the efficient movement of freight on the Tasmanian rail network and safety and efficiency on the road network, particularly for the Midland Highway.

Based on the solid foundation of our 25 year Midland Hwy Plan, the 10 year picture for continued investment in the Midland Hwy, including construction start on the Bridgewater, is around \$500m.

Credit must be given to the DIER teams and our consultants who have worked hard over the past few years on preparing the detailed business cases required to get these projects over the line.

Collectively DIER has contributed to gaining major funding for Tasmania that will help to improve our road and rail assets and provide safer and more efficient transport infrastructure for all Tasmanians.

## Road Safety

In 2012 Tasmania achieved the third lowest number of road fatalities (32) since recording started in 1967. This figure was above the all time record low of 24 fatalities in 2011, but still significantly below the horror year in 2009 which saw 63 people killed on our roads. In trend terms, crashes involving deaths or serious injury have fallen by almost 33% in five years.

However, factors such as speeding, inattention and drink/drug-driving continue to be major factors in serious crashes, and the Department will continue to implement the Tasmanian Road Safety Strategy, informed by the latest evidence-based research.

It will also continue to focus strongly on providing a forgiving road environment that makes allowances for human error and helps reduce the severity of crashes.

Projects initiated or underway in 2012-13 included: *Variable Speed Limits* – installation of a Variable Speed Limit system on the Tasman Highway,

Cambridge Road Interchange to Liverpool Street in Hobart became operational on 21 January 2013.

*Mandatory Alcohol Interlocks* – development of the program to ensure repeat drink drivers, or anyone who's been caught with a blood alcohol level of 0.15 or higher, do not continue to mix drinking with driving. Under the program, participants will only be re-licensed if they fit an approved alcohol interlock to their vehicle for a specified period.

*Safer Roads: Non-Urban Road Network Strategy* – following broad consultation with communities through local councils, a proposal that the default speed limit on rural roads be reduced from 100kmh to 90kmh will not be implemented. Work will continue with communities and councils to access the most appropriate posted speed on local roads on a case by case basis. It is intended that speed limits on gravel roads will be reduced to 80kmh and end speed limit signs will be progressively replaced with new signage, following an education campaign to highlight the need to drive to prevailing road conditions.

## Brighton Bypass

Tasmania's biggest road infrastructure project to date – the Brighton Bypass – was officially opened in October 2012, about six months ahead of schedule. Innovative techniques were employed in the construction of the Jordan River Bridge to avoid disturbing important Aboriginal artefacts on the heritage site below. The extra \$15 million cost of the bridge brought the total cost of the Bypass to \$191 million.

## West Coast Wilderness Railway

The Department, through the Abt Railway Ministerial Corporation, took over the management of the West Coast Wilderness Railway in April 2013 in order to restore and reopen one of the State's most iconic heritage attractions.

Under the terms set out in the agreement, the Federal Government will contribute \$6 million to bring the rail line back up to an appropriate and safe standard, with the Tasmanian Government charged with finding an operator and underwriting its ongoing operational costs for the next four years.

Work is progressing well and a tender has been let for the essential construction work to enable a reopening in time for passengers to be onboard by the summer tourist season.

## Mining

During 2012-13 many major mines in Tasmania continued to perform favourably with successful exploration programs identifying additional resources to support future growth in production rates.

Continued high levels of new exploration expenditure demonstrated the ongoing viability of gold, silver and most base metals, backed by strong market interest in commodities, with which Tasmania is well endowed, notably tin, tungsten and magnetite, which provide strong prospects for the future.

The minerals sector remains a cornerstone of the Tasmanian economy with a number of potential projects on the horizon.

Recently, Shree Minerals obtained the last of the approvals required to commence the mining of iron ore at Nelson Bay River. Following the revision to funding arrangements, there has been renewed exploration on tenements held by Bass Metals Ltd (base metals) and on tenements held by Tamar Gold Pty Ltd (gold).

Australian Bureau of Statistics data shows that the historically high levels of exploration expenditure recorded in the 2010-11 and 2011-12 financial years (>\$37 million) has been maintained in the 2012-13 year, with \$31 million spent in the first 3 quarters.

However, in common with almost all other jurisdictions in Australia, the March 2013 quarter showed a decrease in expenditure from the previous quarter, from \$10.1 million to \$9.8 million. Tasmania's share of national expenditure increased from 1.2 per cent to 1.5 per cent in the same quarter.

In the quarter, investment in the search for new deposits was \$4.4 million and at 45 per cent of total exploration expenditure, is the highest proportion of any jurisdiction. which continues to bode well for the future of the industry.

## Energy

As a key part of its electricity reform program, the Tasmanian Government announced plans to introduce full retail contestability for residential customers of electricity commencing from 1 January 2014. It also announced plans to sell the customer base of Aurora Energy to new entrant retailers, to regulate the wholesale sale of electricity by Hydro

Tasmania and to merge Aurora Distribution with Transend Networks.

The Musselroe Wind Farm became fully operational in July 2013, and is expected to meet the electricity needs of up to 50,000 homes, equivalent to the residential power needs of the people of Burnie and Devonport. It will reduce greenhouse gas emissions by around 450,000 tonnes each year.

Meanwhile, the adequacy, security and reliability of energy supply in Tasmania remained very high throughout 2012-13. This was assisted by reasonable rainfalls and a good performance throughout the supply chain, including Basslink and the multiple sources of energy supply, and the electricity and gas networks.

Other notable milestones for 2012-13 include the introduction of the National Energy Customer Framework in Tasmania from 1 July 2012 (this introduced a new set of national laws, rules, and regulations governing the retail sale of energy to consumers).

The reticulated natural gas market 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. The total number of natural gas connections in the State now total more than 10,500.

## Racing

Tasmania continued its vital role on the National Racing Integrity Advisory Group, which comprises state and territory representatives as well as chief executives of national controlling bodies. Tasmania is represented by the Director of Racing.

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

At the April 2013 Australasian Racing Ministers' Conference, the Director of Racing provided a presentation which outlined the Group's deliberations on such matters as the structure of appeal bodies throughout Australia, a co-ordinated approach to prohibited substances, the regulation of unlicensed persons, and a Memorandum of Understanding with law enforcement agencies.

In addition, the Director of Racing undertook a review of the operations of the integrity functions of RST. This review was undertaken to ensure that RST continues to be proactive in relation to the delivery of integrity services to the Tasmanian Racing Industry. The main outcome of the review was a strengthening of the stewards' functions by the creation of an investigation steward's role.

The successful applicant for the new role commenced duty in January 2013 and provides high level support to the Director of Racing and the Chairman of Stewards for the three racing codes.

People are the key to the success of any organisation. At DIER, our employees provide us with the strength and confidence to approach any new challenges ahead with the high degree of professionalism and responsiveness which characterises the efforts of all Divisions across this Agency.

I wish to thank all employees in the Department, and our key contractors and suppliers, for their commitment, hard work and enthusiastic contributions over the past year. To our three hard working Ministers, Deputy Premier Bryan Green and Ministers David O'Byrne and Nick McKim, our thanks for your support during this busy and fruitful year.



Norm McIlfatrick  
SECRETARY

# Output Group I Infrastructure



I.1 Infrastructure Strategy

I.2 Rail Safety

I.3 Road Safety

Statistics

I.4 Registration and Licensing

I.5 Vehicle Operations

I.6 Traffic Management and Engineering Services

I.7 Passenger Transport

Performance Information - Output Group I

CIP Highlights for 2012–2013

Tasmanian Road Network

Photo by: Selena Dixon  
Tasman Bridge

## I.1 Infrastructure Strategy

### Tasmanian Infrastructure Strategy

The Infrastructure Strategy covers the key economic infrastructure sectors of transport, energy, water and telecommunications. It also recognises the importance of land use planning to efficient infrastructure provision.

The Infrastructure Strategy is a long term plan which provides clear actions to enhance infrastructure decision making as well as a forward plan of infrastructure projects and systemic reforms to Tasmanian infrastructure planning and delivery.

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

Initiatives in the Strategy are progressed by a range of agencies.

The Tasmanian Infrastructure Strategy is available on the Infrastructure Strategy website [www.infrastructure.tas.gov.au](http://www.infrastructure.tas.gov.au). A progress report on implementation of the strategy is also available on this website.

### Tasmanian Infrastructure Advisory Council

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

Council members have been appointed from the economic infrastructure sector, including government, infrastructure businesses, planning bodies and industry. Membership is focused on infrastructure owners/managers and relevant peak groups.

The Council provides advice to Government regarding:

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

The Council recommends and/or develops

solutions to coordinate and integrate infrastructure provision in Tasmania.

The Council's Terms of Reference are on the Infrastructure Strategy website [www.infrastructure.tas.gov.au](http://www.infrastructure.tas.gov.au). Minutes of Council meetings are also available on this website.

### Freight Logistics Coordination Team

The Freight Logistics Coordination Team (FLCT) is an expert advisory body, established to:

- provide expert advice on freight issues and planning;
- provide recommendations to Government on Tasmanian supply chain issues; and
- guide completion of a long-term freight strategy for Tasmania.

The FLCT was established as part of a one-off \$20 million Australian Government funding package to assist Tasmanian exporters following cessation of international container shipping services to Tasmania, in 2011. Under the package, \$1.5 million was allocated to the establishment of the FLCT.

The Tasmanian Government undertook a statewide expression of interest process to determine membership of the Team, with 19 members appointed. Members comprise senior representatives from across major shippers and producers, infrastructure providers, freight logistics companies and peak industry bodies. The Chair of the Tasmanian Infrastructure Advisory Council, Mr Philip Clark AM, is *ex officio* Chair of the Team.

The FLCT has a clear focus on outcomes that deliver improved freight efficiency for Tasmanian businesses, and support business growth. To be effective, any recommendations must be based on a strong evidence base.

In March, the FLCT engaged consultants, Aurecon and Juturna to undertake major studies on supply chain quality, cost and benchmarking (Aurecon), and industry consultation on freight system issues, supported by future market analysis (Juturna). Both will assist in identifying the freight needs of Tasmanian industry and of individual supply chains, working toward evidence-based, industry-led solutions.

The Team has maintained a consistent schedule of meetings and key milestones, which has included

four full team meetings, sub-group meetings and informal, ongoing input to its supporting consultancy work. The work of the major consultants will shortly be completed, and a public discussion paper released in September 2013. The FLCT's advisory report to Government is scheduled to be delivered at the end of November 2013.

### Infrastructure Australia 2012 Submission

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

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

Tasmania's 2012 submission provided an update on all Tasmanian projects that are in IA's pipeline, being:

- Bell Bay Intermodal Expansion Project;
- Hobart - A World Class Liveable Waterfront City;
- In Innovation Strategy for Tasmania – Focus on Food Bowl Concept; and
- Water and Sewerage Reforms.

In addition, the submission put forward projects for inclusion in the Australian Government's Nation Building 2 program, which included:

- Midland Highway;
- Brooker Highway;
- Rail Revitalisation Program; and
- Bass Highway – Latrobe to Deloraine planning.

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

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

IA reports to COAG in July each year, providing an update on the assessment of projects.

The Tasmanian Government submission is available on:

[www.dier.tas.gov.au/publications/infrastructure\\_australia\\_submissions/submission\\_to\\_infrastructure\\_australia\\_2012](http://www.dier.tas.gov.au/publications/infrastructure_australia_submissions/submission_to_infrastructure_australia_2012)

### Furneaux Shipping

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

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

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

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

DIER continues to work with the Flinders Council to identify key issues and priorities for Furneaux shipping services.

### Northern Integrated Transport Plan

In partnership with Northern Tasmania Development (NTD) and its eight member councils, DIER, together with the Department of Economic Development, Tourism and the Arts and the Tasmanian Planning Commission, is undertaking a major review of the Northern Integrated Transport Plan.

The current Northern Integrated Transport Plan

(the Plan) was completed in 2003 and was the first of the three regional integrated transport plans to be developed.

The reviewed Plan will update the existing regional framework to support integrated transport and land use planning and informed investment decision-making. It will focus on all transport modes, non-infrastructure solutions and the importance of land use planning. The plan will reflect current challenges and link to contemporary strategies, including the Tasmanian Infrastructure Strategy, Regional Economic Development Plans, Greater Launceston Plan, Launceston Traffic Modelling and Greater Launceston Metropolitan Passenger Transport Plan.

The Steering Committee includes members from DIER, NTD, Launceston City Council, Flinders Council, Break O' Day Council, West Tamar Council, the Department of Economic Development and the Tasmanian Planning Commission. The Working Group includes members from each of the eight councils in the Northern Region.

The Plan will provide a co-ordinated and strategic framework to recognise and address transport issues within the Northern Region over the next 20 years. A Background Report was released in February 2013, which provides an overview of the transport system and details the challenges and opportunities faced by the Northern Region. A draft Plan was released in June 2013 for broad stakeholder consultation. The plan will be finalised once stakeholder views have been considered.

## Tasmanian Freight Survey

The Tasmanian Freight Survey collects information from major freight demanding companies operating across Tasmania, providing comprehensive information on how and where freight is moved within the state, on both road and rail. Major information collected includes:

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

The Survey was conducted in 2003, 2006 and 2009, with the 2012 Survey nearing completion.

The Survey provides reliable and robust data about Tasmania's heavy freight land transport task to

support the description, analysis and modelling of Tasmania's land transport freight task. Information from the Survey is used extensively to support strategic freight planning, including for the Freight Logistics Coordination Team, the Tasmanian Government's Nation Building 2 submission, Infrastructure Australia submissions and major infrastructure projects.

## Nation Building 2

In May 2012, the Australian Government launched Nation Building 2 (NB2), the major national transport funding program for all states and territories. The overarching objective of the Program is to lift Australia's productivity through nationally significant land transport infrastructure, with a focus on four themes: Moving Freight, Connecting People, Safety and Innovation.

All states provided funding submissions under the Program, with projects over \$100 million being assessed by Infrastructure Australia and all other projects by the Commonwealth Department of Transport and Infrastructure. Both assessment processes had a strong focus on the use of economic analysis to support projects.

The Tasmanian Government lodged its submission for funding under NB2 on 28 September 2012, with 22 proposals at a combined value of \$895 million. An additional four projects were submitted as concept ahead of a full submission in 2013-14.

The submission represents an integrated package of infrastructure and non-infrastructure solutions to deliver improved efficiency, safety and accessibility across Tasmania's transport system, benefiting both Tasmanian industry and the community. The submission aligns with both the Australian and Tasmanian Government's strategic transport frameworks.

As part of the 2013-14 Federal Budget Tasmania received a significant level of funding for transport investment under NB2. Successful projects included:

- \$120m for continuation of the revitalisation of Tasmania's freight rail network
- \$4m towards planning for the Domain Highway interchange upgrade
- \$17.6m for the Huon Highway/ Summerleas Road intersection upgrade
- \$25.6m for the Brooker Highway (Elwick-

Goodwood-Howard Road)

- \$57.6m for duplication of the Midland Highway from Breadalbane to Perth
- \$8.4m for the detailed planning and design of the new Bridgewater Bridge
- \$102.4m for safety upgrades on the Midland Highway
- \$135.6m for Future Project Investment in the Midland Highway
- \$194m for the start of construction of the Bridgewater Bridge
- \$2m for planning and design of Launceston traffic solutions

The projects represent a significant investment in freight efficiency on major freight corridors and across the Tasmanian rail network, and in the safety of the strategic road network, particularly the Midland Highway.

The Federal Budget also confirmed the continuation of additional annual allocations for Tasmania under the Blackspot (\$8.2 million); Interstate Road Transport (\$2 million); Heavy Vehicle Safety and Productivity (\$5.6 million); and Network Maintenance programs (\$34 million).

### National Transport Reform

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

- Progressing jurisdictional implementation of amendments to heavy vehicle registration charges approved by Australian Transport Ministers;
- Participation in the review of the National Transport Commission (NTC);
- Participation on the working group progressing the Heavy Vehicle Charges Review and Determination;
- Participation on the working groups progressing the development and implementation of the National Port Strategy and National Land Freight Strategy; and
- Participation on the working group progressing the Heavy Vehicle Charging and Investment Reform.

### National and State Transport Counter Terrorism Security

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

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

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

### Australian Government Assistance Package for Tasmanian Exporters

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

The Tasmanian and Australian Governments agreed that funds be allocated as follows:

- \$14.5 million in direct industry assistance for exporters;
- \$4 million to fund infrastructure improvements at Burnie Port; and
- \$1.5 million to establish an industry-led Freight Logistics Co-ordination team to look at various options to increase supply-chain efficiency.

DIER was responsible for the management and administration of the assistance package, on behalf of the Tasmanian Government.

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

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

The core objective of the Fund was to help individual

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

The Fund was open for applications from 18 June 2012 to 18 July 2012. A total of 36 applications for assistance were received. Following an assessment by the Department, all 36 applicants were deemed eligible for assistance. All grant monies were allocated to successful applicants by the end of 2012.

\$4 million of the \$20 million package will be spent on the first stage of strategic infrastructure improvements at Burnie Port, focused on improving the efficiency of container movements. The project includes the redevelopment of the Southern rail yard to provide additional space for longer trains, to avoid the need for multiple train breaks and capitalise on the efficiencies generated by the Brighton Transport Hub. It will also allow for the creation of a high productivity transport link within the port precinct. As the main container port in Tasmania, these efficiency improvements will provide significant, ongoing benefits for all shippers, including exporters.

Finally, \$1.5 million of the \$20 million package was allocated to establish and support a new Freight Logistics Co-ordination Team, which will identify and target key issues associated with the development of Tasmania's freight and logistics sector. The work of the Team is well underway, with recommendations to Government expected in August 2013.

### King Island Shipping

Following the closure of JB Swift's meat processing facility on King Island, the Tasmanian Government has been working with all stakeholders to ensure livestock from King Island can be transported to mainland Tasmania for processing. With the closure of the abattoir (effective from 10 September 2012), there has been a substantial increase in the number of live cattle moving from King Island.

A weekly shipping service to King Island is currently provided on a commercial basis by SeaRoad Shipping with its vessel the SeaRoad Mersey.

In order to meet the extra demand for shipping cattle LD Shipping has introduced additional services. Peak demand for the movement of livestock is currently being met by shipping

operators servicing King Island.

As part of the King Island Partnership Agreement, and building on the Livestock Industry Forums held on the Island following the abattoir closure, the Tasmanian Government engaged a consultant with expertise in logistics management to conduct a specialist review on the supply chain for the movement of livestock.

The Supply Chain Review (the Review) was released in December 2012. The Review examined all steps in the movement of livestock, from on-farm to processing facilities. The Review made a number of recommendations, including:

- Livestock agents and producers to prepare and distribute seasonal forecasts of livestock movements;
- Producers and road transport operators to develop guidelines for minimum performance standards of on-farm infrastructure (loading facilities); and
- Producers to develop guidelines for the preparation of cattle for Bass Strait travel.

Following on from the Review, the Tasmanian Government has engaged a consultant to undertake a project titled "Analysis of King Island Shipping Service" (the project). This project will examine future shipping options for King Island.

The project will consider all freight to and from the Island, including livestock and is scheduled to be completed in August 2013. The project will thoroughly examine:

- Freight demand modelling to understand the projected freight task; and
- Options for cost effective shipping arrangements that will meet the Island's freight requirements.

The project will involve detailed consultation with key stakeholders, including the King Island Beef Producers Group and will provide greater certainty on future shipping arrangements for King Island.

## 1.2 Rail Safety

Up to 19 January 2013 regulation of rail safety in Tasmania was administered under the Rail Safety Act 2009 (the Act).

On 20 January 2013 the Rail Safety Act 2009 was repealed and the Rail Safety National Law (Tasmania) Act 2012 commenced. As a result, all

rail safety regulatory functions in Tasmania are now performed by the National Rail Safety Regulator.

The Annual Report of the Rail Safety Regulator (Tasmania), required under Section 149 of the Rail Safety Act 2009, for the period 1 July 2012 to 19 January 2013 is provided elsewhere in this Report.

## 1.3 Road Safety

### Tasmanian Road Safety Strategy 2007-2016

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

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

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

The first target has been exceeded with a reduction in serious injuries and fatalities by 30.6%.

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 second Action Plan (2011-2013) which was launched in August 2011. The first Action Plan outlined initiatives from 2007-2010.

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

The Levy value increased by \$5 (\$3 concession) from November 2011. The life of the Levy has been extended to December 2017 to support further reductions in road trauma.

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

In 2012/13 the levy raised about \$12 million for road safety initiatives, with around three-quarters of this allocated to best practice infrastructure projects.

Recent reports on projects funded by the Road Safety Levy are available from the Road Safety Advisory Council's website at [www.rsac.tas.gov.au](http://www.rsac.tas.gov.au)

### STRATEGIC DIRECTION I - 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.
- The effect on travel time for most journeys is negligible.

Projects during 2012/13 included:

- *Electronic speed limit signs (ESLS) at 40 km/h school zones* – As at 30 June 2013, all school zones on mainland Tasmania have ESLS with installation on King and Flinders Islands planned in the 2013/14 financial year.
- *Variable speed limits* – Installation of a Variable Speed Limit on the Tasman Highway, Cambridge Road Interchange to Liverpool Street in Hobart

became operational on 21 January 2013.

- *Safer Rural Travel Speeds* - On 4 September 2012 the Safer Roads: Non Urban Road Network Strategy (the Strategy) was launched. The Strategy identifies the need to balance infrastructure treatments and speed management measures to improve the overall safety of the non-urban road network.

## STRATEGIC DIRECTION 2 - BEST PRACTICE INFRASTRUCTURE

### Fast Facts:

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

Projects during 2012/13 included:

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

During 2012/13, flexible safety barriers were installed at the following locations:

- West Tamar Highway (south of Beaconsfield)
- Mersey Main Road (Tarleton)
- Brooker Highway (Granton)
- East Tamar Highway (north of Dilston)
- Bass Highway (Launceston to Burnie)
- *Motorcycle safety measures* – During 2012/13 two

high motorcycle crash risk sites were upgraded on the Lyell Highway and on the Tasman Highway. Collapsible Chevron Alignment Markers were installed and shoulder sealing and pavement resurfacing will be completed in 2013/14.

- *'2 Plus 1' road design* - The '2 Plus 1' road design forms an important part of DIER's 'Safe System' approach to road safety and construction started on the Bass Highway near Gannons Hill and the Midland Highway near Symmons Plains early in 2013. The 2 Plus 1 design incorporates alternating a road configuration of two lanes in one direction and one lane in the opposite direction, separated by a flexible safety barrier. This allows drivers travelling in each direction to have safe and regular overtaking opportunities. Both projects will be completed in the 2013/14 year.

## STRATEGIC DIRECTION 3 - INCREASED SAFETY FOR YOUNG ROAD USERS

### Fast Facts:

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

Projects during 2012/13 included:

- *Road Safety Education in Secondary Schools* – DIER and the Department of Education (DoE) have continued to work together to provide quality road safety education programs to secondary school students. The DoE has also redeveloped its policy documents to reflect requirements of the Government and the Australian Curriculum. Schools have the choice of offering students a Road Safety

Education Course accredited by the Tasmanian Qualifications Authority (TQA) or developing a program that delivers content and outcomes specified in the newly constructed Tasmanian Road Safety Education Framework. To support schools delivering either the TQA courses or a program based on the Tasmanian Road Safety Education Framework, DIER has redeveloped its road safety education resource 'Road Risk Reduction' to complement either program.

- *Support to establish programs to assist learners to accumulate supervised driving hours* – A number of Learner Driver Mentor Programs have been established through the Community Road Safety Partnerships program. These programs link volunteer supervisory drivers with socially and/or economically disadvantaged novice drivers. They play a valuable role in assisting disadvantaged novice drivers to gain supervised driving experience. DIER has also assisted Driver Mentoring Tasmania (DMT) through ongoing support of a DMT state-wide coordinator.
- *Graduated Licensing System Review* – In 2012-13 a review commenced to evaluate the 2008-09 reforms and to identify further potential reforms. The review will also examine other jurisdictions' licensing systems such as curfews, vehicle power restrictions, increased minimum driving hours and technology restrictions.

## 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.

Project during 2012/13:

- *Australasian New Car Assessment Program*

(ANCAP) – contribution to the national ANCAP program of crash testing and consumer awareness about choosing safer vehicles.

## COMPLEMENTARY INITIATIVES

### Fast Facts:

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

Projects during 2012/13 included:

- *National Road Safety Strategy 2011-2020* – DIER contributed to working groups implementing the National Road Safety Strategy. The national strategy closely aligns with the Tasmanian Road Safety Strategy. Further information can be found at: [http://www.infrastructure.gov.au/roads/safety/national\\_road\\_safety\\_strategy/index.aspx](http://www.infrastructure.gov.au/roads/safety/national_road_safety_strategy/index.aspx)
- *Review of minimum safety standards for Government vehicle fleet* - a review of the existing minimum safety standards for the Government vehicle fleet and assessment of potential amendments to improve the overall safety of the Government fleet was undertaken in 2012/13. Improving the safety standard of these vehicles will offer significant benefits to the broader Tasmanian community as many vehicles originally sold as Government Fleet Vehicles are later passed on to other road users through the second hand car market.
- *Alcohol Interlocks* – In December 2012 Cabinet approved the Mandatory Alcohol Interlock Program (MAIP). The MAIP will apply to people who are convicted of drink driving offences after serving their licence suspension. To legally drive, program participants must fit an alcohol interlock from an approved supplier to any vehicles they drive and to ensure program participants can only drive with a zero Blood

Alcohol Concentration (BAC).

- *Ongoing initiatives* – Throughout the year DIER continued to work on the ongoing initiatives outlined in the Strategy's Second Action Plan.

### Australian Road Rules

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

### Road Safety Advisory Council

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

The major advertising campaign during 2012/13 was "Real Mates" aimed at young men aged between 17 and 25.

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

*School Bus Safety* - The Government worked in partnership with RSAC, the Tasmanian Bus Association and Metro Tasmania to develop a School Bus Safety Education Campaign to increase awareness relating to safety as students embark and disembark school buses. The campaign involved a suite of communication and education strategies aimed at improving the safety of students.

### Community Road Safety

DIER actively involves communities in road safety projects through its Community Road Safety Partnerships (CRSP) program, which has been operating successfully since 2003. All 29 municipalities continue to be engaged in the CRSP

program, which encourages local Councils and their community networks to address local issues aligned to the *Tasmanian Road Safety Strategy 2007-2016*.

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

Planning has occurred to introduce a CRSP Awards program in 2013. The year is recognised as a significant milestone, being the 10<sup>th</sup> year of operation of the CRSP program and the Awards also contribute to Tasmania's involvement with the United Nations Decade of Action on Road Safety. The Road Safety Advisory Council is supporting the Awards with the allocation of Road Safety Levy funding. The awards program commenced in May and will culminate in November 2013.

The ARRB Group has been contracted to undertake a major evaluation study of the value of community engagement in road safety. The Circular Head community has been the focus for trialling an evaluation 'instrument' to measure the economic value of community road safety contribution. Results of the study will be available in September 2013.

CRSP achievements over the 2012/13 period have included:

### Safer Travel Speeds

- Huon Valley Council has been supported through CRSP funding to purchase a Variable Message (VMS) trailer to further enhance local speed reduction programs.
- Targeted VMS programs have been in operation with 14 CRSP communities across the state. While these programs cater for local issues, they are also coordinated across communities to enable consistent messages to be displayed at major events eg. Taste Festival, Festivals, major racing carnivals and AFL matches.
- A display, a competition and advertisements focussing on 'Speaking Up Against Speeding' occurred at Glenorchy Village Cinema in conjunction with the release of the movie 'Fast & Furious'.
- The Roadside Crash Marker program, which encourages drivers to slow down and increase attention on rural roads, has now expanded

to 19 municipalities. In 2012/13 Latrobe, Break O'Day and Brighton Councils have introduced the program.

- The Launceston Safer Community Partnership recently launched a 'Get Home Safe' road safety campaign which targets patrons at Aurora Stadium events. The Launceston City Council has provided extensive billboard and poster advertising space to support the project. The key messages primarily target speeding, drink driving and distraction. The Hawthorn Football Club has also partnered with the initiative and provided a high profile grandstand advertising space. DIER, through the CRSP program, provided funding for the design, development and production of the signage.

### Driving To The Conditions

- The *What's Around the Corner?* program, previously implemented in Meander Valley, West Coast and Dorset has been introduced to Central Highlands and Glamorgan Spring Bay. Several other communities, including Circular Head, Flinders Island and King Island, are also planning to commence similar programs.
- The *Heavy Going* program, which aims to have light vehicle and heavy vehicle drivers acknowledge mutual rules and courtesies when sharing the road, has continued in the northern communities.

### Drink Driving

- The *Alcolizers on Loan* initiative, which makes alcolizers (breath testers) available for loan to local hotels and sporting clubs, has continued to operate across many communities.
- The *Who's Des Tonight* initiative, which aims to encourage people to plan ahead and travel with a driver who has not consumed alcohol, has also continued in several northern and north western municipalities. Strong support has been established for this program with local Liquor Accord organisations.
- Free breath testing activities continue to be provided at community events across Tasmania. These events have included the Tasmanian Beerfest, Hobart Taste Festival, Devonport Cup, Ulverstone Rodeo, Festivale in Launceston, Bellerive Jazz Festival, A Day on the Green at the Josef Chromy Winery and Red Hot Summer Tour at Country Club

Tasmania. North West Parks Officers also offered a breath testing service to visitors at the Arthur River Visitors Centre over the summer holidays.

- Central Coast Council has recently coordinated a dedicated team of breath testing volunteers consisting of representatives from all local service clubs.
- CRSP continues to work with the Liquor and Gaming Branch (Department of Treasury and Finance), Good Sports (Australian Drug Foundation) and AFL Tasmania to develop safe transport plans and initiatives to promote safe driving practices in football clubs.
- DIER is responsible for educating first-year provisional drivers apprehended with alcohol in their system. Often ordered by the Magistrates' Court, drivers attend a specific program, *Alcohol and Your Responsibilities*, conducted by road safety consultants of the Road Safety Operations Branch.

### Inattention/Distracted and Fatigue

- The Huon Valley mobile crashed car display has continued a focus on driver distraction, in particular using mobile phones.
- CRSP partnered with the 'Breath of Life' music festival to promote messages on driver distraction and drink driving (making a plan to get home safely if drinking alcohol). Intrastate drivers travelling long distances home from the concert were a particular target group. Messages included stage screen advertisements, banner displays, MC announcements and website promotion.
- Driver fatigue has been a focus as part of the VMS trailer strategy at key major events such as Aurora Stadium matches, racing carnivals and public holidays.

### Safety of Young Drivers

- Learner Licence Assistance Programs have now been developed with over 65 organisations to support community members with low literacy or learning difficulties, to pass the learner licence assessment.
- Learner Driver Mentor Programs have continued to develop and now operate out of 23 community organisations across Tasmania. The primary focus of these programs, which

were established as a CRSP initiative, is to help novice drivers who have limited opportunity to access a suitable vehicle and responsible supervisory driver to accrue on-road driving experience.

- Keys to Ps sessions have occurred in several communities. The program has been designed to follow up classroom road safety education and prepare parents and their pre-learner driver students for the provisional licence assessment process.
- Several northern CRSP communities trialled a project called *Snap Shot* which encouraged secondary aged students to make “micro” films on road safety. The short films targeted key road safety risk behaviours such as speeding, fatigue, drink driving and distraction. Winning entries were screened at the *Breath of Life Festival*.
- Many communities incorporated road safety into Youth Week activities. Examples include Glenorchy, Clarence and Brighton.

### Seniors Programs

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

### Safer Vehicles

The RACT vehicle safety checks have continued as part of ‘driving to conditions’ programs in several communities. West Tamar and Dorset communities conducted safe vehicle and headlight checks in the

lead up to winter. These were supported by local businesses.

### School Crossing Patrol Officers

- DIER manages about 100 School Crossing Patrol Officers (SCPOs) servicing about 71 school crossings throughout Tasmania.
- Electronic Speed Limit Signs (ESLS) are installed at every location at which a SCPO operates. The ESLS have received wide community support.
- All SCPOs have been extensively retrained in their duties and Workplace Health and Safety. Performance Standards have been established to support continued improvement to the SCPO service to the community.
- DIER is working to improve support to schools that wish to establish a voluntary SCPO service at their schools.
- SCPOs continue to actively demonstrate their commitment to road safety and the safety of children crossing roads to get to school on a daily basis in all weather.



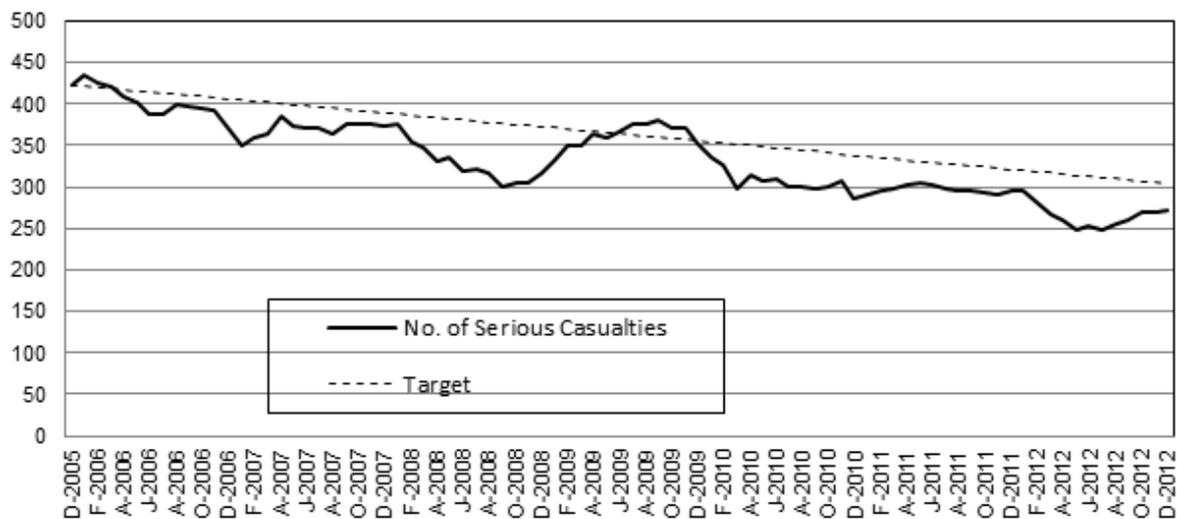
Photo by: Stuart Roberts

Campbell Town Weighing Site

## STATISTICS

### I. Actual Serious Casualties

#### SERIOUS CASUALTIES (12 month moving total)



### 2. Serious Casualties in Tasmania 2003-2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Serious Casualties	433	438	422	372	374	316	353	287	296	273

### 3. Serious Casualties by Road User Type 2003-2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Driver	208	196	190	149	169	139	139	122	131	121
Passenger	97	102	84	95	94	68	83	42	52	52
Pedestrian	38	44	44	30	27	26	31	32	34	37
Motorcycle Rider	73	75	75	76	65	65	74	74	64	46
Motorcycle Pillion	2	1	4	4	1	3	2	2	3	5
ATV Rider	0	1	4	4	11	7	10	3	4	4
ATV Pillion	0	0	1	0	0	0	1	1	0	0
Bicyclist	13	15	17	12	7	8	13	10	8	7
Other/Not Stated	2	4	3	2	0	0	0	1	0	1
<b>Total</b>	<b>433</b>	<b>438</b>	<b>422</b>	<b>372</b>	<b>374</b>	<b>316</b>	<b>353</b>	<b>287</b>	<b>296</b>	<b>273</b>

#### 4. Serious Casualties by Age Group and Sex 2003-2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Female</b>										
Under 17	8	12	17	16	18	7	11	9	8	3
17-29	46	43	44	42	38	29	36	18	24	22
30-49	40	47	44	31	28	38	25	28	22	19
50-64	17	21	19	18	19	13	18	12	16	19
Over 64	27	37	19	20	13	23	19	13	24	25
<b>Male</b>										
Under 17	31	24	33	19	23	14	21	16	16	17
17-29	113	114	92	102	93	87	95	77	76	64
30-49	78	86	99	81	85	56	61	71	56	46
50-64	27	25	27	25	32	30	40	26	34	34
Over 64	38	22	25	17	22	15	27	16	20	23
Not Stated	8	7	3	1	3	4	0	1	0	1
<b>Total</b>	<b>433</b>	<b>438</b>	<b>422</b>	<b>372</b>	<b>374</b>	<b>316</b>	<b>353</b>	<b>287</b>	<b>296</b>	<b>273</b>

#### 5. Serious Casualties by Crash Type 2003-2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Multi-vehicle</b>										
From adjacent directions	41	35	31	21	24	22	19	15	12	12
From opposing direction	90	77	63	94	74	58	63	56	66	60
From same direction	22	25	18	18	9	18	12	14	17	15
Overtaking	5	19	27	11	23	4	15	10	11	5
Manoeuvring	13	16	20	18	29	28	31	18	18	14
<b>Passenger and Misc</b>										
Pedestrian	35	43	42	32	26	26	31	33	34	36
Passenger and Misc	14	7	14	5	3	2	3	2	3	5
<b>Single Vehicle</b>										
Off path	198	207	198	162	177	150	172	128	128	120
On path	15	9	9	11	9	8	7	11	7	6
<b>Total</b>	<b>433</b>	<b>438</b>	<b>422</b>	<b>372</b>	<b>374</b>	<b>316</b>	<b>353</b>	<b>287</b>	<b>296</b>	<b>273</b>

## 6. Serious Casualties by Crash Factors 2003-2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Alcohol	63	105	88	77	86	93	91	70	63	56
Animal on road	8	1	4	4	8	8	4	15	5	6
Asleep – fatigue	18	16	25	30	43	15	25	10	18	11
Distraction – external to vehicle	7	9	19	17	32	30	40	42	37	25
Distraction – in vehicle	4	10	14	19	12	13	12	15	10	10
Drugs	15	9	32	38	62	48	53	31	24	23
Exceeding speed limit	13	22	49	65	45	59	57	31	31	28
Excessive speed for conditions/ circumstances	89	103	111	110	73	74	85	66	88	78
Fail to give way	34	23	19	29	25	36	31	27	37	39
Fail to obey traffic signals	8	2	3	6	5	7	2	6	5	3
Fail to observe road signs and markings	40	55	31	12	17	21	25	18	12	27
Improper overtaking	13	15	17	8	21	7	27	14	13	8
Inattentiveness	132	175	186	145	147	160	158	74	11	12
Inexperience	47	60	78	98	107	93	126	101	75	84
Other	116	0	0	0	0	0	0	0	0	0
Other obstruction on road	6	5	6	8	12	6	12	15	12	5
Pedestrian on road	27	42	35	22	22	19	28	29	34	36
Reversing without care	7	2	6	4	4	5	3	5	7	7
Road defect	22	21	22	29	18	23	20	20	10	10
Turning without care	6	10	7	15	12	19	22	18	20	21
Unwell – infirm	16	30	26	37	32	40	44	36	35	45
Using a mobile phone	0	0	2	2	3	1	1	2	2	1
Vehicle defect	23	33	23	18	28	18	49	15	21	21

Source: Crash Data Manager

Notes:

- Serious casualties include fatalities and serious injuries.
- In July 2005 data was migrated from the old Traffic Accident Database and mapped to the new Crash Data Manager.
- More than one crash factor may be associated with a serious casualty. Prior to July 2005 up to two crash factors were associated with a serious casualty.
- Crash factors may be amended following advice from Tasmania Police or the Coroner.
- From 1 January 2011 'inattentiveness' will only be reported if there is no other relevant crash factor.

## I.4 Registration and Licensing

During 2012/13, a series of key strategies were developed to deliver business more efficiently in an effort to maximise road safety outcomes for the Tasmanian community.

Technology driven alternatives are taking on a pivotal role in delivering innovative services to our customers.

### National Involvement

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

- assist in developing a national framework for the registration of alternative vehicles;
- move towards uniform national policy and increased harmonisation in relation to registration and licensing matters through membership of the Austroads Registration and Licensing Taskforce and its sub-groups;
- assist in working towards a national registration system for heavy vehicles in accordance with the Council of Australian Governments (COAG) direction;
- develop nationally recognised training courses for each class of heavy vehicle driving instructor, a national set of driving competencies that will form new heavy vehicle training courses and assessments for each class of heavy vehicle, and new eligibility criteria and requirements associated with heavy vehicle driver licensing;
- assist in developing a new national approach so that a holder cannot avoid a licence suspension by transferring their licence to another State and to consider strategies to reduce unlicensed drivers;
- assist the National Motor Vehicle Theft Reduction Council in strategies aimed at increased detection of stolen vehicles including the development and implementation of a new criteria for the assessment of written-off vehicles to further reduce the risk of motor vehicle theft and ensure that vehicles are not repaired when it is unsafe to do so. This has included amendments to primary legislation and the development of a nationally consistent notification form. Tasmania is now in line with

other Australian jurisdictions.

### Motor Registry System

In 2012/13 DIER has initiated significant improvements to the Motor Registry System (MRS) including upgrades to infrastructure and delivery of key business initiatives including:

- Abolition of Registration label for light vehicles
- Interface to the Whole of Government Customer Update Service (CUS)
- Implementation of changes to support the introduction of the Mandatory Alcohol Interlock Program
- Enhancements to support changes to the Passenger Transport Services Act on 1 July 2013
- Improvements to improve speed and ease of transactions
- Working on greater customer choice in payment including direct debit, Bpay View disposals and transfers of registrations on line.

Software support for the MRS is currently managed by a Hobart based company. This contract ends on the 31 December 2013 and a tender for this service is well underway and currently being evaluated.

### Driving Assessors

This year's focus has been on developing plans to address the outcomes of the review of the novice driving assessments conducted by ARRB Group Ltd on behalf of DIER. To date DIER has completed or progressed 27 of the 30 recommendations contained in the report. A significant amount of effort has also gone into improving consistency in the application of the driving standard by all Driving Assessors through audit, moderation and peer assessment.

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

- Learner Driver Mentor Programs –explaining the assessment criteria, the standard and the process to progress through the Graduated Driver Licensing System (GDLS).
- Learner Licence Assistance Programs – providing assistance and advice to those engaged in assisting young people to obtain a learner licence.
- Migrant Resource Centre (Statewide) – advice

on the GDLS, structure of the assessments, assessment criteria, available support tools (including translators) and conducting mentor driver mock assessments.

- Bhutanese Community – providing advice on the assessment process, and attempting to help make the applicants more comfortable.
- ADTA Professional Development Seminar (driving instructor forums) - explaining changes to assessment processes and providing updated manuals.
- AGFEST - advice and assistance to the public in relation to driving assessment issues and road rules.
- Tasmanian Youth Forum – advice and assistance to youth in relation to the GDLS, driving assessment issues and road rules.

### Abolition of registration label

Registered light vehicles (eg cars and motor cycles) are no longer issued, or need to display, registration labels because of major advances in technology.

### Older Driver Licensing

Work is continuing with the intention that the mandatory aged medical assessment for drivers aged 75 years or more is removed in March 2014.

### Drivers with medical conditions

The number of drivers with medical conditions is continuing to increase. Work is underway to re-engineer the medical assessment process and to assess the reasons for the increase.

### Electronic delivery of business processes

Work is progressing on use of electronic workflow (TRIM) processes to create efficiencies and improve administrative accuracy and reduce paper across business processes.

### Road Rules Publication

The Road Rules Book was reviewed and republished.

### Heavy Vehicle and Motorcycle Deliverers

Arising out of procurement processes carried out in 2011/12, new contracts came into effect with multiple heavy vehicle and motor cycle providers delivering training and assessments for applicants with improved supporting materials. Motorcycle training assessment is now offered by three

organisations around the State instead of a single provider.

### New deliverers of document handling and storage

Procurement processes were completed and new contracts came into effect with new suppliers for document handling and storage.

### Segways

In February 2013, riders of Segway vehicles became legally exempted from the requirement to hold a driver licence and short term unregistered vehicle permits were issued to allow them to be used in restricted areas, by authorised tourist operators. One tourist operator has been authorised and uses these vehicles as permitted.

### Motor Trikes

In November 2012, certain people with disabilities became legally exempt, in restricted circumstances, to ride motor trikes (that normally require a motor cycle licence) on a car licence.

### Registration and Licensing Business Improvement Review

A number of projects are well underway with a key focus on assisting customers interact with government more efficiently to complete routine business activities such as renewing registrations and licences, when and where they want to maximise convenience.

New business processes are at the forefront of the changes and technology driven solutions are a big part of meeting and making it easier for the customer/government relationship.

### 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), DIER is continuing to address unregistered vehicles on Tasmanian roads and their potential risks to the community.

### Ongoing strategies include:

- Deployment of Transport Inspectors on non-

enforcement unregistered/uninsured activities, including regular statewide joint operations with Tasmania Police.

- Use of Automatic Number Plate Recognition (ANPR) technology to detect unregistered/uninsured vehicles and those driven by unlicensed drivers.
- Use of ANPR in data collection situations leading to operators of vehicles detected driving an unregistered vehicle being sent a warning notice advising that the vehicle was detected and asking that they register the vehicle or risk incurring a fine of up to a maximum of \$2,600. Over 200,000 vehicles are captured annually through this process.
- Public advertising via collaboration with RACT advertising on their roadside assistance vehicles, back of envelopes and through mobile advertising on Metro buses in all major cities. This advertising ensures the travelling public is aware of the risks of driving an unregistered/uninsured vehicle.
- Reminder letters being sent to operators of all vehicles for which registration has expired for 21 days.
- Targeting interstate vehicles that are being used on Tasmanian roads for periods longer than

provided for in legislation and facilitating the re-registration of these vehicles in Tasmania.

### Personalised Registration Plates

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

### Concessions

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

### Transport Enquiry Service

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

## Driver Licence Statistics

Current Licensed Tasmanina Drivers: 366,806

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

LICENCE TYPE AND CLASS		CLASS TOTAL
Car	Full	266,476
	L1	12,043
	L2	9,085
	P1	5,748
	P2	9,463
	Learner (other than Novice)*	272
Motorcycle	Full	43,202
	Learner	2,188
	P1	1,680
	P2	1,563
Heavy	Full	63,194
	Learner	693

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

## Registration by Vehicle Type

Vehicle Type	Total	Vehicle Type	Total
Ambulance	157	ATV	2,555
Bus	2,166	Campers	4,555
Car	201,176	Caravan	9,522
Earth Moving Machinery	1,989	Farm Tractor	6,131
Fire Units	535	Horse Float	2,994
Motorcycle	16,462	Other	4,028
Road Construction	443	Station Wagon	96,827
Tow Truck	68	Tractor	713
Trailer	93,371	Truck	40,293
Utility	52,617	Van	12,892
		<b>Grand Total</b>	<b>549,494</b>

## 1.5 Vehicle Operations

### Enforcement Strategy for Road Transport in Tasmania

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

#### Transport Inspectors

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

During the year Transport Inspectors escorted in excess of 250 wind tower components and related over-size and over dimensional loads from Breadalbane and Bell Bay to Musselroe Bay in the state's far North-East. Most escorts were conducted in the early hours of the morning to ensure minimal disruption to other motorists.

#### Heavy Vehicle Safety

DIER continues to work with industry and the Heavy Truck Safety Advisory Council (HeTSAC) on strategies to increase safety and have focused on addressing, where possible, the causes of serious casualty crashes or crashes with similar contributing factors. This included Transport Inspectors educating the heavy vehicle industry at Agfest.

#### Approved Inspection Stations (AIS)

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

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

#### Over Size/Over Mass (OS/OM) Permits

There has been a decline in the number of OS/OM permits being requested during 2012/13. This is mainly due to the work of the Crane Industry Reference Group in defining set routes for the crane fleet, and the route being permitted in a single permit. Dealing with major infrastructure projects such as the Musselroe Bay Wind Farm was a high priority for this financial year and presented some unusual challenges for staff issuing permits.

## Vehicle Modifications

There continues to be a steady increase in the number of vehicle modification applications. In particular there was a noticeable increase in the number of applications for heavy vehicle modifications as a consequence of VEs taking a more stringent approach when inspecting vehicles.

## Transport Operator Accreditation Scheme

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

Significant work was undertaken by staff in the Transport Operator Accreditation Section to prepare for the introduction of the Passenger Transport Services Act on 1 July 2013.

## National Heavy Vehicle Regulator

Information has been provided to National and local working groups to finalise the Heavy Vehicle National Law and prepare for the implementation of the National Heavy Vehicle Regulator (NHVR) in Tasmania later in 2013.

During 2012/13, DIER has actively represented Tasmania's interests in the negotiation and finalisation of the Heavy Vehicle National Law and supporting Regulations. In early 2013, these were passed in Queensland, the host jurisdiction for the national law. On 21 January 2013, the NHVR commenced limited operations, and Tasmania delegated administration of the National Heavy Vehicle Accreditation Scheme, and Performance Based Standards to the NHVR on that date. The DIER project team has worked closely with the NHVR and key Tasmanian stakeholders to prepare for commencement of the national law, expected later in 2013. Outputs included preparation of primary and subordinate legislation to apply the national law in Tasmania, including a large number of consequential amendments to existing provisions. The primary legislation was introduced into the Tasmanian Parliament in June 2013. In response to consultation, Tasmania decided to defer commencement of the new fatigue management provisions for six months, to allow industry additional time to adjust their operations. Tasmania also contributed to the development of national gazettal notices for heavy vehicle access, as well as Tasmania-specific notices to preserve

local productivity initiatives for industry. Other outputs include contribution to a large number of national policies and operational guidelines in areas such as heavy vehicle access, compliance and enforcement, and vehicle standards. These activities were supported by an expanding program of stakeholder engagement and communications with the road transport industry, and with other impacted parties in the freight logistics supply chain.

## 1.6 Traffic Management and Engineering Services

### Tasmanian Road Safety Strategy – Safer Travel Speeds and Best Practice Infrastructure

DIER and other road safety authorities around the world recognise that travel speeds and road design are important elements in a 'Safe System' approach to reducing road trauma. Lower vehicle speeds and the design and installation of appropriate infrastructure on the road network contribute significantly to providing a safer road environment. DIER continues to implement Safe System initiatives across the State and several projects under the Road Safety Strategy's 'Safer Travel Speeds' and 'Best Practice Infrastructure' Strategic Directions were completed in the 2012-13 financial year:

- All school zones on mainland Tasmania now have electronic speed limit signs (ESLS); Flinders Island and King Island ESLS will be installed in the 2013-14 financial year.
- The Variable Speed Limit (VSL) system on the Tasman Highway, Cambridge Road Interchange to Liverpool Street in Hobart became operational on 21 January 2013.
- The '2 Plus 1' road design forms an important part of DIER's 'Safe System' approach to road safety and construction started on the Bass Highway near Gannons Hill and the Midland Highway near Symmons Plains early in 2013. The 2 Plus 1 design allows an alternating road configuration of two lanes in one direction and one lane in the opposite direction, separated by a flexible safety barrier. This allows drivers travelling in each direction to have safe and regular overtaking opportunities. Both projects will be completed in the 2013-14 year.
- DIER is upgrading two high motorcycle crash

sites on the Lyell Highway and one on the Tasman Highway. Innovative collapsible chevron alignment markers (CAMs) have replaced rigid CAMs. In the event of a motorcycle crash the collapsible CAMs will absorb the impact energy if the rider collides with the sign, reducing the trauma to the motorcyclist. Shoulder sealing and pavement resurfacing at each site will be completed in the 2013-14 year.

- The installation of flexible safety barriers to separate opposing traffic contributes significantly in preventing head-on collisions on Tasmania's higher speed roads. Audible edge and centre lines alert drivers when their vehicle is moving out of the driving lane, helping to prevent off-road and head-on crashes. Upgrading the State road network is ongoing and the following projects were completed in the 2012-13 year:
  - Bass Highway, Launceston to Burnie – installation of audible edge and centre lines.
  - West Tamar Highway south of Beaconsfield - flexible safety barrier, shoulder sealing and right-hand turn facilities.
  - Mersey Main Road at Tarleton - flexible safety barrier, shoulder sealing and right-hand turn facilities.
  - Brooker Highway at Granton - installation of painted median with flexible safety barrier.
  - East Tamar Highway - north of Dilston, flexible safety barrier along existing painted median.

### Safer Roads Program

This program provided \$4 million of road safety and traffic efficiency improvements on the State Road Network. DIER's traffic engineers use the crash data to identify locations with an over-representation of crashes. Problem locations are subject to detailed crash analysis and thorough on-site inspections to identify the treatment that best addresses the site's specific crash characteristics. Candidate schemes across Tasmania are then prioritised to maximise the number of crashes that can be prevented with the available funding.

Works implemented in 2012-13 included:

- South Arm Road, Sandford to Cremorne – shoulder sealing

- Sheffield Main Road, south of Sheffield – removal of dip that obscured approaching traffic
- Midland Highway Breadalbane roundabout – provision of dedicated left-turn lane
- Birrallee Main Road, northern side of Egmont Bridge – curve improvements
- Frankford Main Road / Woodbury Lane – remodel of junction
- East Derwent Highway / Saundersons Road – provision of right-turn lane

### Nation Building Black Spot Program

This is an Australian Government program that funds road safety improvements on both State and Council roads. The program reduces road trauma by identifying and effectively treating locations with a high incidence or risk of casualty crashes. The 2012-13 program comprised 22 schemes worth \$1.85 million. Treatments included improved delineation and installation of safety barrier, kerb extensions and traffic islands, and the installation of separate right-turn phases at existing traffic signals.

### Transport Systems Group

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

There are currently 280 traffic signals sites throughout Tasmania with about 70 per cent connected to the Sydney Coordinated Adaptive Traffic System (SCATS). SCATS is a traffic management system that modifies traffic signals to suit the prevailing traffic conditions and to coordinate traffic signals for arterial roads. SCATS also enables remote adjustment of signal timings, fault reporting and traffic counts.

During 2012-13 several Intelligent Transport Systems have been completed or progressed, including:

- Completed the Electronic School Zone Signage program;

- 40 km/h Electronic Shopping Zone Signage Main Road, Moonah
- Variable Speed Limit Trial on the Tasman Highway, Lindisfarne.
- Signalisation of various other intersections around the state including Don Road / Lovett Street in Devonport, Wellington Street / Cleveland Street in Launceston and Florence Street / Main Road, Moonah.
- Progressing signalisation of Amy Road / Penquite Road intersection and University Way/ Alanvale Connector Ramp metering, Launceston.

Funding was approved in 2008-09 to upgrade 70 per cent of traffic signals to highly efficient Extra Low Voltage (ELV) Light Emitting Diode (LED) technology. ELV/LED signals have a life expectancy of more than 10 years and fail gradually (known as graceful degradation) over a period of months, not suddenly like incandescent globes. At 30 June 2013, 70% of all signalised intersections have been upgraded. Subject to funding the possibility remains that a further 7% could be upgraded.

### Stakeholder Engagement Unit

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

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

### Public Displays

- Port Sorell Main Road
- Ferry Main Road
- Murchison Highway Upgrades
- Stanley Junction Upgrade
- Arthur Highway Upgrade

### Special Events

- Brighton Bypass Completion Event

### Internet Road Project Information

Information and updates were provided on the DIER website for a number of key infrastructure projects, including: Bridgewater Bridge Planning Study, Bruny Island Main Road, Midland Highway, Symmons Plains, 2 Plus 1 Installation Road Safety Works, Bass Highway, North of Gannons Hill Road, Road Safety Works, Iron Creek Bridge Replacement - Arthur Highway and Port Sorell Main Road - Safety Improvements.

Other projects under the Community Roads and West Coast Roads Program include, Ferry Main Road Upgrade Works, Richmond Heavy Vehicle Link Road, Rokeby Main Road Upgrade and West Tamar Highway Near Bradys Lookout.

Information and updates on the North East Freight Projects including Mathinna/Evercreech Bridge Replacements, Bridport Main Road Upgrade, Tasman Highway and Gladstone Main Road Upgrade and Prossers Road Junction Upgrades were also provided.

## 1.7 Passenger Transport

### Light Rail Business Case

The Hobart to Northern Suburbs Light Rail Business Case (for a light rail service between Hobart and Claremont) was completed in August 2011. The Interim and Final Reports were publicly released. In order to verify the suitability of the work undertaken for the Business Case, together with its overall findings, a Peer Review of that project was undertaken. AECOM was selected to perform this task.

AECOM reported in December 2012, and found that the original Light Rail Business Case prepared by ACIL-Tasman “was in essence a fair and sound appraisal of the economic benefits and costs”. It also found that the Business Case generally adhered to the requirements of Infrastructure Australia (IA).

The Review concluded that (based on current population levels), Glenorchy is the best choice for a northern terminus, in that it should produce the best possible Benefit-Cost Ratio (BCR). Accordingly, the Minister for Sustainable Transport asked DIER to develop a new Business Case examining the feasibility of introducing light rail on the Hobart-Glenorchy route. ACIL-Allen (formerly ACIL-Tasman) was engaged to develop this Business Case.

The Business Case determined that the cost of

establishing the light rail service would be \$70 million, with annual operating costs of \$2.3 million for the first five years, rising to \$3.2 million in 20 years time. The highest BCR (of 1.12) was obtained when the speed of the light rail service was maximised. This was achieved through an operating model with only three stops - Glenorchy, Moonah and Hobart (Elizabeth Street – Franklin Square). The light rail service would be supported by high frequency bus 'feeder' services, which would deliver passengers from the Northern Suburbs to the rail stops.

Infrastructure Australia has been provided with a copy of the Stage I Business Case and a submission for Commonwealth funding will be made at the next available opportunity.

### Passenger Transport Act Review / Safe Community Transport Review

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

An exhaustive consultation process involving the Tasmanian community, the community transport sector and all sectors of the passenger transport industry, (including bus, taxi, luxury hire car and limited passenger services operators), was followed by the development of a comprehensive reform package and the introduction of legislation to implement these reforms.

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

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

These Acts took effect together on 1 July 2013, in order to ensure that the key elements of the reform package share a common commencement date.

The reforms included critical definitional changes, an alternative accreditation model and the re-classification and licensing of the previous Limited Passenger Services sector. The implementation

phase of the project is currently being progressed. This entails a combination of regulatory, system, policy and operational tasks.

Five separate sets of regulations and statutory rules designed to complement and support the new legislation were completed and commenced on 1 July 2013. A further two sets of regulations relating to traffic infringement notices and internal review procedures will be completed early in 2013-14. Changes to the Motor Registry System will also be made to ensure the accurate migration of data into the new administrative arrangements and structures.

A series of industry briefings, information sheets and direct mail outs were organised to publicize the commencement and contents of the new legislation. Further briefings and mail outs are planned as the implementation of the new legislation proceeds into 2013-14.

### Taxi, Luxury Hire Car and Limited Passenger Services Industries

#### Legislative Change

Amendments to the Taxi and Luxury Hire Car Industries Act 2008 received Royal Assent on 15 December 2011. The re-titled Taxi and Hire Vehicle Industries Act 2008, which commenced in conjunction with the Passenger Transport Services Act 2011 on 1 July 2013, brings the regulation of all forms of passenger transport in small vehicles under the same instrument. Under the new legislation, Limited Passenger Services previously undertaken in vehicles with a capacity of greater than 9 seats have been redefined as Restricted Hire Vehicle (RHV) services.

New regulations for RHV services, together with amendments to the regulations for the taxi and luxury hire car industries, also commenced on 1 July 2013 to enable implementation of the amendments.

#### Taxi Fares - Tasmanian Economic Regulator

The Economic Regulator Act 2009 gives the Tasmanian Economic Regulator (TER) power to conduct inquiries into the method for setting and indexing taxi fares. The scope of such inquiries is limited by the legislated powers of the TER. This reform addresses a recommendation from the taxi legislation review conducted in 2006 -2007, which proposed more predictable adjustments of maximum taxi fares, and for the direct involvement

of a third party in the fare-setting process.

Following the completion of the Terms of Reference for the Inquiry, the Minister for Finance instructed the TER to undertake the Inquiry.

The Inquiry commenced in late 2012. The TER released its consultation paper, supported by the Draft Report prepared by its consultant, the Centre for International Economics, in February 2013. The TER released its final report on 31 May. The State Government is considering its response to the TER's recommendations.

### **Release of New Taxi Licences**

The fifth release of owner-operator taxi licences under the Taxi and Luxury Hire Car Industries Act 2008 (the Act) began on 29 September 2012, with the calling of a tender for these licences. Fourteen owner-operator taxi licences were made available for the Hobart taxi area, five for the Launceston taxi area and one for every other taxi area. To 30 June 2013, 12 Hobart area licences, one Devonport licence and one Huon Valley licence had been purchased through the Tender. Licences unsold at tender remain available for sale from the Transport Commission until the 2013 Tender is called.

Wheelchair-accessible taxi (WAT) licences have been available on application (to appropriately qualified operators who have a compliant vehicle) since the commencement of the Act on 24 September 2008. Since that date to 30 June 2013, 23 new WAT licences have been issued, including one in a non-metropolitan area (Huon Valley). In 2012-13, one WAT licence was surrendered and four new WAT licences were issued.

### **Review of Licence Release Arrangements**

Given the passage of time since the introduction of taxi licensing reforms through the Taxi and Luxury Hire Car Industries Act 2008, and the rate of purchase of new taxi licences (particularly in Hobart) since that time, during 2012-13 a review commenced into the effects and relative success of the reforms.

The terms of reference for the review required the consultant to undertake a critical analysis of the current arrangements for the release of new taxi licences in Tasmania, to evaluate the impact of these arrangements on:

- Availability, reliability and quality of taxi services;
- Taxi driver and operator viability; and

- Competition within the taxi industry and between taxis and other forms of passenger transport.

The consultancy was awarded to KPMG via a tender process and public consultation commenced in late 2012. It is expected that the final report by KPMG will be released in early 2013-14, with the State Government's response occurring during 2013-14 (in conjunction with the response to the TER Taxi Fares Inquiry).

### **Legislative Council: Integrated Transport Options Inquiry**

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

The Inquiry's Final Report was tabled on 28 June 2013. The State Government's formal response to the Inquiry is to be provided by early October 2013.

### **Community Awareness Activities**

DIER's main engagement with the community in 2012-13 in respect of passenger transport issues was in relation to the development of the regulations to support the Passenger Transport Services Act 2011.

The draft Passenger Transport Services Regulations 2013 were released for public comment in January 2013. Draft regulations for restricted hire vehicles, and amending regulations to the existing taxi and luxury hire car industry regulations were released for public comment in March 2013.

DIER has also undertaken a comprehensive program of raising awareness of the new legislation to assist operators to take the necessary steps to comply with the new legislation prior to its implementation on 1 July 2013.

### **Passenger Transport Services**

DIER administers a range of transport assistance programs and manages contracts to provide core passenger services throughout the State. Highlights for 2012/13 included:

- Further rollout of a Global Positioning System (GPS) based vehicle tracking scheme, operating under the national Intelligent Access Program

(IAP) coupled with an electronic system for student travel verification using the student Greencard for non-Metro student only, fare paying bus services.

- The new electronic system will improve monitoring of contract performance and administration of billing and payments for more than 170 student only fare paying service contracts. The use of the Metro Greencard as the student card on these non-Metro services enables students to use one card for travel on both services.
- Working toward introduction of a new ‘smart card’ system replacing vouchers for the Transport Access Scheme.
- The funding of 6 separate Service Development Plans submitted by operators of contracted public bus services to trial new or extended services on evenings, weekends and between peaks, in response to market research and

community consultation which suggested potential for commercially viable expansion.

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

The Branch processed approximately 10,100 applications for free and fare-paying Greencards (non-metro travellers) and made conveyance allowance payments to 649 parents or guardians of 873 students who need to travel more than 5 kilometres to the nearest school or bus route.

The Branch processed 4,076 applications for membership in the Transport Access Scheme and made subsidy payments on 523,381 taxi and WAT trips taken by eligible TAS members.



Castro Esplanade, Salamanca

## PASSENGER TRANSPORT CONCESSIONS

Program	Item Reported	Detail	%
Transport Access Scheme (TAS)	Membership applications received	4,076	
	Applications approved	3,854	94.5%
	Applications refused	222	5.5%
	Applications processed within 28 days of receipt	3,332	82%
	Total TAS memberships	31,877	
	Disability Parking Permits (Individuals) on issue*	28,758	
	Disability Parking Permits (Organisations) on issue**	52	
	Taxi concession permits valid for standard taxis (50% concession on metered fare)*	17,145	53.8%
	Taxi concession permits for members totally wheelchair reliant (60% concession on metered fare when travelling in a wheelchair accessible taxi)*	1,889	5.9%
	Taxi concession subsidy trips claimed (total)	523,381	
	Standard taxis	442,354	84.5
	WATS	81,027	15.5
	Taxi concession subsidy cost	\$4,671,389	
	Standard taxis	\$3,127,450	
	WATS (incl trip fees)	\$1,543,939	
	Average subsidy	\$8.93	
	Standard taxi	\$7.07	
	WATS (incl trip fees)	\$19.05	
Bus Passes	Student Greencard applications processed	10,100 (approx.)	
Conveyance Allowance ***	Families benefitting from the allowance in 2012 school year	649	
	Students covered by approved applications	873	
	Total cost of conveyance allowance for 2012 school year	\$1,700,103	
	Average benefit per eligible family	\$2,619	
Age Pensioner Air Travel - Bass Strait Islands	Total cost of subsidy payments (concession is a subsidy of 50% of one return trip per year from a Bass Strait Island to Northern Tasmania)	\$7,410	
	Claims paid	38	
	Average claim cost	\$195	

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

\*\* Organisation Parking Permits do not count as TAS memberships

\*\*\* Conveyance Allowance is paid for travel over the school calendar year; therefore these figures represent the 2012 calendar year rather than the 2012/13 financial year.

## Service Development Plans

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

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

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

- Cressy to Launceston
- St Helens to Launceston
- Evandale to Launceston
- Smithton to Burnie
- Dodges Ferry to Sorell to Hobart
- Channel region to Hobart

As a result of former SDP trials, additional timetabled services have now been incorporated into the following corridors:-

- Port Arthur to Launceston
- Huon Valley to Hobart
- Campania to Hobart
- Cressy to Launceston
- St Helens to Launceston
- Ulverstone to Devonport
- New Norfolk to Hobart

## 1.8 Passenger Transport Innovation

Beginning in 2010-11, the State Government has allocated over \$7 million for the Passenger Transport Innovation Program. Investment under the program is aimed at delivering immediate improvements in passenger transport, and also planning for long-term change.

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

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

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

Action Area	Project
Moving Places	Integrated Transit Corridor Planning
	Greater Launceston Metropolitan Passenger Transport Plan
Moving People	Service Development Plans Off Bus Infrastructure Wi-Fi On Buses
	Peer Review of 2011 Hobart to Northern Suburbs Light Rail Business Case
	Stage I Light Rail Business Case – Hobart to Glenorchy (2013)
Moving Legs	Urban Cycling and Pedestrian Network
	Local Cycling Infrastructure Development Fund
	North West Coastal Pathway
Moving Policies	Urban Travel Demand Model
	Metro Carbon Footprint Study
Moving Minds	Travel Behaviour Change

The Wi-Fi on Buses and Urban Travel Demand Model projects were completed in 2011-12.

Several projects originally nominated under the Program are yet to be completed. Those projects will continue beyond 2012/13, with the relevant

funding allocations carried over to 2013/14. Further, additional Program funding was received in 2012-13 and the associated projects will be progressed in 2013-14.

### Integrated Transit Corridor Planning

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

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

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

The first Transit Corridor Plan to be developed focuses on the Main Road Corridor between Hobart CBD and Glenorchy, including Elizabeth Street and New Town Road. A Draft Plan was published in June 2013, with initial public consultation to be completed in July. If implemented, the proposed Plan will improve the operation of the Corridor for public transport, which will help create more sustainable, accessible, healthy and liveable communities.

The identification of the second potential Transit Corridor in Hobart has commenced, with detailed work on the selected Corridor expected to take place during 2013-14.

### Greater Launceston Metropolitan Passenger Transport Plan

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

To progress the directions proposed in the Framework, the Project is being developed to achieve the following project-specific outcomes:

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

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

The Background Report has been prepared, drawing from a number of sources including ABS statistics, regional and local planning documents, local government strategies and plans. Additionally, a problem and options identification process has been undertaken, working closely with local government, the passenger transport service industry and community stakeholders. This process included an Options Identification Workshop with stakeholders.

The Background Report and the Problem Identification Paper are available publicly on DIER's website. The Draft Passenger Transport Plan is expected to be completed by September 2013 and a public consultation process on the draft will be undertaken before the Plan is finalised.

### Off-bus infrastructure: urban fringe areas

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

During 2010/11, a methodology for identifying

priority bus stops for upgrade was confirmed, with an initial focus on approximately 15 sites across Tasmania.

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

### Tasmanian Walking and Cycling for Active Transport Strategy

As a key priority area under the Tasmanian Walking and Cycling for Active Transport Strategy, the Department has identified the highest priority transport cycling routes, known as the Principal Urban Cycling Network (PUCNs), in Hobart, Launceston and Burnie/Devonport.

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

The identification of the PUCNs will be used to inform future Government investment in cycling infrastructure. The Department continues to work with local councils, State Government and community stakeholders to implement the provision of the PUCNs and other priority transport cycling routes in all areas throughout Tasmania.

Since 2011-12, the Government has been providing assistance to local government and community organisations to deliver local cycling connections and facilities, and to deliver programs that encourage people to cycle for transport. In the year to 30 June 2013, the Cycling for Transport – Local Infrastructure Development Fund allocated \$73,290 to projects such as:

- Planning and design work for delivery of cycling infrastructure (Glenorchy and Meander Valley);

- Expanded bike storage areas at signalised intersections in Launceston (4 sites) and cycleway signage (Launceston, Glenorchy, Hobart and Latrobe);
- Provision of bike racks at Port Sorell and end of trip facilities at the University of Tasmania campus in Launceston (including solar powered e-bike charging facilities); and
- Cycling 4 All program to support people with a disability to learn how to use bikes for everyday transport.

The Department has also published a revised Cycleway Directional Signage Manual to assist local councils develop wayfinding signage to encourage people to use cycle facilities, and in providing cohesion and connectivity across cycle networks.

### Travel Behaviour Change

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

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

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

The implementation phase of the project commenced in early 2012, with the program progressively delivering a range of initiatives designed to promote and encourage staff commuter and business travel by sustainable modes over the following 18 months.

The evaluation phase of the project is expected to be completed by the end of 2013, which will provide information to guide the development of similar initiatives across other State Government agencies and the wider community.

# Capital Investment Program

## Achievements for 2012/13

### Completion of Northern Brighton Bypass and Jordan River Levee

The Northern Brighton Bypass, which included the Jordan River Levee Bridge, formed part of the larger \$191 million Brighton Bypass project. The Australian and Tasmanian Governments jointly funded the project.

A section of the Jordan River Levee was identified as having significant Aboriginal cultural values and has since been listed as a National Heritage site. To protect this area from construction impacts, a 165-metre long bridge was constructed over the Aboriginal heritage site using a launch and lift methodology, allowing for a large 70-metre span of the bridge to be launched over the protected site. This is the longest single span ever launched in Australia.

The Department of Infrastructure, Energy and Resources completed the northern section of the Brighton Bypass in October 2012 and opened the road to the public, several months ahead of the contract completion date, on 12 November 2012.

### Completion of Brighton Transport Hub

The State Government provided funding of \$78.6 million for the Brighton Transport Hub project to deliver significant transport efficiencies for the movement of rail and road freight in Tasmania. TasRail is the operator of the Brighton Transport Hub. The administration, maintenance and control buildings at the Brighton Transport Hub were completed in 2012. The Brighton Transport Hub is being subdivided to create discrete lots for developments including that by Toll. The Brighton Transport Hub, along with the Brighton Bypass, is attracting further commercial development to the area.

### Contract Awarded for Tarkine Drive

Currently in the detailed design the State Government funded \$23.1 million Tarkine Drive project involves the improvement of existing roads in the region, the replacement of three bridges and the upgrading of existing

tourism facilities. Department of Infrastructure, Energy and Resources has gained relevant approvals including mitigation measures identified to protect the existing Tasmanian Devils and spotted-quoll populations in the area. The Australian Government provided environmental approval for the project in March 2013. An Early Contractor Involvement (ECI) contract has been awarded to progress the detailed design and construction is scheduled to begin later in 2013.

### Completion of Planning for Bagdad Bypass

The Department of Infrastructure, Energy and Resources (DIER) has completed planning for the Bagdad Bypass project, which extends from the northern end of the Brighton Bypass through to the northern end of Dysart. DIER submitted a Project Proposal Report for Bagdad Bypass to the Australian Government in July 2011.

### Community Roads and West Coast Roads Programs

The State Government provided \$110.38 million in the 2010-11 budget to be expended over five financial years from 2010-11 to 2014-15 for the Community Roads and West Coast Roads Program. The Program consists of over 20 projects fully funded in the budget and forward estimates.

#### Program expenditure summary:

- Whole of program to end 2012-13 = \$36.3 million
- Estimated expenditure 2013-14 = \$45.6 million
- Estimated expenditure 2014-15 = \$24.4 million

The Department of Infrastructure, Energy and Resources is well into the implementation of the program with some projects already completed. The following provides an overview of project status as at the end of June 2012-13:

#### Completed:

- Bass Highway - Mersey Main Road Junctions
- Esk Main Road- shoulder widening and road safety improvements
- Ferry Main Road water treatment plan
- Huon Highway road improvements – Sommers Straight south of Franklin – shoulder sealing
- Lake Road Breona - various road improvements

- Meander Valley Council, Westbury Industrial Estate
- Mud Walls Road various road improvements
- Ridgley Main Road general road improvements
- Tasman Highway Coles Bay junction and safety improvements
- West Coast Council, Strahan Esplanade
- West Tamar Highway Cormiston Road traffic signals upgrade
- West Tamar Highway Ecclestone Highway Road traffic signals upgrade

**Works commenced but not completed as at 30 June 2013:**

- Murchison Highway, Cradle Mountain Tourist Road to Anthony Main Road
- Murchison Highway, Rosebery to Sterling River
- West Tamar Highway Brady's Lookout road widening, pavement improvements and installation of flexible barrier

**Works tendered but not commenced as at 30 June 2013:**

- Bell Bay Road Junction improvements
- Bass Highway Stanley Junction upgrade
- Colebrook Main Road, Richmond Link Road- 1.5 km new link road
- Ferry Main Road upgrade and ferry terminal queuing improvements

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

- Upgrade of Rokeby Main Road from Buckingham Drive to Diosma Street
- Arthur Highway, Taranna to Port Arthur and Dunalley to Murdunna road improvements
- Huonville Main Road Pavement Rehabilitation
- Huon Highway Improvements – Shoulder sealing and priority junction improvements

**North-East Freight Roads**

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

projects in this package is as follows:

- Bridport Main Road upgrades between Scottsdale and Bridport. The design phase is complete. The Department of Infrastructure, Energy and Resources (DIER) tendered a contract in June 2013 with an expected construction start in late 2013 and a completion in March 2015.
- Tasman Highway and Gladstone Main Road upgrades between Derby and Herrick. The construction contract was awarded in May 2013 with construction start in June 2013 and a completion of mid 2014
- Mathinna/Evercreech bridge replacement of seven load limited bridges (owned by Break O'Day Council). Contract was awarded in January 2013 for the construction of the seven bridges. Bridge construction is scheduled for completion in early 2014.
- Prossers Road junction upgrades at Lilydale Main Road, Patersonia Road, and Tasman Highway with drainage improvements on Prossers Road. The construction contract was awarded in April 2013 and works commenced in late April 2013. Practical completion is expected in late 2013.

**State Road Network Bridge Strengthening Strategy**

A Bridge Strengthening Strategy has been developed under the overarching strategic direction for viable and sustainable infrastructure to maximise accessibility within economic constraints. This includes the assessment of potentially under strength bridges across the State Road Network with the objective to strengthen and therefore improve strategic access and economic prospects for the freight, mining, agriculture, forestry and other heavy vehicle industries including the crane industry.

For the financial year 2012-13, DIER identified from this strategy, a list of priority bridges for detailed structural analysis and by 30 June 2013, 20 bridges across the State were identified for remediation. A Project Proposal Report was submitted to the Australian Government for five of these bridges under the Heavy Vehicle Safety and Productivity Program Round Three. The Australian Government has provided \$2.395 million in funding with the State Government is also contributing \$2.395 million to the project. The upgrade project comprises of two

bridges on Railton Main Road and three bridges on Esk Main Road. The development phase of this project has commenced and will continue until December 2013. Construction will begin in early 2014 with all bridge upgrades due for completion by June 2014.

### Planning for Bridgewater Bridge Replacement

The Bridgewater crossing of the River Derwent is a critical element of the National Highway network in Tasmania. The scope of the Bridgewater Bridge project extends from the southern end of the Brighton Bypass at East Derwent Highway through to the four-lane section of the Brooker Highway. The Australian Government has provided \$6.4 million towards early property acquisition.

### Port Sorell Main Road

Port Sorell Main Road provides a key link to the centres of Port Sorell, Shearwater and some smaller centres to the Bass Highway. The Australian Government has committed to providing \$1 million in funding with the State Government contributing \$3 million. The major focus for this funding is to address the concurrence of poor geometry with adverse road safety outcomes. Works will include the upgrade of junctions, upgrading and provision of new bus bays, improvements to delineation, removal and/or mitigation of roadside hazards and supporting overtaking opportunities where appropriate. The contract was awarded in May 2013 and it is anticipated works will commence in July 2013 and be completed in mid 2014.



## Tasmanian Road Network

The Tasmanian Road Network comprises the following infrastructure assets:

TABLE I: Tasmanian State Road Network

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

Notes:

2012/13 additions include Tarkine Drive and Brighton Bypass

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

Area of land revised during 2011/12

Changes by Tas Planning Commission to casements

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

The Road Maintenance Effectiveness (RME) indicators

The Smooth Travel Exposure (STE) indicators

Table 2 shows long term trends in these performance indicators.

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

Measure	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
RME <sup>4.2</sup>	2.9	3.0	3.5	4.1	4.4	4.4	4.4	4.4	4.8	5.5
RME <sup>5.33</sup>	2.6	2.8	3.3	3.8	4.1	4.1	4.1	4.2	4.5	5.2
STE <sup>4.2</sup>	96.6	97.3	97.7	97.5	97.3	97.3	98.1	98.0	98.0	98.1
STE <sup>5.33</sup>	99.4	99.7	99.7	99.4	99.5	99.5	99.6	99.5	99.8	99.8

**Notes:**

- The Road Maintenance Effectiveness (RME) indicator represents the cost (in \$1,000) of maintaining one lane kilometre of the road to a set target roughness condition. The increase over time is caused by maintenance cost inflation.
- The Smooth Travel Exposure (STE) indicator represents the percentage of the network travel undertaken by vehicles (on sealed roads only) with lower roughness than the nationally recognised points of roughness reference (IRI 4.2 and IRI 5.33).
- RME and STE indices are defined by Austroads.
- No roughness survey was conducted in 2012/13; 2011/12 roughness data has been used.

**Pavement Condition Data Surveys**

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

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

**State Road Valuation**

Detailed revaluation of roads was undertaken in 2012/13. At the end of 2012/13, the State road infrastructure was valued at \$4.0 billion.

**TABLE 3: State Road Valuation**

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

**Notes:**

1. Road valuation was reviewed in 2012/13.

PERFORMANCE MEASURE	UNIT OF MEASURE	2010/11 ACTUAL	2011/12 ACTUAL	2012/13 ACTUAL	2013/14 TARGET
Rail Safety compliance audits completed within agreed audit timeframes	%	100	100	100#	100#
Increasing the number of Local Government Community Road Safety Partnerships <sup>1</sup>	Number	27	29	29	29
Motor Registry System availability	%	99	99	99	99
Transport Enquiry Service – percentage of calls answered	%	97	95	93	95
Vehicles found to be unregistered of those checked*	%	.72	00.62	0.62	0.50-0.75
Heavy vehicles found overweight	%	4.49	4.11	3.74	≤5.0
Linemarking program achieved by the end of the financial year	%	76*	91	67**	100
Blackspot interventions in accordance with the program	%	47**	100	100	100
Wheelchair Accessible Taxis (WATs) licensed	Number	61	63	66	68
Bus contracts qualifying for a capital payment	%	85.7	87.5	92.8	93

1. There are 29 local government authorities in Tasmania.

# This performance measure is for the period 1 July 2012 to 19 January 2013. From 19 January 2013 responsibility for all Rail Safety regulatory functions including compliance audits in Tasmania was transferred to the Office of the National Rail Safety Regulator.

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

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



# Output Group 2 Energy Advisory and Regulatory Services

Photo by: Christie Carless  
Gordon Dam

Overview

Performance Information - Output Group 2  
Report of the Director of Energy Planning

## Overview

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

The Office of Energy is guided by the Tasmanian Government's four high level objectives for energy in Tasmania:

1. Tasmanian consumers enjoy the lowest energy bills consistent with the other objectives below;
2. Sustainable, safe, secure, reliable supplies of energy;
3. Maximum value from Tasmania's low carbon advantage and the brand benefits of clean Tasmanian electricity;
4. Efficient and successful state-owned electricity businesses that maximise the overall economic benefits to Tasmania.

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;
- representing Tasmania's interests in national energy market developments;
- helping to maintain an efficient and effective regulatory structure for Tasmanian energy;
- ensuring there is an adequate degree of planning and coordination for Tasmanian energy;
- working with other agencies (mainly in Premier and Cabinet, for example the Office of Climate Change, Treasury, and Economic Development), supply side entities, consumers and consumer organisation representatives and the Office of the Tasmanian Economic Regulator;
- contributing to, coordinating or leading energy-related tasks required of the public service, including ensuring there are adequate arrangements in place in case of supply

disruptions;

- monitoring the energy supply situation in Tasmania and providing advice on the management and mitigation or risks to the Director of Energy Planning (see Report of the Director of Energy Planning); and
- managing any special tasks or programs assigned to it by Government.

## Achievements against Priorities for 2012-13

OEPC achievements in 2012/13 included:

- Continued support to the Standing Council on Energy and Resources (SCER), the Senior Committee of Officials (SCO), and the Council of Australian Governments (COAG) in the area of national energy market reforms, and advancing Tasmanian interests in such reforms. One of the milestones in these reforms was the passage through the South Australian Parliament of the legislation to give effect to the National Energy Customer Framework. Another was the introduction of legislation to ensure the long term interests of consumers remain paramount during any appeals on regulatory decisions.
- Providing Tasmanian-specific feedback on reviews and rule changes conducted by the Australian Energy Market Commission (AEMC). Current work program includes identifying best practices in retail price regulation, setting reliability standards for networks, improving demand side response capabilities, managing congestion in transmission networks, co-optimising investment in generation and transmission, and reporting on retail price drivers.
- Compiling reliable historical data and developing a capacity for analysis of supply and demand of energy in Tasmania.
- Reviewing supply risk management plans and supply emergency preparedness in conjunction with electricity and gas industry participants and other relevant stakeholders, and undertaking similar planning for petroleum products.
- Updates to the Gas Act Codes and starting a project (with Workplace Standards Tasmania) to restructure and streamline various Acts relating to regulation and safety of natural gas in Tasmania.

- Completing the *Tasmanian Oil Price Vulnerability Study*.
- Management of Round 2 of the Renewable Energy Fund – King and Flinders Island.
- Distribution of more than 28,000 copies of the “*Save Energy, Save Money*” residential energy guides.

For a high level overview of energy developments affecting Tasmania in 2012-13, see the report of the Director of Energy Planning below.

### Special Tasks and Priorities in 2013-2014

- Participate in national projects aimed at strengthening the regulatory framework and incentive structures for transmission and distribution networks, with a view to containing costs and prices;
- Remake the Tasmanian Gas Act 2000 and the Gas Pipelines Act 2000 to make them clearer and simpler and to create two new Acts in their place. One will represent the legal framework of rights and obligations for the supply of reticulated natural gas in Tasmania. The other will be concerned with the safety aspects of gaseous fuels.
- Complete the administration of the Renewable Energy Fund – King and Flinders Islands.
- Continue to improve the preparedness to deal with any large scale supply emergencies in electricity, gas or petroleum products.
- Assist Treasury with the Tasmanian Energy Reforms.

### National Energy Market Reforms

The creation of national markets for electricity and gas has produced a more competitive and efficient energy industry in Australia. The reform process is continuing.

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

### Energy Security

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

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

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

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

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

### Energy Supply Emergency Response Planning

OEPC supports the Minister in meeting his responsibilities for electricity, natural gas and

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

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

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

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

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

National exercises to test responses to gas supply shortages are run annually by the National Gas Emergency Response Advisory Committee

(NGERAC) on which the OEPC represents Tasmania. A number of projects have started as a result of the exercises, including changes to the National Gas Emergency Procedures. NGERAC has representatives from the Australian Government, the State and Territory Governments and the natural gas industry.

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

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

### Energy Efficiency

In January 2012, responsibility for the delivery of the energy efficiency work program, including the NSEE, was transferred to the Select Council for Climate Change (SCCC). The first meeting of the SCCC took place in April 2012. However, less than a year later the SCCC decided it would not meet again and recommended that the energy efficiency agenda be returned to SCER. COAG has not yet considered this recommendation.

At a local level OPEC continued to distribute the "Save Energy Save Money" series of guides to address the gap between general information provided to the community on energy efficiency and more specific information to assist people looking to buy, rent, renovate or build a home to better understand what actions they can undertake to reduce energy use and make their homes more energy efficient. The guides provide useful information that can assist in making homes more energy efficient and comfortable.

### Tasmanian Energy Directory Project

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

Report” published by the Office of the Tasmanian Economic Regulator.

### Renewable Energy Fund – King and Flinders Islands

Electricity on the Bass Strait Islands comes mainly from diesel generators, and is costly to produce and carbon intensive. At the same time the Bass Strait Islands offer excellent opportunities in renewable energy - not only wind energy, but also solar, wave and tidal energy and various forms of biomass.

Tasmanian taxpayers fund most of the costs through a Community Service Obligation payment to Hydro Tasmania and are therefore stakeholders in any improvements that can be achieved.

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

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

The program has been implemented as a contestable grant fund. The first two years of funding were combined to fund Round One. A Selection Panel recommended funding for seven projects, to the value of \$363,496 and these were approved by the Minister on 16 July 2011. The final years of funding were combined to Fund Round Two. A Selection Panel made recommendations to the Minister in July 2013.

### Tasmanian Oil Price Vulnerability Study

The 2010-2011 Budget provided \$250,000 for the Tasmanian Oil Price Vulnerability Study (the Study) to gain a greater understanding of risks to the Tasmanian economy and community from large, sudden or sustained increases in oil prices, and what can be done either now or in the event to manage and mitigate any risks. The task was assigned to the OEPC.

The Tasmanian Oil Price Vulnerability Study was completed in July 2012.

### Legislation in 2012/13

A review of the Gas Act 2000 and the Gas Pipelines Act 2000 (the Acts) is currently underway to clarify and streamline provisions relating to gas safety and the gas supply industry. The Acts were developed to facilitate the safe and efficient roll out of natural gas infrastructure in Tasmania, with one Act focused on distribution pipelines, and the other on transmission pipelines. To this end the Acts have served their purpose. Both Acts contain provisions relating to safety, and provisions relating to the supply industry. Given the current maturity of the natural gas market in Tasmania, it is appropriate to separate out the provisions relating to the supply industry from those relating to gas safety and to ensure existing policy objectives continue to be served by these instruments.

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

### Tasmanian Energy Reforms

As a key part of its electricity reform program outlined to Parliament on 15 May 2012, the Tasmanian Government announced plans to introduce full retail contestability (FRC) for residential customers of electricity from 1 January 2014.

It also announced plans to sell the customers base of Aurora Energy to new entrant retailers, to regulate the wholesale sale of electricity by Hydro Tasmania and to merge Aurora Distribution with Transend Networks.

This is a very substantial reform project. The work program is led by a team in the Department of Treasury and Finance. The OEPC is assisting by the loan of staff and the provision of information on specific issues.



## Performance Information - Output Group 2

Performance Measure <sup>1</sup>	Unit of Measure	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Target
<b>Policy Advice</b>					
Provision of effective support to the Government by providing information and advice to enable informed decision making	Satisfaction	4	4	≥4	≥4
<b>National Energy Market Development</b>					
Promote and protect Tasmanian interests in national energy market developments and reforms	Outcomes	4	>4	≥4	≥4
<b>Emergency Preparedness</b>					
Maintain adequate frameworks to deal with major emergencies in electricity, gas or oil	Adequacy	4	>4	≥4	≥4
<b>Projects and Programs</b>					
Achieve objectives within budget and time frame, achieve sponsor and client satisfaction and comply with all prudential guidelines.	Outcomes	4	>4	≥4	≥4

### Report of the Director of Energy Planning

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

The Minister for Energy appointed me as the Director of Energy Planning in June 2007. I have been assisted in this capacity by the Office of Energy Planning and Conservation (OEPC) in the Department of Infrastructure, Energy and Resources, as required by Section 15 of the Act, and I thank them for their support.

Due to an internal restructure within the Agency, the role of Director of Energy Planning will be transferred on 8 July 2013 to the position of Deputy Secretary – Strategy and Policy, held by Mr Gary Swain.

This is my second period of service in the role as I was also the inaugural Director of Energy Planning. As such I would like to take this opportunity to

reflect on the role itself, and why it was created.

The need arose because of the move to open up Tasmanian energy supply to new entrants, competition and market forces. In turn this meant the relationship between government and the state owned energy companies had to become more at “arm’s length”. However, given the strategic importance of energy to the Tasmania community and economy, it was imperative that the government could obtain accurate information for assessing the overall security, adequacy and efficiency of supply and for promoting the objectives as stated in the Act. This led to the passage of the Act and the creation of the role of Director of Energy Planning. The Act contains a critical information seeking power based on a similar provision in the Energy Coordination Act 1994 of Western Australia. In a formal sense it is exercised very infrequently as awareness of its existence promotes compliance with its intent. In my view this has underpinned a culture of effective communication from participants in the industry on important energy issues.

#### Overview

There are many significant developments affecting the Tasmanian energy industry in 2012/13.

As a key part of its electricity reform program outlined to Parliament on 15 May 2012, the Tasmanian Government announced plans to introduce full retail contestability (FRC) for residential customers of electricity from 1 January 2014. It also announced plans to sell the customer base of Aurora Energy to new entrant retailers, to regulate the wholesale sale of electricity by Hydro Tasmania and to merge Aurora Distribution with Transend Networks.

This is a very substantial reform project and it has received broad support. The work program is led by a team in the Department of Treasury and Finance, headed by Mr Martin Wallace.

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

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

At a national level there is a significant reform agenda by the Standing Council on Energy and Resources (SCER), and endorsed by the Council of Australian Governments, to introduce greater efficiency into energy markets and prevent prices rising higher than necessary. SCER includes the Tasmanian Minister for Energy and Resources.

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

It became increasingly in recent years that such changes were necessary. Substantial increases in electricity prices over several years, right around Australia, fuelled a widespread sentiment that consumers' interests were not being protected as well as they should have been.

Though there were many reasons for the price increases, the chief cause was identified as steep increases in network charges. In turn this was put down to many factors, but one of them was

weaknesses in the new regulatory regime. These are now being addressed.

Having completed the first round of regulation for Australian transmission and networks companies, the AER applied to the AEMC for changes to the way in which it could approach this task in future. This initiative was largely successful and the reforms are now underway.

The Australian Government also made important changes to the resources of the AER and to the way it operates.

At the same time there was a major review into the arrangements for appealing regulatory decisions, and this was carried through to detailed legislative changes by a working group of officials under SCER.

These changes are expected to ensure that the long term interests of energy consumers are kept paramount in the regulatory process.

Meanwhile, within Tasmania, the adequacy, security and reliability of energy supply remained very good throughout 2012-13. This was assisted by reasonable rainfalls and a good performance throughout the supply chain, including Basslink and the multiple sources of energy supply, and the electricity and gas networks.

Other notable milestones for 2012-13 include:

- the completion of the construction of the Musselroe Bay wind farm;
- the introduction of the National Energy Customer Framework (NECF) in Tasmania from 1 July 2012 (this introduced a new set of national laws, rules, and regulations governing the retail sale of energy to consumers); and
- the total number of natural gas connections moved beyond 10 500.

Let me now turn to specific matters related to my list of responsibilities.

### Security of Supply

AEMO scrutinises the electricity and natural gas industries across Australia and publishes documents such as the Electricity Statement of Opportunities, Gas Statement of Opportunities, Power System Adequacy and the National Transmission Network Development Plan. These documents forecast future demand and supply in the various parts of Australia and they also indicate the potential need for investment in either generation or in networks.

These reports indicate that Tasmania has adequate access to electricity and natural gas throughout the timeframes of the reviews (10 to 20 years).

### Energy Performance and Reliability

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

The Office of the Tasmanian Economic Regulator (OTTER) monitors both electricity and natural gas supply reliability and publishes an annual *Energy in Tasmania - Performance Report*. The last report was released on 23 January 2013. It shows that the frequency and duration of outages in the electricity transmission and distribution network were similar to those experienced in previous years, with customers being supplied 99.95% of the time. There were no outages as a result of the lack of electricity generation.

The reticulated natural gas network remains very reliable with very few outages. The System Average Interruption Frequency Index was 0.033 interruptions and the System Average Interruption Duration index = 2.21 minutes.

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

### Risk Monitoring

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

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

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

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

At the end of the 2012-13 financial year, the energy in storage in Tasmania's hydro system was 32.8%, which is lower than where it was at the same time last year. This is largely due to Hydro Tasmania drawing down storages in order to profit from sales of wholesale electricity into the national market levels at good prices on the mainland (see below).

It is worth noting that storage levels are still higher than they were between 2007 and 2010 and that storages levels had been increased in 2011 and 2012 in anticipation of the national carbon price policy.

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

### Supply and Demand

There has been a gradual decline in electricity demand in Tasmania since the global financial crisis in 2008-09. This drop in total electricity consumption is evident across the residential, commercial and major industrial sectors and is attributable to a range of factors including tightened economic conditions, reduced manufacturing activity, improvements in energy efficiency and increased levels of distributed generation (micro solar PV systems).

There has been a significant increase in hydro electricity generation and Basslink exports since July 2012. This is attributable to Hydro Tasmania maximising electricity exports into the more emissions intensive Victorian market in order to take advantage of the carbon pricing mechanism.

Natural gas and wind generation remained steady in 2012/13, while Basslink imports declined significantly. Wind generation will increase as the Musselroe wind farm commences its first full year of production.

### Emergency Preparedness

The OEPC represents Tasmania's interests in the

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

State plans for handling electricity, natural gas or petroleum product supply emergencies are currently being reviewed and updated to ensure their consistency with national plans, with each other, and with other state emergency management plans.

Under National Electricity Market (NEM) arrangements, a Jurisdictional System Security Co-ordinator (JSSC) is appointed in order to provide guidelines in relation to the shedding and restoration of electricity loads in a major supply shortfall. In Tasmania this role is usually assigned to the Director of Energy Planning.

Responsible authorities in Tasmania continue to work on improving the State's preparedness to respond to a major electricity supply emergency. This work is undertaken in conjunction with AEMO and with JSSCs from other States.

It is an AEMO requirement, as the operator of the NEM, to coordinate an emergency exercise annually to test jurisdictional arrangements within the National Emergency Market Emergency Management Forum. Several such exercises were conducted during 2012-13.

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 Advisory Committee (NGERAC). The membership of NGERAC consists of state jurisdictional representatives and a representative of each of the major gas industry associations.

The OEPC coordinated a local exercise to test the arrangements for responding to a hypothetical gas supply shortfall in Tasmania in May 2013.

For liquid fuel emergencies, Energy Ministers signed an Inter-Governmental Agreement in October 2006 which established the National Oil Supplies Emergency Committee (NOSEC) and required the development of a National Liquid Fuel Emergency Response Plan. This plan has recently seen a major overhaul and has been followed by exercises to

test its understanding by relevant officials in each state and territory. The OEPC provides support to me in this area.

## Energy Legislation

A review of the *Gas Act 2000* and the *Gas Pipelines Act 2000* (the Acts) is currently underway to clarify and streamline provisions relating to gas safety and the gas supply industry. The Acts were developed to facilitate the safe and efficient roll out of natural gas infrastructure in Tasmania, with one Act focused on distribution pipelines, and the other on transmission pipelines. To this end the Acts have served their purpose. Both Acts contain provisions relating to safety, and provisions relating to the supply industry. Given the current maturity of the natural gas market in Tasmania, it is appropriate to separate out the provisions relating to the supply industry from those relating to gas safety, and to ensure existing policy objectives continue to be served by these instruments.

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

## Co-ordination on Technical Issues

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

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

## Competition

In accordance with Government policy, competition in electricity retailing has been phased into the Tasmanian electricity in successive tranches of customers since July 2006, starting with the largest customers. The Government phased in contestability of customers to allow a smooth transition to an open market arrangement.

Since July 2006, the following tranches of customers became contestable:

- 1 July 2007, second tranche of customers (consumption in excess of 4 GWh per annum);
- 1 July 2008, third tranche of customers (more

than 75 GWh pa);

- 1 July 2009, fourth tranche of customers (more than 0.15 GWh pa); and
- 1 July 2011, fifth tranche of customers (business customers with consumption more than 50 MWh pa).

As mentioned above, the Government has announced that full retail contestability will apply to all remaining customers from 1 January 2014 and that Aurora Retail customers will be sold to new entrants to facilitate the development of a competitive retail market.

The reticulated natural gas market continues to grow and provides an important element of inter-fuel competition and choice for energy users. More than 42,000 small commercial and residential customers in 43 Tasmanian suburbs and towns have the potential to access natural gas. There are 2 licensed natural gas retailers in Tasmania - Tas Gas Retail and Aurora Energy - both competing for business. Around 10,500 customers have already connected to natural gas.

### Energy Efficiency

Tasmania is an active participant in national energy efficiency policy developments and programs under the National Strategy on Energy Efficiency. Responsibility for oversight of this strategy was transferred from the former Ministerial Council on Energy (now SCER) to the new Select Council on Climate Change in 2012, but it is likely to be transferred back again in January 2014.

Energy efficiency improvements continue to offer cost effective ways of gaining extra benefits from energy consumption or reducing the amount of energy needed, and hence energy bills.

One initiative to help home buyers and householders to achieve this is the "Save Energy, Save Money" series of brochures produced by the OEPC and covering key aspects of what to look for in terms of the likely energy efficiency of a dwelling, and how to adapt lifestyle habits to improve comfort and reduce bills. These are available on-line and at Service Tasmania, and are also being distributed by most Councils and several non-government organisations.

### Renewable Energy

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

Construction at Musselroe Wind Farm is complete and all of the 56 turbines are now fully assembled and connected to the Tasmanian electricity system. At the time of writing this report, activity around Musselroe is focused on testing and commissioning to ensure the components are functioning correctly before any generation to the grid. It is expected that full operation will have commenced by July 2013.

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

Hydro Tasmania is proceeding with its feasibility study for a large 200 turbine wind farm on King Island supplying clean renewable electricity to mainland Australia.

Hydro Tasmania is also continuing the King Island Renewable Energy Integration Project, due for completion by the end of 2013. This will decrease the reliance on diesel powered generation and the associated costs and emissions of this, and will create important learnings for how to integrate a mixture of generation sources into a medium/small grid.

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

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

Lastly it should not be forgotten that around 27% of Tasmanians use firewood for domestic heating. If the wood is grown and harvested sustainably and it is burnt cleanly then it represents a viable, cost effective and ecologically sustainable space heating option for many households.

It is hard to estimate the quantity used but it seems in recent years, to be about 580,000 tonnes per year (about 9 PJ). The number of households using wood for heating has increased since 2008, having fallen sharply between 2005 and 2008, while the use of electricity for domestic heating has remained steady.

## National Energy Market Reforms

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

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

## 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 first State in Australia to reach a level of emissions per capita that is consistent with global environmental sustainability. The State Government has committed to a target for Tasmania to reduce its emission levels by 60 per cent from 1990 levels by 2050.

## Energy Programs Managed by DIER

The 2010-11 State Budget allocated \$1 million over four years to promote clean energy and energy efficiency on King and Flinders Islands and to reduce the costs of diesel based generation. This initiative was assigned to OEPC to manage. The first two years of funds were provided by way of a contestable grants fund in 2012 and the final two years of funding is currently being applied by way of a second round of contestable grants in 2013.

## Conclusion

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



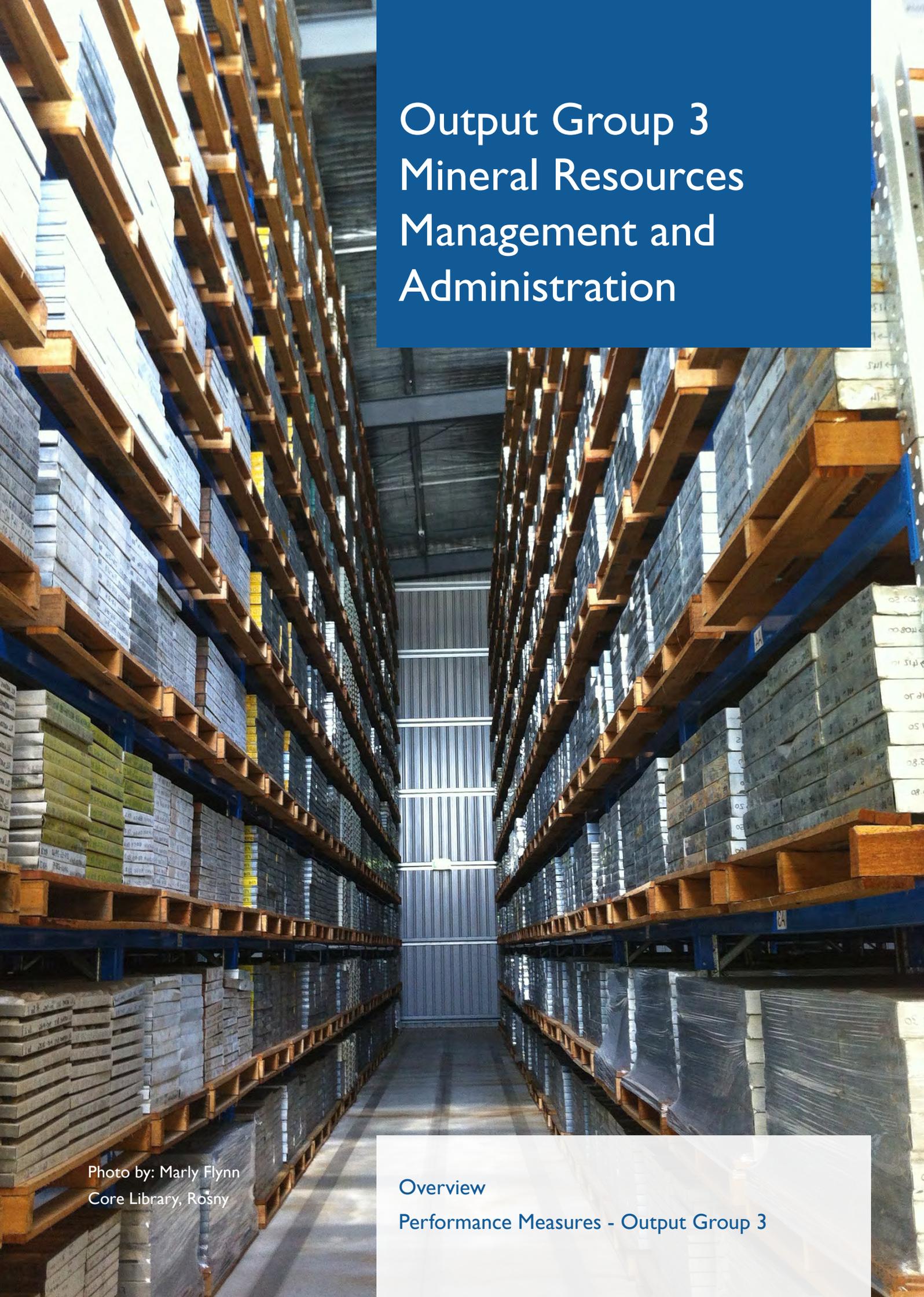
Bob Rutherford

**Director of Energy Planning**



Photo by: Josh Gadd

Tarraleah



# Output Group 3 Mineral Resources Management and Administration

Photo by: Marly Flynn  
Core Library, Rosny

Overview

Performance Measures - Output Group 3

## Overview

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

- Infrastructure development;
- Land management groups for geohazards and construction materials;
- The general public.

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

### Status of Tasmania's Mineral Industry

During 2012-13 many major mines in Tasmania continued to perform favourably with successful exploration programs enabling growth in resources data to support production rates.

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

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

- Iron and iron-tungsten-tin mines in the Mount Lindsay area by Venture Minerals;
- Resumption of tungsten mining on King Island by King Island Scheelite;
- Iron ore in the upper Blythe River area by Forward Mining;
- Tin and copper tailings recovery at Renison Bell by the Bluestone Mines Joint Venture and at Luina by Elementos/Rockwell;
- Tin at Zeehan by Stellar Resources;
- Coal at Fingal by Hard Rock Coal Mining;
- High grade silica at Maydena by Maydena Sands;
- Nickel, cobalt and iron in the Beaconsfield area by Proto Resources and Investments;
- Bauxite, in the midlands and north, by ABX4;
- Gold at Stormont and Mangana by Torque

Mining/BCD;

- Ilmenite at Naracoopa Sands by Dr Allan Bond and Associates;
- Zinc at Averbury by Minerals and Metals Group; and
- Base and precious metals at Burns Park by Mancala.

Recently, Shree Minerals obtained the last of the approvals required to commence the mining of iron ore at Nelson Bay River. Following the revision to funding arrangements, there has been renewed exploration on tenements held by Bass Metals Ltd (base metals) and on tenements held by Tamar Gold Pty Ltd (gold).

There have also been recent exploration successes in and around established mines such as Renison, Henty, Mt Lyell and Rosebery which will support ongoing mining operations.

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

Overall the industry remains in a strong position for the future.

### Mineral Exploration

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

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

Australian Bureau of Statistics data shows that the historically high levels of exploration expenditure recorded in the 2010-11 and 2011-12 financial years (>\$37 million) has been maintained in the 2012-13 year, with \$31 million spent in the first 3 quarters.

However, in common with almost all other jurisdictions in Australia, the March 2013 quarter showed a decrease in expenditure from the previous quarter, from \$10.1 million to \$9.8 million. Tasmania's share of national expenditure increased from 1.2 per cent to 1.5 per cent in the same quarter.

Investment in the search for new deposits was \$4.4 million and at 45 per cent of total exploration expenditure, is the highest proportion of any jurisdiction, and it is exciting for our State to see this level of mineral exploration expenditure. The search for new deposits continues to bode well for the future of the industry.

Ongoing access to land and to up-to-date



### Tenement Licences and Leases

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

Tenement statistics for Tasmania as at 28 June 2013 were:

Tenement Applications Received		
Application Type	2011-12	2012-13 YTD @ 28/06/13
Exploration Licences	29	19
Retention Licences	4	nil
Special Exploration Licences	nil	nil
Offshore Mineral Licences	1	nil
Mining Leases	26	28
<b>Total</b>	<b>60</b>	<b>47</b>

Current Tenements			
Tenement Type	Tenements	Area	Area Units
Licences			
Exploration Licences	180	21,424	Square Kilometres
Retention Licences	33	246	Square Kilometres
Special Exploration Licences	5	18,172	Square Kilometres
<b>Total</b>	<b>218</b>	<b>39,842</b>	<b>Square Kilometres</b>

Offshore Mineral Licence	nil	-	Sub-Blocks
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### Leases

Mining Leases	579	55,761	Hectares
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Note – These statistics are completed by financial year and the numbers themselves are not proportional to the financial investment in that period.

### Revenue from Mineral Resources

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

Revenue from mineral royalties, rents and fees for 2012-13 financial year was \$31.5 million, which saw a \$20.6 million reduction from the \$52.1 million collected in the 2011-12 financial year. The \$31.5 million comprised \$29.5 million in mineral royalties and \$2 million in tenement rents and fees.

The original projection for royalty income was \$55 million; however, due to the impact of production difficulties at two of the major mines, lower than forecast commodity prices, and continued high exchange rates, this target was not met. The 2012-13 figure of \$31.5 million still represents a significant increase from the low of \$4.5 million recorded in 2002-03.

Mineral royalty revenue is expected to improve for the 2013-14 financial year with more favourable

production conditions factored in. Commodity prices are expected to continue to decline marginally with predicted slowing of demand for commodities from China.

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

As part of the 2011-12 State Budget the Government announced that mineral royalties would be increased. Rents and fees were also reviewed as part of the process. On 1 January 2012 all rents and fees increased along with increases in the royalty cap.

Rents and Fees	Pre 1 Jan 2012	1 Jan 2012
Net sales	5.0%	5.35%
Metallic minerals royalty	1.6%	1.9%
Industrial minerals and construction materials	0.60 cents per tonne	0.66 cents per tonne

It was over 10 years since the last major review of royalty rates and five years since the last major review of fees, rents and non-metallic royalties. The community now receive a better return from minerals extracted, whilst also ensuring Tasmania remains competitive with the remaining States.

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



## Rehabilitation of Mining Lands Trust Fund

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

Approximately \$370,000 was spent on the Trust Fund program in 2012-13 across 27 projects including:

- Ongoing remediation of Royal George mine tailings;
- Rehabilitation at the Montana Silver Lead mine near Zeehan;
- Weed control at abandoned mines in the Zeehan area (through the West Coast Weed & Fire Management Group);
- Mine safety work at Dundas, Zeehan, Beaconsfield, Mathinna and Rossarden;
- Preparation for revegetation of former tailings dams at Rossarden;
- Rehabilitation of abandoned quarries near Frankford and Avoca;
- Site investigations in preparation for rehabilitation at the Magnet mine near Waratah;
- Development of a strategic remediation plan for the Dundas Mineral Field near Zeehan.

Some of the available funds were used to respond to unplanned requirements for safety work, such as mine shaft collapses at Rossarden in late 2011, and Zeehan in 2012 and 2013. This ensures a quick response to community concerns.

The Trust Fund has also entered into a partnership with the University of Tasmania to carry out post graduate research to investigate factors affecting revegetation on mined lands. A research project was undertaken at the historic Royal George Tin Mine in 2012. A project is currently underway on the Rossarden mine tailings.

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

## Promotion of Mineral Exploration in Tasmania

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

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

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

In 2012-13 MRT staff undertook promotional activities, which included:

- The Australia-China Mineral Exploration Investment Seminar in Beijing, China as part of the Premier's Trade Mission to China (August 2012).
- Mineral exploration and development opportunities in Tasmania were promoted through a presentation and display at the China Mining 2012 Congress and Trade Expo, which was also heavily promoted by the Australian Government through Austrade and the Australian Embassy in Beijing (November 2012).
- MRT held a display and presented a paper at Mining 2012, Australia's only integrated mining and energy investment forum, in Brisbane, attended by 1,500 people from all over the world (November 2012).
- Participating and presenting at the GSA/AUSIMM Symposium in Strahan, Tasmania, which focused on new advances in scientific methods and how these advances have assisted in the discovery of new deposits as well as extensions to currently known deposits (December 2012).
- Presenting and displaying material at the Tasmanian Minerals Council Business Forum in Launceston (March 2013).

- Travelling to Toronto, Canada to join with Geoscience Australia, and other representatives from around Australia, to promote the Australian mining industry in a "Team Australia" approach at the PDAC 2013 convention (March 2013).
- Sponsoring, presenting and displaying material at the Tasmanian Mineral Council Conference in Hobart (March 2013).

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

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

MRT staff attended the gem and mineral shows in Hobart, Zeehan and Devonport, and presented talks to school, university and community groups during the year.

## Protection of Strategic Extractive Resources

It is imperative that planning processes include the consideration of strategic extractive resources. There has been an increase in cases where planning approvals that would potentially sterilise strategic extractive resources (sand, gravel, and stone) have been made. MRT continues to take an active role in

guiding planning decisions to ensure the protection of these resources. This includes adopting a strategic approach to development of a planning tool that will assist in identifying existing quarries and strategic extractive resources and associated buffers.

### Formal Mediation and the Mining Tribunal

There were 30 objections and 1 appeal received by MRT in 2012-13. Also, one objection was submitted in 2011-12, but was dealt with in the 2012-13 year. The results of these actions were:

- 1 appeal referred to and remains before the Mining Tribunal
- 4 invalid objections received
- 4 objections withdrawn
- 10 objections resolved after informal mediation and
- 13 objections resolved by the tenement holder excising the tenement application from over the objectors land.

### MRT Activities

#### Security Deposits

Ongoing work undertaken with the Environment Protection Authority and mining lease holders has seen an increase in security deposits held by MRT. This significantly reduces the Government's risk from current operations. These deposits are held as a combination of bank guarantees and cash deposits and total \$52.7 million as at June 2013.

#### Drill Core Library

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

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

the influx of more than 18km of drill core.

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

#### 3D Facility

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

#### Geoscientific Information

MRT undertakes significant collection, integration, interpretation, publication and presentation of geoscientific data and information which benefits industry, science and the community. During 2012-13 collection of new geoscientific data, as part of the Western Tasmanian Geoscience initiative, included geological mapping, dating of rocks and collection of gravity, magnetic and radiometric data.

As an example, in April 2013, an airborne geophysical survey, utilising a Robinson R44 helicopter, was flown in the Mole Creek and Meander Valley area. The data acquired by the survey will be used by MRT staff to improve geological understanding of the area with applications including resources, groundwater, soil mapping, land stability, and informing other land use planning decisions.

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

Additionally, MRT consulted and had significant input into the land use decisions made during the TFA given the potential for substantial impact on mining and exploration activities in Tasmania.

During the year a new X-Ray Diffraction (XRD) unit was purchase to replace the 25 year old unit

currently in the MRT laboratories. In addition to supporting geoscience information collection, and in particular the interpretation of HyLogger data, the new XRD will be used for forensic and environmental samples, such as dust and soils.

### Geotechnical Developments (Land stability/Landslide)

MRT has been working with the Department of Premier and Cabinet (DPAC) to produce the first state-wide Landslide Planning Overlay and the first overlay of a series of natural hazards layers.

A draft report on the Parnella Landslide at St Helens, has been distributed for consultation, and contains geomorphological mapping and a review of past investigations and mitigation works.

Consultation and presentations have been delivered to local councils, Parks and Wildlife Service, landowner associations and government regarding the St Helens Landslip area at Parnella, the Boat Harbour Beach Declared Landslip, and the Tarooma Landslide.

### Amendment of Mineral Resources Development Act 1995 Legislation

A number of amendments to the Mineral

Resources Development Act 1995 (the Act) have now been passed by Parliament. The Amendment Bill presented amendments intended to improve the administrative efficiency of the Act and to remedy deficiencies identified within the Act.

The proposed amendments followed from a general review of the Act by MRT in consultation with:

- Department of Treasury and Finance
- Department of Primary Industry Parks Water and Environment
- Workplace Standards Authority
- Local Government Association of Tasmania
- Tasmanian Minerals Council
- Cement Concrete and Aggregates Association
- Several major exploration companies

The Bill was tabled in Parliament on 11 April 2013 and the House of Assembly debated and passed the Bill without amendment on 18 April 2013. The Legislative Council passed the Bill without amendment on 13 June 2013.

## Performance Measures — Output Group 3

Performance Measure <sup>1</sup>	Unit of Measure	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Target
Area covered by modern remote sensing data with subsequent 1:25 000 scale geological mapping coverage <sup>2</sup>	%	74.4	71.5	72.1	71.0
Programmed abandoned mining lands rehabilitation projects completed	%	100	100	100	100

Notes:

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



# Output Group 4 Support for the Minister (Forest Policy)

Photo by: Craig Pitt

[Overview](#)

[Achievements for 2012-2013](#)

[Performance Measures - Output Group 4](#)

## Overview

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

This Output Group is delivered by the Forest Policy Branch and the Policy Reform Unit within the Strategy and Policy Group in liaison with other State and Commonwealth government departments, business enterprises, statutory authorities and external organisations.

## Achievements for 2012-13

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

The major focus of the Branch in 2012/13 was support for the Tasmanian Forests Agreement (TFA) process in collaboration with the Policy Reform Unit. DIER has responsibility for coordination of the Tasmanian Government input into development and implementation of the TFA, including liaison with the Australian Government. In addition DIER is lead agency for many aspects of this work. The main areas of TFA work for the Branch included support to development of the Tasmanian Forests Agreement Bill and Intergovernmental Agreement. Other TFA work included implementation of a number of specific outcomes, such as support for the operation of the Forests and Forest Industry Council and Special Council, development of the Future Reserve Land schedule, Conservation Agreements, sawmill, worker and contractor assistance programs, the World Heritage Area extensions and Forestry Tasmania's project to obtain Forest Stewardship Council certification.

The Forest Policy Branch has a lead role in the coordination across the Tasmanian Government of implementation and reporting of commitments under the Tasmanian Regional Forest Agreement (RFA), and the Tasmanian Community Forest Agreement (TCFA) and for liaison with the Australian Government. Work with the Australian Government on the third five year review of the RFA was delayed pending the outcome of the TFA. Work on development of a new RFA is expected to be a priority in 2013-14.

A major policy focus has continued on the role

that Tasmania's forests may have in assisting the Tasmanian Government to meet its carbon emission reductions target. The Branch collaborated with the Tasmanian Climate Change Office in reviewing developments in international and national climate change policy related to forests and studies to review Tasmania's forest carbon stocks and development of a methodology under the Commonwealth's Carbon Farming Initiative for Tasmania's native forests.

The Forest Policy Branch has contributed to the development of new Tasmanian Aboriginal Heritage legislation and the development of new Tasmanian regional planning schemes, and participated in the Forest Practices Advisory Council, the Vegetation Management Policy Advisory Group, the Tasmanian Biosecurity Committee, the Conservation Compensation Committee and the national Forestry and Forest Products Committee.

The Policy Reform Unit was established in the first half of 2012-13 and became fully staffed with four FTEs in November 2013. It sits within the Strategy and Policy Group that was formed as part of the Agency reorganisation, and funded through internal savings.

The Policy Reform Unit is designed to develop, lead and/or contribute to major policy reforms that are occurring within the responsibilities of the Strategy and Policy Group and the broader Agency.

In its first year, the Policy Reform Unit worked closely with the Forest Policy Unit on implementation of the Tasmanian Forests Agreement 2012, following its signing by the Signatories in November 2012. The Policy Reform Unit took a lead role in the development and finalisation of the legislation to enable the Agreement. This included significant support for the Parliamentary process during the Legislative Council Select Committee hearings in early 2013 and debate on the Bill in the autumn 2013 Parliamentary session.

The Policy Reform Unit has led DIER's coordination role on the Forestry Tasmania Transition Project, working closely with the Forest Policy Branch, Forestry Tasmania and other agencies under the governance framework established by Forestry Tasmania's Shareholder Ministers. The project involves reviewing the business model of Forestry Tasmania in light of considerable market changes that have affected the business' financial position. Achievements in 2012-13 under this Project include the agreement by Government of Forestry

Tasmania ongoing core functions of wood production and managing the land set aside for wood production, and the process to review its remaining functions. A review of the *Forestry Act 1920* also commenced to ensure legislation reflects the outcomes of the project, with the development of legislative changes being a major task carrying over to 2013-14.

## Performance Measures - Output Group 4

### User Satisfaction Survey 2

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

Performance Measure	Unit of Measure	2010/11 Actual	2011/12 Actual	2012/13 Actual	2012/13 Target
Minister	Satisfaction	Satisfied	Satisfied	Satisfied	Satisfied
Agency	Satisfaction	Satisfied	Satisfied	Satisfied	Satisfied

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

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

### Legislation enacted in 2012-13

The *Tasmanian Forests Agreement Act 2013* was passed by Parliament on 30 April 2013 and commenced on 3 June 2013. The Act is enabling legislation to give effect to the Tasmanian Forest Agreement 2012, reached by the Reference Group of Signatories (Signatories) in November 2012. The Act sets out the process and preconditions required to make reserves under the *Nature*

*Conservation Act 2002* of land designated as 'future reserve land', together with a number of industry-related requirements.

The Act was the culmination of significant Parliamentary scrutiny, which included a Legislative Council Select Committee hearing over the early months of 2013, and Parliamentary debate during March and April 2013. A number of amendments were moved by both the Government and independent members of the Legislative Council, and accepted by the Parliament.

While some of these amendments were not strictly in accordance with the Agreement reached by the Signatories, the Signatories have indicated their ongoing support for their Agreement and the Act, noting that implementation actions will require regular durability reporting to Parliament as to whether that support is maintained.



A close-up photograph of a jockey in a pink and yellow silks riding a dark horse during a race. The jockey is wearing a blue helmet and sunglasses, looking down at the horse. The background is blurred, showing other horses and spectators.

# Output Group 5 Racing Policy and Regulation

Overview

Performance Measures - Output Group 5

Statistical Information - Bookmakers

Statistical Information - Licensing and Registration

Handicapping and Grading

Appeals

Photo by: Peter Staples

## Overview

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

### Outputs within this Group include:

- support and provision of policy advice aimed at ensuring that Government requirements and expectations are met in relation to the regulation and integrity of the racing industry in Tasmania;
- registration of racing clubs;
- operation of the Stipendiary Stewards Panel;
- licensing and registration of industry participants and racing animals, as approved by the Director of Racing, pursuant to the rules of racing;
- representing the State and the local racing industry on national bodies and in national forums in terms of racing integrity and related matters;
- handicapping for harness racing and grading for greyhound racing;
- registration and regulation of bookmakers and their agents;

- setting of integrity conditions applicable to Tasmanian race field information publication approvals;
- administrative support for the Tasmanian Racing Appeal Board and the Integrity Assurance Board; and
- administration of and monitoring compliance with legislation.

### Key Clients

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

### How this Output Group is Delivered

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

### How this Output Group's Performance is Measured

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



## Performance Measure - Output Group 5

Performance Measure	Unit of Measure	2010-11 Actual	2011-12 Actual	2012-13 Actual	2012-13 Target
Swabs taken by stewards	Number	3501	3324	3534	3750
Positive swabs to swabs taken	%	0.28	0.42	0.14	0.32
Suspensions, disqualifications and fines imposed by stewards on licensed persons	Number	405	500	444	400
Suspensions, disqualifications and fines appealed to the Tasmanian Racing Appeal Board	Number	10	13	23	14
Appeals to the Tasmanian Racing Appeal Board where conviction quashed	Number	2	1	6	2
Number of Licensed persons <sup>1</sup>	Number		2198	2338	2250
Licence applications not referred to Licensing Panel approved within 14 days	%	98	98	100	100
Appeals to the Integrity Assurance Board	Number	3	4	2	4
Races handicapped <sup>2</sup>	Number	762	802	766	765
Races handicapped requiring a redraw due to errors <sup>3</sup>	Number	1	0	0	0
Races graded <sup>2</sup>	Number	1572	1689	1651	1724
Races graded requiring a redraw due to errors <sup>3</sup>	Number	1	0	0	0

### Notes:

1. This performance measure has been changed from licence applications received to the actual number of persons licensed per annum. This new measure takes into account multiple year licensing which is provided to the greyhound code.
2. The number of races conducted each season is determined by Tasracing.
3. Refers to redraws after publication of fields.

## Achievements

### National Racing Integrity Advisory Group

The National Racing Integrity Advisory Group was established at the May 2012 Australasian Racing Ministers' Conference. The group comprises state and territory representatives as well as chief executives of national controlling bodies. Tasmania is represented by the Director of Racing.

The Group takes a high-level approach to racing integrity through the sharing of information and intelligence, reviewing key integrity issues

and developing key relationships with racing and sporting bodies, as well as law enforcement agencies nationally and internationally.

At the April 2013 Australasian Racing Ministers' Conference, the Director of Racing provided a presentation which outlined the Group's deliberations on such matters as:

- the structure of appeal bodies throughout Australia;
- a co-ordinated approach to prohibited substances;

- the regulation of unlicensed persons; and
- Memorandum of Understanding with law enforcement agencies.

The Group is recognised as an important mechanism with respect to the strengthening of integrity standards through the sharing of data and experiences. Whilst Australia is seen as a leader in integrity standards on the international racing scene, it needs to continue to address current and emerging issues through the sharing of intelligence and information by the leaders in this field of endeavour.

### **Stewards' Training**

In June 2013, RST hosted its second annual Stewards' Training Day. This day is designed to enhance the skills and knowledge of stewards to ensure the ongoing provision of best practice integrity to the racing industry. The majority of full time and casual stewards were in attendance and presentations were provided by:

- Sal Perna (Racing Integrity Commissioner for Victoria);
- Dr Eliot Forbes (CEO Tasracing);
- Various Tasmanian Industry Groups; and
- The Director of Racing.

In addition to this annual training event, RST also provides training opportunities for stewards through an interstate stewards' exchange program. This program enables RST stewards to work at interstate race meetings to further their knowledge and experience.

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

### **Greyhound Grading, Licensing and Registration System**

In August 2012 RST implemented the new greyhound OzChase system, which is a joint venture between Racing Wagering Western Australia (RWVA) and Greyhound Racing New South Wales (GRNSW). The system provides an upgraded operating environment for the registration, licensing and grading of greyhounds and participants. It is anticipated that most states and territories will be utilising the new Ozchase system by December 2013. As more jurisdictions come on line the functionality of the system will

continue to be improved which will provide an enhanced ability for participants to transact their business electronically with RST.

### **Investigation Steward**

During 2012 the Director of Racing undertook a review of the operations of the integrity functions of RST. This review was undertaken to ensure that RST continues to be proactive in relation to the delivery of integrity services to the Tasmanian Racing Industry. The main outcome of the review was a strengthening of the stewards' functions by the creation of an investigation stewards role. This outcome was consistent with trends in other jurisdictions with an increased focus on non raceday activities such as stable and kennel inspections, surveillance and form and betting analysis.

The successful applicant for the new role commenced duty in January 2013 and provides high level support to the Director of Racing and the Chairman of Stewards for the three racing codes.

### **National Conference Hosted by Tasmania**

RST hosted the National Greyhound Chief Stewards' Conference in April 2013 in Launceston. The members currently meet yearly to deal with issues such as national rule changes, animal welfare, prohibited substances, betting trends and appeal decisions.

The guest speaker at the conference was Mr Tom Cox, Chairperson of the Tasmanian Racing Appeals Board.

The conduct of national conferences provides a valuable forum for delegates to exchange information on current and emerging issues, to obtain consensus on rule change recommendations and to achieve a consistent national approach to the enforcement of rules.

### **Greyhound Identification Cards**

Greyhound controlling bodies have historically used a Greyhound certificate as the primary identification tool. However, with developments in technology such as microchipping and new computer systems, an opportunity was identified at a national level to streamline the identification process.

As such, it was determined by all jurisdictions that greyhound registration cards be introduced from 1 January 2012 with the production of registration certificates phased out by 31 December 2012.

Production of registration cards commenced in Tasmania on 1 June 2013. The new cards, which are electronically produced and compact in size, contain the key integrity details of the greyhound

including identification data such as microchip number and distinguishing features. The industry has been supportive of the new system.

## Statistical Information - Bookmakers

### Bookmakers Registered

Racing Year	Individual Bookmakers Registered	Bookmaking Operations (including partnerships)	Bookmaker's Agents Registered ^
<b>Total Telephone Betting endorsements</b>			
2009/10	18*	16	14
2010/11	15*	13	8
2011/12	13*	13	13
2012/13	10	10	11

\* Including one company registration

### Bookmakers' Holdings

	2011/12 (1/7/11-30/6/12)	2012/13 (1/7/12-30/6/13)	Variation
No of Race Meetings where bookmakers fielded	181	157	-13%
Local Holdings	\$2,010,294	\$1,574,500	-22%
Mainland Holdings	\$206,095	\$168,886	-18%
Total Holdings	\$2,216,389	\$1,743,386	-21%

## Statistical Information - Licensing and Registration

### Licences Issued

	2010/11 (1/8/10-31/7/11)	2011/12 (1/8/11-31/7/12)	2012/13 (1/8/12- 31/7/13)
<b>Thoroughbred</b>			
Trainer (All Categories)	115	125	117
Jockey (All Categories) inc:	67	73	80
- Jockey A (Interstate Resident)	43	46	46
-Apprentice Jockey	8	9	10
-Jockey A (Tasmanian Resident)	16	18	24
Trial Rider (New category)	25	21	17
Riders' Agent	1	3	1
Stable Employee (All Categories) inc:	317	328	312
-Stable Foreman	22	21	35

-Stable Foreman/Trackwork Rider <sup>^</sup>	15	15	---
-Stable Hand	209	204	277
-Stable Hand/Trackwork Rider <sup>^</sup>	71	88	---
Trackwork Rider	11	7	128
Farrier (including restricted plating)	29	31	30
<b>Harness+</b>			
Trainer	118	114	101
Driver	45	55	48
Trainer /Driver	94	99	97
Stablehand	148	134	135
<b>Greyhound</b>			
Trainer (All Categories) inc:	196	206	212
-Trainer Public	121	128	133
-Owner/Trainer	75	78	79
Owner	120	148	165
Owner/Attendant	77	93	103
Attendant	39	46	48
Catcher	20	29	28
Syndicate	13	17	23
Syndicate Member	46	62	89

<sup>^</sup> Due to the introduction of a new database recording of these dual categories is no longer available. Each licence category is recorded separately.

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

### Registrations Processed

	2010/11 (1/8/10-31/7/11)	2011/12 (1/8/11-31/7/12)	2012/13 (1/8/12-31/7/13)
<b>Harness</b>			
Namings	159	168	169
Breeding Services	139	99	82
<b>Greyhound</b>			
Namings	289	341	340
Breeding Services	102	102	102

## Handicapping and Grading

### Handicapping of Harness Racing

	2010/2011 (1/8/10-31/7/11)	2011/12 (1/8/11-31/7/12)	2012/2013 (1/8/12-31/7/13)
Race Meetings Held	93	93	91
Races Run	762	802	766
Nominations Processed	9380	9777	9269
Number of Starters	7575	7930	7197
Average Starters Per Race	9.94	9.89	9.40
Average Starters Per Meeting	81.45	85.27	79.08

### Grading of Greyhound Racing

	2010/2011 (1/8/10-31/7/11)	2011/12 (1/8/11-31/7/12)	2012/2013 (1/8/12-31/7/13)
Race Meetings Held	156	162	159
Races Run	1572	1689	1651
Nominations Processed	18331	19170	18396
Number of Starters	12268	13173	12909
Average Starters Per Race	7.80	7.84	7.82
Average Starters Per Meeting	78.64	82.6	81.19

## Appeals

### Tasmanian Racing Appeal Board

	2010/2011 (1/8/10-31/7/11)	2011/12 (1/8/11-31/7/12)	2012/13 (1/8/12-31/7/13)
<b>Notices of Appeal Lodged:</b>	<b>10(2)</b>	<b>13(1)</b>	<b>23</b>
- Thoroughbred	3	3(1)	7
- Harness	7	7	10
- Greyhound	0	3	6
<b>Appeals – Major#</b>	<b>6(2)</b>	<b>6</b>	<b>5</b>
<b>Appeals - Minor</b>	<b>3</b>	<b>7(1)</b>	<b>18</b>
<b>Appeals Withdrawn</b>	<b>0</b>	<b>1</b>	<b>4</b>
<b>Appeals Pending</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b>Appeals not within Jurisdiction / Incompetent / Invalid</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>Appeals Determined</b>	<b>8(2)</b>	<b>12(1)</b>	<b>18</b>
- Allowed in full (conviction quashed)	0(1)	1	6

- Allowed in part (penalty reduced, increased or varied)	5(1)	4	4
- Dismissed	3	7(1)	7
- Referred back to stewards	0	0	1
<b>Applications - Stay of Proceedings:</b>	<b>4</b>	<b>10</b>	<b>11</b>
- Granted	3	7	11
- Declined	1	3	0
<b>Legal Representation/Advocate at Appeal Hearings</b>			
- Stewards	3	2	0
- Appellant	5(2)	6(1)	9
<b>Appeal Deposits Withheld</b>	<b>8(2)</b>	<b>9</b>	<b>18</b>
- in full	0	0	0
- in part <sup>^</sup>	8(2)	9(1)	12

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

# 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.

<sup>^</sup> As at 1 January 2009 mandatory forfeiture of deposits apply.

## Integrity Assurance Board

	2010/2011 (1/8/10-31/7/11)	2011/12 (1/8/11-31/7/12)	2012/13 (1/8/12-31/7/13)
<b>Notices of Appeal Lodged:</b>	<b>3</b>	<b>4</b>	<b>2</b>
- Thoroughbred	1	1	0
- Harness	0	1	1
- Greyhound	2	1	1
- Betting Dispute	0	1	0
<b>Appeals Pending</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Appeals not within Jurisdiction / Incompetent / Invalid</b>	<b>0</b>	<b>2</b>	<b>0</b>
<b>Appeals Determined</b>	<b>3</b>	<b>2</b>	<b>2</b>
- Upheld	2	1	0
- Dismissed	1	1	1
- Varied	0	0	1
<b>Legal Representation/Advocate at Appeal Hearings</b>			
- Director of Racing	0	0	0
- Appellant	2	1	2
<b>Appeal Deposits Withheld</b>	<b>2</b>	<b>1</b>	<b>2</b>
- in full	0	0	0
- in part	1	1	2

# Output Group 6 Transport Subsidies and Concessions

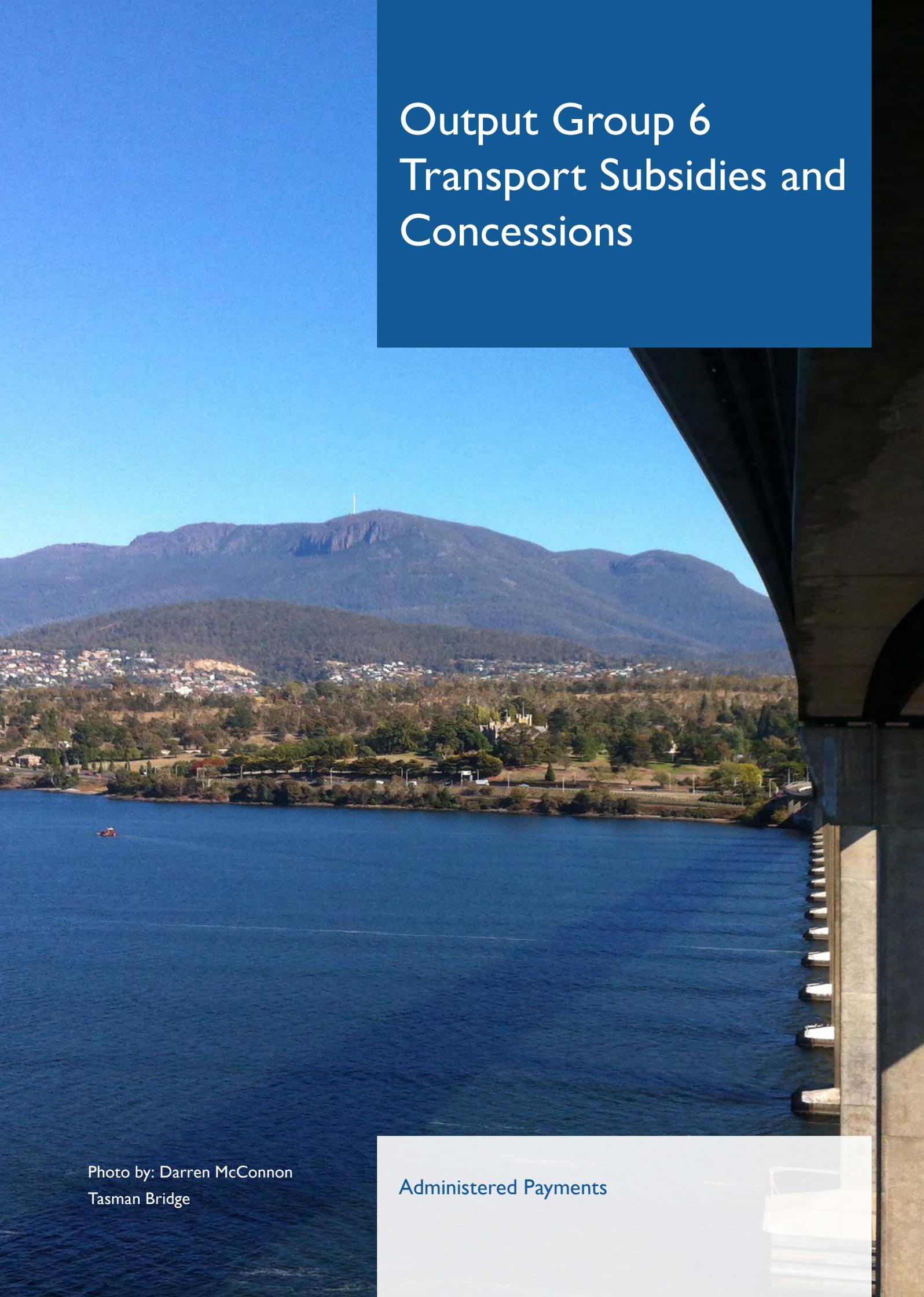


Photo by: Darren McConnon  
Tasman Bridge

Administered Payments

## Metropolitan Public Transport Services

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

## Non-Metropolitan Public Transport Services

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

## Rural and Special Needs School Buses

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

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

## Bruny Island Ferry Service

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

## Furneaux Shipping

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

the standard of shipping facilities in the Furneaux Group.

## Administered Payments

### Contribution to Marine and Safety Tasmania

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

### Conveyance Allowance

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

### National Transport Commission (NTC): Local Government Contribution

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

### Payments on Behalf of the Forest Practices Authority

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

### Student-Only Regular Passenger Transport Services

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

### Pensioner Air Travel Subsidy

Aged pensioner residents of the Bass Strait Islands are entitled to an air fare subsidy when travelling

between the Bass Strait Islands and Launceston or Hobart.

### Private Forests Tasmania

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

### Tasmanian Racing Assistance

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

### Transport Access Scheme

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

### Tasmanian Railway Pty Ltd

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

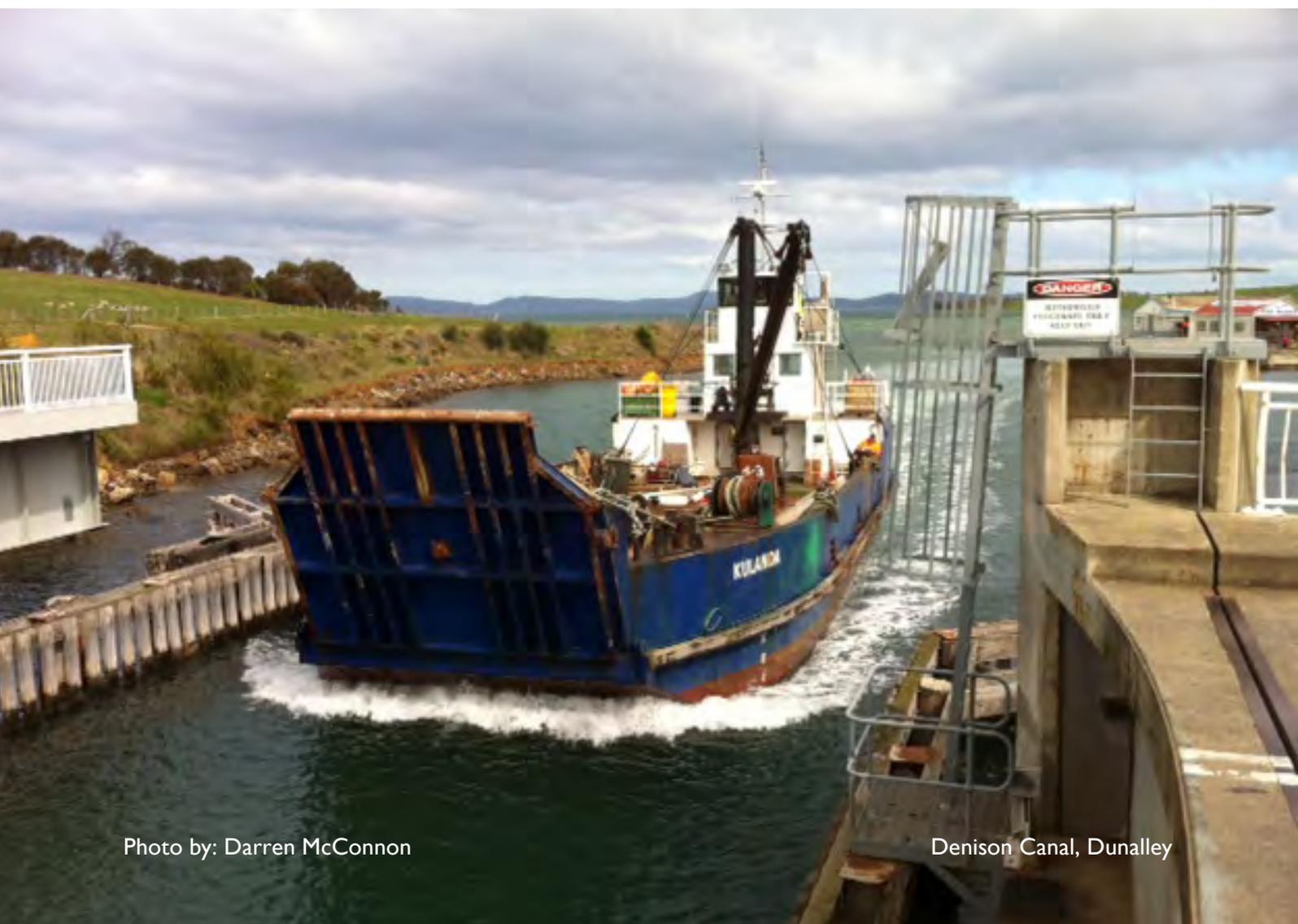


Photo by: Darren McConnon

Denison Canal, Dunally



Photo by: Craig Pitt

Report of the Rail Safety Regulator  
The Abt Railway Ministerial Corporation (West Coast  
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# Report of the Rail Safety Regulator

## Purpose

Up to 19 January 2013 regulation of rail safety in Tasmania was administered under the *Rail Safety Act 2009* (the Act). This report presents a summary of regulating activities for the period 1 July 2012 to 19 January 2013.

Section 149 of the Act requires that:

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

On 20 January 2013 the Rail Safety Act was repealed and the Rail Safety National Law (Tasmania) Act 2012 commenced. As a result, all rail safety regulatory functions were assumed by the National Rail Safety Regulator from that date.

## Rail Safety Regulator

Having been the Administering Authority under the repealed *Rail Safety Act 1997*, I was appointed as the Rail Safety Regulator by virtue of section 174 of the *Rail Safety Act 2009* on 24 November 2010.

I am supported by the Rail Safety Unit within the Department of Infrastructure, Energy and Resources (DIER).

My functions as Regulator (as per section 148 of the Act) are to:

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

education and training in relation to rail safety; and

- monitor, investigate and enforce compliance with the Act and the regulations.

Rail safety regulation in Australia is based on a co-regulatory model. Under this model, the Rail Safety Regulator does not approve or certify implementation of risk control or reduction but has an oversight role to review and audit rail safety activities of accredited railways. Rail infrastructure managers and rolling stock operators are responsible for assessing the risks associated with their railway operations and for establishing a safety management system to identify and control these risks.

## Summary of Industry Structure

As at 19 January 2013 there were 15 organisations which held rail safety accreditation in Tasmania. Railways in Tasmania are comprised of:

- Commercial freight network consisting of 632km of railway across the State. Tasmanian Railway Pty Ltd (TasRail) holds accreditation for the management of this railway infrastructure.

There is an additional 211km of non-operational track for which TasRail is also the accredited Rail Infrastructure Manager.

TasRail is the only operator which holds accreditation for the operation of trains (freight only) on this network.

- Rolling Stock Operators providing contract infrastructure maintenance services to TasRail.
- There are a number of tourist and heritage railways which conduct tourist passenger operations on their own track which are not on the main commercial network.

Tasmania has a total of 687 route kilometres of active railway on which an estimated aggregate total of 400,000 km was travelled by trains between July and December 2012. There is a further 211 route kilometres of railway which is classified as non-operational and does not see train services.

## Accreditation

Under the Act, Rail Transport Operators are not permitted to carry out railway operations unless an appropriate accreditation or exemption from

accreditation is held, or the railway operations are being undertaken on behalf of an operator that is accredited or exempt. The Act is applicable to any railway operations undertaken on a railway track having a gauge of 600mm or greater.

During the period 1 July 2012 to 19 January 2013:

- One application for variation to accreditation was approved.
- One operator surrendered its accreditation as a Rail Infrastructure Manager.

## Rail Transport Operators as at 19 January 2013

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

### Accreditation Fees

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

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

### Audit and Compliance

Each year the Regulator develops and implements an annual audit program. The objective of this program is to maintain current knowledge of Rail

Transport Operators' railway operations and their management of risk through the implementation of safety management systems required under the Act.

The program aims to audit every accredited organisation which is active in Tasmania once per year. The Rail Safety Unit conducted seven audits during the period 1 July 2012 to 19 January 2013 in line with the audit program.

The audits identified 10 instances where Rail Transport Operators were not carrying out the content of their Safety Management System which forms the basis of their rail safety accreditation.

## Rail Safety Occurrences

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

The following table outlines the reported notifiable occurrences for the period 1 July 2012 to 19 January 2013 based on the classifications published in the Australian Transport Safety Bureau for publication

in the “Australian Rail Safety Occurrence Data”.

More detailed descriptions of the occurrence categories are contained in the national “*Guideline for the Reporting of Notifiable Occurrences, Occurrence Notification – Standard One (ON-S1)*”.

Data regarding fatalities and serious personal injuries is also provided to the Australian Transport Safety Bureau.

### Summary of Notifiable Occurrences - 1 July 2012 – 19 January 2013

Occurrence	Jul – Dec 2012	1–19 Jan 2013	Total
Running Line Derailments	3	0	3
Running Line Collisions			
with trains	0	0	0
with rolling stock	0	0	0
with person	0	0	0
with infrastructure	0	0	0
with road vehicle	0	0	0
Level Crossing Collisions			
with road vehicle	0	0	0
with person	0	0	0
Load Irregularities	0	0	0
Track Infrastructure Irregularities	15	17	32

## Investigations

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

## Safety Alerts

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

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

- Risks Associated with Hirail Operations (29 October 2012)
- Fatal Accident During Shunting - Rail Accident Investigation Board (UK) (19 October 2012)
- Train Brake Pipe Obstructions – Flexible Airbrake Hose (12 July 2012)

## Education and Awareness

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

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

- Safety obligations and safety management system requirements under the Act.

- Review of audit results and progress towards addressing findings.
- Review of outcomes of incident investigation reports and associated safety actions.
- Management of major projects (for example procurement of new locomotives, new wagons, upgraded train control system, new freight terminal facilities, and infrastructure upgrades).

### National Rail Safety Regulator

This is the last Annual Report submitted by the Rail Safety Regulator under the *Rail Safety Act 2009* which was repealed and replaced by the *Rail Safety National Law (Tasmania) Act 2012* on 20 January 2013. All rail safety regulatory functions are performed by the National Rail Safety Regulator from that date.

Penny Nicholls  
Rail Safety Regulator



Photo by: Joe Shemesh

Abt Railway

## The Abt Railway Ministerial Corporation (West Coast Wilderness Railway)

### Management

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

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

Section 31 of the Act requires the Minister to make a report to Parliament on the activities

of the ARMC within four months of the end of each financial year. Section 31 also provides that the report may be by statement in an annual report from an agency for which the Minister is responsible.

By Administrative Arrangements Order (No. 2) 2010, the Minister for Infrastructure assumed responsibility for the ARMC and is able to delegate the functions and powers pursuant to Section 8 of the Act. The Secretary, General Manager, Transport Infrastructure Services Division and Director Operations, Department of Infrastructure Energy & Resources (DIER) have delegations under this provision.

### Background

The railway was constructed in the 1890s by the Mt Lyell Mining and Railway Co Ltd to transport ore

from its Queenstown mine to Macquarie Harbour, for export by ship. Increased maintenance costs and improved road transport to the North-West of the State made road transport of the ore a more cost effective option and the railway was closed in 1963.

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

In August 2002, ARMC leased the railway to Federal Holdings Tasmania Pty Ltd (FH) for a term of twenty years, with extension options. FH traded as West Coast Wilderness Railway (WCWR), which was the accredited operator of the railway.

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

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

The WCWR undertook all the maintenance of locomotives and rolling stock in the Carswell Park workshop. The site includes engineering, carpentry and painting shops, along with staff and administrative facilities.

### The Abt Railway Ministerial Corporation

The ARMC owns most of the physical assets including land, buildings and plant, track infrastructure, 39 bridges, three Abt steam locomotives, two diesel locomotives, carriages and various other rolling stock items.

Administration of the ARMC's functions and responsibilities was undertaken by staff within the Transport Infrastructure Services Division of DIER, along with engagement of consultants for technical advice.

The ARMC received rental income from WCWR for the lease of its assets, the funds being held in

the Abt Railway Trust Fund.

### End of Lease by Federal Holdings

On 4 February 2013, the Federal Group announced a commercial decision to cease operation of the railway before the end of the lease period. Negotiations of appropriate surrender terms and conditions were agreed between the parties and the lease was surrendered on 30 April 2013 and passenger services were suspended at this date.

During the interim period, Federal and State governments committed to provide funds for rehabilitation of the rail asset and employment of key WCWR staff by the ARMC to ensure continued operation in the future. The ARMC applied for and received accreditation from the National Rail Safety Regulator to undertake a rehabilitation role, thus enabling the WCWR to continue rail maintenance activities while another operator is sought. The ARMC continues to operate the railway as WCWR.

The funding will allow the ARMC to undertake track infrastructure rehabilitation along with the upgrading of facilities to ensure compliance with present workplace requirements. The scope of works is presently being finalised, along with an Expression of Interest process to identify and engage a new operator. Options for the operating business model of the railway are also being considered for re-commencement of passenger services later in 2013.

### Other Issues

- In early June 2013, a rail safety incident occurred on the railway when two road rail vehicles collided, resulting in a WCWR employee being seriously injured along with several others being hurt. The incident has resulted in significant reconsideration of the safety management systems and other workplace processes. The Office of the National Rail Safety Regulator has prohibited use of road rail vehicles on the railway until safety issues can be adequately addressed.
- As previously reported, the two road/rail crossings in Queenstown were decommissioned in 2011 due to problems with tampering of track hardware. When passenger services resume, it is intended to implement a remote system controlled by the locomotive crew to remove the risk of further service interruption.

# Corporate Services

## Overview

### 'Quality Today, Creating Value for Tomorrow'

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

The Division's key objectives are:



## The Year in Summary

While continuing to support the Agency to deliver our programs and key activities, the team worked on supporting the business improvement program of the Agency in providing new frameworks and systems to meet changed business requirements and support organisational change. The key focus areas for the Division's activity and achievements are described below.

### Business Improvement

The Division continued to work together with our partners to develop business improvement opportunities by delivering the following:

- improving customer service practices by plain English on the Registration and Licensing internet site;
- through business partnering achieving integrated business efficiencies by reviewing our business processes e.g. legislation review and implementation; Right to Information; and
- building on existing projects to inform and empower employees and customers.

### Managing Information Improvements

The Information Management Branch (IMB) of the Division is responsible for the management, procurement and maintenance of a significant amount of corporate Information, Communication and Technology (ICT). During 2012-13, IMB delivered:

- *DIER ICT Strategy 2012-2016*: Almost everything DIER does involves ICT or spatial services in one form or another. The DIER ICT Strategy 2012-2016 sets DIER's vision for ICT direction and guides current and future decisions on the selection and deployment of ICT within DIER. It has been developed within the broader context of the Tasmanian Government's ICT Strategy.
- *'Dark Fibre' Connectivity*: The adoption of 'dark fibre' technology between DIER's data centre and business units allows has allowed improved technologies and the faster transfer of data between sites. 'Dark fibre' connectivity has been extended to the Minerals Resources Tasmania offices at Rosny Park and the Mornington core store (used for DIER off-site data tape library).
- *TRIM Rollout and Upgrade*: The DIER corporate information management system (TRIM) continues to be rolled out to support DIER's business improvement initiatives. These include:
  - Consolidation of DIER corporate information.
  - The continued implementation of workflow processing (web based portal) to improve document tracking at the business unit level for areas such as driver licence medical certificates and Whole-of-Agency processes such as Ministerial requests.

- *Spatial Services Group*: The consolidation of DIER spatial services within IMB has occurred. This has begun to deliver improvements in spatial data collection, storage, management and access along with analytical support and services to DIER's business units. This group will enable DIER to provide better evidence-based information across Government and to the Tasmanian community and allow DIER to access spatial services developed under the Spatial Information Foundation Project (SIF) through DPIPWE.
- *Modern Communications Project*: The replacement of the existing Spectrum (TASINET) telephone services across Government has begun through the Modern Communications (Connect V) Project. Spectrum services will be progressively replaced with Voice-over-Internet-Protocol (VoIP) services. IMB has begun the planning for its introduction into all DIER worksites.

## Communication

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

Communication achievements during the year included:

- The redevelopment of the DIER website has commenced with an emphasis on creating one customer focussed and dynamic portal which will encompass all the key areas of service delivery.

This allows for a high level of adaptability which will provide greater flexibility in responding to changes and new initiatives within the department.

This is a major task with three stages of development which began in early 2013. It will not be fully completed until late 2015. The first stage will concentrate on key areas such as registration and licensing, in particular information pages which attract the highest levels of web traffic. These will be reviewed from a simple English, disability and ease of navigation perspective. A key feature of the new website is that it is being redesigned to meet Web Content Accessibility Guidelines

2.0 AA compliance.

The overall aim will be to improve customer accessibility to information through enhancing existing resources and developing new ones.

The second stage will focus on stakeholder engagement ensuring that our consultation and information provision on issues such as infrastructure projects, and policy development meet the highest level of transparency and accountability.

The third stage will be looking at how we can use interactive or social media technology to improve day to day interaction with our stakeholders. The particular emphasis of this work will be on areas such as traffic management, road safety and direct consultation with specific target audiences.

- A key focus of the branch has been to provide comprehensive communication support for a number of major projects in the organisation. This financial year these include the Tarkine Drive development, Heavy Vehicle Reform, the introduction of Alcohol Interlocks, the Tasmanian Forest Agreement, Safer Non Urban Roads, Variable Speed Limits, the Abt Railway renewal, the introduction of Green Card, the Northern Suburbs Transit Corridor, and School Bus Safety.
- Since late 2012 the Corporate Affairs Branch has provided graphic design services in the organisation, thereby providing across the Agency a consistency of approach, a common framework and a structured brokering facility for any graphic design work engaged externally. This business improvement initiative has achieved a reduced the amount of design work external consultancies currently undertake on behalf of DIER, provides internal consultancy and quality assurance across all divisions of the Department for the delivery of internal and external publications and level of standardisation across DIER, including support of a consistent look and feel for the Department.

## Financial and Resource Management

### Resource Management

The Resource Management Branch is responsible

for budget and resource management within DIER. This includes budgeting and related matters, finance systems administration, facilities management and management reporting on Agency expenditure.

In 2012-13, the focus of the Divisional Plan Deliverables for the Branch included:

- Provide budget management advice and oversight across DIER;
- Manage resource management projects including: Forward Programs, Advanced Workflow, Parliament Square, Accommodation Review and Vehicle Management System;
- Provision, development and maintenance of financial management information and ancillary systems;
- Provide asset management, security and safety services within 10 Murray Street; and
- Provision expert facilities management advice within DIER

Highlights of the achievements of the Branch are:

- Completing financial restructuring tasks associated with changes in the Agency's organisational structure;
- Commencement of a revenue analysis project, aiming to deliver improved revenue forecasting models via the use of multiple data sources;
- Progression towards an integrated vehicle management and booking system;
- Completing a Capital Investment Program internal budgeting and cashflow reforms focussed on increasing data integrity and reducing reliance on external systems;
- Implementing upgrades of financial systems, including rollout of Extract-Transform-Load (ETL) functionality; and
- Implementing and progressing a project that manages the impact from the Parliament Square Redevelopment Project on DIER staff and accommodation.

### Financial Management

The Financial Services Branch is responsible for meeting external financial and taxation reporting obligations, including audited annual financial statements, quarterly reporting to State Treasury as required for input into Whole of Government financial reports, monthly Business Activity

Statements (BAS), annual Fringe Benefits Tax (FBT) return, and a range of regular and ad-hoc requirements. During the year the Financial Services Branch:

- continued development and improvement to financial processes and systems, and sought additional opportunities to utilise electronic interface processing of financial transactions through the Financials system;
- managed insurance matters and public liability claims for the Agency, including policy and process development and advice, and liaison with internal and external stakeholders;
- provided whole of agency procurement policy advice and development in conjunction with the Contract Services Branch of Transport Infrastructure Services Division, including the management of financial delegation processes;
- provided whole of agency financial and taxation advice, taking account of developments and emerging issues arising out of Treasurers Instructions, Auditor General, Australian Taxation Office, Accounting Standards impacts on the Department's business; and
- managed the Department's internal audit program, including planning, liaison, response and reporting to the Risk and Audit Committee.

### Risk Management

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

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

The Department maintains a quality system for the development and maintenance of roads and bridges. This system comprises a significant proportion of the 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.

The Department is a member of the Tasmanian Risk Management Fund (TRMF). The TRMF is a significant mitigation measure to ensure that there is adequate financial provision to insure the risks of the Department.

## Our People

The focus on organisational development initiatives continued to support DIER through the challenges of 2012/13.

### Leadership Development

DIER's Leadership Development Program is in its sixth year of implementation, with around 146 managers and senior executives having participated in the program to date.

The program delivered in 2012/13 had three cohorts with around 66 managers participating overall. The program focussed on four key areas:

- Self awareness and self management
- Leading teams
- Communicating with influence
- Leading change

Participants of the 2012/13 program completed a series of workshops, undertook a number of diagnostic tools, participated in one-on-one coaching and undertook self-directed development activities.

In addition to the 2012/13 cohorts, past participants of the leadership group participated in extension workshops covering revised content introduced into the leadership program during the 2012/13 program.

During 2013, a further cohort of around 25 managers will undertake the leadership development program.

### Management Development

Work is currently underway to extend the current leadership program through the development of a range of management modules. This extension will provide an integrated learning pathway into the Leadership Essentials program for middle managers, team leaders and identified 'up and coming' managers.

The management program, titled Management Essentials, will provide practical knowledge in many functional areas like people and performance management, financial management, managing in government, project management and effective communication. Managers will also gain the skills to move from team members to team leaders/managers enabling them to manage integrated functions and develop teams.

During 2012/13 work was undertaken to develop the program including workshop content and delivery methods. Workshops under the program will be delivered utilising external providers and internal experts, ensuring that participants gain an understanding of the underpinning principles of each module and practical knowledge about how the principles are applied in the DIER context.

The Management Essentials program will be delivered in 2013 as a 'trial' and implemented in an incremented approach. This will allow for testing and evaluation of the program prior to ongoing delivery.

The first modules to be implemented are considered 'core' to all management roles and include:

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

A review will be undertaken with outcomes informing development and implementation of the remaining modules and the ongoing delivery of the program to the Agency.

### Pulse Check

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

Since the 2008 survey, DIER has invested in key areas for improvement focusing on lifting

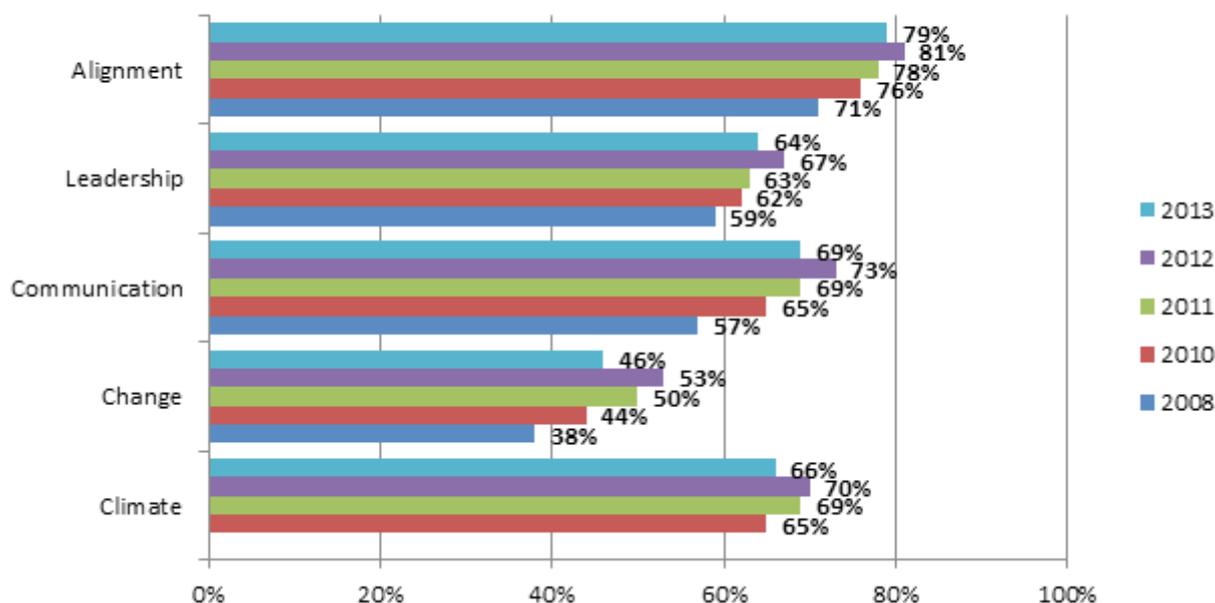
our performance in leadership development, change management, performance development and internal communications while addressing significant budget management challenges.

The 2013 Pulse Check provided an opportunity to monitor progress and improvements since 2008. Overall, DIER received a 67% positive rating across all questions (a positive result required a rating of 4 or 5 out of 5 on the rating scale). This is a slight decrease of 3% from the 2012 survey results;

however are consistent with the 2011 survey results and show an increase of 3% from the 2010 survey and 9% from the 2008 survey. The slight overall decrease in 2013 results may be attributed to the current budget management challenges.

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

**% Satisfaction by Category**  
(responses of strongly agree/agree)



### Performance Management

DIER is committed to creating a culture of high performance where individuals and teams are supported and encouraged to work effectively and productively.

To support a high performance culture DIER developed and implemented a new Performance Management and Development Framework in 2012; titled 'Managing for High Performance' (The Framework).

The Framework supports an integrated approach by aligning the key elements of performance management and development. The framework ensures that:

- the standards of work, values and behaviours expected of employees in undertaking their job are well articulated and understood;

- continuous growth, development and improvement is well supported for teams and individuals; and
- continuous feedback is undertaken whereby performance is recognised and areas for improvement are identified early and actively managed.

Work undertaken to date on the implementation of key elements of the Framework includes:

- Development and implementation of a capability framework supporting a cultural shift to move to behavioural based performance management and the focus that 'how we achieve our work' is as important as 'what we achieve'.
- Development and implementation of ongoing performance management and development cycle and processes supporting the creation

of individual Performance Development Agreements.

- Training needs analysis undertaken of capability development needs identified in the Performance Development Agreements.
- Implementation of a Guideline for Managing Poor and Unsatisfactory Performance ensuring any areas for improvement or emerging issues are actively addressed before they escalate into more serious matters.

Continuous review and monitoring of the key elements of the Framework will be undertaken ensuring that the Framework continues to support the development of a performance culture within the Agency.

DIER's revised Performance Management and Capability Framework aligns and complies with the legislative requirements set out in the *State Service Amendment (Performance) Act 2011* (section 7a); and Employment Direction No. 26 - Managing Performance in the State Service.

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

During the 2012/13 performance management cycle 390 DIER employees participated in the open and review performance conversations, which equates to a 66% participation rate.

This is a slightly lower completion rate when compared with previous years and may be attributed to the implementation and alignment of the new performance management and development cycle over the past twelve months. The new cycle required a significant shift in focus to include identifying success measures for outcomes, key behaviours and capabilities as well as the introduction of an additional review conversation that had not occurred in the previous cycle.

However, it is anticipated that with the successful implementation of the new framework, the participation rates for the 2013/14 cycle will be significantly improved.

An extensive education program for managers and employees to refresh skills and understanding of performance management was undertaken in 2011/12 and 2012/13.

With 19 Executive Group members attending 2 half-day workshops, 81 managers attending a

two day Managing High Performance workshop and 179 employees attending a half day Achieving High Performance workshop. 10 managers also participated in a Successfully Managing Poor Performance Workshop.

Results from the 2013 Tasmanian State Service Workforce Survey indicated that 67% of employees agree or strongly agree that they understood how the Agency's performance management system worked.

Further results from the Tasmanian State Service Workforce Survey indicated that 72.5% of employees agreed or strongly agreed that the performance conversations they had with their manager provided constructive suggestions to improve their performance, while 81% agreed or strongly agreed that they were able to raise concerns regarding their Performance Development Agreement with their manager.

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

86% of employees completing the Tasmanian State Service Workforce Survey agreed or strongly agreed that they knew how their work related to Agency goals and priorities, suggesting that the new performance management and development cycle integrates strategic and operational planning and effectively supports an individual's 'line of sight' between their role and the strategic and operational goals of the Agency.

49% agreed or strongly agreed that the performance management system reinforces the expected behaviours of the organisation. This result should continue to improve with the embedding of the new performance management and development cycle which includes an increased focus around behavioural based performance management.

## Learning and Development

DIER is committed to the continuing development of our people. A range of corporate learning and development activities were provided during 2012/13, with a focus on leadership development, managing high performance and successfully managing poor performance sessions for managers, achieving high performance sessions for employees, orientation sessions for new employees and compulsory workplace health and safety sessions

for both managers and employees.

A training needs analysis of individuals' 2012/13 Performance Development Agreements has been conducted and this information along with Agency identified key development needs will inform the creation of an in-house training calendar for the Agency ensuring a co-ordinated and effective approach to learning and development activities and the best use of training budgets and resources.

In addition, six individual areas completed team building workshops with their teams. These workshops were initiated and provided as a direct result of the Leading Teams module in the Leadership Development Program.

During 2012/13, three employees were supported through the Study Assistance Program receiving study leave and/or financial assistance. Sponsorships were provided for one employee to attend the Public Sector Management Program and one employee to participate in the Tasmanian Leaders Program.

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

### Change Management

DIER is seeing an increase in change related projects arising from factors such as the current fiscal challenges facing the Tasmanian State Service, changes in key stakeholder requirements as well as advancing technology.

The Pulse Check Survey results indicated that while DIER had continued to show improvement from the initial 2008 survey results; change management still remains an area for improvement.

A new framework titled 'DIER's Approach to Change' has been developed and implemented during 2012/13. The new approach supports the delivery and success of outcomes by ensuring the effective management of change, enabling DIER to advance as an Agency through the implementation of better change management practices.

### Succession Planning

During 2012/13, the Agency developed a succession planning process to assist in 'building bench strength' to develop our people for critical roles. The process is based on a four phase model; with

phase one involving the identification and analysis of critical and/or key roles across the Agency. This work has commenced with the identification of critical leadership and management roles within the Agency. Further analysis is underway of the skill sets required for these roles. This process will continue to evolve during the next 12 months to ensure that the Agency has an effective and efficient workforce which is capable of leading and delivering on the goals and achieving its purpose.

### Workforce Information and Reporting

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

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

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

During 2012/13 additional analysis was undertaken in relation to the use of personal and carers leave within the Agency. To inform workforce planning requirements for the Agency detailed workforce profiles have been developed to assist Divisions to understand their current workforce and to commence planning for future requirements.



Transport Inspectors

## Workforce Demographics and Employee Number Statistics as at 30 June 2013

### Employees – headcount and full time equivalent

Total number of employees (excluding board members and casuals)	592
Full time equivalent (FTE) employees	506.92

### Employees – by employment type

Permanent	527
Fixed Term	47
Senior Executive	18

### Employees – by employment condition

Full Time	428
Part Time	164

### Employee information – by gender

Males	317
Females	275

### Commencements & Separations

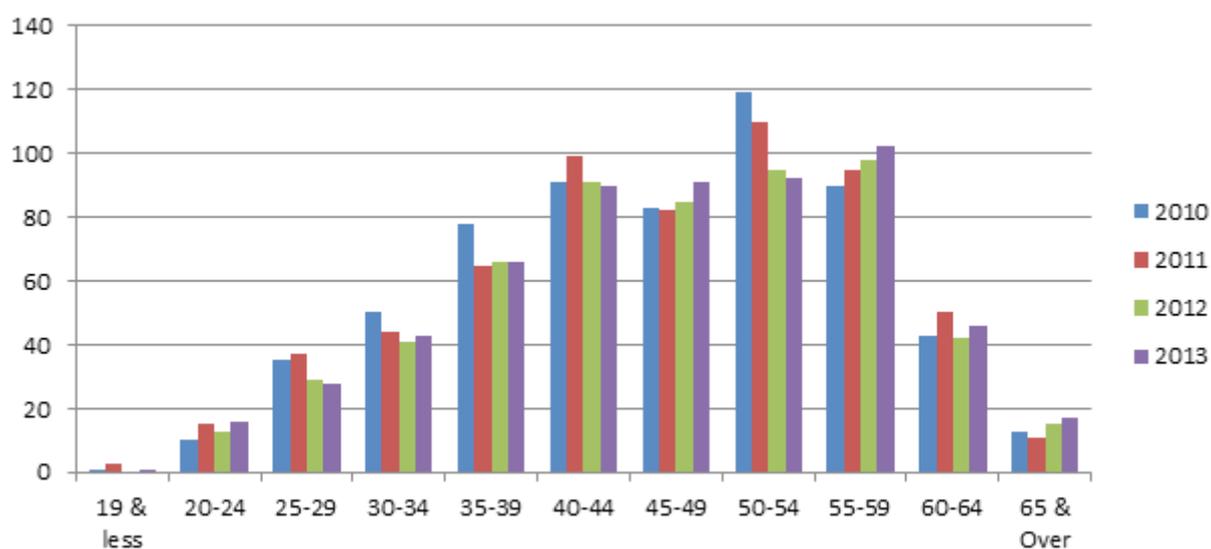
Commencements	78
Separations	61

### Flexible Work Options

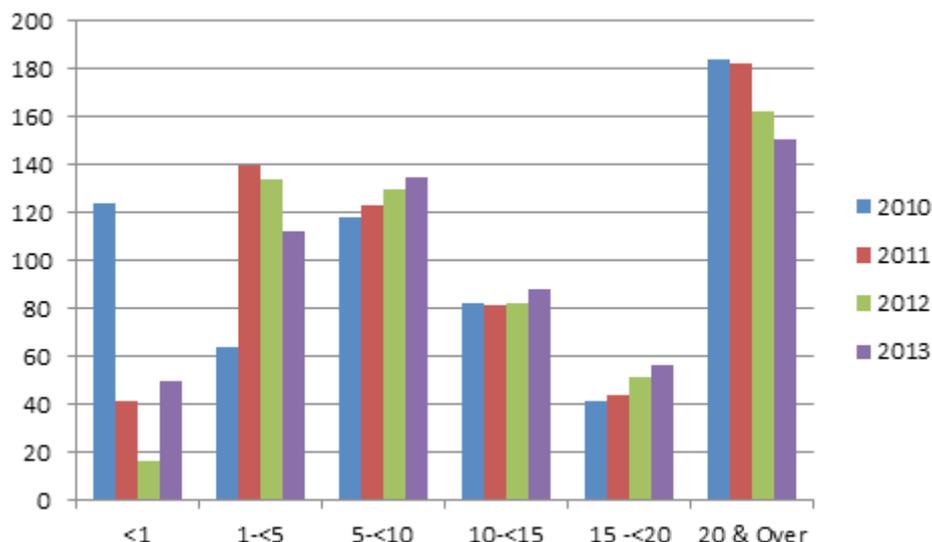
Number of employees who accessed State Service Accumulated Service Leave System (SSALS)	2
Number of employees who accessed State Service Purchased Leave Scheme	48
Number of employees who accessed Maternity Leave	16
Number of employees who accessed leave without pay greater than 20 days	31

Number of part-time employees	164
Number of employees on Phased in Retirement plan	0

### DIER Age Profile - 30 June 2013



## DIER Length of Service profile – 30 June 2013



### Managing Workplace Diversity

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

The Agency continues to promote a 'Work-Life Balance Framework' to enable employees to maximise flexible working arrangements. During 2012/13, the Agency had one graduate on a fixed term contract as part of the State Service Graduate Program for People with Disabilities. The Agency continues to participate in the Tasmanian Government Workplace Program for humanitarian entrants and new immigrants, and hosted one refugee during 2012-13. Workplace Behaviour Contact Officers met regularly to discuss trends and issues that arise, and participated in information sessions on health and wellbeing and disability issues and initiatives in the State Service. The Agency is working towards the implementation of the Tasmanian State Service Family Violence Workplace Policy. Initial information has been provided across the Agency, with further roll-out and appropriate training over the next three months.

The Agency will be reviewing its Workplace Diversity Policy and Action Plan during the latter half of 2013.

### Disability Action Plan

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

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

DIER's focus is in the areas of equity, inclusiveness, access, autonomy and non-discrimination and now has a culture of considerable public and workplace accessibility and integrating diversity principles in our policies and programs.

During the 2012-13 financial year, the focus has been on access to services and facilities. DIER has also been working with the State Service Management Office to consider opportunities to increase employment opportunities for people with disabilities across the State Service.

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

#### Access to services

- Continued commitment to the *Disability Standards for Accessible Public Transport 2002 (Transport Standards)*. DIER provided a submission to the Commonwealth's 2012

Review of the Transport Standards, highlighting the State's achievements and continuing concerns with aspects of the Standards.

- Continued implementation of the wheelchair accessible taxi initiative. This includes commissioning a review of the taxi licence release arrangements to identify possible improvements, such as the need to improve the geographic spread of wheelchair accessible taxi services beyond the major urban areas.
- Continued funding of the Transport Access Scheme.
- Continued requirement for, and funding of, accessible vehicles on general access services.
- Continued funding for special needs school services.
- Reviewing the fares and Transport Access Scheme subsidies that apply to wheelchair-reliant people when travelling in wheelchair accessible taxis.

### Access to Facilities

- Improving the access and mobility of people living in Tasmania's rural and regional communities.
- Continuation of a targeted refurbishment of off-bus infrastructure in urban fringe areas, funded from the Passenger Transport Innovation Program.

The refurbishment has improved the accessibility, amenity and visibility of urban fringe off-bus infrastructure at critical locations on the bus network, providing more attractive, better quality shelters and specific infrastructure for passengers with disabilities. Sites with improved accessible bus stop infrastructure include Penguin, Turners Beach, Port Sorell, Shearwater, Longford, Perth, Cressy, Huonville and Geeveston.

### Work-Life Balance Framework

Providing facilitated programs to support employees in achieving a healthy work-life balance has been shown to benefit both work productivity and employee's health and wellbeing. DIER supports and encourages employees to achieve a healthy balance between work obligations and the demands of outside work responsibilities through a flexible work-life balance framework. DIER recognises that the demands on individuals are

different and provide a framework that is flexible and supportive of these differences. DIER's work-life balance framework includes the provision for working flexible hours including different start and finish times, part-time work, promotion of additional leave purchase schemes such as the State Service Accumulated Leave Scheme and the Purchased Leave Scheme, phased in retirement options and working from home.

### Work Health & Safety (WHS)

The Agency continues to have a strong commitment to WHS and is placing a significant focus on the implementation of the new National Model *Work Health and Safety Act 2012* and associated legislation and procedures.

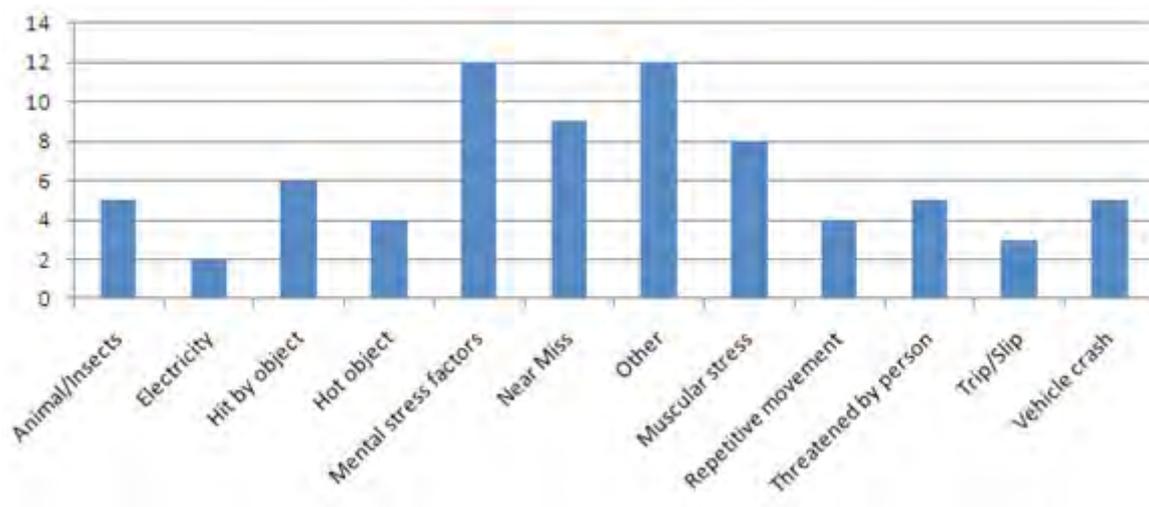
WHS audits have been undertaken across the Agency to provide a snapshot of how business units are managing their safety systems and to provide a benchmark from which future improvement can be measured. A WHS staff survey was also run during this period. The results of the audit and survey have informed a gap analysis that is assisting with the assessment of WHS performance across the Agency and review of the Agency's Safety Management System. As well as Agency actions, each Divisional General Manager has in place an action plan to address identified issues through the audit process.

A review of WHS governance arrangements has been undertaken, resulting in the establishment of a WHS Management Committee that is a sub-committee of the Agency's Executive Group. This Committee is responsible for the effective management and strategic planning of WHS in the Agency.

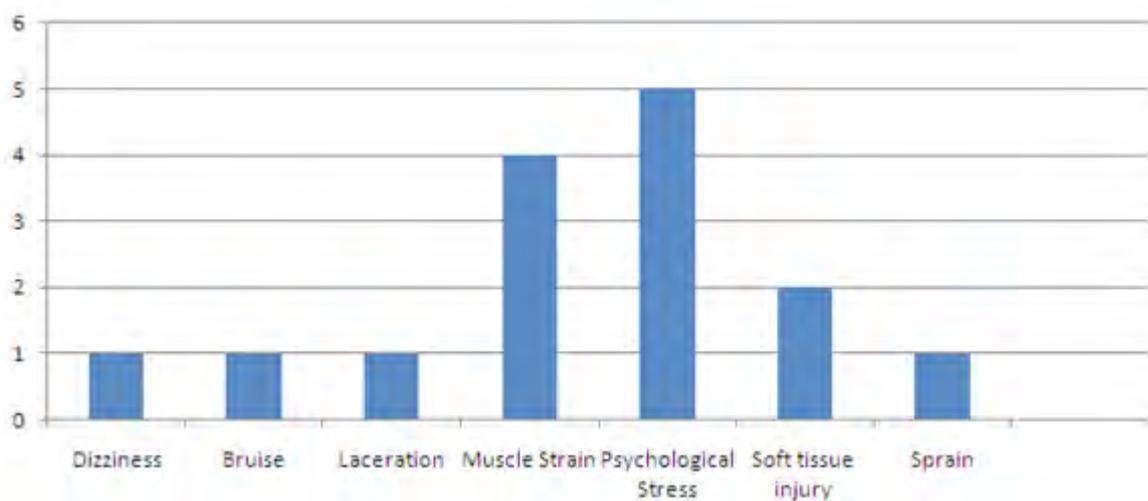
Extensive WHS training has been rolled out across the Agency, with 350 employees and managers trained in the new WHS legislation. A half day workshop was also provided to identified 'officers'. Investigation is underway regarding the potential implementation of an on-line learning system for WHS for new employees and to meet some of the Agency's obligations to provide refresher training for all managers and employees.

## Incident Count & Type

Seventy five (75) incidents were recorded in the 2012-13 period with fifteen (15) resulting in personal injury



## Injury Count & Type



## Employee Health and Wellbeing

The Agency continues to focus on its Health and Wellbeing Program with an emphasis on health promotion and disease prevention and tailored to meet employee needs and business priorities.

The key focus areas for 2012/13 were:

- The delivery of voluntary workplace health assessments for interested DIER employees. 184 employees undertook assessments, with each an individual detailed assessment report and 'life-time' access to an online health portal. The Agency received an aggregated report providing information providing overall results which has assisted in identifying target areas

for the coming 12 months.

- Introduction of a quarterly Health & Wellbeing Newsletter 'Health Bites', made available to all staff via email and the Agency's Health & Wellbeing Intranet site.
- Continuation of the Agency's Health and Wellbeing Committee which met five times during 2012-13.
- Participation in the 10,000 Steps USA Pedometer Challenge, with 97 employees participating.
- Provision of flu vaccinations across the Agency, with 243 employees taking up this offer.

- A review of Health and Wellbeing priorities, including endorsement by the Agency's Executive Group of the key focus areas for 2013-14.

### Workers Compensation

The Agency continues to meet its Workers Compensation legislative obligations. Work also continues on business improvement projects which have resulted in a review of incident reporting, workers compensation processes and the Injury Management Program. The Agency has commenced further work on implementing changes in relation to claims management and injury management processes and documentation.

The key theme is to increase and identify key points of communication and to increase responsibility and awareness across the Agency.

There were a total of 18 new Workers Compensation claims submitted in 2012/13 (compared with 7 for 2011/12) with 12 claims resulting in lost time.

As a result of all managed claims for 2012/13 a total of 2,425.75 lost time injury hours were recorded at a cost of \$77,218.76. The Agency is currently managing 20 claims of varying duration.

The Workers Compensation insurance contribution for 2012/13 was \$136,617 compared with \$208,593 for 2011/12.



Staff Training

# Right to Information Statistics

## Public Authority Details

Status as at 30 June 2013

DIER has responded to a wide variety of requests for releasing information since the new *Right to Information Act 2009* commenced on 1 July 2010, choosing to release much of the requested information actively. The number of refusals for information that is otherwise available, or will become available, reflects this approach. DIER proactively provides information that is significant and of general interest to the public, through its Routine Disclosure Register on the DIER website, which is regularly updated. DIER will continue to focus on actively disclosing information to support the spirit of the *Right to Information Act 2009*.

### Section A: Number of Applications

1. Number of applications for assessed disclosure <b>received</b>	68
2. Number of applications for assessed disclosure <b>accepted</b>	65
3. Number of applications for assessed disclosure <b>transferred or part transferred</b> to another public authority	3
4. Number of applications <b>withdrawn</b> by the applicant	9
5. Number of applications for assessed disclosure <b>determined</b>	53

### Section B: Outcome of Applications

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

1. Number of determinations where the information applied for was <b>provided in full</b>	9
2. Number of determinations where the information applied for was <b>provided in part</b> with the balance refused or claimed as exempt.	9
3. Number of determinations where all the information applied for was <b>refused</b> or claimed as <b>exempt</b>	30
4. Number of applications where the information applied for was <b>not in the possession</b> of the public authority or Minister	5
5. Number of applications where the information was not released as it was <b>subject to an external party review</b> under section 44	0

### Section C: Reasons for Refusal

Number of times where the following sections were invoked as reasons for refusing an application for assessed disclosure.

• <b>s.5, s.11, s.17</b> Refusal where information requested was not within the scope of the Act (s.5 – Not official business; s.11 – available at Archives Office and s.17 – Deferred)	0
• <b>s.9, s.12</b> Refusal where information is otherwise available or will become otherwise available in the next 12 months	30
• s.10, s.19 Refusal where resources of public authority unreasonably diverted	0
• s.20 Refusal where application repeated; or Vexatious; or Lacking in definition after negotiation	0 0 0

## Section D: Exemptions

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

s.25	Executive Council Information	0
s.26	Cabinet Information	1
s.27	Internal briefing information of a Minister	0
s.28	Information not relating to official business	0
s.29	Information affecting national or state security, defence or international relations	0
s.30	Information relating to the enforcement of the law	2
s.31	Legal professional privilege	3
s.32	Information relating to closed meetings of council	0
s.34	Information communicated by other jurisdictions	1
s.35	Internal deliberative information	2
s.36	Personal information of a person other than the applicant	7
s.37	Information relating to the business affairs of a third party	2
s.38	Information relating to the business affairs of a public authority	0
s.39	Information obtained in confidence	3
s.40	Information on procedures and criteria used in certain negotiations of public authority	0
s.41	Information likely to affect the State economy	0
s.42	Information likely to affect cultural, heritage and natural resources of the State	0

## Section E: Time to Make Decisions

1.	Number of requests determined within the following time frames (should also total the number of applications determined as in question A5)	
	1-20 working days of the application being accepted	35
	More than 20 working days of the application being accepted	18
2.	Number of requests which took more than 20 working days to decide that involved an extension negotiated under s.15(4)(a)	5
3.	Number of requests which took more than 20 working days to decide that involved an extension gained through an application to the Ombudsman under s.15(4)(b)	1
4.	Number of requests which took more than 20 working days to decide that involved consultation with a third party under s.15(5)	5

## Section F: Reviews

### Internal Reviews

Number of internal reviews were <b>requested</b> in this financial year	1
Number of internal reviews were <b>determined</b> in this financial year	1
Number where the original decision <b>upheld in full</b>	1
Number where the original decision <b>upheld in part</b>	0
Number where the original decision <b>reversed in full</b>	0

### External Reviews (reviews by the Ombudsman)

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

## Public Interest Disclosures Act 2002

The *Public Interest Disclosures Act 2002* (PID Act) commenced operation on 1 January 2004. The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies. The Act provides protection to persons who make disclosures in accordance with the Act, from reprisals and establishes a system for the matters disclosed to be investigated and rectifying action to be taken. DIER's procedures for reporting disclosures of improper conduct or detrimental action by DIER or members, officers or employees of the public body are available at [www.dier.tas.gov.au](http://www.dier.tas.gov.au).

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

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



Photo by: AndrewZ Photography

Brighton Bypass

## Major Contracts and Consultancies

The Department of Infrastructure, Energy and Resources ensures procurement is undertaken in accordance with the mandatory requirements of the Treasurer's Instructions relating to procurement, including that Tasmanian businesses are given every opportunity to compete for Agency business. It is the Department's policy to support Tasmanian businesses whenever they offer best value for money for the Government. Table A provides a summary of the level of participation by local businesses for contracts, tenders and/or quotations with a value of \$50 000 or over (excluding GST). Tables B and C(1) provide detailed information on new consultancies and other contracts with a value of \$50 000 or over (excluding GST). Table C(2) provides detailed information on consultancies engaged under Contract No. 1280 - Provision of Professional Services Panel A (comprising Pitt and Sherry Pty Ltd, GHD Pty Ltd, and Sinclair Knight Merz) with a value of \$50 000 or over (excluding GST). Table D provides a summary of contracts awarded as a result of a direct/limited submission sourcing process approved in accordance with Treasurer's Instructions 1114 or 1217.

## Table A

### Summary of Procurement including Participation by Local Business (for procurement processes of \$50,000 or more excluding GST)

Total number of contracts awarded	33
Total number of contracts awarded to Tasmanian businesses	31
Total value of contracts awarded	\$100,172,828
Total value of contracts awarded to Tasmanian businesses	\$99,749,169
Total number of tenders called and/or quotation processes run	32
Total number of bids and/or written quotations received	107
Total number of bids and/or written quotations received from Tasmanian businesses	97
Total number of new consultancies awarded	11
Total number of new consultancies awarded to Tasmanian businesses	5
Total value of new consultancies awarded	\$ 1,787,700
Total value of new consultancies awarded to Tasmanian businesses	\$ 969,372
Total number of tenders called and/or quotation processes run	10
Total number of bids and/or written quotations received	50
Total number of bids and/or written quotations received from Tasmanian businesses	17
Total number of consultancies awarded under Contract No. 1280 - Provision of Professional Services Panel A	47
Total number of consultancies awarded under Contract No. 1280 - Provision of Professional Services Panel A to Tasmanian businesses	47
Total value of consultancies awarded under Contract No. 1280 - Provision of Professional Services Panel A	\$8,114,399
Total value of consultancies awarded under Contract No. 1280 - Provision of Professional Services Panel A to Tasmanian businesses	\$8,114,399
Total number of contracts and consultancies awarded	91
Total number of contracts and consultancies awarded to Tasmanian businesses	83
Total value of contracts and consultancies awarded	\$ 110,074,927
Total value of contracts and consultancies awarded to Tasmanian businesses	\$ 108,832,940
Total number of tenders called and/or quotation processes run	42
Total number of bids and/or written quotations received	157
Total number of bids and/or written quotations received from Tasmanian businesses	114

**Table B**

Contracts with a value of \$50 000 or over (ex. GST) and excluding consultancy contracts				
Name of Contractor	Location of Contractor	Description of contract	Period of contract	Total value of contract
Hazell Bros Group Pty Ltd	Moonah, TAS	Contract No. 2003 - Tarkine Forest Drive - Arthur River Township to Tayatea Bridge - ECI	27/2/2013 - 26/4/2013	\$248,788
Andrew Walter Constructions Pty Ltd	Austins Ferry, TAS	Contract No. 2077 - Bruny Main Road Alonnah - Road Sealing	10/9/2012 - 18/12/2012	\$326,017
Tas Span Pty Ltd	Latrobe, TAS	Contract No. 2105 - Heavy Duty Pile Protection System for Tasman Bridge	18/10/2012 - 30/6/2015	\$1,742,363
Tas Span Pty Ltd	Latrobe, TAS	Contract No. 2107 - Bailey Bridge - Storage, Maintenance, Transport and Erection	13/8/2012 - 12/8/2015	\$566,362
Stornoway Maintenance Pty Ltd	Hobart, TAS	Contract No. 2117 - State Road Network Maintenance Services - North West Region	1/07/2013 - 30/6/2016	\$22,448,953
Shaw Contracting Pty Ltd	Whitemore, TAS	Contract No. 2118 - Midland Highway South of Symmons Plains Raceway to Elsdon 2 Plus I Installation	8/2/2013 - 23/1/2014	\$3,992,967
VEC Civil Engineering Pty Ltd	Ulverstone, TAS	Contract No. 2119 - Bass Highway - Gannons Hill Road to Dan Road - 2 plus I installation	10/12/2012 - 4/12/2013	\$3,822,539
Venarchie Contracting Pty Ltd	Mowbray Heights, TAS	Contract No. 2121 - South Arm Secondary Road - Lauderdale to Sandford - Shoulder Sealing and Junction Improvements	11/12/2012 - 5/4/2013	\$758,542
Andrew Walter Constructions Pty Ltd	Austins Ferry, TAS	Contract No. 2124 - West Tamar Highway - Near Bradys Lookout - Wire Rope Safety Fence and Painted Median Upgrade	10/9/2012 - 3/8/2013	\$5,998,936
Venarchie Contracting Pty Ltd	Mowbray Heights, TAS	Contract No. 2125 - Esk Main Road Avoca to Leona Road - Shoulder Sealing	5/11/2012 - 31/5/2013	\$3,471,052
Aldridge Traffic Controllers Pty Ltd	Rydalmere, NSW	Contract No. 2128 - Supply of Traffic Signal Controllers and Components	1/3/2013 - 28/2/2016	\$275,340
Roadways Pty Ltd	Glenorchy, TAS	Contract No. 2129 - Road Specific Maintenance - Pavement Resurfacing 2012/13 - South	2/11/2012 - 21/3/2013	\$3,038,228

Name of Contractor	Location of Contractor	Description of contract	Period of contract	Total value of contract
Downer EDI Works Pty Ltd	Austins Ferry, TAS	Contract No. 2130 - Road Specific Maintenance - Pavement Resurfacing 2012/13 - North East	8/11/2012 - 3/5/2013	\$3,408,665
Venarchie Contracting Pty Ltd	Mowbray Heights, TAS	Contract No. 2131 - Road Specific Maintenance - Pavement Resurfacing 2012/13 - North West	5/11/2012 - 25/3/2013	\$3,899,696
Downer EDI Works Pty Ltd	Austins Ferry, TAS	Contract No. 2132 - State Wide Bridge Joint Rehabilitation Program	7/3/2013 - 31/3/2014	\$1,207,706
Tas Span Pty Ltd	Latrobe, TAS	Contract No. 2133 - Arthur Highway Iron Creek Bridge No. 294 - Design and Construct	24/1/2013 - 23/10/2013	\$3,292,072
Shaw Contracting Pty Ltd	Whitemore, TAS	Contract No. 2135 - Murchison Highway Upgrades - Rosebery to Sterling River	14/2/2013 - 2/7/2014	\$2,509,637
VEC Civil Engineering Pty Ltd	Ulverstone, TAS	Contract No. 2136 - Tasman Highway - Gladstone Main Road - Derby to Herrick Roadworks	20/5/2013 - 21/5/2014	\$7,690,469
Shaw Contracting Pty Ltd	Whitemore, TAS	Contract No. 2137 - Prossers Road - Intersection Upgrades and Drainage Improvements	3/4/2013 - 23/7/2013	\$1,636,724
Venarchie Contracting Pty Ltd	Mowbray Heights, TAS	Contract No. 2139 - East Tamar Highway - Alanvale Connector Stage Two Improvements	31/1/2013 - 9/4/2013	\$216,543
VEC Civil Engineering Pty Ltd	Ulverstone, TAS	Contract No. 2140 - Tasman Bridge Steel and Concrete Repairs	8/3/2013 - 26/5/2016	\$3,677,028
Tas Span Pty Ltd	Latrobe, TAS	Contract No. 2141 - Donaldson River Bridge - Timber Deck Replacement	7/12/2012 - 11/4/2013	\$108,296
Downer EDI Works Pty Ltd	Austins Ferry, TAS	Contract No. 2142 - Road Specific Maintenance - Pavement Resurfacing (Asphalt) 2012/13 - South	8/11/2012 - 5/4/2013	\$4,293,084
Andrew Walter Constructions Pty Ltd	Austins Ferry, TAS	Contract No. 2144 - Midland Highway - North of Melton Mowbray - Road Reinstatement	28/11/2012 - 14/6/2013	\$1,699,439
Downer EDI Works Pty Ltd	Austins Ferry, TAS	Contract No. 2148 - Brooker Highway - Clearys Gates to Risdon Road - Pavement Resurfacing (Asphalt)	30/11/2012 - 9/4/2013	\$1,415,046

Name of Contractor	Location of Contractor	Description of contract	Period of contract	Total value of contract
Clarkes Painting Services Pty Ltd	Latrobe, TAS	Contract No. 2152 - Bridge Maintenance Painting Structural and Fences 2012/13	31/1/2013 - 5/6/2013	\$385,000
DCS Civil Tas Pty Ltd	Blackmans Bay, TAS	Contract No. 2153 - Huon Highway South Franklin - Shoulder Sealing	17/12/2012 - 10/3/2013	\$589,011
VEC Civil Engineering Pty Ltd	Ulverstone, TAS	Contract No. 2157 - Mathinna Plains Road and Evercreech Road - Bridge Replacements Design and Construct	29/1/2013 - 28/7/2014	\$4,271,451
Venarchie Contracting Pty Ltd	Mowbray Heights, TAS	Contract No. 2161 - Port Sorell Main Road - Wesley Vale to Port Sorell - Alignment Improvements	24/5/2013 - 3/4/2014	\$1,946,948
DCS Civil Tas Pty Ltd	Blackmans Bay, TAS	Contract No. 2162 - Pinnacles Creek Bridge Replacement	24/5/2013 - 14/6/2013	\$459,308
VEC Civil Engineering Pty Ltd	Ulverstone, TAS	Contract No. 2163 - Murchison Highway - Anthony Main Road to Cradle Mountain Link Road (Belvoir Road)	2/9/2013 - 31/8/2015	\$7,128,299
Roads and Maritime Services	Auburn, NSW	Contract No. 2168 - Pavement Data Collection - Road Cracking Survey	4/3/2013 - 1/5/2013	\$148,318
Hazell Bros Group Pty Ltd	Moonah, TAS	Contract No. 2169 - Clean up of Bushfire affected properties - Forcett Fires	16/1/2013 - 5/7/2013	\$3,500,000

**Table C (I)**

Consultancy contracts with a value of \$50 000 or over (ex. GST)				
Name of consultant	Location of consultant	Description of consultancy	Period of consultancy	Total value of contract
Wise Lord & Ferguson	Hobart, TAS	Contract No. 2164 - Internal Audit Services	1/7/2013 - 30/6/2016	\$251,260
Print Mail Logistics Limited	Hobart, TAS	Contract No. 2143 - Registration & Licensing Branch - Document Print Management	6/3/2013 - 5/3/2016	\$425,388
Jurna Consulting Pty Ltd	Geelong, VIC	Contract No. 2167 - Freight Logistics Coordination Team - Major	25/3/2013 - 30/6/2013	\$205,000
Aurecon Australia Pty Ltd	Melbourne, VIC	Consultancy Support to Works Program		\$339,083

Name of consultant	Location of consultant	Description of consultancy	Period of consultancy	Total value of contract
Draeger Safety Pacific Pty Ltd Guardian Interlock Systems Australasia Pty Ltd Nationwide Interlocks Pty Ltd	Mount Waverley, VIC Coolaroo, VIC Castle Hill, NSW	Contract No. 2147 - The Management, Administration and Operation of the Tasmanian Mandatory Alcohol Interlock Program	15/2/2013 - 15/2/2016	Service providers will be paid direct by program users (ie nil cost to the Department)
Atlas Geophysics	East Morely, WA	Contract No. 2156 - Ground Gravity Data Acquisition, Northwest Tasmania	18/12/2012 - 1/6/2013	\$118,980
Geometry Pty Ltd	Battery Point, TAS	Contract No. 2127 - Provision of Software Support for the TIGER System	26/7/2012 - 30/6/2015	\$68,280
Annells Consulting Pty Ltd	South Melbourne, VIC	Specialist advice in relation to the implementation of the URS Australia Pty Ltd Strategic Review of Forestry report	1/9/2012 - 31/8/2013	\$60,000
ACIL-Allen Consulting Pty Ltd	Perth, WA	Preparation of a business case for an electric light rail service between Hobart and Glenorchy	20/01/2013 – 30/04/2013	\$90,165
AECOM	Brisbane, Qld	Peer Review of the 2011 Light Rail Business Case (by ACIL-Tasman), together with analysis of submissions from the Light Rail Community Advisory Panel	02/10/2012 – 11/12/2012	\$55,800
KPMG	Hobart, TAS Sydney, NSW	Investigation of taxi licence release arrangements in Tasmania, and associated issues	23/11/2012 -12/06/2013	\$54,000
Tasmanian Economic Regulator	Hobart, TAS	Inquiry into the setting and indexation of Tasmanian taxi fares	01/09/2012 – 12/04/2013	\$119,744

## Table C (2)

Consultancies engaged under Contract No. 1280 - Provision of Professional Services Panel A (comprising Pitt and Sherry Pty Ltd, GHD Pty Ltd and Sinclair Knight Merz) with a value of \$50 000 or over (ex. GST)				
Name of consultant	Location of consultant	Description of consultancy	Date awarded	Value of consultancy
Pitt & Sherry	Hobart, TAS	Midland Highway road reinstatements	6/07/2012	\$58,274
GHD Pty Ltd	Hobart, TAS	Tasman Highway - access improvements	13/07/2012	\$338,772

Name of consultant	Location of consultant	Description of consultancy	Date awarded	Value of consultancy
Sinclair Knight Merz	Hobart, TAS	Prossers Road Junctions and drainage improvements	13/07/2012	\$221,125
Sinclair Knight Merz	Hobart, TAS	Launceston Traffic Review	13/07/2012	\$51,487
Pitt & Sherry	Hobart, TAS	Cost Estimation Activity – Tasmanian Government Nation Building 2 submission	17/07/2012	\$50,680
Sinclair Knight Merz	Hobart, TAS	Murchison Highway upgrades	17/07/2012	\$637,835
Pitt & Sherry	Hobart, TAS	Rokeby Main Road upgrade - Stage 1 Buckingham Dr to Diosma St	24/07/2012	\$350,101
GHD Pty Ltd	Hobart, TAS	East Derwent Highway / Goodwood Main Road Junction New Slip Lane Design	7/08/2012	\$73,413
GHD Pty Ltd	Hobart, TAS	Arthur Highway, Forcett Shoulder Sealing Design and Huon Highway - Somers Straight, South Franklin shoulder sealing design	7/08/2012	\$119,041
GHD Pty Ltd	Hobart, TAS	Arthur Highway / Sugarloaf Road, Forcett and Channel Highway / Van Morey Road, Margate right turn lane design	7/08/2012	\$128,005
Pitt & Sherry	Hobart, TAS	Connecting Communities to Universities [cycle/pedestrian]	6/08/2012	\$67,084
GHD Pty Ltd	Hobart, TAS	Ferry Main Road Upgrade - detailed design	8/08/2012	\$352,147
Pitt & Sherry	Hobart, TAS	Tasman Highway, Holyman Avenue Roundabout upgrade	16/08/2012	\$59,698
Sinclair Knight Merz	Hobart, TAS	Westbury / Bell Bay Freight Route Batman Highway, Birralelee MR, Frankford MR (between Birralelee Rd & West Tamar Highway) and West Tamar Highway (between Frankford MR and Batman Highway)	16/08/2012	\$395,842
GHD Pty Ltd	Hobart, TAS	Huon Highway/Summerleas Road intersection improvements - planning and concept design services	14/08/2012	\$133,076

Name of consultant	Location of consultant	Description of consultancy	Date awarded	Value of consultancy
Sinclair Knight Merz	Hobart, TAS	Murchison Highway - upgrades Cradle Mt Development Road to Anthony Road	14/08/2012	\$232,700
GHD Pty Ltd	Hobart, TAS	Tasman Bridge - bearing condition assessment	31/08/2012	\$82,231
Pitt & Sherry	Hobart, TAS	Bridge strengthening strategy - detailed assessments	30/08/2012	\$140,000
GHD Pty Ltd	Hobart, TAS	Midland Highway Symmons Plains design and drafting	28/08/2012	\$50,176
Pitt & Sherry	Hobart, TAS	Bass Highway - Stanley Junction and Bell Bay Main Road - junction improvements	17/09/2012	\$216,729
GHD Pty Ltd	Hobart, TAS	Pinnacles Creek Bridge replacement	19/9/2012	\$87,200
GHD Pty Ltd	Hobart, TAS	Port Sorell Main Road	19/09/2012	\$213,940
Sinclair Knight Merz	Hobart, TAS	Baseline Flora surveys - high priority conservation sites	23/10/2012	\$66,200
Pitt & Sherry	Hobart, TAS	Cathodic Protection, investigations and general repairs (Bridges)	2/11/2012	\$72,838
Sinclair Knight Merz	Hobart, TAS	Murchison Highway upgrades – design works	2/11/2012	\$78,162
Pitt & Sherry	Hobart, TAS	Rokeby MR Upgrade - Stage I Buckingham Dr to Diosma St – design modifications	20/11/2012	\$52,015
GHD Pty Ltd	Hobart, TAS	Launceston Traffic Study - Project identification phase	12/12/2012	\$467,458
Pitt & Sherry	Hobart, TAS	Bridge Strengthening strategy - detailed assessments	12/12/2012	\$140,000
GHD Pty Ltd	Hobart, TAS	Road Specific Maintenance – contract supervision	14/12/2012	\$100,000
Sinclair Knight Merz	Hobart, TAS	Murchison Highway upgrades – design works	16/01/2013	\$133,125

Name of consultant	Location of consultant	Description of consultancy	Date awarded	Value of consultancy
Sinclair Knight Merz	Hobart, TAS	Tasman Highway - Gladstone Main Road - detailed design	16/01/2013	\$128,746
Pitt & Sherry	Hobart, TAS	Bridport Main Road - detailed design	16/01/2013	\$237,187
Sinclair Knight Merz	Hobart, TAS	Bridgewater Bridge Replacement - Property acquisition survey	29/01/2013	\$71,500
Pitt & Sherry	Hobart, TAS	Arthur Highway upgrade - detailed design	18/02/2013	\$455,830
GHD Pty Ltd	Hobart, TAS	Improvement of Bell Bay Intermodal Terminal – scoping phase	27/02/2013	\$131,625
Sinclair Knight Merz	Hobart, TAS	Huon Highway Corridor study	12/03/2013	\$247,064
Pitt & Sherry	Hobart, TAS	Investigation of mechanisms to facilitate infill development in Greater Hobart	22/03/2013	\$50,000
GHD Pty Ltd	Hobart, TAS	Analysis of King Island Shipping service	21/03/2013	\$77,681
Pitt & Sherry	Hobart, TAS	2013/14 Road Rehabilitation package I [includes Midland, Bass & Brooker Highway sites]	3/04/2013	\$74,410
GHD Pty Ltd	Hobart, TAS	East Derwent Highway / Goodwood Main Road Slip Lane design	4/04/2013	\$76,710
GHD Pty Ltd	Hobart, TAS	Concept Design - Wrinklers Lagoon Bridge replacement	15/04/2013	\$115,301
GHD Pty Ltd	Hobart, TAS	Design and documentation services for Tasman Highway access improvements	17/04/2013	\$693,800
Pitt & Sherry	Hobart, TAS	Bridport Main Road - expected Change Orders 10 & 17 - redesign	7/05/2013	\$200,000
GHD Pty Ltd	Hobart, TAS	Bruny Main Road - Murphys Creek Bridge replacement – detailed design	7/05/2013	\$63,000
Pitt & Sherry	Hobart, TAS	Heavy Vehicle Safety and Productivity Program - Esk Main Road and Railton Main Road bridge upgrades – designs and tender documentation	20/05/2013	\$173,195

Name of consultant	Location of consultant	Description of consultancy	Date awarded	Value of consultancy
GHD Pty Ltd	Hobart, TAS	Bridge Strengthening Strategy - detailed structural assessment and option analysis	23/05/2013	\$127,500
Pitt & Sherry	Hobart, TAS	Bridport Main Road - actual Change Order 17 – design realignment	24/05/2013	\$79,770

**Table D**

Consultancies or Contracts awarded under an approved limited or direct sourcing process				
Name of supplier	Location of supplier	Description of contract	Reason for the Procurement Methodology	Total value of contract
Hazell Bros Group Pty Ltd	Moonah, TAS	Contract No. 2169 - Clean up of Bushfire affected properties - Forcett Fires	Procurement under Treasurers Instruction 1298 - arising from, or relating to recovery efforts in respect of the January 2013 bushfires	\$3,500,000
Anells Consulting Pty Ltd	South Melbourne, VIC	Specialist advice in relation to the implementation of the URS Australia Pty Ltd Strategic Review of Forestry report	Absence of competition for technical reasons	\$60,000

No contract extensions were approved during the year ended 30 June 2013.



Photo by: Helen Smith

Highland Lakes Road

# Legislation Administered by the Department

## MINISTER FOR INFRASTRUCTURE

*Abt Railway Development Act 1999*

*Aerodrome Fees Act 2002*

*Air Navigation Act 1937*

*Civil Aviation (Carriers' Liability) Act 1963*

*Common Carriers Act 1874*

*Commonwealth Powers (Air Transport) Act 1952*

*Damage by Aircraft Act 1963*

*Emu Bay Railway (Operation and Acquisition) Act 2009*

*Heavy Vehicle Road Transport Act 2009*

*Highways Act 1951*

*Marine and Safety Authority Act 1997*

*Port Companies Act 1997*

*Rail Company Act 2009*

*Rail Infrastructure Act 2007*

*Rail Safety Act 2009*

*Rail Safety National Law (Tasmania) Act 2012*

*Repeal of By-laws Postponement Act 2012*

*Repeal of Regulations Postponement Act 2011*

*Repeal of Regulations Postponement Act 2013*

*Roads and Jetties Act 1935*

*Tasmanian Ports Corporation Act 2005*

*Traffic Act 1925*

*Transport Act 1981*

*TT-Line Arrangements Act 1993*

*Vehicle and Traffic Act 1999*

*Vehicle and Traffic Amendment (Heavy Vehicle Charges) Act 2012*

*Vehicle and Traffic (Transitional and Consequential) Act 1999*

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

## 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 and 10 of Part 3 and in so far as it relates to contestable customers, price regulation and contracts and the making of regulations under section 122, in so far as those regulations relate to Part 2 and Divisions 3, 4, 5, 6 and 10 of Part 3, contestable customers, price regulation or contracts (see *Department of Treasury and Finance under the Minister for Finance*)

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

*Electricity Wayleaves and Easements Act 2000*

*Energy Co-ordination and Planning Act 1995*

*Forestry (Fair Contract Codes) Act 2001*

*Gas Act 2000*

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

*Gas Pipelines Act 2000*

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

*Lawrence Vale Landslip Act 1961*

*Mineral Resources Development Act 1995*

*Mineral Resources Development Amendment Act 2013*

*Mining (Strategic Prospectivity Zones) Act 1993*

*National Energy Retail Law (Tasmania) Act 2012*

*National Energy Retail Law (Tasmania) (Consequential Amendments) Act 2012*

*National Gas (Tasmania) Act 2008*

*Petroleum Products Emergency Act 1994*

*Petroleum (Submerged Lands) Act 1982*

*Private Forests Act 1994*

*Repeal of Regulations Postponement Act 2012*

*Rosetta Landslip Act 1992*

*Tasmanian Forests Agreement Act 2013*

## **FOREST PRACTICES AUTHORITY**

*Forest Practices Act 1985*

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

*Forest Practices (Private Timber Reserves Validation) Act 1999*

## **FORESTRY CORPORATION**

*Forestry Act 1920*

*Public Land (Administration and Forests) Act 1991*

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

*Regional Forest Agreement (Land Classification) Act 1998*

except Divisions 2 and 3 of Part 2 and the making of regulations under section 26, in so far as those

regulations relate to Divisions 2 and 3 of Part 2 (see *Department of Primary Industries, Parks, Water and Environment under the Minister for Environment, Parks and Heritage*)

*Timber Promotion Act 1970*

## **HYDRO-ELECTRIC CORPORATION**

*Hydro-Electric Corporation Act 1995*

## **MINISTER FOR RACING**

*Lyons Trusts Act 1993*

*Racing Regulation Act 2004*

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

*Racing Regulation (Transitional and Consequential Provisions) Act 2004*

*Racing (Tasracing Pty Ltd) Act 2009*

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

## **MINISTER FOR SUSTAINABLE TRANSPORT**

*Metro Tasmania Act 1997*

*Metro Tasmania (Transitional and Consequential Provisions) Act 1997*

*Passenger Transport Act 1997*

*Passenger Transport (Consequential and Transitional) Act 1997*

*Passenger Transport Services Act 2011*

*Passenger Transport (Transitional Regulations Validation) Act 2002*

*Repeal of Regulations Postponement Act (No. 2) 2012*

*Taxi and Luxury Hire Car Industries Act 2008*

*Repeal of By-laws Postponement Act 2012*

## Documents Published in 2012-2013

Tasmanian Road Rules Handbook (ongoing) – Release Nov 2012

Vehicle Information Technical Bulletins and Manuals (ongoing).

Industry Newsletters, including safety bulletins (ongoing)

Tasmanian Road Safety Strategy Progress Report (ongoing)

Evaluation of L2 and P1 practical driving assessments – Final Report - 2012

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

Unlicensed drivers and unregistered vehicles in Tasmania – June 2013

Vehicle inspections in Tasmania – June 2013.

Mineral Resources Tasmania — Documents published in 2012/13

BOTTRILL, R. S.; WOOLLEY, R. N. 20102. Topaz from Killiecrankie, Flinders Island, and other Bass Strait islands. Tasmanian Geological Survey Record 2012/01. [31 July 2012]

GREEN, G. R.; VICARY, M. 2012. Excursion T-2, 11–16 August 2012. Ore deposits of Tasmania. Excursion guide 34th International Geological Congress. [10 August 2012]

CALVER, C. R. 2012. Explanatory report for the Grassy and Naracoopa geological map sheets. Explanatory Report 1:25 000 Scale Digital Geological Map Series Mineral Resources Tasmania 5. [31 October 2012]

Mineral Resources Tasmania. Annual Review, 2010/2011. [16 January 2013]

BOWMAN, D. M. J. S.; SHARPLES, C.; QUAN HUA; WOOD, S. W.; MACPHAIL, M. K.; HABERLE, S. G. 2013. Quaternary sub-fossil wood deposits at two locations in southwest Tasmania. Tasmanian Geological Survey Record 2013/01. [1 February 2013]

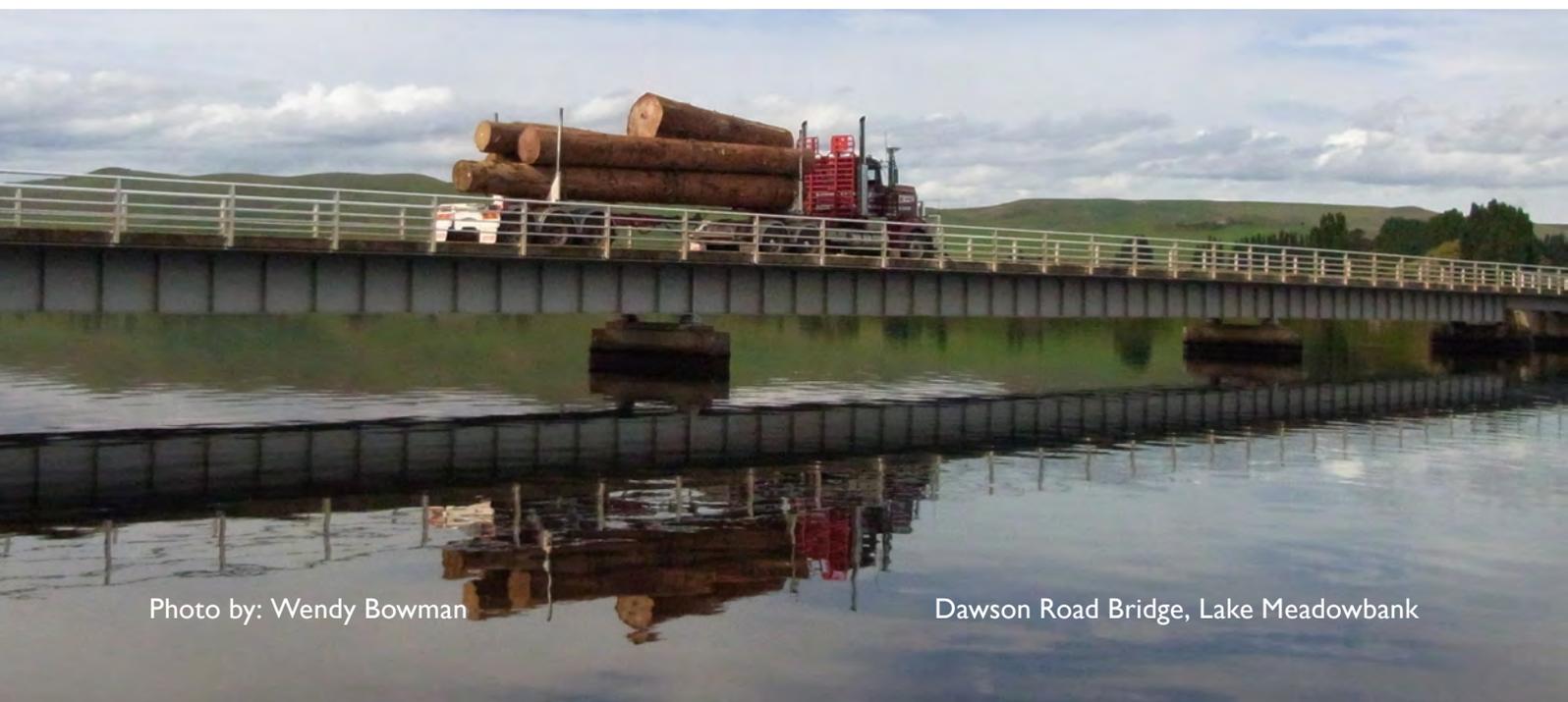


Photo by: Wendy Bowman

Dawson Road Bridge, Lake Meadowbank

# Statutory and Non-Statutory Bodies

## Statutory Bodies

### Tasmanian Racing Appeal Board

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Established under Section 25 of the *Racing Act 1983* and continues under Section 23 the *Racing Regulation Act 2004*.

The Board is an independent body that adjudicates appeals against certain decisions of the stewards, Tasracing Pty Ltd and race clubs made pursuant to the Rules of Racing.

The Board comprises six members appointed by the Governor, and a secretary appointed by the Secretary of the Department.

Mr Tom Cox (Chairperson)  
Vacant (Deputy Chairperson)  
Ms Kate Cuthbertson (Deputy Chairperson)

Mr Graham Elliott  
Dr Suzanne Martin  
Mr Trevor Styles

Mrs Glenda Attenborrow  
(Secretary)

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### Integrity Assurance Board

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Established under Section 21 of the *Racing Regulation Act 2004*. The Board is an independent body that adjudicates appeals against certain statutory decisions of the Director of Racing, Tasracing Pty Ltd and race clubs. The Board also adjudicates betting disputes.

The Board comprises five members appointed by the Governor, and a secretary appointed by the Secretary of the Department.

Mrs Kate Brown (Chairperson)  
Ms Leigh Mackey (Deputy Chairperson)

Ms Madeleine Ogilvie  
Mr Rodney Lester  
(Vacant) Member

Mrs Glenda Attenborrow  
(Secretary)

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## Non-Statutory Bodies

### Transport

Australian Freight Task Force  
Australian Motor Vehicle Certification Board  
Australian Road Rules Maintenance Group  
Australian Vehicle Standards Rules Maintenance Group  
Austroads Registration and Licensing Taskforce  
Austroads Road Safety Program  
Fatigue Authority Panel  
Fatigue Maintenance Group  
Heavy Truck Safety Advisory Council (HeTSAC)  
Performance Based Standards Review Panel

**FINANCIAL STATEMENTS**  
**For the year ending 30 June 2013**

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Department of Infrastructure, Energy and Resources  
Statement of Comprehensive Income for the year ended 30 June 2013

	Notes	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
<b>Continuing operations</b>				
<b>Revenue and other income from transactions</b>				
Revenue from Government				
Appropriation revenue - recurrent	2.9(a), 8.1	114,906	112,514	148,730
Appropriation revenue - works and services	2.9(a), 8.1	123,633	102,187	143,113
Other revenue from Government	2.9(a), 8.1	52	...	...
Revenue from Special Capital Investment Funds				
Grants	2.9(b), 8.2	...	790	2,389
Sales of goods and services	2.9(b), 8.3	50,531	76,615	1,475
Fees and fines	2.9(d), 8.4	669	1,079	1,508
Interest	2.9(e), 8.5	13,755	13,095	11,961
Other revenue	2.9(f)	...	...	28
Other revenue	2.9(i), 8.6	1,046	4,087	512
<b>Total revenue and other income from transactions</b>		<b>304,592</b>	<b>310,367</b>	<b>309,716</b>
<b>Expenses from transactions</b>				
Employee benefits	2.10(a),9.1	40,230	41,119	42,957
Depreciation and amortisation	2.10(b), 9.2	104,731	83,146	77,424
Supplies and consumables	2.10(f), 9.3	51,339	76,238	67,820
Grants and subsidies	2.10(c),9.4	70,293	85,914	69,605
Other expenses	2.10(f),9.5,2.5(c)	2,233	1,391	3,575
<b>Total expenses from transactions</b>		<b>268,826</b>	<b>287,808</b>	<b>261,381</b>
<b>Net result from transactions (net operating balance)</b>		<b>35,766</b>	<b>22,559</b>	<b>48,335</b>
<b>Other economic flows included in net result</b>				
Net gain/(loss) on non-financial assets	2.11(a)(d),10.1	4	38,351	(45,503)
Net gain/(loss) on financial instruments and statutory receivables/payables	2.11(b), 10.2	...	13	74
<b>Total other economic flows included in net result</b>		<b>4</b>	<b>38,364</b>	<b>(45,429)</b>
<b>Net result from continuing operations</b>		<b>35,770</b>	<b>60,923</b>	<b>2,906</b>
<b>Net result</b>		<b>35,770</b>	<b>60,923</b>	<b>2,906</b>
<b>Other comprehensive income</b>				
Changes in physical asset revaluation reserve	14.1	134,198	162,806	259,358
<b>Total other comprehensive income</b>		<b>134,198</b>	<b>162,806</b>	<b>259,358</b>
<b>Comprehensive result</b>		<b>169,968</b>	<b>223,729</b>	<b>262,264</b>

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 5 of the accompanying notes.

Department of Infrastructure, Energy and Resources  
Statement of Financial Position as at 30 June 2013

	Notes	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
<b>Assets</b>				
<i>Financial assets</i>				
Cash and deposits	2.12(a), 11.1	12,412	32,041	13,937
Receivables	2.12(b), 11.2	6,744	2,879	3,372
Other financial assets	2.12(c), 11.3	37	...	307
<i>Non-financial assets</i>				
Plant and equipment	2.12(f), 11.4	22,343	27,128	27,995
Land and buildings	2.12(f), 11.4	74,984	96,945	85,253
Infrastructure	2.12(f), 11.5	3,948,516	4,045,073	3,870,808
Intangibles	2.12(h), 11.6	9,022	9,517	11,110
Other Assets	11.7	1,169	1,164	881
<b>Total assets</b>		<b>4,075,227</b>	<b>4,214,747</b>	<b>4,013,663</b>
<b>Liabilities</b>				
Payables	2.13(a), 12.1	8,114	4,635	4,095
Employee benefits	2.13(d), 12.2	11,611	12,161	10,991
Other liabilities	2.13(f), 12.3	1,097	14,086	7,440
Provisions	2.13(c), 12.4	...	6,679	...
<b>Total liabilities</b>		<b>20,822</b>	<b>37,561</b>	<b>22,526</b>
<b>Net assets</b>		<b>4,054,405</b>	<b>4,177,186</b>	<b>3,991,137</b>
<b>Equity</b>				
Reserves	14.1, 14.2	1,347,246	1,502,538	1,339,732
Accumulated funds		2,707,159	2,674,648	2,651,405
<b>Total equity</b>		<b>4,054,405</b>	<b>4,177,186</b>	<b>3,991,137</b>

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 5 of the accompanying notes.

Department of Infrastructure, Energy and Resources  
Statement of Cash Flows for the year ended 30 June 2013

	Notes	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
<b>Cash flows from operating activities</b>		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash inflows</b>				
Appropriation receipts - recurrent		83,354	113,244	112,473
Appropriation receipts - works and services		32,419	56,189	57,387
Appropriations receipts - other		52	...	...
Receipts from Special Capital Investment Funds		...	790	3,338
Grants		2,843	29,144	1,798
Sales of goods and services		669	1,141	1,243
Fees and fines		13,755	13,085	11,956
GST receipts		10,398	21,548	23,350
Interest received		...	...	36
Other cash receipts		1,046	4,178	891
<b>Total cash inflows</b>		<b>144,536</b>	<b>239,319</b>	<b>212,472</b>
<b>Cash outflows</b>				
Employee benefits		(39,989)	(39,951)	(45,264)
Grants and subsidies		(70,293)	(85,885)	(70,008)
Supplies and consumables		(51,339)	(81,888)	(64,891)
GST payments		(10,399)	(20,823)	(22,186)
Other cash payments		(2,233)	(1,644)	(3,697)
<b>Total cash outflows</b>		<b>(174,253)</b>	<b>(230,191)</b>	<b>(206,046)</b>
Net cash from (used by) operating activities	15.2	(29,717)	9,128	6,426
<b>Cash flows from investing activities</b>				
<b>Cash inflows</b>				
Proceeds from the disposal of non-financial assets		4	3	3
Receipts from non-operational capital funding - recurrent		31,552	635	36,189
Receipts from non-operational capital funding - works and services		91,214	50,262	81,944
Receipts from Australian Government funding		47,688	42,336	...
Receipts from Tasmanian Government funding		...	5,136	...
<b>Total cash inflows</b>		<b>170,458</b>	<b>98,372</b>	<b>118,136</b>
<b>Cash outflows</b>				
Payments for acquisition of non-financial assets		(109,644)	(58,310)	(91,852)
Equity transfers to other Government entities		(30,401)	(37,680)	(35,745)
<b>Total cash outflows</b>		<b>(140,045)</b>	<b>(95,990)</b>	<b>(127,597)</b>
Net cash from (used by) investing activities		30,413	2,382	(9,461)
<b>Cash flows from financing activities</b>				
<b>Cash inflows</b>				
Trust receipts		...	6,594	663
<b>Total cash inflows</b>		<b>...</b>	<b>6,594</b>	<b>663</b>

	Notes	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
<b>Cash outflows</b>				
Trust payments		...	...	(881)
Total cash outflows		...	...	(881)
Net cash from (used by) financing activities		...	6,594	(218)
<b>Net increase (decrease) in cash and cash equivalents held</b>				
		696	18,104	(3,253)
Cash and deposits at the beginning of the reporting period		11,716	13,937	17,190
Cash and deposits at the end of the reporting period	15.1	12,412	32,041	13,937

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 5 of the accompanying notes.

Department of Infrastructure, Energy and Resources  
Statement of Changes in Equity for the year ended 30 June 2013

	Notes	Reserves \$'000	Accumulated surplus / deficit \$'000	Total Equity \$'000
Balance as at 1 July 2012		1,339,732	2,651,405	3,991,137
Total comprehensive result		162,806	60,923	223,729
Transactions with owners in their capacity as owners:				
Equity contributions to Tasmanian Railway Pty Ltd		...	(37,680)	(37,680)
<b>Total</b>		<b>162,806</b>	<b>23,243</b>	<b>186,049</b>
Balance as at 30 June 2013		1,502,538	2,674,648	4,177,186

		Reserves \$'000	Accumulated surplus / deficit \$'000	Total Equity \$'000
Balance as at 1 July 2011		1,080,374	2,684,244	3,764,618
Total comprehensive result		259,358	2,906	262,264
Transactions with owners in their capacity as owners:				
Equity contributions to Tasmanian Railway Pty Ltd		...	(34,745)	(34,745)
Equity contribution to Tasmanian Ports Corporation		...	(1,000)	(1,000)
<b>Total</b>		<b>259,358</b>	<b>(32,839)</b>	<b>226,519</b>
Balance as at 30 June 2012		1,339,732	2,651,405	3,991,137

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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## Note I Administered Financial Statements

### I.1 Schedule of Administered Income and Expenses

	Notes	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
<b>Administered revenue and other income from transactions</b>				
Revenue from Government				
Appropriation revenue - recurrent	2.9(a), 18.2	77,867	77,917	75,140
Grants	2.9(b), 18.3	15,235	153	452
State taxation	2.9(c), 18.4	34,045	35,210	33,954
Sales of goods and services	2.9(d), 18.5	60,683	33,992	54,762
Fees and fines	2.9(e), 18.6	8,741	11,405	9,905
Interest	2.9(f)	...	69	87
Other revenue	2.9(i)	33	224	28
<b>Total administered revenue and other income from transactions</b>		<b>196,604</b>	<b>158,970</b>	<b>174,328</b>
<b>Administered expenses from transactions</b>				
Employee benefits	2.10(a), 18.7	981	1,541	2,179
Depreciation and amortisation	2.10(b), 18.8	1	14	21
Supplies and consumables	2.10(f), 18.9	639	1,774	1,422
Grants and subsidies	2.10(c), 18.10	77,733	76,560	73,683
Transfers to the Consolidated Fund		102,292	79,416	97,602
Other expenses	2.10(f), 18.11	15,079	54	141
<b>Total administered expenses from transactions</b>		<b>196,725</b>	<b>159,359</b>	<b>175,048</b>
<b>Administered net result from transactions attributable to the State</b>		<b>(121)</b>	<b>(389)</b>	<b>(720)</b>
<b>Administered other economic flows in administered net result</b>				
Net gain/(loss) on sale of non-financial assets		...	...	...
Net gain/(loss) on financial instruments and statutory receivables/payables	18.12	1	1	1
<b>Total administered other economic flows included in net result</b>		<b>1</b>	<b>1</b>	<b>1</b>
<b>Administered net result</b>		<b>(120)</b>	<b>(388)</b>	<b>(719)</b>
<b>Administered comprehensive result</b>		<b>(120)</b>	<b>(388)</b>	<b>(719)</b>

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 18.1 of the accompanying notes.

## I.2 Schedule of Administered Assets and Liabilities

	Notes	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
<b>Administered assets</b>				
Administered financial assets				
Cash and deposits	2.12(a), 18.21	3,953	3,430	4,350
Receivables	2.12(b), 18.13	181	44	153
Other financial assets	2.12(c), 18.14	46	15	25
Administered non-financial assets				
Property, plant and equipment	2.12(f), 18.15	27	10	15
Intangibles	2.12(h), 18.16	21	3	13
Other assets		5	...	...
<b>Total administered assets</b>		<b>4,233</b>	<b>3,502</b>	<b>4,556</b>
<b>Administered liabilities</b>				
Payables	2.13(a), 18.17	40	210	202
Employee benefits	2.13(d), 18.18	476	240	528
Other liabilities	2.13(f), 18.19	1,328	1,530	1,916
<b>Total administered liabilities</b>		<b>1,844</b>	<b>1,980</b>	<b>2,646</b>
<b>Administered net assets</b>		<b>2,389</b>	<b>1,522</b>	<b>1,910</b>
<b>Administered equity</b>				
Accumulated funds		2,389	1,522	1,910
<b>Total administered equity</b>		<b>2,389</b>	<b>1,522</b>	<b>1,910</b>

This Schedule of Administered Assets and Liabilities should be read in conjunction with the accompanying notes.

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

Explanations of material variances between budget and actual outcomes are provided in Note 18.1 of the accompanying notes.

### I.3 Schedule of Administered Cash Flows

	Notes	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
<b>Administered cash flows from operating activities</b>		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Administered cash inflows</b>				
Appropriation receipts - recurrent		77,867	77,917	75,140
Taxation		34,045	35,210	33,954
Grants		15,235	153	450
Sales of goods and services		60,683	34,051	54,705
Fees and fines		8,741	11,400	9,913
Other cash receipts		33	127	155
<b>Total administered cash inflows</b>		<b>196,604</b>	<b>158,858</b>	<b>174,317</b>
<b>Administered cash outflows</b>				
Employee benefits		(966)	(1,830)	(2,098)
Grants and subsidies		(80,478)	(76,576)	(73,527)
Transfers to the Consolidated Fund		(102,292)	(79,416)	(97,602)
Other cash payments		(12,973)	(1,740)	(1,453)
<b>Total administered cash outflows</b>		<b>(196,709)</b>	<b>(159,562)</b>	<b>(174,680)</b>
<b>Administered net cash from (used by) operating activities</b>	18.22	<b>(105)</b>	<b>(704)</b>	<b>(363)</b>
<b>Administered cash flows from investing activities</b>				
<b>Administered cash inflows</b>				
Proceeds from the disposal of non-financial assets		1	...	...
<b>Total administered cash inflows</b>		<b>1</b>	<b>...</b>	<b>...</b>
<b>Administered cash outflows</b>				
Payments for acquisition of non-financial assets		(1)	...	...
<b>Total administered cash outflows</b>		<b>(1)</b>	<b>...</b>	<b>...</b>
<b>Administered net cash from (used by) investing activities</b>		<b>...</b>	<b>...</b>	<b>...</b>
<b>Cash flows from financing activities</b>				
<b>Cash inflows</b>				
Trust receipts		...	(216)	550
<b>Total cash inflows</b>		<b>...</b>	<b>(216)</b>	<b>550</b>
<b>Cash outflows</b>				
Trust payments		...	...	...
<b>Total cash outflows</b>		<b>...</b>	<b>...</b>	<b>...</b>
<b>Net cash from (used by) financing activities</b>		<b>...</b>	<b>(216)</b>	<b>550</b>
<b>Net increase (decrease) in administered cash held</b>		<b>(105)</b>	<b>(920)</b>	<b>187</b>
Administered cash and deposits at the beginning of the reporting period		4,058	4,350	4,163
Administered cash and deposits at the end of the reporting period	18.21	3,953	3,430	4,350

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 18.1 of the accompanying notes.

## 1.4 Schedule of Administered Changes in Equity

	Accumulated surplus / deficit \$'000	Total Equity \$'000
Balance as at 1 July 2012	1,910	1,910
Total comprehensive result	(388)	(388)
Balance as at 30 June 2013	1,522	1,522

	Accumulated surplus / deficit \$'000	Total Equity \$'000
Balance as at 1 July 2011	2,629	2,629
Total comprehensive result	(719)	(719)
Balance as at 30 June 2012	1,910	1,910

This Schedule of Administered Changes in Equity should be read in conjunction with the accompanying notes.

## Note 2 Significant Accounting Policies

### 2.1 Objectives and Funding

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

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

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

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

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

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

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

The Department is a Tasmanian Government not-for-profit entity that is predominantly funded by parliamentary appropriations. Other funding sources include Commonwealth grants, industry grants and miscellaneous recoveries from various sources. The Forest Practices Authority is funded by industry

contributions and parliamentary appropriations. The 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 initially signed by the Secretary on 15 August 2013.

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

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

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

## 2.3 Reporting Entity

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

The Department consolidate with the following entities. Refer to note 17.1.

## 2.4 Functional and Presentation Currency

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

## 2.5 Changes in Accounting Policies

### (a) Impact of new and revised Accounting Standards

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

- AASB 20106 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASBs 1 & 7] – This Standard introduces additional disclosure relating to transfers of financial assets in AASB 7. An entity shall disclose all transferred financial assets that are not derecognised and any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. There is no financial impact.
- AASB 20111 Amendments to Australian Accounting Standards arising from the TransTasman Convergence Project [AASBs 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113] – this Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.
- AASB 201115 Amendments to Australian Accounting Standards – Extending Relief from Consolidation,

the Equity Method and Proportionate Consolidation [AASBs 127, 128 & 131] – this Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity are not-for-profit non-reporting entities that comply with Australian Accounting Standards. There is no financial impact.

- AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] – This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). There is no financial impact.
- AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, AASB 2009-11, AASB 2010-7, AASB 2011-7 & AASB 2011-8] – This Standard amends the mandatory effective date of AASB 9 Financial Instruments so that AASB 9 is required to be applied for annual reporting periods beginning on or after 1 January 2015 instead of 1 January 2013. There is no financial impact.

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

The following applicable Standards have been issued by the AASB and are yet to be applied:

- AASB 9 Financial Instruments – This Standard supersedes AASB 139 Financial Instruments: recognition and Measurement, introducing a number of changes to accounting treatments. The Standard was reissued in December 2010. The Department has not yet determined the potential financial impact of the standard.
- AASB 13 Fair Value Measurement – This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact, however the application of the standard will result in enhanced new disclosures, including the valuation techniques and inputs used for measurement.
- AASB 1053 Application of Tiers of Australian Accounting Standards – This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. The Standard does not have any financial impact on the Department. However, it may affect disclosures if reduced disclosure requirements apply.
- AASB 20102 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASBs 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129, & 1052] – This Standard makes amendments to Australian accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.
- AASB 20107 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASBs 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19, & 127] – This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB in December 2010. It is not anticipated that there will be any financial impact.
- AASB 20112 Amendments to Australian Accounting Standards arising from the TransTasman Convergence Project – Reduced Disclosure Requirements [AASBs 101 & 1054] – This Standard makes amendments to introduce reduced disclosure requirements for certain types of entities. There is no expected financial impact of applying these changes, as the Department is a Tier 1 entity.
- AASB 20118 Amendments to Australian Accounting Standards arising from AASB 13 [AASBs 1, 2, 3, 4, 5, 7, 9, 200911, 20107, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] – This Standard replaces the existing definition of fair value guidance in other Australian Accounting Standards and

Interpretations as the result of issuing AASB 13 in September 2011. There is no expected financial impact.

- AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASBs 1, 8, 101, 124, 134, 1049 & 20118 and Interpretations 14] – This Standard makes amendments to other Australian Accounting Standards and Interpretation as a result of issuing AASB 119 Employee Benefits in September 2011. It is not expected to have a financial impact.
- AASB 201111 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements – This Standard gives effect to Australian Accounting Standards– Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.
- AASB 2012-1 – Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements [AASB 3, AASB 7, AASB 13, AASB 140, & AASB 141] – This standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. It is anticipated that there will not be any financial impact.
- AASB 2012-2 Amendments to the Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB 132] – This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognised financial assets and recognised financial liabilities, on the entity’s financial position. It is anticipated there will not be any financial effect.
- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] – This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently had a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. It is anticipated that there will not be any financial impact.
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132, & AASB 134 and Interpretation 2] – This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. It is anticipated that there will not be any financial impact.
- AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASBs 1, 5, 7, 8, 10, 11, 12, 13, 101, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049, & 2011-7 and Interpretation 12] – This Standard makes amendments to AASB 10 and related Standards to revise the transition guidance relevant to the initial application of those Standards, and to clarify the circumstances in which adjustments to an entity’s previous accounting for its involvement with other entities are required and the timing of such adjustments. This Standard was issued in December 2012. The application or the potential impact of the Standard has not yet been determined.
- AASB 2012-11 Amendments to AASB 119 (September 2012) arising from Reduced Disclosure Requirements – This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2012). There is no financial impact.
- AASB 2013-1 Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements – This Standard removes the requirements relating to the disclosure of budgetary information from AASB 1049 (without substantive amendment). All budgetary reporting requirements applicable to public sector entities are now located in a single topic based, Standard AASB 1055 Budgetary Reporting. There is no financial impact.

### **(c) Recognition of liability not previously recognised**

During 2012-13 financial year the Department reviewed its policy with respect to the accounting treatment of the Mines Deposit Accounts. The accounts are included within the Department’s Controlled Special

Deposit and Trust Funds (SDTF) balances in terms of the Mineral Resource Development Act 1995, as mine rehabilitation bonds. Whilst the Department has control of these funds under the Act, a decision was made to recognise these funds as 'Monies held in Trust'. The impact of the correction is as follows:

	2012 \$'000
<b>Accumulated Funds</b>	
Opening balance	2,656,852
Adjustment to recognise 'Monies held in Trust'	(5,447)
Closing balance	2,651,405
<b>Statement of Financial Position</b>	
Net assets	3,996,584
Recognition of liability 'Monies held in Trust'	(5,447)
Net assets including expected impact	3,991,137

## 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 I to the Financial Statements. Administered expenses include employee expenses incurred in the conduct of Administered transactions.

## 2.7 Activities Undertaken Under a Trustee or Agency Relationship

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

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

Transactions and balances relating to a trustee or an agency arrangement are not recognised as departmental revenues, expenses, assets or liabilities in these Financial Statements. Details of these transactions are provided in Note 19.

## 2.8 Transactions by the Government as Owner – Restructuring of Administrative Arrangements

Net assets received under a restructuring of administrative arrangements are designated as contributions by owners and adjusted directly against equity. Net assets relinquished are designated as distributions to owners. Net assets transferred are initially recognised at the amounts at which they were recognised by the transferring agency immediately prior to the transfer.

## 2.9 Income from transactions

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

### (a) Revenue from Government

Appropriations, whether recurrent or capital, are recognised as revenues in the period in which the Department gains control of the appropriated funds. Except for any amounts identified as carried forward in Notes 8.1 and 18.2, control arises in the period of appropriation.

### (b) Grants

Grants payable by the Australian Government, State Government (eg Special Capital Investment Funds) or industry are recognised as revenue when the Department gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant.

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

#### **(c) State taxation**

Revenue from State taxation is recognised upon the first occurrence of either:

- receipt by the State of a taxpayer's self-assessed taxes; or
- the time the obligation to pay arises, pursuant to the issue of an assessment.

#### **(d) Sales of goods and services**

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

Revenue from Mineral Royalties is recognised on receipt based on self assessment by mining companies. The royalties are calculated and paid based on mined volumes each quarter and supported by spot audits by Mineral Resources Tasmania staff. Due to inherent difficulties of accounting for this revenue on an accrual basis, mineral royalties revenue is accounted for on a cash basis.

#### **(e) Fees and fines**

Revenue from fees and fines is recognised when obligation to pay arises, pursuant to the issue of an assessment.

#### **(f) Interest**

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

#### **(g) Contributions received**

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

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

#### **(h) Investment Income**

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

#### **(i) Other revenue**

Revenue from sources other than those identified above are recognised in the Income Statement when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

### **2.10 Expenses from transactions**

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

#### **(a) Employee benefits**

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

## (b) Depreciation and amortisation

All applicable Non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Land and the earthworks component of major roadworks, being assets with an unlimited useful life, are not depreciated.

The following table details the asset lives, and depreciation rates and the methods for the various classes of assets employed in the current and previous reporting periods. Asset useful lives depreciation methods are reviewed annually and adjusted according to the expected rate and/or pattern of consumption, asset condition, and industry best practice.

Asset	Estimated Useful Life (years)	Depreciation Rate (per annum)	Method
<b>Road Infrastructure:</b>			
Earthworks	Unlimited	Nil	NA
Pavement – category 1	40	2.50%	Straight Line
category 2	40	2.50%	Straight Line
category 3	50	2.00%	Straight Line
category 4	55	1.82%	Straight Line
category 5	60	1.67%	Straight Line
(Note: road categories are determined by freight carrying task, ie category 1 the highest freight task, category 5, the lowest)			
Surface, seal	15	6.67%	Straight Line
<b>Bridge Infrastructure:</b>			
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
<b>Traffic Signal Installations: (Residual value 10% applies to all traffic signals assets)</b>			
Cable	50	2.00%	Straight Line
Above and below ground	30	3.33%	Straight Line
Electronics	25	4.00%	Straight Line
Site Hardware	10	10.00%	Straight Line
Buildings	20	5.00%	Straight Line
Electrical and Office Equipment	5	20.00%	Straight Line
Technical Equipment	5	20.00%	Straight Line
Plant	10	10.00%	Straight Line
Computer Hardware	3	33.33%	Straight Line
Computer Software	3	33.33%	Straight Line
Marine Vessels and Equipment (Residual value 10%)	10.67	9.37%	Straight Line
<b>Abt Railway Infrastructure:</b>			
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
<i>Road Infrastructure</i>			

The identifiable components of the road infrastructure have been grouped into three major components for the purpose of assessing and of assigning an estimated useful life. Useful lives are based on analysis of historical data, road condition surveys, and best practice employed by other State Road Authorities.

The components that have a limited useful life (eg pavement, surfacing) are systematically depreciated over their useful lives in a manner that reflects the consumption of service potential embodied in those components. Earthworks, representing the cut and fill activity associated with major roadworks, is similar to land in that its useful life is unlimited, therefore is not depreciated.

#### *Bridge Infrastructure*

Bridges are depreciated systematically over their useful life having regard to their unique rate of deterioration. Bridge values are depreciated parabolically to reflect the greater depreciation towards the end of a bridge's life, i.e.:

$$\text{Present Value} = \text{Replacement Cost} \times (1 - (\text{age}/\text{life})^2)$$

#### *Intangible Assets*

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

Major amortisation rates applicable to intangible assets appear in the table below:

Asset	Estimated Useful Life (years)	Depreciation Rate (per annum)	Method
Motor Registry System	10	10.00%	Straight Line
In-house computer software (eg RIMS, Contract Management System, Geomodeller)	3	33.33%	Straight Line

The Motor Registry System is computer software developed internally over a four year period and is essential for the collection of motor registry and driver licensing revenues and data maintenance. The system was implemented on 25 August 2008 and its useful life is estimated at 10 years.

#### **(c) Grants and subsidies**

Grant and subsidies expenditure is recognised to the extent that:

- the services required to be performed by the grantee have been performed; or
- the grant eligibility criteria have been satisfied.

A liability is recorded when the Department has a binding agreement to make the grants but services have not been performed or criteria satisfied. Where grant monies are paid in advance of performance or eligibility, a prepayment is recognised.

#### **(d) Finance costs**

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

Borrowing costs include:

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

#### **(e) Contributions provided**

Contributions provided free of charge by the Department, to another entity, are recognised as an expense when fair value can be reliably determined.

#### **(f) Other expenses**

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

## 2.11 Other economic flows included in net result

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

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

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

### (b) Impairment – Financial assets

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

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

All impairment losses are recognised in the Statement of Comprehensive Income and Schedule of Administered Income and Expenses.

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

### (c) Impairment – Non-financial assets

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

All impairment losses are recognised in Statement of Comprehensive Income and Schedule of Administered Income and Expenses.

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

### (d) Write down of assets measured at fair value

A revaluation decrement is recognised as an expense in the Statement of Comprehensive Income except to the extent that the decrement reverses a revaluation increment previously credited to, and still included in the balance of, an Asset Revaluation Reserve in respect of the same class of asset. In this case, it is debited direct to that Revaluation Reserve.

Where an increment reverses a revaluation decrement previously recognised as an expense in the Income Statement, in respect of that same class of Non-current assets, the revaluation increment is recognised as revenue.

### (e) Other gains/(losses) from other economic flows

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

## 2.12 Assets

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

### (a) Cash and deposits

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

### (b) Receivables

Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value. Impairment losses are recognised when there is an indication that there is a measurable decrease in the collectability of receivables.

### (c) Other financial assets

Investments are initially recorded at fair value.

All investments are held to maturity and are measured at amortised cost using the effective interest method less any impairment losses subsequent to initial recognition.

### (d) Assets held for sale

Assets held for sale (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Department's accounting policies. Thereafter the assets (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

### (e) Equity investments

Equity investments are initially recorded at cost based on the equity contributions made to State-owned Companies and Government Business Enterprises. Subsequent to initial recognition equity investments are measured at fair value through profit and loss.

Control of the investment rests with the responsible Minister rather than with the Department. Accordingly, equity investments in Government owned businesses are not consolidated in the Financial Statements and are recognised as an equity investment asset. This policy is consistent with the principles of AASB 1049 Whole of Government and General Government Sector Financial Reporting. Fully consolidated Financial Statements are contained in the Treasurer's Annual Financial Report.

The change in the value of the investment is recorded as income or as an expense in the Statement of Comprehensive Income.

### (f) Property, plant, equipment and infrastructure

#### (i) Valuation basis

Land, buildings, infrastructure, heritage and cultural assets and other longlived 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 selfconstructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the

functionality of the related equipment is capitalised as part of that equipment.

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

#### *Road Infrastructure*

The Road Infrastructure valuation is based on depreciated replacement cost, calculated on a base unit construction cost rate per square metre of given road carriageway area. The rate is then adjusted to reflect the additional factors that contribute significantly to the replacement cost. These factors are as follows:

land use;

traffic volumes; and

national highway as the Commonwealth Government demands a higher standard.

The relative importance of each factor is determined by a statistical analysis of recent road construction project costs.

The road replacement cost gives the cost to provide a new road of the existing standard, less accumulated depreciation calculated on the basis of such cost to reflect the already consumed future economic benefits of the asset.

Road infrastructure is divided into three components or strata, primarily for depreciation purposes, as follows:

Earthworks, cut and fill – are in the nature of land and therefore are non-depreciable and represents 35% of the cost of building road infrastructure.

Pavement – the layer on which the road surface is placed. Typical useful life of road pavements is 40 to 60 years. Represents 58.5% of the cost of building road infrastructure.

Surface – the bitumen seal visible on the road surface, designed to protect the pavement from water and weathering. Typical useful life of road seal is 15 years. Represents 6.5% of the cost of building road infrastructure.

Full valuation occurs every 5 years, with the last valuation conducted in 2013. Values are indexed annually using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16).

#### *Bridge Infrastructure*

Bridge infrastructure valuation is based on depreciated replacement cost, calculated from base unit rates for construction of different bridge types.

The bridge replacement cost gives the cost to provide a new bridge of the existing standard, less accumulated depreciation calculated on the basis of such cost to reflect the already consumed future economic benefits of the asset.

Full valuation occurs every 5 years, with the last valuation completed in 2012. Values are indexed annually using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16).

#### *Land Under Roads and within Road Reserves*

Land under roads and within road reserves value is determined by the Valuer-General from the most recent valuations of land titles adjoining and within a 200 metre corridor of the State road network. The Valuer General provides average values per hectare or square metre for the urban and non-urban sectors in each Municipality, and the Department inputs the average values into the land areas in each sector and Municipality.

#### *Traffic Signals*

Traffic Signals assets are valued every 5 years by the Australian Valuation Office on a depreciated replacement cost basis, with the last valuation completed in 2012. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the

estimated useful life of the asset.

#### *ABT Railway Infrastructure*

ABT Railway infrastructure comprises of the rail track, bridges, culverts, sidings, ramps and earthworks owned by the ABT Railway Ministerial Corporation. Railway assets are revalued every 5 years on a depreciated replacement cost basis, with the last valuation completed in 2012. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

#### *Property Acquired for Roadworks*

Expenditure on the acquisition of land and buildings acquired for roadworks is recognised in the accounts at settlement date and is capitalised until such time as formal possession of the property takes place for the purpose of commencing construction on the roadway.

Three methods of valuation for property and land purchased for infrastructure purposes are used by the Department, which are:

##### *Valuer-General Sale Valuation*

A sale valuation is obtained from the Valuer-General for properties that are intended to be sold in the near future. In most cases, these are the pieces of property that are left over as a result of the completion of a road construction project.

##### *Valuer-General Rates Valuation*

The rates valuation is considered to be a reasonable valuation of properties held, mostly for future roadwork purposes.

##### *Department of Infrastructure, Energy and Resources Valuation*

This valuation is applied to properties that remain as a result of completion of the relevant road construction project, where the Valuer-General valuation is considered inappropriate. Due to factors such as non-accessibility, usefulness of land and marketability, the true value of a property may be close to zero when accounting for disposal costs or, in any case, significantly lower than the Valuer-General's valuation.

#### *Rail Corridor Land*

Rail Corridor Land (ie the land beneath the State's rail lines) was transferred to the control of the Department by the *Crown Lands (Railway Land) Order 2006* on 1 December 2009, as part of the purchase of the Tasmanian Rail operation and the Melba Line by Tasmanian Railway Pty Ltd, the associated corridor land was also transferred to the control of the Department.

The land is valued at either current Valuer-General valuation where one exists, or at the average rate per land area in each Municipality according to adjacent land zoning. The Valuer General provides average values per hectare or square metre for the urban and non-urban sectors in each Municipality, from the most recent valuations of land titles adjoining and within a 200 metre corridor of the rail lines.

#### *(ii) Subsequent costs*

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

#### *(iii) Asset recognition threshold*

The asset capitalisation threshold adopted by the Department is \$5,000. Assets valued at less than \$5,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

#### *(iv) Revaluations*

Assets are revalued at least once in every 5 years with the following exceptions:

- plant and equipment having a cost or revaluation less than the threshold of \$50,000;
- land and buildings that are to be utilised for future roadworks (as required);
- land remaining after the completion of the relevant roadworks project which is regarded as non-saleable due to, for example, limited or no access (as required), and;
- Road and Bridge infrastructure which is revalued every 5 years, with values indexed annually between valuations.

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

The recoverable amount test is not applicable to the Department of Infrastructure, Energy and Resources as its non-current assets are not held for the purpose of generating net cash inflows from services provided by the Department.

Those assets that are restricted by government directives or legislation are disclosed in the Statement of Financial Position as administered assets. The restriction on these assets includes the inability of the Department of Infrastructure, Energy and Resources to benefit from the asset in the pursuit of its objectives and to deny access of others to that benefit.

#### **(g) Investment property**

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

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

Investment property is not depreciated.

Investment property is revalued with sufficient regularity to ensure it reflects fair value at balance date.

#### **(h) Intangibles**

An intangible asset is recognised where:

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

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

## **2.13 Liabilities**

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

#### **(a) Payables**

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

#### **(b) Interest bearing liabilities**

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

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

### **(c) Provisions**

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

### **(d) Employee benefits**

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

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

A liability for on-costs (payroll tax and workers compensation premiums) is recognised and disclosed as part of Payables. On-costs are not classified as an employee benefit.

### **(e) Superannuation**

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

During the reporting period, the Department paid 12.5 percent of salary in respect of contributory members of the Retirement Benefits Fund into the Superannuation Provision Account within the Special Deposits and Trust Fund. The Department paid the appropriate Superannuation Guarantee Charge into the nominated superannuation fund in respect of non-contributors. Under these arrangements the Department has no further superannuation liability for the past service of its employees.

### **(f) Other liabilities**

Liabilities other than those identified above are recognised in accordance with the general criteria noted above.

## **2.14 Leases**

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

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

## **2.15 Judgements and Assumptions**

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

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

During 2012-13 the Department reviewed its estimation of liability for compulsory land acquisitions which were previously disclosed as contingent liabilities. It was determined that some of those liabilities could be reliably estimated and are therefore disclosed as provisions.

Judgements made by the Department that have significant effects on the Financial Statements are disclosed in the relevant notes to the Financial Statements.

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

## 2.16 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date.

## 2.17 Comparative Figures

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

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

Restructures of Outputs within the Department (internal restructures) that do not affect the results shown on the face of the Financial Statements are reflected in the comparatives in the Output Schedule at Note 3.

## 2.18 Budget Information

Budget information refers to original estimates as disclosed in the 2012-13 Budget Papers and is not subject to audit.

## 2.19 Rounding

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. Where the result of expressing amounts to the nearest thousand dollars would result in an amount of zero, the financial statement will contain a note expressing the amount to the nearest whole dollar.

## 2.20 Departmental Taxation

The Department is exempt from all forms of taxation except Fringe Benefits Tax, Payroll Tax and the Goods and Services Tax.

## 2.21 Goods and Services Tax

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

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

# Note 3 Departmental Output Schedules

## 3.1 Output Group Information

Comparative information has not been restated for external administrative restructures.

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

### Output Group I – Infrastructure

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
<b>Continuing operations</b>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	37,336	28,373	64,159
Grants	32,285	57,195	957
Sales of goods and services	567	901	1,314
Fees and fines	5,985	5,754	6,956
Other revenue	75	460	80
<b>Total revenue and other income from transactions</b>	<b>76,248</b>	<b>92,683</b>	<b>73,466</b>
<b>Expenses from transactions</b>			
Employee Entitlements	24,851	21,987	20,257
Depreciation and Amortisation	3,369	3,471	3,223
Grants and subsidies	3,203	13,209	1,188
Supplies and Consumables:			
Consultants	3,084	1,193	824
Property Services	1,190	17	344
Maintenance	4,769	1,588	3,261
Communications	645	1,005	753
Information Technology	1,933	2,509	2,276
Travel and Transport	630	449	423
Operating Lease costs		1,509	1,652
Advertising and Promotion	621	1,200	899
Other Supplies and Consumables	2,477	7,823	6,621
Other expenses	1,381	861	1,390
<b>Total expenses from transactions</b>	<b>48,153</b>	<b>56,821</b>	<b>43,111</b>
<b>Net result from transactions (net operating balance)</b>	<b>28,095</b>	<b>35,862</b>	<b>30,355</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on nonfinancial assets	4	(795)	(360)
Net gain/(loss) on financial instruments and statutory receivables/payables	...	...	(4)
<b>Total other economic flows included in net result</b>	<b>4</b>	<b>(795)</b>	<b>(364)</b>
<b>Net result from continuing operations</b>	<b>28,099</b>	<b>35,067</b>	<b>29,991</b>
<b>Net result</b>	<b>28,099</b>	<b>35,067</b>	<b>29,991</b>
<b>Other comprehensive income</b>			
Changes in physical asset revaluation reserve	...	4,406	17,840
<b>Total other comprehensive income</b>	<b>...</b>	<b>4,406</b>	<b>17,840</b>
<b>Comprehensive result</b>	<b>28,099</b>	<b>39,473</b>	<b>47,831</b>

## Output Group I – Infrastructure (continued)

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
<b>Expense by output</b>			
I.1 Infrastructure Strategy	4,737	18,817	4,577
I.2 Rail Safety	531	398	378
I.3 Road Safety	10,338	7,462	8,645
I.4 Registration and Licensing	14,251	15,607	15,338
I.5 Vehicle Operations	4,490	4,045	4,175
I.6 Traffic Management and Engineering Services	6,855	7,114	5,402
I.7 Passenger Transport	3,748	2,802	2,864
I.8 Passenger Transport Innovation	3,203	1,371	2,096
<b>Total</b>	<b>48,153</b>	<b>57,616</b>	<b>43,475</b>
<b>Net Assets</b>			
Total assets deployed for Output Group I		159,833	155,369
Total liabilities incurred for Output Group I		7,683	5,901
<b>Net assets deployed for Output Group I</b>		<b>152,150</b>	<b>149,468</b>

## Output Group 2 – Energy Advisory and Regulatory Services

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
<b>Continuing operations</b>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	1,230	1,101	1,543
Grants	...	...	509
Fees and fines	475	...	...
Other revenue	1	...	1
<b>Total revenue and other income from transactions</b>	<b>1,706</b>	<b>1,101</b>	<b>2,053</b>
<b>Expenses from transactions</b>			
Employee Entitlements	988	1,076	896
Depreciation and Amortisation	...	1	2
Grants and subsidies	465	16	322
Supplies and Consumables:			
Consultants	101	3	38
Property Services	23	4	6
Communications	15	9	11
Information Technology	14	9	10
Travel and Transport	23	16	13
Operating Lease costs	...	42	50
Advertising and Promotion	29	3	...
Other Supplies and Consumables	(1)	(57)	591
Other expenses	51	28	66
<b>Total expenses from transactions</b>	<b>1,708</b>	<b>1,150</b>	<b>2,005</b>
<b>Net result from transactions (net operating balance)</b>	<b>(2)</b>	<b>(49)</b>	<b>48</b>
<b>Comprehensive result</b>	<b>(2)</b>	<b>(49)</b>	<b>48</b>
<b>Expense by output</b>			
2.1 Energy Policy and Advice	1,708	1,150	2,005
<b>Total</b>	<b>1,708</b>	<b>1,150</b>	<b>2,005</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 2		312	140
Total liabilities incurred for Output Group 2		530	237
<b>Net assets deployed for Output Group 2</b>		<b>(218)</b>	<b>(97)</b>

## Output Group 3 – Mineral Resources Management and Administration

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
<i>Continuing operations</i>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	6,255	7,237	6,463
Other revenue	776	52	634
<b>Total revenue and other income from transactions</b>	<b>7,031</b>	<b>7,289</b>	<b>7,097</b>
<b>Expenses from transactions</b>			
Employee Entitlements	4,394	4,604	4,312
Depreciation and Amortisation	352	339	415
Grants and subsidies	189	105	198
Supplies and Consumables:			
Consultants	76	63	37
Property Services	622	251	185
Maintenance	...	104	...
Communications	58	48	43
Information Technology	330	418	402
Travel and Transport	66	178	137
Operating Lease costs	...	489	607
Advertising and Promotion	101	28	32
Other Supplies and Consumables	330	(26)	491
Other expenses	234	116	745
<b>Total expenses from transactions</b>	<b>6,752</b>	<b>6,716</b>	<b>7,604</b>
<b>Net result from transactions (net operating balance)</b>	<b>279</b>	<b>572</b>	<b>(507)</b>
<b>Other comprehensive income</b>			
Net gain/(loss) on financial instruments and statutory receivables/payables	...	...	(10)
<b>Total other comprehensive income</b>	<b>...</b>	<b>...</b>	<b>(10)</b>
<b>Net result from continuing operations</b>	<b>279</b>	<b>572</b>	<b>(517)</b>
<b>Comprehensive result</b>	<b>279</b>	<b>572</b>	<b>(517)</b>
<b>Expense by output</b>			
3.1 Minerals Exploration and Land Management	3,625	4,043	6,992
3.2 Tenement Management of the Exploration and Minerals Industry	3,127	2,674	622
<b>Total</b>	<b>6,752</b>	<b>6,716</b>	<b>7,614</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 3		7,656	8,055
Total liabilities incurred for Output Group 3		6,536	6,725
<b>Net assets deployed for Output Group 3</b>		<b>1,120</b>	<b>1,330</b>

## Output Group 4 –Support for the Minister

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
<b>Continuing operations</b>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	643	1,108	2,620
Grants	...	322	...
Other revenue	...	(5)	...
<b>Total revenue and other income from transactions</b>	<b>643</b>	<b>1,425</b>	<b>2,620</b>
<b>Expenses from transactions</b>			
Employee Entitlements	653	1,094	1,036
Depreciation and Amortisation	...	1	1
Grants and subsidies	...	235	538
Supplies and Consumables:			
Consultants	2	94	30
Property Services	2	3	4
Communications	6	10	8
Information Technology	5	3	10
Travel and Transport	37	21	25
Operating Lease costs	...	47	54
Advertising and Promotion	...	17	1
Other Supplies and Consumables	(79)	(3)	1,010
Other expenses	22	21	72
<b>Total expenses from transactions</b>	<b>648</b>	<b>1,543</b>	<b>2,789</b>
<b>Net result from transactions (net operating balance)</b>	<b>(5)</b>	<b>(118)</b>	<b>(169)</b>
<b>Comprehensive result</b>	<b>(5)</b>	<b>(118)</b>	<b>(169)</b>
<b>Expense by output</b>			
4.1 Support for the Minister	648	1,543	2,789
<b>Total</b>	<b>648</b>	<b>1,543</b>	<b>2,789</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 4		56	58
Total liabilities incurred for Output Group 4		193	317
<b>Net assets deployed for Output Group 4</b>		<b>(137)</b>	<b>(259)</b>

## Output Group 5 – Racing Policy and Regulation

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
<b>Continuing operations</b>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	3,130	3,154	2,846
Sales of goods and services	2	3	1
Fees and fines	340	294	319
Other revenue	194	2	3
<b>Total revenue and other income from transactions</b>	<b>3,666</b>	<b>3,453</b>	<b>3,169</b>
<b>Expenses from transactions</b>			
Employee Entitlements	2,139	2,262	2,295
Depreciation and Amortisation	8	30	26
Grants and subsidies	273	...	1
Supplies and Consumables:			
Consultants	...	10	7
Property Services	189	44	15
Communications	56	45	48
Information Technology	70	155	277
Travel and Transport	167	118	128
Operating Lease costs	...	350	335
Advertising and Promotion	...	3	...
Other Supplies and Consumables	635	754	403
Other expenses	151	71	160
<b>Total expenses from transactions</b>	<b>3,688</b>	<b>3,842</b>	<b>3,695</b>
<b>Net result from transactions (net operating balance)</b>	<b>(22)</b>	<b>(389)</b>	<b>(526)</b>
<b>Comprehensive result</b>	<b>(22)</b>	<b>(389)</b>	<b>(526)</b>
<b>Expense by output</b>			
5.1 Racing Regulation	3,688	3,842	3,695
<b>Total</b>	<b>3,688</b>	<b>3,842</b>	<b>3,695</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 5		84	237
Total liabilities incurred for Output Group 5		456	544
<b>Net assets deployed for Output Group 5</b>		<b>(372)</b>	<b>(307)</b>

## Output Group 6 –Transport Subsidies and Concessions

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
<b>Continuing operations</b>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	66,312	69,945	65,243
Reserved by Law	52	...	...
Other revenue	...	...	1
<b>Total revenue and other income from transactions</b>	<b>66,364</b>	<b>69,945</b>	<b>65,244</b>
<b>Expenses from transactions</b>			
Depreciation and Amortisation	...	335	358
Grants and subsidies	66,027	67,718	64,242
Supplies and Consumables:			
Other Supplies and Consumables	337	(1,726)	895
<b>Total expenses from transactions</b>	<b>66,364</b>	<b>66,327</b>	<b>65,495</b>
<b>Net result from transactions (net operating balance)</b>	<b>...</b>	<b>3,618</b>	<b>(251)</b>
<b>Other comprehensive income</b>			
Changes in physical asset revaluation reserve	...	...	2
<b>Total other comprehensive income</b>	<b>...</b>	<b>...</b>	<b>2</b>
<b>Comprehensive result</b>	<b>...</b>	<b>3,618</b>	<b>(249)</b>
<b>Expense by output</b>			
6.1 Bruny Island Ferry Service	640	967	998
6.2 Furneaux Shipping Contract	286	284	255
6.3 King Island Shipping	49	44	...
6.4 Metropolitan General Access Services	37,726	37,510	35,713
6.5 Rural and Special Needs School Buses	19,494	14,652	17,586
6.6 Non-Metropolitan General Access Services	8,117	12,870	10,943
6.7 Construction of Streets in Towns	52	...	...
<b>Total</b>	<b>66,364</b>	<b>66,327</b>	<b>65,495</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 6		4,713	1,139
Total liabilities incurred for Output Group 6		...	44
<b>Net assets deployed for Output Group 6</b>		<b>4,713</b>	<b>1,095</b>

## Output Group –Capital Investment Program

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
<b>Continuing operations</b>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	123,633	102,187	148,969
Grants	18,246	19,098	...
Sales of goods and services	100	168	175
Interest income	...	...	22
Fees and fines	6,955	7,047	4,688
Other revenue	...	3,585	(184)
<b>Total revenue and other income from transactions</b>	<b>148,934</b>	<b>132,085</b>	<b>153,670</b>
<b>Expenses from transactions</b>			
Employee Entitlements	7,205	10,363	10,046
Depreciation and Amortisation	101,002	77,798	72,834
Grants and subsidies	...	1,665	808
Supplies and Consumables:			
Consultants	...	124	(144)
Maintenance	33,262	53,309	48,386
Property Services	...	3,405	(442)
Communications	(1)	275	301
Information Technology	...	127	77
Travel and Transport	...	544	495
Operating Lease costs	...	1,199	1,122
Advertising and Promotion	...	24	15
Other Supplies and Consumables	(341)	1,607	190
Other expenses	386	450	831
<b>Total expenses from transactions</b>	<b>141,513</b>	<b>150,890</b>	<b>134,519</b>
<b>Net result from transactions (net operating balance)</b>	<b>7,421</b>	<b>(18,805)</b>	<b>19,151</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	...	39,278	(45,108)
Net gain/(loss) on financial instruments and statutory receivables/payables	...	...	1
<b>Total other economic flows included in net result</b>	<b>...</b>	<b>39,278</b>	<b>(45,107)</b>
<b>Net result</b>	<b>...</b>	<b>20,473</b>	<b>(25,956)</b>
<b>Other comprehensive income</b>			
Changes in physical asset revaluation reserve	...	158,399	241,515
<b>Total other comprehensive income</b>	<b>...</b>	<b>...</b>	<b>241,515</b>
<b>Comprehensive result</b>	<b>7,421</b>	<b>178,872</b>	<b>215,559</b>

## Output Group –Capital Investment Program (continued)

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Expense by output			
Arthur Hwy	2,184	991	367
Rokeby Main Road	1,478	608	(85)
West Tamar Highway Bradys Lookout	5,500	5,373	337
West Tamar Highway Cormiston Road	300	295	142
Huon Highway upgrade	1,252	1,137	117
Ferry Road Kettering	1,500	761	550
Highland Lakes Road sealing	...	...	669
Murchison Highway upgrade	4,572	2,361	563
Richmond Link Road	793	656	344
Brooker Highway	...	...	(252)
Esk Main Road	2,500	3,385	221
Tasman Highway Scottsdale to Launceston	453	310	338
North East Freight Roads	...	...	2,233
Port Sorell Main Road	3,000	456	...
Ridgley Main Road	697	1,137	864
Lakes Secondary Road	749	115	...
Illawarra Main Road	700	263	864
Strahan Esplanade	...	...	600
Brighton Bypass	2,700	2,896	32,694
Bagdad Bypass	...	...	351
Bridgewater Bridge Refurbishment	...	1	367
Kingston Bypass	200	219	9,285
Brighton Transport Hub	...	2,969	5,844
North East Freight Roads	14,900	5,048	...
Bell Bay Intermodal Terminal	500	300	...
Bell Bay Main Road	750	92	...
Bass Highway/Mersey Main Road Junction	1,830	213	1,038
Bass Highway/Stanley Highway Junction	1,200	202	...
Mudwalls Road	6,267	5,514	1,293
Tarkine Drive	10,000	898	1,680
South Arm Road	...	998	410
Macquarie Street Traffic Flow	...	...	47
Bruny Island Road Sealing	...	399	308
Tasman Highway/Coles Bay Road Junction	17	3	164
East Tamar Hwy and Southern Approaches	...	...	70
Lyell Highway – Granton to New Norfolk	...	(138)	...
Infrastructure Development	1,719	32,489	45,677
Infrastructure Maintenance	58,872	62,692	51,724
Road Safety	13,594	4,121	6,673
Environmental	512	391	309
NBESP High Risk Rail Crossings	...	7	90
NBESP Heavy Vehicle Program	...	476	1,151
Program Management	2,317	7,340	4,482
Asset Management	5,238	3,669	5,468

## Output Group –Capital Investment Program (continued)

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Strategic Policy	2,640	2,709	2,630
<b>Total</b>	<b>148,934</b>	<b>151,356</b>	<b>179,627</b>

### Net Assets

Total assets deployed for Output – Capital Investment Program		4,040,166	3,847,829
Total liabilities incurred for Output – Capital Investment Program		19,464	6,325
<b>Net assets deployed for Output – Capital Investment Program</b>		<b>4,020,702</b>	<b>3,841,504</b>

## Output Group–Special Capital Investment Fund (SCIF) Allocations

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
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### Continuing operations

#### Revenue and other income from transactions

Revenue from Special Capital Investment Funds	...	790	2,389
Sale of Goods and Services	...	...	...
<b>Total revenue and other income from transactions</b>	<b>...</b>	<b>790</b>	<b>2,389</b>

#### Expenses from transactions

Employee entitlements	...	...	...
Grants and subsidies	...	790	2,027
Supplies and Consumables:			
Maintenance	...	...	16
Property Services	...	...	140
Information Technology	...	...	...
Travel and Transport	...	...	...
Other Supplies and Consumables	...	...	15
Other Expenses	...	...	...
<b>Total expenses from transactions</b>	<b>...</b>	<b>790</b>	<b>2,198</b>

Net result from transactions (net operating balance) ... .. 191

Comprehensive result ... .. 191

#### Expense by output

Leven River Wharf Redevelopment	...	190	...
Smithton Wharf and Marina	...	600	...
Urban Renewal and Heritage Fund	...	...	182
Major Capital Projects Fund	...	...	2,001
Road and Bridge Maintenance	...	...	15
<b>Total</b>	<b>...</b>	<b>790</b>	<b>2,198</b>

### Net Assets

Total assets deployed for Output – Special Capital Investment Fund		...	39
<b>Net assets deployed for Output – Special Capital Investment Fund</b>		<b>...</b>	<b>39</b>

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

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Total comprehensive result of Output Groups	169,968	221,256	262,168
<b>Reconciliation to comprehensive result</b>			
Revenues unallocated to Output Groups (accruals)	...	1,595	184
Expenses unallocated to Output Groups (accruals)	...	878	(88)
Comprehensive result	169,968	223,729	262,264

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

	2013 Actual \$'000	2012 Actual \$'000
Total net assets deployed for Output Groups	4,177,958	3,992,694
<b>Reconciliation to net assets</b>		
Assets unallocated to Output Groups	1,927	874
Liabilities unallocated to Output Groups	(2,699)	(2,431)
Net assets	4,177,186	3,991,137

### 3.4 Administered Output Schedule

Comparative information has not been restated for external administrative restructures.

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

#### Output Group – Grants and Subsidies

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
<b>Administered revenue and other income from transactions</b>			
Revenue from appropriation	77,491	77,917	75,140
Grants	15,155	153	451
Sales of goods and services	1,249	467	535
Fees and fines	16	5	17
Other revenue	26	294	104
<b>Total administered revenue and other income from transactions</b>	<b>93,937</b>	<b>78,836</b>	<b>76,247</b>
<b>Administered expenses from transactions</b>			
Employee Entitlements	981	1,529	1,922
Depreciation and Amortisation	1	14	14
Grants and subsidies	92,733	76,560	73,948
Supplies and Consumables:			
Consultants	6	34	76
Property Services	81	31	34
Maintenance	...	21	...
Communications	30	16	17
Information Technology	45	83	67
Travel and Transport	167	48	56
Operating Lease costs	...	211	233
Advertising and Promotion	...	63	116
Other Supplies and Consumables	310	164	127
Other expenses	79	48	123
<b>Total administered expenses from transactions</b>	<b>94,433</b>	<b>78,822</b>	<b>76,733</b>
<b>Administered net result from transactions (net operating balance)</b>	<b>(496)</b>	<b>14</b>	<b>(486)</b>
<b>Total administered comprehensive result</b>	<b>(496)</b>	<b>14</b>	<b>(486)</b>
<b>Administered expense by output</b>			
91.595 Student-Only Passenger Services	21,725	17,312	15,909
91.598 National Road Transport Commission: Local Government Contribution	1,500	1,500	1,500
91.621 Payments on behalf of Forest Practices Authority	2,951	3,475	3,768
91.624 Conveyance Allowance	1,552	1,930	1,771
91.625 Pensioner Air Travel Subsidy	10	8	11
91.626 Transport Access Scheme	4,518	4,282	4,160
91.643 Contribution to Marine & Safety Authority	1,042	1,036	1,040
91.729 Tasmanian Racing Assistance	28,383	28,435	28,033
91.739 Private Forests Tasmania	1,464	1,414	1,408

91.786 Intergovernmental Forestry Agreement	15,000	142	358
91.882 Tasmanian Railway Pty Ltd	16,288	16,288	18,775
91.883 West Coast Wilderness Railway	...	3,000	...
<b>Total</b>	<b>94,433</b>	<b>78,822</b>	<b>76,733</b>
<b>Net Assets</b>			
Total assets deployed for Output – Grants and Subsidies		(1,096)	(305)
Total liabilities incurred for Output – Grants and Subsidies		(260)	435
<b>Net assets deployed for Output – Grants and Subsidies</b>		<b>(1,356)</b>	<b>(740)</b>

### 3.5 Reconciliation of Total Administered Output Groups Comprehensive Result to Administered Statement of Changes in Equity

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
<b>Total administered comprehensive result of Output Groups</b>	<b>(120)</b>	<b>14</b>	<b>(486)</b>
<b>Reconciliation to administered net surplus (deficit)</b>			
Administered revenue collections	...	80,134	98,081
Transfers to the Consolidated Fund	...	(79,416)	(97,602)
Other administered transactions (ie unallocated to Output Groups)	...	(1,120)	(712)
<b>Administered comprehensive result</b>	<b>(120)</b>	<b>(388)</b>	<b>(719)</b>

### 3.6 Reconciliation of Total Administered Output Groups Net Assets to Schedule of Administered Assets and Liabilities

	2013 Actual \$'000	2012 Actual \$'000
<b>Total administered net assets deployed for Output Groups</b>	<b>(1,356)</b>	<b>(740)</b>
<b>Reconciliation to administered net assets</b>		
Assets unallocated to Output Groups	4,598	4,860
Liabilities unallocated to Output Groups	(1,720)	(2,210)
<b>Administered net assets</b>	<b>1,522</b>	<b>1,910</b>

## Note 4 Expenditure under Australian Government Funding Arrangements

	State Funds 2013 Actual \$'000	Australian Govt Funds 2013 Actual \$'000	State Funds 2012 Actual \$'000	Australian Govt Funds 2012 Actual \$'000
National Partnership Payments				
<i>Via appropriation</i>				
Interstate Road Transport projects	...	302	...	403
National Transport Regulators – Transitional assistance	...	...	...	185
Commonwealth Own Purpose Expenditures				
<i>Via appropriation</i>				
Nation Building program- Road	74,199	11,615	57,194	42,913
Nation Building program – Rail	16,288	30,748	32,261	13,819
Nation Building program - Heavy Vehicle Safety	3	661	745	413
Nation Building Program - Off-Network Projects – Road	5,471	1,281	12,319	2,465
Nation Building program - Black Spot Projects	...	978	...	1,876
Nation Building program - Boom Gates Rail Crossing	...	7	...	90
Nation Building Program - Off-Network Projects – Rail	...	6,932	...	7,440
Temporary Assistance for Tasmanian Exporters	322	14,601	...	...
West Coast Wilderness Railway	1,069	...	...	...
<b>Total</b>	<b>97,352</b>	<b>67,125</b>	<b>102,519</b>	<b>69,604</b>

Additional details of capital expenditures included in the above note are included within Note 15.3.

## Note 5 Explanations of Material Variances between Budget and Actual Outcomes

The following are brief explanations of material variances between Budget estimates and actual outcomes. Variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and \$500,000.

### 5.1 Statement of Comprehensive Income

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue –works and services	(a)	123,633	102,187	(21,446)	(17%)
Revenue from Special Capital Investment Funds	(b)	...	790	790	...
Grants	(c)	50,531	76,615	26,084	52%
Other revenue	(d)	1,046	4,087	3,041	291%
Depreciation and amortisation	(e)	104,731	83,146	(21,585)	(20%)
Supplies and consumables	(f)	51,339	76,238	24,899	48%
Grants and subsidies	(g)	70,293	85,914	15,621	22%
Other expenses	(h)	2,233	1,391	(842)	(38%)
Net gain/(loss) on non-financial assets	(i)	4	38,351	38,347	...
Changes in physical asset revaluation reserve	(j)	134,198	162,806	28,608	21%

## Notes to Statement of Comprehensive Income variances

- (a) Original budget reduced to \$106.5M subsequent to its publication, reflecting adjustments to timings and cash flows of various projects. Revised budget fully expended on cash basis, with difference reflecting accrual adjustments.
- (b) Funding for Smithton Wharf and Marina (\$0.6M) and Leven River Wharf (\$0.2M) added subsequent to the original budget.
- (c) \$16.0M funding for Temporary assistance to Exporters program added subsequent to the original budget. Additional \$7.3M received from Australian Government for TasRail funding.
- (d) Reflects \$3.5M recovered in a roadworks contractual dispute.
- (e) A more accurate method for calculating depreciation of Road infrastructure introduced in 2011-12. Lower depreciation is largely due to a significant proportion of the Road asset having reached its expected useful life, whereby depreciation ceases.
- (f) Budget overestimated the proportion of road contractor expenses that would be capitalised.
- (g) \$16.0M funding for Temporary assistance to Exporters program added subsequent to the original budget. Expenditure is in line with revised budget.
- (h) Removal of Payroll tax obligations on Government Departments resulted in \$1.1M reduction to original budget.
- (i) Predominantly the Valuer General revaluation increment of Land under Roads (+\$39.7M) and the write-off of the book value of various land holdings reallocated for roadworks, and write-off of replaced/ upgraded traffic signal sites (-\$1.4M).
- (j) Reflects the 5 year revaluation of road infrastructure (+\$116.5M), annual indexed revaluation of Bridges (+\$40.6M), and the annual and Rail Corridor Land (+\$4.4M)

## 5.2 Statement of Financial Position

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Cash and deposits	(a)	12,412	32,041	19,629	158%
Receivables	(b)	6,744	2,879	(3,865)	(57%)
Plant and equipment	(c)	22,343	27,128	4,785	21%
Land and buildings	(d)	74,984	96,945	21,961	29%
Payables	(e)	8,114	4,635	(3,479)	(43%)
Other liabilities	(f)	1,097	14,086	12,989	1184%
Provisions	(g)	...	6,679	6,679	100%
Reserves	(h)	1,347,246	1,502,538	155,292	12%

### Notes to Statement of Financial Position variances

- (a) Higher than expected cash holdings of Road Safety Levy funds (\$10.7M), Mining Bonds (\$5.2M) and Abt Railway Ministerial Corporation trust account (\$3.1M), and \$6.6M appropriation funds carried forward under s. 8A of the Public Accounts Act
- (b) Lower than expected GST refund due from the June BAS due to lower than expected Road contractor payments during June 2013, together with lower outstanding debtors balance.
- (c) \$1.5M capital expenditure on upgrading and new installations of traffic signals.
- (d) Predominantly revaluations of Rail Corridor Land (+\$4.4M) and other land and building assets (+\$1.2M), otherwise underestimation in the original budget.

(e) Completion of large road construction projects has resulted in significantly lower payments activity which is reflected in creditor accruals over the end of this financial year.

(f) Reflects the Department's changes to accounting policy for Mining Bonds (Note 2.5(c)) (+\$5.2M), \$6.6M appropriation funds carried forward under s.8A of the Public Accounts Act, and monies held in trust \$2.2M.

(g) Represents the recognition of provisions for compensation for compulsory land acquisitions.

(h) Larger than expected revaluation increments, particularly Road infrastructure (\$116.5M), Bridges (\$40.6M), and Rail Corridor Land (\$4.4M).

### 5.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation receipts – recurrent (operating)	(a)	83,354	113,244	29,890	36%
Appropriation receipts – recurrent (investing)	(b)	31,552	635	(30,917)	(98%)
Appropriation receipts – capital (operating)	(c)	32,419	56,189	23,770	73%
Appropriation receipts – capital (investing)	(d)	91,214	50,262	(40,952)	(45%)
Grants (operating)	(e)	2,843	29,144	26,301	925%
Receipts from Australian Government Funding (investing)	(f)	47,688	42,336	(5,352)	(11%)
Other cash receipts	(g)	1,046	4,178	3,132	299%
Grants and subsidies	(h)	(70,293)	(85,885)	(15,592)	22%
Supplies and consumables	(i)	(51,339)	(81,888)	(30,549)	60%
Other cash payments	(j)	(2,233)	(1,644)	589	(26%)
GST receipts/payments (net)	(k)	(1)	725	726	...
Payments for acquisition of non-financial assets	(l)	(109,644)	(58,310)	(51,334)	(47%)
Equity transfers to other Government entities	(m)	(30,401)	(37,680)	(7,279)	(24%)
Trust receipts	(n)	...	6,594	6,594	100%

#### Notes to Statement of Cash Flows variances

(a) and (b) Budget anticipated higher proportion of expenditure to be capitalised. Overall recurrent appropriation budget shortfall less than 1%.

(c) and (d) Original works and services budget reduced to \$106.5M subsequent to its publication, reflecting adjustments to timings and cash flows of various projects. Revised budget fully expended.

(e) and (f) Predominantly Australian Government funding for TasRail, which was subsequently increased by \$7.3M. Funding for Temporary assistance to Exporters program (\$16M) also added to budget subsequent to publication of Budget Papers

(g) Reflects \$3.5M recovered in a roadworks contractual dispute.

(h) \$16.0M funding for Temporary assistance to Exporters program added subsequent to the original budget. Expenditure is in line with revised budget

(i) Budget overestimated the proportion of road contractor expenses that would be capitalised.

(j) Removal of Payroll tax obligations on Government Departments resulted in \$1.1M reduction to original budget.

(k) Reflects timing differences of the receipt of GST refunds over the end of financial years.

(l) Capital expenditure budget reduced to \$17M subsequent to publication papers due to revised cash flows in a number of projects, and the budget overestimated the proportion of road contractor expenses, salaries and other expenses that would be capitalised in the roads program.

(m) Funding for TasRail was increased by \$7.3M subsequent to publication of budget papers.

(n) Transfer of Mines Deposit accounts to trust (\$5.2M), monies received in trust for a compulsory land acquisition (\$1.1M), and funds received in provision of accrued employee entitlements for West Coast Wilderness Railway employees

## Note 6 Events Occurring After Balance Date

Nil

## Note 7 Underlying net operating balance

Non-operational capital funding is the income from transactions relating to funding for capital projects and equity contributions to Tasmanian Railway and Tasmanian Ports Corporation. This funding is classified as income from transactions and included in the net operating balance. However, the corresponding capital expenditure is not included in the calculation of the net operating balance. Accordingly, the net operating balance will portray a position that is better than the true underlying financial result.

For this reason, the net operating result is adjusted to remove the effects of funding for capital projects.

	Notes	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Net result from transactions (net operating balance)		35,766	22,559	48,335
Less impact of Non-operational capital funding				
Revenue from Government – recurrent	2.9(a), 8.1	31,552	635	36,230
Revenue from Government – works and services	2.9(a), 8.1	91,214	50,223	78,728
Revenue from Australian Government	2.9(a), 8.3	...	42,336	...
Revenue from Tasmanian Government	2.9(a), 8.3	...	5,136	...
<b>Total</b>		<b>122,766</b>	<b>98,330</b>	<b>114,958</b>
Underlying Net operating balance		(87,000)	(75,771)	(66,623)

## Note 8 Income from transactions

### 8.1 Revenue from Government

Revenue from Government includes revenue from appropriations, appropriations carried forward under section 8A(2) of the Public Account Act 1986 and Items Reserved by Law.

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

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
Continuing operations			
Appropriation revenue – recurrent			
Current year	83,354	113,244	112,432
Items Reserved by Law:			
Contribution towards Construction of Streets in Towns by Municipal Councils (Local Government Act 1993)	52	...	...
Appropriation carried forward under section 8A(2) of the Public Account Act 1986 taken up as revenue in the current year	...	1,000	1,068
Less: Revenue received in advance	...	(2,365)	(1,000)
<b>Total</b>	<b>83,406</b>	<b>111,879</b>	<b>112,500</b>
Appropriation revenue – works and services	32,419	56,228	64,385
<b>Total</b>	<b>32,419</b>	<b>56,228</b>	<b>64,385</b>
Non-operational capital funding			
Appropriation revenue – recurrent	31,552	635	36,230
Appropriation revenue – works and services	91,214	50,223	74,958
Revenue from Government – other			
Appropriation carried forward under section 8A(2) of the Public Account Act 1986 taken up as revenue in the current year	...	...	3,770
Less: Revenue received in advance	...	(4,264)	...
<b>Total</b>	<b>122,766</b>	<b>46,594</b>	<b>114,958</b>
<b>Total revenue from Government</b>	<b>238,591</b>	<b>214,701</b>	<b>291,843</b>

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

## 8.2 Revenue from Special Capital Investment Funds

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

	2013 Actual \$'000	2012 Actual \$'000
Continuing operations		
Urban Renewal and Heritage Fund	190	414
Major Capital Projects Fund	600	1,975
<b>Total</b>	<b>790</b>	<b>2,389</b>
<b>Total revenue from Special Capital Investment Funds</b>	<b>790</b>	<b>2,389</b>

Details of total Special Capital Investment Funds revenues and expenses are provided as part of Note 3 Departmental Output Schedules. Details of total cash flows for each project are at Note 15.3.

## 8.3 Grants

	2013 \$'000	2012 \$'000
<b>Continuing operations</b>		
Grants from the Australian Government	24,299	...
Grants from the Tasmanian Government	3,253	...
Industry contributions	1,591	1,475
<b>Total</b>	<b>29,143</b>	<b>1,475</b>
<b>Non-operational capital funding</b>		
Grants from the Australian Government	42,336	...
Grants from the Tasmanian Government	5,136	...
<b>Total</b>	<b>47,472</b>	<b>...</b>
<b>Total revenue from Grants</b>	<b>76,615</b>	<b>1,475</b>

## 8.4 Sales of goods and services

	2013 \$'000	2012 \$'000
Goods	614	1,039
Services	465	469
<b>Total</b>	<b>1,079</b>	<b>1,508</b>

## 8.5 Fees and fines

	2013 \$'000	2012 \$'000
Road Safety Levy	12,918	11,434
Racing Services	117	249
Other	60	278
<b>Total</b>	<b>13,095</b>	<b>11,961</b>

## 8.6 Other revenue

	2013	2012
	\$'000	\$'000
Miscellaneous revenue	587	512
Recovery of funds from contractual dispute	3,500	...
<b>Total</b>	<b>4,087</b>	<b>512</b>

## Note 9 Expenses from transactions

### 9.1 Employee benefits

	2013	2012
	\$'000	\$'000
Wages and salaries	35,806	37,133
Long service leave	1,019	1,405
Superannuation	4,048	4,104
Fringe Benefits Tax	246	315
<b>Total</b>	<b>41,119</b>	<b>42,957</b>

Superannuation expenses relating to defined benefits schemes relate to payments into the Superannuation Provision Account held centrally and recognised within the FinanceGeneral Division of the Department of Treasury and Finance. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 12.5 per cent of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to the superannuation funds at a rate of nine per cent of salary. In addition, departments are also required to pay into the SPA a “gap” payment equivalent to 3.5per cent of salary in respect of employees who are members of the contribution scheme.

### 9.2 Depreciation and amortisation

#### (a) Depreciation

	2013	2012
	\$'000	\$'000
Plant and equipment	472	554
Marine vessels and equipment	335	358
Traffic signal installations	793	563
Buildings	283	341
Aerodromes	12	19
Computer equipment	277	423
Road infrastructure	78,070	72,399
Other infrastructure	905	696
<b>Total</b>	<b>81,147</b>	<b>75,353</b>

#### (b) Amortisation

	2013	2012
	\$'000	\$'000
Intangibles	1,999	2,071
<b>Total</b>	<b>1,999</b>	<b>2,071</b>
<b>Total depreciation and amortisation</b>	<b>83,146</b>	<b>77,424</b>

### 9.3 Supplies and consumables

	2013	2012
	\$'000	\$'000
Consultants	1,732	950
Property services	3,761	327
Communications	1,561	1,307
Information technology	3,649	3,497
Travel and transport	1,420	1,311
Advertising and promotion	1,472	1,114
Operating Lease costs	3,922	4,170
Maintenance and other supplies and consumables	58,398	54,869
Audit fees – financial audit	133	129
Audit fees – internal audit	190	146
<b>Total</b>	<b>76,238</b>	<b>67,820</b>

### 9.4 Grants and subsidies

	2013	2012
	\$'000	\$'000
<b>Grants</b>		
Roadworks – Grants to Councils	1,375	511
Urban Renewal & Heritage Fund	190	132
Major Capital Projects funding to Councils	600	1,985
Implement the Tasmanian Forest Industry Plan	...	566
Roadworks – Grants to GBE's	230	...
Forest Contractors Financial Support program	260	...
Temporary Assistance for Tasmanian Exporters	14,500	...
West Coast Geosciences Project	99	...
Passenger Transport Innovation Program	630	...
Learner Driver Mentoring Program	200	...
Furneaux Islands Shipping	216	...
Other grants	42	870
<b>Total grants</b>	<b>18,342</b>	<b>4,064</b>
<b>Subsidies</b>		
Payments to the Metro Tasmania Pty Ltd	37,504	35,713
Payments to School Bus Operators: Contract Services	29,997	28,529
Remote Renewable Power Generation Program	...	343
Other Subsidies	71	956
<b>Total subsidies</b>	<b>67,572</b>	<b>65,541</b>
<b>Total</b>	<b>85,914</b>	<b>69,605</b>

### 9.5 Other expenses

	2013	2012
	\$'000	\$'000
Workers compensation	128	117
Payroll Tax	626	2,556
Other expenses	637	902
<b>Total</b>	<b>1,391</b>	<b>3,575</b>

## Note 10 Other economic flows included in net result

### 10.1 Net gain/(loss) on non-financial assets

	2013	2012
	\$'000	\$'000
Revaluation increment of Land under Roads applied to Statement of Comprehensive Income	39,744	...
Write down of assets measured at fair value	(346)	(31,592)
Write off of road and bridge assets replaced by new roadworks	(123)	(12,982)
Net gain/(loss) on disposal of physical assets	(924)	(929)
<b>Total net gain/(loss) on non-financial assets</b>	<b>38,351</b>	<b>(45,503)</b>

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

	2013	2012
	\$'000	\$'000
Impairment of Statutory receivables	...	(16)
Reversal of impairment of Statutory receivables	13	90
<b>Total net gain/(loss) on financial instruments</b>	<b>13</b>	<b>74</b>

## Note II Assets

### II.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.

	2013	2012
	\$'000	\$'000
Special Deposits and Trust Fund balance	31,936	13,932
Commonwealth Bank Account – Queenstown	100	...
Petty Cash	5	5
<b>Total</b>	<b>32,041</b>	<b>13,937</b>

### II.2 Receivables

	2013	2012
	\$'000	\$'000
Receivables	3,613	4,226
Less: Provision for impairment	(734)	(854)
<b>Total</b>	<b>2,879</b>	<b>3,372</b>

Sales of goods and services (inclusive of GST)	238	70
Fees and fines (inclusive of GST)	48	5
Other receivables(inclusive of GST)	284	351
Tax assets	2,309	2,946
<b>Total</b>	<b>2,879</b>	<b>3,372</b>

Settled within 12 months	2,738	3,231
Settled in more than 12 months	141	141
<b>Total</b>	<b>2,879</b>	<b>3,372</b>

	2013	2012
	\$'000	\$'000
Reconciliation of movement in provision for impairment of receivables		
Carrying amount at 1 July	(854)	(971)
Amounts written off during the year	7	43
Amounts recovered during the year	13	2
Increase/(decrease) in provision recognised in profit or loss	...	72
Reclassification of previously impaired debt as recoverable	100	...
<b>Carrying amount at 30 June</b>	<b>(734)</b>	<b>(854)</b>

### II.3 Other financial assets

	2013	2012
	\$'000	\$'000
Accrued revenue	...	305
Accrued interest	...	2
<b>Total</b>	<b>...</b>	<b>307</b>
Settled within 12 months	...	307
<b>Total</b>	<b>...</b>	<b>307</b>

## 11.4 Property, plant and equipment

### (a) Carrying amount

	2013 \$'000	2012 \$'000
<b>Vacant land holdings</b>		
At fair value (30 June 2013)	18,548	11,396
<b>Total</b>	<b>18,548</b>	<b>11,396</b>
<b>Land under buildings</b>		
At fair value (30 June 2013)	2,151	2,034
<b>Total</b>	<b>2,151</b>	<b>2,034</b>
<b>Rail Corridor Land</b>		
At fair value (30 June 2013)	67,665	63,260
<b>Total</b>	<b>67,665</b>	<b>63,260</b>
<b>Buildings</b>		
At fair value (30 June 2013)	10,162	9,873
Less: Accumulated depreciation	(2,591)	(2,308)
<b>Total</b>	<b>7,571</b>	<b>7,565</b>
<b>Aerodromes</b>		
At fair value (30 June 2013)	1,103	1,079
Less: Accumulated amortisation	(93)	(81)
<b>Total</b>	<b>1,010</b>	<b>998</b>
<b>Plant and equipment</b>		
At cost	3,852	3,703
Less: Accumulated depreciation	(3,040)	(2,747)
<b>Total</b>	<b>812</b>	<b>956</b>
<b>Computer equipment</b>		
At cost	3,710	3,919
Less: Accumulated depreciation	(3,418)	(3,458)
<b>Total</b>	<b>292</b>	<b>461</b>
<b>Marine vessels and equipment</b>		
At fair value (30 June 2012)	14,000	14,000
Less: Accumulated depreciation	(9,356)	(9,021)
<b>Total</b>	<b>4,644</b>	<b>4,979</b>
<b>Abt Railway rolling stock</b>		
At fair value (30 June 2012)	6,751	6,600
Less: Accumulated depreciation	(2,437)	(2,237)
<b>Total</b>	<b>4,314</b>	<b>4,363</b>
<b>Traffic Signal installations</b>		
At fair value (30 June 2012)	31,970	32,344
Less: Accumulated depreciation	(14,904)	(15,108)
<b>Total</b>	<b>17,066</b>	<b>17,236</b>
<b>Total property, plant and equipment</b>	<b>124,073</b>	<b>113,248</b>

### (b) Reconciliation of movements

Reconciliations of the carrying amounts of each class of Property, plant and equipment at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.

2013	Vacant Land holdings	Land under Buildings	Rail Corridor Land	Buildings	Aerodromes	Plant and equipment	Computer equipment	Marine Vessels and equipment	Abt Railway Rolling Stock	Traffic Signal installations
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	11,396	2,034	63,260	7,565	998	956	461	4,979	4,363	17,236
Additions	6,680			4		280	108			1,548
Disposals	(346)									(925)
Revaluation increments/(decrements)	818	117	4,405	284	24					
Impairment losses										
Assets held for sale										
Depreciation and amortisation				(282)	(12)	(294)	(277)	(335)	(179)	(793)
Net transfers						(130)			130	
Carrying value at 30 June	18,548	2,151	67,665	7,571	1,010	812	292	4,644	4,314	17,066
2012	Vacant Land holdings	Land under Buildings	Rail Corridor Land	Buildings	Aerodromes	Plant and equipment	Computer equipment	Marine Vessels and equipment	Abt Railway Rolling Stock	Traffic Signal installations
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	11,666	1,700	53,661	6,877	1,017	1,240	617	5,335	4,606	12,008
Additions	220	270		613		44	267			2,104
Disposals	(22)	(300)		(182)						(426)
Revaluation increments/(decrements)	(468)	364	9,599	598				2		4,114
Impairment losses										
Assets held for sale										
Depreciation and amortisation				(341)	(19)	(328)	(423)	(358)	(243)	(564)
Net transfers										
Carrying value at 30 June	11,396	2,034	63,260	7,565	998	956	461	4,979	4,363	17,236

## 11.5 Infrastructure

### Roads

#### (a) Carrying amount

	2013 \$'000	2012 \$'000
At fair value(30 June 2013)	4,877,328	4,279,814
Less:Accumulated depreciation	(2,311,784)	(1,973,733)
	2,565,544	2,306,081
Work in progress at cost	...	185,740
<b>Total</b>	<b>2,565,544</b>	<b>2,491,821</b>

#### (b) Reconciliation of movements

	Notes	2013 \$'000	2012 \$'000
<b>Carrying amount at 1 July</b>		<b>2,491,821</b>	<b>2,332,101</b>
Work in progress additions (transfer to Bridges)		(40,459)	51,151
Capital improvements		54,116	30,083
Deletions	10.1	...	(12,758)
Revaluation increments (decrements)	14.1	116,519	143,231
Depreciation expense		(56,453)	(51,987)
<b>Carrying amount at 30 June</b>		<b>2,565,544</b>	<b>2,491,821</b>

### Land Under Roads and within Road Reserves

#### (a) Carrying amount

	2013 \$'000	2012 \$'000
At fair value(30 June 2013)	199,869	160,126
<b>Total</b>	<b>199,869</b>	<b>160,126</b>

#### (b) Reconciliation of movements

	Notes	2013 \$'000	2012 \$'000
<b>Carrying amount at 1 July</b>		<b>160,126</b>	<b>191,718</b>
Revaluation increments (decrements)	14.1	39,743	(31,592)
<b>Carrying amount at 30 June</b>		<b>199,869</b>	<b>160,126</b>

## Bridges

### (a) Carrying amount

	2013 \$'000	2012 \$'000
At fair value(30 June 2013)	1,277,209	1,214,301
Less:Accumulated depreciation	(21,617)	(20,412)
<b>Total</b>	<b>1,255,592</b>	<b>1,193,889</b>

### (b) Reconciliation of movements

	Notes	2013 \$'000	2012 \$'000
<b>Carrying amount at 1 July</b>		<b>1,193,889</b>	<b>1,112,825</b>
Work in progress additions (transfer from Roads)		40,459	...
Capital improvements		2,344	3,766
Write offs	10.1	(123)	(224)
Revaluation increments (decrements)	14.1	40,640	97,934
Depreciation expense		(21,617)	(20,412)
<b>Carrying amount at 30 June</b>		<b>1,255,592</b>	<b>1,193,889</b>

## Abt Railway Infrastructure

### (a) Carrying amount

	2013 \$'000	2012 \$'000
At fair value (30 June 2012)	32,554	32,554
Less:Accumulated depreciation	(8,486)	(7,582)
<b>Total</b>	<b>24,068</b>	<b>24,972</b>

### (b) Reconciliation of movements

	Notes	2013 \$'000	2012 \$'000
<b>Carrying amount at 1 July</b>		<b>24,972</b>	<b>21,684</b>
Revaluation increments (decrements)	14.1	...	3,984
Depreciation expense		(904)	(696)
<b>Carrying amount at 30 June</b>		<b>24,068</b>	<b>24,972</b>
<b>Total Infrastructure</b>		<b>4,045,073</b>	<b>3,870,808</b>

The latest revaluation of the Road asset as at 30 June 2013 was completed by DIER Asset Management Branch on a depreciated replacement cost basis. Replacement cost was calculated using most recent contract cost experience for Tasmanian road construction. Values are indexed annually between revaluations using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 16). Current replacement cost is depreciated by the proportion of the asset that has been consumed.

The Valuer-General provides the Department with average rateable values per hectare or square metre for land under roads as determined by the Valuer-General from the most recent valuations of land titles adjoining and within a 200 metre corridor of the State road network. The average land values for land under roads is updated annually by the Valuer-General.

The latest revaluation of the Bridge assets as at 30 June 2012 was completed by DIER Asset Management Branch on a depreciated replacement cost basis, based on an independent valuation of the seven major Tasmanian bridge structures completed by GHD Pty Ltd as at 30 June 2012. Values are indexed annually

between revaluations using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table I6).

The latest revaluation of ABT Railway infrastructure as at 30 June 2012 was completed by the Project Manager on a depreciated replacement cost basis. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

## 11.6 Intangibles

### (a) Carrying amount

	2013	2012
	\$'000	\$'000
<b>Intangibles with a finite useful life (at cost)</b>		
Motor Registry System	17,504	17,504
Other software systems	1,831	1,305
Less: Accumulated amortisation	(9,818)	(7,819)
<b>Total</b>	<b>9,517</b>	<b>10,990</b>
<b>Work in progress (at cost)</b>		
Work-in-progress (in-house software development)	...	120
<b>Total</b>	<b>...</b>	<b>120</b>
<b>Total intangibles</b>	<b>9,517</b>	<b>11,110</b>

### (b) Reconciliation of movements

	2013	2012
	\$'000	\$'000
<b>Carrying amount at 1 July</b>	<b>11,110</b>	<b>13,062</b>
Additions – internal development	406	120
Amortisation expense	(1,999)	(2,072)
<b>Carrying amount at 30 June</b>	<b>9,517</b>	<b>11,110</b>

The above listed Intangible assets are all in-house developed specialised computer software systems. Work in progress represents computer software undergoing internal development that has not yet been released into production.

## 11.7 Other assets

	2013	2012
	\$'000	\$'000
Prepayments	1,164	881
<b>Total</b>	<b>1,164</b>	<b>881</b>
Settled within 12 months	1,164	881
<b>Total</b>	<b>1,164</b>	<b>881</b>

## Note 12 Liabilities

### 12.1 Payables

	2013	2012
	\$'000	\$'000
Creditors	2,841	2,971
Accrued expenses	1,794	1,124
<b>Total</b>	<b>4,635</b>	<b>4,095</b>
Settled within 12 months	4,635	4,095
Settled in more than 12 months	...	...
<b>Total</b>	<b>4,635</b>	<b>4,095</b>

Settlement is usually made within 30 days.

### 12.2 Employee benefits

	2013	2012
	\$'000	\$'000
Accrued salaries	1,254	1,137
Annual leave	3,516	3,455
Long service leave	7,391	6,399
<b>Total</b>	<b>12,161</b>	<b>10,991</b>
Settled within 12 months	5,797	5,997
Settled in more than 12 months	6,364	4,994
<b>Total</b>	<b>12,161</b>	<b>10,991</b>

### 12.3 Other liabilities

	2013	2012
	\$'000	\$'000
<b>Revenue received in advance</b>		
Appropriation carried forward from current and previous years under section 8A of the Public Account Act 1986	6,629	1,000
Other revenue received in advance	30	108
<b>Other liabilities</b>		
Monies held in trust	7,448	6,304
Suspense accounts	(21)	28
<b>Total</b>	<b>14,086</b>	<b>7,440</b>
Settled within 12 months	14,086	7,440
Settled in more than 12 months	...	...
<b>Total</b>	<b>14,086</b>	<b>7,440</b>

Monies held in Trust are primarily Mines Deposit Accounts (\$5.2M), which are held by the Department in trust as mine rehabilitation bonds.

### 12.4 Provisions

	2013	2012
	\$'000	\$'000
Compulsory acquisition of land for roadworks	6,679	...
<b>Total</b>	<b>6,679</b>	<b>...</b>
Settled within 12 months	2,414	...
Settled in more than 12 months	4,265	...
<b>Total</b>	<b>6,679</b>	<b>...</b>

## Note 13 Commitments and Contingencies

### 13.1 Schedule of Commitments

	2013	2012
	\$'000	\$'000
<b>By type</b>		
<i>Capital commitments</i>		
Infrastructure – State Roads	49,166	5,514
Infrastructure – Nationals Roads	28,330	52,398
Other		...
<b>Total capital commitments</b>	<b>77,496</b>	<b>57,912</b>
<i>Lease Commitments</i>		
Operating leases	323	1,104
<b>Total lease commitments</b>	<b>323</b>	<b>1,104</b>
<b>By maturity</b>		
<i>Capital commitments</i>		
One year or less	53,489	33,401
From one to five years	24,007	24,511
<b>Total capital commitments</b>	<b>77,496</b>	<b>57,912</b>
<i>Operating lease commitments</i>		
One year or less	323	803
From one to five years	...	301
More than five years	...	...
<b>Total operating lease commitments</b>	<b>323</b>	<b>1,104</b>
<b>Total</b>	<b>77,819</b>	<b>59,016</b>

NB: Commitments are shown as GST exclusive.

The majority of the Department's leases are represented by land and building rental costs and vehicle lease costs. The total lease commitment excludes local government and other executory costs where they are paid directly to a party other than the lessor. These costs are included elsewhere in the Department's expenditures.

The Department also has entered into contingent rental arrangements. Contingent rental costs relate to land and building leases, and in the main comprise local government charges and the periodic escalation of leases by the Consumer Price Index. Since Contingent Rentals cannot be reliably determined, they have been excluded in the calculations of Total Lease Commitments.

The Department does not have any purchase rights flowing from the lease of the land and buildings. Some buildings have renewal options exercisable by the lessee. There are no building leases that have renewal rights exercisable at the sole discretion of the lessor.

The minimum lease payment for vehicles is based on the average age of the vehicle fleet and a standard lease period of 30 months.

State Roads infrastructure commitments will be funded by capital appropriations by the State Government, together with funds provided and held over from prior years. Funding of commitments for National Roads is provided by the Australian Government through the Nation Building, Strategic Regional and Blackspots programs.

## 13.2 Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding any possible amount or timing of any possible underlying claim or obligation.

### (a) Quantifiable contingencies

A quantifiable contingent asset is any possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A quantifiable contingent liability is any possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or any present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. To the extent that any quantifiable contingencies are insured, details provided below are recorded net.

	2013 \$'000	2012 \$'000
<b>Quantifiable Contingent Assets</b>		
The Abt Railway Surrender and Transition Deed provides for the purchase of certain items of plant and equipment to be completed within two years at written down value, currently estimated at:	2,297	...
<b>Total quantifiable contingent assets</b>	<b>2,297</b>	<b>...</b>

### Quantifiable Contingent Liabilities

The Abt Railway Surrender and Transition Deed provides for the settlement of the purchase of certain items of plant and equipment to be completed within two years at written down value, currently estimated at:

	2,297	...
Asbestos removal from traffic signal sites:	3,500	3,900
This involves the identification and removal of any asbestos from approximately 900 traffic signal sites, predominantly pits, associated with traffic signals. The nature and location of the individual traffic signal sites will have a significant impact on the cost of any remediation with the cost range from a few hundred dollars per site to more than \$10,000 for some complex sites. The extent of work on each site will be based on individual assessment which creates significant uncertainty about the final cost.		
<b>Total quantifiable contingent liabilities</b>	<b>5,797</b>	<b>3,900</b>

### (b) Unquantifiable Contingencies

The Department has not identified any unquantifiable contingent assets as at 30 June 2013.

At 30 June 2013 the Department had a number of legal claims against it for:

- compensation in relation to the acquisition of property for road construction; and
- personal injury or damage allegedly caused by the actions or inactions of the Department.

It is not possible at the reporting date to accurately estimate the amounts of any eventual payments that may be required in relation to these claims.

## Note 14 Reserves

### 14.1 Reserves

	Note	2013 \$'000	2012 \$'000
<b>Physical asset revaluation reserve</b>			
Balance at the beginning of financial year		1,339,732	1,080,374
Revaluation increments/(decrements):			
Roads Infrastructure	11.5	116,519	143,231
Bridges	11.5	40,640	97,934
Traffic Signals	11.4	...	4,114
Vacant Land	11.4	935	(468)
Land under Buildings	11.4	...	364
Rail corridor land	11.4	4,405	9,599
Buildings	11.5	284	598
Aerodromes		24	...
Plant and Equipment	11.4	...	2
Other Infrastructure	11.5	...	3,984
Balance at end of financial year		1,502,538	1,339,732

#### (a) Nature and purpose of reserves

##### Asset Revaluation Reserve

The Asset Revaluation Reserve is used to record increments and decrements on the revaluation of Non-financial assets, as described in Note 2.12(f).

### 14.2 Asset revaluation reserve by class of asset

The balance within the Asset Revaluation Reserve for the following classes of assets is:

	2013 \$'000	2012 \$'000
Roads Infrastructure	1,030,422	913,904
Bridges	422,949	382,308
Traffic Signals	7,156	7,156
Vacant Land	6,595	5,660
Land under Buildings	3,651	3,651
Rail corridor land	17,235	12,829
Buildings	3,279	2,995
Aerodromes	710	687
Plant and Equipment	4,127	4,127
Other Infrastructure	6,415	6,415
Total	1,502,538	1,339,732

## Note 15 Cash Flow Reconciliation

### 15.1 Cash and deposits

Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by the Department, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2013	2012
	\$'000	\$'000
<b>Special Deposits and Trust Fund balance</b>		
Special Deposits and Trust Fund balance	31,936	13,932
Commonwealth Bank account - Queenstown	100	...
<b>Total</b>	<b>32,036</b>	<b>13,932</b>
<b>Other cash held</b>		
Petty cash	5	5
<b>Total</b>	<b>5</b>	<b>5</b>
<b>Total cash and deposits</b>	<b>32,041</b>	<b>13,937</b>

### 15.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2013	2012
	\$'000	\$'000
Net operating result from transactions	22,559	48,335
Depreciation and amortisation	83,146	77,424
(Gain) loss on non-financial assets	(530)	504
Bad and doubtful debts provision	13	(74)
Decrease (increase) in Receivables	493	3,370
Decrease (increase) in other financial assets	24	18
Increase (decrease) in Employee entitlements	1,170	(138)
Increase (decrease) in Payables	(130)	(3,821)
Increase (decrease) in Accrued expenses	670	(198)
Increase (decrease) in Other liabilities	82	(4,036)
Less: non-operational capital funding—recurrent	(635)	(78,728)
Less: non-operational capital funding—works & services	(50,262)	(36,230)
Less: non-operational capital funding- Government entities	(47,472)	...
<b>Net cash from (used by) operating activities</b>	<b>9,128</b>	<b>6,426</b>

### 15.3 Acquittal of Capital Investment and Special Capital Investment Funds

The Department received Works and Services Appropriation funding and revenues from Special Capital Investment Funds to fund specific projects.

Cash outflows relating to these projects are listed below by category.

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

#### (a) Project expenditure

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
<b>Capital Investment Program</b>			
<i>National Highway System</i>			
Infrastructure Development - Continuing Projects	1,600	913	2,275
Infrastructure Maintenance	7,240	7,440	7,641
Road Safety and Traffic Management Works	1,606	...	1,966
Bagdad Bypass	...	...	360
Brighton Bypass	200	3,261	33,986
Bridgewater Bridge Refurbishment	...	...	(14)
Kingston Bypass	...	...	(7)
North East Freight Roads	6,900	872	1,864
Illawarra Main Road	700	409	608
NBESP Heavy Vehicle Routes	...	661	413
NBESP Black Spots	...	978	...
NBESP High Risk Rail Crossings	...	7	...
<i>State Funded Projects</i>			
Infrastructure Development - Continuing Projects	119	1,444	667
Lyell Hwy Granton to New Norfolk	...	(138)	(7)
South Arm Road - Shoreline to Police Academy	...	998	288
Macquarie St Traffic Flow	...	...	47
Brighton Bypass	2,500	1,018	2,500
Brighton Transport Hub	...	2,969	5,843
Bruny Island road sealing	...	399	308
Illawarra Main Road	...	(146)	325
North East Freight Roads	8,000	1,936	376
Kingston Bypass	200	762	9,610
Bridgewater Bridge Refurbishment	...	1	381
NBESP Heavy Vehicle Routes	...	3	745
Rokeby Main Road	1,478	619	57
Huon Highway Upgrade	1,252	1,137	303
Ferry Road Kettering	1,500	752	543
Mudwalls Road	6,267	5,514	1,992
Richmond Link Road	793	646	429
Esk Main Road	2,500	2,980	277
Ridgley Main Road	697	269	2,955
Lakes Secondary Road	749	115	1,469
Arthur Highway upgrade	2,184	432	496
Bass Highway/Mersey Main Road Junction	1,830	213	1,094
Bass Highway/Stanley Highway Junction	1,200	202	...

Tasman Highway Scottsdale to Launceston	453	325	337
Tasman Highway/Coles Bay Road Junction	17	3	164
West Tamar Highway Bradys Lookout	5,500	4,483	337
West Tamar Highway/Corminston Road junction	300	295	142
Westbury Industrial Estate	...	1,418	...
Murchison Highway Upgrade	4,572	300	1,023
Bell Bay Intermodal Terminal	500	92	...
Bell Bay Main Road port access	750	456	...
Port Sorell Main Road	3,000	1,205	...
Tarkine Drive	10,000	...	1,373
Strahan Esplanade	...	...	600
Infrastructure Maintenance	51,632	59,435	44,037
Road Safety and Traffic Management	11,988	10,999	10,247
Environmental Management	512	362	287
Program Management	2,317	7,785	5,269
Asset Management	5,238	3,196	6,092
Strategic Policy and Planning	2,640	2,709	2,630
<b>Total</b>	<b>148,934</b>	<b>129,729</b>	<b>152,328</b>

### Special Capital Investment Funds

#### *Economic and Social Infrastructure Fund*

Road and Bridge Maintenance	...	...	15
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#### *Major Capital Projects Fund*

Better Roads	...	...	16
Wynyard Wharf and Precinct	...	...	1,170
Corinna Road	...	...	200
Spray Tunnel Car Park	...	...	15
Tayatea Bridge	...	...	600

#### *Urban Renewal and Heritage Fund*

Kingston Underground Power Lines	...	...	142
Cygnets Underground Power Lines	...	...	240
Smithton Wharf	...	600	...
West Park Grove & Bass Hwy Intersection	...	...	140
Leven River Wharf Redevelopment	...	190	...

<b>Total</b>	<b>...</b>	<b>790</b>	<b>2,538</b>
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<b>Total cash outflows</b>	<b>...</b>	<b>130,519</b>	<b>154,866</b>
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## (b) Classification of cash flows

The project expenditure above is reflected in the Statement of Cash Flows as follows.

	2013	2012
	\$'000	\$'000
<b>Cash outflows</b>		
Other cash payments		
Maintenance	58,830	49,024
Other (overheads, management, systems)	13,690	13,991
Payments for acquisition of assets	57,999	91,851
<b>Total cash outflows</b>	<b>130,519</b>	<b>154,866</b>

## Note 16 Financial Instruments

### 16.1 Risk exposures

#### (a) Risk management policies

The Department has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

The Head of Agency has overall responsibility for the establishment and oversight of the Department's risk management framework. Risk management policies are established to identify and analyse risks faced by the Department, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Department does not hold any derivative financial instruments.

#### (b) Credit risk exposures

Credit risk is the risk of financial loss to the Department if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
<b>Financial Assets</b>		
Receivables (including Tax assets)	Recognised upon the provision of a good or service and the issuance of an invoice or claim eg BAS, measured at face value	Payment terms generally 30 days. Collectability of receivables is reviewed at balance date and a provision for impairment raised when collection of a debt is judged to be doubtful.
Cash and deposits	Recognised upon receipt of cash, measured at face value	At call
Other financial assets (eg accrued revenue)	Recognised upon the accrual of the future benefit, measured at face value	Majority of accrued revenues are settled within 6 months

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Department's maximum exposure to credit risk. The Department is not exposed to credit risk of any significance.

The following tables analyse financial assets that are past due but not impaired:

#### Analysis of financial assets that are past due at 30 June 2013 but not impaired

	Past due 31 to 60 days \$'000	Past due 61 to 90 days \$'000	Past due over 90 days \$'000	Total \$'000
Receivables	96	17	1,031	1,144

#### Analysis of financial assets that are past due at 30 June 2012 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	7	4	1,137	1,148

### (c) Liquidity risk

Liquidity risk is the risk that the Department will not be able to meet its financial obligations as they fall due. The Department's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
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#### Financial Liabilities

Payables	Recognised upon the receipt of a good or service that has not been paid for; measured at face value	Settled within 30 days
Monies held in Trust	Recognised upon receipt of monies, measured at face value	At call
Revenue received in advance	Recognised upon receipt of monies, measured at face value	Expended by 30 September of the following year in terms of section 8A of the Public Account Act 1986

The Department is not exposed to liquidity risk of any significance. Appropriation funding is provided to the Department from State Treasury as funds are spent by the Department, provided the Department does not exceed its budget. The following tables detail the undiscounted cash flows payable by the Department by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

### 2013

Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	4,635	...	...	...	...	...	4,635	4,635
Monies held in Trust	7,448	...	...	...	...	...	7,448	7,448
Provisions	8,976	...	...	...	...	...	8,976	8,976
Total	21,059	...	...	...	...	...	21,059	21,059

2012

Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	4,095	...	...	...	...	...	4,095	4,095
Monies held in Trust	6,304	...	...	...	...	...	6,304	6,304
<b>Total</b>	<b>10,399</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>10,399</b>	<b>10,399</b>

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that the Department is exposed to is interest rate risk.

At the reporting date, the interest rate profile of the Department's interest bearing financial instruments was:

	2013 \$'000	2012 \$'000
<b>Fixed rate instruments</b>		
Financial assets	...	...
Financial liabilities	...	...
<b>Total</b>	<b>...</b>	<b>...</b>
<b>Variable rate instruments</b>		
Financial assets	...	...
Financial liabilities	(837)	(842)
<b>Total</b>	<b>(837)</b>	<b>(842)</b>

Changes in variable rates of 100 basis points at reporting date would have the following effect on the Department's profit or loss and equity:

Sensitivity Analysis of Department's Exposure to Possible Changes in Interest Rates:

	Statement of Comprehensive Income		Equity	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
<b>30 June 2013</b>				
Cash in Special Deposits and Trust Fund	...	...	...	...
Monies held in Trust	(8)	8	...	...
<b>Net sensitivity</b>	<b>(8)</b>	<b>8</b>	<b>...</b>	<b>...</b>
<b>30 June 2012</b>				
Cash in Special Deposits and Trust Fund	...	...	...	...
Monies held in Trust	(8)	8	...	...
<b>Net sensitivity</b>	<b>(8)</b>	<b>8</b>	<b>...</b>	<b>...</b>

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2012.

## 16.2 Categories of Financial Assets and Liabilities

	2013 \$'000	2012 \$'000
<b>Financial assets</b>		
Cash and deposits	32,041	13,937
Loans and receivables	2,879	3,679
<b>Total</b>	<b>34,920</b>	<b>17,616</b>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	21,059	10,399
<b>Total</b>	<b>21,059</b>	<b>10,399</b>

There has been no change, during the period and cumulatively, in the fair value of any receivables or financial liabilities that is attributable to changes in the credit risk of that asset or liability.

## 16.3 Reclassifications of Financial Assets

The Department has not reclassified any financial assets.

## 16.4 Derecognition of Financial Assets

The Department has not transferred financial assets in such a way that part or all of the financial assets do not qualify for derecognition.

## 16.5 Net Fair Values of Financial Assets and Liabilities

	2013		2012	
	Total Carrying Amount \$'000	Net Fair Value \$'000	Total Carrying Amount \$'000	Net Fair Value \$'000
<b>Financial assets</b>				
Cash and deposits	32,041	32,041	13,937	13,937
Receivables	2,879	2,879	3,372	3,372
Other financial assets				
Accrued revenue and interest	...	...	307	307
<b>Total financial assets</b>	<b>34,920</b>	<b>34,920</b>	<b>17,616</b>	<b>17,616</b>
<b>Financial liabilities (Recognised)</b>				
Trade creditors	4,635	4,635	4,095	4,095
Other financial liabilities				
Monies held in Trust	7,448	7,448	6,304	6,304
Provisions	8,976	8,976	...	...
<b>Total financial liabilities (Recognised)</b>	<b>21,059</b>	<b>21,059</b>	<b>10,399</b>	<b>10,399</b>

The Department uses various methods in estimating the fair value of a financial instrument. The methods comprise:

### *Financial Assets*

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

The net fair values of receivables are based on the nominal amounts due less any provision for impairment.

The net fair values of other financial assets approximate their carrying amounts.

## Financial Liabilities

The net fair values for trade creditors and other financial liabilities are approximated by their carrying amounts.

## Note 17 Details of Consolidated Entities

### 17.1 List of Entities

The following entities have been consolidated by the Department:

Entity	Ownership Interest	Proportion of Ownership Interest
Abt Railway Ministerial Corporation	State of Tasmania	100%
Forest Practices Authority (consolidated within the Administered Financial Statements)	State of Tasmania	100%

## Note 18 Notes to Administered Statements

### 18.1 Explanations of Material Variances between Budget and Actual Outcomes

The following are brief explanations of material variances between budget estimates and actual outcomes. Variances are considered material where the variance exceeds the greater of 10 per cent of budget estimate and \$500,000.

#### (a) Schedule of Administered Income and Expenses

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Grants	(i)	15,235	153	(15,082)	(99%)
Sale of goods and services	(ii)	60,683	33,992	(26,691)	(44%)
Fees and fines	(iii)	8,741	11,405	2,664	30%
Employee benefits	(iv)	981	1,541	560	57%
Supplies and consumables	(v)	639	1,774	1,135	178%
Other expenses	(vi)	15,079	54	(15,025)	(100%)
Transfers to the Consolidated Fund	(vii)	102,292	79,416	(22,876)	(22%)

#### Notes to Schedule of Administered Income and Expenses variances

- (i) \$15M saw-log buyback program not finalised at the end of the financial year, therefore funding not required. Will be finalised in 2013-14
- (ii) Original budget for Mineral Royalties revised down from \$55.4M to \$32M due to subsequent downturn in mineral extractions and commodity prices. \$29.5M Mineral Royalties collected.
- (iii) Original budget revised upwards to \$11M in expectation of increased drivers license fee collections, with revised budget being marginally exceeded.
- (iv) Difference reflects incorrect treatment of Forest Practices Authority salaries in budget papers.
- (v) Includes payments to contractor for production of custom registration plates (Tasplates), however the budget only records the net profit from sales.
- (vi) \$15M saw-log buyback program not finalised at the end of the financial year, will be finalised in 2013-14.
- (vii) Reflects the revised budgets for Mineral Royalties and Fees and fines collections transferred to the Consolidated Funds.

## (b) Schedule of Administered Assets and Liabilities

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Cash and deposits	(i)	3,953	3,430	(523)	(13%)

Notes to Schedule of Administered Assets and Liabilities Variances

(i) Reflects lower cash holdings by Forest Practices Authority (FPA)

## (c) Schedule of Administered Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Grants	(i)	15,235	153	(15,082)	(99%)
Sales of goods and services	(ii)	60,683	34,051	(26,632)	(44%)
Fees and fines	(iii)	8,741	11,400	2,659	30%
Employee benefits	(iv)	(966)	(1,830)	864	89%
Other cash payments	(v)	(12,973)	(1,740)	11,233	(87%)
Transfers to the Consolidated Fund	(vi)	(102,292)	(79,416)	22,876	(22%)

### Notes to Schedule of Administered Cash Flow variances

(i) \$15M saw-log buyback program not finalised at the end of the financial year, therefore funding not required. Will be finalised in 2013-14

(ii) Original budget for Mineral Royalties revised down from \$55.4M to \$32M due to subsequent downturn in mineral extractions and commodity prices. \$29.5M Mineral Royalties collected.

(iii) Original budget revised upwards to \$11M in expectation of increased drivers license fee collections, with revised budget being marginally exceeded.

(iv) Difference reflects incorrect treatment of Forest Practices Authority salaries in budget papers.

(v) \$15M saw-log buyback program not finalised at the end of the financial year, will be finalised in 2013-14.

(vi) Reflects the revised budgets for Mineral Royalties and Fees and fines collections transferred to the Consolidated Funds.

## 18.2 Administered revenue from Government

Administered revenue from Government includes revenue from appropriations, appropriations carried forward under section 8A(2) of the Public Account Act 1986 and Items Reserved by Law.

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

	2013 Budget \$'000	2013 Actual \$'000	2012 Actual \$'000
<b>Continuing operations</b>			
Appropriation revenue - recurrent			
Current year	77,867	77,917	75,140
<b>Total</b>	<b>77,867</b>	<b>77,917</b>	<b>75,140</b>
Revenue from Government - other			
Appropriation carried forward under section 8A(2) of the Public Account Act 1986 taken up as revenue in the current year	...	...	...
<b>Total</b>	<b>...</b>	<b>...</b>	<b>...</b>
<b>Total administered revenue from Government</b>	<b>77,867</b>	<b>77,917</b>	<b>75,140</b>

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

### 18.3 Administered Grants

	2013 \$'000	2012 \$'000
Tasmanian Forestry Agreement - communications	143	357
Grants from other Government Department	10	90
Industry contributions	...	5
<b>Total</b>	<b>153</b>	<b>452</b>

### 18.4 Administered State taxation

	2013 \$'000	2012 \$'000
Vehicle Registration Fee	35,210	33,954
<b>Total</b>	<b>35,210</b>	<b>33,954</b>

### 18.5 Administered Sales of goods and services

	2013 \$'000	2012 \$'000
<b>Goods</b>		
Mineral Royalties	29,508	50,315
Mineral Land Rentals	982	862
Custom Plates	667	535
<b>Services</b>		
MAIB Commission	2,155	2,153
Registration and Licensing	631	319
Other	49	578
<b>Total</b>	<b>33,992</b>	<b>54,762</b>

Revenue from Mineral Royalties is recognised on receipt based on self assessment by mining companies. The royalties are calculated and paid based on mined volumes each quarter and supported by spot audits by Mineral Resources Tasmania staff. Due to inherent difficulties of accounting for this revenue on an accrual basis, mineral royalties revenue is accounted for on a cash basis.

### 18.6 Administered Fees and fines

	2013 \$'000	2012 \$'000
<b>Regulatory Fees</b>		
Public Vehicle Licensing	1,166	501
Fees from Mineral Lands	1,219	1,043
Driver Licensing	9,013	8,338
<b>Fines</b>		
Weighbridge	2	6
Other	5	17
<b>Total</b>	<b>11,405</b>	<b>9,905</b>

## 18.7 Administered Employee benefits

	2013 \$'000	2012 \$'000
Wages and salaries	1,339	1,862
Long service leave	66	86
Superannuation	131	224
Fringe Benefits Tax	5	7
<b>Total</b>	<b>1,541</b>	<b>2,179</b>

Superannuation expenses relating to defined benefits schemes relate to payments into the Superannuation Provision Account held centrally and recognised within the FinanceGeneral Division of the Department of Treasury and Finance. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 12.5 per cent of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to the superannuation funds at a rate of nine per cent of salary. In addition, departments are also required to pay into the SPA a “gap” payment equivalent to 3.5per cent of salary in respect of employees who are members of the contribution scheme.

## 18.8 Administered Depreciation and amortisation

### (a) Depreciation

	2013 \$'000	2012 \$'000
Plant and equipment	5	12
<b>Total</b>	<b>5</b>	<b>12</b>

### (b) Amortisation

	2013 \$'000	2012 \$'000
Intangibles	9	9
<b>Total</b>	<b>9</b>	<b>9</b>
<b>Total depreciation and amortisation</b>	<b>14</b>	<b>21</b>

## 18.9 Administered Supplies and consumables

	2013 \$'000	2012 \$'000
Consultants	87	76
Property services	31	34
Maintenance	78	...
Communications	17	18
Information technology	91	109
Travel and transport	49	58
Advertising and promotion	75	137
Operating Lease costs	211	232
Other supplies and consumables	1,132	755
Audit fees – financial audit	3	3
<b>Total</b>	<b>1,774</b>	<b>1,422</b>

## 18.10 Administered Grants and subsidies

	2013	2012
	\$'000	\$'000
<b>Grants</b>		
National Road Transport Commission: Local Government Contribution	1,500	1,500
Tasmanian Racing Assistance	28,435	28,033
Private Forests Tasmania	1,414	1,408
Forest Practices Authority	1,355	1,350
Contribution to Marine and Safety Tasmania	1,036	1,040
Tasmanian Railway Pty Ltd	16,288	18,775
West Coast Wilderness Railway	3,000	...
<b>Total Grants</b>	<b>53,028</b>	<b>52,106</b>
<b>Subsidies</b>		
Payments to School Bus Operators: Route Services	17,312	15,634
Conveyance Allowances	1,930	1,773
Pensioner Air Travel Subsidy	8	11
Transport Access Scheme	4,282	4,159
<b>Total Subsidies</b>	<b>23,532</b>	<b>21,577</b>
<b>Total</b>	<b>76,560</b>	<b>73,683</b>

## 18.11 Administered Other expenses

	2013	2012
	\$'000	\$'000
Payroll Tax	39	133
Workers Compensation	3	3
Bad debts written off	6	...
Miscellaneous expenses	6	5
<b>Total</b>	<b>54</b>	<b>141</b>

## 18.12 Administered Net gain/(loss) on financial instruments and statutory receivables/ payables

	2013	2012
	\$'000	\$'000
Impairment of Statutory receivables	...	(1)
Reversal of impairment of Statutory receivables	1	2
<b>Total net gain/(loss) on financial instruments</b>	<b>1</b>	<b>1</b>

### 18.13 Administered Receivables

	2013 \$'000	2012 \$'000
Receivables	44	154
Less: Provision for impairment	...	(1)
<b>Total</b>	<b>44</b>	<b>153</b>
Sales of goods and services (inclusive of GST)	26	101
Fees and fines (inclusive of GST)	10	34
Other receivables	8	18
<b>Total</b>	<b>44</b>	<b>153</b>
Settled within 12 months	44	153
Settled in more than 12 months	...	...
<b>Total</b>	<b>44</b>	<b>153</b>

Reconciliation of movement in provision for impairment of administered receivables	2013 \$'000	2012 \$'000
<b>Carrying amount at 1 July</b>	<b>1</b>	<b>4</b>
Amounts written off during the year	...	...
Increase/(decrease) in provision recognised in profit or loss	(1)	(1)
Correction to classification	...	(2)
<b>Carrying amount at 30 June</b>	<b>...</b>	<b>1</b>

### 18.14 Administered other financial assets

	2013 \$'000	2012 \$'000
Accrued revenue	15	21
Accrued interest	...	4
<b>Total</b>	<b>15</b>	<b>25</b>
Settled within 12 months	15	25
<b>Total</b>	<b>15</b>	<b>25</b>

### 18.15 Administered Property, plant and equipment

#### (a) Carrying amount

	2013 \$'000	2012 \$'000
<b>Plant and equipment</b>		
At cost	47	47
Less: Accumulated depreciation	(37)	(32)
<b>Total property, plant and equipment</b>	<b>10</b>	<b>15</b>

## (b) Reconciliation of movements

Reconciliations of the carrying amounts of each class of Property, plant and equipment at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.

	2013	2012
	\$'000	\$'000
<b>Plant, equipment and vehicles. Carrying value at 1 July</b>	<b>15</b>	<b>27</b>
Depreciation expense	(5)	(12)
<b>Carrying value at 30 June</b>	<b>10</b>	<b>15</b>

## 18.16 Administered Intangible assets

### (a) Carrying amount

	2013	2012
	\$'000	\$'000
<b>Intangibles with a finite useful life (at cost)</b>		
Software systems	67	67
Less: Accumulated amortisation	(64)	(54)
<b>Total intangibles</b>	<b>3</b>	<b>13</b>

### (b) Reconciliation of movements

	2013	2012
	\$'000	\$'000
<b>Carrying amount at 1 July</b>	<b>13</b>	<b>21</b>
Amortisation expense	(10)	(8)
<b>Carrying amount at 30 June</b>	<b>3</b>	<b>13</b>

## 18.17 Administered Payables

	2013	2012
	\$'000	\$'000
Creditors	194	180
Accrued expenses	16	22
<b>Total</b>	<b>210</b>	<b>202</b>
Settled within 12 months	210	202
<b>Total</b>	<b>210</b>	<b>202</b>

Settlement is usually made within 30 days.

## 18.18 Administered Employee benefits

	2013	2012
	\$'000	\$'000
Accrued salaries	29	130
Annual leave	74	175
Long service leave	137	223
<b>Total</b>	<b>240</b>	<b>528</b>
Settled within 12 months	178	487
Settled in more than 12 months	62	41
<b>Total</b>	<b>240</b>	<b>528</b>

## 18.19 Administered Other liabilities

	2013	2012
	\$'000	\$'000
<b>Other liabilities</b>		
Monies held in trust	1,530	1,916
<b>Total</b>	<b>1,530</b>	<b>1,916</b>
Settled within 12 months	1,530	1,916
<b>Total</b>	<b>1,530</b>	<b>1,916</b>

Monies held in Trust are primarily third party revenues collected by the Department through motor registration receipts, held pending daily transfer to the owning third parties. Third parties include MAIB, State Revenue Office and Tasmania Fire Service (refer Note 19).

## 18.20 Schedule of Administered Commitments

	2013	2012
	\$'000	\$'000
<b>By type</b>		
<i>Lease Commitments</i>		
Operating leases	97	273
<b>Total lease commitments</b>	<b>97</b>	<b>273</b>
<b>By maturity</b>		
<i>Operating lease commitments</i>		
One year or less	37	182
From one to five years	60	91
<b>Total operating lease commitments</b>	<b>97</b>	<b>273</b>
<b>Total</b>	<b>97</b>	<b>273</b>

Note: Commitments are GST exclusive where relevant.

The majority of the Department's administered leases are represented by land and building rental costs and vehicle lease costs. The total lease commitment excludes local government and other executory costs where they are paid directly to a party other than the lessor. These costs are included elsewhere in the Department's expenditures.

Contingent Rental costs relate to land and building leases, and in the main comprise local government charges and the periodic escalation of leases by the Consumer Price Index. Since Contingent Rentals cannot be reliably determined, they have been excluded in the calculations of Total Lease Commitments.

There is no difference between the value of minimum lease payments and the value of Total Lease

Commitments. The Department does not have any purchase rights flowing from the lease of the land and buildings. There are no building leases that have renewal rights exercisable at the sole discretion of the lessor.

The minimum administered lease payment for vehicles is based on the average age of the vehicle fleet and a standard lease period of 30 months.

### 18.21 Administered Cash and deposits

Administered Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by the Department, and other cash held, which are administered or held in a trustee capacity or agency arrangement.

	2013	2012
	\$'000	\$'000
Special Deposits and Trust Fund balance	2,879	3,520
<b>Total</b>	<b>2,879</b>	<b>3,520</b>
Other cash held		
Tascorp Interest Bearing Deposit	551	118
Westpac Interest Bearing Deposit	...	712
<b>Total</b>	<b>551</b>	<b>830</b>
<b>Total cash and deposits</b>	<b>3,430</b>	<b>4,350</b>

### Reconciliation of Administered Net Result to Net Cash from Administered Operating Activities

	2013	2012
	\$'000	\$'000
Net operating result from transactions	(389)	(720)
Depreciation and amortisation	14	21
Bad and doubtful debt provision	1	1
Decrease (increase) in Receivables	81	56
Decrease (increase) in Prepayments	...	5
Decrease (increase) in Accrued revenue	10	20
Increase (decrease) in Employee entitlements	(288)	82
Increase (decrease) in Payables	35	134
Increase (decrease) in Other liabilities	(168)	38
<b>Net cash from (used by) operating activities</b>	<b>(704)</b>	<b>(363)</b>

### 18.23 Administered Financial Instruments

#### 18.24 Risk exposures

##### (a) Risk management policies

The Department has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

The Head of Agency has overall responsibility for the establishment and oversight of the Department's risk management framework. Risk management policies are established to identify and analyse risks faced by the Department, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Department does not hold any derivative financial instruments.

## (b) Credit risk exposures

Credit risk is the risk of financial loss to the Department if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
----------------------	---	---

### Financial Assets

Receivables (including Tax assets)	Recognised upon the provision of a good or service and the issuance of an invoice or claim eg BAS, measured at face value	Payment terms generally 30 days. Collectability of receivables is reviewed at balance date and a provision for impairment raised when collection of a debt is judged to be doubtful.
Cash and deposits	Recognised upon receipt of cash, measured at face value	At call
Other financial assets (eg accrued revenue)	Recognised upon the accrual of the future benefit, measured at face value	Majority of accrued revenues are settled within 6 months

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Department's maximum exposure to credit risk. The Department is not exposed to credit risk of any significance.

The following tables analyse financial assets that are past due but not impaired:

#### Analysis of financial assets that are past due at 30 June 2013 but not impaired

	Past due 31 to 60 days \$'000	Past due 61 to 90 days \$'000	Past due over 90 days \$'000	Total \$'000
Receivables	10	1	...	11

#### Analysis of financial assets that are past due at 30 June 2012 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	12	6	22	40

### (c) Liquidity risk

Liquidity risk is the risk that the Department will not be able to meet its financial obligations as they fall due. The Department's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
----------------------	--	---

#### Financial Liabilities

Payables	Recognised upon the receipt of a good or service that has not been paid for, measured at face value	Settled within 30 days
Monies held in Trust	Recognised upon receipt of monies, measured at face value	At call
Revenue received in advance	Recognised upon receipt of monies, measured at face value	Expended by 30 September of the following year in terms of section 8A of the Public Account Act 1986

The Department is not exposed to liquidity risk of any significance. Appropriation funding is provided to the Department from State Treasury as funds are spent by the Department, provided the Department does not exceed its budget. The following tables detail the undiscounted cash flows payable by the Department by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

#### 2013

##### Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
<b>Financial liabilities</b>								
Payables	210	...	...	...	...	...	210	210
Monies held in Trust	1,530	...	...	...	...	...	1,530	1,530
<b>Total</b>	<b>1,740</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>1,740</b>	<b>1,740</b>

#### 2012

##### Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
<b>Financial liabilities</b>								
Payables	202	...	...	...	...	...	202	202
Monies held in Trust	1,916	...	...	...	...	...	1,916	1,916
<b>Total</b>	<b>2,118</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>2,118</b>	<b>2,118</b>

### (d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that the Department is exposed to is interest rate risk.

At the reporting date, the interest rate profile of the Department's interest bearing financial instruments was:

	2013 \$'000	2012 \$'000
<b>Fixed rate instruments</b>		
Financial assets	...	712
Financial liabilities	...	...
<b>Total</b>	...	712
<b>Variable rate instruments</b>		
Financial assets	551	118
Financial liabilities	...	...
<b>Total</b>	551	118

Changes in variable rates of 100 basis points at reporting date would have the following effect on the Department's profit or loss and equity:

#### Sensitivity Analysis of Department's Exposure to Possible Changes in Interest Rates:

	Statement of Comprehensive Income		Equity	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
<b>30 June 2013</b>				
Cash and deposits	5	(5)	...	...
<b>Net sensitivity</b>	5	(5)	...	...
<b>30 June 2012</b>				
Cash and deposits	8	(8)	...	...
<b>Net sensitivity</b>	8	(8)	...	...

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2012.

### 18.25 Categories of Administered Financial Assets and Liabilities

	2013 \$'000	2012 \$'000
<b>Financial assets</b>		
Cash and deposits	3,430	4,350
Loans and receivables	59	178
<b>Total</b>	3,489	4,528
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	1,740	2,118
<b>Total</b>	1,740	2,118

There has been no change, during the period and cumulatively, in the fair value of any receivables or financial liabilities that is attributable to changes in the credit risk of that asset or liability.

### 18.26 Reclassifications of Administered Financial Assets

The Department has not reclassified any financial assets.

### 18.27 Derecognition of Administered Financial Assets

The Department has not transferred financial assets in such a way that part or all of the financial assets do not qualify for derecognition.

## 18.28 Net Fair Values of Administered Financial Assets and Liabilities

	2013		2012	
	Total Carrying Amount \$'000	Net Fair Value \$'000	Total Carrying Amount \$'000	Net Fair Value \$'000
<b>Financial assets</b>				
Cash and Deposits	3,430	3,430	4,350	4,350
Receivables	44	44	153	153
Other financial assets				
Accrued revenue and interest	15	15	25	25
<b>Total financial assets</b>	<b>3,489</b>	<b>3,489</b>	<b>4,528</b>	<b>4,528</b>
<b>Financial liabilities (Recognised)</b>				
Trade creditors	210	210	202	202
Other financial liabilities				
Monies held in Trust	1,530	1,530	1,916	1,916
<b>Total financial liabilities (Recognised)</b>	<b>1,740</b>	<b>1,740</b>	<b>2,118</b>	<b>2,118</b>

The Department uses various methods in estimating the fair value of a financial instrument. The methods comprise:

### *Administered Financial Assets*

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

The net fair values of receivables are based on the nominal amounts due less any provision for impairment.

The net fair values of other financial assets approximate their carrying amounts.

### *Financial Liabilities*

The net fair values for trade creditors and other financial liabilities are approximated by their carrying amounts.

## Note 19 Transactions and Balances Relating to a Trustee or Agency Arrangement

Account/Activity	Opening balance	Net transactions during 2012-13	Closing balance
	\$'000	\$'000	\$'000
Monies collected on behalf of external bodies	2,007	280,230	
Less: Monies transferred to external bodies		280,447	1,790

The Department is responsible for the collection of revenue on behalf of other agencies and organisations and the transfer of those funds on an agreed basis. The following revenues are processed through the Department's Operating Account and then forwarded to the relevant organisation:

- Motor tax;
- Duties;
- Motor Accidents Insurance Board premiums;
- State Fire Service levy; and
- Federal Interstate Registration Scheme payments.

The balance of these activities merely reflects a timing difference between receipt of the revenue and forwarding the funds to the relevant body.

## Certification of financial statements for the year ended 30 June 2013

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 2013 and the financial position as at end of the year.

At the date of signing, I am not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Norm Mcilpatrick  
**SECRETARY**

Date: 16 September 2013

## Independent Auditor's Report

To Members of the Parliament of Tasmania

Department of Infrastructure, Energy and Resources

Financial Statements for the Year Ended 30 June 2013

### Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Infrastructure, Energy and Resources (the Department), which comprise the statement of financial position as at 30 June 2013 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Secretary of the Department.

### Auditor's Opinion

In my opinion the Department's financial statements:

- (a) present fairly, in all material respects, its financial position as at 30 June 2013 and its financial performance, cash flows and changes in equity for the year then ended; and
- (b) are in accordance with the *Financial Management and Audit Act 1990* and Australian Accounting Standards.

### *The Responsibility of the Secretary for the Financial Statements*

The Secretary of the Department is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and Section 27 (1) of the *Financial Management and Audit Act 1990*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

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To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.  
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

*Strive | Lead | Excel | To Make a Difference*

judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Secretary's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Secretary, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in the Department's financial statements.

#### **Independence**

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. The *Audit Act 2008* further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

#### **Tasmanian Audit Office**



Jara K Dean  
**General Manager Financial Audit Services**  
**Delegate of the Auditor-General**

Hobart  
18 September 2013

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To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.  
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**FINANCIAL STATEMENTS**  
**For the year ending 30 June 2013**

**Abt Railway**  
**Ministerial Corporation**



## Abt Railway Ministerial Corporation Statement of Comprehensive Income for the year ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
<b>Continuing operations</b>			
<b>Revenue and other income from transactions</b>			
State Government Grants		3,000	...
Other revenue	1.3(b), 3.1	397	170
<b>Total revenue and other income from transactions</b>		<b>3,397</b>	<b>170</b>
<b>Expenses from transactions</b>			
Employee benefits	1.4(a)	171	104
Superannuation		15	4
Depreciation and amortisation	1.4(b)	1,198	1,086
Supplies and consumables:			
Consultants		269	8
Property Services		11	2
Communications		51	1
Information Technology		13	...
Maintenance		108	27
Travel and Transport		26	9
Operating Lease Costs		10	2
Other Supplies and Consumables		30	(38)
Other expenses	4.1	81	6
<b>Total expenses from transactions</b>		<b>1,983</b>	<b>1,211</b>
<b>Net result from transactions (net operating balance)</b>		<b>1,414</b>	<b>(1,041)</b>
<b>Other comprehensive income</b>			
Changes in physical asset revaluation reserve		...	4,127
<b>Total other comprehensive income</b>		<b>...</b>	<b>4,127</b>
<b>Comprehensive result</b>		<b>1,414</b>	<b>3,086</b>

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

## Abt Railway Ministerial Corporation

### Statement of Financial Position as at 30 June 2013

	Notes	2013 \$'000	2012 \$'000
<b>Assets</b>			
<i>Financial assets</i>			
Cash and deposits	1.5(a)	3,171	459
Other financial assets			
<i>Non-financial assets</i>			
Plant and equipment	1.5(c), 5.1	4,314	4,468
Infrastructure	1.5(c), 5.1	24,068	24,972
Land & Buildings	1.5(c), 5.1	5,390	5,500
<b>Total assets</b>		<b>36,943</b>	<b>35,399</b>
<b>Liabilities</b>			
Creditors	6.1	61	...
Monies held in Trust		215	...
Other liabilities		...	146
<b>Total liabilities</b>		<b>276</b>	<b>146</b>
<b>Net assets (liabilities)</b>		<b>36,667</b>	<b>35,253</b>
<b>Equity</b>			
Accumulated funds		28,104	26,690
Reserves		8,563	8,563
<b>Total equity</b>		<b>36,667</b>	<b>35,253</b>

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

## Abt Railway Ministerial Corporation

### Statement of Cash Flows for the year ended 30 June 2013

	Notes	2013 \$'000 Inflows (Outflows)	2012 \$'000 Inflows (Outflows)
<b>Cash flows from operating activities</b>			
Cash inflows			
State Government Grants		3,000	...
Other cash receipts		472	175
<b>Total cash inflows</b>		<b>3,472</b>	<b>175</b>
<b>Cash outflows</b>			
Cash outflows			
Employee benefits		(186)	(109)
Other cash payments		(545)	(12)
<b>Total cash outflows</b>		<b>(731)</b>	<b>(121)</b>
<b>Net cash from (used by) operating activities</b>	7.2	<b>2,741</b>	<b>54</b>
<b>Cash flows from investing activities</b>			
Cash outflows			
Payments for acquisition of non-financial assets		(29)	...
<b>Total cash outflows</b>		<b>(29)</b>	<b>...</b>
<b>Net cash from (used by) investing activities</b>		<b>(29)</b>	<b>...</b>
<b>Net increase (decrease) in cash held and cash equivalents</b>		<b>2,712</b>	<b>54</b>
Cash and deposits at the beginning of the reporting period		459	405
Cash and deposits at the end of the reporting period	7.1	3,171	459

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

## Abt Railway Ministerial Corporation

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

	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
<b>Balance as at 1 July 2012</b>	<b>8,563</b>	<b>26,690</b>	<b>35,253</b>
Total comprehensive result	...	1,414	1,414
<b>Balance as at 30 June 2013</b>	<b>8,563</b>	<b>28,104</b>	<b>36,667</b>

	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
<b>Balance as at 1 July 2011</b>	<b>4,436</b>	<b>27,731</b>	<b>32,167</b>
Total comprehensive result	4,127	(1,041)	3,086
<b>Balance as at 30 June 2012</b>	<b>8,563</b>	<b>26,690</b>	<b>35,253</b>

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Note I Significant Accounting Policies

### I.1 Objectives and Funding

The Abt Railway Ministerial Corporation (the Ministerial Corporation) is a body corporate, established by the *Abt Railway Development Act 1999*.

When in operation, the main activity of Abt railway is passenger and freight services between Queenstown Station and Regatta Point Station at Strahan. The railway provides the only means of access between Lowana and Lower Landing (Teepookana Plateau), which is State Forest under the control of Forestry Tasmania (FT).

Since the 1<sup>st</sup> May 2013, the West Coast Wilderness Railway (WCWR) has been managed by the Ministerial Corporation. Passenger and freight services are currently suspended allowing for infrastructure maintenance and capital improvements to be undertaken. The maintenance and improvements will be funded by \$6 million from Commonwealth Government and funds of up to \$1.5 million over the next 4 years from the State Government. The State Government has contributed \$3 million in operational funding during 2012-13.

### I.2 Basis of Accounting

As there are no users dependent on a general purpose financial report, the financial statements are therefore a special purpose financial report that has been prepared in order to meet the financial reporting obligations of the Corporation.

This Special Purpose Financial Statement have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flow', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality', AASB 1048 'Interpretation and Application of Standards' and AASB 116 'Property Plant and Equipment'.

The financial statements have been prepared as a going concern.

The financial statements were initially signed by the Delegate of the Minister on 9 August 2013.

### I.3 Income from transactions

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

#### (a) Revenue from Government

Grants payable by Commonwealth and State Government are recognised as revenue when the Ministerial Corporation gains control of the underlying assets. Grants are recognised as revenue when the grant is received or receivable.

#### (b) Other revenue

During the period of suspended passenger and freight services little revenue other than funding from Government is available. Prior to suspension of activity, rental was received for the four months to 30 April 2013 from the lessee of the WCWR, and funds collected by the lessee in a "sinking fund" were transferred to the Ministerial Corporation. Revenue from such sources is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

### I.4 Expenses from transactions

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

#### (a) Employee benefits

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

## (b) Depreciation and amortisation

All applicable Non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential.

The following table details the asset lives, and depreciation rates and the methods for the various classes of assets employed in the current and previous reporting periods. Asset useful lives depreciation methods are reviewed annually and adjusted according to the expected rate and/or pattern of consumption, asset condition, and industry best practice.

Asset	Estimated Useful Life (years)	Depreciation Rate (per annum)	Method
Tracks, bridges, structures, culverts and station buildings	40	2.50%	Straight Line
Railway carriages	30	3.33%	Straight Line
Locomotives	25	4.00%	Straight Line
Turntables, ramps, shelters	20	5.00%	Straight Line
Buildings	20	5.00%	Straight Line
Rail wagons	5	20.00%	Straight Line
Plant and equipment	5	20.00%	Straight Line

## (c) Other expenses

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

## 1.5 Assets

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

### (a) Cash and deposits

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund.

### (b) Receivables

Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value. Impairment losses are recognised when there is an indication that there is a measurable decrease in the collectability of receivables.

### (c) Infrastructure, property, plant and equipment

#### (i) Valuation basis

ABT Railway infrastructure comprises of the rail track, bridges, culverts, sidings, ramps and earthworks. Railway infrastructure is revalued every 5 years on a depreciated replacement cost basis, with the last valuation completed in 2012. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

Land and buildings are recorded at fair value less accumulated depreciation, and are revalued every 5 years by the Valuer General, the last valuation completed in 2012.

All other Non-current physical assets having a cost of more than \$5,000 are recorded at historic cost less accumulated depreciation and accumulated impairment losses.

#### (ii) Asset recognition threshold

The asset capitalisation threshold adopted by the Ministerial Corporation is \$5,000. Assets valued at less

than \$5,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

(iii) *Contract to acquire plant and equipment*

The Ministerial Corporation has entered into a contract to purchase plant and equipment from the former operator of the WCWR. The contract provides for settlement within two years for the items listed in the contract that can be identified and are used by the Ministerial Corporation during the period.

## 1.6 Liabilities

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

### (a) Payables

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

## Note 2 Events after Balance Date

Nil

## Note 3 Income from transactions

### 3.1 Other revenue

	2013 \$'000	2012 \$'000
Rent	142	170
“Sinking Fund” transfer from lessee	195	...
Miscellaneous revenue	60	...
<b>Total</b>	<b>397</b>	<b>170</b>

## Note 4 Expenses from transactions

### 4.1 Other expenses

	2013 \$'000	2012 \$'000
Payroll Tax	...	6
Audit fees	3	...
Other employment expenses	78	...
<b>Total</b>	<b>81</b>	<b>6</b>

## Note 5 Assets

### 5.1 Infrastructure, property, plant and equipment

#### (a) Carrying amount

	2013 \$'000	2012 \$'000
<b>Land (at fair value)</b>		
At fair value	1,100	1,100
<b>Total</b>	<b>1,100</b>	<b>1,100</b>
<b>Buildings(at fair value)</b>		
At fair value	4,400	4,816
Less:Accumulated depreciation	(110)	(1,112)
Revaluation	...	696
<b>Total</b>	<b>4,290</b>	<b>4,400</b>
<b>Railway Rolling Stock(at fair value)</b>		
At fair value	6,751	6,600
Less:Accumulated depreciation	(2,437)	(2,237)
<b>Total</b>	<b>4,314</b>	<b>4,363</b>
<b>Abt Railway infrastructure(at fair value)</b>		
At fair value	32,554	32,554
Less:Accumulated depreciation	(8,486)	(7,582)
<b>Total</b>	<b>24,068</b>	<b>24,972</b>
<b>Plant and equipment (at cost)</b>		
At cost	51	133
Less:Accumulated depreciation	(51)	(28)
<b>Total</b>	<b>...</b>	<b>105</b>
<b>Total infrastructure, property, plant and equipment</b>	<b>33,772</b>	<b>34,940</b>

## (b) Reconciliation of infrastructure, property, plant and equipment

Reconciliations of the carrying amounts of each class of infrastructure, property, plant and equipment at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.

2013	Land	Buildings	Railway Rolling Stock	Abt Railway Infrastructure	Plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	1,100	4,400	4,363	24,972	105
Additions	...	...			29
Depreciation	...	(110)	(179)	(904)	(4)
Net transfers	...	...	130		(130)
Carrying value at 30 June	1,100	4,290	4,314	24,068	...

2012	Land	Buildings	Railway Rolling Stock	Abt Railway Infrastructure	Plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	1,653	3,824	4,606	21,683	133
Revaluation increments/(decrements)	(553)	696	...	3,984	...
Depreciation	...	(120)	(243)	(695)	(28)
Carrying value at 30 June	1,100	4,400	4,363	24,972	105

## Note 6 Liabilities

### 6.1 Creditors

	2013	2012
	\$'000	\$'000
Creditors	61	...
Total	61	...
Settled within 12 months	61	...
Settled in more than 12 months	...	...
Total	61	...

Settlement is usually made within 30 days

## Note 7 Cash Flow Reconciliation

### 7.1 Cash and deposits

Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by the Ministerial Corporation, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2013	2012
	\$'000	\$'000
Special Deposits and Trust Fund balance	3,071	459
<b>Total Special Deposits and Trust Fund</b>	<b>3,071</b>	<b>459</b>
<b>Deposits:</b>		
Commonwealth Bank cheque account (Queenstown)	100	...
<b>Total Deposits</b>	<b>100</b>	<b>...</b>
<b>Total Cash and deposits</b>	<b>3,171</b>	<b>459</b>

### 7.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2013	2012
	\$'000	\$'000
Net result	1,414	(1,041)
Depreciation and amortisation	1,198	1,086
Increase (decrease) in other liabilities	129	9
<b>Net cash from (used by) operating activities</b>	<b>2,741</b>	<b>54</b>

## Note 8 Commitments and Contingent Liabilities

### 8.1 Schedule of Commitments

	2013	2012
	\$'000	\$'000
<b>By type</b>		
<i>Capital commitments</i>		
Plant & Equipment	184	...
<b>Total capital commitments</b>	<b>184</b>	<b>...</b>
<b>By maturity</b>		
<i>Capital commitments</i>		
One year or less	184	...
<b>Total capital commitments</b>	<b>184</b>	<b>...</b>
<b>Total</b>	<b>184</b>	<b>...</b>

### 8.2 Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding any possible amount or timing of any possible underlying claim or obligation.

#### (a) Quantifiable contingencies

A quantifiable contingent asset is any possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A quantifiable contingent liability is any possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or any present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. To the extent that any quantifiable contingencies are insured, details provided below are recorded net.

	2013 \$'000	2012 \$'000
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**Quantifiable Contingent Assets**

The Abt Railway Surrender and Transition Deed provides for the purchase of certain items of plant and equipment to be completed within two years at written down value, currently estimated at:

2,297	...
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**Quantifiable Contingent Liabilities**

The Abt Railway Surrender and Transition Deed provides for the settlement of the purchase of certain items of plant and equipment to be completed within two years at written down value, currently estimated at:

2,297	...
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**(b) Unquantifiable Contingencies**

The Ministerial Corporation has not identified any unquantifiable contingencies as at 30 June 2013

## Certification of financial statements for the year ended 30 June 2013

The accompanying special purpose financial statement of Abt Railway Ministerial Corporation is in agreement with the relevant accounts and records and has been prepared in compliance with the *Abt Railway Development Act 1999* to present fairly the financial transactions for the year ended 30 June 2013 and the financial position as at end of the year.

At the date of signing, I am not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Norm McIlpatrick  
(Delegate of the Minister)

Date: 16 September 2013



## Tasmanian Audit Office

### Independent Auditor's Report

To Members of the Parliament of Tasmania

Abt Railway Ministerial Corporation

Special Purpose Financial Statements for the Year Ended 30 June 2013

### Report on the Special Purpose Financial Statements

I have audited the accompanying special purpose financial statements (the financial statements) of Abt Railway Ministerial Corporation (the Corporation), which comprise the statement of financial position as at 30 June 2013 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Delegate of the Minister.

### Auditor's Opinion

In my opinion, the Corporation's financial statements present fairly, in all material respects, its financial position as at 30 June 2013 and its financial performance, cash flows and changes in equity for the year then ended.

### Basis of Presentation and Restrictions on Distribution

Without modifying my opinion, I draw attention to Note 1.2 to the financial statements, which describes the purpose of the financial statements and the basis of presentation, which is a special purpose framework. The financial statements have been prepared solely for the purpose of fulfilling the Corporation's financial reporting obligations. As a result, the financial statement may not be suitable for another purpose.

### *The Responsibility of the Delegate of the Minister for the Financial Statements*

The Secretary of the Department of Infrastructure, Energy and Resources, being the Delegate of the Minister, is responsible for the preparation and fair presentation of the financial statements and has determined that the basis of presentation described in Note 1.2, which is a special purpose framework, is appropriate to meet the financial reporting obligations of the Corporation.

This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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### *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 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 Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Delegate of the Minister, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Independence**

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. The *Audit Act 2008* further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

### **Tasmanian Audit Office**



Jara K Dean  
General Manager Financial Audit Services  
Delegate of the Auditor-General

Hobart  
18 September 2013

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## How to contact us

### General Enquiries

Mail	GPO Box 936 Hobart Tasmania 7001
E-mail	<a href="mailto:info@dier.tas.gov.au">info@dier.tas.gov.au</a>
Website	<a href="http://www.dier.tas.gov.au">www.dier.tas.gov.au</a>
Head Office:	10 Murray Street, Hobart
General Enquiries	1300 135 513

### Emergency Contacts (24 Hour Service)

Roads and Bridges	1800 005 282
Traffic Signal Faults	1300 139 933

### Transport

Registration and Licensing	1300 851 225 (cost of a local call) 03 6233 5201 (interstate callers)
Roads and Bridges	1300 135 513
Passenger Transport	03 6233 5193

### Mineral Resources

General enquiries	03 6233 8377
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### Office of Energy Planning and Conservation

General enquiries	03 6233 2009
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### Racing Services Tasmania

General enquiries	03 6336 2450
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Contact numbers are also listed in the White Pages under 'Infrastructure, Energy and Resources'.



Tasmania

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