

Annual Report 2009-10



Department of Economic Development, Tourism and the Arts

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Submission to Ministers



- 01 David Bartlett MP**
Premier
Minister for Innovation, Science and Technology
- 02 Lara Giddings MP**
Deputy Premier
Minister for Economic Development
- 03 Michael Aird**
Treasurer
Minister for Industry
- 04 Michelle O'Byrne MP**
Minister for Tourism
- 05 David O'Byrne MP**
Minister for the Arts
Minister for Hospitality
Minister for Sport and Recreation

Dear Ministers

In accordance with the requirements of Section 36 of the *State Services Act 2000* and Section 27 of the *Financial Management and Audit Act 1990*, I submit to you, for presentation to Parliament, this report on the affairs and activities of the Department of Economic Development, Tourism and the Arts for the financial year ended 30 June 2010.

In accordance with the requirements of Section 29E of the *Tasmanian Development Act 1983*, I submit to you, for presentation to Parliament, this report on the affairs and activities of the Tasmanian Development Board for the same financial year.

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

Yours sincerely

Mark Kelleher

Secretary

Department of Economic Development, Tourism and the Arts

Chief Executive

Tasmania Development and Resources

October 2010

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Overview

The Department of Environment, Parks, Heritage and the Arts was formally disbanded on 30 June 2009.

On 1 July 2010, Arts Tasmania and the Tasmanian Museum and Art Gallery joined the Department of Economic Development and Tourism to form the new Department of Economic Development, Tourism and the Arts.



About this publication

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

The report provides information for all stakeholders with an interest in economic development, culture, recreation, sport and tourism in Tasmania. It includes an overview of the operations, major initiatives and achievements, and performance of the department during the 2009-10 year.

The publication also includes the 2009-10 annual report of Tasmania Development and Resources – the legal entity responsible for the creation of investment and associated employment through the implementation of the government's economic and social strategies.

The publication is presented in several sections:

Department of Economic Development, Tourism and the Arts

Section	Purpose	Pages
About us	This introductory section provides an overall picture of the department – our purpose, values, role, organisational structure, management boards, stakeholders and strategic and policy context.	11
Performance summary	This section includes a snapshot of our divisional highlights, details how the department performed during the year against budget output targets and Tasmania <i>Together</i> goals and benchmarks, and captures our progress in developing a <i>Disability Framework for Action</i> and an Emissions Reduction Plan.	18
Activity reports	This section provides a description of the major achievements of each of the department's divisions.	44
Workforce information	This section provides information on the human resources of the department.	58
Supporting information	This section provides information on the administrative aspects of the department, including Freedom of Information requests, legislation, departmental policies, publications produced and tenders and consultancies awarded by the department.	62
Financial statements	This section provides the financial statements for the department for the 2009-10 financial year.	69

Tasmania Development and Resources

Section	Purpose	Pages
Tasmanian Development Board	This section profiles the membership of the Tasmanian Development Board.	124
Policy objectives	This section provides a listing of the policy objectives of Tasmania Development and Resources.	126
Grants and loan	This section provides a summary of the grants and loans administered by Tasmania Development and Resources during 2009-10.	130
Financial statements	This section provides the financial statements for Tasmania Development and Resources for the 2009-10 financial year.	131

Section	Purpose	Pages
Glossaries and index	This section provides a guide to acronyms and indexes to assist in accessing specific information within the publication.	158
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Secretary's foreword

I arrived at the Department of Economic Development, Tourism and the Arts last year just as some significant changes were taking place in the agency. On 1 July 2009 Arts Tasmania and the Tasmanian Museum and Art Gallery joined us, and we also undertook an internal restructure in our operations. The 2009–10 financial year has therefore been about integrating and consolidating our agency to fulfil the department's purpose of contributing to a prosperous, vibrant and healthy Tasmania.

The state's economy has experienced some challenges over the past twelve months, particularly in the north and north-west. The department has played a key role in helping to ensure Tasmanian businesses continue to grow and generate jobs, by assisting in delivering State and Federal Government initiatives such as the Regional Assistance Program and the North-West and Northern Tasmanian Innovation and Investment Fund.

But while our economy continues to face challenges, there are also opportunities. The agency is developing an Economic Development Plan (EDP), which will support economic development objectives at the whole of economy, sectoral and regional levels. The plan will see us consult with industry and the community to make sure that we build a decade of growth ahead.

Achievements

Achievements for 2009–10 include:

Economic Development

- » The agency was active in promoting investment, assisting businesses to prosper and helping companies seek out market opportunities. This included:
 - » responding to 5 122 client enquiries through the Business Point freecall and email service, assisting 1 477 clients under the Business Licence Information Service and helping 3 967 clients through the Enterprise Centre network, resulting in \$7.8 million in business investment and 790 new jobs
 - » issuing state sponsorship for 203 business and skilled migrants and certifying 175 skilled positions for Tasmanian employers to fill vacancies with skilled overseas workers
 - » providing export assistance to 286 clients resulting in initial export contracts worth \$14 970 129 and 1 512 business matching opportunities. Also undertaking 20 exhibitions, promotions and outbound missions, facilitating 18 inbound missions across a range of sectors and delivering 10 exporter skills workshops with 132 participants



- » helping 15 employers to deal with business closure and reduction through the Skills Response Unit, and supporting the redeployment of affected workers. Also facilitating loans of \$23.6 million to 12 businesses, and 158 successful grant applications totalling \$14.6 million to assist businesses to develop and grow
- » providing \$1.225 million in financial assistance to Devonport contact centre Sitel, which won a new contract to provide technical and customer support to an offshore company, creating up to 200 new jobs. Also providing assistance to Burnie's Excelior call centre, securing 250 jobs, and to the Vodafone call centre at Kingston to secure 400 jobs and create an additional 100 jobs
- » assisting specialist ship repair company Taylor Brothers Slipway and Engineering to build capacity in preparation for a major defence contract, and providing ongoing assistance to enable Richardson Devine Marine Constructions to diversify into offshore work boats
- » supporting two Tasmanian businesses, Pivot Maritime International and Autech Software, which went on to achieve success at the Australian Export Awards in Canberra in November.
- » The Tasmanian Renewable Energy Industry Development Board, chaired by Mr Peter Rae, was established with the aim of developing a long-term renewable energy strategy for the state.
- » Tasmania was successful in competitive bids to host two important international Antarctic meetings, the International Association of Antarctic Tour Operators (IAATO) Meeting in 2011 and the 35th Antarctic Treaty Consultative Meeting (ATCM) in 2012.
- » The state also secured hosting duties for the second Australia China ICT Summit, which will bring together almost 100 influential technology policy makers, business leaders and researchers in Hobart in November 2010.
- » The rollout of the Federal Government's National Broadband Network (NBN) began, with Tasmanian communities at Scottsdale, Midway Point and Smithton the first to benefit.
- » Screen Tasmania supported several productions, including a \$150 000 investment in feature film *Arctic Blast*, which was shot in Tasmania. The Canadian-Australian co-production generated over \$600 000 of expenditure in the state, employed more than 160 Tasmanian cast and crew and created nine training opportunities.

Tourism

- » Despite a significant downturn elsewhere both internationally and nationally as a result of the global financial crisis, in the year ending March 2010 the state achieved a two per cent increase in visitor numbers compared to the same period the previous year, with 912 600 visitors arriving on scheduled air and sea services.
- » Tourism Tasmania developed commercial relationships with an additional 18 distribution partners throughout the 2009–10 financial year. This enabled the delivery of tactical campaigns across 75 per cent of the year, ensuring Tasmanian products and experiences were visible to the purchasing public in peak, shoulder and winter seasons.
- » Tasmania was named as the successful bidder for the 2012 International Cool Climate Wine Symposium, which is expected to bring 300 delegates to the state in February 2012.
- » Events Tasmania supported 144 events in the last financial year, which brought an estimated 45 000 visitors to the state and delivered a direct spend of approximately \$55 million into the Tasmanian economy.
- » The inaugural *Lumina – A Winter of Festivals* campaign brought together over 100 events and festivals across the state. It is anticipated *Lumina* will help to increase visitation in a season that is traditionally quieter for the state.



Arts

- » Arts Tasmania's Arts Grants Program distributed \$3 010 637 in funding to arts organisations, individual artists, small museums and galleries and Aboriginal artists through a range of grants and loans programs. Arts Tasmania's move to new premises at 146 Elizabeth Street, Hobart also continued to be a success, with the venue's exhibition space hosting 11 exhibitions, launches and talks with 68 participating Tasmanian artists in 2009–10.

Tasmanian Museum and Art Gallery

- » The Tasmanian Museum and Art Gallery (TMAG) hosted several successful exhibitions, including the largest showing outside Asia of works by prominent Chinese scholar Jao Tsung-i, the *Tayenebe* exhibition of work by Tasmanian Aboriginal women which went on to tour museums nationally, and the *Hans Heysen* and *Heysen's Contemporaries* exhibitions, which attracted over 11 500 visitors to TMAG between December 2009 and February 2010.

Sport and Recreation

- » Sport and Recreation Tasmania once again delivered a successful series of grants programs, including \$1.4 million worth of grants towards eight trail and bikeway developments throughout the state.
- » The Tasmanian Institute of Sport assisted 65 athletes to attain Australian representation, and the Wilderness Program provided 1 467 opportunities for participation in physical activity through partnerships with community bodies.

In conclusion

Our agency has an important role to play in building a prosperous, vibrant and healthy future for Tasmania. To do this, we need a clear vision, goals and set of priorities in place.

This is why the EDP was a major focus for the department during 2009–10 and will continue to be so in the coming financial year.

It is an exciting time for the economic development of the state. The EDP will provide Tasmania's long-term economic vision, and will be informed by and help inform the Government's Innovation, Infrastructure and Skills strategies. We are in the process of consultation with stakeholder groups and anticipate the release of the plan during 2011.

Despite the challenges posed by the global financial crisis, there remain opportunities for growth in the Tasmanian economy. Innovation will be vital to Tasmania's future prosperity, helping us grow the state's new industries and markets of the future. This is how we will create jobs and wealth in our community.

Along with the continuation of the department restructure, the 2009–10 financial year has also seen other changes in the agency. Following the state election in March 2010, we welcomed new and additional portfolio ministers: Lara Giddings (Economic Development), David Bartlett (Innovation, Science and Technology), Michael Aird (Industry), Michelle O'Byrne (Tourism) and David O'Byrne (Arts, Sport and Recreation and Hospitality). Together with the Department of Infrastructure, Energy and Resources, we also provided support to Nick McKim (Sustainable Transport and Alternative Energy). In addition, we welcomed three new parliamentary secretaries with responsibilities within the agency's portfolio areas: Rebecca White (Small Business), Brian Wightman (Northern Economy) and Brenton Best (North-Western Economy).

I would like to take this opportunity to thank our ministers, parliamentary secretaries, the Tasmanian Development Board and Chairman Denis Rogers AO for their support and collaboration, as well as department staff for their dedication and hard work throughout the year.



Mark Kelleher

Secretary

Department of Economic Development, Tourism and the Arts

Chief Executive

Tasmania Development and Resources

About us

Working together to make Tasmania a prosperous, vibrant and healthy community.



Why we are here

To show leadership for Tasmania and Tasmanians by:

- » being responsive to our clients' needs and helping them to achieve their goals
- » supporting Tasmanians to succeed domestically and internationally
- » promoting investment and assisting Tasmanians to seek market opportunities
- » improving Tasmanians' wellbeing and prosperity
- » advising on and implementing government policy.

Our values

Our values and accompanying supporting behaviours are an integral part of our processes including recruitment, induction, competencies, development and career progression. Our values underpin the work we do towards achievement of our Corporate Plan.

The department values:

- » people first
- » creativity
- » commitment
- » excellence
- » achievement
- » being business-like
- » making a difference.

Our role

The Department of Economic Development, Tourism and the Arts – incorporating the Tasmanian Development Board, the Tourism Tasmania Board, the Tasmanian Arts Advisory Board (TAAB), the newly formed Tasmanian Renewable Energy Industry Development Board (TREIDB), the Screen Tasmania Board and the Board of Trustees of the Tasmanian Museum and Art Gallery (TMAG) – leads economic and industry development in Tasmania.

We are the first point of contact for companies wishing to establish, relocate, diversify or expand in Tasmania. We also act as a conduit to other state and Australian government departments, local government and Tasmanian business.

We aim to achieve community, industry and government development goals by creating a competitive business environment, promoting and attracting investment, and by helping individuals, businesses and industries to grow and become internationally competitive.

We do this by working with business across a broad range of industry sectors, particularly those that are focused on exports and import replacement. We manage projects, develop policies, undertake planning and deliver programs and services in partnership with industry sectors.

We are also responsible for sport and recreation in Tasmania. Through Sport and Recreation Tasmania we aim to ensure all Tasmanians have the opportunity to participate in sport, recreation and physical activity and share in the benefits of a healthy community.

Through Tourism Tasmania we market Tasmania as a world-class tourism destination and deliver marketing and development programs that drive benefits for Tasmania from national and international tourism.

Through Arts Tasmania and the Tasmanian Museum and Art Gallery we provide support for the development of the arts sector in Tasmania and work with Tourism Tasmania to leverage off the rich cultural heritage that the state possesses.

Our organisational structure

We implement our strategies through five divisions:

- » Culture, Recreation and Sport
- » Tourism Tasmania
- » Corporate Support
- » Industry Development
- » Strategic Policy and Research.

Our stakeholders

Our key stakeholders are the following ministers within the Tasmanian Government:

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

Other stakeholders we rely upon to meet our objectives include and are drawn from:

- » businesses and industry
- » Parliament, Cabinet, parliamentary secretaries, ministerial advisers and other government agencies
- » local government
- » federal government
- » the community
- » the science and technology sector
- » the arts sector
- » the sport and recreation sector
- » the hospitality sector
- » the tourism sector
- » University of Tasmania
- » unions
- » our staff.

Our contribution to Tasmanian Government goals

The Department of Economic Development, Tourism and the Arts leads economic and industry development in Tasmania, including jointly delivering marketing and development programs to support the state's tourism industry. The department also provides opportunities for Tasmanians

to participate in sport, recreation and physical activity and is responsible for the protection and promotion of the state's considerable cultural assets, including developing and promoting the arts.

Many of the activities that support the above goals also contribute to whole-of-Tasmanian Government plans and agreements, as discussed further below.

Tasmania Together

Tasmania *Together* is the state's community-driven, social, economic and environmental plan. We are the lead agency for 30 Tasmania *Together* indicators that underpin the following six Tasmania *Together* goals:

- » a reasonable lifestyle and standard of living for all Tasmanians
- » active, healthy Tasmanians with access to quality and affordable health care services
- » vibrant, inclusive and growing communities where people feel valued and connected
- » dynamic, creative and internationally recognised arts community and culture
- » increased work opportunities for all Tasmanian
- » thriving and innovative industries driven by a high level of business confidence.

Further details on the key activities undertaken by the department during 2009-10 that contribute to the goals of Tasmania *Together* is provided on pages 26 to 39 of this annual report.

State Government Partnership Agreements

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

The department continues to work in partnership with local government on a number of the Tasmanian Government/Local Government Partnership Agreements. The agreements offer an effective way for the department to define its contribution to local government areas across Tasmania, and primarily focus on tourism, sports and recreation, cultural and economic development outcomes. We are also involved with the Partnership Agreement between the Tasmanian Government and the University of Tasmania and have a Memorandum of Understanding with the Tasmanian Chamber of Commerce and Industry Ltd.

The department works collaboratively with many industry peak bodies including the Tourism Industry Council of Tasmania, Forests and Forest Industry Council, Tasmanian Farmers and Graziers Association, Tasmanian Minerals Council Limited and the Local Government Association of Tasmania.



Our economic context

Tasmania is linked to the rest of the world through global markets. While this provides significant opportunities for growth and for new industries to be developed, it also comes with downside economic risks, such as the impact of the 2008 global financial crisis.

Tasmania's population of just over 500 000 accounts for approximately 2.3 per cent of Australia's total population. Tasmania's small population base means the state's export sector has a very important role in the economy. The demand for Tasmania's products, the level of competition from other countries and the exchange rate are all important factors that affect Tasmanian exports.

The strong demand for Australia's mineral resources has raised the value of the Australian dollar making Tasmania's exports more expensive for overseas buyers. This reduces the affordability of our overseas exports, putting pressure on Tasmania's exporting manufacturers.

While the government cannot control global forces, it is working to mitigate the effects and create new employment opportunities for Tasmanians through:

- » providing support for sustainable local industries and businesses to enable them to get through this tough period and to be in a position to expand when global economic conditions improve
- » assisting with transitional arrangements for industries, businesses and individuals affected by significant downsizing or closure
- » maximising the opportunities for growth associated with the state's natural assets and competitive advantages, such as abundant water, renewable energy sources and the rollout of the National Broadband Network
- » implementing long term innovation, infrastructure and skills strategies to drive improvements in productivity.

Like the rest of the world, Tasmania also faces a climate change challenge. The *Climate Change (State Action) Act 2008* sets an ambitious target for Tasmania to reduce

its greenhouse gas emissions by at least 60 per cent of 1990 levels by 2050. This presents an opportunity for the state to take a leadership position on water availability, new infrastructure and the development of renewable energy solutions in adapting and mitigating the effects of climate change. A further challenge is to leverage the state's investment in new infrastructure with complementary private sector investment including the Water Infrastructure Fund, public hospitals, transport, strengthening the electricity network and developments on the Hobart waterfront.

Other challenges include the continued sustainable use of our natural resources, increasing participation, productivity and innovation, improving our competitive business and industry position, and continuing our marketing initiatives. Tasmania also needs to sustain its low unemployment levels and build upon the skills and healthy lifestyle of the population in the face of demographic change.

New economic direction for Tasmania

In July 2008, the Premier outlined a new economic direction for Tasmania that identified the need to develop three core strategies – innovation, skills and infrastructure. These strategies are designed to help Tasmania address the economic challenges and opportunities of the future. Each strategy will be embedded in the Economic Development Plan, which was announced in the 2010-11 State Budget. The Economic Development Plan will guide the long-term economic development of the state.

One of the department's key contributions to Tasmania's new economic direction vision is the development of the Innovation Strategy. Research and development of the Innovation Strategy largely occurred during 2009-10, and the strategy was released in August 2010.

The Innovation Strategy will guide investment in those sectors and regions of Tasmania that have a competitive and comparative advantage and which are most likely to provide the greatest economic opportunity for the future.

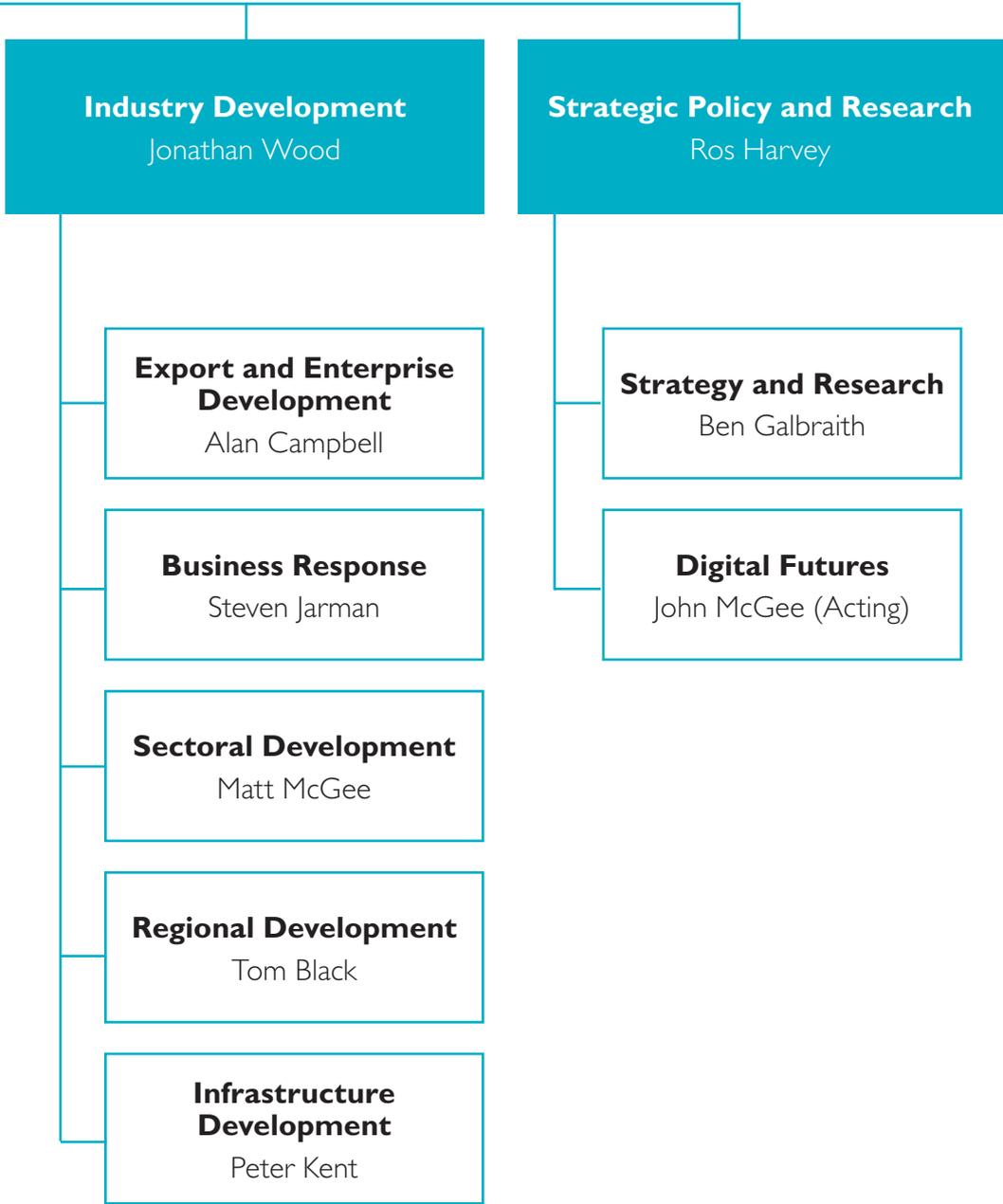
The strategy focuses on five specific sectors

- » high-value agriculture, aquaculture and food
- » renewable energy
- » the digital economy
- » a vibrant, creative and innovative Tasmania built on its lifestyle advantages
- » further growing our tourism advantage.

These sectors were identified by the Australian Innovation Research Centre (AIRC) in its report *An Innovation Strategy for Tasmania: A New Vision for Economic Development – Conceptual Overview and Options Outline*. The AIRC's census and research will be an important source of information in developing the Economic Development Plan.

Organisational chart as at 30 June 2010





Management boards



The department worked closely with the following boards in 2009–10:

Screen Tasmania Board

The Screen Tasmania Board was established under the provisions of the *Tasmanian Development Act 1983*. The board makes funding recommendations and provides industry expertise on matters of policy and strategy in contributing to growth of Tasmania's screen industry. The board is appointed by the Minister for Economic Development, and comprises representatives across various sectors of the industry, including film, television and new media.

Tasmanian Arts Advisory Board

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

Tasmanian Development Board

The Tasmanian Development Board is responsible for the industry-related activities of the Department of Economic Development, Tourism and the Arts. The board's primary focus is the creation of investment and associated employment through the implementation of the government's economic and social strategies. The board has specific areas of responsibility under the *Tasmanian Development Act 1983* and owns the legal entity Tasmania Development and Resources.

Members of the Tasmanian Development Board are appointed pursuant to Section 5(3) of the *Tasmanian Development Act 1983*.

Tasmanian Industry Advisory Board

The Tasmanian Innovation Advisory Board (TIAB) was established in 1999. Historically, its key roles have been to administer the Tasmanian Innovations Program (TIP) including the assessment and approval of applications for funding under TIP and associated programs such as the Research Partnerships Program (RPP), and to advise Cabinet on innovation policy and its implementation.



Tasmanian Renewable Energy Industry Development Board

The Tasmanian Renewable Energy Industry Development Board has been established under the *Tasmanian Development Act 1983* to advise the Tasmanian Government on, and proactively promote the development of, the renewable energy industry in Tasmania.

In 2010 the board will develop and recommend to government a Renewable Energy Strategy for Tasmania.

The board will hold a workshop in the second quarter of calendar 2010 to obtain input and views – from industry, government and organisations with a stake in the renewable energy sector – on maximising the benefits from developing Tasmania’s renewable energy potential.

The results of the workshop and subsequent work program will inform the board’s advice to the government on developing Tasmania’s renewable energy industry, including recommendations on:

- » maximising the economic benefits from developing Tasmania’s renewable energy resources
- » improving the regulatory and policy framework
- » stimulating investment in the sector
- » overcoming constraints to development and growth
- » planning for a second electricity interconnector across Bass Strait.



Tourism Tasmania Board

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

Tasmanian Museum and Art Gallery Board of Trustees

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

Performance summary



Our highlights

In 2009–10, the department achieved the following highlights across its various divisions:

Culture, Recreation and Sport

Arts Tasmania

- » Arts Tasmania approved 172 loans to the value of \$467 398 under the COLLECT Art Purchase Scheme, a no-interest loans scheme to encourage people to buy the work of contemporary living artists. This enabled the purchase of 219 artworks by 143 Tasmanian artists. Twenty-seven per cent of these loans have been approved to interstate residents.
- » The fourth instalment of *Amplified*, Tasmania's biggest annual music industry development program, was held from 17–19 July 2009. A total of 4 600 people participated in *Amplified*'s 15 concerts and 10 workshops. The professional development components of *Amplified* attracted 29 national guest speakers, and 2 500 double compact disc recordings of Tasmania's best contemporary musicians were distributed nationally.
- » The Premier's Arts Partnership Fund supported 24 new partnerships to the value of \$147 950. With the contribution of the partners, this equals a total investment of \$295 900 over the year.
- » Arts Tasmania provided \$1 707 957 in annual grants to larger public museums and art galleries across the state.
- » ArtSite (formerly the Art for Public Buildings Scheme) commissions totalling \$1 181 390 were underway as at 30 June 2010. These integrate the creativity of Tasmanian artists into the fabric of our buildings, making them more enjoyable places in which to work and visit.

- » The Corporate Art Scheme, which operates alongside ArtSite to deliver art commissions for corporate clients, federal government and local government projects, had \$604 150 worth of projects in progress as at 30 June 2010.
- » Arts Tasmania's Arts Grants Program distributed \$3 010 637 in funding to arts organisations, individual artists, small museums and galleries and Aboriginal artists through a range of grants and loans programs.
- » Arts Tasmania's loans program continued to provide infrastructure and working capital support to arts businesses, with \$287 532 outstanding in 45 loans as at 30 June 2010.
- » arts@work created *luna kanalaritja*, a branding and packaging project for Tasmanian Aboriginal shell necklace makers, culminating in an exhibition of nine makers' work in both Launceston and Hobart.
- » Artists in Residence (AIR) 2010 saw seven artists residing in five high schools across the state, developing their own work and practice and engaging with students to create a meaningful arts and education partnership.
- » Through Arts Tasmania, the government provided \$1 414 000 to the Tasmanian Symphony Orchestra to enable the orchestra to retain its operating levels and status as one of the world's finest small orchestras under the artistic leadership of Chief Conductor and Artistic Director, Sebastian Lang Lessing.
- » Arts Tasmania provided \$166 000 to Australia's oldest continually operating theatre, the Theatre Royal, to increase its capacity to promote the theatre as a contemporary and historic performing arts venue. These funds are in addition to Arts Tasmania funding the theatre receives for its entrepreneurial program.

Cultural Development

- » The Cultural Development unit announced Austal Ships (Tasmania), Sinclair Knight Merz Pty Ltd, the O Group Incorporated and Launceston City Council as the Tasmanian Employers of Choice for 2009. These organisations join those previously recognised to build Tasmania's reputation as offering workplaces of choice for skilled workers.
- » The division also supported initiatives and events including the *Festival of Voices*, Tasmanian Hospitality Association and Brand Tasmania Council to increase the recognition of Tasmania as a great place to live, learn and work, visit, invest and trade.

Screen Tasmania

- » Screen Tasmania invested \$150 000 into the Canadian/Australian co-production of feature film *Arctic Blast*, which generated over \$600 000 of expenditure in the state, employed over 160 Tasmanian cast and crew, and created nine training opportunities.
- » Animated children's television series *Pixel Pinkie*, created by Tasmanian digital media company Blue Rocket Productions, premiered on the Nine Network Australia. Screen Tasmania invested \$650 000 into two series of *Pixel Pinkie*, resulting in around \$5 million of production expenditure in the Tasmanian economy, employment of 55 cast and crew and included work experience and training opportunities.
- » Screen Tasmania announced a co-development initiative with the Australian Children's Television Foundation for the development of a long-running children's television drama series. The initiative received a record number of applications and, as a result, two teams were selected to develop their projects with the aim of pitching to broadcasters.
- » *The Last Confession of Alexander Pearce*, a documentary-drama made in Tasmania and supported by Screen Tasmania, won the Best Documentary category at the prestigious Kodak Inside Film Awards 2009.
- » The then Prime Minister Kevin Rudd launched the dedicated children's television channel ABC3 by screening flagship program *My Place*. Screen Tasmania invested in the production of *My Place*, with Blue Rocket Productions delivering the interactive, online portal for the series.
- » Screen Tasmania partnered with both the Salamanca Arts Centre and Wide Angle Tasmania to deliver the *Movie Extra Tropfest* event. Recognised as the world's largest short film festival, *Tropfest* has become one of Hobart's iconic summer cultural events attracting a capacity crowd of 2 000 and representing an invaluable opportunity to promote Screen Tasmania to a wider audience while giving the opportunity for Tasmanian filmmakers to gain exposure in this high profile event.

- » Through the support of Screen Tasmania, games company Clockwork Beehive attended the Creative-3 International Forum and competed in an Investment Marketplace. It attracted the interest of a number of potential investors.
- » Screen Tasmania sponsored the Australian Cinematographers Society Hobart Branch to run a master class with internationally renowned cinematographer, Andrew Lesnie ACS, ASC. Lesnie's film credits include the *Lord of the Rings Trilogy*, *Bran Nue Day* and *King Kong*. The master class attracted over 70 participants, including both emerging and established screen industry practitioners.
- » The inaugural *Breath of Fresh Air* film festival in Launceston attracted over 1 000 attendees across the three-day program. As well as sponsoring the event, Screen Tasmania announced Tasmania's first short film production competition to run as part of the 2011 festival.

Sport and Recreation Tasmania

- » Sixty-five athletes from the Tasmanian Institute of Sport attained Australian representation.
- » Key state, regional and local planning projects included the development of Recreation Planning Guidelines for local councils, the Lake Barrington Recreation Management Framework, the Elphin Sports Centre Precinct Planning Study, the West Coast Council Sport and Recreation Strategic Plan, the Tasmanian Mountain Bike Plan and the Cradle Coast Open Space Plan.
- » Sport and Recreation Tasmania developed the *Tasmanian Sport and Recreation Framework for People with a Disability* for the sport and recreation and disability sectors. They also established a part-time position of Project Officer, Disability Sport, to address priority areas and implement strategies, national disability sport programs and initiatives, and co-ordinate a Disability Sport and Recreation Network.
- » The unit committed grants of \$1.4 million towards eight Tasmanian trail and bikeway developments worth over \$5 million.
- » The Tasmanian Physical Activity Program, launched through the Premier's Physical Activity Council, aims to raise the profile and importance of physical activity within the community through the program's ambassadors, everyday activities and community events. Ambassadors include Department of Economic Development, Tourism and the Arts Secretary Mark Kelleher, Paralympian and manager of Launceston Aquatic, Melissa Carlton, and teacher and open water swimmer, Anne Steele.



- » Sport and Recreation Tasmania also launched *Healthy by Design: A guide to planning and designing environments for active living in Tasmania*. The Heart Foundation (Tasmania Division) and the Premier's Physical Activity Council developed this resource to make it easier for planners to design areas that are conducive to people being physically active.
- » The Tasmanian Mountain Bike Plan provided the foundation for successful funding applications for various mountain bike infrastructure developments around the state and encouraged the formation of the Cradle Coast Mountain Bike Club.
- » The unit facilitated the agreement of 10 state sporting organisations to explore implementing *Play by the Rules* (PBTR) into their annual general meetings, club forums or development programs as part of their Sport and Recreation Tasmania funding agreements. The PBTR key performance indicators aim to support and promote inclusive, safe and fair sporting environments.

Tasmanian Museum and Art Gallery

- » Following the success of the *Ice E-Mystery* project, which involved 600 students from schools in Alaska and Australia, the *Ice E-Mystery* e-books were published online. TMAG's Centre for Learning and Discovery Manager, Andy Baird, attended the International Polar Year Oslo Science Conference and spoke about the project and its achievements.
- » The museum undertook targeted field surveys as part of the *Bush Blitz* project to assess biodiversity in newly proclaimed state reserves. It identified over 80 new species of spiders, moths, land snails, beetles and bugs.
- » The museum hosted a highly successful exhibition of works by prominent Chinese scholar and artist, Professor Jao Tsung-i. This was the largest exhibition of the Professor's work ever held outside Asia.

- » Premier Bartlett announced the appointment of Francis-Jones Morehen Thorp (FJMT) as the firm that will create the architectural design for the TMAG redevelopment.
- » Following a five-month exhibition at TMAG, *Tayenebe* commenced its national touring schedule at the National Museum of Australia in Canberra in March 2010.
- » A 140-year-old fountain, previously located at Devoren Cottage in Battery Point and part of the collection bequested to TMAG by the late Henry Baldwin, was restored during the year and installed at the National Trust property, Franklin House, in Launceston.
- » *Mining, Mud and Mirth: Robinson's photographs of Waratah 1913-1945* is an exhibition of historical photographs. It was held at TMAG for 12 months and then commenced a tour to key locations along the west coast of Tasmania.
- » TMAG's Centre for Learning and Discovery launched an expanded *Midwinter at TMAG* program with a week-long program for schools. This included a visiting interactive exhibit, *InterANTARCTICA*, and the launch of the expanded *Ice Box*.
- » The three-month showing of the *Hans Heysen and Heysen's Contemporaries* exhibitions between December 2009 and February 2010 attracted over 11 500 visitors to TMAG.
- » Five performances of *48 Fugues for Frank*, featuring pianist Michael Kieran Harvey, filled TMAG's Bond Store to capacity during MONA FOMA.
- » Dr Peter Sexton replaced Dr John Freeman as Chairman of TMAG's major fundraising body, the Art Foundation of Tasmania.

Tourism Tasmania

- » The release of the year ending September 2009 Tasmanian Visitor Survey data, the first of the new financial year, showed that the state had achieved record visitor numbers. Tasmania welcomed 1.024 million visitors including 917 100 who arrived on scheduled air or sea services and others who were cruise and navy visitors.
- » All four of Tasmania's key wholesale distributors realised a growth in sales from the previous year. Tasmanian business through Infinity Holidays, Flight Centre's internal wholesale arm, doubled in 2009–10 and Tas Vacations business was up by 84 per cent over the previous year.
- » The partnership between the AFL, Hawthorn Football Club, and the State Government continued to activate many thousands of visitors from interstate and around the region, generating tourism benefits in the traditionally lower winter months.
- » More than 150 tourism operators joined Tourism Tasmania's highly successful Digital Coach Program that began in April 2010. This innovative program, part of the Learning and Development Framework, offers participants the services of six coaches – experts in online marketing and distribution – who are on hand to help operators learn how to do business online.

Corporate Support

Administrative and Executive Services

- » Records management moved to an Electronic Document and Records Management System (eDRMS) environment.
- » Corporate Support endorsed the agency's Carbon Emission Reduction Plan in line with the Framework for Action on Reducing the Tasmanian Government's Greenhouse Gas Emissions.
- » The division aligned the established strategic business risk management plans of Arts Tasmania and TMAG with that of the greater agency.

Information Technology

- » The division successfully connected Arts Tasmania and TMAG infrastructure to the department's corporate network.
- » Following the dissolution of the Department of Environment, Parks, Heritage and the Arts, and the reorganisation of the Department of Economic Development and Tourism, Corporate Support achieved alignment between the department's intranet and the new organisational structure.

- » Staff from the Department of Environment, Parks, Heritage and the Arts successfully integrated into the Corporate Support division of the department.
- » The division established a Web Services Team to ensure web usability, content optimisation and a consistent visual design and branding to all websites and intranet.
- » Corporate Support upgraded all servers in regional offices and at the Tasmanian Institute of Sport to ensure efficient processing into the future.
- » The installation of a new Storage Area Network for the agency enabled effective storage of agency data.
- » Corporate Support provided high-level project management, business analysis and technical support to the Digital and Distribution project in Tourism Tasmania.
- » The division fostered collaboration throughout the agency on projects containing information communication technology or business analysis elements.

Corporate Policy

- » Corporate Policy resolved 18 Freedom of Information requests and introduced the new Right to Information legislation into the agency.
- » A whole-of-agency project management audit resulted in an Executive Team decision to implement a standard approach to project management in the agency.
- » Department executive support personnel won first prize and runner-up in the Office Professional of the Year Awards 2010 (Tasmania).
- » A department support staff member was awarded the Australian Institute of Office Professionals 2010 National Award for Excellence.
- » The Knowledge Management unit worked with all business units in the department to ensure each had a presence on the department intranet through the Open the Blinds initiative, and that information about staff roles and responsibilities and collaborative opportunities was enhanced.



Industry Development

Export and Enterprise Development

Export

- » The unit provided export assistance to 286 clients resulting in initial export contracts worth \$14 970 129 and 1 512 business matching opportunities.
- » The unit undertook 20 exhibitions, promotions and outbound missions, facilitated 18 inbound missions across a range of sectors, and delivered 10 exporter skills workshops with 132 participants.
- » State sponsorship for 203 business and skilled migrants and certification of 175 skilled positions allowed Tasmanian employers to fill vacancies with skilled overseas workers.
- » The unit undertook business and skilled migration promotional activities in Britain, South Africa, Korea and Hong Kong and hosted a familiarisation visit to the state by 10 leading Australian-based migration agents.

Enterprise Development

- » The Business Point freecall and email service received 5 122 client enquiries.
- » The unit also provided assistance to 1 477 clients through the Business Licence Information Service.
- » Enterprise Development funded 17 'Business Boost' skills development workshops for small business, attracting 451 participants from a range of sectors and regions.
- » Through the Enterprise Centre network, the unit provided assistance to 3 967 clients resulting in \$7.8 million in business investment and 790 new jobs.

Business Response

- » The Business Response unit facilitated 158 successful grant applications totalling \$14.6 million to assist businesses to develop and grow.
- » The Skills Response unit assisted 15 employers to deal with business closure or workforce reduction and supported the re-deployment of affected workers.
- » The Business Response unit assessed and facilitated loans totalling \$23.6 million to 12 businesses.

Sectoral Development

- » \$1.225 million from the department assisted Devonport contact centre Sitel to win a new contract to provide technical and customer support to an offshore company. This will result in the creation of 200 new jobs.
- » Sectoral Development engaged in high-level meetings with the New Zealand Government and representatives from industry to further policy development in the food and agriculture sectors.
- » The unit also participated on the Dairy Industry Stakeholder Reference Group, which prioritised actions to address the challenges caused by low milk prices and adverse weather conditions.
- » The Industry Capability Network was successful in its application for Supplier Access to Major Projects (SAMP) funding for the National Broadband Network (NBN). The SAMP funds of \$750 000 over three years are being used to provide an ICN National Sector Manager for the NBN to maximise Australian and New Zealand content for the project.
- » Sectoral Development successfully hosted the biennial Tasmanian Manufacturing Conference addressing the theme 'Roadmap for Change'.



- » The unit arranged a visit by internationally renowned supply chain expert Professor Peter Hines, of the Lean Enterprise Research Centre at Cardiff Business School, to promote the adoption of best practice supply chain principles to improve the competitiveness of Tasmanian enterprises.
- » The unit assisted specialist ship repairer Taylor Brothers Slipway and Engineering to build capability in preparation for a major defence contract for the internal fitout of the Air Warfare Destroyer Project in South Australia.
- » Antarctic Tasmania, Science and Research successfully prepared competitive bids to host two important international Antarctic meetings: the International Association of Antarctic Tour Operators meeting in 2011, and the 35th Antarctic Treaty Consultative Meeting in 2012.

Regional Development

- » Construction commenced on Tasmania's first liquefied natural gas (LNG) plant at Westbury. The department provided initial advice to a group of transport operators on the applicability of LNG as a transport fuel for heavy transport, and provided access to a consultant who advised Launceston-based Liquid Natural Gas Refuellers Pty Ltd (LNGR) on the preparation of their business case.
- » Under the department's Springboard program, the unit approved funding of \$50 000 to Highco Australia Pty Ltd to further develop a non-toxic gel, suspended in a poly film, to chill goods during freighting.
- » Enterprise Growth Program (EGP) funding of \$22 500 provided to Table Cape bulb and flower producer Van Diemen Quality Bulbs Pty Ltd will assist in the design and construction of an innovative integrated heating and cooling energy system.

- » In response to growing mainland markets for blueberries, Regional Development granted Naturally Blue \$50 000 towards the cost of acquiring new sorting and packing machinery.
- » The unit awarded \$50 000 EGP funding to J & A Brandsema Pty Ltd, one of Tasmania's largest hydroponic tomato growers, to assist in the construction of a 324 square metre glass house and the implementation of a new growing methodology.

Infrastructure Development

- » Infrastructure Development established the Tasmanian Renewable Energy Industry Development Board.
- » The department administered the grant deed that resulted in the delivery of Stage I of the redevelopment of Menzies Centre (University of Tasmania).
- » A development agreement between the department and Powerco delivered the connection of natural gas to the Cascade Brewery and Burnie General Hospital.
- » The unit completed the *Vision East 2030* land use framework project in conjunction with the Tasman, Sorell, Glamorgan Spring Bay and Break O'Day Councils.

Strategic Policy and Research

- » Work commenced on formulating the Economic Development Plan as a long-term strategy to coordinate and inform the economic development focus and priorities for the state
- » Development progressed on the Innovation Strategy, which focuses on five priority areas: high-value agriculture, aquaculture and food; renewable energy; the Digital Futures Strategy; tourism; and Tasmania as a creative hub.
- » The division provided ongoing leadership in the agency strategic planning process, in collaboration with the Corporate Support division, including the development of divisional charters as a basis for corporate planning and reporting on agency risk and status to the agency executive.
- » Strategic Policy and Research prepared an options paper for consideration by the inaugural Minister for Innovation, Science and Technology. This identified how to use the \$4.85 million in funds allocated for digital futures initiatives in the 2010–11 State Budget most effectively.

Budget outputs and performance

The following tables provide a snapshot of the department's performance against the measures outlined in the state Budget for 2009–10.

Output Group 1: Economic Development

Performance measure	Unit of Measure	2008–09 Target	2008–09 Actual	2009–10 Target	2009–10 Actual
Jobs created and retained	Number	3 000	3194	3 000	2696
Investment facilitated	\$ million	300.0	338.0	300.0	186.5
Exports facilitated	\$ million	70.0	45.6	70.0	67.1
Import replacements facilitated	\$ million	40.0	125.3	40.0	34.6
Increased revenue arising from innovation	\$ million	20.0	35.0	20.0	64.8
Investment facilitated in research and development and innovation	\$ million	15.0	27.7	15.0	22.1

Output Group 2: Sport and Recreation

Performance measure	Unit of Measure	2008–09 Target	2008–09 Actual	2009–10 Target	2009–10 Actual
Number of participation opportunities facilitated through Sport and Recreation Tasmania grants and programs	Number	112 500	182 920	112 500	302 975
Total investment in sport and recreation infrastructure and programs	\$ million	9.1	12.6	9.1	11.4

Output Group 3: Tourism

Performance measure	Unit of Measure	2008–09 Target	2008–09 Actual	2009–10 Target	2009–10 Actual
Total visitors ¹	'000	987	1 014	993	992
Total visitor spend ²	\$ million	2 170	2 240	2 185	2 288
Market Share					
International	%	3.0	2.9	3.0	2.5
Interstate ³	%	3.7	3.7	3.7	3.9
Events visitor spend	\$ million	50	50	52	55
Prompted advertising awareness	%	30.1	28.2	30.1	24.5
www.discovertasmania.com total visits ⁴	'000	1 400	1 450	1 450	1 148

Output Group 4: Arts

Performance measure	Unit of Measure	2008–09 Target	2008–09 Actual	2009–10 Target	2009–10 Actual
Tasmanian Museum and Art Gallery					
TMAG total visitors	Number/day	875	875	800	932
Art industry development					
Attendance at selected cultural venues	'000	790	790	800	758
Contribution to Gross State Product of selected arts industries	\$ million	135.0	80.4 ⁵	82.8	nya ⁶
Employment in selected cultural and leisure activities	Number	20 300	20 300	20 300	nya ⁷

1. The 2009–10 target is based on the application of a 0.7 per cent increase as determined by the Tourism Forecasting Committee for the calendar year 2010.

2. The 2006–07 total visitor spend figure has been revised upwards from \$2 009 million, to reflect actual spend based on the most contemporary data.

3. The 2006–07 market share – interstate figure has been revised down from the 2008–09 Budget Paper figure of 4.2 per cent due to rounding.

4. www.discovertasmania.com total visits is a new measure using more robust methodologies than the previous search engine referrals measure.

5. Data used has been affected by National Accounts data reclassification undertaken by the Australian Bureau of Statistics (ABS). A replacement benchmark has been developed using the new Arts and Recreation Services subdivision of the National Accounts. Libraries, motion picture, radio and television service and music and other sound recording activities are not included in the Arts subdivision, therefore the contribution by selected 'arts' industries to Gross State Product is significantly lower than the previously measured contribution by selected 'cultural' industries.

Using the new classification system, data has been recast back to 2000 to produce a time series that can be used. Targets have been recast of the basis of this new performance indicator, which is significantly lower than the previous measure.

6. ABS State Accounts data was not available at time of publication.

7. Data is yet to be released by the ABS.

Our contribution to Tasmania Together

Goal 1 A reasonable lifestyle and standard of living for all Tasmanians		
Standard	1.1	Ensure that all Tasmanians have the economic capacity to enjoy a reasonable standard of living and access to basic services
Indicator	1.1.9	Number of Tasmanians who are long-term unemployed
Goal 4 Active, healthy Tasmanians with access to quality and affordable healthcare services		
Standard	4.1	Improve Tasmanians' health through promotion and support of healthy lifestyle choices
Indicator	4.1.2	Percentage of population who do not do enough exercise to avoid chronic illness
	4.1.3	Proportion of children (5 to 14 year-olds) participating in organised sport
	4.1.5	Proportion of Tasmanians who are overweight or obese
Goal 5 Vibrant, inclusive and growing communities where people feel valued and connected		
Standard	5.2	Tasmania will have viable rural communities
Indicators	5.2.1	The proportion of Tasmanians residing in socially disadvantaged regional areas
	5.2.2	Proportion of Tasmania's population outside the four major urban centres
Standard	5.4	Access and utilisation of communications technology
Indicator	5.4.2	Percentage of households with internet connections
Standard	5.5	A valued role in community life for Tasmania's young people now and in the future
Indicator	5.5.2	Proportion of 15 to 29 year-olds leaving for interstate or overseas for 12 months or more
Standard	5.7	Increase population levels and distribution subject to sustainable levels
Indicators	5.7.1	Level of population growth
	5.7.2	Proportion of 15 to 39-year-olds
	5.7.3	Proportion of migrants
Goal 6 Dynamic, creative and internationally recognised arts community and culture		
Standard	6.1	Make arts and cultural industries a leader and engine for growth and prosperity
Indicators	6.1.1	Contribution to Gross State Product by selected cultural industries
	6.1.2	Employment in cultural industries
Standard	6.2	Increase participation in the arts and cultural activities
Indicators	6.2.1	Percentage of people participating in cultural activities
	6.2.2	Attendance at cultural venues
Standard	6.4	Increase the number of people visiting Tasmania's cultural heritage sites
Indicator	6.4.1	Number of attendances at major cultural heritage sites

Goal 7 Acknowledge the right of Aboriginal people to own and preserve their culture, and share with non-Aboriginal people the richness and value of that culture		
Standard	7.1	Recognise, promote, share and celebrate Aboriginal culture and heritage, encouraging mutual recognition and respect between Aboriginal and non-Aboriginal people
Indicator	7.1.3	Number of major visitor centres containing Aboriginal cultural interpretation
Goal 9 Increased work opportunities for all Tasmanians		
Standard	9.1	Increase the number of secure, flexible and well-paid jobs
Indicators	9.1.1	Workforce participation rate
	9.1.2	Extent of under-employment
	9.1.3	Proportion of employees in secure employment
	9.1.4	Tasmanian average weekly earnings as a proportion of national average weekly earnings
Standard	9.2	Promote fair workplaces
Indicators	9.2.1	Proportion of employees who have flexible work arrangements
	9.2.2	Families using flexible working arrangements to manage childcare
	9.2.3	Employee dissatisfaction
Goal 10 Thriving and innovative industries driven by a high level of business confidence		
Standard	10.1	Encourage and support innovation and new technologies
Indicators	10.1.1	Level of research and development expenditure as a proportion of Gross State Product
	10.1.2	Employment in science, technology, research and development as a percentage of total employment
Standard	10.3	Increase the rate of economic growth
Indicator	10.3.1	Growth in Gross State Product
Standard	10.4	Foster a culture of enterprise
Indicators	10.4.1	Export value
	10.4.2	Investment
	10.4.3	Growth in the number of small businesses
Standard	10.5	Increase access to global knowledge and productive business investment
Indicator	10.5.1	Business connections to the internet
Standard	10.6	Increase business confidence
Indicator	10.6.1	Level of Tasmanian business confidence
Standard	10.7	Maximise economic growth through value-adding
Indicator	10.7.1	Level of value added by manufacturing industries per head of population
Standard	10.8	Promote our island advantages including our 'clean green' image, natural resources, location and people
Indicators	10.8.1	Tourism expenditure
	10.8.2	Visitor numbers

GOAL 1: A reasonable lifestyle and standard of living for all Tasmanians

BENCHMARK	INITIATIVE	CONTRIBUTION TOWARDS BENCHMARK (2009–10)
1.1.9 Number of Tasmanians who are long-term unemployed	Workforce Participation Program	The department allocated approximately \$500 000 to the Workforce Participation Program to provide <i>Grants for Community Enterprise</i> and <i>Grants for Employers</i> . These provide one-off payments to eligible businesses of up to \$7 000 per job created.
	Economic Development Plan	Work commenced on the Economic Development Plan (EDP) as a longer term strategy to identify and coordinate the development focus and priorities for the state. The EDP is a whole-of-government approach to economic development which will set out the government's long-term vision for decades to come.

GOAL 4: Active, healthy Tasmanians with access to quality and affordable healthcare services

BENCHMARK	INITIATIVE	CONTRIBUTION TOWARDS BENCHMARK (2009–10)
4.1.2 Percentage of population who do not do enough exercise to avoid chronic illness	State Grants Program	The department provided grants of up to \$50 000 to state sporting organisations and state sector service providers to enhance the availability of sport and active recreation participation opportunities. Funding was also available to assist these organisations to improve their capacity to deliver sport and active recreation opportunities in Tasmania.
4.1.3 Proportion of children participating in organised sport	Major and Minor Grant Programs	Major grants of between \$15 000 and \$80 000 were provided to clubs, associations, local government and other not-for profit providers of sport and active recreation. Projects included major equipment purchases, major facility developments or upgrades, participation projects and other development initiatives. Minor grants of between \$500 and \$10 000 were provided to a variety of sporting organisations to enable equipment purchases, small facility developments or upgrades, planning and research studies, participation projects and other development programs. During 2009–10 Sport and Recreation Tasmania provided \$11.4 million in grant funding (including one-off infrastructure projects not included in the above programs) to support participation opportunities in sport and active recreation. This has leveraged 302 975 participation opportunities for Tasmanians to get active.
4.1.5 Proportion of Tasmanians who are overweight or obese	Implementation of the State Physical Activity Plan (SPAP)	A number of actions were undertaken as part of the SPAP: <ul style="list-style-type: none"> » Find thirty® campaign – a social marketing campaign urging people to find 30 minutes a day to be physically active. » Tasmanian Physical Activity Ambassadors – a social marketing campaign featuring prominent Tasmanians promoting physical activity. » Medibank Active Tasmania Awards – an annual awards program promoting and celebrating physical activity in Tasmania. » Get Moving at Work Program – a program promoting physical activity and workplace health and wellbeing. » <i>Healthy by Design: A guide to planning and designing environments for active living in Tasmania</i> – a guide for urban planners, developed in conjunction with the Heart Foundation (Tasmania Division), to create places and spaces for people to be physically active.

Sport and Recreation Planning, Facilities and Environments Development Initiatives	<p>The department undertook a number of projects designed to assist in the provision of places and spaces for people to play sport and be physically active. These include:</p> <ul style="list-style-type: none"> » Tasmanian Mountain Bike Plan » Cradle Coast Open Space Plan » Tasmanian Adventure Activity Standards » Recreation Planning Guidelines » Tasmanian Open Space Policy Planning Project » Lake Barrington Recreation Management Framework » West Coast Council Sport and Recreation Planning Project » Cradle Coast Authority North West Coastal Pathway Planning Project » Climate Change and Water Reform: the Impact on Participation in Sport and Recreation » Northern Regional Tennis Centre.
Sport and Recreation Framework for People with a Disability	<p>The department developed the Tasmanian Sport and Recreation Framework for People with a Disability. This involved:</p> <ul style="list-style-type: none"> » creation of a framework that affirms key stakeholders' roles and details strategies for implementation » establishment of a part-time Project Officer – Disability Sport within Sport and Recreation Tasmania to assist with the coordination of ongoing sector network meetings.
Indigenous Sport Program	<p>During the year the department ran a number of programs to provide sporting opportunities for indigenous children.</p>
Play by the Rules Program	<p>Play by the Rules (PBTR) is an interactive online program that promotes safe, friendly, harassment-free sporting environments. During the year, Sport and Recreation Tasmania provided training in Play by the Rules and it was incorporated into 10 state sporting organisations' funding agreements.</p> <p>A number of these sports, including swimming, athletics, football and rowing have commenced integrating the resource into their coaching and officiating development activities.</p>
Sport and Club Development Initiatives	<p>The department provided advice, assistance and information to sport and recreation organisations on training opportunities, sports ethics, governance, strategic planning and strategies to attract and retain volunteers.</p>

GOAL 5: Vibrant, inclusive and growing communities where people feel valued and connected

BENCHMARK	INITIATIVE	CONTRIBUTION TOWARDS BENCHMARK (2009–10)
<p>5.2.1 The proportion of Tasmanians residing in socially disadvantaged regional areas</p> <p>5.2.2 Proportion of Tasmania's population outside the four major urban centre</p>	<p>McCain Community Taskforce</p>	<p>In November 2009 McCain Foods announced its intention to close its mixed vegetable processing operation at Smithton and transfer processing to its Hastings plant in New Zealand.</p> <p>The Tasmanian Government moved quickly to establish a community taskforce and support McCain employees through the following:</p> <ul style="list-style-type: none"> » The Skills Response Unit provided support in facilitating worker information forums at Smithton, Burnie and Devonport. » Government managed the Regional Assistance Program to create jobs and investment across the north and north-west. » The Government funded and managed taskforce priority projects including: <ul style="list-style-type: none"> » \$200 000 for the development of new business models for vegetable farms » \$25 000 to provide seed funding for an evaluation of the potential for trade expansion with Thailand » \$10 000 to undertake a cost comparison study of Tasmanian vegetable production with New Zealand, and » \$30 000 to the Circular Head Progress Group to assist retail traders in Smithton.
	<p>North West and Northern Tasmania \$20 million assistance package</p>	<p>In December 2009 the Tasmanian and Australian Governments announced a joint initiative to create jobs and investment across the northern half of the state. The \$20 million stimulus program was established in response to the closure of a number of businesses in both the north west and north.</p> <p>The package is being delivered through three initiatives:</p> <ol style="list-style-type: none"> 1. \$17 million for the North West and Northern Tasmanian Innovation and Investment Fund, administered by the Australian Government through AusIndustry, providing grants of \$50 000 or more to companies for projects targeting new capital investment that will create sustainable jobs. 2. \$2.5 million for the Regional Assistance Program – Tasmania (RAP-Tas), administered by the Tasmanian Government, to provide one-off grants of up to \$50 000 to businesses to create and/or retain jobs. 3. \$500 000 to assist with re-skilling redundant workers. <p>Thirty-six approved grants, totalling \$17 million, are expected to stimulate a further \$18 million of private sector investment and create over 400 new jobs.</p> <p>A further 21 grants, totalling \$1.28 million, were approved under rounds one and two of RAP-Tas. These grants are expected to trigger a further \$1.5 million of private sector investment and create over 70 jobs. As of June 2010, 90 applications were being assessed for the remaining \$1.2 million.</p>
	<p>Forest Contractors Support Program</p>	<p>In response to the downturn in the timber industry and the significant impact this has had on forest contractors who harvest and/or haul woodchips, the department established a \$1.8 million Forest Contractors Support Program.</p> <p>The program provides relief in the form of a grant to those contractors who are primarily reliant on contracts to supply hardwood pulpwood. Grants of up to \$50 000 are generally available per applicant.</p> <p>A total of 90 applications were received and 78 of these were approved for funding.</p>

<p>5.4.2</p> <p>Percentage of households with internet connections</p>	<p>Digital Futures</p>	<p>Digital Futures is one of the five priority areas of the government's Innovation Strategy.</p> <p>The SmartStreet trial commenced in March 2010 to demonstrate NBN-capable content over the TasCOLT fibre-to-the-premises infrastructure as a prelude to the switch-on of Tasmania's Stage One NBN-connected towns of Smithton, Scottsdale and Midway Point.</p> <p>Tasmania had the first NBN connected communities and will also be the leading state with full broadband connectivity by 2014–15.</p>
<p>5.5.2</p> <p>Proportion of 15 to 29 year-olds leaving for interstate or overseas for 12 months or more</p>	<p>Tasmania Now</p>	<p>To improve the perception of Tasmania among an international, national and local audience and consequently encourage more migration and visitation, Tasmania Now supports and promotes initiatives that provide a contemporary perception of Tasmania. Tasmania Now has provided funding to promote:</p> <ul style="list-style-type: none"> » work and career opportunities in the Tasmanian hospitality sector » Tasmania as a destination for Korean and Chinese business migrants » the <i>Festival of Voices</i> as a contemporary cultural and learning experience.
<p>5.7.1</p> <p>Level of population growth</p> <p>5.7.2</p> <p>Proportion of 15 to 39-year-olds</p> <p>5.7.3</p> <p>Proportion of migrants</p>	<p>Migration activities</p>	<p>During 2009–10 the department issued state sponsorship to 154 skilled migrants and also certified 175 skilled positions for Tasmanian employers to fill vacancies with overseas trained workers.</p> <p>The department also issued 49 sponsorships for business migrants who bring investment capital, international linkages and the capacity to create and maintain employment.</p> <p>2009–10 promotional activities included participation in events in the United Kingdom, South Africa, Hong Kong and Korea. In 2008–09, 954 economic migrants settled in Tasmania (up from 243 in 2001–02).</p>

GOAL 6: Dynamic, creative and internationally recognised arts community and culture

BENCHMARK	INITIATIVE	CONTRIBUTION TOWARDS BENCHMARK (2009-10)
6.1.1 Contribution to Gross State Product by selected cultural industries	Premier's Arts Partnership Fund	<p>The Premier's Arts Partnership Fund (PAPF) encourages new business/arts partnerships by matching sponsorship dollars. Arts Tasmania provides \$75 000 per annum and is partnered by Veolia Environmental Services which commits \$25 000 a year (for three years to February 2011).</p> <p>In 2009-10 the PAPF supported 24 new arts/business partnerships to the value of \$147 950. With the contribution of the partners, this equals a total investment of \$295 900 over the year.</p>
	Arts Infrastructure Fund	<p>Arts Tasmania's Infrastructure Fund (AIF) focuses on supporting and building business capacity within Tasmanian arts organisations, enabling them to operate successfully within a competitive environment, both locally and nationally.</p> <p>In 2009-10, the AIF delivered funding totalling \$74 778 to 14 different organisations for facility/office upgrades.</p>
	COLLECT Art Purchase Scheme	<p>COLLECT Art Purchase Scheme is a no-interest loans scheme to encourage people to buy the work of contemporary living Tasmanian artists.</p> <p>In 2009-10, COLLECT funded 172 loans to the value of \$467 398, enabling the purchase of 219 artworks created by 143 Tasmanian artists.</p>
	Industry and Cultural development	<p>Screen Tasmania undertook a number of screen culture activities aimed at building audience engagement with screen culture in the state. These included:</p> <ul style="list-style-type: none"> » a one-day public forum in Hobart in May with Andrew Lesnie ACS, ASC (Cinematographer of <i>Lord of the Rings Trilogy</i>, <i>King Kong</i>, <i>Iron Man</i>, <i>The Lovely Bones</i>), attracting 75 attendees » the State Cinema Sunday Morning Film Club – a public screening program presented by ABC film critic Jonathan Dawson » the inaugural <i>Breath of Fresh Air</i> Tasmanian Film Festival, held in Launceston in June.
	Production investment	<p>Screen Tasmania has invested in the second series of the Logie-winning children's series, <i>My Place</i>, and in the interactive cross-platform content for the adult drama, <i>The Straits</i>. Both these investments support local company Blue Rocket Productions to undertake interactive content production.</p> <p>This production investment adds an additional \$3.6 million to the GSP.</p>
6.1.2 Employment in cultural industries	ArtSite	<p>ArtSite, formerly the Art for Public Buildings Scheme, continues to be the largest employer of visual artists in the state. As at 30 June 2010 ArtSite commissions totalling \$1 181 390 were underway.</p> <p>Two per cent of State Government capital works projects is used for the purchase or commissioning of artworks, capped at \$80 000 per project. ArtSite has created a vital public interface between the state's professional artistic community and the general public.</p>
	Corporate Art Scheme	<p>The Corporate Art Scheme operates alongside ArtSite to deliver art commissions for corporate clients, federal government and local government projects.</p> <p>As at 30 June 2010, arts@work had \$604 150 of private sector, local government and federal government-funded projects in progress through the Corporate Art Scheme.</p>
	Production Investment	<p>Two feature films, two interactive cross-platform series and two short films have (or are about to be) shot in Tasmania, creating 220 jobs.</p> <p>Screen Tasmania has several special initiatives which will create another 70 jobs.</p>

6.2.1 Percentage of people participating in cultural activities (that is, people who are actually involved in activities, not audience)	<i>Amplified</i>	<p><i>Amplified</i> is Tasmania's biggest annual music industry development program, providing export opportunities and developing an interstate and international presence for Tasmanian music. <i>Amplified 2009</i> saw just over 4 600 people take part in the conference and workshops, performances and the awards night, which capped off an extraordinary long weekend of music.</p> <p>Ninety-six bands performed, 15 concerts and 10 workshops were held and 2 500 double CDs of Tasmania's best music acts were distributed in Tasmania and – through a special deal with the Australian Music Radio Airplay Project (AMRAP) – to over 100 radio stations throughout Australia.</p>
	Artists' Studios	<p>As part of its move to 146 Elizabeth Street, Arts Tasmania developed five studio spaces in the upstairs part of the building.</p> <p>Six artists successfully applied for studio space for the 2009-10 period, including emerging, mid-career and established art practitioners working in visual arts, graphic design and literature.</p>
	Artists in Residence (AIR) 2010	<p>arts@work, in collaboration with the Australia Council for the Arts, secured \$50 000 funding to deliver a new Artist in Residence (AIR) program to selected Tasmanian high schools and professional artists and arts organisations.</p> <p>Seven artists worked in five high schools across the state during the first term of 2010. This included three performing arts and two visual arts projects at Taroona High School, Ogilvie High School and Bridgewater High in the south; Brooks High School in the north; and Ulverstone High School in the north-west.</p>
	Disability and the Arts	<p>In February 2010, the State Government announced funding of \$250 000 to support arts and disability programs. An advisory group has been formed to engage the disability sector in the development of appropriate programs, and a funding program has been announced.</p> <p>The funding has supported the employment of an Arts and Disability Program Officer, grants to key support organisations, and meeting Tasmania's obligations under the National Arts and Disability Strategy.</p>
6.2.2 Attendance at cultural venues	146 Artspace	<p>The Arts Tasmania street-frontage premises in Elizabeth Street, Hobart was designed to promote arts and artists through the use of prime street frontage</p> <p>146 ArtSpace holds approximately 10 exhibitions per year and presents a diverse and stimulating exhibitions program showcasing works by Tasmanian artists, complemented by a program of special events. In 2009-10, 146 ArtSpace showcased a range of arts practices including those by artists with disabilities, photographers, installation artists, sculptors, digital media artists, Aboriginal jewellery makers and many more.</p> <p>Arts Tasmania also provides a presence for the work of Tasmanian artists through its art-leasing program by providing temporary exposure of artworks by contemporary artists.</p>
	Tasmania Performs	<p>Tasmania Performs continued taking Tasmanian performing arts companies to regional audiences. This strategy is designed to increase opportunities for Tasmanian performing arts companies to both hone their productions at home for further national and international touring, and to provide access for regional audiences to professional theatre in their home towns.</p> <p>Tasmania Performs provided redevelopment funds for the Terrapin Puppet Theatre's <i>Helena and the Journey of the Hello</i>, touring 13 Tasmanian regional communities from Scottsdale to Queenstown. Tasmania Performs assisted Terrapin in securing a buyer in Sydney, where in June 2010 the production played in the Sydney Opera House.</p>

	The Tasmanian Museum and Art Gallery	<p>During 2009-10 attendance at the Tasmanian Museum and Art Gallery (TMAG) totalled 340 243 visitors.</p> <p>The significant visitation to TMAG reflects the diverse range of exhibitions and programs offered, including exhibitions such as <i>Hans Heysen</i>, <i>New Acquisitions</i> and the <i>City of Hobart Art Prize</i>. The efforts of staff in communicating to the community the importance of our state collection further contributed to visitation levels.</p>
6.4.1 Number of attendances at major cultural heritage sites	Museums and Art Galleries Grants Program	<p>Public museums and art galleries across the state benefited from \$1 707 957 in annual grants from the State Government in recognition of the important role these institutions play in their local communities.</p> <p>Attendances at major cultural heritage sites decreased in 2009-10 after a stellar performance in the previous year; however, individual collections performed impressively, with the Devonport Regional Art Gallery recording a 7.5 per cent increase in attendances for 2009-10, and Narryna Heritage Museum attracting a 13.6 per cent increase in the same period.</p>
	Small Museums and Collections Program	<p>The Small Museums and Collections Program assists curatorial and collection management practices of smaller public and community collections and museums.</p> <p>The program is particularly focussed on improving public access to, and information on, collections; and on enhancing curatorial practice and collection management.</p> <p>During 2009-10 in excess of three quarters of a million people visited the seven major collections and historical sites across Tasmania.</p>
	Roving Curator Program	<p>During 2009-10 Arts Tasmania's Roving Curators continued to work with communities state-wide to support, develop, enhance and promote Tasmania's unique and varied cultural collections.</p> <p>Two part-time museum and collections professionals, based in Launceston, assisted with a range of project types.</p>
	Urban Renewal and Heritage Funding	<p>In 2010 Arts Tasmania made submissions on behalf of four organisations to the Urban Heritage and Renewal Fund. Of these, three will impact on attendance numbers at major cultural heritage sites.</p> <p>The Devonport Maritime Museum received \$600 000 towards the renewal of what is recognised as a major cultural asset important to the region.</p> <p>\$997 000 was granted for works on the roof of the Wellington Street campus of Queen Victoria Museum and Art Gallery as part of the ongoing museum redevelopment project.</p> <p>A grant of \$900 000 was provided to the Channel Historical and Folk Museum Association Inc to support construction of the new Channel Heritage Museum at Margate in association with the Kingborough Community Enterprise Centre.</p>

GOAL 7: Acknowledge the right of Aboriginal people to own and preserve their culture, and share with non-Aboriginal people the richness and value of that culture

BENCHMARK	INITIATIVE	CONTRIBUTION TOWARDS BENCHMARK (2009-10)
7.1.3 Number of major visitor centres containing Aboriginal cultural interpretation	TMAG Culture Program and strategy for employment of Aboriginal people	<p>In 2009-10 TMAG and the Aboriginal Sharers of Knowledge presenters provided programs to schools and community, using the nationally acclaimed <i>ningenneh tunapry</i> exhibition as a connection to culture.</p> <p>Over 2 600 students and teachers experienced the program and the museum conducted over 110 individual programs.</p> <p>Since its inception TMAG has employed 16 Tasmanian Aborigines to present programs and continues to develop options for a strategy for the employment of Aboriginal people across major areas of the museum.</p>

GOAL 9: Increased work opportunities for all Tasmanians

BENCHMARK	INITIATIVE	CONTRIBUTION TOWARDS BENCHMARK (2009-10)
9.1.1 Workforce participation rate	Workforce Participation Program	Approximately \$500 000 was allocated to the Workforce Participation Program to provide <i>Grants for Community Enterprise</i> and <i>Grants for Employers</i> . These provide one-off payments to eligible businesses of up to \$7 000 per job created.
9.1.2 Extent of under-employment	Economic Development Plan (EDP)	<p>Work commenced on the EDP as a longer-term strategy to identify the development focus and priorities for the state.</p> <p>The EDP is a whole-of-government approach to economic development which will set out the government's long-term vision for decades to come.</p>
9.1.3 Proportion of employees in secure employment	Trainee Subsidy Scheme	Sport and Recreation Tasmania's Trainee Subsidy Program provides grants of between \$2 125 per part-time trainee and \$4 250 per full-time trainee to organisations that employ trainees in the sport and active recreation sector in Tasmania.
9.1.4 Tasmanian average weekly earnings as a proportion of national average weekly earnings		In 2009-10, a total of \$140 250 in grant funding was committed to 41 successful applicants through the Trainee Subsidy Program.

9.2.1 Proportion of employees who have flexible work arrangements	Employer of Choice Awards/Program	To help Tasmanian organisations attract and retain skilled workers and improve employees' work/life balance, the department supports the Employer of Choice network and workshops and conducts the annual Employer of Choice awards.
9.2.2 Families using flexible working arrangements to manage childcare		Business understanding of the challenges of attracting and retaining skilled labour and effective strategies to achieve this is improved by participating in the network and attending workshops delivered by recognised Employers of Choice. In 2009-10 more than 170 business representatives attended five workshops across the state.
9.2.3 Employee dissatisfaction		In 2009-10 a further four organisations were formally recognised as Tasmanian Employers of Choice: Austal Ships, the O Group, Sinclair Knight Merz and the Launceston City Council. Case studies of the nine organisations formally recognised as Tasmanian Employers of Choice since 2007 are being prepared and these will be promoted as contemporary examples of life and work in Tasmania.

GOAL 10: Thriving and innovative industries driven by a high level of business confidence

BENCHMARK	INITIATIVE	CONTRIBUTION TOWARDS BENCHMARK (2009-10)
10.1.1 Level of research and development expenditure as a proportion of Gross State Product	Sponsorship of <i>5 Days of Innovation</i> festival	During May 2010 the <i>5 Days of Innovation</i> festival was held in Launceston, focussing on Northern Tasmania and celebrating innovation in the community. The festival further increased awareness of innovative Tasmanian products and encouraged innovative practice in Tasmanian business to ensure the continued growth of Northern Tasmanian business across markets. Approximately 550 people attended throughout the 25 events, which included tours of thriving local industries and skills workshops.
10.1.2 Employment in science, technology, research and development as a percentage of total employment		Tasmanian Innovation Strategy

10.3.1 Growth in Gross State Product	Economic and industry development activities	By focussing on achieving the primary purpose of 'working together to make Tasmania a prosperous, vibrant and healthy community', the department meaningfully contributes to growth in Gross State Product by undertaking programs and activities to:
10.4.2 Investment		» attract investment » increase exports and maximise import replacement » stimulate innovation and business development in the Tasmanian community
10.4.3 Growth in the number of small businesses		» strengthen leadership and employee engagement » deliver outstanding client service and high-quality information and advice.
10.6.1 Level of Tasmanian business confidence	Enterprise development activities	Various enterprise development activities included: » responding to 5 122 client enquiries through the Business Point freecall and email service » providing assistance to 1 477 clients under the Business Licence Information Service » funding 17 'Business Boost' skills development workshops for small business, with 451 participants from a range of sectors and regions » providing assistance through the Enterprise Centre network to 3 967 clients resulting in \$7.8 million in business investment and 790 new jobs » sponsoring assistance to over 350 clients through the Business Mentor Services network.
	Enterprise Growth Program	The Enterprise Growth Program assists eligible Tasmanian businesses to identify, evaluate and invest in projects or activities that will significantly improve their sustainability, performance, growth and productivity through two tiers of funding assistance: » Tier 1 – Business Review, Planning and Strategies provides grants of up to \$15 000 to cover eligible expenditure that helps the business meet the cost of engaging specialist advice, or to undertake a business diagnostic and/or develop a business plan. » Tier 2 – implementing Business Growth and Sustainability Initiatives provides funding for 25 per cent of total project cost, up to a maximum of \$50 000. During 2009-10, the program supported 25 business with total funding of \$598 982.
	Client management services	The department's team of client managers deliver a diverse collection of services to the small and medium enterprise sector with a view to creating sustainable economic development outcomes. These include: » identifying and analysing development opportunities for enterprises » assessing the potential for assistance by the department and where appropriate co-ordinating resources from other sources such as the federal government » building professional relationships and developing strategies with clients to maximise employment, investment and business growth outcomes » identifying impediments to business growth and facilitating solutions from a wide variety of sources.

<p>10.4.1 Export Value</p>	<p>Export and marketing activities</p> <p>Trade shows and trade missions</p>	<p>Key achievements in the export and marketing area included:</p> <ul style="list-style-type: none"> » providing export assistance to 286 clients resulting in almost \$15 million initial export contracts and 1 512 business matching opportunities » undertaking 20 exhibitions, promotions and outbound missions » facilitation of 18 inbound missions across a range of sectors » delivery of 10 exporter skills workshops with 132 participants. <p>During 2009-10 the department coordinated 16 exhibitions and trade missions, exposing Tasmanian companies to both domestic and international market opportunities.</p> <p>Highlights included the attendance of four Tasmanian companies at Workboat 2009 New Orleans with two companies returning with lucrative long-term contracts worth \$3 million.</p> <p>Six Tasmanian companies attended Food and Hotel Asia in Singapore in 2010 – showcasing a range of produce to the ASEAN market – and over eight companies attended the Oil and Gas Trade Show held in Perth, resulting in several contracts.</p>
	<p>Tasmanian Export Awards</p>	<p>The department managed the 2009 Tasmanian Export Awards that sees Tasmanian exporters gather to celebrate the achievements of the state's finest exporters. Richardson Devine Marine was named the Minister's Tasmanian Exporter of the Year 2009.</p> <p>This awards program is an integral part of the prestigious Australian Export Awards, with winners qualifying for the national finals. This year Tasmania had outstanding success with Autech Software and Design winning the Australian Regional Exporter Award and Pivot Maritime International winning the Australian Small to Medium Services Award.</p>

<p>10.5.1 Business connections to the internet</p>	<p>Digital Futures</p>	<p>Digital Futures is one of the five priority areas of the government's Innovation Strategy.</p> <p>Tasmania's four peak business groups – the Tasmanian Chamber of Commerce and Industry, the Tourism Industry Council of Australia, the Tasmanian Farmers and Graziers Association and the Tasmanian Small Business Council – have started a digital economy business awareness-raising and engagement program called NBN4Business out of a \$1 million government fund. This program will maintain a consistent, coordinated message about the NBN and the digital economy across all industries.</p> <p>Phase two of the Wireless Waterfront trial was commenced. This included extending the WiFi backbone footprint across the waterfront and the creation of a business-to-business network using WiMax technology,</p> <p>A major focus over the next three years is the leveraging of the rollout of the NBN to create an innovative, sustainable and vibrant Tasmanian Digital Economy. It identifies four strategic outcome areas to achieve this goal:</p> <ol style="list-style-type: none"> 1. The business community has capacity to take full advantage of the digital economy. 2. The ICT sector is exploiting opportunities in the digital economy. 3. The community has gained benefit from the digital economy. 4. The government is delivering Government 2.0 online services. <p>Tasmania will be the leading state with full broadband connectivity by 2014-15, some six years ahead of full connectivity in other states. This first-starter advantage, coupled with digital economy engagement by Tasmanian businesses, will be a compelling attractor for national and international ICT investment.</p>
<p>10.7.1 Level of value added by manufacturing industries per head of population</p>	<p>Insights to Excellence program</p>	<p>The Insights to Excellence program aims to improve the competitiveness of the Tasmanian manufacturing industry by developing the management skills of Tasmanian manufacturers, and showcasing and supporting best practice.</p> <p>During 2009-10, 16 Tasmanian manufacturers took part in the Insights to Excellence program, visiting best practice exemplars in Victoria and participating in subsequent training workshops. Additional funding and support for this program was provided by Skills Tasmania.</p>
<p>10.8.1 Tourism Expenditure</p> <p>10.8.2 Visitor Numbers</p>		<p>Performance in the 12 months to June 2010 was as follows:</p> <ul style="list-style-type: none"> » total spend up 4 per cent to \$1.507 billion » 910 200 visitors on scheduled air and sea transport (up 0.3 per cent) » average length of stay 9.3 nights (up 8 per cent)

Disability Framework for Action 2005-10



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

The *Disability Framework for Action*:

- » 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 disabilities, their families and carers to work in partnership with the government
- » promotes leadership across all State Government agencies to institute a 'whole-of-government' approach to policy and planning, service delivery and evaluation.

The agency has been participating in programs and initiatives that promote inclusiveness and improve accessibility to all the programs and services the agency provides.

During the 2009-2010 financial year the following programs and initiatives were undertaken in the areas of:

- » information and communication
- » attitudes and awareness of employees
- » recruitment and retention
- » provision of quality services
- » consultative relationships and processes.

Information and communication

Corporate Communications

Actions/initiatives

- » Corporate Communications published a guide on the appropriate use of language when referring to disability and circulated it widely throughout the department, including to those frontline staff who deal with the public daily. Information was also disseminated through the staff newsletter *Ed's Up*, included in the Corporate Communications toolkit, and uploaded onto the staff intranet site, *Eddie*.

The most significant change

- » Increased staff awareness of disability issues and heightened recognition of how discriminatory language and labels can be misused and dehumanise people with a disability.

Evidence of the change

- » The consideration and use of this information in the preparation of documents.

Arts Tasmania

Actions/initiatives

- » Development of Arts Tasmania's Arts and Disability Grant Application toolkit in Daisy format.

The most significant change

- » The toolkit was the first to be made available in Daisy format, which is suitable for document readers used by people with a visual impairment.

Evidence of the change

- » Several grant and loan funding programs utilising the updated handbook and the new application toolkit have been administered with a positive response from applicants.
- » Accessibility issues featured much more prominently than in applications received in previous funding rounds.

Attitudes and awareness of employees

Culture, Recreation and Sport

Actions/initiatives

- » Disability Awareness Training was undertaken by senior managers and staff from the Culture, Recreation and Sport division. The training, delivered by the Glenorchy City Council Access Office, covered key aspects of the *Disability Discrimination Act 1992*, building design standards for compliant access, common communication errors when dealing with people with disability, and an overview of some of the challenges and needs of people with a disability.

The most significant change

- » The training had a profound impact on all participants, who now better understand the day-to-day challenges faced by people with disability, as well as providing an insight into their views on access and the different attitudes and issues they encounter on a regular basis.
- » All participants unanimously agreed that Disability Awareness Training should be extended across the broader agency.

Evidence of the change

- » As a result of the training, participants made a commitment to brief staff, communicate information, and improve our internal resources relating to disability issues.

This commitment has resulted in the Corporate Communications unit distributing a variety of written material, both in hard copy and online, across the agency. Various business units have also begun to review and assess their individual websites in terms of accessibility.

Following this first round of training the agency's Executive Team committed to undertake the training and, furthermore, to roll out training across the broader agency.

Recruitment and retention

Actions/initiatives

- » In February 2010, Arts Tasmania recruited to the part-time, fixed-term role of Arts and Disability Program Officer.
- » In March 2010, Sport and Recreation Tasmania recruited to the role of Project Officer – Disability Sport.

The most significant change

- » In line with the principles of the *Disability Framework for Action*, the agency created two positions to address the need in the community for greater development and access in the areas of art and sport participation for people with disability.

Evidence of the change

- » The agency's engagement with the disability sector has been reinforced through dedicated program development and staff support.

Provision of high quality services

Arts Tasmania

Actions/initiatives

- » Arts Tasmania provided funding for arts and disability activities to three organisations totalling \$125 000.
- » An Arts Tasmania Arts and Disability grant round was launched in May 2010 with \$140 000 in grant funds to distribute to both individuals and organisations.
- » Arts and Disability funding of \$250 000 per annum for four years was announced in the 2010-11 budget.
- » Arts Tasmania has commenced collecting information on whether people with a disability are involved in grant applications. Arts Tasmania is also asking funded arts companies receiving greater than \$20 000 to report on their interaction with people with a disability.

Most significant change

- » Dedicated funding is now made available to the disability sector including the provision of a Disability Program Officer.

Evidence of the change

- » The ongoing funding commitment by the agency to provide the disability sector with access to arts programs and activities.

Tourism Tasmania

Actions/initiatives

- » Tourism Tasmania's consumer website www.discovertasmania.com profiles accessible product, attractions and tours and, in addition, online electronic brochures are available in text versions that can be accessed by text readers and other transformative aids.
- » Tourism Tasmania's Accessible Tourism project supports tourism-related businesses and councils that provide services and facilities for locals and visitors with accessibility needs.

The most significant change

- » Tourism Tasmania's Accessible Tourism Resource Toolkit has been made available on the Tourism Tasmania corporate website www.tourism.tas.gov.au
- » As a result of collaboration with other service providers, Tourism Tasmania's Accessible Tourism Resource Kit now includes collateral from Forestry Tasmania and the Parks and Wildlife Service outlining facilities and services for the accessible needs visitor.

Evidence of the change

- » The continuation of Tourism Tasmania's Accessible Tourism workshops during 2010-11 will ensure the ongoing development of innovative products and services catering to the accessible and seniors market. This will also enable operators to provide quality information online for the accessible component of their product or service.

Sport and Recreation Tasmania

Actions/initiatives

- » Sport and Recreation Tasmania, in collaboration with Disability Services, developed the *Tasmanian Sport and Recreation Framework for People with a Disability*. The framework provides direction for action for organisations responsible for providing sport and recreation opportunities for people with a disability.
- » The role of implementing the Australian Sports Commission's Sports Connect program in Tasmania was assumed by Sport and Recreation Tasmania. Subsequently, the role of Project Officer, Disability Sport has been created within Sport and Recreation Tasmania in order to administer and implement the Sports Connect program in Tasmania.
- » Sport and Recreation Tasmania is working with the Disability Bureau (Department of Premier and Cabinet), to establish a Disability Sport and Recreation Committee to advocate for and advise on disability sport initiatives and monitor the implementation of the framework strategies.

The most significant change

- » Improved interaction, collaboration and partnerships developed between Sport and Recreation Tasmania, TasRad and Disability Services.

Evidence of the change

- » Increased awareness and knowledge of the sectors and the issues affecting them.

Consultative relationships and

processes

Tasmanian Museum and Art Gallery

Actions/initiatives

- » AccessArt – a program within the Tasmanian Museum and Art Gallery's Centre for Learning and Discovery program – is an active participant in the newly established Arts, Health and Wellbeing Network.
- » AccessArt also partnered with ReLink on a proposal to bring artists in residence into organisations delivering services to people with disability. Funding has been sought through Arts Tasmania's Arts and Disability Program.

The most significant change

- » The provision of programs that make art accessible to every person in the community.

Evidence of the change

- » AccessArt has delivered numerous, tailored programs for disability support organisations, their staff and clients.
- » AccessArt has also become active participants in state-wide discussions about the arts, health and wellbeing.

Arts Tasmania

Actions/initiatives

- » Arts Tasmania has been charged with implementing a grant and event program under the National Arts and Disability Strategy and has undertaken consultation with the arts and disability sector to determine the focus of this funding and the broader implementation of the strategy.

The most significant change

- » Ongoing consultation with the arts and disability sector to make access and participation in artistic and cultural activities a priority for people with disability.

Evidence of the change

- » An Arts and Disability committee has been established to advise Arts Tasmania on its disability programs and on the implementation of the National Arts and Disability Strategy in Tasmania.

Emissions Reduction Plan (ERP)



The department is committed to whole-of-government initiatives administered by the Tasmanian Climate Change Office to reduce greenhouse gas emissions.

This year the department endorsed the agency's Carbon Emission Reduction Plan in line with the Framework for Action on Reducing the Tasmanian Government's Greenhouse Gas Emissions.

Source	2008-09	2009-10 ¹
Electricity Kilowatt hours (kW-h)	4 502 300	4 645 720
Air travel Tonnes of CO ²	322.40	331.51
Fuel (petrol, diesel) Kilolitres (kl)	173	208

Activities to reduce carbon emissions in the 2009-10 financial year included:

- » reducing the amount of printers in the department and replacing multi-function devices with new energy efficient models
- » air travel is offset through the Tasmanian Climate Change Office
- » participating in Earth Hour on 27 March 2010, the Global Corporate Challenge and Walk to Work Day to raise staff awareness and encourage climate-friendly action
- » continuing with the lighting de-lamping pilot program to provide a reduction in electricity usage. Results to date for the pilot building are savings in the order of 4 per cent and should increase as full year cycle is achieved
- » pool cars are being progressively replaced with higher green-rated vehicles and vehicle numbers have been reduced in real terms
- » printers defaulted to print double-sided
- » all new electronic devices and appliances to meet higher energy rating and water ratings.

1. On 1 July 2009 Arts Tasmania and the Tasmanian Museum and Art Gallery joined the department. The increased size of the department is reflected in the by the relative increase in carbon emissions.

Activity reports

Culture, Recreation and Sport

Culture, Recreation and Sport continued to provide opportunities for Tasmanians to participate in cultural, artistic, recreational and sporting activities. The division supported the development of leaders and those who aspire to achieve at the highest level of their chosen pursuit.

The division also progressed the notion of valuing and promoting human creative capital in underpinning a sustainable economy and communicating Tasmania's brand and the department's vision and achievements to key stakeholders, both internal and external.

Corporate Communications

Corporate Communications continued to raise the public profile and understanding of departmental projects and programs that contribute to making Tasmania a prosperous, vibrant and healthy community.

Initiatives included:

- » targeted media strategies
- » production of publications, flyers, DVDs and other collateral
- » participation in international expos, trade shows and Tasmanian agricultural shows
- » media stories and editorial in a range of publications
- » speaking engagements at industry events
- » strategic advertising
- » sponsorship activities
- » internet-based information about the services and opportunities offered by Tasmania.

Corporate Communications also played a pivotal role in supporting and promoting a range of events including:

- » *Savour Tasmania*
- » the 46th Annual Tasmanian Sports Awards
- » the Medibank Active Tasmania Awards
- » the Tasmanian Manufacturing Conference
- » the Tasmanian Export Awards
- » the Jao Tsung-i exhibition at the Tasmanian Museum and Art Gallery.

There was also concerted communication activity associated with raising awareness of the impact of human swine flu on Tasmanian businesses as part of whole-of-government communications and in promoting the services of the Skills Response unit to Tasmanian workers made redundant during the Global Financial Crisis.

Corporate Communications continued its program of internal communication in support of the department's restructure and effective integration of Arts Tasmania and the Tasmanian Museum and Art Gallery into the agency from 1 July 2009.

To improve media and communication skills across the department, Corporate Communications arranged media training and development for staff and for eight of the eleven 2010 PPAC Ambassadors.

Screen Tasmania

Production investment in Australian/Canadian feature film *Arctic Blast*

Screen Tasmania invested \$150 000 in the Australian/Canadian co-produced feature film *Arctic Blast*, with additional support of \$75 000 provided through the Filming in Tasmania (FiT) scheme. The combined investment generated spend of over \$600 000 into the Tasmanian economy, employed over 160 Tasmanian cast and crew and provided training opportunities for nine emerging screen practitioners.

Arctic Blast is the first feature film to be shot in Tasmania in 10 years, paving the way for further feature film production. The film stars Michael Shanks, of *Stargate SG-1* fame, with the story set in and around Hobart. *Arctic Blast* will screen throughout Australia, New Zealand, the United States of America and Canada, resulting in world-wide exposure for Tasmania.

Production investment in television, documentary and animation across three projects (including *Drive* and *My Place*)

Screen Tasmania invested \$172 798 across three projects, including a television documentary, Logie award-winning children's television series and children's animation program. The combined investments generated spend of approximately \$450 000 and created over 34 employment and training opportunities in Tasmania.

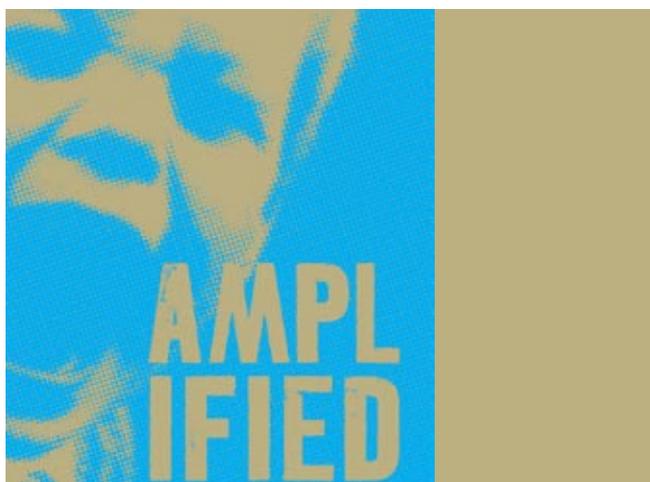
Television documentary *Drive* was filmed and produced on the north-west coast of Tasmania by local production company Big hART Inc. The project worked closely with young men from the region and is partnered with a responsive and interactive series of webisodes. *Drive* will screen on ABC television in late 2010 and was selected to screen at the 2010 Melbourne International Film Festival and 2010 Sydney International Film Festival.

Screen Tasmania invested in the children's television drama series *My Place*, based on the popular picture book of the same name by Nadia Wheatley and Donna Rawlins. Screen Tasmania's investment in *My Place* supported Tasmanian digital media company Blue Rocket Productions, which delivered the interactive and informative website for the show. This complements the television series by going beyond the usual web experience to extend and enrich the viewer's experience.

Screen Tasmania provided additional investment in the children's animation series *Pixel Pinkie*. The show is created and produced by Blue Rocket Productions and screened on the Nine Network across Australia from August 2009. The 26-part television series is accompanied by an interactive website featuring games, activities and downloads, which have also been designed, built and delivered by Blue Rocket.



1200cc Mary, The Holy Trinity (Tricky Walsh, Alicia King, Mish Meijjers), 2009. Photograph: Kevin Leong



Arts Tasmania

Amplified 2009

Amplified is Tasmania's biggest annual music industry development program and is designed to acknowledge, celebrate and develop the skills of young emerging and established Tasmanian musicians. Held in July 2009, it delivered on the State Government's vision for a sustainable, contemporary music industry by providing export opportunities and developing an interstate and international presence for Tasmanian music.

Amplified 2009 saw just over 4 600 people take part in the wide range of activities on offer – from the conference to the workshops, and from the performances to the awards night, which capped off a long weekend of music.

The breadth of the activities included 96 bands performing at a total of 15 concerts, 10 workshops featuring 29 guest speakers and 2 500 double compact discs of Tasmania's best music acts being distributed in Tasmania and, through a special deal with AMRAP – the Australian Music Radio Airplay Project, to over 100 radio stations throughout Australia.

This significant exposure was backed up by a comprehensive professional development program for musicians.

The grand finale of *Amplified 2009*, the ABC Amplified Awards, recognised all facets of the music industry including Outstanding Contribution to Tasmanian Music, Best Tasmanian Band, Supportive Venue of the Year, Manager of the Year, Artist(s) of the Year and more. Since the awards, the winners have secured significant opportunities and catapulted their careers. By way of example, the winner of the Best Tasmanian Band Award, *Enola Fall*, has since been signed by MGM for distribution and The Harbour Agency is the band's booking agent.

The calibre of the ABC Amplified award winners this year was excellent and shows how much the industry has developed since the awards began four years ago.

Roving curators

Arts Tasmania's two Roving Curators have spent the past year delivering outstanding outcomes to collections care and volunteer training. In so doing, they have been supporting the preservation of Tasmania's heritage in small museums and galleries around the state.

The Roving Curators have worked on a range of projects, covering areas such as collection management, cataloguing, preventive conservation, display planning, interpretation plans, volunteer procedures and significance assessments.

There is significant capacity for the program to expand. Tasmania currently has over 140 small museums, and communities around the state are putting forward many projects that are worthy of support.

Some of the projects the Roving Curators have worked on include:

- » Low Head Pilot Station Support Group – assisting volunteers to complete a significance assessment
- » St Helen's History Room – assisting with the Aboriginal bush tucker exhibition
- » Pearn's Steam World, Westbury – completion of interpretation exhibit signage
- » Wesley Uniting Church, Melville Street, Hobart – the development of a significance assessment
- » About Campbell Town – the development of a new display about the transit of Venus
- » Derby History Group – assisting with archiving the collections, documents, photographs and maps
- » Hobart Hebrew Congregation – assisting with information on the collection and the building (the Hobart Synagogue is significant as the oldest remaining synagogue in Australia)
- » Beaconsfield Mine and Heritage Centre – conservation and collection care-related assistance



- » Teraki Cottages – significance assessment, collection management and display and interpretation methods
- » Channel Folk Museum, Lower Snug – assisting with the relocation of the Channel Heritage Museum, with a priority on significance assessment, interpretation plan, exhibition planning and development
- » Ulverstone History Museum – planning and assisting in the implementation of exhibitions drawn from the museum’s collection and advising on related conservation needs
- » Southern Midlands Council – assisting with the Southern Midlands Heritage Collection
- » Glamorgan-Spring Bay Memorial Centre – assisting with developing a plan for engaging tourists with the museum.

Tasmanian Museum and Art Gallery (TMAG)

Aboriginal education program

TMAG led the state in providing a comprehensive Tasmanian Aboriginal Cultural Education Program focused on the permanent exhibition *ningenneh tunapry* and the temporary Tasmanian Aboriginal women’s fibre work exhibition *tayenebe*. The Learning and Discovery programs employed Tasmanian Aboriginal presenters to share cultural insights and knowledge through hands-on workshops for over 2 700 students.

In partnership with the Catholic Education Office, TMAG instigated a specific program with 40 separate workshop sessions for Tasmanian Aboriginal students.

Culturally appropriate programming included separate guidance for boys and girls and ensured the richness of Tasmanian culture is being passed to another generation.

AccessArt outreach

The Centre for Learning and Discovery’s major art education program, AccessArt, completed its second year with an extensive program featuring in-house and outreach programs. AccessArt, fully funded by the philanthropic organisation Detached, has enabled TMAG to take art education beyond the walls of the art gallery and into the community, thereby reaching new audiences and enriching lives around the state.

The value of art practice and appreciation as a tool in developing communications skills, creativity and general social awareness is profound. The outreach program has worked with communities as diverse as parents with young children in the Geeveston region, school communities at Orford, Triabunna, Levendale and Howrah, adults with disabilities in Bridgewater and the wider community.

Scott ‘Micro Mosaic’ table acquisition

TMAG worked with the federal government, the Art Foundation of Tasmania and a private donor to ensure the historic ‘Scott Table’, which was crafted in the mid-1800s, did not leave the country.

The museum’s curators who investigated the table’s earliest origins discovered a strong Tasmanian providence dating back to 1857. The design and crafting of this table in both Rome and Tasmania make it not only a significant item for the museum’s collection of colonial furniture, but also a wonderful addition to TMAG’s international collection.

The table has a circular top of Italian origin which features a micro-mosaic centre that is surrounded by a ring of polished stones, some of which are semi-precious.

Sport and Recreation Tasmania

Healthy by Design: A guide to planning and designing environments for active living in Tasmania

Healthy by Design is a resource guide developed by the Heart Foundation (Tasmania Division) and the Premier’s Physical Activity Council. Launched in February 2010, the guide draws on 10 years of research and development by the Heart Foundation. It is designed to make it easier for urban designers to ensure people have spaces and places to exercise and be active as part of their everyday lives.

It includes design considerations, evidence, tools and case studies to support those professionals and others who have a role in the planning, design and development of the parts of the environment used for walking, cycling and similar activities.



Sport and recreation planning

The department undertook several important state, regional and local planning projects including the development of:

- » Recreation Planning Guidelines for local councils
- » the Lake Barrington Recreation Management Framework, which deals with the future management, use and marketing of the Lake Barrington area
- » the Elphin Sports Centre Precinct Planning Study, which looks at the future management, maintenance, development and marketing of the various facilities within the Elphin Sports Precinct
- » the West Coast Council Sport and Recreation Strategic Plan, which provides a strategic approach to the planning and management of recreation provision for the West Coast municipality
- » the Tasmanian Mountain Bike Plan, which provides the foundation for successful funding applications of various mountain bike infrastructure developments around the state, and
- » the Cradle Coast Open Space Plan, which received a High Commendation in the Planning Category of the Parks and Leisure Australia Annual Awards.

Sport and recreation for people with a disability

The *Tasmanian Sport and Recreation Framework for People with a Disability* was developed and distributed to the sport and recreation and disability sectors. The framework will help sport and recreation providers to give people with a disability more opportunities to participate in sport, recreation and physical activity.

A part-time project officer position was created at Sport and Recreation Tasmania to address priority areas. These include capacity building, collaboration, information, awareness and promotion, and accessibility. The position will also implement strategies, national disability sport programs and initiatives, and co-ordinate a Disability Sport and Recreation Network.

Trails and Bikeways Program

During 2009-10, grants of \$1.4 million were committed towards eight trail and bikeway developments worth over \$5 million. Over \$1.5 million of Australian Government funding was leveraged into the state through matched funding for projects. The department offered assistance and advice to several project organisers, including the Cradle Coast Authority, to develop a master plan for a shared north-west coastal pathway from Wynyard to Latrobe.

Cultural Development

Tasmania: A liveable community

The promotion and recognition of Tasmania as a liveable community has been an important focus in 2009-10.

A liveable community is one that supports quality of life, health and wellbeing for the people who live, work or visit there. Liveable communities tend to have a high level of – and widespread accessibility to – amenities, including open space and educational, social, cultural and recreational facilities.

'Liveability' also encompasses characteristics of the built environment such as the design and construction of buildings, public transport systems, road networks and public spaces, walkability, accessibility to goods and services, and high-quality communication technology.

It also refers to elements of the natural environment such as low air pollution, parklands, trees, water and views. Apart from physical features, a range of social factors contributes to liveability. These include political stability, social cohesion, lower risks to personal safety, conviviality and social inclusiveness, aesthetics, diversity among the population and heritage. Liveable places are widely perceived to be healthy, attractive and enjoyable places for people of all ages, physical abilities and backgrounds.



A submission prepared for Infrastructure Australia (IA) – *Hobart: a world-class, liveable, waterfront city* – sought funding for the further development of Hobart around three themes: as a knowledge city, as a polar gateway and as a revitalised urban environment. The submission was recognised by IA as being a pipeline project that addresses a nationally significant issue, but requires further development.

Developments that will contribute to Hobart's reputation as a liveable waterfront city include:

- » the Institute of Marine and Antarctic Studies at the Princes Wharf number two site, which will provide contemporary educational facilities and an increased number of students and researchers visiting, living and working in Hobart
- » redevelopment of Princes Wharf number one shed as a public event and exhibition space, which will provide residents and visitors alike with enhanced cultural, social and recreational facilities and experiences
- » redevelopment of the Tasmanian Museum and Art Gallery, which will allow the state's cultural heritage to be exhibited in a greatly enhanced gallery space.

Tasmania Now* project

In 2009 the department commissioned research which found that, among other things:

- » people have negative perceptions about employment opportunities in Tasmania
- » working-age people have a less positive perception of Tasmania than older people
- » people do not think Tasmania is well-connected to or accessible from other major Australian cities.

*previously referred to as *This is Tasmania* project

To correct these and other outdated perceptions, funding has been provided for initiatives that convey a contemporary perception of Tasmania to Australian consumers and businesses and equip Tasmanians to act as ambassadors for the state. These include:

- » \$10 000 to the Tasmanian Hospitality Association to enable one Tasmanian apprentice chef to receive a Thierry Marx Career Development Award. This apprentice's award of one month's work experience at the internationally renowned Thierry Marx's restaurant will be widely publicised as a contemporary example of work, career opportunities and learning in the state's hospitality sector
- » \$27 000 to produce two DVDs promoting Tasmania as a destination for Korean and Chinese business migrants
- » \$100 000 over two years to the *Festival of Voices*, Tasmania's leading winter event. This funding will allow the *Festival of Voices* to be promoted to an international, national and local audience as a contemporary example of Tasmania's rich cultural life
- » \$940 000 over two years to the Brand Tasmania Council to, among other things, encourage Tasmanian enterprises to leverage the Tasmanian brand values to increase sales and improve the recognition of Tasmania as a valued, place-of-origin brand within Tasmania and in key markets.

Employer of Choice program

To help Tasmanian organisations to attract and retain skilled workers and to promote contemporary examples of Tasmania as a great place to live and work, the department supports the Employer of Choice network and workshops, and conducts the annual Employer of Choice awards.

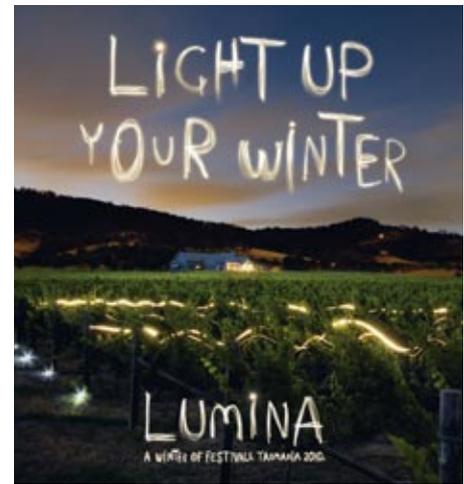
Business understanding of the challenges of attracting and retaining skilled labour and effective strategies to do this is improved by participating in the network and attending workshops delivered by recognised Employers of Choice. In 2009-10 more than 170 business representatives attended five workshops delivered across the state.

Employers of choice are not only more likely to attract skilled workers in a competitive market, but their workplaces are significantly more innovative, productive and sustainable.

In 2009-10 four organisations were formally recognised as Tasmanian Employers of Choice: Austal Ships, the O Group, Sinclair Knight Merz and the Launceston City Council.

Case studies of the nine organisations formally recognised as Tasmanian Employers of Choice since 2007 are being prepared and will be promoted as contemporary examples of life and work in Tasmania.

Tourism Tasmania



Tourism Tasmania continued to lead the industry to deliver joint marketing and development programs that deliver benefits for Tasmania from domestic and international tourism.

To achieve this, Tourism Tasmania actively intervened in the tourism market to:

- » create new knowledge and understanding about tourism for industry and stakeholders through research, analysis and insights
- » address the barriers to conversion and travel to Tasmania by identifying and taking effective, consistent action with those who can make a difference
- » establish, articulate and maintain the brand and brand values, particularly through creative and innovative marketing
- » achieve alignment of Tasmania's tourism product, experiences and infrastructure to match market expectations of the brand.

Examples of this work include:

Learning and development framework

Tourism Tasmania's learning and development framework provides the strategic direction needed to coordinate an approach to delivering a range of industry-focused learning and development projects. The program aims to build industry capacity to anticipate change and take advantage of opportunities presented. This initiative, which is well-supported by industry, should improve business and tourism outcomes for the state.

The 2009-10 learning and development program included five priority areas:

- » The Digital Learning and Development Program included the Tas e-Connect Help Desk and online forum, web-based learning resources, industry workshops and a business intelligence project. In addition, the Digital Coach program was offered online and includes basic, intermediate and advanced sessions to assist tourism businesses to become e-enabled. It incorporates a series of easy to complete tutorials that assist tourism operators to gain the knowledge to conduct business and marketing online
- » The Awards Development Program offered workshops to assist prospective applicants to enter a range of tourism award programs
- » The Business Learning and Development Program included industry workshops and online resources covering marketing, experience development, branding and packaging, financial sustainability and interpretation and cultural awareness
- » The Event Tourism Development Program included webinars, workshops, website workshops and a scholarship component geared to build capacity among event organisers
- » The Team Tasmania Development Program supported members of Team Tasmania who market their businesses in the international arena. Tourism Tasmania conducted an series of interactive sessions for industry, covering topics such as international marketing, sales, experience development, cultural awareness, international market insights and the requirements of being internationally market-ready.



Lumina

On 23 March 2010 Tourism Tasmania launched a domestic marketing campaign entitled Lumina – A Winter of Festivals to increase visitation over the traditionally quiet winter period. The campaign targeted visitors from interstate and importantly, encouraged Tasmanians to get out and enjoy the many scheduled events.

The Lumina campaign aimed to shift current customer perceptions that there is nothing to do in Tasmania in winter and provide reasons to visit Tasmania during this off-peak season. It promoted the 100-plus festivals that take place during the Tasmanian winter period and communicated to the target audience that Tasmania is 'open' in winter and it is an active and vibrant destination where people can indulge their interests and passions.

The campaign featured iconic events such as Targa Tasmania, Savour Tasmania, Festival of Voices, Festival of Broadway, Tasmanian Symphony Orchestra, Junction 2010, the Australian Shakespeare Festival and Hawthorn home games at Aurora stadium and drew consumers to the website to discover other activities taking place every day during the campaign period. It featured imagery that presented Tasmania in a new and exciting way. The creative for the campaign was highly visible and was highly complimented and well-accepted by all stakeholders. Major partners such as Qantas and Virgin Blue adopted the imagery into their supporting marketing activities.

Lumina was also delivered into the marketplace via print, online, television and outdoor activity. Tourism Tasmania produced a printed calendar and inserted 800 000 copies into the Sydney and Melbourne markets and distributed over 200 000 copies locally in Tasmania. Online activity delivered over 16 millions page impressions (that is, continually changing 'ads' appearing on the page being viewed); print circulation was 2 686 044 (based on Bureau of Circulations audit figures from December 2009); and television advertising reached 4 228 626 viewers across regional Victoria, New South Wales and Tasmania.

ATEC Symposium 2010

A key achievement of the 2009-10 partnership between Tourism Tasmania and Business Events Tasmania was the successful joint bid and hosting of the ATEC Symposium in Hobart during April 2010. This is an annual tourism industry conference held by the Australian Tourism Export Council (ATEC).

ATEC is Australia's peak industry body representing a \$26 billion export tourism sector. The symposium saw 429 travel and tourism professionals attend a three day event, plus pre and post conference tours. Core members of ATEC are Inbound Tour Operators – travel agents who consolidate tourism products to sell globally.

Tourism Tasmania's core objective in attracting this conference to Tasmania was to profile the destination and its new and existing experiences to the delegates who represented the key decision makers in the travel and tourism industry of Australia.

A destination showcase event held at the Museum of Old and New Art (MONA) provided delegates with the opportunity being the first group to see the soon-to-be-launched MONA. The evening was a combination of 'meet the maker' experiences, coupled with the MONA experience.

The economic return to the state for hosting the event is estimated at \$1 million. An on-going benefit expected from hosting the ATEC Symposium 2010 will be the increasing quantity and quality of Tasmanian tourism products consolidated and sold via Inbound Tour Operators. In a post-conference delegate survey, the ATEC Symposium 2010 gained a 97 per cent satisfaction rating.

Tourism Tasmania's 2009-10 Annual Report is available at www.tourism.tas.gov.au/publications

Industry Development



Industry Development facilitated industry and enterprise growth and development in Tasmania through the development and implementation of a range of sectoral, cross-sectoral and regional policies that:

- » facilitated investment and exports
- » built industry and business capability
- » delivered services to clients on enterprise, sectoral and regional levels
- » facilitated comprehensive business and industry analysis.

Export and Enterprise Development

Savour Tasmania

The second *Savour Tasmania*, held at the end of May 2010, built on the inaugural 2009 epicurean festival with events held in Hobart, Launceston and Burnie. Featuring highly respected chefs from Spain, Hong Kong, New Zealand and Adelaide working with local venues, the festival showcased Tasmanian foods and beverages across a variety of cuisine styles. Events included dinners, lunches, professional development master classes and a cooking demonstration at the Burnie farmers market. Two Fairfax media 'hot lunches' for mainland fly-in audiences and visits to producers by mainland media rounded off the program. Over 2 000 people participated, with approximately 190 being from the mainland.

Tasmanian Export Awards

The department managed the 2009 Tasmanian Export Awards and once again saw the Tasmanian export community come together to celebrate the achievements and excellence of companies exporting goods and services to the world. These awards attract a range of entrants from wineries to maritime shipbuilders, showcasing Tasmania's diverse export capabilities. There are seven categories in the awards program with the overall winner, Richardson Devine Marine, being named the Minister's Tasmanian Exporter of the Year 2009. This awards program is an integral part of the prestigious Australian Export Awards, with all the winners qualifying for the national finals. This year Tasmania had an outstanding success with Autech

Software and Design winning the Australian Regional Exporter Award and Pivot Maritime International winning the Australian Small to Medium Services Award.

Trade shows

During 2009-10 the department coordinated 16 exhibitions and trade missions. These exhibitions exposed Tasmanian companies to both domestic and international market opportunities. The diversity of these exhibitions ranged from food, wine, oil and gas, services, precision engineering to the maritime sector. Highlights included the attendance of four Tasmanian companies at Workboat 2009 New Orleans. It was the third year the department exhibited at this show with two companies returning with lucrative long term contracts worth \$3 million. Six Tasmanian companies attended Food and Hotel Asia in Singapore in 2010, showcasing a range of produce to the ASEAN market; and several companies attended the oil and gas trade show held in Perth, resulting in several contracts. The Hong Kong Wine and Spirit Show allowed seven wineries to present their excellent range of Tasmanian wines to thousands of trade representatives from the growing markets of Hong Kong and mainland China. Attendance at this exhibition resulted in an inward buyer visit from 10 Hong Kong sommeliers to experience firsthand what the Tasmanian wine industry has to offer.

Migration

During 2009-10 the department issued state sponsorship to 154 skilled migrants and also certified 175 skilled positions for Tasmanian employers to fill vacancies with overseas trained workers. Occupations range from doctors, nurses, accountants, IT specialists and engineers to motor mechanics, cooks and construction trades people. Such migrants not only alleviate skills shortages within the Tasmanian workforce, but their presence also often leads to further downstream job creation. The department also assisted business migrants who bring investment capital, international linkages and the capacity to create and maintain employment. The total number of new sponsorships issued during 2009-10 was 49. Largely due to the slow immigration processing, the amount of investment declined from the last fiscal year, but the program still brought new investment of \$3.7 million in tourism operations, farming,

property development, restaurants, exporting, retail businesses and deposits with Tascorp. To attract skilled and business migrants, the department undertook a range of promotional activities including participation in events in the United Kingdom, South Africa, Hong Kong and Korea. Data as at 2008-09 indicated that 954 economic migrants settled in Tasmania (up from 243 in 2001-02). The department maintained a key role in this steady increase through ongoing marketing efforts and fully utilising the sponsorship mechanisms available to state governments.

Business Response

Swift Australia Pty Ltd

Swift operates 10 meat processing plants around Australia including three in Tasmania at Longford, Devonport and King Island. The King Island abattoir is a major employer and a key infrastructure for the island's agricultural sector.

In response to the closure of the King Island abattoir the department agreed to provide financial assistance to support the re-opening of the abattoir whilst Swift and the Tasmanian Government worked together to identify challenges to its continued operation. A total of \$398 329 was paid to Swift to support the abattoir to October 2009.

During 2009 Swift developed a major capital investment program for the King Island facility which would see major upgrades and expansion at a cost of \$14 million. The Tasmanian Government announced financial support for the capital investment program with the provision of a \$12 million loan.

Vodafone Hutchison Australia Pty Ltd (VHA)

VHA's call centre at Kingston was established in April 1999 and this has made a valuable contribution through the employment of up to 500 Tasmanians per annum. In June 2009 VHA advised Government that it would consolidate its Australian-based call centre activities to one of the existing sites, Brisbane or Kingston. As part of the consolidation, the range of services and number of staff would increase at the preferred site.

A financial assistance package of \$3.5 million was offered and, as a result, VHA selected Kingston. As part of the assistance package, VHA will maintain 450 FTE positions at Kingston for the seven-year term of the agreement.

Sitel Australia Pty Ltd (Sitel)

Sitel has been operating call centres in Devonport and Burnie since January 2003.

Early in 2010 Sitel commenced negotiations with a major overseas company regarding new business to provide customer and technical support. This new business would have a significant employment impact resulting in 200 new FTE positions at Devonport for an initial period of two years.

Sitel requested financial assistance to enable it to undertake new business with the client, primarily to assist with recruitment and training. An assistance package of \$1.225 million was approved.

Sectoral Development

Industry development associated with irrigation

During 2009-10 the department undertook a range of activities to help Tasmanian businesses and communities take advantage of the state's abundant water resources and government investment in irrigation.

July 2009 saw the introduction of the Farm Water Development Loan Scheme, providing low interest loans for irrigation infrastructure to eligible farmers.

Also in 2009, the department conducted two financiers' forums to raise awareness of the issues associated with financing and trade of water entitlements and to support irrigator access to finance to purchase water entitlements from the Tasmanian Irrigation Development Board schemes.

The department also sponsored a Midlands irrigation forum at Oatlands in March 2010 to raise community awareness of the opportunities and issues associated with shifting from dry-land farming to irrigated agriculture.

In conjunction with the Meander Valley Council, the department commissioned the Meander Irrigation Scheme – Impacts and Opportunities study. The report, released in August 2010, provided information to help farmers plan for the future. The department assisted the Meander Valley Enterprise Centre to investigate establishing a regional agriculture producers' group similar to the successful Coal Valley Products Association.

Salmon Industry

Huon Aquaculture Group

The department provided financial and advisory support to the Huon Aquaculture Group to relocate its Atlantic salmon processing facility to Parramatta Creek. The company has already expanded its wet processing operation and plans to relocate its value-adding facility from South Australia to the Parramatta Creek site, creating new jobs in the north-west.

Tassal Limited

In June 2010, department officials accompanied major industry stakeholders to participate in the Aquavision Conference in Stavanger, Norway. Tasmanian Atlantic salmon farmer, Tassal, was awarded the prestigious Aquavision 2010 Innovation Award in front of 500 industry and government delegates from 35 countries. The award recognised Tassal's marine inspector and net cleaner (MIC) – a fish farm net cleaner that features a hydraulically powered cleaning head that crawls across any size net cage to vacuum off fouling (weeds) in a single pass. Due to its speed and ease of operation, the MIC has the potential to revolutionise the way companies around the world manage the problem of net cleaning.



Wine

The department increased its focus on Tasmania's cool climate wine industry as an important growth sector for the state. The department attended the Cool Climate Wine Symposium in Seattle USA at which Tasmania was announced as the host of the 2012 Cool Climate Wine Symposium to be held in Hobart. This gives the state an outstanding opportunity to showcase its wine industry, award winning wines and skilled viticulturists and winemakers.

Antarctic Tasmania, Science and Research

The department was successful in securing competitive bids to host two important international Antarctic meetings, the International Association of Antarctic Tour Operators (IAATO) meeting to be held in 2011 and the 35th Antarctic Treaty Consultative Meeting (ATCM), to be held in 2012.

These events represent an opportunity to directly showcase Hobart's unique status and capabilities as Australia's 'Antarctic capital' and build on Tasmania's Antarctic profile.

The ATCM is the major annual diplomatic event on the Antarctic calendar. It provides Antarctic Treaty countries the opportunity to exchange information relating to Antarctica and formulate recommendations to governments to further the objectives of the Treaty. During the two-week meeting approximately 300 representatives from the 47 Antarctic Treaty nations, with their interpreters and advisers, hold discussions on a range of Antarctic issues. This will be the first time Tasmania has hosted the ATCM.

The 2011 IAATO meeting will attract delegates from over 100 member organisations around the world. IAATO is the peak member body for Antarctic tourism.

The meetings will mark the beginning and end of a year-long program of activities to celebrate the centenary of the Mawson and Amundsen expeditions, two of the most dramatic scientific and geographical expeditions to Antarctica. Both expeditions had strong links to Hobart.



In addition, the department has committed to sponsoring the third International Forum on the Sub-Antarctic. This event – titled 'The future of the Sub-Antarctic region: its global significance and value' – is unique globally in that it recognises the importance of the Sub-Antarctic's discreet ecosystem.

Antarctic and Southern Ocean activity is a significant contributor to the Tasmanian economy, generating over \$154 million per annum and directly employing around 1 000 people.

Regional Development

300K Enterprises Pty Ltd

The department assisted 300K Enterprises Pty Ltd (300K) to access a \$50 000 grant under the department's Springboard program to commercialise the 'Connex' – an adapter fitted to the arm of an outdoor light fitting, enabling it to be removed and replaced by a working fitting while the power is still connected. The grant enabled 300K to finalise the design, develop branding and packaging, conduct product testing and complete an initial manufacturing run of the product. The company has now completed the manufacture of the first consignment of 2 000 units, and installations have commenced at several BHP Billiton and RioTinto mines in Australia.

300K's awards and commendations for the Connex have included:

- » finalist in the 2009 C-Star Awards
- » highly commended at the 2009 WorkCover Tasmania Safety Awards
- » winner of the ABC TV's 'New Inventors' program award in February 2010.

Although 300K is still a new company, it is hoped that the department's assistance in accessing the Springboard program and in nominating for various awards will enable 300K to prosper and grow employment within the state.



Callington Mill restoration

During 2009-10, the Southern Regional Office continued working with the Southern Midlands Council to ensure the full restoration of the Callington Mill historic site in Oatlands. The site is expected to open to the public in September 2010.

The department provided funding of \$1.2 million to assist with restoration of the site, which includes returning the flour mill to full working order. The Australian Government matched this funding and the Southern Midlands Council provided a further \$100 000, bringing the total project cost to \$2.5 million.

The mill was built in the 1830s and ceased operation at the end of the 19th century. The site comprises a five-level windmill, granary, miller's cottage and the mill owner's house. The mill is unique in that it is the best preserved mill tower in Australia. A millwright from England fabricated and assembled a range of new parts including a new cap, windmill sails, working machinery and the stones for grinding of the grain. This work was completed in July 2010.

The site will operate on a commercial basis as a tourism attraction and as a working flour mill. It is expected that an additional 50 000 people will visit the site in the first year of operation, offering significant flow-on benefits to the township. The mill will source and grind Tasmanian-grown grains such as wheat, spelt and rye and the public will be able to inspect the mill operations and purchase freshly ground flour. The town of Oatlands is very supportive of the project and recognises the business and employment opportunities likely to arise from the increased visitors.

McCain community taskforce

In November 2009, McCain Foods announced its intention to close its mixed vegetable processing operation at Smithton and transfer processing to its Hastings plant in New Zealand, resulting in the retrenchment of around 200 employees and directly affecting 60 farmers across north and north-west Tasmania.

The Tasmanian Government moved quickly to establish a community taskforce launched by the Premier and chaired by Member for Braddon, Bryan Green. The taskforce charter was to address issues relating to these job losses and to identify economic development activities to create jobs and investment.

The department has supported McCain employees and taskforce objectives through the following:

- » The Skills Response unit has been active in providing valued support, in conjunction with the Australian Government, in facilitating worker information forums at Smithton, Burnie and Devonport.
- » The Regional Assistance Program provided three rounds of grant assistance to small and medium enterprises to create jobs and investment across the north-west and northern Tasmania.
- » The department managed taskforce priority projects funded by the Tasmanian Government including:
 - » \$200 000 for the development of alternative/new business structures and models for vegetable farms (in conjunction with the Tasmanian Institute of Agricultural Research)
 - » \$25 000 to provide seed funding for an evaluation of the potential for trade expansion with Thailand
 - » \$10 000 to undertake a cost comparison study of Tasmanian vegetable production with New Zealand
 - » the allocation of \$30 000 through the Circular Head Progress Group (CHPG) to assist retail traders in Smithton who may be adversely affected by the McCain closure.

North-west and northern Tasmania \$20 million assistance package

In December 2009 the Tasmanian and Australian Governments announced a joint initiative to create jobs and investment across the northern half of the state. The \$20 million stimulus program was established in response to the closure of a number of businesses in both the north-west and north.

The package is being delivered through three initiatives:

- » \$17 million for the North West and Northern Tasmanian Innovation and Investment Fund (NWNTIIF). This program, administered by the Australian Government through AusIndustry, provides companies with grants of upwards of \$50 000 for projects targeting new capital investment that will create sustainable new jobs
- » \$2.5 million for the Regional Assistance Program – Tasmania (RAP-Tas). Administered by the Tasmanian Government, this program provides one-off grants of up to \$50 000 to assist businesses in creating and/or retaining jobs
- » \$500 000 to assist with re-skilling redundant workers.

On 23 April 2010 Premier Bartlett and then Prime Minister Rudd announced 36 successful grant applications under the NWNTIIF. The grants, totalling \$17 million, are expected to stimulate a further \$18 million of private sector investment and create over 400 new jobs.

A further 21 grants totalling \$1.28 million were approved under rounds one and two of RAP-Tas. These grants are expected to trigger a further \$1.5 million of private sector investment and create over 70 jobs. Round three closed on 15 June 2010 and, at time of publication, 90 applications were being assessed for the remaining \$1.2 million.

Infrastructure Development

Tasmanian Renewable Energy Industry Development Board

In late 2009 the Premier announced the formation of the Tasmanian Renewable Energy Industry Development Board (TREIDB). As a sub-committee of the Tasmanian Development Board, TREIDB was established to advise the government on renewable energy matters with the prime role of promoting the uptake of renewable energy in Tasmania.

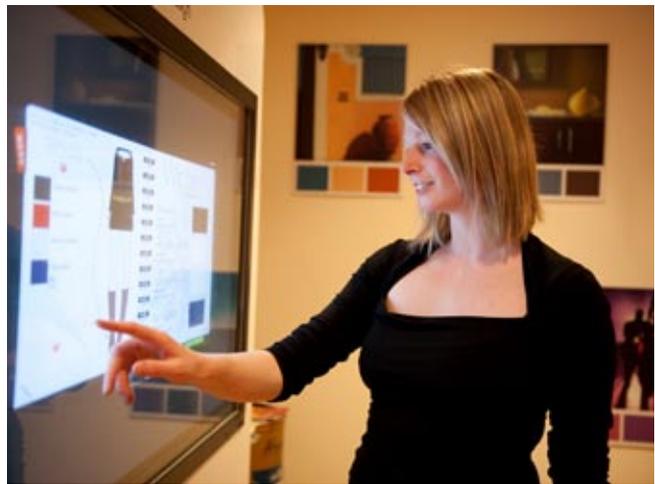
TREIDB is well-advanced with the preparation of a strategy for renewable energy in the state. One of the key strategic issues is the examination of the feasibility of a second Bass Strait high voltage DC interconnector which would allow the export of the expected increased output of renewable energy from the state.

The department was instrumental in identifying liquefied natural gas (LNG) as an alternative transport fuel for the Tasmanian heavy road transport fleet. Australia's first micro-LNG plant is under construction at Westbury in northern Tasmania and is scheduled for commissioning in late 2010. The fuel will offer significant economic and environmental benefits to transport operators.

Regional Planning Initiative

Tasmania's 29 councils administer over 30 planning schemes that on average were first proclaimed in 1992. The average age of a scheme in Tasmania is over 15 years. When combined with the fact that the structure and design of schemes vary widely, with different approaches to zonings and performance standards, this issue does nothing to facilitate certainty for development. The department has been working for some time with the new Tasmanian Planning Commission, the Regional Planning Initiative and local councils to facilitate better land use planning. The Sorell Township Master Plan and the East Coast land use framework *Vision East 2030* are cases in point.

Vision East 2030 was a joint project that included four East Coast councils – Tasman, Sorell, Glamorgan-Spring Bay and Break O'Day. After significant community and stakeholder consultation the framework was endorsed in December of 2009. *Vision East 2030* will now be used to inform new planning schemes. *Vision East 2030* received a planning award in late 2009 as it '...provided a best practice example of strategic planning delivery in rural and regional Tasmania'.



Strategic Policy and Research focused its efforts on progressing three priority strategies for the department: the Economic Development Plan, the Innovation Strategy, and Digital Futures Strategy.

Economic Development Plan

The decision for the department to formulate an Economic Development Plan arose from its recent shift in focus to a more strategic approach to policy and program delivery. To realise the full potential of this approach the agency is committing significant resources to develop the EDP as a top priority.

Central to the EDP will be an innovation and a sectoral approach to focus government effort and resources in supporting growth in priority sectors. The Innovation Strategy initiatives announced in the 2010-11 State Budget are the starting point for a broader approach to economic development. The EDP will continue to strengthen this approach while also building on the Infrastructure and Skills Strategies. A focus on innovation will help grow the new industries and markets of the future and improve the performance of existing industries and businesses.

The EDP is due for release during 2011.



Innovation Strategy

In July 2008, the government outlined a New Economic Direction Statement that refocused the state's economic development direction towards three core strategies – innovation, skills and infrastructure. The three strategies are designed to help Tasmania address the economic challenges and opportunities of the future.

The Innovation Strategy focuses on five priority areas: high-value agriculture, aquaculture and food; renewable energy; the Digital Futures Strategy; tourism; and Tasmania as a creative hub.

Major initiatives announced in the 2010-11 State Budget to support these priorities include:

- » \$6.45 million for a number of programs in the high-value agriculture sector
- » \$30 million for the establishment of a renewable energy development loan fund
- » \$5.85 million for initiatives to increase the awareness of opportunities presented by the digital economy
- » \$12.8 million investment on the Three Capes Walk, with further Commonwealth and private sector funding.

The innovation initiatives announced in the Budget are a starting point for a broader approach to economic development. The Innovation Strategy, seen as significant step in addressing the economic challenges and opportunities for the State, was launched late August 2010.

Digital Futures

Digital Futures is one of the five priority areas of the government's Innovation Strategy, with \$4.85 million being allocated in the 2010-11 State Budget for digital futures initiatives. The agency has drafted a Digital Futures Strategy with a major focus over the next three years on leveraging the rollout of the National Broadband Network to create an innovative, sustainable and vibrant Tasmanian Digital Economy. It identifies four strategic outcome areas to achieve this goal:

- » the business community has capacity to take full advantage of the digital economy
- » the ICT sector is exploiting opportunities in the digital economy
- » the community has gained benefit from the digital economy
- » the government is delivering Government 2.0 online services.

Not only has Tasmania had the first NBN-connected communities, but also it will be the leading state with full broadband connectivity by 2014-15. This is some six years ahead of full connectivity in any other state. This statewide first-starter advantage, coupled with digital economy engagement by Tasmanian businesses, will be a compelling attractor for national and international ICT investment.

Workforce information

Human resource management policies

Pulse Check

The department held its annual Pulse Check survey in December 2009 with 65 per cent of staff participating. The total satisfaction score across all statements and categories was 72 per cent.

The top three categories for the agency were work/life balance; your teams and colleagues; and resources, technology and your work environment.

In 2010 the agency is focusing on communication; leadership and planning; and reward and recognition as key areas to improve organisational effectiveness.

GLOW – Great life options @ work

The GLOW program promotes and delivers a range of health and wellbeing programs to address the physical, emotional, social and financial welfare of staff.

GLOW initiatives for 2009-10 included:

- » free flu vaccinations
- » free fruit provided to all agency worksites as a healthy snack alternative
- » initiatives to encourage safe driving
- » physical fitness classes including pilates and self-defence
- » promotion of fundraising and physical wellbeing events
- » information sessions and lunchtime forums
- » corporate partnerships with a health insurance provider and fitness centres to help staff access cost-competitive health and wellbeing services.

Supporting initiatives

Staff members undertook a range of activities, such as casual clothes days and morning teas, to raise money to support various charities including the RSPCA, Ronald McDonald House, Australia's Biggest Morning Tea and National Harmony Day.

Workplace health and safety

A healthy and safe workplace is fundamental to our business operations. The workplace health and safety the department management system details a range of strategies to ensure provides safe systems of work. For example, the Workplace Ergonomics Program is a service offered to staff to ensure correct workstation setup. The department provided one-on-one assessment of staff workstations and desk setup to over 10 per cent of staff in 2009-10. The department also introduced a new safe driving policy and associated initiatives to further demonstrate its commitment to a safe work environment.



Student work placement, Corporate Internship Program and Volunteers

Students carried out work placement as part of the Vocational Education and Training (VET) in Schools program. This program allows students to combine normal TCE studies with vocational learning and on-the-job training while attending college.

The department participated in the Corporate Internship Program run in conjunction with the University of Tasmania. Interns carried out specific projects of value to the agency and these formed part of their completion towards an undergraduate degree.

The department again participated in the Tasmanian Government Work Placement Program. This program is designed to assist newly-arrived entrants on humanitarian visas to Tasmania gain work experience in a State Government agency.

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

Training and development

The department implemented its performance management system – People and Performance Planning – which aligns individual performance deliverables and objectives directly to the key outcomes of business units, division goals and ultimately the wider agency purpose.

Leadership

The Take the Lead program is aimed at emerging frontline leaders who have direct management responsibilities or significant stakeholder management responsibilities. Four groups of up to 20 employees participated in Take the Lead in 2009-10, with three groups graduating from the program during the period.





Graduate Development Program and Graduate Employment Register

The department's Graduate Development Program and Graduate Employment Register provide graduates with work experience in the government environment in a mixture of both permanent and fixed-term roles. This important development opportunity increases the knowledge and skills of the graduates and allows the department to make a valuable contribution to the leaders of the future.

Other significant training programs run throughout the year included performance management training at the TMAG and workplace behaviour training within Tourism Tasmania.

Study assistance

The department's study assistance program contributes to employees' professional and career development aspirations by providing support for them to undertake graduate and post graduate studies which benefit the agency as a whole by enhancing employee performance.

Service recognition

Employees were recognised for their significant contribution to the agency and to the State Service, with milestone awards for 15, 20 and 25-year continuous service.



Workplace diversity

Accessing and adopting practices for balancing work and personal commitments are strongly encouraged by the department. Flexible work and leave arrangements include part-time employment, leave without pay, parental and adoption leave, and the State Service Accumulated Leave Scheme (SSALS).

In 2009-10 more than 27 per cent of the agency were employed on a part-time basis. Of these, 21 per cent were males and 79 per cent were females. Nineteen staff accessed maternity leave and 13 employees accessed leave without pay options.

As part of the State Government's *Disability Framework for Action* the department submitted its first annual report to the Premier's Disability Advisory Council in August 2009. This is a significant and important area of focus for the department. Recent significant initiatives include: Sport and Recreation Framework for People with Disability – Sport and Recreation Tasmania; and Accessible Tourism Toolkit – Tourism Tasmania.

Employee relations

Social Club

The 22E Social Club is run by a committee of dedicated volunteers who organise a range of activities and events throughout the year. 22E is supported by the department and fully funded by member contributions.

2009-10 was another busy year for 22E. Events included the annual Melbourne Cup luncheon; Christmas dinner; whole-of-government Quiz Night; the annual art competition the 'Lizibalds'; and our inaugural Tasmania Night showcasing Tasmanian, food, wine and beer.

Human resource management statistics

Employee numbers	30 June 2010
FTE equivalent employees	455.46
Total number of employees	531
(excludes employees on maternity leave (ML) and leave without pay (LWOP) > 20 days, all transfers and secondments, casual employees and board members)	
Employee analysis by employment type	
Permanent	447
Fixed-term	62
Senior executive	22
Total	531
Employee analysis by gender	
Males	218
Females	313
Total	531
Employee analysis by work pattern	
Full-time	388
Part-time	143
Total	531
Commencements (includes 122 employees from TMAG and Arts Tasmania)	212
Terminations	112
Employees who have commenced ML & LWOP>20 days and all transfers and secondments	-17
Head count Increase	83
	22%
Total agency turnover (terminations/headcount at 30 June 2010)	
Number of employees who accessed State Service Accumulatd Leave Scheme (SSALS)	26
Number of employees who accessed paid maternity leave 2009-10	10
Number of employees who accessed unpaid maternity leave 2009-10	9
Number of employees who accessed leave without pay > 20 days	13
Number of employees who accessed phased in retirement	1
Youth recruitment (employees under 25 years recruited during 2009-10 year)	
Permanent appointments	7
Fixed-term appointments greater than six months	8
Total youth recruitment appointments	15
Youth recruitment (employees under 25 years and currently employed)	
Number of trainees	0
Number of graduates	4
Number of general stream employees	29
Number of professional officers	0
Number of technical officers	0
Total	33

Supporting information

Freedom of Information

The Department of Economic Development, Tourism and the Arts has a legal duty to respond to requests for information in accordance with the *Freedom of Information Act 1991* (the Act), which commenced on 1 January 1993.

The Act provides members of the public with the right to access information held by the State Government and its agencies, with the exception of information the Act specifies as exempt from release. The Act also gives people the right to seek amendment to personal information held by agencies that is considered to be incorrect.

During 2009-10 the department received 20 requests for information under the Act and also finalised 20 requests during this period.

Statistics providing greater detail are available from the Tasmanian Department of Justice by phoning (03) 6233 4729 or by emailing legislation.development@justice.tas.gov.au

Legislation

Under the Administrative Arrangements Order (No.2) 2010, the department was responsible for the administration of the following Acts as at 30 June 2010:

Minister for the Arts

- » *Meteorites Act 1973*
- » *Museums (Aboriginal Remains) Act 1984*
- » *Plomley Trusts Act 1984*
- » *Tasmanian Arts Advisory Board Act 1975*
- » *Tasmanian Museum Act 1950*
- » *Tasmanian Symphony Orchestra (Financial Assistance) Act 1987*
- » *Theatre Royal Management Act 1986*

Minister for Economic Development

- » *Closer Settlement Act 1957*
- » *Copper Mines of Tasmania Pty Ltd (Agreement) Act 1999*
- » *Employment Incentive Assistance Act 1984*
- » *Farm Water Development Act 1985*
- » *Fire Damage Relief Act 1967* – except in so far as it relates to the erection of dwellings for renting to eligible persons under the *Homes Act 1935* (see Department of Health and Human Services under the Minister for Human Services)
- » *Goldamere Pty Ltd (Agreement) Act 1996*
- » *Iron Ore (Savage River) Arrangements Act 1996*
- » *Pulp Mill Assessment Act 2007*
- » *Rural Adjustment Act 1995*
- » *Tasmanian Development Act 1983*
- » *War Service Land Settlement Act 1950*

Minister for Sport and Recreation

- » *Tasmanian International Velodrome Management Authority (Winding-up) Act 2006*

Minister for Tourism

- » *Tourism Tasmania Act 1996*

Policies to help manage our business

Asset management

The department was responsible for a diverse asset portfolio, ranging from land holdings, buildings and leased commercial office space to the significant assets of the Tasmanian Museum and Art Gallery (TMAG)

The department's strategic asset management planning was undertaken in accordance with the Government's Strategic Asset Management Framework. During 2009-10, the department commenced a review of its Strategic Asset Management Plan (SAMP) to incorporate the existing strategies of Arts Tasmania and TMAG developed whilst part of the former Department of Environment, Parks, Heritage and the Arts. The SAMP will also reference the master plan for TMAG.

The department maintains asset registers in accordance with the Treasurer's Instructions. Details of acquisitions, disposals and write-offs were recorded in the respective registers. The financial statements for 2009-10 are reported on an accrual basis and contain details of policies in relation to recognition, valuation and depreciation of assets in notes of the statements. Assets have been valued in accordance with the department's accounting policies and procedures. These values are disclosed in the statements together with appropriate notes on valuation methods.

Risk management

Risk management practices involved identifying factors that may affect the department's ability to meet objectives and putting in place strategies to address the identified factors.

During 2009-10 Arts Tasmania and TMAG joined the department. Both these business units had established strategic business risk management plans. During the year these plans were aligned allowing for inherited variations in consequence factors and risk ratings. In 2010-11 there will be a full risk review that will fully align these plans.



Publications

Culture, Recreation and Sport

Cultural Development

Employer of Choice promotional material was produced.

Sport and Recreation

Twenty-four online sport and recreation information sheets were produced as well as information brochures detailing Wilderness Program initiatives.

What's Happening booklets for the north and north-west; booklets for ceremonies such as the Tasmanian Sporting Hall of Fame and the annual Tasmanian Sports Awards; sports survey reports; recreation frameworks for specific groups, activity plans and strategies were also produced

The Tasmanian Institute of Sport produces a quarterly bulletin.

Premier's Physical Activity Council (PPAC)

As well as the regular newsletters, *Actively in Touch* and *Get Moving Tasmania*, PPAC produced a range of publications aimed at encouraging Tasmanians to engage in healthy physical activities. A presentation booklet for the Active Tasmania Awards was also produced.

Tasmanian Museum and Art Gallery

A number of exhibition-specific brochures and booklets were produced throughout the year. Similarly, several newsletters (including e-newsletters) and bulletins were produced, as well as corporate documentation.

Arts Tasmania

An online arts industry resource package *Arts e-resources*, an ArtSite Handbook and a revised version of *Respecting Cultures* were produced along with the annual *Arts Tasmania Grants and Loans Handbook*. A fortnightly e-newsletter is also published for the arts industry.

The *Review of the Professional Theatre Sector in Tasmania*, by Justin MacDonnell, was published in March 2010.

Tourism Tasmania

A series of 17 promotional brochures aimed at specific geographical and area-of-interest markets was produced. Regular e-newsletters are also distributed to specific markets including consumers, trade, corporate and media interests.

Information brochures detailing Events Tasmania grants and developments programs were also published.

Industry Development

Export and Enterprise Development

Ten brochures in the *Tasmania Delivers* series were developed covering specific industries and export and investment marketing services.

Information to attract skilled migration was published in a brochure and DVD entitled *Tasmania, Australia: The life you have been looking for*. Chinese, Japanese and Korean versions

were produced. A DVD promoting Tasmanian exports and investment opportunities, *Tasmania Delivers*, was also produced in three languages.

Two regular emailed newsletters are produced: *Export Active* – focusing on export activities and opportunities, and *Moving South* – featuring migration case studies.

Sectoral Development

A suite of print and electronic brochures designed to help Tasmania's small businesses and to promote the services of Business Point were produced.

A re-written Antarctic prospectus, *Tasmania: Gateway to the Antarctic*, was published as well as the regular e-newsletter *Particle*.

Regional Development

Two comprehensive regional profile documents covering Tasmania's north and north-west were produced.

Tenders and consultancies

Major capital projects

No major capital projects were undertaken during the 2009-10 financial year.

Consultants and contractors

The department ensures that Tasmanian businesses are given every opportunity to compete for departmental business. It is the department's policy to support Tasmanian businesses whenever they offer best value for money for the government.

Summary of participation by local businesses

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

Total number of contracts awarded	18
Total number of contracts awarded to Tasmanian businesses	6
Total value of contracts awarded	\$11 107 665
Total value of contracts awarded to Tasmanian businesses	\$3 849 693
Total number of tenders called and/or quotation processes run	15
Total number of bids and/or written quotations received	100
Total number of bids and/or written quotations received from Tasmanian businesses	29

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

Name of contractor	Location of contractor	Description of contract	Period of contract	Total value of contract \$
BSH Electrical Pty Ltd	Tasmania	Maintenance of Fire and Electrical Services	01/05/2010 to 30/04/2013	\$523 000
			Plus optional extension provision 01/05/2013 to 30/04/2017	\$695 000
TCM Pty Ltd	Tasmania	Maintenance of Mechanical Services	01/05/2010 to 30/04/2013	\$555 000
			Plus optional extension provision 01/05/2013 to 30/04/2017	\$740 000
Taylor Thomson Whitting (NSW) Pty Ltd	New South Wales	TMAG Structural and Civil Engineering Consultant Services	24/12/2009 One-off purchase	\$235 000
Steensen Varming (Australia) Pty Ltd	New South Wales	TMAG Services Engineering Consultant	24/12/2009 One-off purchase	\$448 000
Mitchell Communication Group Limited; Bellamy Hayden Pty Ltd	Victoria	Media Agency Services	01/12/2009 to 30/11/2012	\$470 100
	New South Wales		Plus optional extension provision 1/12/2012 to 30/11/2014	\$313 400
Brian Richard Martin	Tasmania	TMAG Technology and Electronic Media Solution Services	01/11/2009 to 31/10/2012	\$250 000
			Plus optional extension provision 01/11/2012 to 31/10/2015	\$250 000
Juicy Communications Ltd	United Kingdom	International Marketing Representation – United Kingdom and Germany	01/01/2010 to 31/12/2011	\$443 646
			Plus optional extension provision 01/01/2012 to 31/12/2013	\$443 646
Corporate Express Australia Limited	Tasmania	Supply, Installation and Maintenance of Multi-function Devices (Photocopiers)	14/05/2010 to 13/05/2013	\$342 000
			Plus optional extension provision 14/05/2013 to 13/05/2016	\$342 000

Name of contractor	Location of contractor	Description of contract	Period of contract	Total value of contract \$
Development Counsellors International	United States	International Marketing Representation in North America	01/01/2010 to 31/12/2011	\$440 000
			Plus optional extension provision 01/01/2012 to 31/12/2013	\$440 000
Vivid Marketing Services;	Hong Kong	International Marketing Representation in Asia	01/08/2009 to 30/06/2011	\$530 000
Goshu Tourism Marketing Pty Ltd	New South Wales		Plus optional extension provision 01/07/2011 to 30/06/2013	\$700 000
Francis – Jones Morehen Thorp	New South Wales	TMAG Architectural and Design Services	7/10/2009 to 31/10/2012	\$1 754 320
V Cubed Pty Ltd	Western Australia	Inventory Exchange Platform	18/12/2008 to 18/04/2012	\$618 339
			Plus optional extension provision 19/04/2012 to 18/04/2015	\$270 021
Custard Pty Ltd (trading as Red Jelly)	Tasmania	Tasmania Case Studies	11/06/2010 to 30/06/2011	\$92 208
Coffey Commercial Advisory Pty Ltd	Victoria	Preparation of a submission to the A-League	16/03/2010 to 30/06/2010	\$80 000
Stenning and Associates Pty Ltd (exemption granted by Treasury)	Tasmania	Provision of Technical Services in relation to the Australian Government's Business Online Services Project	16/03/2010 to 31/08/2010	\$60 485

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

Name of consultant	Location of consultant	Description of consultancy	Period of consultancy	Total value of contract \$
Colmar Brunton Pty Ltd	New South Wales	Review of the effectiveness of promotion of Tasmania within Australia and overseas markets	17/08/2009 to 30/06/2011	\$71 500

Statutory and non-statutory bodies

Statutory bodies

Screen Tasmania Board

Tasmanian Arts Advisory Board

Tasmanian Development Board

Tasmanian Innovations Advisory Board

Tasmanian Museum and Art Gallery Board of Trustees

Tasmanian Renewable Energy Industry Development Board

Theatre Royal Management Board

Tourism Tasmania Board

Non-statutory bodies

Building and Construction Industry Council

Digital Industries Advisory Council (previously Information Technology Industry Council)

Environment Industry Council

Food Industry Council of Tasmania

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

Friends of the Tasmanian Museum and Art Gallery

Premier's Physical Activity Council

Tasmanian Institute of Sport Board

Tasmanian Museum and Art Gallery's Tasmanian Aboriginal Advisory Council

Manufacturing Industry Council

Tasmanian Science and Technology Industry Council

Public Interest Disclosures Act

Under the requirements pursuant to Section 86 of the *Public Interest Disclosures Act 2002*

s.86 (a):

A copy of the Department of Economic Development, Tourism and the Arts' procedures established under Part 7 may be obtained from the Protected Disclosures Coordinator, Matt Coombe, Corporate Policy Director.

s.86 (b) through (i):

The department did not receive any disclosures, nor did it have any disclosures referred to it from the Ombudsman to investigate in the year to 30 June 2010.

Superannuation certificate

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

Complying superannuation schemes:

AGEST Super	FuturePlus Super	REST
Alcorso Superannuation Fund	Gillooly Super Fund	Retirement Benefits Fund
AMP Flexible Lifetime Super	Haley & Associates Super	Rogers Family Super Fund
AMP Life Limited	Health Super	Sauer Superannuation Fund
AMP Retirement Savings	Hermitage Super Fund	Skandia One
Annells Price Super	HESTA Super Fund	Spectrum Super
ANZ Super Advantage	Host-Plus Hospitality	Stacpoole Hire Super
Ascui Super	ING Masterfund (Integra Super)	Statewide Super Trust
Asgard Super	Integra Super	Summit Master Trust
Austchoice Super Plan	IOOF IPS	Sunsuper
Australian Ethical Super	Just Super	Super Currant Fund
AustralianSuper	Kirkpatrick Super	Super Directions
AXA Generations Personal Super	LG Super	Superwrap
Bretos Project Management Super Fund	Macquarie Investment Management Ltd	Synergy Capital Management
Campbell-Bideau Super	Macquarie Super Accumulator	Tasplan Superannuation
Carre Family Super Fund	Mentor Super	The Spectrum Plan
CBUS	MLC Life	The Universal Super Scheme
Colonial First State	MLC Masterkey	ThomasBlack Super Fund
Colonial Super Retirement Fund	Morton Wilson Super Fund	Tower Master
Eslake & Arenella Fund	Navigator Personal Retirement	Unisuper
First Choice Wholesale Personal Super	Penny Morton Super Fund	VicSuper
First State Super	Quadrant Super	
FSP Super Fund	REI Super	



Mark Kelleher

Secretary

Department of Economic Development, Tourism and the Arts

Department of Economic Development, Tourism and the Arts

Financial statements



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Statement of Comprehensive Income for the year ended 30 June 2010

	Notes	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Continuing operations				
Revenue and other income from transactions				
Revenue from Government				
Appropriation revenue – recurrent	2.9(a), 6.1	83,130	96,644	78,114
Appropriation revenue – section 8A of the <i>Public Account Act 1986</i>	2.9(a), 6.1	-	140	940
Revenue from Special Capital Investment Funds	6.2	17,326	14,180	14,554
Grants	2.9(b), 6.3	1,887	230	20
Sales of goods and services	2.9(c), 6.4	2,832	2,957	3,684
Interest	2.9(d), 6.5	3,002	3,268	2,426
Contributions received	2.9(e), 6.6	-	508	-
Other revenue	2.9(f), 6.7	999	9,791	6,859
Total revenue and other income from transactions		109,176	127,718	106,597
Expenses from transactions				
Employee benefits	2.10(a), 7.1	32,224	38,807	32,388
Depreciation and amortisation	2.10(b), 7.2	1,721	1,862	1,321
Supplies and consumables	2.10(c), 7.3	31,937	33,031	27,805
Grants and subsidies	2.10(d), 7.4	41,739	46,958	44,413
Borrowing costs	2.10(e), 7.5	2,193	1,866	1,302
Other expenses	2.10(f), 7.6	1,843	4,945	5,749
Total expenses from transactions		111,657	127,469	112,978
Net result from transactions (net operating balance)		(2,481)	249	(6,381)
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	2.11(a)(c), 8.1	-	(232)	398
Net gain/(loss) on financial instruments and statutory receivables/payables	2.11(b), 8.2	-	(7,868)	75
Total other economic flows included in net result		-	(8,100)	473
Net result from continuing operations		(2,481)	(7,851)	(5,908)
Net result		(2,481)	(7,851)	(5,908)
Other economic flows – other non-owner changes in equity				
Changes in physical asset revaluation reserve	12.1	7,994	96,300	805
Total other economic flows – Other non-owner changes in equity		7,994	96,300	805
Comprehensive result		5,513	88,449	(5,103)

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

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

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

Statement of Financial Position as at 30 June 2010

	Notes	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Assets				
Financial assets				
Cash and deposits	2.12(a), 13.1	25,424	27,533	31,964
Receivables	2.12(b), 9.1	766	810	444
Loan Advances	2.12(c), 9.2	46,535	32,202	21,587
Equity investments	2.12(e), 9.3	3,553	589	5,695
Non-financial assets				
Inventories	2.12(d), 9.4	-	459	-
Property, plant and equipment	2.12(f), 9.5	41,462	71,852	38,069
Heritage and cultural assets	2.12(f), 9.5	404,360	486,520	-
Investment property	2.12(g), 9.6	11,100	11,310	11,570
Intangibles	2.12(h), 9.7	398	1,237	655
Other assets	2.12(i), 9.8	2,518	3,448	3,336
Total assets		536,116	635,960	113,320
Liabilities				
Payables	2.13(a), 10.1	4,359	1,938	3,491
Interest bearing liabilities	2.13(b), 10.2	39,024	25,021	12,021
Provisions	2.13(c), 10.3	-	2,023	1,768
Employee benefits	2.13(d), 10.4	6,543	7,424	6,415
Other liabilities	2.13(f), 10.5	2,832	1,678	1,109
Total liabilities		52,758	38,084	24,804
Net assets		483,358	597,876	88,516
Equity				
Reserves	12.1	384,342	100,604	4,304
Accumulated funds		99,016	497,272	84,212
Total equity		483,358	597,876	88,516

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

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

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

Statement of Cash Flows for the year ended 30 June 2010

	Notes	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Cash flows from operating activities		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash inflows				
Appropriation receipts – recurrent		83,130	97,613	78,255
Receipts from Special Capital Investment Funds		17,326	14,180	14,554
Grants		1,887	230	20
Sales of goods and services		2,829	1,655	3,378
GST receipts		6,500	613	700
Interest received		3,002	2,988	2,529
Other cash receipts		999	5,594	6,296
Total cash inflows		115,673	122,873	105,732
Cash outflows				
Employee benefits		(32,042)	(39,273)	(31,457)
Grants and subsidies		(41,639)	(42,256)	(39,295)
GST payments		(6,500)	(8,453)	(7,793)
Interest payments		(2,143)	(2,143)	(1,477)
Supplies and consumables		(31,969)	(29,553)	(25,314)
Other cash payments		(1,743)	(4,256)	(5,530)
Total cash outflows		(116,036)	(125,934)	(110,866)
Net cash from (used by) operating activities	13.2	(363)	(3,061)	(5,134)
Cash flows from investing activities				
Cash inflows				
Proceeds from the disposal of non-financial assets		-	458	651
Repayment of loans by other entities		2,385	1,347	2,249
Receipts from investments		600	39	690
Total cash inflows		2,985	1,844	3,590
Cash outflows				
Loans made to other entities		(27,250)	(14,114)	(17,130)
Payments for acquisition of non-financial assets		(8,650)	(1,665)	(1,628)
Payments for investments		-	(391)	(819)
Other cash payments		-	(721)	(158)
Total cash outflows		(35,900)	(16,891)	(19,735)
Net cash from (used by) investing activities		(32,915)	(15,047)	(16,145)
Cash flows from financing activities				
Cash inflows				
Proceeds from borrowings		23,000	18,000	-
Total cash inflows		23,000	18,000	-

Statement of Cash Flows for the year ended 30 June 2010 (continued)

	Notes	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Cash outflows				
Repayment of borrowings		-	(5,000)	(2,003)
Total cash outflows		-	(5,000)	(2,003)
Net cash from (used by) financing activities		23,000	13,000	(2,003)
Net increase (decrease) in cash held and cash equivalents				
		(10,278)	(5,108)	(23,282)
Cash and deposits at the beginning of the reporting period		35,702	31,964	55,246
Cash inflow on administrative restructure		-	677	-
Cash and deposits at the end of the reporting period	13.1	25,424	27,533	31,964

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

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

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

Statement of Changes in Equity for the year ended 30 June 2010

	Notes	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
Balance as at 1 July 2009		4,304	84,211	88,516
Total comprehensive result		96,300	(7,851)	88,449
Transactions as owners in their capacity as owners:				
Administrative restructure – net assets received	12.2	-	420,912	420,912
Total		96,300	413,061	509,361
Balance as at 30 June 2010		100,604	497,272	597,876

	Notes	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
Balance as at 1 July 2008		3,499	90,119	93,619
Total comprehensive result		805	(5,908)	(5,103)
Transactions as owners in their capacity as owners:				
Administrative restructure – net assets received	12.2	-	-	-
Total		805	(5,908)	(5,103)
Balance as at 30 June 2009		4,304	84,211	88,516

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	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Administered revenue and other income from transactions				
Revenue from Government				
Appropriation revenue – recurrent	2.9(a), 15.2	3,785	3,785	1,000
Total administered revenue and other income from transactions		3,785	3,785	1,000
Administered expenses from transactions				
Grants and subsidies				
	2.10(d), 15.3	3,785	3,785	1,000
Total administered expenses from transactions		3,785	3,785	1,000
Administered net result from transactions attributable to the State		-	-	-

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 15.1 of the accompanying notes.

The Department does not have any Administered Assets or Liabilities.

I.2 Schedule of Administered Cash Flows

	Notes	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Administered cash flows from operating activities				
Administered cash inflows				
Appropriation receipts – recurrent		3,785	3,785	1,000
Total administered cash inflows		3,785	3,785	1,000
Administered cash outflows				
Grants and subsidies		(3,785)	(3,785)	(1,000)
Total administered cash outflows		(3,785)	(3,785)	(1,000)
Administered net cash from (used by) operating activities	15.1(b)	-	-	-
Net increase (decrease) in administered cash held		-	-	-
Administered cash and deposits at the beginning of the reporting period		-	-	-
Administered cash and deposits at the end of the reporting period		-	-	-

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 15.1 of the accompanying notes.

Note 2 Significant Accounting Policies

2.1 Objectives and Funding

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

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

- » responding to our clients' needs and helping them to achieve their goals
- » supporting Tasmanian businesses to succeed nationally and internationally
- » encouraging investment in Tasmania
- » continuing to recognise, build and promote Tasmania's visitor appeal
- » developing Tasmania's arts community and its capacity to contribute creatively, culturally and economically
- » providing, promoting and facilitating interaction with, and understanding of, the cultural and natural world
- » improving Tasmanians' wellbeing by providing sport and recreation participation opportunities
- » providing authoritative policy advice and implementation to support these aims.

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

Departmental activities are classified as either controlled or administered.

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

The Department is predominantly funded through Parliamentary appropriations. The financial report encompasses all funds through which the Department controls resources to carry on its functions.

2.2 Basis of Accounting

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

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

The Financial Statements were signed by the Secretary on 17 August 2010.

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

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

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

2.3 Reporting Entity

The Financial Statements include all the controlled activities of the Department. The Financial Statements consolidate material transactions and balances of the Department and entities included in its output groups, including Tasmania Development and Resources (TDR), Tourism Tasmania, Tasmanian Museum and Art Gallery and Arts Tasmania. Material transactions and balances between the Department and such entities have been eliminated.

As a result of an administrative restructure order, the Department of Environment, Parks, Heritage and the Arts ceased to exist on 30 June 2009. Consequently the Tasmanian Museum and Art Gallery and Arts Tasmania joined the Department from 1 July 2009. Further information is provided at Note 12.2.

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 101 *Presentation of Financial Statements* – this Standard has been revised and introduces a number of terminology changes as well as changes to the structure of the Statement of Changes in Equity and the Statement of Comprehensive Income. It is now a requirement that owner changes in equity be presented separately from non-owner changes in equity. There is no financial impact resulting from the application of this revised Standard.

- » AASB 123 *Borrowing Costs* – this Standard has been revised to mandate the capitalisation of all borrowing costs attributable to the acquisition, construction or production of qualifying assets. AASB 2009-1 *Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities* [AASB 1, AASB 111 & AASB 123] issued in April 2009 allows not-for-profit public sector entities to continue to choose whether to expense or capitalise borrowing costs relating to qualifying assets. There is no financial impact resulting from the application of this revised Standard.
- » AASB 2007-10 *Further Amendments to Australian Accounting Standards arising from AASB 101* – revised Standard to be applied from reporting periods beginning on or after 1 January 2010. This Standard changes the term “general purpose financial report” to “general purpose Financial Statements” and the term “financial report” to “Financial Statements”, where appropriate, in Australian Accounting Standards (including Interpretations) and the *Framework* to better align with IFRS terminology. The Standard will not have a financial impact on the Financial Statements.
- » AASB 2009-2 *Amendments to Australian Accounting Standards: Improving Disclosures about Financial Instruments* – introduces new disclosure requirements for fair value measurement and refines existing disclosures on liquidity risk for financial instruments. There is no financial impact from the application of this Standard.
- » AASB 2009-10 *Amendments to Australian Accounting Standards: Reclassification of Financial Instruments* – permits the reclassification of certain non-derivative financial assets. The Department does not intend to reclassify financial assets in the current period, accordingly there will be no financial impact.
- » AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] – to be applied for reporting periods beginning on or after 1 January 2013, the amendment to AASB 7 requires modification to the disclosure of categories of financial assets. The Standard will not have a material financial impact on the Department's Financial Statements.
- » AASB 2009-13 *Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners* – revised Standard to be applied from annual reporting periods beginning on or after 1 July 2010. The amendments are in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners and the disclosure requirements for dividends that are declared after the reporting period but before the Financial Statements are authorised for issue, respectively. The Standard will not have a material financial impact on the Department's Financial Statements.
- » AASB Interpretation 14 AASB 119 the *Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* – the interpretation clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on the impact of minimum funding requirements on such assets. It also gives guidance on when a MFR might give rise to a liability. The Interpretation will not have a material financial impact on the Financial Statements.
- » AASB 1053 *Application of Tiers of Australian Accounting Standards* – establishes a differential reporting framework, which consists of two tiers of reporting requirements – to be applied for reporting periods beginning on or after 1 Jul 2013. The Standard will not have a material financial impact on the Financial Statements.

The impact of the changes has been adjusted in the comparative information presented in the Financial Statements and associated notes.

(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* – Standard to be applied to annual reporting periods beginning on or after 1 January 2013, includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the replacement of AASB 139 *Financial Instruments: Recognition and Measurement*. These requirements improve and simplify the approach for classification.
- » AASB 2009-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* – revised Standard to be applied from reporting periods beginning on or after 1 January 2010. The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The Standard will not have a material financial impact on the Department's Financial Statements.

2.6 Administered Transactions and Balances

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

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

2.7 Activities Undertaken Under a Trustee or Agency Relationship

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

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

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. Details of these transactions are provided in Note 12.2.

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 revenue in the period in which the Department gains control of the appropriated funds. Except for any amounts identified as carried forward in Notes 6.1 and 15.2, control arises in the period of appropriation.

(b) Grants

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

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

(c) Sales of goods and services

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

(d) Interest

Interest on funds invested is recognised as it accrues using the effective interest rate method.

(e) Contributions received

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

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

(f) Other revenue

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

2.10 Expenses from transactions

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

(a) Employee benefits

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

(b) Depreciation and amortisation

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

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

Major depreciation periods are:

Plant and equipment	2-25 years
Buildings	50-80 years
Leasehold improvements	5-12 years

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

The major amortisation period is:

Software	5 years
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(c) Supplies and consumables

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

(d) Grants and subsidies

Grant and subsidies expenditure is recognised to the extent that:

- » the services required to be performed by the grantee have been performed
- » the grant eligibility criteria have been satisfied.

A liability is recorded when the Department has a binding agreement to make the grants but services have not been performed or criteria satisfied. Where grant monies are paid in advance of performance or eligibility, a prepayment is recognised.

(e) Borrowing costs

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

Borrowing costs include:

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

(f) Other expenses

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

2.11 Other economic flows included in net result

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

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

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

(b) Impairment – Financial assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that 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.

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

(c) Impairment – Non-financial assets

All non-financial assets are assessed to determine whether any impairment exists. Impairment exists when the recoverable amount of an asset is less than its carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use. The Department's assets are not used for the purpose of generating cash flows;

therefore value in use is based on depreciated replacement cost where the asset would be replaced if deprived of it.

All impairment losses are recognised in Statement of Comprehensive Income.

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

(d) 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. Deposits are recognised at amortised cost, being their face value.

(b) Receivables

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

(c) Loan advances

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

(d) Inventories

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

(e) Equity investments

Equity investments are initially recorded at the net recoverable value determined as follows:

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

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

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

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

(f) Property, plant and equipment

(i) Valuation basis

Land, buildings, heritage and cultural assets and other long-lived assets are recorded at fair value less accumulated depreciation. All other Non-current physical assets, including work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses.

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

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

(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 grouped on the basis of having a similar nature or function in the operations of the Department. Investment Property is revalued by class of asset annually to ensure they reflect fair value at balance date.

(g) Investment property

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

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

Investment property is not depreciated.

(h) Intangibles

An intangible asset is recognised where:

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

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

(i) Other assets

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

2.13 Liabilities

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

(a) Payables

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

(b) Interest bearing liabilities

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

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

(c) Provisions

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

(d) Employee benefits

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June 2010, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

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

(e) Superannuation

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

(f) Other liabilities

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

2.14 Leases

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

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

2.15 Judgements and Assumptions

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

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

the revision and future periods if the revision affects both current and future periods.

Judgements made by the Department that have significant effects on the Financial Statements are disclosed in the 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. Associated gains and losses are not material.

2.17 Comparative Figures

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

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

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

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

2.18 Budget Information

Budget information refers to original estimates as disclosed in the 2009-10 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 (GST).

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 ATO is recognised as an asset or liability within the Statement of Financial Position.

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

2.22 Change in accounting estimates

During 2009-10, in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, a change in accounting estimate was made in respect of the following items:

- » Land and buildings assets identified by Property, Procurement and Facilities in 2009-10 with a value of \$3,050 million have been treated as a change in accounting estimate in the 2009-10 financial year. Further information is provided at Note 6.7.

Note 3 Departmental Output Schedules

3.1 Output Group Information

Comparative information has not been restated for external administrative restructures.

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

Output Group 1 – Economic Development

1.1 Export and Trade Facilitation

This Output provides services to assist Tasmanian businesses with the identification and development of new domestic and overseas markets and export opportunities. Assistance is provided through training and management support to targeted businesses, industry bodies and government departments, as well as targeted trade missions and trade fairs.

1.2 Investment Attraction and Industry Development

This Output undertakes investment attraction promotional activities, seeks to assist Tasmanian enterprises become investment ready, promotes the Tasmanian brand through Project Tasmania, and also assists with the provision of project support and finance facilitation services to potential investors considering major strategic economic development opportunities.

1.3 Innovation Support

This Output delivers the services to support innovation in the economy, and assists organisations involved in science and technology based activities. This Output also facilitates grant disbursement arrangements associated with the Intelligent Island Program.

1.4 Labour and Employment

This Output provides assistance to businesses, industry sectors and regional communities to respond appropriately to labour and skills shortages and displaced workers, as well as providing assistance for long-term and disadvantaged unemployed people to enter the labour force.

1.5 Antarctic Industry Development

This Output promotes Tasmania's international profile as a centre for Antarctic and Sub-Antarctic activity, with the intention of increasing the amount of expenditure in Tasmania from Antarctic-related enterprises.

1.6 Film, TV and Multimedia Industry Development

This Output focuses on providing support to increase screen production in Tasmania. It aims to facilitate access to and assist in the promotion of Tasmanian screen content and talent to a world-wide audience.

1.7 Industry Research and Strategy

This Output supports the development of economic and industry strategy, policy and research projects. Strategy projects focus on three themes:

- » contributing to a strong business enabling environment
- » influencing Tasmania's infrastructure projects to maximise economic development opportunities
- » identifying key investment and reinvestment opportunities for the State.

1.8 Small Business Development

This Output provides statewide support for the expansion of existing small businesses, as well as promoting the establishment of new businesses that are forward-looking, internationally competitive, and capable of long-term growth. Services are provided through Regional Offices and Enterprise Centres located throughout the State.

Output Group 2 – Sport and Recreation

2.1 Sport and Recreation

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

Output Group 3 – Tourism

3.1 Tourism

The Output uses a variety of marketing approaches to stimulate awareness and demand for travel to and around Tasmania in intrastate, interstate and international markets by building a strong distinctive brand, delivering highly differentiated marketing campaigns and developing significant national and international cooperative partnerships. The Output also facilitates public relations activities that attract editorial coverage in domestic and international target markets.

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

The Output also supports development strategies and approaches to encourage experiential tourism products that will build competitive advantage, assist in attracting visitors to the state and exceed visitor expectations. It includes the provision of business intelligence and information on tourism investment opportunities, particularly new tourism infrastructure, and works with industry and government partners to ensure that Tasmania continues to develop new and engaging experiences that connect visitors with the destination.

3.2 Events

This Output plays a leadership role in stimulating events growth in Tasmania. This is achieved through the attraction and retention of a diverse range of events, and through event development and support activities. Events Tasmania works with key events that deliver on a range of social, cultural, economic and environmental benefits to the Tasmanian community.

Output Group 4 – Arts

4.1 Tasmanian Museum and Art Gallery

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

4.2 Art Industry Developments

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

Output Group I – Economic Development

	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation ¹	36,036	42,972	39,271
Other revenue from Government	-	-	435
Interest	3,002	3,260	2,426
Sales of goods and services ²	776	-	-
Other revenue ³	999	2,317	2,858
Total revenue and other income from transactions	40,813	48,549	44,990
Expenses from transactions			
Employee Entitlements ⁴	11,453	15,703	15,496
Superannuation ⁴	1,135	1,622	1,564
Depreciation and Amortisation ⁵	766	507	532
Borrowing Costs	2,193	1,837	1,273
Grants and subsidies	19,457	19,211	19,568
Other expenses from ordinary activities			
Consultants and contracted services ⁶	578	6,573	273
Property services ⁷	1,538	2,404	647
Maintenance	296	188	222
Communications	457	459	764
Information technology ⁸	1,178	579	1,007
Travel and transport	1,038	1,075	1,520
Advertising and promotion ⁹	1,396	464	910
Other supplies and consumables ¹⁰	4,480	391	8,816
Other expenses ¹¹	824	2,099	-
Total expenses from transactions	46,789	53,112	52,592
Net result from transactions (net operating balance)	(5,976)	(4,563)	(7,602)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	-	(261)	437
Impairment reversals/(losses)	-	(7,867)	75
Other gains/(losses) from other economic flows	-	-	(23)
Total other economic flows included in net result	-	(8,128)	489
Net result from continuing operations	-	(12,691)	(7,113)
Net result	-	(12,691)	(7,113)
Comprehensive result	(5,976)	(12,691)	(7,113)
Expense by output			
I.1 Export and Trade Facilitation	3,784	3,575	5,431
I.2 Investment Attraction and Industry Development ¹²	17,165	22,752	15,873
I.3 Innovation Support	13,606	13,693	17,468
I.4 Labour and Employment	1,934	1,929	2,973
I.5 Antarctic Industry Development	1,160	1,274	2,101
I.6 Film, TV and Multimedia Industry development	1,182	1,216	1,442
I.7 Industry Research and Strategy	1,735	1,631	1,612
I.8 Small Business Development	6,223	6,043	5,692
Total	46,789	53,112	52,592
Net Assets			
Total assets deployed for Output Group I		76,820	75,774
Total liabilities incurred for Output Group I		(33,027)	(19,289)
Net assets deployed for Output I		43,793	56,485

Notes:

1. Revenue from appropriation is above budget primarily due to additional funding provided for the North West Assistance Package (\$5.3m), Forest Contractors Support Program (\$1.8m) and National Broadband Network (\$1.0m).
2. Sales of goods and services are below budget due to a reclassification from sales of goods and services to other revenue.
3. Other revenue is above budget due to greater than anticipated revenue being collected from departmental investment properties and other sources (\$550,000), and a reclassification of revenue from sales of goods and services.
4. Employee entitlements and Superannuation are above budget due to the original budget not including estimates for employee separation payments (\$1.1m), increases as a result of the award translation process, positions funded from external sources and the increase in accrued employee benefits (approximately \$2.0m).
5. Depreciation and amortisation is below budget mainly due to the full depreciation of some assets and the impact of disposals.
6. Consultants and contracted services are above budget mainly due to the expenditure of additional funds relating to the North West Assistance Package (\$4.3m).
7. Property services are above budget mainly due to a reclassification of property services expenses from other supplies and consumables.
8. Information technology is below budget mainly due to expenditure savings implemented (\$400,000).
9. Advertising and promotion is below budget primarily due to delays in relation to Project Tasmania activities (\$552,000).
10. Other supplies and consumables are below budget due to expenditure savings implemented. In addition, there was a reclassification of other supplies and consumables to other expenses.
11. Other expenses are above budget due to a reclassification of salary on costs from other supplies and consumables and increased payroll tax expense as a result of employee separation payments, the award translation process and positions funded from external sources.
12. Investment Attraction and Industry Development is above budget due to additional funds provided for the North West Assistance Package (\$5.3) and Forest Contractors Support Program (\$1.8m).

Output Group 2 – Sport and Recreation

	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation ¹	7,847	9,433	9,580
Grants ²	1,887	90	20
Other revenue ³	-	4,085	3,804
Total revenue and other income from transactions	9,734	13,608	13,404
Expenses from transactions			
Employee Entitlements ⁴	3,227	4,082	3,270
Superannuation	288	417	345
Depreciation and Amortisation	324	581	587
Grants and subsidies ⁵	4,973	6,390	7,288
Other expenses from ordinary activities			
Consultants and contracted services	5	238	1
Property services ⁶	194	492	637
Maintenance	40	101	73
Communications	86	108	100
Information technology	108	35	51
Travel and transport ⁷	111	378	415
Advertising and promotion	231	119	77
Other supplies and consumables	538	162	794
Other expenses ⁸	199	1,062	-
Total expenses from transactions	10,324	14,165	13,638
Net result from transactions (net operating balance)	(590)	(557)	(234)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	-	31	-
Other gains/(losses) from other economic flows	-	-	(16)
Total other economic flows included in net result	-	31	(16)
Net result from continuing operations	-	(526)	(250)
Net result	-	(526)	(250)
Other economic flows – other non-owner changes in equity			
Changes in physical asset revaluation reserve	-	-	805
Total other economic flows – other non-owner changes in equity	-	-	805
Comprehensive result	(590)	(526)	555
Expense by output			
2.1 Sport and Recreation ⁹	10,324	14,165	13,638
Total	10,324	14,165	13,638
Net Assets			
Total assets deployed for Output Group 2		32,912	31,828
Total liabilities incurred for Output Group 2		(800)	(783)
Net assets deployed for Output Group 2		32,112	31,045

Notes:

1. Revenue from appropriation is above budget primarily due to additional funding provided for the Sport and Recreation Grants Program (\$300,000) and the Northern Regional Tennis Centre (\$450,000), and an internal funding restructure (\$525,000).
2. Grants revenue is below budget mainly due to a decrease in Australian Government grants received and the reclassification of funds received under the Community Support Levy (\$1.2m).
3. Other revenue is above budget due to the reclassification of funds received under the Community Support Levy (\$1.2m), unbudgeted revenue received as a result of Silverdome activities (\$826,000) as well as unbudgeted revenue for various sport and recreation programs.
4. Employee entitlements are above budget mainly due to increases as a result of the award translation process as well as Silverdome activities being brought in as part of departmental operations.
5. Grants and Subsidies are above budget mainly due to additional funding provided for the Sport and Recreation Grants Program (\$300,000) and the Northern Regional Tennis Centre (\$900,000).
6. Property services are above budget mainly due to a reclassification of property services expenses from other supplies and consumables.
7. Travel and transport is above budget primarily due to the Tasmanian Institute of Sport sponsored vehicles and travel expenses, which were not reflected in the original budget (\$232,000).
8. Other expenses are above budget due to internal funding transfers and a reclassification of salary on costs from other supplies and consumables.
9. Sport and Recreation is above budget mainly due to additional funding received for the Sport and Recreation Grants Program (\$300,000) and the Northern Regional Tennis Centre (\$900,000), and an internal funding restructure (\$525,000).

Output Group 3 – Tourism

	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation ¹	26,322	30,454	28,404
Other revenue from Government	-	-	364
Sales of goods and services ²	1,360	1,816	3,684
Other revenue	-	5	197
Total revenue and other income from transactions	27,682	32,275	32,649
Expenses from transactions			
Employee Entitlements	9,702	9,840	11,142
Superannuation	1,073	748	988
Depreciation and Amortisation ³	82	287	202
Borrowing Costs	-	9	-
Grants and subsidies ⁴	3,094	4,471	3,110
Other expenses from ordinary activities			
Consultants and contracted services	231	240	136
Property services	1,222	906	168
Maintenance	-	46	45
Communications ⁵	1,263	404	641
Information technology ⁶	1,846	845	1,153
Travel and transport	906	665	866
Advertising and promotion ⁷	9,011	12,547	7,081
Other supplies and consumables ⁸	2,571	572	6,134
Other expenses ⁹	605	1,385	-
Total expenses from transactions	31,606	32,965	31,666
Net result from transactions (net operating balance)	(3,924)	(690)	983
Net result	-	(690)	983
Comprehensive result	(3,924)	(690)	983
Expense by output			
3.1 Tourism Marketing	28,482	28,926	28,387
3.2 Major Events Support	3,124	4,039	3,279
Total	31,606	32,965	31,666
Net Assets			
Total assets deployed for Output Group 3		2,871	5,717
Total liabilities incurred for Output Group 3		(2,576)	(4,731)
Net assets deployed for Output Group 3		295	986

Notes:

- Revenue from appropriation is above budget due to additional funding provided for Tourism Marketing and Events (\$4.0m).
- Sales of Goods and Services are above budget due to higher than expected revenue from operating activities.
- Depreciation and amortisation is above budget due to an increase in intangible asset acquisitions.
- Grants and Subsidies are above budget mainly due to the additional funding for Events (\$1.0m).
- Communications is below budget due to the closure of Tasmania's Temptations (\$936,000).
- Information technology is below budget due to the closure of Tasmania's Temptations (\$771,000).
- Advertising and promotion is above budget mainly due to the additional funding for Tourism Marketing (\$3.0m).
- Other supplies and consumables are below budget mainly due to a reclassification of salary on costs to other expenses (\$641,000) and the closure of Tasmania's Temptations (\$400,000).
- Other expenses are above budget due to a reclassification of salary on costs from other supplies and consumables and increased payroll tax expense as a result of employee separation payments and the award translation process.

Output Group 4 – Arts

	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	12,925	13,925	-
Grants	-	140	-
Sales of goods and services ¹	696	1,141	-
Interest	-	8	-
Contributions received ²	-	508	-
Other revenue ³	-	3,384	-
Total revenue and other income from transactions	13,621	19,106	
Expenses from transactions			
Employee Entitlements	4,845	5,414	-
Superannuation	501	546	-
Depreciation and Amortisation	549	487	-
Borrowing Costs	-	20	-
Grants and subsidies	5,229	4,911	-
Other expenses from ordinary activities			
Consultants and contracted services	88	331	-
Property services	691	711	-
Maintenance	345	166	-
Communications	206	128	-
Information technology	422	318	-
Travel and transport	168	212	-
Advertising and promotion	185	65	-
Other supplies and consumables ⁴	168	572	-
Other expenses	215	336	-
Total expenses from transactions	13,612	14,217	-
Net result from transactions (net operating balance)	9	4,889	-
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	-	(2)	-
Impairment reversals/(losses)	-	(1)	-
Total other economic flows included in net result	-	(3)	-
Net result from continuing operations	-	4,886	-
Net result	-	4,886	-
Comprehensive result	9	4,886	-
Expense by output			
4.1 Tasmanian Museum and Art Gallery	6,342	6,858	-
4.2 Art Industry Development	7,270	7,359	-
Total	13,612	14,217	-
Net Assets			
Total assets deployed for Output Group ⁴		522,188	-
Total liabilities incurred for Output Group ⁴		(1,683)	-
Net assets deployed for Output Group⁴		520,505	-

Notes:

Due to the Administrative Restructure Order announced on 14 May 2009 the Tasmanian Museum and Art Gallery and Arts Tasmania joined the Department from 1 July 2009. Comparative information has not been restated for the administrative restructure.

1. Sales of Goods and Services are above budget due to higher than expected revenue from the Art for Public Buildings Scheme (\$445,000).
2. Contributions received are above budget due to donations from the Cultural Gifts program.
3. Other revenue is above budget mainly due to the transfer of property from the Tasmanian Museum and Art Gallery Trustees to the department.
4. Other Supplies and consumables are above budget mainly due to expenditure from the Art for Public Buildings Scheme which had been originally budgeted against grants and subsidies (\$583,000).

Special Capital Investment Funds

	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from Special Capital Investment Funds	17,326	14,180	14,554
Total revenue and other income from transactions	17,326	14,180	14,554
Expenses from transactions			
Employee benefits	-	397	134
Superannuation	-	38	16
Grants and subsidies	8,986	11,975	13,787
Other expenses from ordinary activities			
Consultants	-	-	15
Property Services	-	2	-
Travel and transport	-	49	37
Advertising and promotion	-	9	3
Other supplies and consumables	340	540	90
Total expenses from transactions	9,326	13,010	14,082
Net result from transactions (net operating balance)	8,000	1,170	472
Net result	8,000	1,170	472
Comprehensive result	8,000	1,170	472
Expense by output			
Aurora Stadium ¹	2,000	-	-
Bellerive Oval Lighting ²	2,000	2,850	-
Tasmanian Museum and Art Gallery	-	548	-
AFL Arrangement – Hawthorn Football Club	3,601	3,428	3,387
Domain Tennis Centre	1,050	1,050	1,200
Industry Assistance Program ³	600	1,014	1,526
University Redevelopment Menzies Centre	-	-	3,000
Partnerships to Jobs Program	-	-	15
Tourism Promotion Plan ⁴	-	256	2,583
Northern Tennis Centre ⁵	-	450	480
Launceston Aquatic Centre	-	-	1,300
Devonport Skate Park	75	75	-
Axeman's Hall of Fame	-	-	100
Bushy Park Show Ground Upgrade	-	-	143
Don River Railway	-	-	184
King George V Grandstand	-	-	164
Channel Heritage Museum ⁵	-	900	-
George Town Outdoor Fitness Park ⁵	-	95	-
Wynyard Senior Citizens Club ⁵	-	74	-
York Cove Walking and Cycling Track ⁵	-	300	-
Burnie Tennis Club ⁵	-	400	-
Kingston Tennis Club ⁵	-	120	-
Mersey Bluff Recreation Precinct ⁵	-	500	-
Taroona Football Club Clubrooms ⁵	-	20	-
Elphin Sports Centre Maintenance ⁵	-	16	-
Launceston Football Club ⁵	-	60	-
Queen Victoria Museum and Art Gallery ⁵	-	460	-
Glenorchy Arts Sculpture Park ⁵	-	214	-
Tarkine marketing and promotion ⁵	-	180	-
Total	9,326	13,010	14,082

Notes:

1. Aurora Stadium is below budget due to delays in the signing of the grant deed.
2. Bellerive Oval Lighting is above budget due to additional funding approved in 2010 for the project (\$850,000).
3. Industry Assistance Program is above budget mainly due to expenditure on grants and other industry assistance agreements.
4. The budget for the Tourism Promotion Plan resides within the Department of Treasury and Finance.
5. Additional grant contributions totalling \$3.6 million were announced by the Government during 2009-10 and funded from the Urban Renewal and Heritage Fund.

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

	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Total comprehensive result of Output Groups	(10,481)	(7,851)	(5,103)
Reconciliation to comprehensive result			
TMAG redevelopment	8,000	-	-
Changes in physical asset revaluation reserve	7,994	96,300	-
Comprehensive result	5,513	88,449	(5,103)

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

	2010 Actual \$'000	2009 Actual \$'000
Total net assets deployed for Output Groups	596,705	88,516
Reconciliation to net assets		
Assets unallocated to Output Groups	1,171	-
Liabilities unallocated to Output Groups	-	-
Net assets	597,876	88,516

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.

	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Administered revenue and other income from transactions			
Revenue from appropriation	3,785	3,785	1,000
Total administered revenue and other income from transactions	3,785	3,785	1,000
Administered expenses from transactions			
Grants and subsidies	3,785	3,785	1,000
Total administered expenses from transactions	3,785	3,785	1,000
Administered net result from transactions (net operating balance)	-	-	-
Administered expense by output			
Ten Days on The Island	1,205	1,205	-
Tasmanian Symphony Orchestra	1,414	1,414	-
Theatre Royal	166	166	-
Tasmanian Icon Program	1,000	1,000	1,000
Total	3,785	3,785	1,000

Note 4 Explanations of Material Variances between Budget and Actual Outcomes

The following are brief explanations of material variances between Budget estimates and actual outcomes. Variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and \$200,000.

4.1 Statement of Comprehensive Income

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue – recurrent	(a)	83,130	96,644	13,514	16
Revenue from Special Capital Investment Funds (SCIF)	(b)	17,326	14,180	(3,146)	(18)
Grants	(c)	1,887	230	(1,657)	(88)
Other revenue	(d)	999	9,791	8,792	880
Employee benefits	(e)	32,224	38,807	6,583	20
Grants and subsidies	(f)	41,739	46,958	5,219	13
Borrowing costs	(g)	2,193	1,866	(327)	(15)
Other expenses	(h)	1,843	4,945	3,102	168

Notes to Statement of Comprehensive Income variances

- Appropriation revenue is above budget due to additional funds provided for North West Assistance Package (\$5.3m), Forest Contract Support Program (\$1.8m), National Broadband Network (\$1.0m) and Tourism Marketing and Events (\$4.0m).
- Revenue from Special Capital Investment Funds is below budget primarily due to delayed ESIF projects (\$7.4m), which is offset by additional URHF grants announced during 2009-10 (\$3.6m).
- Grants are below budget mainly due to a decrease in Australian Government grants received and the reclassification of funds received under the Community Support Levy (\$1.2m).
- Other revenue is above budget mainly due to the transfer of property from the Tasmanian Museum and Art Gallery Trustees to the department (\$3.1m), the reclassification of funds received under the Community Support Levy (\$1.2m) and greater than anticipated revenue being collected from departmental investment properties and other sources (\$550,000).
- Employee benefits are above budget due to the original budget not including estimates for employee separation payments (\$2.9m), increases as a result of the award translation process, positions funded from external sources and the increase in accrued employee benefits (approximately \$3.5m).
- Grants and subsidies are above budget due to additional funding provided for the Northern Regional Tennis Centre (\$900,000), National Broadband Network (\$1.0m), Events (\$1.0m) and additional grants funded through the Social Capital Infrastructure Fund (\$1.2m).
- Borrowing costs are below budget due to lower than budgeted disbursement of loans under the Tasmanian Industry Support Scheme.
- Other expenses are above budget due to a reclassification of salary on costs from other supplies and consumables, expenditure relating to additional funding provided and increased payroll tax expense as a result of employee separation payments, the award translation process and positions funded from external sources.

4.2 Statement of Financial Position

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Loan advances	(a)	46,535	32,202	(14,333)	(31)
Equity Investments	(b)	3,553	589	(2,964)	(83)
Inventories	(c)	-	459	459	100
Property, plant and equipment	(d)	41,462	71,852	30,390	73
Heritage and cultural assets	(e)	404,360	486,520	82,160	20
Intangibles	(f)	398	1,237	839	211
Other assets	(g)	2,518	3,448	930	37
Payables	(h)	4,359	1,938	(2,421)	(56)
Interest bearing liabilities	(i)	39,024	25,021	(14,003)	(36)
Provisions	(j)	-	2,023	2,023	100
Employee benefits	(k)	6,543	7,424	881	13
Other liabilities	(l)	2,832	1,678	(1,154)	(41)

Notes to Statement of Financial Position variances

- a) Loan advances are below budget due to lower than budgeted disbursement of loans under the Tasmanian Industry Support Scheme.
- b) Equity Investments are below budget due to the changed accounting treatment of investments relating to Screen Tasmania.
- c) The variance in inventories is due to TMAG inventories not being included in the original budget.
- d) Property, plant and equipment is above budget due to revaluation increments on Sport, TMAG and Arts Tasmania properties.
- e) Heritage and cultural assets are above budget due to revaluation increments on the TMAG collection.
- f) Intangibles are above budget due to software purchases and development (\$426,000).
- g) Other assets are above budget due to higher than anticipated prepayments.
- h) Payables are below budget due to the reduction in amounts held in trust for external entities.
- i) Interest bearing liabilities are below budget due to lower than budgeted disbursement of loans under the Tasmanian Industry Support Scheme.
- j) The variance in Provisions includes the recognition of make good provisions for the department's buildings.
- k) Employee benefits are above budget due to the calculation of employee entitlements for the 2009-10 financial year including the increases as a result of the award translation process, positions funded from external sources.
- l) Other liabilities are above budget mainly due to the 2009-10 section 8(A)2 carry forward requests (\$969,000).

4.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation receipts – recurrent	(a)	83,130	97,613	14,483	17
Receipts from Special Capital Investment Funds (SCIF)	(b)	17,326	14,180	(3,146)	(18)
Grants	(c)	1,887	230	(1,657)	(88)
Sales of goods and services	(d)	2,829	1,665	(1,164)	(41)
GST receipts	(e)	6,500	613	(5,887)	(91)
Other cash receipts	(f)	999	5,594	4,595	460
Employee benefits	(g)	(32,042)	(39,273)	7,231	23
GST payments	(h)	(6,500)	(8,453)	1,953	30
Other cash payments	(i)	(1,743)	(3,991)	2,248	129
Proceeds from the disposal of non-financial assets	(j)	-	458	458	100
Repayment of loans by other entities	(k)	2,385	347	(2,038)	(85)
Loans made to other entities	(l)	(27,250)	(14,114)	(13,136)	(48)
Payments for acquisition of non-financial assets	(m)	(8,650)	(1,665)	(6,985)	(81)
Proceeds from borrowings	(n)	23,000	13,000	(10,000)	(43)

Notes to Statement of Cash Flows variances

- a) Appropriation receipts – recurrent is above budget due to additional funds provided for North West Assistance Package (\$5.3m), Forest Contract Support Program (\$1.8m), National Broadband Network (\$1.0m) and Tourism Marketing and Events (\$4.0m).
- b) Receipts from Special Capital Investment Funds (SCIF) are below budget primarily due to delayed ESIF projects (\$7.4m), which is offset by additional URHF grants announced during 2009-10 (\$3.6).
- c) Grants are below budget mainly due to a decrease in Australian Government grants received and the reclassification of funds received under the Community Support Levy (\$1.2m).
- d) Sales of goods and services are below budget mainly due to the closure of Tasmania's Temptations (\$557,000).
- e) GST receipts are below budget due to the reduction in GST remitted as a result of the closure of Tasmania's Temptations and a reduction in other income received from other sources.
- f) Other cash receipts are above budget due to greater than anticipated revenue being collected from departmental investment properties (\$550,000), the reclassification of funds received under the Community Support Levy (\$1.2m), unbudgeted revenue received as a result of Silverdome activities (\$826,000) as well as unbudgeted revenue for various sport and recreation programs.
- g) Employee benefits are above budget due to the original budget not including estimates for employee separation payments (\$2.9m), increases as a result of the award translation process and positions funded from external sources (approximately \$3.5m).
- h) GST payments are above budget due to additional GST payments made as a result of additional funding provided in 2009-10 (\$14.5m).
- i) Other cash payments are above budget due to a reclassification of salary on costs from other supplies and consumables, expenditure relating to additional funding provided and increased payroll tax expense as a result of employee separation payments, the award translation process and positions funded from external sources.
- j) The variance in Proceeds from the disposal of non-financial assets mainly relates to the disposal of rural properties under the *War Service Land Settlement Act 1950*.
- k) Repayment of loans by other entities are below budget due to lower than budgeted total loans outstanding.
- l) Loans made to other entities are below budget due to lower than budgeted disbursement of loans under the Tasmanian Industry Support Scheme.
- m) Payments for acquisition of non-financial assets are below budget mainly due to expenditure delays in the TMAG redevelopment project (\$5.4m).
- n) Proceeds from borrowings are below budget due to a reduced requirement for borrowings as a result of lower than budgeted disbursement of loans under the Tasmanian Industry Support Scheme.

Note 5 Events Occurring After Balance Date

The Department (through TDR) has \$3.85 million worth of loans issued to Tascot Templeton Carpets Pty Ltd (Tascot). On the 23rd of September 2010, Tascot was placed in voluntary administration due to Director concerns over future product orders slowing to the point where potential insolvent trading may occur. TDR holds mortgages and other charges as security for the loans. Due to the early stages of the voluntary administration, TDR is not in a position to reliably measure a value for any potential impairment.

Note 6 Income from transactions

6.1 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.

	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Appropriation revenue – recurrent			
Current year	83,130	96,644	78,114
Total	83,130	96,644	78,114
Revenue from Government – other			
Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year	-	140	940
Total	-	140	940
Total revenue from Government	83,130	96,784	79,054

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

6.2 Revenue from Special Capital Investment Funds

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

	2010 Actual \$'000	2009 Actual \$'000
Economic and Social Infrastructure Fund	14,180	14,554
Total	14,180	14,554

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

6.3 Grants

	2010 \$'000	2009 \$'000
Grants from the Australian Government		
General grants	230	-
Total	230	-
Other grants		
Other grants	-	20
Total	-	20
Total	230	20

6.4 Sales of goods and services

	2010	2009
	\$'000	\$'000
Tasmania's Temptations sales (net)	1,816	3,684
Other goods and services	1,141	-
Total	2,957	3,684

6.5 Interest

	2010	2009
	\$'000	\$'000
Interest	3,268	2,426
Total	3,268	2,426

6.6 Contributions received

	2010	2009
	\$'000	\$'000
Fair value of additions to TMAG Collections at no cost	508	-
Total	508	-

6.7 Other revenue

	2010	2009
	\$'000	\$'000
Investment property rental	1,123	874
Fees and recoveries	3,722	4,521
Other	1,896	1,464
<i>Changes in accounting estimates (refer to Note 2.22):</i>		
Fair value of land identified	2,400	-
Fair value of buildings identified	650	-
Total	9,791	6,859

Note 7 Expenses from transactions

7.1 Employee benefits

	2010	2009
	\$'000	\$'000
Wages and salaries	28,616	24,266
Annual leave	2,122	1,901
Long service leave	329	1,082
Sick leave	1,053	787
Superannuation – defined benefit scheme	573	669
Superannuation – contribution scheme	2,798	2,239
Other post-employment benefits	2,922	1,127
Other employee expenses	394	317
Total	38,807	32,388

Superannuation expenses relating to defined benefits schemes relate to payments into the Superannuation Provision Account held centrally and recognised within the Finance-General Division of the Department of Treasury and Finance. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 11 per cent of salary.

Superannuation expenses relating to the defined contribution scheme are paid directly to the superannuation fund at a rate of nine per cent of salary. In addition, departments are also required to pay into the SPA a "gap" payment equivalent to two per cent of salary in respect of employees who are members of the contribution scheme.

7.2 Depreciation and amortisation

(a) Depreciation

	2010	2009
	\$'000	\$'000
Plant, equipment and vehicles	478	489
Buildings	634	346
Total	1,112	835

(b) Amortisation

	2010	2009
	\$'000	\$'000
Intangibles	315	184
Leasehold improvements	435	302
Total	750	486
Total depreciation and amortisation	1,862	1,321

7.3 Supplies and consumables

	2010	2009
	\$'000	\$'000
Audit fees – financial audit	145	117
Audit fees – internal audit	89	162
Operating lease costs	2,757	2,737
Consultants and contracted services	7,924	7,615
Property services	1,848	1,089
Maintenance	501	298
Communications	1,107	1,517
Information technology	1,701	2,217
Travel and transport	2,379	2,838
Advertising and promotion	13,204	8,068
Other supplies and consumables	1,376	1,147
Total	33,031	27,805

7.4 Grants and subsidies

	2010	2009
	\$'000	\$'000
Grants	46,938	44,309
Subsidies	20	104
Total	46,958	44,413

The Department provides grants and assistance to the following initiatives:

- » Tasmanian enterprises for industry development and employment assistance. These include assistance in the areas of exporting, innovation, contact centres, skill development, screen and film, sport and recreation and general industry assistance.
- » Tourism Development Assistance provides funding for marketing and development programs that derive benefits for Tasmania from domestic and international tourism.
- » Major Events grants and assistance provide funding support to events of State and regional significance.
- » Museums and art gallery grants are provided to assist curatorial and collection management practices of public and community art gallery and museums.
- » Arts grants are provided to develop and support the arts sector in Tasmania, by providing increased opportunities for all Tasmanians to access and engage in the arts and cultural activities.
- » Urban Renewal and Heritage Fund grants are provided for the conservation and restoration of heritage assets and the renewal of urban areas in communities throughout Tasmania.
- » The Department also disburses designated specific purpose grants allocated from the Government's Special Capital Investment Funds.

7.5 Borrowing costs

	2010	2009
	\$'000	\$'000
Interest expense		
Interest on bank overdrafts and loans	1,806	1,207
Total	1,806	1,207
Other borrowing costs		
Unwinding of discounting of provisions	60	95
Total	60	95
Total	1,866	1,302

7.6 Other expenses

	2010	2009
	\$'000	\$'000
Salary on-costs	2,833	2,102
Seminars and conferences	361	396
Sponsorship	295	405
International student fees	-	819
Other	1,456	2,027
Total	4,945	5,749

Note 8 Other economic flows included in net result

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

	2010	2009
	\$'000	\$'000
Revaluation of non-current physical assets	(260)	437
Net gain/(loss) on sale of non-financial assets	28	(39)
Total net gain/(loss) on non-financial assets	(232)	398

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

	2010	2009
	\$'000	\$'000
Impairment reversals/(losses) for:		
Loans advances	(315)	651
Equity investments	(5,458)	(576)
Loan advances written off during the year	(2,095)	-
Total net gain/(loss) on financial instruments	(7,868)	75

During 2009-10 the Equity investments impairment related to a review of the valuation of Screen Tasmania equity investments requiring their value to be written down to nil, refer to Note 9.3.

Loan advances written off related to a *Tasmania Development Act 1983* loan to Etech Group International Pty Ltd (EGI). The write off is the result of subsidiary companies Etech Group P/L (EG) and Etech Tasmania P/L (ET) being placed into liquidation on 19 February 2010.

Note 9 Assets

9.1 Receivables

	2010	2009
	\$'000	\$'000
Receivables	810	444
Less: Provision for impairment	-	-
Total	810	444
Settled within 12 months	810	444
Settled in more than 12 months	-	-
Total	810	444

9.2 Loan advances

	2010	2009
	\$'000	\$'000
Convertible note	200	200
Rural Adjustment Scheme Account	-	140
Section 35 Loans Administered by TDR	25,700	20,356
<i>Tasmania Development Act 1983</i>	5,477	543
<i>Fire Damage Relief Act 1967</i>	24	24
<i>Farm Water Development Act 1985</i>	261	-
Intelligent Island Loans	340	340
Screen Tasmania Loans	329	329
Arts Loans	531	-
Less: Provision for impairment	(660)	(345)
Total	32,202	21,587
Settled within 12 months	6,330	2,062
Settled in more than 12 months	25,872	19,525
Total	32,202	21,587

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

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

During 2009-10, a loan was assessed as being impaired. The impairment arose as a result of TDR Board approving a specific provision of \$320,000 for impairment in relation to a Section 35 Loan Administered by TDR.

Also, an Intelligent Island loan to Etech Group International Pty Ltd (EGI) was assessed as impaired. The impairment arose due to subsidiary companies Etech Group P/L (EG) and Etech Tasmania P/L (ET) being placed into liquidation on 19 February 2010.

	2010	2009
	\$'000	\$'000
Reconciliation of movement in provision for impairment of other financial assets		
Carrying amount at 1 July	345	996
Increase/(decrease) in provision recognised in profit or loss	315	(651)
Carrying amount at 30 June	660	345

9.3 Equity investments

	2010 \$'000	2009 \$'000
Listed shares – at cost	2,412	2,412
Listed shares – converted	944	944
Unlisted equity instruments	10,279	9,927
Less: Provision for impairment	(13,046)	(7,588)
Total	589	5,695
Settled within 12 months	-	-
Settled in more than 12 months	589	5,695
Total	589	5,695

Listed shares

TASSAL Ltd

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

Unlisted equity instruments

First Tasmania Investments Ltd

The Department holds 2,402,105 ordinary shares in First Tasmania Investments Ltd. The shares are recorded at Directors' Valuation as at 30 June 2010.

North West Bay Ships Pty Ltd

The Department acquired 800,000 preference shares (7 per cent) of \$1.00 each in June 2000. The shares are recorded at Directors' Valuation as at 30 June 2010.

SDT Australia Pty Ltd

The Department acquired 200,000 preference shares (9 per cent) of \$1.00 each in June 2000. The company has not operated for the last three and a half years due to a lack of capital for further research and development. The shares have been valued at \$Nil as at 30 June 2010.

Screen Tasmania Investments

The Department has a number of equity investments in productions through Screen Tasmania. These investments assist companies working in the film, television and multimedia area, to undertake a variety of productions and projects that contribute to economic or cultural objectives for Tasmania.

During 2009-10, a review of the valuation of Screen Tasmania equity investments was conducted and the investments were assessed as being impaired. The impairment arose as a result of the difficulty of determining a reliable basis for a recoverable amount. As a result, a decision was made to record an impairment loss for the total carrying amount of the investments. The amount of the impairment loss is \$5.347m.

In addition, the Provision for Impairment movement is the result of the revaluation of First Tasmania Investment Ltd and Screen Tasmania equity portfolio as at 30 June 2010.

	2010 \$'000	2009 \$'000
Reconciliation of movement in provision for impairment of equity investments	\$'000	\$'000
Carrying amount at 1 July	7,588	7,012
Increase/(decrease) in provision recognised in profit or loss	5,458	576
Carrying amount at 30 June	13,046	7,588

9.4 Inventories

	2010 \$'000	2009 \$'000
Inventory held for sale	459	-
Total	459	-
Settled within 12 months	459	-
Settled in more than 12 months	-	-
Total	459	-

9.5 Property, plant and equipment

(a) Carrying amount

	2010 \$'000	2009 \$'000
Land		
Properties – at fair value (30 June)	10,231	2,659
Rural properties – at fair value (30 June)	4,056	4,416
Less: Provision for impairment	-	-
Total	14,287	7,075
Buildings		
At fair value (30 June)	53,383	27,857
Less: Accumulated depreciation	(634)	(346)
Less: Provision for impairment	-	-
	52,749	27,511
Work in progress (at cost)	941	-
Total	53,690	27,511
Leasehold improvements		
At cost	6,376	5,609
Less: Accumulated amortisation	(4,184)	(3,696)
Less: Provision for impairment	-	-
	2,192	1,913
Work in progress (at cost)	-	-
Total	2,192	1,913
Plant, equipment and vehicles		
At cost	4,191	3,239
Less: Accumulated depreciation	(2,426)	(1,906)
Less: Provision for impairment	-	-
	1,765	1,333
Work in progress (at cost)	(82)	237
Total	1,683	1,570
Heritage and cultural assets		
At fair value (30 June)	486,520	-
Less: Provision for impairment	-	-
Total	486,520	-
Total property, plant and equipment	558,372	38,069

The latest revaluations as at 30 June 2010 (other than rural properties) were based on valuations undertaken by independent valuers Brothers and Newton Pty Ltd.

The fair value valuations of land and buildings were undertaken in accordance with API Professional Practice Guidelines and International Valuation Standards. In doing so, various methods of valuation including direct comparison, capitalisation of net income, summation, and hypothetical development have been utilised.

Estimates of total economic life assume regular and ongoing maintenance in order to prolong the useful life of the buildings. The total economic life for each asset has been amended for the age of the existing buildings to arrive at the remaining economic life. In cases where buildings have been developed in stages the age of the buildings have been calculated based on the averaged year of construction.

Rural properties are valued as at 30 June 2010 to fair value. Fair value of these properties equates to the option prices deemed on the individual properties. These option prices are the amounts receivable should the tenants exercise the option to purchase the freehold title.

Heritage and cultural assets (Tasmanian Museum and Art Gallery (TMAG) Collections) were last valued in 2006 by Mr Simon Storey (MA VAA) of Simon Storey Valuers. During the years 2007 to 2010, Mr Simon Storey has supplied an index each year to increase the 2006 valuation of TMAG Collections to fair value. The resulting changes in asset values were credited to the asset revaluation reserve. Heritage and cultural assets are not depreciated as they do not have limited useful lives because appropriate curatorial policies are in place.

(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.

2010	Land	Buildings	Leasehold improvements	Plant equipment and vehicles	Heritage and cultural assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	7,075	27,511	1,913	1,570	-	38,069
Additions	2,400	661	-	288	508	3,857
Disposals	(359)	(7)	-	(9)	-	(375)
Net additions through restructuring	4,682	22,237	634	309	393,080	420,942
Revaluation increments (decrements)	489	2,879	-	-	92,932	96,300
Net transfers	-	102	82	85	-	269
Work in progress at cost	-	941	-	(82)	-	859
Depreciation and amortisation	-	(634)	(437)	(478)	-	(1,549)
Carrying value at 30 June	14,287	53,690	2,192	1,683	486,520	558,372

2009	Land	Buildings	Leasehold improvements	Plant equipment and vehicles	Heritage and cultural assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	7,622	26,775	1,710	1,633	-	37,740
Additions	-	336	528	205	-	1,069
Disposals	(606)	-	(23)	(16)	-	(645)
Revaluation increments (decrements)	59	746	-	-	-	805
Work in progress at cost	-	-	-	237	-	237
Depreciation and amortisation	-	(346)	(302)	(489)	-	(1,137)
Carrying value at 30 June	7,075	27,511	1,913	1,570	-	38,069

9.6 Investment property

(a) Carrying amount

	2010	2009
	\$'000	\$'000
Land at fair value	5,260	5,320
Buildings at fair value	6,050	6,250
Less: Provision for impairment	-	-
	11,310	11,570
Work in progress at cost	-	-
Total	11,310	11,570

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

The latest revaluations as at 30 June 2010 were based on valuations undertaken by independent valuers Brothers and Newton Pty Ltd.

(b) Reconciliation of movements

	2010	2009
	\$'000	\$'000
Carrying amount at 1 July	11,570	11,100
New purchases	-	33
Net gains/(losses) from fair value adjustments	(260)	437
Carrying amount at 30 June	11,310	11,570

9.7 Intangibles

(a) Carrying amount

	2010	2009
	\$'000	\$'000
Intangibles with a finite useful life		
Software at cost	2,217	1,185
Less: Accumulated amortisation	(980)	(530)
Less: Provision for impairment	-	-
Total	1,237	655

(b) Reconciliation of movements

	2010	2009
	\$'000	\$'000
Carrying amount at 1 July	655	550
Additions – other	14	289
Net additions through restructuring	471	-
Work in progress at cost	411	-
Depreciation/ amortisation expense	(314)	(184)
Carrying amount at 30 June	1,237	655

9.8 Other assets

(a) Carrying amount

	2010	2009
	\$'000	\$'000
Other assets		
Prepayments	2,309	2,104
Tax asset	1,135	1,198
Other	4	34
Total	3,448	3,336
Settled within 12 months	3,448	3,336
Settled in more than 12 months	-	-
Total	3,448	3,336

(b) Reconciliation of movements

	2010	2009
	\$'000	\$'000
Carrying amount at 1 July	3,336	3,596
Additions	3,448	3,336
Disposals	(3,336)	(3,596)
Carrying amount at 30 June	3,448	3,336

Note 10 Liabilities

10.1 Payables

	2010 \$'000	2009 \$'000
Creditors	291	1,167
Funds held in trust	673	1,393
Accrued expenses	974	931
Total	1,938	3,491
Settled within 12 months	1,938	3,491
Settled in more than 12 months	-	-
Total	1,938	3,491

Settlement is usually made within 30 days.

10.2 Interest bearing liabilities

(a) Carrying amount

	2010 \$'000	2009 \$'000
Loans from the State Government	21	21
Loans from Tascorp	25,000	12,000
Total	25,021	12,021

(b) Maturity schedule

One year or less	7,000	12,021
From one to five years	18,021	-
Total	25,021	12,021

The balance of Interest bearing liabilities does not include a non-repayable loan of \$7.9 million provided by the Department of Treasury and Finance to the Tasmanian Development Authority. Interest expense for the 2010 financial year totalled \$290,920 (2009 \$426,701).

10.3 Provisions

(a) Carrying amount

	2010 \$'000	2009 \$'000
Operating lease rentals	478	379
Operating lease make-good provisions	1,545	1,389
Total	2,023	1,768
Settled within 12 months	557	379
Settled in more than 12 months	1,466	1,389
Total	2,023	1,768

(b) Reconciliation of movements in provisions

	Operating lease make-good provision		Operating lease rentals		Total Provisions	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Balance at 1 July	1,389	1,294	379	247	1,768	1,541
Increases	87	96	99	132	186	228
Provision assumed on restructure	96	-	-	-	96	-
Changes in discounting	(27)	(1)	-	-	(27)	(1)
Balance at 30 June	1,545	1,389	478	379	2,023	1,768

10.4 Employee benefits

	2010	2009
	\$'000	\$'000
Accrued salaries	774	789
Annual leave	2,257	1,857
Long service leave	4,315	3,623
SSALS provision	78	146
Total	7,424	6,415
Settled within 12 months	3,585	3,282
Settled in more than 12 months	3,839	3,133
Total	7,424	6,415

10.5 Other liabilities

	2010	2009
	\$'000	\$'000
Revenue received in advance		
Appropriation carried forward from current and previous years under section 8A of the <i>Public Account Act 1986</i>	969	140
Other revenue received in advance	-	524
Other liabilities		
Employee benefits – on-costs	472	388
Other liabilities	237	57
Total	1,678	1,109
Settled within 12 months	1,428	906
Settled in more than 12 months	250	203
Total	1,678	1,109

Note II Commitments and Contingencies

II.1 Schedule of Commitments

	2010 \$'000	2009 \$'000
By type		
Capital commitments		
Investment property	29	57
Total capital commitments	29	57
Lease Commitments		
Operating leases	7,181	7,864
Total lease commitments	7,181	7,864
Other commitments		
Loan commitments: Loans approved but not drawn down by clients as at 30 June	14,267	6,550
Assistance to Industry commitments	53,512	20,300
Total other commitments	67,779	26,850
Total	74,989	34,771
By maturity		
Capital commitments		
One year or less	29	28
From one to five years	-	29
More than five years	-	-
Total capital commitments	29	57
Operating lease commitments		
One year or less	3,368	2,820
From one to five years	3,813	5,044
More than five years	-	-
Total operating lease commitments	7,181	7,864
Other commitments		
One year or less	40,072	22,235
From one to five years	27,707	3,625
More than five years	-	990
Total other commitments	67,779	26,850
Total	74,989	34,771

Capital commitments are associated with maintenance and redevelopment expenditure on the department's land and buildings and investment properties.

Operating leases are associated with rental costs for leased premises occupied by the department, office equipment and motor vehicles leased through the Government's fleet manager. The rentals on leased premises generally contain renewal options that extend the lease to match the current lease periods. These range from 2 to 5 years.

The Assistance to Industry commitment shows amounts approved to clients payable over a period greater than one year on which the actual amount payable is dependent upon expenditure being incurred and certain conditions being met by these clients and a claim submitted and approved for payment. The estimated commitment as at 30 June has been included in these cases.

11.2 Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding the amount or timing of the underlying claim or obligation.

(a) Quantifiable contingencies

A quantifiable contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A quantifiable contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

	2010	2009
	\$'000	\$'000
Quantifiable contingent liabilities		
Contingent guarantees		
Liability in respect of guarantees given to Tasmanian Hockey Inc. Support loan to remediate ground No 1 pending outcome of legal dispute with the original turf laying contractor.	1,250	-
Total quantifiable contingent liabilities	1,250	-

(b) Unquantifiable Contingencies

At 30 June 2010, the Department had only one outstanding legal action as detailed below. It is not possible at the reporting date to accurately estimate the amounts of any eventual receipts or payments, if any, that may be required in relation to this action.

- (i) Jill Mure v Tasmania Development and Resources and the Recorder of Titles. The landowner is disputing the ownership of a strip of foreshore land at Tinderbox currently valued by TDR at \$100,000. The matter has been adjourned to a date to be fixed by the Court.

Note 12 Reserves

12.1 Reserves

	2010 \$'000	2009 \$'000
Physical asset revaluation reserve		
Balance at the beginning of financial year	4,304	3,499
Revaluation increments/(decrements)	96,300	805
Balance at end of financial year	100,604	4,304

(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).

12.2 Administrative Restructuring

As a result of a restructuring of administrative arrangements, the Department assumed responsibility for the Tasmanian Museum and Art Gallery and Arts Tasmania on 1 July 2009.

In respect of activities assumed, the net book values of assets and liabilities transferred to the Department from the Department of Environment, Parks, Heritage and the Arts for no consideration and recognised as at the date of transfer were:

	2010 \$'000	2009 \$'000
Net assets assumed on restructure		
Cash and deposits	677	-
Debtors	6	-
Other financial assets	574	-
Inventory	308	-
Plant and equipment	309	-
Land and buildings	26,920	-
Leasehold improvements	634	-
Heritage and cultural assets	393,080	-
Intangible assets	471	-
Other assets	82	-
Total assets recognised	423,061	-
Net liabilities assumed on restructure		
Payables	490	-
Employee benefits	1,472	-
Provisions	96	-
Other liabilities	91	-
Total liabilities recognised	2,149	-
Net assets (liabilities) assumed on restructure	420,912	-

Note 13 Cash Flow Reconciliation

13.1 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.

	2010 \$'000	2009 \$'000
Special Deposits and Trust Fund balance		
T522 Economic Development Operating Account	20,132	14,833
T659 Tourism Temptations	444	3,185
T773 Sports Development Account	100	546
T790 Government Guarantees Reserve Account	309	296
T941 Fire Relief Account	2	2
T797 Intelligent Island Project Account	6,540	13,079
Total	27,527	31,941
Other cash held		
Cash on hand and at bank	6	7
Cash at Westpac – Tasmania Temptations	-	16
Total	6	23
Total cash and deposits	27,533	31,964

13.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2010 \$'000	2009 \$'000
Net result	(7,851)	(5,908)
Increase (decrease) S8A(2) carry forwards	829	(799)
Depreciation and amortisation	1,862	1,321
(Gain)/loss from sale of non-financial assets	(28)	(6)
(Gain)/loss on non-financial assets transferred	(268)	-
Interest	(258)	(60)
(Gain)/loss on fair value revaluations	260	(437)
Impairment adjustments	7,868	(75)
Contributions received	(508)	-
Changes in accounting estimates	(3,050)	-
Decrease (increase) in Receivables	(360)	319
Decrease (increase) in Inventories	(151)	-
Decrease (increase) in Other assets	462	260
Increase (decrease) in Employee benefits	(463)	1,309
Increase (decrease) in Payables	(2,043)	(750)
Increase (decrease) in Provisions	159	227
Increase (decrease) in Other liabilities	479	(535)
Net cash from (used by) operating activities	(3,061)	(5,134)

13.3 Acquittal of Capital Investment and Special Capital Investment Funds

The Department received revenues from Special Capital Investment Funds to fund specific projects.

Cash outflows relating to these projects are listed below by category.

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

(a) Project expenditure

	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Special Capital Investment Funds			
Economic and Social Infrastructure Fund			
University Redevelopment Menzies Centre	-	-	3,000
Industry Assistance Program	600	1,014	1,499
Partnerships to Jobs Program	-	-	15
Tourism Promotion Plan	-	204	2,590
AFL – Hawthorn Football Club	3,601	3,428	3,387
Silverdome	-	-	44
Tasmanian Hockey Centre	-	-	-
Northern Tennis Centre	-	-	480
State Gymnastics Training Centre	-	-	-
Launceston Aquatic Centre	-	-	1,300
Domain Tennis Centre	1,050	1,050	1,200
Aurora Stadium	2,000	-	-
Bellerive Oval Lighting	2,000	2,850	-
Tasmanian Museum and Art Gallery	-	1,718	-
Urban Renewal and Heritage Fund			
Axeman's Hall of Fame	-	-	100
Bushy Park Show Ground Upgrade	-	-	143
Don River Railway	-	-	184
King George V Grandstand	-	-	164
Devonport Skate Park	75	75	-
Channel Heritage Museum	-	900	-
George Town Outdoor Fitness Park	-	95	-
Wynyard Senior Citizens Club	-	74	-
York Cove Walking and Cycling Track	-	300	-
Burnie Tennis Club	-	400	-
Kingston Tennis Club	-	120	-
Mersey Bluff Recreation Precinct	-	500	-
Taroona Football Club Clubrooms	-	20	-
Elphin Sports Centre Maintenance	-	16	-
Launceston Football Club	-	60	-
Queen Victoria Museum and Art Gallery	-	460	-
Glenorchy Arts Sculpture Park	-	214	-
Northern Regional Tennis Centre	-	450	-
Major Capital Project Fund			
Tarkine marketing and promotion	-	180	-
Total	9,326	14,128	14,106

(b) Classification of cash flows

The project expenditure above is reflected in the Statement of Cash Flows as follows.

	2010	2009
	\$'000	\$'000
Cash outflows		
Employee benefits	425	157
Advertising and promotion	9	3
Grants and transfer payments	11,925	13,768
Contracted services	536	74
Payments for the acquisition of non-financial assets	1,170	44
Other cash payments	63	60
Total cash outflows	14,128	14,106

13.4 Financing Facilities

	2010	2009
	\$'000	\$'000
Westpac Bank Corporate Card Facility		
Amount used	1,752	1,657
Amount unused	748	843
Total	2,500	2,500

Note 14 Financial Instruments

14.1 Risk exposures

(a) Risk management policies

The Department has exposure to the following risks from its use of financial instruments:

- » credit risk
- » liquidity risk
- » market risk.

The Head of Agency has overall responsibility for the establishment and oversight of the Department's risk management framework. Risk management policies are established to identify and analyse risks faced by the Department, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(b) Credit risk exposures

Credit risk is the risk of financial loss to the Department if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The credit risk on financial assets of the Department which have been recognised in the Statement of Financial Position, other than equity investments, is the carrying amount, net of any provision for impairment.

The Department manages credit risk on loan advances by obtaining security over assets in accordance with the provisions of the TD Act and by including appropriate risk margins in the Department's interest rate pricing, based on an assessment of the inherent risk of individual clients.

The Department is materially exposed to Norske Skog Paper Mills Australia Limited (32 per cent). Concentration of credit risk by industry on loan advances is: Food (21 per cent).

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 Assets		
Receivables	Receivables are recognised at amortised cost, less any impairment losses.	The general term of trade for receivables is 30 days.
Other Financial Assets – Loan Advances	Loan advances are held to maturity and are measured at amortised cost subsequent to initial recognition. Impairment of loan advances are reviewed on an ongoing basis.	Loan advances include financial assistance provided by the Government to the private sector in the form of loans.
Cash and deposits	Deposits are recognised at the nominal amounts.	Cash means notes, coins and any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund.

Except as detailed in the following table, the carrying amount of financial assets recorded in the Financial Statements, net of any allowances for losses, represents the Departments maximum exposure to credit risk without taking into account of any collateral or other security:

	2010 \$'000	2009 \$'000
Guarantee provided	1,250	-
Total	1,250	-

The following tables analyse financial assets that are past due but not impaired

Analysis of financial assets that are past due at 30 June 2010 but not impaired

	Past due >30 days \$'000	Past due >60 days \$'000	Past due >90 days \$'000	Total \$'000
Receivables	125	87	86	298
Other Financial Assets – Loan Advances	1	1	96	98

Analysis of financial assets that are past due at 30 June 2009 but not impaired

	Past due >30 days \$'000	Past due >60 days \$'000	Past due >90 days \$'000	Total \$'000
Receivables	26	26	201	253
Other Financial Assets – Loan Advances	72	-	-	72

(c) Liquidity risk

Liquidity risk is the risk that the Department will not be able to meet its financial obligations as they fall due. The Department's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Liabilities		
Payables	Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Department becomes obliged to make future payments as a result of a purchase of assets or services.	The Department's terms of trade are 30 days.
Interest bearing liabilities	Bank loans and other loans are initially measured at fair value, net of transaction costs. These loans are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis. The Department regularly reviews its contractual outflows to ensure that there is sufficient cash available to meet contracted payments.	Contractual payments made on a regular basis.

The following tables detail the undiscounted cash flows payable by the Department relating to the 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:

2010

	Maturity analysis for financial liabilities							Un- discounted Total \$'000	Carrying Amount \$'000
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
Financial liabilities									
Payables	1,938	-	-	-	-	-	1,938	1,938	
Interest bearing liabilities	7,000	-	-	-	-	18,021	25,021	25,021	

Total	8,938	-	-	-	-	18,021	26,959	26,959
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2009

	Maturity analysis for financial liabilities							Un- discounted Total	Carrying Amount
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Financial liabilities									
Payables	3,491	-	-	-	-	-	3,491	3,491	
Interest bearing liabilities	12,021	-	-	-	-	-	12,021	12,021	
Total	15,512	-	-	-	-	-	15,512	15,512	

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that the Department is exposed to is interest rate risk.

The Department seeks to manage exposure to movements in interest rates by matching the repricing profile of financial assets and financial liabilities. The Department enters into interest rate options on floating rate debt to match capped rate loan advances. The costs of such options are recovered in the interest rate applied to loan advances.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the Department intends to hold fixed rate assets and liabilities to maturity.

At the reporting date, the interest rate profile of the Department's interest bearing financial instruments was:

	2010	2009
	\$'000	\$'000
Fixed rate instruments		
Financial assets	1,399	6,139
Financial liabilities	1,938	3,491
Total	3,337	9,630
Variable rate instruments		
Financial assets	59,735	53,551
Financial liabilities	25,021	12,021
Total	84,756	65,572

Changes in variable rates of 100 basis points at reporting date would have the following effect on the Department's profit or loss and equity:

Sensitivity Analysis of Department's Exposure to Possible Changes in Interest Rates

	Statement of Comprehensive Income		Equity	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
30 June 2010				
Cash and deposits	216,305	(216,305)	216,305	(216,305)
Loan advances	322,017	(322,017)	322,017	(322,017)
Interest bearing liabilities	(250,000)	250,000	(250,000)	250,000
Net sensitivity	288,322	(288,322)	288,322	(288,322)
30 June 2009				
Cash and deposits	190,532	(190,532)	190,532	(190,532)
Loan advances	215,871	(215,871)	215,871	(215,871)
Interest bearing liabilities	(120,000)	120,000	(120,000)	120,000
Net sensitivity	286,403	(286,403)	286,403	(286,403)

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2009.

14.2 Categories of Financial Assets and Liabilities

	2010 \$'000	2009 \$'000
Financial assets		
Cash and deposits	27,533	31,964
Loans and receivables	33,012	22,031
Available-for-sale financial assets	589	5,695
Total	61,134	59,690
Financial Liabilities		
Financial liabilities measured at amortised cost	26,959	15,512
Total	26,959	15,512

14.3 Net Fair Values of Financial Assets and Liabilities

2010

	Total Carrying Amount \$'000	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net fair Value Level 3 \$'000	Net Fair Value Total \$'000
Financial assets					
Other financial assets					
Loan advances	32,202	-	32,192	-	32,192
Equity investments	589	-	589	-	589
Total financial assets	32,791	-	32,781	-	32,781
Financial liabilities (Recognised)					
Payables	1,938	1,938	-	-	1,938
Other financial liabilities					
Borrowings	25,021	25,589	-	-	25,589
Total financial liabilities (Recognised)	26,959	27,527	-	-	27,527

2009

	Total Carrying Amount \$'000	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net fair Value Level 3 \$'000	Net Fair Value Total \$'000
Financial assets					
Other financial assets					
Loan advances	21,587	-	20,084	-	20,084
Equity investments	5,695	-	5,695	-	5,695
Total financial assets	27,282	-	25,779	-	25,779
Financial liabilities (Recognised)					
Payables	3,491	3,491	-	-	3,491
Other financial liabilities					
Borrowings	12,021	12,313	-	-	12,313
Total financial liabilities (Recognised)	15,512	15,804	-	-	15,804

The Department uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets;

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Financial Assets

The net fair value of loan advances is based on the differential between the actual interest rates of loans advanced and the equivalent to the Department's market interest rates at the time of reporting. Loan advances are held to maturity and are measured at amortised cost subsequent to initial recognition.

Equity investments are revalued from time to time as considered appropriate by the directors and are not stated at values in excess of their recoverable amounts.

All financial assets are not readily traded on organised markets in a standardised form.

Financial Liabilities

The net fair values of payables approximate their carrying amounts.

The net fair value of interest bearing liabilities is based on the differential between the actual interest rates of borrowings held and the equivalent market interest rates accessible by the Department at the time of reporting.

Note 15 Notes to Administered Statements

15.1 Explanations of Material Variances between Budget and Actual Outcomes

The following are brief explanations of material variances between budget estimates and actual outcomes. Variances are considered material where the variance exceeds the greater of 10 per cent of budget estimate and \$200,000.

(a) Schedule of Administered Income and Expenses

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue – recurrent	(a)	3,785	3,785	-	-
Grants and subsidies	(a)	3,785	3,785	-	-

Notes to Schedule of Administered Income and Expenses variances

a) There were no variances from actual to budget relating to administered payments.

(b) Schedule of Administered Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue – recurrent	(a)	3,785	3,785	-	-
Grants and subsidies	(a)	3,785	3,785	-	-

Notes to Schedule of Administered Cash Flow variances

a) There were no variances from actual to budget relating to administered payments

15.2 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.

	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Appropriation revenue – recurrent			
Current year	3,785	3,785	1,000
Total administered revenue from Government	3,785	3,785	1,000

15.3 Administered Grants and subsidies

	2010 \$'000	2009 \$'000
Grants – Government Contribution to the Tasmanian Symphony Orchestra	1,414	-
Grants – Tasmanian Icon Program	1,000	1,000
Grants – Ten Days On The Island	1,205	-
Grants – Theatre Royal	166	-
Total	3,785	1,000

Note 16 Transactions and Balances Relating to a Trustee or Agency Arrangement

Account/Activity	Opening balance \$'000	Net transactions during 2009- 10 \$'000	Closing balance \$'000
Agreement for the Conservation of Albatrosses and Petrels (ACAP)	436	7	443
Brand Tasmania Incorporated	398	(174)	224
Council of Managers of National Antarctic Programs (COMNAP)	316	(316)	-
Tasmanian Leaders Incorporated	244	(244)	-
Tasmanian Museum and Art Gallery – Trustee funds	257	(251)	6

Certification of Financial Statements

The accompanying financial statements of the Department of Economic Development, Tourism and the Arts are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990* to present fairly the financial transactions for the year ended 30 June 2010 and the financial position as at end of the year.

At the date of signing, I am not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Mark Kelleher

Secretary

17 August 2010

Hobart



INDEPENDENT AUDIT REPORT

To Members of the Parliament of Tasmania

DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND THE ARTS

Financial Statements for the Year Ended 30 June 2010

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Economic Development, Tourism and the Arts (the Department), which comprises the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of 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.

The Responsibility of the Secretary for the Financial Statements

The Secretary of the Department is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and Section 27 (1) of the *Financial Management and Audit Act 1990*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the

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Making a Difference

purpose of expressing an opinion on the effectiveness of the Department's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Secretary, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in the Department's financial statements.

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. The *Audit Act 2008* further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General,
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

Auditor's Opinion

In my opinion the financial statements of the Department of Economic Development, Tourism and the Arts:

- (a) present fairly, in all material respects, the financial position of the Department of Economic Development, Tourism and the Arts as at 30 June 2010, 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 (including Australian Accounting Interpretations).

TASMANIAN AUDIT OFFICE



E R De Santi
DEPUTY AUDITOR-GENERAL
Delegate of the Auditor-General

HOBART
29 September 2010

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Chairman's foreword



The past year has been a particularly challenging environment in which to fulfil the Tasmanian Development Board's primary role of supporting investment and associated employment through the implementation of the government's economic and social strategies.

Despite the additional challenges created by the Global Financial Crisis (GFC) we have recorded many significant accomplishments. We have been able to provide support for businesses that were adversely affected by the GFC – some so much so that their future viability was in doubt. We have also been able to help businesses that have recognised the potential for growth during this time, despite the GFC.

During the year, the Excelior call centre announced that it had been successful in winning a major contract with Sensis, thereby ensuring the continued operation of the business and 250 jobs for at least the next three years. On the basis of this announcement, the board recommended the provision of a funding package to support training and development enhancing Excelior's growth potential into the future.

Similarly, Vodafone announced that with the support of the Tasmanian Government through the Tasmanian Development Board, it was retaining and expanding its Tasmanian operation at Kingston, thereby securing around 500 jobs for the next seven years.

Tasmanian airline Tasair, which runs a comprehensive service linking Hobart, Devonport and King Island, was helped to put its important community-service business onto a sustainable business model.

The board was also involved with projects such as Norske Skog's softwood conversion plans which moved the Boyer site away from the use of eucalypt-based cold caustic soda processing to a new plantation softwood-based thermo-mechanical pulp plant, with substantial cost and environmental benefits.

Businesses able to announce growth through the board's assistance included the Devonport-based contact centre operator, Sitel. In June 2010 Sitel announced an expansion to its operation with the potential to create 200 new jobs in Devonport. This followed a grant made to the company under the *Tasmanian Development Act 1983* for infrastructure upgrades and training.

Another business whose future expansion plans received help through the board is the Huon Aquaculture Group of Companies (HAC Group). The HAC Group is a privately owned, vertically integrated salmonid aquaculture and processing operation which has grown significantly over the last four years. After a consolidation of its processing activities to one site at Parramatta Creek, 20 kilometres east of Devonport, the HAC Group is now confident of future growth.

The board's recommendations and decisions have always been helped by the Tasmanian Government's strategic priorities. Our role this year was to identify and provide appropriate support to businesses aligned with these priorities in what has been a trying time.

The closures of Paperlinx and Forest Enterprises Australia (FEA) were indicative of the GFC's impact on Tasmanian business, particularly in the forestry industry and manufacturing sectors.

The GFC had a major bearing on the downturn in the market for forestry products. In addition to FEA's closure, Gunn's profit result dropped by 98 per cent from the previous year and many of Tasmania's forest contractors were adversely affected.

The manufacturing sector's experience of the GFC was compounded by the strong Australian dollar exchange rate. This resulted in closures of, or reduced employment in, major manufacturers such as McCain's, Australian Paper, Incat, ACL Bearings, Caterpillar and Austal.

Tough market conditions during the GFC also resulted in a Tasmanian company that we had supported under the Tasmanian Industry Support Scheme (TISS), Etech Group International Pty Ltd, ceasing to trade with the resultant loss of jobs and a debt owing to the State Government of over \$2 million.

But, amidst these negative impacts of a world-wide problem, the board was pleased to be able to help Tasmanian businesses in a variety of ways. JB Swift was assisted in its endeavour to keep the King Island abattoir open and viable through a loan to the company. This loan was given in exchange for significant capital upgrades to the abattoir and a commitment to continued operation.

My thanks go to the Department of Economic Development, Tourism and the Arts' Secretary Mark Kelleher who commenced in his role when the agency was in a period of significant change, a little over one year ago. The combined effects of an organisation in a state of transition, and the flow-on affects of the GFC, made his role challenging but one which he has handled well.

I would like to thank Mark and the agency staff for their endeavours and support during a difficult year. Despite a hostile climate, the agency continued to achieve important goals and continued to contribute effectively to Tasmania's economic growth and community development.

I would also like to thank the respective Ministers holding Economic Development portfolios during the year; namely Treasurer Michael Aird MLC and Lara Giddings MP.

Finally, to all the directors of the Tasmanian Development Board, thank you for your continued dedication, commitment and hard work for Tasmania's future. Particular thanks to Michael Grainger who stood in for me during my brief absence.



Denis W Rogers AO

Chairman

Tasmanian Development Board

Tasmanian Development Board

01 Denis Rogers AO

Denis Rogers has been Chairman of the board since November 1998. Prior to his appointment to the Tasmanian Development Board, he was Regional Director of the Australian Bureau of Statistics in Tasmania and the State Government Statistician for Tasmania. He has extensive experience in financial management, statistics, employee relations, marketing, product development, media and communications and international relations.

He was Chairman of Cricket Australia (Australian Cricket Board) for six years and was Chairman of the Tasmanian Cricket Association – a position he held for 18 years. Denis was appointed Chairman of the TT-Line Company Pty Ltd in March 2005 and also held the position of Chairman of the Tasmanian Institute of Sport for nine years. In recognition of his services to the community, his appointment as an Officer in the Order of Australia was announced in the Australia Day Honours List for 2002.

02 Bob Annells

Bob Annells was appointed to the board in 2008. He is the current Chairman of the Tourism Tasmania Board of Directors. He has held a number of senior positions in Tasmania including Director General of the Lands Department and Secretary of the Department of Tourism, Sport and Recreation. He has held senior positions in the tourism industry including Chief Executive of Tourism Victoria, Chairman of the Melbourne Convention and Exhibition Trust, Chair of the Northern Territory Tourist Commission, Chairman of the Australian Standing Committee on Tourism (twice) and Board Member of the former Australian Tourist Commission.

Bob brings to the board marketing, events, public and private sector tourism experience at the highest level, as well as issues and strategic management. He was awarded the Public Service Medal in 2001 and a Centenary of Federation Medal. He was inducted into the National Tourism Hall of Fame in 2004 and awarded the Outstanding

Contribution by an Individual award at the 2005 Victorian Tourism Awards. Bob has an extensive business background having been Executive Chairman of Veolia Transport Australia for six years. He is currently Chairman of Tasmanian Railway Pty Ltd, the owner/operator of Tasmania's freight railway system.

03 Peter Gillooly

Peter Gillooly was appointed to the board in June 2003. Peter has extensive business experience and most recently held the position of Chief General Manager at Tattersall's Holdings Pty Ltd. He has held a number of directorships with companies including Burswood Ltd, Sino Strategic International Ltd, Acrux Ltd, the Landscape Pastoral Company Pty Ltd and the Rural Finance Corporation of Victoria. Peter is a Fellow of the Australian Institute of Company Directors.

04 Michael Grainger

Michael Grainger was appointed to the board in November 2004. Michael is Managing Director of Liferaft Systems Australia (LSA), a manufacturer of marine evacuation systems and large-capacity life rafts for the international ferry and defence market. He has more than 25 years' experience in the manufacturing industry and is a member of the Manufacturing Industry Council. He is also a founding member of the Tasmania Maritime Network, a Director of the Board of TT-Line Company, a Director of the Board of the international shipping organisation Interferry and member of the Det Norske Veritas International Ferry Committee.

05 Jennifer Jarvis

Jennifer Jarvis was appointed to the board in June 2004. Jennifer is Specialist Adviser Energy and External Relations with Rio Tinto Alcan. Her career in the corporate, political and media sectors has focused heavily on policy development, strategic planning, corporate relations and issues management. Jennifer has extensive knowledge of the energy sector in Tasmania encompassing commercial, policy and national market aspects. She is a member of the Major Employers

Group and has served as Chairman of the Tasmanian State Training Authority, Director of Business North and the Tasmanian Minerals Council and was an inaugural member of the Tasmania Together Community Leaders Group.

06 Mark Kelleher

Mark Kelleher was appointed to the position of Secretary of the Department of Economic Development, Tourism and the Arts in May 2009. As part of the role, Mark is the Chief Executive of the Tasmanian Development Board and a member of the Tourism Tasmania Board. In August 2009 he became a Director on the Board of the Tasmania NBN Company Limited (TNBN Co). He is also a member of the *Ten Days on the Island* Board and the Tasmanian Renewable Energy Industry Development Board.

Previously Mark was Managing Director of Roaring 40s, a leading Australian-based renewable energy company developing and operating wind farms in Australia, China and India. During this time he was also a Board Member of the Australian Clean Energy Council.

Mark was also with Hydro Tasmania for approximately 12 years, where he held a number of senior positions including General Manager Business Development and General Manager Corporate and had lead roles in major projects such as electricity industry restructure, Basslink and entry into the National Electricity Market. Prior to this, Mark was with Telstra, where he held key positions in financial and strategic areas and was the Tasmanian Financial Controller. Mark was also Chair of Tasdance for the period 2005 to May 2009.

Mark has a Bachelor of Commerce (University of Tasmania) and is a Fellow of the Institute of Company Directors. He is also a graduate of the senior executive program at London Business School.

07 Keryn Nylander

Keryn Nylander was appointed to the board in March 2000. Keryn was formerly Head of News for WIN Television Tasmania and a senior consultant with public relations consultancy Corporate Communications.

She now runs her own strategic public relations consultancy, Nylander Consulting, specialising in media and communications advice to business. Keryn is also a part of the management team and a shareholder in award-winning specialist contract winemaking business, Winemaking Tasmania Pty Ltd. She is Chairman of Tasmanian financial institution B&E Personal Banking and a Director of Tasmania's peak wine body, Wine Industry Tasmania Ltd. Keryn is also a Director of the Board of Fahan School.

08 Brett Torossi

Brett Torossi was appointed to the board in January 2006. Brett is a property developer with significant experience in urban and residential developments. Her current major project is 'The Green' – an innovative and sustainable development that will be home to around 500 families in the northern suburbs of Launceston. The Green has been planned to create a cohesive, safe, vibrant and inclusive community. Brett's passion for urban design excellence provides the components that enable individuals and families to find joy in their lives.

Other current projects involve a dynamic commercial development in Hobart and a successful and well-known tourism development on Tasmania's east coast. The results are award-winning, community-focused, leading-edge and ecologically sustainable developments. Brett also finds time to contribute to Tasmanian society as a Board Member on the Tasmanian Early Years Foundation and the wonderful *Festival of Voices*.

09 Robert Wilson

Robert Wilson was appointed to the board in January 2006. Robert has been involved in the dairy industry all his life and was formerly Managing Director of Classic Foods at Edith Creek, a company that processes around 40 million litres of milk annually or about eight per cent of the total current Tasmanian production. Robert is a member of the Premier's Food Advisory Council, Chairman of TIAR Dairy Centre Advisory Group and Director of Tasmanian Pure Foods.



Tasmanian Development Board 2009-10 meeting attendance:

Member	Number of meetings attended
Chairman Denis Rogers AO	9
Bob Annells	10
Peter Gillooly	11
Mark Kelleher	10
Michael Grainger	10
Jennifer Jarvis	9
Keryn Nylander	9
Brett Torossi	11
Robert Wilson	10

Policy objectives

The following statement of policy objectives is provided in accordance with Section 29E of the *Tasmanian Development Act 1983*.

Objective 1: Facilitating investment and exports

We achieve this by:

- 1.1 identifying and targeting investment opportunities
- 1.2 leveraging the state's investment in new infrastructure with complementary private sector investment
- 1.3 positioning and promoting Tasmania as a preferred investment destination
- 1.4 facilitating major investment projects
- 1.5 encouraging reinvestment and expansion by existing priority industries
- 1.6 assisting Tasmanian firms to export goods and services
- 1.7 encouraging the use of local goods and services
- 1.8 promoting Tasmanian products and services to leverage our brand.

Objective 2: Building industry and business capability

We achieve this by:

- 2.1 working with enterprises to build the capability of the Tasmanian workforce.

Objective 3: Encouraging innovation

We achieve this by:

- 3.1 assisting Tasmanian businesses and industry to innovate, grow and be sustainable
- 3.2 assisting Tasmanian businesses to commercialise innovative ideas and products.

Objective 4: Delivering services to clients on an enterprise, sectoral and regional level

We achieve this by:

- 4.1 ensuring agency activities are aligned with client needs
- 4.2 responding to client and stakeholder needs in a timely and professional manner
- 4.3 providing effective entry points to the department
- 4.4 minimising impediments and demands on clients in accessing agency support
- 4.5 improving the accessibility of our information for our clients and stakeholders
- 4.6 providing opportunities for business, industry and the broader community to engage with the department and each other.



Objective 5:

Undertaking comprehensive business and industry analysis

We achieve this by:

- 5.1 growing our understanding of business, community and industry needs
- 5.2 continuing to develop our capacity to effectively manage and foster strong relationships with our clients and stakeholders
- 5.3 undertaking detailed and rigorous analysis of business proposals and requests for financial assistance
- 5.4 managing coordinated responses to requests for industry and business assistance of a strategic nature
- 5.5 managing a coordinated response to the skills needs of major projects, and employment impacts of business reductions and closures
- 5.6 developing, designing and delivering, in collaboration with other units and key stakeholders, business grant and loan programs that align with the department's strategic direction
- 5.7 working in close liaison with industry and individual businesses to ensure that a full range of finance options are available by establishing and maintaining sector networks.

Objective 6:

Provision of authoritative advice

We achieve this by:

- 6.1 responses to whole-of-government requests for advice on policies, issues and Cabinet minutes.

Objective 7:

Provision of strategic policy, planning, research and implementation

We achieve this by:

- 7.1 assisting with the development of appropriate industry strategy
- 7.2 coordinating and facilitating research across the department.

Objective 8:

Provision of strategic advice to government

We achieve this by:

- 8.1 providing secretariat support for the governance structures around the Innovations Strategy and Economic Development Plan
- 8.2 local government partnership agreements
- 8.3 UTAS partnership agreement
- 8.4 Tasmanian *Together* reporting.

Objective 9:

Deliver specialist services that enhance individual and departmental capability

We achieve this by:

- 9.1 enhancing our recruitment and marketing strategy
- 9.2 enhancing our retention and succession planning
- 9.3 maintaining a contemporary performance development framework
- 9.4 providing training and development opportunities that meet organisational and personal needs
- 9.5 continuing contemporary leadership and management development programs
- 9.6 providing opportunities for leadership development and exchange.

Objective 10:

Ensure sound governance

We achieve this by:

- 10.1 maintaining contemporary best practice for boards and management committees
- 10.2 maintaining transparent, robust and well-documented decision-making processes
- 10.3 maintaining effective risk management practices, including business continuity planning.

Objective 11:

Enable the department to deliver on its strategic objectives

We achieve this by:

- 11.1 utilising our financial and human resources effectively
- 11.2 aligning our strategic, financial and resource planning and management processes
- 11.3 enhancing our knowledge management capability
- 11.4 enhancing our efficiency through the use of technology
- 11.5 being a good corporate citizen
- 11.6 reviewing, mapping and refining the effectiveness of our projects, programs and processes
- 11.7 integrating our values into our behaviours and actions
- 11.8 continuously improving our internal communication and feedback processes
- 11.9 involving our people at all levels in our organisational strategy process.

Grants and loans

The following summary is provided in accordance with Section 29E of the *Tasmanian Development Act 1983*.

Loan category	Number of loan approvals	Total loan amounts
Tasmanian Industry Support Scheme	3	\$1.835 million
Farm Water Development Scheme 2009	3	\$1.413 million
Other	4	\$19.3 million
Total	10	\$22.548 million

One guarantee was approved by the Treasurer on the recommendation of Tasmania Development and Resources during 2009-10. Details are disclosed in the notes to the Financial Statements.

Tasmania Development and Resources

Financial statements



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Statement of Comprehensive Income for the year ended 30 June 2010

	Notes	2010 Actual \$'000	2009 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Attributed Revenue from Government			
Appropriation revenue – recurrent	1.6(a), 3.1	42,832	39,131
Appropriation revenue – section 8A of the <i>Public Account Act 1986</i>	1.6(a), 3.1	140	576
Revenue from Special Capital Investment Funds	3.2	1,014	4,514
Interest	1.6(b), 3.3	2,941	1,403
Other revenue	1.6(c), 3.4	2,317	2,858
Total revenue and other income from transactions		49,244	48,482
Expenses from transactions			
Attributed employee benefits	1.7(a), 4.1	17,152	16,720
Depreciation and amortisation	1.7(b), 4.2	507	532
Supplies and consumables	1.7(c), 4.3	12,869	10,986
Grants and subsidies	1.7(d), 4.4	12,952	14,738
Borrowing costs	1.7(e), 4.5	1,838	1,273
Other expenses	1.7(f), 4.6	1,937	3,431
Total expenses from transactions		47,255	47,680
Net result from transactions (net operating balance)		1,989	802
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	1.8(a)(c), 5.1	(261)	414
Net gain/(loss) on financial instruments and statutory receivables/ payables	1.8(b), 5.2	(7,528)	75
Total other economic flows included in net result		(7,789)	489
Net result from continuing operations		(5,800)	1,291
Net result		(5,800)	1,291
Comprehensive result		(5,800)	1,291

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

Statement of Financial Position as at 30 June 2010

	Notes	2010 Actual \$'000	2009 Actual \$'000
Assets			
Financial assets			
Cash and deposits	1.9(a), 10.1	18,280	14,676
Receivables	1.9(b), 6.1	390	249
Loan Advances	1.9(c), 6.2	31,671	21,247
Equity investments	1.9(d), 6.3	589	5,695
Non-financial assets			
Property, plant and equipment	1.9(e), 6.4	5,784	6,499
Investment property	1.9(f), 6.5	11,310	11,570
Intangibles	1.9(g), 6.6	272	125
Other assets	1.9(h), 6.7	1,961	2,256
Total assets		70,257	62,317
Liabilities			
Payables	1.10(a), 7.1	1,457	2,095
Interest bearing liabilities	1.10(b), 7.2	25,021	12,021
Provisions	1.10(c), 7.3	1,217	1,158
Attributed employee benefits	1.10(d), 7.4	3,876	3,591
Other liabilities	1.10(f), 7.5	1,449	415
Total liabilities		33,020	19,280
Net assets		37,237	43,037
Equity			
Reserves	9.1	647	647
Accumulated funds		36,590	42,390
Total equity		37,237	43,037

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

Statement of Cash Flows for the year ended 30 June 2010

	Notes	2010 Actual \$'000	2009 Actual \$'000
Cash flows from operating activities		Inflows (Outflows)	Inflows (Outflows)
Cash inflows			
Attributed Appropriation receipts – recurrent		43,801	39,271
Receipts from Special Capital Investment Funds		1,014	4,514
GST receipts		222	290
Interest received		2,643	1,417
Other cash receipts		1,999	2,583
Total cash inflows		49,679	48,075
Cash outflows			
Attributed employee benefits		(16,867)	(16,079)
Grants and subsidies		(11,434)	(12,603)
GST payments		(2,749)	(2,856)
Interest payments		(1,561)	(1,447)
Supplies and consumables		(11,569)	(10,896)
Other cash payments		(1,643)	(2,034)
Total cash outflows		(45,823)	(45,915)
Net cash from (used by) operating activities	10.2	3,856	2,160
Cash flows from investing activities			
Cash inflows			
Proceeds from the disposal of non-financial assets		356	636
Repayment of loans by other entities		1,396	2,249
Receipts from investments		39	690
Total cash inflows		1,791	3,575
Cash outflows			
Loans made to other entities		(13,631)	(17,130)
Payments for acquisition of non-financial assets		(300)	(487)
Payments for investments		(391)	(819)
Other cash payments		(721)	(158)
Total cash outflows		(15,043)	(18,594)
Net cash from (used by) investing activities		(13,252)	(15,019)
Cash flows from financing activities			
Cash inflows			
Proceeds from borrowings		18,000	-
Total cash inflows		18,000	-
Cash outflows			
Repayment of borrowings		(5,000)	(2,003)
Total cash outflows		(5,000)	(2,003)
Net cash from (used by) financing activities		13,000	(2,003)
Net increase (decrease) in cash held and cash equivalents		3,604	(14,862)
Cash and deposits at the beginning of the reporting period		14,676	29,538
Cash and deposits at the end of the reporting period	10.1	18,280	14,676

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

Statement of Changes in Equity for the year ended 30 June 2010

	Notes	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
Balance as at 1 July 2009		647	42,390	43,037
Total comprehensive result		-	(5,800)	(5,800)
Balance as at 30 June 2010		647	36,590	37,237

	Notes	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
Balance as at 1 July 2008		647	41,099	41,746
Total comprehensive result		-	1,291	1,291
Balance as at 30 June 2009		647	42,390	43,037

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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Note | Significant Accounting Policies

1.1 Objectives and Funding

The Tasmanian Development Authority (TDA) was established under the *Tasmanian Development Act 1983* (TD Act). Under Section 4(1) of the TD Act, the body corporate TDA operates under the corporate name Tasmania Development and Resources (TDR).

TDR has the mission to encourage and promote the balanced economic development of Tasmania by sustaining an effective partnership between business and Government which fully utilises the strategic advantages and human resources of the State to improve the wealth and quality of life in Tasmania whilst retaining its environmental status.

TDR is committed to enhancing the capability of Tasmanian businesses and improving local, national and international opportunities for business in Tasmania.

TDR's key corporate objectives are to

- » develop a world class business environment
- » provide ongoing strategic direction and data for industry development within the State
- » provide strategic business support services
- » identify, prioritise and develop relevant industry programs and products
- » assist small businesses to grow
- » provide training, skills enhancement and management support to business
- » provide export support and culture
- » attract new internal and external investment
- » provide effective, efficient and quality administration of the Government's loan and property portfolios.

TDR forms part of the Department of Economic Development, Tourism and the Arts (the Department). The activities of TDR are predominantly funded through Parliamentary appropriations.

The financial statements encompass all funds through which TDR controls resources to carry on its functions.

TDR activities are classified as controlled. Controlled activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by TDR in its own right.

The financial management and reporting obligations of TDR are governed by the TD Act and the *Financial Management and Audit Act 1990* (FMAA).

1.2 Basis of Accounting

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

- » The *Tasmanian Development Act 1983*
- » Australian Accounting Standards issued by the Australian Accounting Standards Board and Interpretations
- » The Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990*.

The Financial Statements were signed by the Chief Executive and Chairman of the Board on 17 August 2010.

Compliance with the Australian Accounting Standards (AAS) may not result in compliance with International Financial Reporting Standards (IFRS), as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. TDR 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 1.5.

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

1.3 Reporting Entity

The Financial Statements include all the controlled activities of TDR. The Financial Statements consolidate material transactions and balances of TDR and entities included in its output groups. Material transactions and balances between TDR and such entities have been eliminated.

1.4 Functional and Presentation Currency

These Financial Statements are presented in Australian dollars, which is TDR's functional currency.

1.5 Changes in Accounting Policies

(a) Impact of new and revised Accounting Standards

In the current year, TDR 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 101 *Presentation of Financial Statements* – this Standard has been revised and introduces a number of terminology changes as well as changes to the structure of the Statement of Changes in Equity and the Statement of Comprehensive Income. It is now a requirement that owner changes in equity be presented separately from non-owner changes in equity. There is no financial impact resulting from the application of this revised Standard.
- » AASB 123 *Borrowing Costs* – this Standard has been revised to mandate the capitalisation of all borrowing costs attributable to the acquisition, construction or production of qualifying assets. AASB 2009-1 *Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities [AASB 1, AASB 111 & AASB 123]* issued in April 2009 allows not-for-profit public sector entities to continue to choose whether to expense or capitalise borrowing costs relating to qualifying assets. There is no financial impact resulting from the application of this revised Standard.

- » AASB 2007-10 *Further Amendments to Australian Accounting Standards arising from AASB 101* – revised Standard to be applied from reporting periods beginning on or after 1 January 2010. This Standard changes the term “general purpose financial report” to “general purpose Financial Statements” and the term “financial report” to “Financial Statements”, where appropriate, in Australian Accounting Standards (including Interpretations) and the Framework to better align with IFRS terminology. The Standard will not have a financial impact on the Financial Statements.
- » AASB 2009-2 *Amendments to Australian Accounting Standards: Improving Disclosures about Financial Instruments* – introduces new disclosure requirements for fair value measurement and refines existing disclosures on liquidity risk for financial instruments. There is no financial impact from the application of this Standard.
- » AASB 2009-10 *Amendments to Australian Accounting Standards: Reclassification of Financial Instruments* – permits the reclassification of certain non-derivative financial assets. TDR does not intend to reclassify financial assets in the current period, accordingly there will be no financial impact.
- » AASB 2009-13 *Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners* – revised Standard to be applied from annual reporting periods beginning on or after 1 July 2010. The amendments are in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners and the disclosure requirements for dividends that are declared after the reporting period but before the Financial Statements are authorised for issue, respectively. The Standard will not have a material financial impact on the Financial Statements.
- » AASB Interpretation 14 *AASB 119 the Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* – the interpretation clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on the impact of minimum funding requirements on such assets. It also gives guidance on when a MFR might give rise to a liability. The Interpretation will not have a material financial impact on the Financial Statements.
- » AASB 1053 *Application of Tiers of Australian Accounting Standards* – establishes a differential reporting framework, which consists of two tiers of reporting requirements – to be applied for reporting periods beginning on or after 1 Jul 2013. The Standard will not have a material financial impact on the Financial Statements.

The impact of the changes has been adjusted in the comparative information presented in the Financial Statements and associated notes.

(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* – Standard to be applied to annual reporting periods beginning on or after 1 January 2013, includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the replacement of AASB 139 *Financial Instruments: Recognition and Measurement*. These requirements improve and simplify the approach for classification.
- » AASB 2009-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* – revised Standard to be applied from reporting periods beginning on or after 1 January 2010. The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The Standard will not have a material financial impact on the Financial Statements.
- » AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]* – to be applied for reporting periods beginning on or after 1 January 2013, the amendment to AASB 7 requires modification to the disclosure of categories of financial assets. The Standard will not have a material financial impact on the Financial Statements.

1.6 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) Attributed Revenue from Government

Attributed Appropriations, whether recurrent or capital, are recognised as revenues in the period in which TDR gains control of the appropriated funds. Except for any amounts identified as carried forward in Notes 3.1, control arises in the period of appropriation.

(b) Interest

Interest on funds invested is recognised as it accrues using the effective interest rate method.

(c) Other revenue

Other revenue includes sundry fee revenues and rent and other income received relating to *War Service Land Settlement Act 1950*, rural properties and investment properties and are recognised as revenue in the period in which TDR gains control of the funds.

1.7 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) Attributed employee benefits

TDR does not employ staff in its own right; activities of TDR are delivered by staff employed by the Department. That share of the employee benefits incurred by the Department that relate to TDR activities are included in the Statement of Comprehensive Income as Attributed Employee Benefits and include where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

(b) Depreciation and amortisation

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

Depreciation is provided for on a straight-line basis using rates which are reviewed annually. The major depreciation periods are:

Plant and equipment 2-25 years

Leasehold improvements 5-12 years

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

Software 5 years

(c) Supplies and consumables

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

(d) Grants and subsidies

Grant and subsidies expenditure is recognised to the extent that:

- » the services required to be performed by the grantee have been performed
- » the grant eligibility criteria have been satisfied.

A liability is recorded when TDR 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.

(e) Borrowing costs

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

Borrowing costs include:

- » interest on bank overdrafts and short term and long term borrowings
- » unwinding of discounting of provisions

» amortisation of discounts or premiums related to borrowings

» amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

(f) Other expenses

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

1.8 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.

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

(c) Impairment – Non-financial assets

All non-financial assets are assessed to determine whether any impairment exists. Impairment exists when the recoverable amount of an asset is less than its carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use. TDR'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.

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

(d) 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.

1.9 Assets

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

(a) Cash and deposits

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

(b) Receivables

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

(c) Loan advances

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

(d) Equity investments

Equity investments are initially recorded at the net recoverable value determined as follows

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

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

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

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

(e) Property, plant and equipment

(i) Valuation basis

Land, buildings and other long-lived assets are recorded at fair value less accumulated depreciation. All other Non-current physical assets, including work in progress, are

recorded at historic cost less accumulated depreciation and accumulated impairment losses.

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

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

(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 TDR 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 TDR 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 grouped on the basis of having a similar nature or function in the operations of TDR. Investment Property is revalued by class of asset annually to ensure they reflect fair value at balance date.

(f) 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.

(g) Intangibles

An intangible asset is recognised where:

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

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

(h) Other assets

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

I.10 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 TDR 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, TDR 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) Attributed 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 2010, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

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

(e) Superannuation

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

(f) Other liabilities

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

I.11 Leases

TDR 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.

TDR is prohibited by Treasurer's Instruction 502 *Leases* from holding finance leases.

I.12 Judgements and Assumptions

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

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

Judgements made by TDR that have significant effects on the Financial Statements are disclosed in the relevant notes to the Financial Statements.

TDR 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.

I.13 Foreign Currency

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

1.14 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 1.5.

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

1.15 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.

1.16 Taxation

TDR is exempt from all forms of taxation except Fringe Benefits Tax, Payroll Tax and the Goods and Services Tax (GST).

1.17 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 ATO is recognised as an asset or liability within the Statement of Financial Position.

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

Note 2 Events Occurring After Balance Date

TDR has \$3.85 million worth of loans issued to Tascot Templeton Carpets Pty Ltd (Tascot). On the 23rd of September 2010, Tascot was placed in voluntary administration due to Director concerns over future product orders slowing to the point where potential insolvent trading may occur. TDR holds mortgages and other charges as security for the loans. Due to the early stages of the voluntary administration, TDR is not in a position to reliably measure a value for any potential impairment.

Note 3 Income from transactions

3.1 Attributed 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.

	2010 Actual \$'000	2009 Actual \$'000
Attributed Appropriation revenue – recurrent		
Current year	42,832	39,131
Total	42,832	39,131
Revenue from Government – other		
Attributed Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year	140	576
Total	140	576
Total revenue from Government	42,972	39,707

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.

3.2 Revenue from Special Capital Investment Funds

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

	2010 Actual \$'000	2009 Actual \$'000
Economic and Social Infrastructure Fund	1,014	4,514
Total	1,014	4,514

3.3 Interest

	2010 \$'000	2009 \$'000
Interest	2,941	1,403
Total	2,941	1,403

3.4 Other revenue

	2010 \$'000	2009 \$'000
Investment property rental	1,077	872
Investment property other revenue	300	54
Other	940	1,932
Total	2,317	2,858

Note 4 Expenses from transactions

4.1 Employee benefits

	2010	2009
	\$'000	\$'000
Wages and salaries	12,188	12,673
Annual leave	1,141	1,084
Long service leave	473	730
Sick leave	506	365
Superannuation – defined benefit scheme	305	266
Superannuation – contribution scheme	1,299	1,292
Other post-employment benefits	1,141	71
Other employee expenses	99	239
Total	17,152	16,720

Superannuation expenses relating to defined benefits schemes relate to payments into the Superannuation Provision Account held centrally and recognised within the Finance-General Division of the Department of Treasury and Finance. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 11 per cent of salary.

Superannuation expenses relating to the defined contribution scheme are paid directly to the superannuation fund at a rate of nine per cent of salary. In addition, departments are also required to pay into the SPA a "gap" payment equivalent to two per cent of salary in respect of employees who are members of the contribution scheme.

4.2 Depreciation and amortisation

(a) Depreciation

	2010	2009
	\$'000	\$'000
Plant, equipment and vehicles	150	198
Total	150	198

(b) Amortisation

	2010	2009
	\$'000	\$'000
Intangibles	74	75
Leasehold improvements	283	259
Total	357	334
Total depreciation and amortisation	507	532

4.3 Supplies and consumables

	2010	2009
	\$'000	\$'000
Audit fees – financial audit	90	100
Audit fees – internal audit	12	69
Operating lease costs	1,538	1,725
Consultants and contracted services	7,075	3,402
Property services	949	642
Maintenance	139	201
Communications	457	763
Information technology	598	1,008
Travel and transport	1,091	1,542
Advertising and promotion	538	902
Legal expenses	44	115
Other supplies and consumables	338	517
Total	12,869	10,986

4.4 Grants and subsidies

	2010	2009
	\$'000	\$'000
Grants	12,932	14,633
Subsidies	20	105
Total	12,952	14,738

TDR provides grants to assist Tasmanian enterprises with industry development and employment assistance. These include assistance in the areas of exporting, innovation, contact centres, skill development, screen and film and general industry assistance. TDR also disburses designated specific purpose grants allocated from the Government's Special Capital Investment Funds.

4.5 Borrowing costs

	2010	2009
	\$'000	\$'000
Interest expense		
Interest on bank overdrafts and loans	1,806	1,207
Total	1,806	1,207
Other borrowing costs		
Unwinding of discounting of provisions	32	66
Total	32	66
Total	1,838	1,273

4.6 Other expenses

	2010	2009
	\$'000	\$'000
Salary on-costs	1,382	1,141
Seminars and conferences	262	326
International student fees	-	819
Expenses associated with investment property	16	-
Other	277	1,145
Total	1,937	3,431

Note 5 Other economic flows included in net result

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

	2010	2009
	\$'000	\$'000
Revaluation of non-current physical assets	(260)	437
Net gain/(loss) on sale of non-financial assets	(1)	(23)
Total net gain/(loss) on non-financial assets	(261)	414

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

	2010	2009
	\$'000	\$'000
Impairment reversals/(losses) for:		
Loans advances	25	651
Equity investments	(5,458)	(576)
Loan advances written off during the year	(2,095)	-
Total net gain/(loss) on financial instruments	(7,528)	75

During 2009-10 the Equity investments impairment related to a review of the valuation of Screen Tasmania equity investments requiring their value to be written down to nil, refer to Note 6.3.

Loan advances written off related to a *Tasmania Development Act 1983* loan to Etech Group International Pty Ltd (EGI). The write off is the result of subsidiary companies Etech Group P/L (EG) and Etech Tasmania P/L (ET) being placed into liquidation on 19 February 2010.

Note 6 Assets

6.1 Receivables

	2010 \$'000	2009 \$'000
Receivables	390	249
Less: Provision for impairment	-	-
Total	390	249
Settled within 12 months	390	249
Settled in more than 12 months	-	-
Total	390	249

6.2 Loan advances

	2010 \$'000	2009 \$'000
Convertible note	200	200
Rural Adjustment Scheme Account	-	140
Section 35 Loans Administered by TDR	25,700	20,356
<i>Tasmania Development Act 1983</i>	5,477	543
<i>Fire Damage Relief Act 1967</i>	24	24
<i>Farm Water Development Act 1985</i>	261	-
Screen Tasmania Loans	329	329
Less: Provision for impairment	(320)	(345)
Total	31,671	21,247
Settled within 12 months	5,971	2,062
Settled in more than 12 months	25,700	19,185
Total	31,671	21,247

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

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

During 2009-10, a loan was assessed as being impaired. The impairment arose as a result of TDR Board approving a specific provision of \$320,000 for impairment in relation to a Section 35 Loan administered by TDR.

	2010 \$'000	2009 \$'000
Reconciliation of movement in provision for impairment of other financial assets		
Carrying amount at 1 July	345	996
Increase/(decrease) in provision recognised in profit or loss	(25)	(651)
Carrying amount at 30 June	320	345

6.3 Equity investments

	2010 \$'000	2009 \$'000
Listed shares – at cost	2,412	2,412
Listed shares – converted	944	944
Unlisted equity instruments	10,279	9,927
Less: Provision for impairment	(13,046)	(7,588)
Total	589	5,695
Settled within 12 months	-	-
Settled in more than 12 months	589	5,695
Total	589	5,695

Listed shares

TASSAL Ltd

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

Unlisted equity instruments

First Tasmania Investments Ltd

TDR holds 2,402,105 ordinary shares in First Tasmania Investments Ltd. The shares are recorded at Directors' Valuation as at 30 June 2010.

North West Bay Ships Pty Ltd

TDR acquired 800,000 preference shares (7 per cent) of \$1.00 each in June 2000. The shares are recorded at Directors' Valuation as at 30 June 2010.

SDT Australia Pty Ltd

TDR acquired 200,000 preference shares (9 per cent) of \$1.00 each in June 2000. The company has not operated for the last three and a half years due to a lack of capital for further research and development. The shares have been valued at \$Nil as at 30 June 2010.

Screen Tasmania Investments

TDR has a number of equity investments in productions through Screen Tasmania. These investments assist companies working in the film, television and multimedia area, to undertake a variety of productions and projects that contribute to economic or cultural objectives for Tasmania.

During 2009-10, a review of the valuation of Screen Tasmania equity investments was conducted and the investments were assessed as being impaired. The impairment arose as a result of the difficulty of determining a reliable recoverable amount. As a result, a decision was made to record an impairment loss for the total carrying amount of the investments. The amount of the impairment loss is \$5.347 million.

In addition, the amount of \$0.111 million relates to the revaluation of First Tasmania Investment Ltd as at 30 June 2010.

	2010	2009
	\$'000	\$'000
Reconciliation of movement in provision for impairment of equity investments		
Carrying amount at 1 July	7,588	7,012
Increase/(decrease) in provision recognised in profit or loss	5,458	576
Carrying amount at 30 June	13,046	7,588

6.4 Property, plant and equipment

(a) Carrying amount

	2010 \$'000	2009 \$'000
Land		
Rural properties – at fair value (30 June)	4,056	4,416
Less: Provision for impairment	-	-
Total	4,056	4,416
Leasehold improvements		
At cost	4,975	4,975
Less: Accumulated amortisation	(3,699)	(3,417)
Less: Provision for impairment	-	-
	1,276	1,558
Work in progress (at cost)	-	-
Total	1,276	1,558
Plant, equipment and vehicles		
At cost	1,431	1,349
Less: Accumulated depreciation	(1,028)	(973)
Less: Provision for impairment	-	-
	403	376
Work in progress (at cost)	49	149
Total	452	525
Total property, plant and equipment	5,784	6,499

Rural properties are valued as at 30 June 2010 to fair value. Fair value of these properties equates to the option prices deemed on the individual properties. These option prices are the amounts receivable should the tenants exercise the option to purchase the freehold title.

(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.

2010

	Land \$'000	Leasehold improvements \$'000	Plant equipment and vehicles \$'000	Total \$'000
Carrying value at 1 July	4,416	1,558	525	6,499
Additions	-	-	178	178
Disposals	(360)	-	(1)	(362)
Work in progress at cost	-	-	(100)	(100)
Depreciation and amortisation	-	(282)	(150)	(432)
Carrying value at 30 June	4,056	1,276	451	5,784

2009

	Land \$'000	Leasehold improvements \$'000	Plant equipment and vehicles \$'000	Total \$'000
Carrying value at 1 July	5,022	1,560	516	7,098
Additions	-	280	58	338
Disposals	(606)	(23)	-	(629)
Work in progress at cost	-	-	149	149
Depreciation and amortisation	-	(259)	(198)	(457)
Carrying value at 30 June	4,416	1,558	525	6,499

6.5 Investment property

(a) Carrying amount

	2010 \$'000	2009 \$'000
Land at fair value	5,260	5,320
Buildings at fair value	6,050	6,250
Less: Provision for impairment	-	-
	11,310	11,570
Work in progress at cost	-	-
Total	11,310	11,570

Investment property relates to Tasmanian Technopark providing assistance to start-up and existing businesses to accelerate growth, facilitate strategic alliances and to encourage information dissemination and technology transfer with other organisations. Tasmanian Technopark develops, supports and markets viable, sustainable and internationally competitive technology and innovation-based industry in Tasmania. It assists the acceleration of growth for start-up and existing businesses. Technopark offers accommodation options to suit a range of businesses from complete, self-contained buildings to individual tenancies, a business incubator centre and managed office facility.

The latest revaluations as at 30 June 2010 were based on valuations undertaken by independent valuers Brothers and Newton Pty Ltd.

The fair value valuations of land and buildings were undertaken in accordance with API Professional Practice Guidelines and International Valuation Standards. In doing so, various methods of valuation including direct comparison, capitalisation of net income, summation, and hypothetical development have been utilised.

Estimates of total economic life assume regular and ongoing maintenance in order to prolong the useful life of the buildings. The total economic life for each asset has been amended for the age of the existing buildings to arrive at the remaining economic life. In cases where buildings have been developed in stages the age of the buildings have been calculated based on the averaged year of construction.

(b) Reconciliation of movements

	2010 \$'000	2009 \$'000
Carrying amount at 1 July	11,570	11,100
New purchases	-	33
Net gains/(losses) from fair value adjustments	(260)	437
Carrying amount at 30 June	11,310	11,570

6.6 Intangibles

(a) Carrying amount

	2010 \$'000	2009 \$'000
Intangibles with a finite useful life		
Software at cost	593	372
Less: Accumulated amortisation	(321)	(247)
Less: Provision for impairment	-	-
Total	272	125

(b) Reconciliation of movements

	2010 \$'000	2009 \$'000
Carrying amount at 1 July	125	200
Work in progress at cost	221	-
Depreciation/ amortisation expense	(74)	(75)
Carrying amount at 30 June	272	125

6.7 Other assets

(a) Carrying amount

	2010 \$'000	2009 \$'000
Other current assets		
Prepayments	844	1,092
Tax asset	1,026	1,023
Other	91	141
Total	1,961	2,256
Settled within 12 months	1,961	2,256
Settled in more than 12 months	-	-
Total	1,961	2,256

(b) Reconciliation of movements

	2010 \$'000	2009 \$'000
Carrying amount at 1 July	2,256	2,945
Additions	1,961	2,256
Disposals	(2,256)	(2,945)
Carrying amount at 30 June	1,961	2,256

Note 7 Liabilities

7.1 Payables

	2010 \$'000	2009 \$'000
Funds held in trust	673	1,394
Accrued expenses	784	701
Total	1,457	2,095
Settled within 12 months	1,457	2,095
Settled in more than 12 months	-	-
Total	1,457	2,095

Settlement is usually made within 30 days.

7.2 Interest bearing liabilities

(a) Carrying amount

	2010 \$'000	2009 \$'000
Loans from the State Government	21	21
Loans from Tascorp	25,000	12,000
Total	25,021	12,021

(b) Maturity schedule

One year or less	7,000	12,021
From one to five years	18,021	-
Total	25,021	12,021

The balance of Interest bearing liabilities does not include a non-repayable loan of \$7.9 million provided by the Department of Treasury and Finance to the Tasmanian Development Authority. Interest expense for the 2010 financial year totalled \$290,920 (2009 \$426,701).

7.3 Provisions

(a) Carrying amount

	2010 \$'000	2009 \$'000
Operating lease rentals	287	260
Operating lease make-good provisions	930	898
Total	1,217	1,158
Settled within 12 months	287	260
Settled in more than 12 months	930	898
Total	1,217	1,158

(b) Reconciliation of movements in provisions

	Operating lease make-good provision		Operating lease rentals		Total Provisions	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Balance at 1 July	898	833	260	168	1,158	1,001
Increases	44	55	27	92	71	147
Changes in discounting	(12)	10	-	-	(12)	10
Balance at 30 June	930	898	287	260	1,217	1,158

7.4 Attributed employee benefits

	2010 \$'000	2009 \$'000
Accrued salaries	346	258
Annual leave	1,111	1,075
Long service leave	2,341	2,112
SSALS provision	78	146
Total	3,876	3,591
Settled within 12 months	1,793	1,765
Settled in more than 12 months	2,083	1,826
Total	3,876	3,591

7.5 Other liabilities

	2010 \$'000	2009 \$'000
Revenue received in advance		
Appropriation carried forward from current and previous years under section 8A of the <i>Public Account Act 1986</i>	969	140
Other liabilities		
Employee benefits – on-costs	246	221
Other liabilities	234	54
Total	1,449	415
Settled within 12 months	1,313	297
Settled in more than 12 months	136	118
Total	1,449	415

Note 8 Commitments and Contingencies

8.1 Schedule of Commitments

	2010 \$'000	2009 \$'000
By type		
Capital commitments		
Investment property	29	57
Total capital commitments	29	57
Lease Commitments		
Operating leases	4,422	4,890
Total lease commitments	4,422	4,890
Other commitments		
Loan commitments: Loans approved but not drawn down by clients as at 30 June	14,268	6,550
Assistance to Industry commitments	19,835	6,395
Total other commitments	34,103	12,945
Total	38,554	17,892
By maturity		
Capital commitments		
One year or less	29	28
From one to five years	-	29
More than five years	-	-
Total capital commitments	29	57
Operating lease commitments		
One year or less	2,097	1,744
From one to five years	2,325	3,146
More than five years	-	-
Total operating lease commitments	4,422	4,890
Other commitments		
One year or less	19,598	12,945
From one to five years	14,505	-
More than five years	-	-
Total other commitments	34,103	12,945
Total	38,554	17,892

8.2 Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding the amount or timing of the underlying claim or obligation.

(a) Quantifiable contingencies

A quantifiable contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A quantifiable contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

	2010 \$'000	2009 \$'000
Quantifiable contingent liabilities		
Contingent guarantees		
Liability in respect of guarantees given to Tasmanian Hockey Inc. Support loan to remediate ground No 1 pending outcome of legal dispute with the original turf laying contractor.	1,250	-
Total quantifiable contingent liabilities	1,250	-

(b) Unquantifiable Contingencies

At 30 June 2010, TDR had one outstanding legal action as detailed below. It is not possible at the reporting date to accurately estimate the amounts of any eventual receipts or payments, if any, that may be required in relation to this action.

- (i) Jill Mure v Tasmania Development and Resources and the Recorder of Titles. The landowner is disputing the ownership of a strip of foreshore land at Tinderbox currently valued by TDR at \$100,000. The matter has been adjourned to a date to be fixed by the Court.

Note 9 Reserves

9.1 Reserves

	2010 \$'000	2009 \$'000
Physical asset revaluation reserve		
Balance at the beginning of financial year	647	647
Balance at end of financial year	647	647

(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 1.9(e).

Note 10 Cash Flow Reconciliation

10.1 Cash and deposits

Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by TDR, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2010 \$'000	2009 \$'000
Special Deposits and Trust Fund balance		
T522 Economic Development Operating Account	17,968	14,377
T790 Government Guarantees Reserve Account	309	296
T941 Fire Relief Account	2	2
Total	18,279	14,675
Other cash held		
Cash on hand and at bank	1	1
Total	1	1
Total cash and deposits	18,280	14,676

10.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2010	2009
	\$'000	\$'000
Net result	(5,800)	1,291
Increase (decrease) S8A(2) carry forwards	829	(436)
Depreciation and amortisation	507	532
Interest	(258)	(60)
(Gain)/loss on disposal of non-financial assets	6	(7)
(Gain)/loss on fair value revaluations	260	(470)
Impairment adjustments	7,528	(75)
Decrease (increase) in Receivables	(141)	151
Decrease (increase) in Other assets	293	689
Increase (decrease) in Attributed employee benefits	285	883
Increase (decrease) in Payables	83	(479)
Increase (decrease) in Provisions	59	157
Increase (decrease) in Other liabilities	205	(16)
Net cash from (used by) operating activities	3,856	2,160

Note II Financial Instruments

II.1 Risk exposures

(a) Risk management policies

TDR has exposure to the following risks from its use of financial instruments:

- » credit risk
- » liquidity risk
- » market risk.

The Chief Executive has overall responsibility for the establishment and oversight of the TDR's risk management framework. Risk management policies are established to identify and analyse risks faced by TDR, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(b) Credit risk exposures

Credit risk is the risk of financial loss to TDR if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The credit risk on financial assets of TDR which have been recognised in the Statement of Financial Position, other than equity investments, is the carrying amount, net of any provision for impairment.

TDR manages credit risk on loan advances by obtaining security over assets in accordance with the provisions of the TD Act and by including appropriate risk margins in TDR's interest rate pricing, based on an assessment of the inherent risk of individual clients.

TDR is materially exposed to Norske Skog Paper Mills Australia Limited (32 per cent). Concentration of credit risk by industry on loan advances is: Food (21 per cent).

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 Assets		
Receivables	Receivables are recognised at amortised cost, less any impairment losses.	The general term of trade for receivables is 30 days.
Other Financial Assets – Loan Advances	Loan advances are held to maturity and are measured at amortised cost subsequent to initial recognition. Impairment of loan advances is reviewed on an ongoing basis.	Loan advances include financial assistance provided by the Government to the private sector in the form of loans.
Cash and deposits	Deposits are recognised at the nominal amounts.	Cash means notes, coins and any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund.

Except as detailed in the following table, the carrying amount of financial assets recorded in the Financial Statements, net of any allowances for losses, represents the TDR's maximum exposure to credit risk without taking into account any collateral or other security:

	2010 \$'000	2009 \$'000
Guarantee provided	1,250	-
Total	1,250	-

The following tables analyse financial assets that are past due but not impaired

Analysis of financial assets that are past due at 30 June 2010 but not impaired

	Past due >30 days \$'000	Past due >60 days \$'000	Past due >90 days \$'000	Total \$'000
Receivables	55	38	38	130
Other Financial Assets – Loan Advances	1	1	97	99

Analysis of financial assets that are past due at 30 June 2009 but not impaired

	Past due >30 days \$'000	Past due >60 days \$'000	Past due >90 days \$'000	Total \$'000
Receivables	14	14	105	133
Other Financial Assets – Loan Advances	72	-	-	72

(c) Liquidity risk

Liquidity risk is the risk that TDR will not be able to meet its financial obligations as they fall due. TDR's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Liabilities		
Payables	Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when TDR becomes obliged to make future payments as a result of a purchase of assets or services.	TDR's terms of trade are 30 days.
Interest bearing liabilities	Bank loans and other loans are initially measured at fair value, net of transaction costs. These loans are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis. TDR regularly reviews its contractual outflows to ensure that there is sufficient cash available to meet contracted payments.	Contractual payments made on a regular basis.

The following tables detail the undiscounted cash flows payable by TDR relating to the 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:

2010

	Maturity analysis for financial liabilities							Un-discounted Total \$'000	Carrying Amount \$'000
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
Financial liabilities									
Payables	1,457	-	-	-	-	-	1,457	1,457	
Interest bearing liabilities	7,000	-	-	-	-	18,021	25,021	25,021	
Total	8,457	-	-	-	-	18,021	26,478	26,478	

2009

	Maturity analysis for financial liabilities							Un-discounted Total \$'000	Carrying Amount \$'000
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
Financial liabilities									
Payables	2,095	-	-	-	-	-	2,095	2,095	
Interest bearing liabilities	12,021	-	-	-	-	-	12,021	12,021	
Total	14,116	-	-	-	-	-	14,116	14,116	

(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 TDR is exposed to is interest rate risk.

TDR seeks to manage exposure to movements in interest rates by matching the repricing profile of financial assets and financial liabilities. TDR enters into interest rate options on floating rate debt to match capped rate loan advances. The costs of such options are recovered in the interest rate applied to loan advances.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as TDR intends to hold fixed rate assets and liabilities to maturity.

At the reporting date, the interest rate profile of the TDR's interest bearing financial instruments was:

	2010 \$'000	2009 \$'000
Fixed rate instruments		
Financial assets	979	5,944
Financial liabilities	1,457	2,095
Total	2,436	8,039
Variable rate instruments		
Financial assets	49,950	35,923
Financial liabilities	25,021	12,021
Total	74,971	47,944

Changes in variable rates of 100 basis points at reporting date would have the following effect on TDR's profit or loss and equity:

Sensitivity Analysis of TDR's Exposure to Possible Changes in Interest Rates

	Statement of Comprehensive Income		Equity	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
30 June 2010				
Cash and deposits	150,908	(150,908)	150,908	(150,908)
Loan advances	316,705	(316,705)	316,705	(316,705)
Interest bearing liabilities	(250,000)	250,000	(250,000)	250,000
Net sensitivity	217,613	(217,613)	217,613	(217,613)
30 June 2009				
Cash and deposits	59,743	(59,743)	59,743	(59,743)
Loan advances	212,470	(212,470)	212,470	(212,470)
Interest bearing liabilities	(120,000)	120,000	(120,000)	120,000
Net sensitivity	152,213	(152,213)	152,213	(152,213)

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2009.

11.2 Categories of Financial Assets and Liabilities

	2010 \$'000	2009 \$'000
Financial assets		
Cash and deposits	18,280	14,676
Loans and receivables	32,061	21,496
Available-for-sale financial assets	589	5,695
Total	50,930	41,867
Financial Liabilities		
Financial liabilities measured at amortised cost	26,478	14,116
Total	26,478	14,116

11.3 Net Fair Values of Financial Assets and Liabilities

2010

	Total Carrying Amount \$'000	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net fair Value Level 3 \$'000	Net Fair Value Total \$'000
Financial assets					
Other financial assets					
Loan advances	31,671	-	31,660	-	31,660
Equity investments	589	-	589	-	589
Total financial assets	32,260	-	32,249	-	32,249
Financial liabilities (Recognised)					
Payables	1,457	1,457	-	-	1,457
Other financial liabilities					
Borrowings	25,021	25,589	-	-	25,589
Total financial liabilities (Recognised)	26,478	27,046	-	-	27,046

2009

	Total Carrying Amount \$'000	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net fair Value Level 3 \$'000	Net Fair Value Total \$'000
Financial assets					
Other financial assets					
Loan advances	21,247	-	19,744	-	19,744
Equity investments	5,695	-	5,695	-	5,695
Total financial assets	26,942	-	25,439	-	25,439
Financial liabilities (Recognised)					
Payables	2,095	2,095	-	-	2,095
Other financial liabilities					
Borrowings	12,021	12,313	-	-	12,313
Total financial liabilities (Recognised)	14,116	14,408	-	-	14,408

TDR uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets;

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Financial Assets

The net fair value of loan advances is based on the differential between the actual interest rates of loans advanced and the equivalent TDR market interest rates at the time of reporting. Loan advances are held to maturity and are measured at amortised cost subsequent to initial recognition.

Equity investments are revalued from time to time as considered appropriate by the directors and are not stated at values in excess of their recoverable amounts.

All financial assets are not readily traded on organised markets in a standardised form.

Financial Liabilities

The net fair values of payables approximate their carrying amounts.

The net fair value of interest bearing liabilities is based on the differential between the actual interest rates of borrowings held and the equivalent market interest rates accessible by TDR at the time of reporting.

Director's statement

1. The financial statements have been prepared under Section 29B of the *Tasmanian Development Act 1983*. In accordance with Ministerial direction under S29B(4), the financial statements have been prepared in accordance with Australian accounting standards.
2. In complying with Australian accounting standards expenditure incurred by the Agency is accounted for on an accrual basis and reported with accrued operating revenue and annual cash appropriations from Government. Under this reporting format, timing differences will occur between the accrual of expenditure and the receipt of appropriations from Government for accrued expenses. As at the date of this statement, there are reasonable grounds to believe that TDR will be able to fulfil its financial obligations as and when they fall due, subject to Parliamentary appropriation.

Certification of Financial Statements

The accompanying Financial Statements of TDR have been prepared in compliance with the provision of the *Tasmanian Development Act 1983* and the *Financial Management Audit Act 1990* from proper accounts and records to present fairly the financial transactions for the year ended 30 June 2010 and the financial position as at 30 June 2010.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



.....
Denis W Rogers AO

Chairman
12 August 2010



.....
Mark Kelleher

Chief Executive
17 August 2010



INDEPENDENT AUDIT REPORT

To Members of the Parliament of Tasmania

TASMANIA DEVELOPMENT AND RESOURCES

Financial Statements for the Year Ended 30 June 2010

Report on the Financial Statements

I have audited the accompanying financial statements of Tasmania Resources and Development (the Authority), which comprises the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Directors of the Authority.

The Responsibility of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and Section 29B of the *Tasmanian Development Act 1993*. 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.

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 Authority'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 Authority's

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internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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,
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

Auditor's Opinion

In my opinion the financial statements of Tasmania Development and Resources:

- (a) present fairly, in all material respects, the financial position of Tasmania Development and Resources as at 30 June 2010, and its financial performance, cash flows and changes in equity for the year then ended; and
- (b) are in accordance with the *Tasmanian Development Act 1993* and Australian Accounting Standards (including Australian Accounting Interpretations).

TASMANIAN AUDIT OFFICE



E R De Santi
DEPUTY AUDITOR-GENERAL
Delegate of the Auditor-General

HOBART
29 September 2010

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Glossaries and index

List of abbreviations

AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
AbaF	Australian Business Arts Foundation
ABC	Australian Broadcasting Corporation
ACS	Australian Cinematographers Society
AIF	Arts Infrastructure Fund
AIR	Artist in residence
AIRC	Australian Innovation Research Centre
ASC	American Society of Cinematographers
ATCM	Antarctic Treaty Consultative Meeting
ATO	Australian Taxation Office
CAST	Contemporary Art Services Tasmania
DEDTA	Department of Economic Development, Tourism and the Arts
DEPHA	Department of Environment, Parks, Heritage and the Arts
eDRMS	Electronic Document and Records Management System
EDP	Economic Development Plan
EGP	Enterprise Growth Program
ERP	Emissions Reduction Plan
FFIC	Forests and Forest Industry Council
FJMT	Francis-Jones Morehen Thorp
FTE	full-time equivalent
GFC	Global Financial Crisis
GSP	Gross State Product
GST	Goods and Services Tax
IA	Infrastructure Australia
IAATO	International Association of Antarctic Tourism Operators
ICN	Industry Capability Network
ICT	Information Communication Technology

List of abbreviations

LGAT	Local Government Association of Tasmania
LNG	Liquefied Natural Gas
LNGR	Liquefied Natural Gas Refuellers Pty Ltd
MONA FOMA	Museum of Old and New Art Festival of Music and Art
MOU	Memorandum of Understanding
NBN	National Broadband Network
OH&S	Occupational Health and Safety
PAPF	Premier's Arts Partnership Fund
PBTR	Play by the Rules
PPAC	Premier's Physical Activity Council
QVMAG	Queen Victoria Museum and Art Gallery
RAP-Tas	Regional Assistance Program Tasmania
R&D	Research and Development
SAMP	Supplier Access to Major Projects
SAN	Storage Area Network
SPAP	State Physical Activity Plan
SRT	Sport and Recreation Tasmania
TAAB	Tasmanian Arts Advisory Board
TCCI	Tasmanian Chamber of Commerce and Industry
TDR	Tasmania Development and Resources
TFGA	Tasmanian Farmers and Graziers Association
TICT	Tourism Industry Council of Tasmania
TMAG	Tasmanian Museum and Art Gallery
TREIDB	Tasmanian Renewable Energy Industry Development Board
TSO	Tasmanian Symphony Orchestra
TVIN	Tasmanian Visitor Information Network
UHRF	Urban Heritage Renewal Fund

Performance index

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Compliance index

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

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

- » *Financial Management and Audit Act 1990*
- » *State Service Act 2000*
- » *Freedom of Information Act 1991*
- » *Public Interest Disclosures Act 2002*
- » *State Service Regulations 2001*
- » Various Treasurer's Instructions

The four columns in the index have the following meaning:

1 and 2. Section and compliance – these columns refer to the statutory disclosure requirements in Tasmanian public sector legislation.

3. Page number – this states where in this Annual Report the requirement is satisfied. In some instances, the requirement is complied with by the report in its entirety.

4. Details – this is a brief statement of the instruction, clause, section or subsection of the corresponding statutory disclosure requirement.

Key	
SSR	State Service Regulations 2001
SS	State Service Act 2000
TI	Treasurer's Instructions
FMAA	Financial Management and Audit Act 1990
FOI	Freedom of Information Act 1991
PSSRA	Public Sector Superannuation Reform Act 1999

Section	Compliance	Page(s)	Details
General			
		4	Table of contents
		n/a	Alphabetical index
		164-165	Glossary of abbreviations
Overview			
Strategic plan	SSR s9(a)(i)	11-13	An overview of the department strategic plan, including its aims, functions and related programs.
Performance	SS s36(1)(a)	Annual Report	
	FMAA s27(1)(a)	Annual Report	A report on the performance of the functions and exercises of the power of the Secretary under any written law.
Major initiatives	SSR s9(a)(v)	Annual Report	Details of major initiatives taken by the department to develop and give effect to government policy.
Major changes during the year	SSR s9(a)(iv)	Annual Report	Details of, and reasons for, any major changes which have taken place in relation to the programs, aims, functions or organisational structure of the agency.

Operational structure			
Department organisational chart	SSR s9(a)(ii)	14-15	An organisation chart illustrating the department administrative structure, including regional offices, and showing officers of the agency.
Why we are structured in this way	SSR 9(a)(iii)	11-12	A description of the relationship between the organisational structure and the program management structure of the agency.
Performance measurement			
Performance summary	TI 701 (1)(a)(e)	18-57	A narrative summary, together with quantitative measure where relevant, of the objectives and functions of the programs or activities, including significant outcomes, key efficiency measures, targets, proposed plans and any ministerial objectives.
	TI 201 (1)(b)	8-10, 122-123	Economic and other factors that have affected the achievement of operational objectives.
Legislation administered and major documents published			
Legislation administered	SSR s9(d)	62	A list of legislation administered by the department.
Legislation enacted	SSR 9(d)	n/a	A list of legislation enacted during the year for which the department is responsible, including details of significant changes to legislation previously administered by the department.
Public access and awareness of services provided			
Key contact	SSR s9(c)(ii)	Inside back cover	List of contact officers and points of public access in relation to services provided by the department.
Community awareness report	SSR s9(c)(i)	All	Details of activities undertaken to develop community awareness of the department and the services it provides.
Agency publications	SSR s9(c)(i)	64	List of major documents published by any internal or external body of the department during the year.
Freedom of Information	FOI s56	62	Freedom of Information details for 2009-10.
Human resources management			
Recruitment and selection	SSR s9(b)(i)	58, 60-61	Details of recruitment policies and programs, including statistical information.
Staff development	SSR s9(b)(ii)	58, 60-61	Information relating to employee training and development activities, including statistical information for 2009-10.
Equal employment opportunities	SSR s9(b)(iii)	58, 60-61	A description of the department's workplace diversity program, including statistical information for 2009-10.
Industrial democracy	SSR s9(b)(iv)	n/a	Details of the processes established to ensure employee participation in industrial relations matters within the department.

Internal grievance procedures	SSR s9(b)(v)	58	Summary of internal grievance procedures.
Occupational health and safety	SSR s9(b)(vi)	58	Outline of occupational health and safety strategies.
Appeals process	SSR s9(c)(iii)	67	An outline of the processes available for appeals against decisions made by the department.
Superannuation contribution	PSSRA s13	68	Certification by the relevant department manager relating to contributions to non-RBF superannuation funds, including a report that the department has met its obligations under the <i>Superannuation Guarantee (Administration) Act 1992</i> .
Asset management and risk management policies			
Major capital projects	TI 201 (I)(d)	64	Information on major capital projects or undertakings.
Asset management	TI 201 (I)(g)	62	Statement of asset management policies and an outline of asset management strategies and initiatives.
Risk management	TI 201 (I)(f)	62	Statement of risk management policies and an outline of significant risk management activities and initiatives.
Pricing policies	TI 201 (I)(c)	n/a	Pricing policies of goods and services provided, the last review date, and reference to documents that contain the pricing information, with details of cost-recovery policies and their application, as appropriate.
Government procurement			
Support for local businesses	TI 1110 6(a)	64	A narrative statement in the introduction by the Secretary regarding the department's support for local business.
	TI 1110 6(b)(i)	64	Table summarising the department's support for local business, including the number of procurement contracts awarded, the number of tenders called and the number of bids received and the extent of local participation in procurement activities.
Contracts awarded during the year	TI 1110 6(b)(ii)	65-66	Detailed information on all contracts awarded, including consultancy contracts, including a description of the contract, the total value of the contract and the name and locality of contractors.
Other matters	TI 201 (i)(i)	n/a	Any other matters deemed relevant by the Secretary.
Financial statements			
Financial statements	FMAA s27 (1)(c), FMAA s27 (2),(3) & (4) TI 201 (i)(j)	69-119	Financial statements of the department for the year including financial statements of any statutory or public body not required to report under any other Act.
Audit opinion	FMAA s27 (1)(c), TI 201 (1)(k)	120-121	Auditor-General's report on the department's financial statements.

Contact us

Department of Economic Development, Tourism and the Arts **Head Office – Hobart**

Level 1 Reception
22 Elizabeth Street
GPO Box 646
Hobart TASMANIA 7001 Australia
ph: (03) 6233 5888 or 1800 440 026
int ph: +61 3 6233 5888
fax: (03) 6233 5800
int fax: +61 3 6233 5800
email: info@development.tas.gov.au
web: www.development.tas.gov.au

Business Point

ph: 1800 440 026
email: businesspoint@development.tas.gov.au

Regional Office – North

Level 1 Cornwall Square Transit
12-16 St John Street
PO Box 1186
Launceston TASMANIA 7250 Australia
ph: 1800 440 026
fax: (03) 63341131
email: launceston@development.tas.gov.au

Regional Office – North West

2nd Floor Harris Building
Cnr Alexander and Cattley Streets
PO Box 672
Burnie TASMANIA 7320 Australia
ph: 1800 440 026
fax: (03) 64317220
email: northwest_office@development.tas.gov.au

Regional Office – South

22 Elizabeth Street
GPO Box 646
Hobart TASMANIA 7001 Australia
ph: 1800 440 026
fax: (03) 6233 5800

Antarctic Tasmania

Suite 25-26 Salamanca Square
GPO Box 824
Hobart TASMANIA 7001 Australia
ph: (03) 6233 5492
int ph: +61 3 6233 5492
fax: (03) 6233 5497
int fax: +61 3 6233 5497
email: antarctic@development.tas.gov.au
web: www.development.tas.gov.au/antarctic

Arts Tasmania **Head Office**

146 Elizabeth Street
Hobart TASMANIA 7000 Australia
ph: (03) 6233 7308
int ph: +61 3 6233 7308
fax: (03) 6230 8353
int fax: +61 3 6230 8353
email: arts.tasmania@arts.tas.gov.au
web: www.arts.tas.gov.au

Events Tasmania

Level 4
111 Macquarie Street
GPO Box 399
Hobart TASMANIA 7001 Australia
ph: (03) 6233 5946
int ph: +61 3 6233 5946
fax: (03) 6230 8353
int fax: + 61 3 6230 8353
email: info@eventstasmania.com
web: www.events.tas.gov.au

Screen Tasmania

Level 4
22 Elizabeth Street
GPO Box 646
Hobart TASMANIA 7001 Australia
ph: (03) 6233 6995
int ph: +61 3 6233 6995
fax: (03) 6233 5610
int fax: +61 3 6233 5610
email: info@screen.tas.gov.au
web: www.screen.tas.gov.au

Sport and Recreation Tasmania **Head Office – Hobart**

Level 4
22 Elizabeth Street
GPO Box 646
Hobart TASMANIA 7001 Australia
ph: 1800 252 476
fax: (03) 6233 5800
email: sportrec@development.tas.gov.au
web: www.development.tas.gov.au/sportrec

Regional Office – North

Silverdome Complex
Kate Reed State Recreation Area
55 Oakden Road
PO Box 364
Prospect TASMANIA 7250 Australia
ph: (03) 6336 2206
fax: (03) 6336 2014
email: north@development.tas.gov.au

Regional Office – North West

2nd Floor Harris Building
49 Cattley Street
PO Box 647
Burnie TASMANIA 7320 Australia
ph: (03) 6434 6255
fax: (03) 6431 7220
email: northwest@development.tas.gov.au

Tasmanian Institute of Sport

55 Oakden Road
PO Box 93
Prospect TASMANIA 7250 Australia
ph: (03) 6336 2202
fax: (03) 6336 2211
email: institute.sport@tis.tas.gov.au
web: www.tis.tas.gov.auGovernment

Wilderness Program

18 Wentworth Street
Bellerive
PO Box 943
Rosny Park TASMANIA 7018 Australia
ph: (03) 62333503
int ph: +61 3 6233 3503
fax: (03) 6233 2698
int fax: +61 3 6233 2698
email: wildernessprogram@development.tas.gov.au

Tourism Tasmania **Head Office**

Level 2
22 Elizabeth Street
GPO Box 399
Hobart TASMANIA 7001 Australia
ph: (03) 6230 8235
int ph: +61 3 6230 8235
fax: (03) 6230 8353
int fax: +61 3 6230 8353
email: reception@tourism.tas.gov.au
web: www.tourism.tas.gov.au

The Tasmanian Museum and Art Gallery

40 Macquarie Street
Hobart TASMANIA 7000 Australia
ph: (03) 6211 4177
int ph: +61 3 6211 4177
web: www.tmag.tas.gov.au
email: tmagmail@tmag.tas.gov.au