



Annual Report **2011-12**

Submission to Ministers



1 Lara Giddings MP

Premier
Treasurer
Minister for the Arts

3 Scott Bacon MP

Minister for Tourism
Minister for Hospitality

2 David O'Byrne MP

Minister for Economic Development
Minister for Innovation, Science and Technology

4 Michelle O'Byrne MP

Minister for Sport and Recreation

Dear Ministers

In accordance with the requirements of Section 36 of the *State Services Act 2000* and Section 27 of the *Financial Management and Audit Act 1990*, I submit to you, for presentation to parliament, this report on the affairs and activities of the Department of Economic Development, Tourism and the Arts for the financial year ended 30 June 2012.

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

Yours sincerely

Mark Kelleher

Secretary
Department of Economic Development, Tourism and the Arts
October 2012

Department of Economic Development, Tourism and the Arts

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An electronic version of this report is available at www.development.tas.gov.au

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About this publication



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

This report provides information for all stakeholders with an interest in economic development, culture, recreation, sport and tourism in Tasmania. It includes an overview of the operations, major initiatives and achievements, and performance of the department during the 2011-12 year.

This publication is presented in several sections:

Section	Purpose	Page
About us	This introductory section provides an overall picture of the department – our purpose, values, role, organisational structure, management boards, stakeholders and strategic and policy context.	7
Our activities	This section provides a description of the major achievements of each of the department's divisions.	37
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The following statutory authorities administered by the department prepare independent annual reports:

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

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



Message from the Secretary



The Department of Economic Development, Tourism and the Arts' purpose is to help make Tasmania a prosperous, vibrant and healthy community in which to live, work and do business.

During the past year significant results in support of this objective were recorded across the department despite the challenging economic environment in which we are operating.

The Economic Development Plan, launched in August 2011, identifies the state's priorities over the next decade. Already the benefits are flowing to Tasmanian industry and into the broader community. In the year to March 2012 there was \$2.8 billion of business investment in Tasmania, with investment in machinery and equipment growing at double the national rate.

Three regional economic development plans are close to completion. Extensive community consultation has provided an opportunity for people to express their visions for their region's future and to have a say in their region's priorities. These plans identify place-based initiatives, which will see all three levels of government work together to help communities adapt to changing conditions.

Tasmanian communities' liveability and sustainability are important parts of the Economic Development Plan. Specific departmental business units underpin this objective through their activities. These units are contributing to the economy in different ways and each unit recorded strong results throughout the year.

Events Tasmania provided \$2.4 million to support 19 events during the year, many of which are regionally based. Larger festivals such as the Australian Wooden Boat Festival and MONA FOMA, and events such as the V8 Supercars and the Moorilla Hobart International Tennis drew around 20 000 visitors to Tasmania. The average stay for these visitors was four nights and they contributed approximately \$18.5 million to the state's economy.

Tourism Tasmania helped generate extensive media promotion for the state through working with organisations such as Shine Australia. This relationship resulted in four episodes of the popular television reality cooking series *MasterChef Australia* being produced with five Tasmanian locations highlighted on the show. Each episode attracted around 1.3 million viewers and showcased Tasmania to an affluent national and international audience that enjoys fine food and travel.

Another Tourism Tasmania campaign designed to take advantage of the exposure gained through the Tasmanian episodes of *MasterChef* was the *Save a Mainlander Campaign*, a quirky two-month online promotion to encourage Tasmanians to invite their friends and relatives to visit the state for a holiday or break.

Arts Tasmania's programs contribute to Tasmania's cultural life by supporting individuals and organisations, people with a disability, small museums and collections, and arts infrastructure development. **smart map tasmania**, an innovative and creative way for visitors and residents to access art in Tasmania was also developed by Arts Tasmania. It provides up-to-date information on approximately 100 of Tasmania's best arts experiences through an on-line web-based resource.

Screen Tasmania invested a total of \$418 505 in eight productions. As a result, production budgets totalling \$16.9 million generated approximately 114 jobs with \$1 218 000 being spent within the state. Among these productions was *The Hunter*, which received 14 nominations for the inaugural Australian Academy of Cinema and Television Arts Awards and is currently showcasing Tasmania's spectacular scenery in cinemas throughout the United Kingdom.

On the strength of *The Hunter's* popularity, the Mount Field Tourist Group is now developing a 'tiger trail' festival and tourism venture — a great example of a positive regional initiative following a successful departmental activity.

In another liveability initiative Sport and Recreation Tasmania (SRT), in tandem with the University of Tasmania (UTAS), commissioned a report examining the costs and benefits of sport and physical recreation that showed a direct contribution of over \$819 million to the Tasmanian economy annually. Other SRT programs included recreational opportunities for people with a disability and the *Find Thirty every day®* fitness campaign, which encourages all Tasmanians to be more physically active.

At the elite end of our sport and recreation initiatives, the Tasmanian Institute of Sport selected a record 18 athletes to compete in the London Olympics this year (15 Olympians and three Paralympians), three more than at the 2008 Beijing Olympics.

The \$30 million redevelopment of the Tasmanian Museum and Art Gallery (TMAG) is also adding to the state's liveability. Work commenced during the year and is scheduled for completion by early 2013. Visitation remains strong with approximately 250 000 visitors enjoying those areas that remain open. The first collaborative exhibition between TMAG and MONA, *Theatre of the World*, was also launched during the year.

2011-12 was also the Antarctic Centennial Year (ACY) with the department playing an active role in a range of supporting activities.

Over 30 Antarctic-related conferences and cultural events held during the ACY contributed almost \$5 million to the local economy. Mawson and Amundsen centenary celebrations alone attracted more than 5 500 people and five major international meetings attracted 820 delegates from around the world.

ACY events provided a springboard to further promote Hobart's unique strategic advantages as a global headquarters for Antarctic policy and science. To underpin the importance of this sector to the economy, the department, in collaboration with Tasmanian research institutions and businesses providing specialist Antarctic and cold-climate goods and services, produced *Developing Tasmania's Antarctic Sector*. This publication promotes Tasmania as an international Antarctic gateway and hub, and further promotes economic opportunities within the sector.

Strengthening our strategic partnerships has been another key focus this year. Our relationship with UTAS is one such example.

Property deals coordinated by the department on behalf of the Tasmanian Government have led to the development of the new UTAS Institute of Marine and Antarctic Studies facility on Hobart's Princes Wharf Shed Number 2 and a UTAS medical educational cluster being established on Hobart's Queen's Domain.

The department also played a key role in securing funding for the \$50 million rehabilitation of the Hobart railyard for future development. This site, together with the recently announced construction contract for the \$7 million redevelopment of Macquarie Wharf Number 2, presents an excellent opportunity to create a world-class, waterfront development. This is a unique opportunity to develop prime real estate into a vibrant precinct with potential for Antarctic and tourism-based operations, commercial operations, retail and hospitality outlets, visitor and residential accommodation and tertiary education facilities.

A new Small Business Strategy was launched by the department in September 2011 with strong endorsement from the business community. Its implementation is now well underway. The Small Business Strategy is creating a more competitive business environment, reducing the burden of compliance and ensuring easier access to skills, information and resources. The new strategy recognises that the way in which Tasmanians will do business in future is changing.

The introduction of the National Broadband Network (NBN) is a major factor in these changes. By 2015 the NBN will be accessible by all Tasmanians; six years before the rest of the country is fully covered.

This will give Tasmania clear business advantages over our interstate competitors. The accessibility advantages offered by the NBN will also help attract investment to Tasmania from the ICT sector and other service businesses that can operate digitally over this high-speed platform.

During the year the department's investment attraction and facilitation unit actively promoted a range of initiatives in the mining, aquaculture and dairy industries. Positive outcomes include record levels of mineral exploration and mineral exports; expansion of aquaculture infrastructure in Macquarie Harbour and the Huon Valley; and an expansion of the dairy industry in the state's north and north-west.

Other investment attraction initiatives this year included working with Wine Tasmania to secure the 8th International Cool Climate Symposium (ICCS) for Viticulture and Oenology for Hobart. The ICCS attracted over 300 delegates from around the world. The department produced a prospectus, *The Wine Industry in Tasmania – A guide for investors*, for distribution at this symposium and for ongoing investment attraction.

Earlier this year Europe's leading wine publication *The Drinks Business* ranked Tasmania as the world's second-best wine investment location, second only to China. This independent endorsement validates our marketing of Tasmania's wine industry as a growth sector.

A campaign to make Tasmanian food and beverages more easily identifiable on supermarket shelves, and encouraging Tasmanians to support their local retailers and producers by 'buying Tasmanian', was launched during the year. The campaign, *Taste Tasmania*, was promoted in the media, through television and newspaper advertising, on bus backs and through point-of-sale material. The take-up of this campaign by producers and retail outlets is encouraging with 77 Independent Grocers of Australia (IGA) stores being engaged along with many more non-aligned retailers.

Tasmania's brand is a valuable asset, not only for marketing our products but also for promoting the advantages of living, working, learning, visiting, trading and investing in the state.

Other high-profile departmental activities promoting Tasmanian produce included the Meat and Livestock Australia's Black Box Culinary Challenge Global Final, which was part of the Savour Tasmania culinary event program, and our attendance at the Product Marketing Association Fresh Connections Australia and New Zealand Conference and Trade Show.

Departmental initiatives such as the Export Market Assistance Scheme, the Exporter Education program and trade promotions contributed to Tasmania's export successes this year. International merchandise exports of \$3.17 billion were recorded in the year to June 2012. This can be attributed to rising demand from China and the USA with a combined export value of \$1.1 billion in the past year.

In conclusion

Despite it being a very challenging year the department has achieved considerable successes, which are collectively contributing to Tasmania's economic and social growth and liveability.

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

I would also like to thank the outgoing Chairman of the Tasmanian Development Board, Denis Rogers AO and the incoming Chairman Lyn Cox, together with all members of the board, for their contributions and counsel during this period of our organisation's evolution.

Finally to all departmental staff, thank you for your continued dedication through a time of change and uncertainty. Your resilience and commitment is greatly appreciated.



Mark Kelleher

Secretary
Department of Economic Development, Tourism and the Arts

About us

- Our purpose
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- Our stakeholders
- Our economic context
- Our contribution to Tasmanian Government goals
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Our purpose

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 into and within Tasmania
- » 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 objectives.

The department's values are:

- » We act with integrity
- » Our people matter
- » We make a real difference.

Our role

The department leads government support for 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 aim to achieve community, industry and government economic development goals by taking a whole-of-government approach to 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 focused on exports and import replacement. We manage projects, develop policies, undertake planning and deliver programs and services in partnership with industry sectors.

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, Screen Tasmania and the Tasmanian Museum and Art Gallery, we provide support for the development of the arts sector in Tasmania. This includes working with Tourism Tasmania to support and raise awareness of our state's rich cultural heritage.

Our stakeholders

Our stakeholders include the following ministers within the Tasmanian Government:

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

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

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



Our economic context

Like other Australian states and territories, Tasmania's economy and related economic development operates within the broader influences of a global market.

In response to the poor economic performance of the Tasmanian economy throughout the 1990s, in 1998 the government put forward a new vision for Tasmania. As noted in the 1998–99 Tasmanian Budget Paper No 1, this was the first time in Tasmania's history that the government had introduced a fully coordinated and strategic approach to economic development and financial management within the state. The key components supporting this vision were Tasmania *Together*, the Industry Development Plans, the Fiscal Strategy and State/Local Government Partnership Agreements.

This strategic approach to economic development and financial management assisted Tasmania to attain net debt-free status in the 2004–05 financial year and to secure the benefits of strong economic conditions. The approach also drove reforms to energy and competition policy, ports, State Government taxation and the divestment of non-core government businesses.

From the year 2000 until the Global Financial Crisis (GFC) in 2008, Tasmania's economy grew strongly with jobs growth and a significant drop in unemployment. Government drove an improved public sector financial position. Taxation was further reformed so that Tasmania now has one of Australia's lowest business tax rates. Increased ease of access to the state led to a resurgent tourism industry. Major investment and infrastructure projects such as the acquisition of the two Bass Strait ferries, Basslink, the natural gas project and renewable energy development took place.



A rebound in confidence, combined with relatively cheap housing prices led to increased population growth and net inward migration.

Tasmania now faces an economic environment in which sovereign debt issues continue to plague Europe and many major economies continue to record weak growth. As well as this, the GFC appears to have had a longer-term impact on consumers and the resources boom, although softening, is continuing.

The resources boom is a key economic issue for Australia and will continue to be so in the next decade. It is dominating investment and labour, and driving up the value of the Australian dollar and interest rates. In particular, the high Australian dollar is having a negative impact on trade-exposed sectors such as manufacturing and tourism. A strong economy with low unemployment should translate into higher spending, as happened during the resource boom in the early 2000s. However, this is not the case, in the current post-GFC resources boom.

Consumers continue to be more cautious. Interest rate rises and cost of living pressures, along with more general concerns for the economic outlook and job security, have led to savings rates increasing strongly. Consumers are spending less, particularly on discretionary items, which is a major factor in the fall in retail spending and GST revenue. This is directly and negatively impacting on Tasmanian Government revenue through significantly lower GST revenue transfers from the Australian Government.

The GFC and the ongoing resources boom have accelerated the structural challenges in Tasmania's economy, particularly in relation to some of the state's traditional trade exposed industries. Tasmania's lower population growth, and lower labour market participation and productivity levels, means it is difficult for the state to compete on volume and price alone. Current indicators forecast these economic challenges to continue to have impacts in the short to mid-term as the state continues to feel structural change pressure and begins a process of economic diversification.

The Tasmanian Government, led by the department, is now implementing the Economic Development Plan, launched in August 2011 by the Premier, Lara Giddings MP, and the Minister for Economic Development, David O'Byrne MP. The Economic Development Plan charts a strong direction for Tasmania's economic development into the next decade, and continues the vision for Tasmania outlined by the government in 1998.

Our contribution to Tasmanian Government goals

Many of the activities undertaken by the department also contribute to whole-of-Tasmanian Government plans and agreements:

Tasmania Together

Tasmania *Together* is the state's community-driven, social, economic and environmental plan. The department is the lead agency for a number of Tasmania *Together* indicators that underpin the following 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
- » acknowledge the right of Aboriginal people to own and preserve their own culture, and share with non-Aboriginal people the richness and value of that culture
- » increased work opportunities for all Tasmanians
- » thriving and innovative industries driven by a high level of business confidence.

Further details on the key activities undertaken by the department during 2011-12 that contribute to Tasmania *Together* goals are provided on pages 14-33 of this annual report.

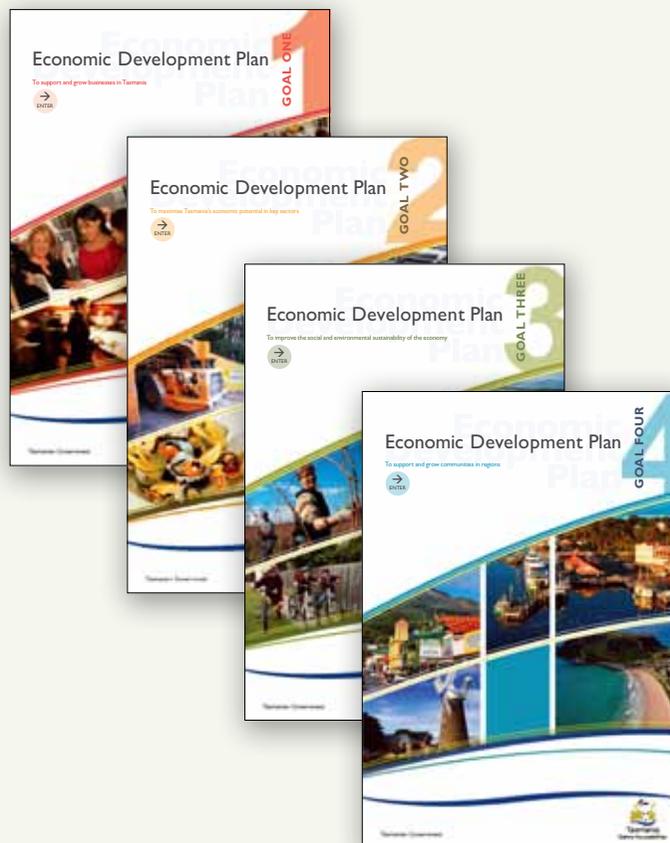
Tasmania's Economic Development Plan

The Tasmanian Government's Economic Development Plan (plan) spells out a clear direction for the state's priorities over the next decade in those areas critical to the state's future prosperity.

The plan's vision is about making the most of Tasmania's advantages to increase growth and jobs and ensure a sustainable future for all.

It is also about identifying competitive advantages in traditional and emerging industries, pursuing high-quality and specialty niche markets and attracting premium prices based on Tasmania's world-renowned brand attributes.

That vision is now being implemented. Many of the department's achievements to date under the plan are highlighted throughout this annual report. Examples of achievements during the financial year to June 2012 include:



Goal 1 – To support and grow businesses in Tasmania

- » Business Tasmania Online – an example of Gov 2.0 in action – is a new portal which will make it easier for business to get information from local, state and Australian Government all in one place and access the advice and resources needed to grow and prosper. Work on this project during 2011-12 will shortly result in:
 - » businesses having one licence registration process regardless of the state in which they are operating
 - » releasing the first of a series of compliance burden reviews by sector, identifying red-tape hotspots and working with industry and government to identify actions for simplifying processes and cutting duplication
 - » work with key government agencies to transform business licence forms from paper to electronic lodgement processes, with the first set of Smart Forms available for use in late 2012
 - » a suite of business development tools will include interactive online resources to help business operators build skills and knowledge.
- » The government's Digital Futures Strategy (DFS) focuses on economic opportunities arising from the digital economy and leveraging Tasmania's whole-of-state NBN advantage.
 - » Under Phase 1 of the DFS, released in August 2010, the Digital Ready program aims to increase business engagement with, and participation in, the digital economy. During 2011-12 two Digital Ready program pilots were completed, one for small businesses in Deloraine and one for Launceston retailers. The outcomes from the pilots have informed the detailed implementation for the program proper, to be rolled out in 2012-13 and beyond.



Goal 2 – To maximise Tasmania’s economic potential in key sectors

- » In the agriculture sector, four major agricultural projects were given a major boost through the Tasmanian Forests Agreement:
 - » The \$1.5 million Harcus Road infrastructure project will give farmers the capacity to meet changing market demands by moving from beef production to higher-value dairy production and generate an estimated \$30 million in new farm income per year.
 - » The new \$4.25 million Agritas Trade College at Smithton will ensure the next generation of agricultural leaders have the management and technical skills to grow their sectors and deliver long-term economic benefits to Tasmania.
 - » \$300 000 for a Derwent Valley soft fruit processing facility will generate 170 jobs and open up new opportunities for product diversification and innovation in the growing berry industry.
 - » \$150 000 will help develop a detailed business plan for innovative food systems, research and training, which incorporates the Centre for Food Innovation in Tasmania and a feasibility study for a food processing, research and testing facility at Scottsdale.
- » The aquaculture sector will benefit from an \$8.5 million boost for aquaculture production in the D’Entrecasteaux Channel, which will create 160 new jobs. Announced in February 2012, this project was made possible through the Tasmanian Forests Agreement, with Tassal and Huon Aquaculture also contributing \$4.6 million between them.

Goal 3 – To improve the social and environmental sustainability of the economy

- » the launch of a new social inclusion and work program to help disadvantaged young people find and stay in work
- » the Business and Environmental Sustainability program was launched, including an Energy Ready program for business to assist in reducing costs.

Goal 4 – To support and grow communities within regions

- » The formulation of three Regional Economic Development Plans (REDP), to sit under the Economic Development Plan, scheduled for release in November 2012.
- » The REDPs are being formulated in tandem with federal and local governments and will identify specific place-based initiatives which contribute to regional economic development that is socially and environmentally sustainable.
- » The REDPs will target Tasmania’s three regions and deliver solutions tailored to each individual region.

Collaborative work, including State Government Partnership Agreements

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

Under this approach the department continues to work in partnership with Local Government on a number of the Tasmanian Government/Local Government Partnership Agreements.

The agreements offer an effective way for the department to define its contribution to local government areas across Tasmania, primarily focussing on economic development (including tourism), sport and recreation, and cultural outcomes.

The department also participated, along with other state service agencies, in the development of the new Tasmanian Government/University of Tasmania Partnership Agreement 2012 to 2015.

The department works collaboratively with many industry peak bodies including the Tourism Industry Council of Tasmania (TICT), Forests and Forest Industry Council (FFIC), Tasmanian Farmers and Graziers Association (TFGA), Tasmanian Minerals Council Limited, the Local Government Association of Tasmania (LGAT), the Tasmanian Independent Screen Industry Council and the Theatre Council of Tasmania.

Organisational chart as at 30 June 2012

Secretary
Mark Kelleher

Culture, Recreation and Sport
Elizabeth Jack

Tourism Tasmania
Tony Mayell

Corporate Support
Craig Watson

Economic Development: Investment, Trade and Sectors
Jonathan Wood

Economic Development: Strategy, Enterprise and Regions
Ros Harvey

Screen Tasmania
Karena Slaninka

Arts Tasmania
Katherine Hough

TMAG
Bill Bleathman

Sport and Recreation Tasmania
Craig Martin

Events Tasmania
Paul Sproule

Operations and Planning
Adam Sproule

Marketing
Kathryn McCann

Human Resources
Mark Jones

Finance
Glen Dean

Property and Compliance
Michael Mann

Information Technology
Andrew Koerbin

Corporate Information and Executive Services
Matt Coombe

Corporate Communications
Emma Reid

Sectors, Trade and Migration
Alan Campbell

Business Analysis and Finance Facilitation
Steve Jarman

Invest Tasmania
Matt McGee

Regional Development
Bronte Price

Strategy and Research
Lynne Fitzgerald

Digital Futures
John McGee

Enterprise Development
Amanda Castray

Management boards

The department worked in conjunction with the following boards in 2011-12:

Screen Tasmania Board

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

Tasmanian Arts Advisory Board

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

Tasmanian Development Board

The Tasmanian Development Board is responsible for the industry-related activities of the department. 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 governs 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 Museum and Art Gallery Board of Trustees

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

Tourism Tasmania Board

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

Budget outputs and performance

The following tables provide a snapshot of the department's performance against the measures outlined in the State Budget for 2011-12:

Output Group 1: Economic Development

Performance measure	Unit of measure	2010-11 Target	2010-11 Actual	2011-12 Target	2011-12 Actual
Jobs facilitated	number	3 000	1 878	3 000	1 753
Investment, exports and import replacements facilitated	\$ million	410.0	321.8	410.0	196.5
Increased revenue arising from innovation	\$ million	20.0	54.4	20.0	n/a
Investment facilitated in R&D and innovation	\$ million	15.0	4.8	15.0	n/a

Output Group 2: Sport and Recreation

Performance measure	Unit of measure	2010-11 Target	2010-11 Actual	2011-12 Target	2011-12 Actual
Participation opportunities facilitated through SRT grants and programs	number	112 500	323 796	262 500	218 835
Total investment in sport and recreation infrastructure and programs	\$ million	9.1	13.6	6.3	6.2

1. Performance measures have changed from International and Interstate Market share to Tasmania Visitor Survey (TVS) data which is nationally acknowledged as the most reliable source of statistical data about visitors to Tasmania, and better reflects the performance of Tasmania as a travel sector. With the addition of the Intrastate National Visitor Survey (NVS) data this will provide a more complete picture of Tasmania's performance in the travel industry across three main markets.

2. Data for these performance measures is no longer available.

3. The on-line bookings via Tas e-Connect measure is no longer relevant as discovertasmania.com no longer acts as a commercial distributor. Tas e-Connect enables Tasmanian Tourism Operators to electronically distribute their inventory via nearly 40 distributor websites. The replacement performance measure on-line searches for price and availability will measure the number of times consumers search for price and availability for a Tasmanian Tourism Operator via these websites.

4. Equivalent Advertising Value (EAV) is the way the value of media coverage has traditionally been measured. It equates a value to unpaid media coverage to the cost of purchasing

the equivalent amount of coverage in advertising. The EAV generated by Tourism Tasmania activities is expected to decrease next financial year as more focus is placed on online content and social media. These outlets do not carry the same advertising value as traditional print and broadcast outlets.

5. As part of the regional tourism strategy, Tourism Tasmania no longer negotiates local strategies with local government except as identified visitation hotspots that require destination management planning. The target for 2011-12 has been set at four regional tourism plans plus five hot spots.

6. Part of the 2011-12 priorities is implementation of Regional Tourism Organisations (RTOs) to support a strong regional tourism platform that delivers industry programs, including the delivery of regional strategies and marketing plans.

7. Attendances at selected cultural venues decreased in most instances in 2011-12, but the largest component of the decrease reflect the closure of a significant portion of the Tasmanian Museum and Art Gallery as redevelopment works are underway.

8. 4921.0 - Participation in Selected Cultural Activities, Australia, 2010-11.

Output Group 3: Tourism

Performance measure	Unit of measure	2010-11 Target	2010-11 Actual	2011-12 Target	2011-12 Actual
Total visitation to Tasmania ¹	'000	N/A	895	840	855
Interstate visitation to Tasmania ¹	'000	N/A	775	720	736
International visitation to Tasmania ¹	'000	N/A	120	120	119
Total holiday visitation ¹	'000	N/A	379	350	346
Intrastate visitation ¹	'000	N/A	1 001	1 010	1 155
Domestic intention to travel to Tasmania in next 12 months ²	%	4.8	45	4.8	N/A
Prompted domestic advertising awareness ²	%	28.0	23.3	26.0	N/A
Unprompted domestic advertising awareness ²	%	17.0	16.4	17.0	N/A
Discovertasmania.com total visits	'000	1 500	1 873	2 080	2 259
On-line bookings via Tas e-Connect ³	\$'000	3 200	4 029	4 200	N/A
On-line searches for price and availability ³	'000	N/A	N/A	N/A	N/A
Equivalent advertising value of publicity generated ⁴					
international	\$ million	28.0	28.7	28.0	31.0
domestic	\$ million	28.0	20.7	30.0	33.0
Local tourism strategies negotiated with local government or RTOs in 2012-13	number	9	7	15 ⁵	4 ⁶

Output Group 4: Arts

Performance measure	Unit of measure	2010-11 Target	2010-11 Actual	2011-12 Target	2011-12 Actual
Tasmanian Museum and Art Gallery					
TMAG total visitors	no./day	700	922	600	654
Art Industry Development					
Attendance at selected cultural venues	number	800 000	774 000	800 000	640 651 ⁷
Contribution to GSP of selected arts industries	\$ million	46.3	57.9	58.0	Not yet avail.
Employment in selected cultural and leisure activities	number	20 300	18 600 ⁸	-	Not yet avail.

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 (five 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 (2011-12)
1.1.9 Number of Tasmanians who are long-term unemployed	Jobs4Life Program	In 2011-12 the department invested \$43 000 and worked with JLD Restorative Practices and Whitelion to develop the program <i>Jobs for Life: Working with families to support their young people in Jobs.</i> (Jobs4Life). The Jobs4Life program will assist disadvantaged youth into employment through supporting them and their families. The pilot program will commence in 2012-13, will run for 39 weeks and will be jointly delivered by JLD Restorative Practices and Whitelion. Ten young unemployed people will participate with structured support by their elders/parents. This initiative is a priority under Goal Three of the Economic Development Plan, which aims to create job and training opportunities for young people leaving school in communities with high levels of youth unemployment and inter-generational unemployment.

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

Benchmark	Initiative	Contribution towards benchmark (2011-12)
4.1.2 Percentage of population who do not do enough exercise to avoid chronic illness	Sport and Recreation Tasmania (SRT) Grant Programs	During 2011-12 the department provided 146 grants totalling over \$2 million through the Major, Minor, State and National/International Sport Championship grants programs.
4.1.3 Proportion of children (five to 14-year-olds) participating in organised sport	Sport, Recreation and Physical Activity strategy for Tasmanian schools	SRT, in partnership with the Department of Education (DoE) is developing a strategy to have more children participate in sport, recreation and physical activity through the Tasmanian school system. The project is under the auspices of the Premier's Physical Activity Council (PPAC) and will also involve the Catholic and independent schools. It is anticipated that the project will be finalised before the end of 2012. Through the state grants program and the consultancy activities of SRT, considerable assistance is provided to state sporting organisations and clubs to improve their capacity to increase participation in organised sport.



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

Benchmark	Initiative	Contribution towards benchmark (2011-12)
4.1.5 Proportion of Tasmanians who are overweight or obese	Premier's Physical Activity Council (PPAC)	<p>The department undertook a strategic review of the PPAC in 2011, which resulted in a new governance structure and identification of new priority areas, namely:</p> <ul style="list-style-type: none">» a sport, recreation and physical activity strategy for Tasmanian schools» the development of the built environment to encourage people to be physically active» the removal of the Fringe Benefits Tax on workplace health and wellbeing programs» the new <i>Find thirty every day</i>® campaign, launched by the Premier Lara Giddings in October 2011, and building upon the previous <i>Find thirty. It's not a big exercise</i>® campaign <p>The department:</p> <ul style="list-style-type: none">» hosted (through PPAC) two breakfast sessions during Safe Work Tasmania month in October 2011» hosted (through PPAC) two local government forums to promote physical activity with very positive feedback provided by attendees» provided feedback (through PPAC) on the following items:<ul style="list-style-type: none">» national physical activity guidelines for 5-12 year olds, 13-17 year olds and 18-64 year olds» national sedentary guidelines for 5-12 year olds and 13-17 year olds» health and physical education component of the Australian Curriculum» Healthy Communities Initiative toolkit.



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

Benchmark	Initiative	Contribution towards benchmark (2011-12)
4.1.5 <i>continued</i>	Sport and Recreation Planning, Facilities and Environments Development Initiatives	<p>Provided input into policies and plans to ensure that sport, recreation and physical activity needs are being considered and addressed in Tasmania, for example:</p> <ul style="list-style-type: none"> » the Department of Infrastructure, Energy and Resources Arterial Bike Network Planning » the Health and Wellbeing Strategy (Department of Health and Human Services) » the Tasmanian Physical Activity Plan (PPAC) » the Hobart City Council/Department of Economic Development, Tourism and the Arts Memorandum of Understanding » the H30 Hobart Capital City Plan » the Wellington Park Management Plan » the Healthy Communities Strategy (CCA) » Local Development Plans (for example, Brookfield) » Regional Development Australia funding submissions – two of which were successful in receiving funding (the Pembroke Park stage I development at Sorell and the Penguin athletics track) » the National Cycling Strategy » the regional planning initiative and the three regional planning strategies, including the draft Tasmanian Open Space Policy and Planning Framework » released the <i>Economic Value of Sport and Physical Recreation to Tasmania</i> report (prepared in partnership with the University of Tasmania) in August 2011. <p>This report includes an evaluation of the costs and benefits of sport and physical recreation in Tasmania, and is the most comprehensive report of this nature in Australia.</p> <p>The report demonstrates the significant value that sport and physical recreation brings to Tasmania, including directly contributing over \$819 million to the Tasmanian economy annually, and that for every dollar spent on sport and physical recreation there is a \$4 return on investment.</p> <p>Other activities included:</p> <ul style="list-style-type: none"> » creation of a database of proposed Sport and Recreation Infrastructure (SARI) developments in each council area » regular contact with southern, northern and north-west local councils, regional bodies, and sporting organisations to assist with recreation and facility planning

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

Benchmark	Initiative	Contribution towards benchmark (2011-12)
4.1.5 <i>continued</i>	Sport and Recreation Framework for People with a Disability	<ul style="list-style-type: none"> » progressed implementation of the Tasmanian Sport and Recreation Framework for People with a Disability, which is scheduled for review in 2012-13 » progressed implementation of the SRT Disability Sport and Recreation Action Plan January 2011 – June 2012 » delivered two Disability Sport and Recreation Network forums, creating strong links between disability service providers and state sporting organisations » established the inaugural Sport and Recreation Disability Advisory Committee, which is now an official sub-committee of the Premiers Disability Advisory Committee » provided significant support to the establishment of participation opportunities for people with a disability including the inaugural launch of Trail Orienteering at the Royal Botanical Gardens and the state boccia event » continued to play an active role in the facilitation of links between sports and disability service providers and continued providing assistance with the activities of the Sports Ability HUBs at the UniGyms in Hobart and Launceston, and the YMCA Glenorchy.
	Indigenous Sport Program	Indigenous Sport Program activities were delivered for approximately 330 Tasmanian Aboriginal community members.



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

Benchmark	Initiative	Contribution towards benchmark (2011-12)
4.1.5 <i>continued</i>	Sport and Club Development Initiatives	<ul style="list-style-type: none"> » provided support and advice to over 40 local clubs and state sporting organisations on topics including dispute resolution, governance and planning » facilitated strategic planning sessions and development of strategic plans for 12 sport and recreation clubs/ organisations » provided 14 coach, official, presenter, assessor and mentor education and training courses through the Training and Business Company » provided significant support and advice to a number of new and existing state sporting organisations » provided significant State Government program funding and support to approximately seven organisations for major sport development initiatives, including AFL Tasmania, Netball Tasmania, the Sports Carnival Association Tasmania and Football Federation Tasmania » provided Major Grant, Minor Grant, State Grant and National/International Sport Championship Grant funding to a large number of organisations » Delivered 10 information and networking sessions for state sporting organisations and the Tasmanian sport and recreation sector, including: <ul style="list-style-type: none"> » sports governance forums in collaboration with the Australian Sports (Commission and the Australia New Zealand Sports Law Association ANZLA) » state-wide community sport forums in partnership with the Hawthorn Football Club, and » <i>Cybersafety</i> presentations in partnership with the Australian Communications and Media Authority and the Tasmanian Institute of Sport. <p>Other activities included:</p> <ul style="list-style-type: none"> » produced an annual report based on the Participation of Tasmanians and Australians in Exercise, Recreation and Sport » produced an annual report on the Value of the State Grants Program to the Sport and Recreation Sector » conducted the biennial SRT Clubs and Associations survey, which identified junior participation and volunteers as key challenges in the Tasmanian sport and recreation sector » commenced development of a Tasmanian Ethics in Sport Framework » trialled the pilot 'Coloured Shirts' program with Touch Football Tasmania through the Launceston Touch Association, promoting safe and supportive environments for twenty junior referees to increase their officiating skills and knowledge » launched the inaugural SRT 'Moments of Excellence' to replace the community sport component of the previous Tasmanian Sports Awards, which will utilise the SRT newsletter <i>Actively in Touch</i> to promote the successes and accomplishments of Tasmanian sporting organisations » developed a best practice governance toolkit for sporting bodies, adapting the Australian Sporting Commission's national resource to suit Tasmanian sport and recreation organisations.

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

Benchmark	Initiative	Contribution towards benchmark (2011-12)
5.2.2 Proportion of Tasmania's population outside the four major urban centres	North-West and Northern Tasmania \$20 million assistance package	<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 has been 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>In 2011-12, the department and Skills Tasmania continued supporting this demand-based program. During this period, coverage of the program was extended statewide and to workers who were not redundant but wished to exit out of native forests.</p>
5.7.1 Level of population growth	Skilled and Business Migration activities	<p>During 2011-12 the department provided sponsorship to 122 skilled and business migrants and certified 306 skilled positions to enable Tasmanian employers to fill vacancies with overseas trained workers.</p> <p>2011-12 promotional activities included participation in events in the United Kingdom, New Zealand and China.</p> <p>In relation to migration intake to the state, over the past decade there has been a steady growth in total permanent additions* to Tasmania. However, during 2011-12 the total permanent additions to Tasmania was 1 673 people, a decrease of 6.6 per cent from 2009-10.</p> <p>* The term 'total permanent additions' is used by the Australian Government to define those people who were granted permanent visas onshore and those who were granted permanent visas and arrived in Australia during a particular period. This does not include temporary visa holders.</p>
5.7.2 Proportion of 15 to 39-year-olds	Skilled and Business Migration activities	Departmental support towards this benchmark is outlined in 5.7.1, above.
5.7.3 Proportion of migrants		

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

Benchmark	Initiative	Contribution towards benchmark (2011-12)
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 \$50 000 per annum and is partnered by Nekon Pty Ltd, which commits \$25 000 a year (under a three-year partnership agreement).</p> <p>In 2011-12 the PAPF supported 19 new arts/business partnerships to the value of \$147 950. With the contribution of the partners, this equals a total investment of \$214 000 over the year.</p>

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

Benchmark	Initiative	Contribution towards benchmark (2011-12)
	arts-e newsbyte and resources	<ul style="list-style-type: none"> » arts-e newsbyte is arts@work's fortnightly e-newsletter highlighting the latest state, national and international arts opportunities. arts-e newsbyte is emailed to stakeholders every second Wednesday morning. As at 30 June 2012, there were 2 411 subscribers. » arts-e resources is an electronic resource package that has been created to support the continued growth and development of all sectors of the Tasmanian arts community. Featuring more than 300 links to online resources in the areas of business, marketing, governance, financial support and residencies across all artforms, it also contains specific information on key organisations, peak bodies, prizes, awards, trade fairs and other opportunities specific to the design, literature, music, performing arts, visual arts, and inter-arts sectors. <p>Both these services are made available to the industry free of charge.</p>
	COLLECT Art Purchase Scheme	<ul style="list-style-type: none"> » The COLLECT Art Purchase Scheme offers interest-free loans for the purchase of contemporary artworks by a living Tasmanian artist. The scheme is open to all Australian residents and can be accessed through selected galleries around the state. It can be used to purchase or commission an original Tasmanian painting, print or drawing, as well as furniture, jewellery, sculpture, new media and more. <p>Since its launch in November 2008, the COLLECT Art Purchase Scheme has assisted in the purchase of 1 125 individual artworks by 290 Tasmanian artists since it started. This has resulted in \$2 780 252 being invested in supporting the Tasmanian arts sector. A total of 974 loans have been approved with 547 loans already repaid.</p> <p>On average, 73 per cent of loans were approved to Tasmanian residents, with the remaining 27 per cent going to interstate residents and helping to assist in the export of Tasmanian artworks to a national audience.</p> <p>The scheme has received considerable interest from art collectors from around the country and encouraged many new collectors to begin their interest in Tasmanian art.</p>
	Industry and Cultural development	<p>In 2011-12, Screen Tasmania provided \$32 191 towards 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"> » support for the second Breath of Fresh Air (BOFA) Tasmanian Film Festival, held in Launceston over five days in November 2011 » hosting of the Tasmanian premiere of The Hunter at the State Cinema, Hobart, a 'Hollywood-style' style event with a red carpet entrance by the film's star, Willem Dafoe » support for touring festivals and events that provide significant opportunities for Tasmanians to attend and participate in screen culture activities, including the Hobart screening of Tropfest 2012, Flickerfest 2012 National Tour to Tasmania, Australian International Documentary Conference (AIDC) 2012, Australian Cinematography (ACS) Awards, Saturday Morning Film Club at the State Cinema and the Longest Night Film Festival. Over 4 700 Tasmanians attended these supported screen culture events.

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

Benchmark	Initiative	Contribution towards benchmark (2011-12)
6.1.1 <i>continued</i>	Production investment	<p>In 2011-12, Screen Tasmania continued to generate production activity, investing \$418 505 in seven productions. This resulted in production budgets totalling \$16.9 million, generating \$2 035 000 spend in the state. The seven production investment projects were:</p> <ul style="list-style-type: none"> » <i>The Hunter</i> – 102-minute feature film shot entirely in Tasmania starring Willem Dafoe, Sam Neill and Frances O'Connor. Producer, Porchlight Films. Screen Tasmania investment: \$50 000 development and \$250 000 production investment, resulting in a \$1 million economic spend in the state. » <i>The Straits</i> – 10 x one-hour episode television drama series. Producer, Matchbox Pictures. Screen Tasmania investment: \$63 005, resulting in a \$240 000 spend in the state. » <i>Beaconsfield</i> – 135-minute telemovie, starring Shane Jacobsen and Lachy Hulme. Producer, Southern Star Entertainment. Screen Tasmania investment: \$20 000 interest free production loan, resulted in a \$45 000 spend in the state. » <i>Bushwhacked</i> – 13 x 26-minute episode series produced by North One Australia for ABC 3 (due to air nationally later this year). Screen Tasmania investment: \$20 000 interest-free production loan, resulting in Tasmanian spend of \$70 000. » <i>First Fagin</i> – 85-minute feature documentary drama, shot entirely in Tasmania. Producers, Roar Film and Wild Fury Productions. Screen Tasmania investment: \$110 000, resulting in a Tasmanian spend in excess of \$330 000. » <i>Holy Switch</i> – three x 27-minute episode television documentary. Producer, Roar Film. Screen Tasmania investment: \$100 000. Shot partially in Tasmania, fully post-produced in Tasmania. The estimated Tasmanian spend is in excess of \$350 000. » <i>The Outlaw: Michael Howe</i> – feature drama documentary project by the same team behind <i>The Last Confessions of Alexander Pearce</i>. Producer, Niall Fulton and Jigsaw Cordell Productions. Screen Tasmania investment \$150 000. Production shoot scheduled to take place in Tasmania late 2012 and estimated to result in a \$450 000 Tasmania spend.



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

Benchmark	Initiative	Contribution towards benchmark (2011-12)
6.1.2 Employment in cultural industries	Tasmanian Government Art Site Scheme and Corporate Art Scheme	<p>Activities outlined in 6.1.1, above, in particular Production Investment, also support this benchmark. The Tasmanian Government Art Site Scheme (TGASS) commissions public art that is funded from the capital works infrastructure budget for state government entities.</p> <p>Commissions are two per cent of the capital works budget, capped at a maximum of \$80 000 per commission.</p> <p>The TGASS delivers accessible, engaging and meaningful public art. National and international research shows that public art improves health and wellbeing, reduces levels of anxiety, stress and depression and can contribute to a reduction in length of hospital stays.</p> <p>The TGASS is a part of a much wider public art program administered by Arts Tasmania's industry development arm, arts@work. This public art program works in partnership with the State Government, Local Government, Australian Government and the corporate and private sectors to incorporate public art into capital works projects.</p> <p>The public art program is currently commissioning or purchasing artwork for a total of 58 government capital works and corporate arts projects.</p>
	Artists' Studios	<p>Arts Tasmania operates five studio spaces on the upper level of its premises at 146 Elizabeth Street, Hobart.</p> <p>Six artists successfully applied for studio space for the 2011-12 period, including emerging, mid-career and established art practitioners working in visual arts, graphic design and performing arts.</p>
	Artists in Residence (AIR) 2011 and 2012	<p>arts@work, in collaboration with the Australia Council for the Arts, secured \$70 000 in funding in each of 2011 and 2012 to deliver an Artist in Residence program to selected Tasmanian high schools and professional artists and arts organisations.</p> <p>In 2011 seven artists worked in five high schools and one district school across the state during the first term of 2011. The art forms included performing arts, circus, song writing, textiles and new media projects at Brooks and Queechy High School in the north; Devonport and Burnie High School in the north-west; Montrose Bay High School in the south; and Mountain Heights District School on the west coast.</p> <p>In 2012 seven artists worked in three high schools, one district school and one secondary college across the state during the first term of 2012. The art forms included dance/theatre, writing, circus and multi-media installations at Kingston High School in the south; Brooks High School in the north; Penguin High School in the north west; Claremont College in the south and St Helen's District School on the east coast.</p> <p>In 2011 and 2012 another 45 artists, teachers and organisations participated in three exchange hubs around the state.</p>
	Disability and the Arts	<p>The 2011-12 financial year saw the roll-out of the second year of grant funding under the banner of Arts and Disability Grants. \$139 324 in funds were distributed to support 11 projects across Tasmania. Six organisations (offering seven projects) and four individual artists were supported under the program. For the first time the north-west region was one of the successful applicants.</p> <p>Industry development in Disability and the Arts has resulted in a Theatre Captioning pilot project rolled out across Tasmania with key stakeholders. This has improved theatre access to new audiences who are deaf or are hearing impaired. The funding has supported 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> <p>Stage one of the Arts and Disability Community Engagement Strategy was also completed in 2011-12. This included evaluation, research and consultation with relevant key stakeholders towards the professional development of artists with disability and artists working in specialist disability environments.</p>

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

Benchmark	Initiative	Contribution towards benchmark (2011-12)
6.2.2 Attendance at cultural venues	146 Artspace	<p>The Arts Tasmania street frontage premise in Elizabeth Street, Hobart, was designed to promote arts and artists by the use of prime street frontage.</p> <p>June and July 2011 saw the presentation of a cultural exchange that explored how contemporary video artists portray aspects of the social and cultural life in China and Australia. The exhibition, titled NEW AGE: NEW MEDIA, involved 12 established new media artists from both Australia and China with exhibitions in 10 locations – six in China and four in Australia. The international touring exhibition comprised part the program of cultural events associated with Imagine Australia, a series of celebrations marking the Year of Australian Culture in China 2010-2011.</p> <p>In September 2011, 146 ArtSpace presented BESTPRACTICE by Tasmanian artist John Vella. The exhibition formed part of <i>Iteration: Again</i>, a series of 13 public art commissions by 22 Australian and international artists and was developed by Contemporary Art Services Spaces and New Zealand curator David Cross in numerous locations around Hobart and Launceston.</p> <p>November 2011 saw the celebration of COLLECT's third birthday and the passing of the \$2 million milestone for the value of approved loans. To celebrate, a two-week exhibition showcasing artworks from the 15 COLLECT galleries was held.</p> <p>In May 2012, 146 ArtSpace presented <i>Latitude</i>: a collaborative exhibition by Vicki West and Karin Beaumont as part of the program of events arranged to celebrate the 2011-2012 Antarctic Centennial Year in June 2012. The exhibition project involved a process of mentoring, collaboration and exchange between marine biologist and artist Karin Beaumont and Aboriginal artist Vicki West, where the artists combined traditional techniques with modern technology to create a series of kelp and fibre-based sculptural objects inspired and informed by their respective artistic backgrounds.</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>During 2011 Tasmania Performs toured the Tasmanian Theatre Company production of <i>I Am My Own Wife</i> to nine regional communities including Eaglehawk Neck, Miena and Scottsdale. This tour was timed to flow straight out of the national tour after the Burnie season.</p> <p>Tasmania Performs also produced <i>This Uncharted Hour</i> for the Theatre Royal Subscription Season. This was the first time in some 20 years the mainstage of the Theatre Royal had presented a professional Tasmanian adult theatre work.</p>
	smart map tasmania	<p>smart map tasmania was developed to build innovative and creative ways to access art in Tasmania for visitors and residents alike. smart map tasmania lets arts enthusiasts and culture vultures access up-to-date information on around 100 of Tasmania's best arts experiences through an online web-based resource.</p> <p>The website is database-driven with interactive mapping that allows users to conduct searches based on region, arts sector and art form. It promotes quality professional arts experiences that are approved and curated by Arts Tasmania.</p> <p>It is a key component of Tourism Tasmania's Arts Tourism Strategy and was shortlisted in the 2011 Tasmanian Tourism Awards for tourism marketing. A review of the website is currently underway with the aim of improving functionality and developing a mobile application.</p>

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

Benchmark	Initiative	Contribution towards benchmark (2011-12)
6.2.2 <i>continued</i>	The Tasmanian Museum and Art Gallery	During 2011-12 attendance at the Tasmanian Museum and Art Gallery (TMAG) totalled 238 305. Overall attendance numbers were within expectations given the disruptions of services offered due to redevelopment works being undertaken on the site.
6.4.1 Number of attendances at major cultural heritage sites	Museums and Art Galleries Grants Program	Public museums and art galleries across the state benefited from \$1 750 362 in annual grants from the State Government in recognition of the important role these institutions play in their local communities. Attendances at major cultural heritage sites decreased in 2011-12 after a stellar performance in the prior year. The closure of a significant part of TMAG while it is redeveloped has had a significant negative impact on attendances. During 2011-12 in excess of 640 000 people visited the seven major collections and historical sites across Tasmania.
	Small Museums and Collections Program	The Small Museums and Collections Program assists curatorial and collection management practices of smaller public and community collections and museums. The program is particularly focussed on improving public access to, and information on, collections; and on enhancing curatorial practice and collection management.
	Roving Curator Program	During 2011-12 Arts Tasmania's Roving Curators continued to work with communities statewide to support, develop, enhance and promote Tasmania's unique and varied cultural collections. Two part-time museum and collections professionals, based in Launceston, assisted with a range of project types.

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 (2011-12)
7.1.3 Number of major visitor centres containing Aboriginal cultural interpretation	TMAG Culture Program and strategy for employment of Aboriginal people	The Tasmanian Aboriginal Education program works with members of the Tasmanian Aboriginal Community to achieve quality outcomes and is supported by the Tasmanian Education Department's Aboriginal Education Services unit and Catholic education. Since its inception, over 5 500 students and teachers have experienced the program and the museum has conducted over 160 sessions of programs. TMAG has engaged 16 Tasmanian Aboriginal people to present a range of sessions and continues to seek opportunities for the employment of Aboriginal people across major areas of the museum. With the Tasmanian Aboriginal gallery closing at the end of August 2011 due to redevelopment activities, the focus program was delivered in conjunction with AccessArt during NAIDOC week in July, with Aboriginal Artist Judith-Rose Thomas. The program was fully subscribed with 250 students. TMAG delivery staff presented 15 Tasmanian Aboriginal gallery sessions to 372 students with a further 653 students visiting the <i>ningenneh tunapry</i> exhibition on teacher-guided programs. TMAG continued to offer its online Aboriginal Education resources free-of-charge throughout the year.

GOAL 9: Increased work opportunities for all Tasmanians

Benchmark	Initiative	Contribution towards benchmark (2011-12)
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	Jobs4Life Program Economic Development Plan	<p>The initiative outlined in 1.1.9 the number of Tasmanians who are long-term unemployed, also supports this benchmark.</p> <p>The department invested \$43 000 in the pilot Jobs4Life program, which aims to assist disadvantaged youth into employment through support for them and their families.</p> <p>The aim of Goals One and Two of the Economic Development Plan is to support business growth and consequently increasing work opportunities for all Tasmanians. For example:</p> <ul style="list-style-type: none"> » Goal One – focuses on making Tasmania a great place to do business and giving business access to skills and information needed to take advantage of market opportunities » Goal Two – focuses on making the most of the opportunities and overcoming constraints to growth in Tasmania's key trade and investment sectors.
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	Employer of Choice Awards/ Program	<p>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.</p> <p>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.</p> <p>In 2011-12 more than 200 business representatives attended five workshops across the state and a further 15 organisations were formally recognised as Tasmanian Employers of Choice, bringing the total number of Employers of Choice to 29, as follows:</p> <ul style="list-style-type: none"> » North-west – Burnie City Council, Cradle Coast Authority, Fairbrother Group, O Group, Peracto, Synectic, UTAS Cradle Coast. » North – Bladerunner Hairdressing, Family Based Care, Launceston City Council, Meander Valley Council, Northern Children's Network, Stillwater Restaurant, WHK Group. » South – Bodysystem Physio, Calvary Health Care, Cosmos Inc, Hays Recruitment, Hazell Bros Group, Howrah Plumbing, Hydro Tasmania, Oak Tasmania, Ochre Recruitment, SEMF Pty Ltd, Simmons Wolfhagen, Sinclair Knight Merz, The Learning Edge International, Volunteering Tasmania, Vodafone Hutchison Australia. <p>Case studies of 14 organisations formally recognised as <u>Tasmanian Employers of Choice</u> since 2007 are being used to promote contemporary workplaces in Tasmania.</p>

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

Benchmark	Initiative	Contribution towards benchmark (2011-12)
10.1.1 Level of research and development expenditure as a proportion of Gross State Product	Developing Tasmania's Antarctic Sector – A vibrant Industry in a global market	In 2011-12 the Minister for Economic Development David O'Byrne launched Developing Tasmania's Antarctic Sector, a sector-led plan with a number of initiatives and actions to grow the sector. The implementation of this plan is being driven by the Tasmanian Antarctic Gateway Group and it includes initiatives for growing business and international Antarctic and Southern Ocean research programs.
10.3.1 Growth in Gross State Product	Economic and industry development activities	<p>The purpose of the Economic Development Plan (plan) is 'to improve the prosperity of all Tasmanians through economic development which is socially and environmentally sustainable'. The plan establishes four goals to guide a whole-of-government effort toward that purpose and the department contributes toward the achievement of all these goals. The plan provides a basis for the next 10 years to deliver increased economic growth, jobs, and a better, more equitable and sustainable future for Tasmanians.</p> <p>The department promotes growth in Gross State Product and investment particularly through the following elements of the Economic Development Plan toolkit:</p> <ul style="list-style-type: none"> » business enabling environment » access to finance » investment attraction, facilitation and retention (including through the establishment and operation of Invest Tasmania) » trade promotion, branding and marketing » business development services » facilitation, information exchange and collaboration. <p>This initiative also applies to Indicator 10.4.2 Investment.</p>



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

Benchmark	Initiative	Contribution towards benchmark (2011-12)
10.4.1 Export Value	Export and marketing activities	Key achievements in the export and marketing area included: <ul style="list-style-type: none"> » providing assistance to 174 clients resulting in excess of \$7.08 million initial contracts and 162 business matching opportunities » undertaking six exhibitions, promotions and outbound missions » facilitation of seven inbound missions across a range of sectors » delivery of four exporter skills workshops with 95 participants.
	Trade shows and trade missions	During 2011-12 the department coordinated six exhibitions and trade missions, exposing Tasmanian companies to both national and international market opportunities. Highlights included: <ul style="list-style-type: none"> » eight Tasmanian companies exhibited at Pacific 2012 in Sydney, New South Wales » 10 Tasmanian companies exhibited at Australasian Oil and Gas 2012 in Perth, Western Australia » 14 companies exhibited at Food and Hotel Asia 2012 in Singapore » 11 Tasmanian companies exhibited at the Good Food and Wine Show 2012 in Melbourne, Victoria.
	Tasmanian Export Awards	The department managed the 2011 Tasmanian Export Awards – where Tasmanian exporters gather to celebrate the achievements of the state’s finest exporters. Tassal Tasmanian Salmon was named by the Minister for Primary Industries and Fisheries, Bryan Green, the Tasmanian Exporter of the Year 2011. The Tasmanian Export Awards is a pre-qualifying part of the prestigious Australian Export Awards, with winners qualifying to take part in the national finals.
10.4.2 Investment	Invest Tasmania	Support towards this benchmark is outlined in 10.3.1 above.



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

Benchmark	Initiative	Contribution towards benchmark (2011-12)
10.4.3 Growth in the number of small businesses	Enterprise development activities	<p>Enterprise development activities that contributed to this benchmark included:</p> <ul style="list-style-type: none"> » launch of the Tasmanian Small Business Strategy in September 2011 to assist in the strategic development and sustainable growth of small business in Tasmania with initiatives to improve the business enabling environment and skill small business for growth » introduction of the Business Ready suite of programs, such as including Energy Ready, Market Ready, Digital Ready and Succession Ready, to enhance skills of small business operators » 'Growing Business Pilot Project' delivered an online assessment tool, targeted action plan and one-on-one mentoring support for 25 business owners » responding to 3 491 client enquiries through the Business Point freecall and email service » providing assistance to 1 425 clients under the Business Licence Information Service » providing interest-free loans through No Interest Loans Network of Tasmania Inc (NILS) to people on low incomes to start up or expand a business » providing free guidance and assistance to approximately 4 000 clients through the Enterprise Centres Tasmania network » sponsoring free assistance to over approximately 400 business operators through the Business Mentor Services network » providing an opportunity for small businesses to build skills, network and access advice through the Small Business Expo in Hobart and Launceston in March 2012.



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

Benchmark	Initiative	Contribution towards benchmark (2011-12)
10.5.1 Business connections to the internet	Digital Futures	<p>The Digital Futures Strategy (DFS) Phase II applies from mid-2012 to the end of 2015 and aligns with the Tasmanian roll out of the National Broadband Network (NBN). The DFS focuses on leveraging the NBN to create an innovative, sustainable and vibrant Tasmanian Digital Economy.</p> <p>DFS Phase II has three underlying drivers for change:</p> <ul style="list-style-type: none"> » leveraging the NBN based on the whole-of-state broadband access lead advantage for whole-of economy opportunities » implementing Government 2.0 (Gov 2.0) for the government's online services » enhancing opportunities from ubiquitous broadband access for liveability, social inclusion, and environmental sustainability. <p>During 2011-12 a number of initiatives were rolled out under the DFS, which contributed to growing the ICT skillsets of Tasmanian businesses, and therefore encouraging business connections and maximising the benefits of the digital economy and the next generation broadband capability to be offered by the NBN.</p> <p>The Digital Ready program aims to increase business engagement with, and participation in, the digital economy. The program will achieve this through a strategy to increase individual businesses' online capability through digital skills acquisition, building digital confidence and developing digital business action plans.</p> <p>Businesses receive one-on-one advisory services from professional online consultants. In 2011-12 two pilots of Digital Ready were completed: one for small businesses in Deloraine and one for Launceston retailers.</p> <p>The outcomes from the pilots have informed the detailed implementation for the program proper, being rolled out in 2012-13 and beyond.</p> <ul style="list-style-type: none"> » Business Tasmania is being developed as a business-to-government online portal, designed in 2011-12, with the aim of making it easier and simpler for Tasmanian business to transact and interact with government. <ul style="list-style-type: none"> » The business-to-government interaction is being designed under the Government 2.0 framework for citizen-centric services and participatory democracy » The Government 2.0 components of the portal will enable businesses to have a more direct voice into government initiatives, support and services » As such Business Tasmania will be a learning-through-experience exemplar to business on the benefits and value of engaging more generally online

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

Benchmark	Initiative	Contribution towards benchmark (2011-12)
10.5.1 <i>continued</i>		<ul style="list-style-type: none"> » SenseT was launched in June 2012 after a nine-month scoping study into its viability, benefits and initial focus » SenseT will provide strategic decision support for government, business and the community for sustainable development from enhanced knowledge on economic, social and environmental issues » The decision support applications that need to be developed to achieve the objectives of SenseT presents an opportunity for local ICT application developers to design and build what will be a growing and diverse applications environment
10.6.1 Level of Tasmanian business confidence	Client management services	<p>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. The services include:</p> <ul style="list-style-type: none"> » identifying and analysing development opportunities for enterprises » assessing the potential for assistance by the department, and where appropriate coordinating resources from other sources such as the Australian 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.



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

Benchmark	Initiative	Contribution towards benchmark (2011-12)
10.7.1 Level of value added by manufacturing industries per head of population	Competitive Environments program	<p>The Competitive Environments program aims to improve the competitiveness of the Tasmanian manufacturing industry by developing the management skills of Tasmanian manufacturers. The program showcases best practice and supports manufacturers who are adopting best practice.</p> <p>During 2011-12, a number of initiatives were run under this program including:</p> <ul style="list-style-type: none"> » 2012 Manufacturing Forum » Visit by Greg Lane, United States expert in low-volume lean manufacturing » Statewide Energy Efficiency workshops » Lighting Master Class with ANZ Illumination Engineers » Operational Excellence Tasmania (visiting best practice exemplars in Victoria) » Lean Action Learning program » Doing Business with Defence workshop. <p>Over 400 participants attended these events.</p>
10.8.1 Tourism Expenditure 10.8.2 Visitor Numbers	Tasmanian Visitor Survey	<p>Performance in the twelve months to June 2012 was as follows:</p> <ul style="list-style-type: none"> » Total spend \$1 372 billion (down four per cent) » 855 200 visitors as passengers on scheduled air and sea transport (down four per cent) » Average length of stay 9.2 nights.



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 State 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 2011–2012 financial year the following programs and initiatives were undertaken in the areas of:

- » access to services and programs
- » employment opportunities
- » attitudes and awareness
- » access to buildings and facilities
- » access to information.

Access to services and programs

Arts Tasmania

Actions/initiatives

- » The National Arts and Disability Strategy and Arts Tasmania's Operational Plan are the most significant policy documents that guide Arts Tasmania's arts and disability program.
- » Arts Tasmania continues to employ two regionally based Disability and the Arts Program Officers, part-time.

- » Arts and disability grant program
The Arts and Disability 2011-12 financial year saw the results of the Arts and Disability 2012 Grant Round announced, of which \$139 324 in funds were distributed to support 15 projects across Tasmania. Seven organisations and eight individual artists were supported under the program. Successful applicants included the north-west region for the first time.

During this same financial year the Arts and Disability 2013 Grant Round was also released with a total of 31 applications, an increase of nine applications from the 2012 Grant Round. Results of this grant round will be detailed in the 2012-13 report.

- » Open captions for performing arts initiative
In Tasmania, it is estimated there are 230 people who use Auslan (Australian Sign Language) and approximately one in six Tasmanians are hard of hearing, which is higher than the national average. In 2011 Arts Tasmania and TasDeaf (the peak service body for Deaf Tasmanians) surveyed TasDeaf members to ascertain how many currently attend the theatre. Forty per cent of those surveyed have never attended the theatre before and a further 25 per cent attended less than once a year. These figures indicate a potential for theatre organisations and venues to tap into a "new" audience through making their services more accessible to the deaf and hard-of-hearing community.
Arts Tasmania has commenced a pilot initiative through the provision of open captions in theatre to improve access to the arts for those who are deaf or hard of hearing.
The results will guide Arts Tasmania in developing a Quick Response Access Grant as a component of the Arts and Disability Grants budget for arts venues and companies to obtain funds to make their work more accessible and thus develop 'new' audiences.

- » Research
An Arts and Disability Community Engagement Consultation was completed. This included evaluation, research and consultation with relevant key stakeholders towards the professional development of artists with disability and artists working in specialist disability environments.
- » Vocational arts and disability practice
Creative Spirit is a national employment initiative to promote the benefits of, and encourage the creative industries sector to employing people with, disability. Arts Tasmania has been developing a partnership with a disability employment provider as a joint project to implement the initiative in Tasmania.
- » Workshops
 1. In partnership with Arts Law, Arts Tasmania hosted information sessions in southern and northern Tasmania providing advice about working with artists living with intellectual disability and acquired brain injuries.
 2. Through utilising Arts Tasmania's expertise, a workshop in Hobart and Launceston was run for Service Providers on Exhibition Planning. Many Service Providers run arts programs for their clients and hold annual exhibitions. This workshop provided professional training in Art Exhibition Planning.
- » Internal processes
Universal accessible formatting has been adopted by Arts Tasmania in an effort to break down barriers for improved participation, particularly people living with vision impairment or low level literacy capacities.
Work to incrementally increase access options on Arts Tasmania's website also commenced in the 2011-12 financial year.
- » Policy and working groups
Disability and Arts Program Officers participate on the department's Disability Working Group to facilitate the Premier's Disability Framework for Action agenda. They also provide policy advice and information to the National Arts and Disability Strategy Intergovernmental Working Group, Arts Access Australia National Policy Working Group, and the National Arts and Health Intergovernmental Working Group.
The national intergovernmental Statistics Working Group has included a number of arts and disability focussed questions in national surveys. This has resulted in the Culture Report which identifies jurisdictional statistics of inclusion and participation in cultural activities.

Sport and Recreation Tasmania

Actions/initiatives

- » Ongoing implementation of the Tasmanian Sport and Recreation Framework for People with a Disability (framework). The framework provides direction for action for organisations responsible for providing sport and recreation opportunities for people with a disability. The framework will be reviewed in early 2013, pending finalisation of the review of the Disability Framework for Action being conducted by Department of Premier and Cabinet.
- » Continuation of the Project Officer Disability Sport position within Sport and Recreation Tasmania (SRT) until 30 June 2013. The position is responsible for administering and implementing programs and services aimed at increasing opportunities for people with a disability to participate in sport and active recreation activities.
- » Two Disability Sport and Recreation Network Forums were held in August 2011 and March 2012. The forums provide an opportunity for disability service providers, sport and active recreation organisations, the education sector and local government representatives to develop links, creating further opportunities for people with a disability to engage in sport and active recreation.
- » As a result of the forums a partnership was developed between staff from St Giles, Paraquad, Special Olympics, the Association of Children with a Disability and SRT to work together to improve and increase the opportunities for children with a disability to participate in sport and active recreation. As a result of the partnership, St Giles has recently received funding from the Tasmanian Community Fund to conduct three *Explore Their Potential* days to be held in three different municipalities. Sporting organisations and clubs will be engaged in the events, with the aim of providing the opportunity for children to directly make choices about and enter mainstream sport.
- » In February 2012 Paraquad, with significant support from SRT, commenced the first ever statewide boccia competition at Campbell Town. The competition is a four round, round robin completion that will conclude in November 2012. Paraquad is focusing on developing boccia in schools in partnership with the Department of Education and SRT. A 'come and try' day was conducted and a schools boccia team competed in the Southern Schools Sports carnival for the first time in August. It is envisaged boccia will become a schools-based regular activity for children with severe to profound disability.



The most significant change

- » The development of the sport of boccia for adults and children. Prior to the state-wide competition, boccia was played at the three regional levels. Low numbers in each of the regions threatened and prevented significant growth of the sport because of lack of competition opportunities. With the addition of juniors to the competition, the sport will become more resilient.
- » Further, this collaboration has provided the opportunity for SRT to work collaboratively with the Department of Education and to obtain access to demographic information that will assist considerably with planning future activities for children with a disability.

Why significant?

- » Boccia can be played by people with severe to profound physical disabilities; this group is grossly under-represented in sport.
- » Links are being developed within the school system supporting the development of boccia skills in young athletes and most importantly paving the way for further initiatives in schools.
- » Boccia has pathways to national and international competition; young athletes can aspire to elite level competition.
- » Once established in the school system, boccia will nurture attitudinal change, raising the expectation that children with severe and profound physical disability can and must be involved in sport, paving the way for other sports to be introduced.



Evidence of the change

Pictured above the first boccia team in the Southern Schools Sports Carnival and the first statewide boccia competition for adults.

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

Actions/initiatives

The department is continuing to implement its action strategy.

The most significant change

The preparedness of the department to identify and implement solutions in regard to potential impediments to access.

Why significant?

The ability for site managers to refer the plan to identify potential access issues and develop a level of capability in resolving them.

Evidence of the change

The submission of a request for funding to the Department of Treasury and Finance's Structured Infrastructure Review Process to address capital works issues including addressing a number of potential access issues at the Silverdome complex.

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

Actions/initiatives

- » All department documents are provided on the internet as an alternative to printed publications.
- » The use of web accessibility resources is encouraged.
- » Advice is provided to business units regarding layout of documents and online content to ensure accessible style and format.
- » An *Accessibility of Information Guide* was produced providing staff with advice on aspects of accessibility including the use of plain language, choosing colours that may affect people with vision impairment, or the provision of information in an alternative format. An *Appropriate use of language with regard to disability* tip sheet continues to be distributed within the department and has been incorporated into an induction kit for new members of the Executive Support Network.
- » Disability awareness initiatives have been promoted and recognised through internal communications channels such as the intranet and staff newsletter.
- » Closed captions are included in DVD material in order to make it as accessible as possible to the wider community.

The most significant change

- » The Corporate Communications team's ongoing advocacy for disability awareness through initiatives such as the new *Accessibility of Information Guide* continues to deliver a collective focus on the above areas.

Why significant?

- » Our example and leadership in this area has the potential to make a difference for people with disability through the ongoing education of colleagues and through a public demonstration of the department's commitment to ensuring its resources are accessible to the wider community.

Evidence of the change

- » Greater adherence to best practice.
- » Increased appreciation of the communications needs of different audiences.

Carbon Emissions Reduction Plan



The department is continuing to reduce its greenhouse gas emissions in line with its Carbon Emission Reduction Plan (CERP). Over the last 12 months electricity usage in the department was reduced by 3.33 per cent, fuel consumption was reduced by 19.76 per cent and emissions produced from air travel reduced by 56.19 per cent.

Key activities undertaken to reduce carbon emissions in the 2011-12 financial year included:

- » reducing the department's vehicle fleet from 67 to 59 vehicles

- » participation in Earth Hour 2012 (all non-essential lights were switched off on Saturday, 31 March 2012 between the hours of 8:30 pm and 9:30 pm)
- » under a new lease agreement for 22 Elizabeth Street, the building owner has replaced all light fittings with low-energy, environmentally friendly fittings, estimated to reduce energy consumption in the building by 20 per cent
- » maintenance of a relatively high consumption of 'Earthsaver' branded stationery supplies in the 35 to 40 per cent of the total spend in this area
- » continuing to action items from CERP.

Source	2008-09	2009-10 ¹	2010-11	2010-11	Percentage change from 2010-11
Electricity Kilowatt hours (kW-h)	4 502 300	4 157 736	4 072 507	3 936 601	-3.33
Air travel tonnes of CO ₂	322.40	331.51	328.84	144.07	-56.19
Fuel (petrol, diesel) kilolitres (kl)	173	208	172	138	-19.76

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

Our activities

Economic Development

- Antarctic Centennial Year
- Antarctic Sector Development
- Brand Tasmania
- Business Mentor Services Tasmania
- Business Point
- Business Tasmania initiative – Compliance Burden Review
- Business Tasmania Online Portal
- Carbon Price Roundtable
- Community Development Finance Fund (CDFF)
- Copping Controlled Waste Cell
- Dairy Industry Development Program
- Derwent Maritime Industry Master Plan
- Digital Futures Advisory Council
- Digital Futures Strategy
- Digital Ready
- Economic Development Plan
- Employer of Choice
- Enterprise Centres Tasmania
- Enterprise Support
- Growing Business Pilot Project
- Hospitality Industry
- ICT Sector – Skills Development
- Institute of Marine and Antarctic Studies (IMAS)
- Invest Tasmania
- Lion Cheese Factory expansion
- Liveable Places Development Program
- Liveable Places Strategic Assets Program
- M2 Telecommunications Group Ltd
- Manufacturing Competitive Environments

- Menzies Research Institute – Stage Two
- NBN Industry Awareness Program (NBN4Business)
- Priority Science and Research Program
- Regional Development Australia Fund
- Regional Economic Development Facilitation
- Renewable Energy Loan Scheme
- Renewable Energy Strategy
- Salmonid Aquaculture Industry Development
 - Macquarie Harbour
 - Lower Huon Bathing Scheme
- Science in Tasmania for Tasmania
- SenseT
- Skills Response Initiative
- Small Business Connect
- Social Enterprise and Work Program
- Southern Cross Care (Tas) Inc (Fairway Rise Development, Rosny)
- Study on the desirability of a second High Voltage Electricity Link
- Supporting the Planning Reform Agenda
- Tasmanian Dairy Products
- Tasmanian Forests Intergovernmental Agreement
- Tasmanian Innovation and Investment Fund
- Taste Tasmania – Food and Beverage Branding and Promotional Campaign
- Wealth from Water
- Western Tasmania Industry Infrastructure study
- Wine Industry Development Program

Tourism

- MasterChef Tasmania Week
- Regional Tourism Initiative
- Research and market insights
- *Save a Mainlander* campaign

Sport and Recreation Tasmania

- *Find Thirty every day*® campaign
- Providing leadership and developing sport
- Sport and recreation for people with a disability
- Tasmanian Institute of Sport
- Value of Sport and Physical Recreation to Tasmania

Arts

Arts Industry Development

- I46 ArtSpace
- Artist in Residence 2012 program
- Arts and Disability
- Artsbridge
- COLLECT Art Purchase Scheme
- **smart map tasmania**
- The Tasmanian Government Art Site Scheme

Screen Industry Development

- Delivering against strategic objectives
- Objective one: quality and innovation
- Objective two: growth and sustainability
- Objective three: promotion and participation
- Objective four: performance and accountability
- Screen Tasmania financial snapshot 2011-12
- Performance outcomes: production and development
- Case study: *The Hunter*
- Performance outcomes: promotion and participation, and industry and enterprise development

Tasmanian Museum and Art Gallery (TMAG)

- TMAG Redevelopment
- Centre for Learning and Discovery (CLD)
- New acquisitions
- Visitation
- Volunteers

Events

- Major and Regional Events
- Event Development
- Events Tasmania Grants Program
- Princes Wharf Number 1 Shed

Corporate Communications

- Corporate Communications

Economic Development



Antarctic Centennial Year

More than 30 events celebrated Tasmania's enduring Antarctic associations between May 2011 and June 2012 under the Antarctic Centennial Year (ACY) umbrella. Notable events included the:

- » *Third International Sub-Antarctic Forum* addressed 'The future of the Sub-Antarctic region: Its global significance and value'. The 106 forum participants included 11 international speakers.
- » *Annual CCAMLR Meeting and Thirtieth Anniversary Celebrations* – The Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) held its 30th annual meeting in October-November 2011. This important anniversary was celebrated at the Hobart Town Hall, with more than 200 delegates and members of the Tasmanian Antarctic community attending. The Governor Peter Underwood, Premier Lara Giddings, Norwegian Ambassador Siren Gjerme Eriksen and Minister David O'Byrne were also present.
- » *Mawson Centenary Celebrations* focused on the 100th anniversary (2 December 2011) of Douglas Mawson's departure for the Antarctic from Hobart. The key three events were
 - » Mawson Flotilla on 2 December 2011, when 174 vessels, led by the *Aurora Australis*, sailed past the Governor's launch *Egeria*. The Australian Antarctic Division Airbus 319 flew overhead. The event was attended by some 3 500 people (the largest event of the ACY).
 - » 600 guests, the Governor-General, Federal Environment Minister the Hon. Tony Burke and Minister David O'Byrne attended the Mawson Huts Foundation Dinner.
 - » TMAG hosted the Traversing Antarctica Exhibition. 49 000 people visited the exhibition between December 2011 and March 2012.
- » *Amundsen Centenary Celebration* commemorated:
 - » Roald Amundsen's telegram on 7 March 1912 from the Hobart GPO telling the world of his success as the first person to reach the South Pole. A plaque was unveiled by the Norwegian Ambassador Siren Gjerme Eriksen and approximately 500 onlookers attended.
 - » The Amundsen Centenary and Huskies Picnic, including a huskies run from the waterfront to the GPO, preceded the plaque unveiling.
 - » a family picnic in St David's Park to showcase the Celebration. Some 3 000 participated in the picnic, which was attended by the Premier, Minister David O'Byrne and the Norwegian Ambassador.
- » *Thirty-Fifth Antarctic Treaty Consultative Meeting (ATCM-XXXV)* was held in Hobart for the first time in mid-June 2012. More than 350 national and international delegates, advisers and experts attended the eight-day meeting which was opened by Federal Minister for Environment the Hon Tony Burke and a welcome address was given by Minister David O'Byrne. Supporting functions and events promoted Tasmania's Antarctic gateway capabilities.
- » These included a dedication of Lady Franklin's Flag to all polar explorers in St David's Cathedral, a dinner hosted by the Premier at Museum of Old and New Art (MONA), and a Tasmanian Polar Network function. Various fruitful discussions on Antarctic cooperation with other countries, including China, were conducted in the ATCM margins by both Federal and State Government representatives.

Antarctic Sector Development

The Tasmanian Antarctic Sector Plan (*Developing Tasmania's Antarctic Sector – A vibrant industry in a global market*) was launched by Minister David O'Byrne to coincide with the opening of the 2011-12 Antarctic field season on 21 October 2011. The Sector Plan is the product of comprehensive consultations with sector stakeholders and includes more than 20 initiatives.

The Sector Plan is driven by the Tasmanian Antarctic Gateway Group, which has members from all levels of government, the Tasmanian Polar Network (TPN), TasPorts and Hobart International Airport.

Key actions being progressed from 2011-12 include:

- » refurbishment of the Macquarie Wharf Number 2 Shed facility as an Antarctic/cruise terminal
- » leveraging ACY promotion to optimise international and national Antarctic media coverage and branding
- » promoting Tasmanian Antarctic and cold climate business capabilities through a TPN business directory, produced in June 2012 (ongoing promotion of Hobart's Antarctic Gateway status was initiated at the ATCM and will be carried through to the forthcoming Committee of Managers for National Antarctic Programs/Scientific Committee on Antarctic Research meetings in July 2012 and at ICEFEST in Christchurch in September 2012)
- » working with industry and government agencies to develop a business opportunity to progress repatriation of Antarctic waste to a new controlled waste facility in southern Tasmania.

Brand Tasmania

Tasmania's brand is a valuable asset, not only for marketing our products but also for promoting the advantages of living, working, learning, visiting, trading and investing in the state. To assist in the widespread promotion of Tasmania's brand asset, the government supports the independent Brand Tasmania Council Inc to facilitate programs for visiting journalists, manage the relationship with Tasmania's food ambassador Chef Tetsuya Wakuda, manage the Tasmanian Masterbrand and the development of branding partnership arrangements with local enterprises and associations.

Notable activities during the year included:

- » the development of 103 YouTube clips promoting the live, work, learn and visit aspects of Tasmania's brand
- » facilitating interviews with key meat and seafood producers for Ray Martin which were aired on *A Current Affair*
- » a fundraising event for the Japanese tsunami, the development of stories promoting individual exemplars/brand champions
- » and assisting film crews from France, Japan and Korea amongst which highlighted the use of Tasmanian foods by Chef Luke Burgess and Tasmania's wool industry.

Business Mentor Services Tasmania

Business Mentoring Services Tasmania (BMST) is a free statewide service providing volunteer business mentors to small business clients and community groups. During 2011-12, 130 volunteer mentors across the state provided free services to business.

Between 1 July 2011 and 31 December 2011, BMST provided 132 businesses with mentoring support, maintaining approximately 222 jobs.

Business Point

The Business Point service delivers fast, friendly and free referral services for business in Tasmania.

Between 1 July 2011 and 31 December 2011, Business Point staff responded to 1 978 client enquiries through a free call and email business enquiry and referral service, providing assistance to 828 clients under the Business Licence Information Service.

Business Tasmania initiative – Compliance Burden Review

The review was announced as part of the Tasmanian Government's Economic Development Plan and Small Business Strategy in September 2011. Planning commenced thereafter for a survey of businesses to be conducted in 2012 by Tasmanian firm Stenning and Associates to identify types, size and costs of 'red-tape'.

Business Tasmania Online Portal

The new Business Tasmanian Online (BTO) Portal will make it easier for businesses to interact with governments and find the information needed. The BTO portal will provide business-to-government online transaction and interaction in a Gov 2.0 web environment.

Carbon Price Roundtable

In November 2011 the Minister for Economic Development David O'Byrne along with the Minister for Climate Change Cassy O'Connor held a Carbon Price Roundtable with major industry and other stakeholders. The Carbon Price Roundtable focused on Tasmania's biggest emitters and in particular companies that are energy intensive-trade exposed or otherwise liable under the proposed carbon price mechanism. The roundtable was a key objective outlined in the Economic Development Plan and Tasmania's Action Plan for reducing emissions.

The event provided a forum for industry to feed back to government its views the carbon pricing regime. Key issues discussed were the impacts of the carbon price on Tasmania's industry and business and what can be done to help industry adjust to the carbon price. The potential for greenhouse gas emission reduction agreements was also discussed and the department will also work with individual companies that wish to pursue bilateral emission reduction agreements with the government.

A second Carbon Price Roundtable for the small business and community sector was held in June 2012 as part of the government's program of engagement.

Community Development Finance Fund (CDFF)

The Community Development Finance Fund (CDFF) is an initiative to provide opportunities for Tasmanians experiencing social and economic exclusion. Within the CDFF the No Interest Loan Scheme (NILS) program delivered 35 micro-business loans to low-income Tasmanians in the six months to December 2011. During 2011-12 the NILS micro-loan fund was expanded to allow for social enterprise applications, with the Social Enterprise Loan Fund continuing.

Copping Controlled Waste Cell

The department co-funded a number of studies towards the establishment of a controlled waste facility. The proponent of the project is Southern Waste Solutions, which is a joint Local Government authority and operator of a large landfill at Copping, in southern Tasmania.

The construction of a Category C cell will be a major step forward for the management of waste in Tasmania. It will allow scattered, irregularly stored controlled wastes to be relocated to a centralised, secure cell that is properly sited and designed and that meets best practice environmental management criteria for waste storage.

The Category C cell will provide confidence to existing businesses and investors that controlled waste can be handled correctly and in a sustainable manner. This project forms part of a waste strategy, which is an important element of Goal 3 of the Economic Development Plan – Environmental Sustainability.

Dairy Industry Development Program

In 2011 as part of work under Goal 2 of the Economic Development Plan, the Dairy Industry Development Program was established to help develop this priority sector. Initial activities under this program include providing assistance to Dairy Tas to upgrade its IntoDairy website to support industry expansion at farm level and generate the additional milk required by recently announced investments in processing capacity in Tasmania.



The department provided funding of \$14 000 to Dairy Tas to develop a conversion costs tool for inclusion on the website and \$11 000 to deliver financial and budget management training to dairy farmers. The department commissioned Tasmanian Irrigation to undertake a pre-feasibility study for an Arthur River irrigation scheme.

If feasible, the proposed scheme could provide summer water to Circular Head and support a significant productivity increase from existing dairy farms in the area. The department assisted Van Diemen's Land Company to address infrastructure issues for new farm developments in Circular Head.

Derwent Maritime Industry Master Plan

Further expansion opportunities for the Southern Tasmanian maritime and marine manufacturing sector were outlined in the Derwent Maritime Industry Master Plan, by identifying gaps and opportunities in infrastructure particularly Prince of Wales Bay.

Digital Futures Advisory Council

The Digital Futures Advisory Council continued as the government's advisor on the Tasmanian digital economy and maximising the NBN opportunities. It recommended the government initiate the SenseT program.

Digital Futures Strategy

Phase I of the Digital Futures Strategy was completed. The next stage of the strategy will span July 2012 to June 2015. Phase II will build on the progress to date and add a new element of investment attraction given the certainty now achieved through the NBN roll-out.

Digital Ready

The Digital Ready pilot was completed for a group of Deloraine small businesses and Launceston retailers. The Digital Ready program will improve the digital skills, confidence and capacity of small business operators to enable them to effectively engage with and efficiently participate in the digital economy.

Economic Development Plan

The Economic Development Plan was launched in August 2011. It sets a long-term, 10 year vision to improve the prosperity of all Tasmanians through economic development that is socially and environmentally sustainable.

The major priorities of the plan include improving the operating environment for all businesses; maximising the potential of key trade and investment sectors; attracting and facilitating private investment; providing business with access to quality information and training; supporting socially and environmentally sustainable economic development; and developing more diverse and resilient regional economies.

A structured governance system has been established to manage implementation of the plan. The governance system comprises a specially established Cabinet Sub-Committee, a Heads-of-Agency Sub-Committee and an Inter-departmental Committee.

Employer of Choice

The Employer of Choice program continues to be an important initiative that recognises workplaces that are attractive places to work and retain a qualified and capable workforce. In 2011-12 the number of business enterprises, councils and community service organisations recognised as employers of choice increased from 15 to 29, with more interest in the approach and ways in which these organisations attract and retain high-quality, capable staff.

Enterprise Centres Tasmania

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

In 2011-12 eight centres delivered services to small business intenders and operators across the state.

Between 1 July and 31 December 2011 Enterprise Centres Tasmania provided assistance to 1 547 clients, resulting in approximately 313 new jobs and \$7.4 million in business investment.

Enterprise Support

Staff from the three regional offices; Hobart, Launceston and Burnie worked with local companies to provide early intervention assistance where required. These interventions enabled companies to overcome issues threatening enterprise sustainability and viability. Staff met with both individual and groups of enterprises to discuss the feasibility of new ventures, skills requirements, expansion of operations, access to Australian Government funding and assistance in locating suitable industrial land for establishment or expansion, providing innovative solutions to emerging issues.

Growing Business Pilot Project

The Growing Business Pilot Project is designed to grow productivity and growth for 50 established small to medium-sized Tasmanian businesses over two years. It was delivered by the Tasmanian Chamber of Commerce and Industry for the department, supporting 13 businesses with healthchecks and mentoring in 2011-12.

Hospitality Industry

During the year, the Liveable Places Unit continued to work closely with the Tasmanian Hospitality Association to progress and complete a wide range of initiatives to support the development of the hospitality industry. This included the development of a strategic plan, delivery of a series of free industry workshops, a workforce retention study, the initiation of the first Australian Hospitality Conference (to be held in September 2012), the creation of an online hospitality industry employment portal and a feasibility study into re-establishing Tasmania's international reputation for quality hospitality graduates.

ICT Sector – Skills Development

The department participated in 'IT's your future' – a collaborative project with Tas ICT, the Tasmanian Polytechnic, several southern high schools and industry. This involved careers awareness through a school visitation program by IT professionals and a multimedia website service oriented towards reaching students across contemporary technology media channels. The outcomes included potential work placements for students and enhanced career awareness of the sector for both students and teachers.



Institute of Marine and Antarctic Studies (IMAS)

In 2011-12 the Department of Economic Development, Tourism and the Arts concluded negotiations with the University of Tasmania (UTAS) to transfer ownership of Princes Wharf Number 2 Shed to UTAS to support the development of the Institute for Marine and Antarctic Studies (IMAS).

The IMAS project will bring together a diverse range of capabilities, including staff from the Tasmanian Government (Tasmanian Aquaculture and Fisheries Institute), the Australian Antarctic Division and the Antarctic Cooperative Research Centre, into the one facility.

The co-location will provide enhanced opportunities for collaboration, and will strengthen and consolidate Tasmania's capabilities and international reputation in activities and studies in the Southern Ocean, the Sub-Antarctic and Antarctic.

Locating IMAS on the Hobart waterfront within close proximity to the CSIRO will establish a marine science precinct with the greatest concentration of marine scientists in the Southern Hemisphere.

This facility, which has been funded with \$45 million in Australian Government funds under its Education Investment Fund, will result in around \$150 million in economic activity in the period from 2012 to 2017, and around 212 jobs during the construction phase.

Invest Tasmania

The department established a new unit, Invest Tasmania, to lead investment attraction and facilitation for projects that have major economic impact. A clear and committed focus on investment attraction and facilitation is a key initiative of the [Economic Development Plan](#).

Invest Tasmania identifies investment opportunities based on the state's competitive strengths and markets locally, nationally and internationally. Invest Tasmania works with the proponents of major project proposals to help bring their investments to fruition, through assistance with site selection and infrastructure needs, and navigating approval processes.

A large proportion of investment spending is done by existing businesses in the state. An Investment Aftercare Program was established in order to ensure regular contact at a range of levels with key businesses that have already invested in Tasmania.

Invest Tasmania has developed a range of promotional collateral, including a new website, video presentations and investor guides that promote newly defined value propositions. These initiatives are building the capacity of Invest Tasmania to operate effectively across investment promotion, attraction, facilitation and aftercare.

Invest Tasmania, jointly with Mineral Resources Tasmania, undertook an investment mission to China during November 2011. This included promotion of Tasmanian mining investment opportunities at the China Mining Congress and at an Investing in Australian Resources Seminar.

Invest Tasmania was also active during the year in investment promotion within Australia involving regular interstate visits for direct discussions with potential investors, and in promoting opportunities to potential investors during visits to the state.

Lion Cheese Factory expansion

The department assisted Lion to progress its cheese manufacturing investments at Burnie and King Island. The investments are worth in excess of \$150 million.

The department provided facilitation assistance and a \$1.5 million financial assistance package to support the investment program through research, development and innovation; training; and planning and project management.

Lion's investment at Burnie, which is expected to be completed and commissioned around mid-2014, will create 80 full-time jobs during construction and support the retention of 220 full-time staff when operational.

Production of a range of high-value cheeses will rise from 11 000 tonnes to 18 000 tonnes by 2016 taking total factory capacity to 25 000 tonnes a year.

Liveable Places Development Program

In 2011 evaluation was undertaken of the areas in which the department could play an effective role in helping Local Government foster liveability within communities. The first initiative of the Liveable Places Development Program is to support local councils to facilitate investment in retirement living. A key stakeholder forum was held in May 2012, which identified the tools, knowledge and resources that will assist councils in this role. A toolkit will be developed in 2012-13.

Liveable Places Strategic Assets Program

During the year there were a number of significant achievements under the Liveable Places Strategic Assets Program.

In May 2012, the Liveable Places Unit was successful with its funding submission to the Australian Government for \$110 000 under its Liveable Cities Program. These funds complemented \$110 000 in State Government and Hobart City Council funds to undertake a range of studies and investigations to support the development of concepts and a benefit cost analysis for the future redevelopment of the Macquarie Point railyards site. The railyards site will be vacated in 2013-14 and its redevelopment will play a significant role in Hobart's future economic and social growth and development.

On 22 June 2012, the Federal Minister for Infrastructure, the Hon Anthony Albanese, made a major announcement of \$50 million in funding to the Tasmanian Government to support the remediation and redevelopment of the Macquarie Point railyards site. The remediation of the site was one of the key components of the department's submission to Infrastructure Australia then entitled *Hobart: a world-class, liveable waterfront city*. The provision of these funds will now ensure the redevelopment of this site can proceed.

During the year, there were a number of other key Crown property projects progressed and completed by the Liveable Places unit:

- » the sale of Domain House to the University of Tasmania to house the School of Nursing and other university faculties;
- » the transfer of Princes Wharf Number 2 Shed to the University of Tasmania for the development of the Institute for Marine and Antarctic Studies; and
- » the acquisition of the Clinical School, to support the on-site redevelopment of the Royal Hobart Hospital.

The Liveable Places Unit also played an important role as a member of a small working group, including representatives of the Department of Premier and Cabinet, the University of Tasmania and the Theatre Royal Management Board, to develop a joint proposal for a performing arts centre for the Crown land site referred to as Wapping 4. This proposal was submitted by the University of Tasmania for funding support under the Australian Government's Education Investment Fund and, in early 2012, was short-listed as a potential candidate for funding. This proposal is currently awaiting a decision by the Australian Government.

M2 Telecommunications Group Ltd

M2 Telecommunications Group Ltd (M2) was established in 1999 as a network-independent telecommunications provider for wholesale and retail fixed-line, 3G Mobile and broadband telecommunications services specifically tailored towards small-to-medium businesses in Australia and New Zealand. M2 employs over 400 people nation-wide. In 2011 M2 considered options to consolidate the core staff to one major site, with Hobart being one of a limited number of options. An industry assistance package of \$500 000, inclusive of government's Employment Incentive Scheme [Payroll Tax Rebate] was approved to assist the retention and expansion of M2's Hobart operation. An increase in skilled employment opportunities, employment levels and associated payroll are the major outcomes for the Tasmanian economy.

Manufacturing Competitive Environments

The Manufacturing Competitive Environments Program responded to the needs of Tasmanian manufacturers. With no peak industry body, it provided the platform to facilitate networking and learning among Tasmanian businesses. Many successful events were held, aimed at improving the competitiveness of Tasmanian industry.

The program provided access to internationally recognised expertise in improving competitiveness. It provided ongoing support for development efforts to improve competitiveness both at enterprise level and across the entire value chain. In addition, it provided exposure to best practice in action and how each company achieved those results.

Major events included the 2012 Tasmanian Manufacturing Forum, Logistics insight, Greg Lane – Low Volume Lean, Operational Excellence Tasmania and Lean Action Learning.



Menzies Research Institute – Stage Two

Funding of \$5 million was provided in 2011-12 as part of a \$15 million commitment to the University of Tasmania to assist with Stage 2 of the Menzies Centre development. The total project cost of \$90 million and work was commenced in 2011, with completion expected in 2013.

NBN Industry Awareness Program (NBN4Business)

The NBN4 Business program continued, with Stage 2 projects by the four peak industry bodies undertaken to inform and demonstrate to respective constituents the benefits of participation in the digital economy.

Priority Science and Research Program

The Springboard Accelerator Program concluded in early 2012. Beginning in 2007, the program supported 31 companies, enabling them to achieve many successes. These successes were enabled by access to business know-how, equipment, technology, support services, rental space and flexible leases. Financial assistance for company growth was also provided, through commercialisation opportunities for science and technology businesses, as well as individual researchers.

Regional Development Australia Fund

As part of its commitment to Regional Australia, the Australian Government has allocated nearly \$1 billion in funding to the Regional Development Australia Fund (RDAF).

The RDAF aims to fund projects that support infrastructure needs, and will enhance economic and community development of Australia's regions.

Delivery of the program is supported by 55 nation-wide not-for-profit Regional Development Australia (RDA) committees that are playing a key role in identifying projects to be supported by the RDAF. The RDAF represents a significant demonstration of recent efforts to better leverage and coordinate both private investment and that of local, state and the Australian Government for the long-term benefit of regional communities.

While the Tasmanian Government is not eligible to apply directly to the RDAF, it is a key stakeholder in regional economic development. Recognising this, the department took a lead role and assembled a cross-departmental reference group to ensure a more strategic, coordinated and effective whole-of-government view, and to identify and support worthy projects that advance regional economic and community development outcomes.

Successful round one projects were announced in September 2011. Funds of almost \$150 million have been allocated to 35 projects across Australia, with a total project value of approximately \$418 million. The following two Tasmanian projects were successful in obtaining a total of \$6.63 million:

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

Tasmania did well to secure \$6.6 million (or 4.4 per cent) of the \$150 million funding pool, considering RDA Tasmania is one of 55 RDAs across Australia and Tasmania represents 2.25 per cent of the nation's population.

Round Two of the RDAF closed on 1 December 2011 and will provide a further \$200 million to regional Australia. Across Australia, 162 Expressions of Interest (EOIs) seeking \$627 million in grant funding and investing \$1.9 billion have been short-listed to proceed to full application.

In Tasmania, 21 EOIs were received and the RDA Tasmania Committee has short-listed the following three projects to proceed to the next stage of submission of a full application:

- » Burnie City Council – Storm Water Infrastructure Development
- » Central Coast Council – Upgrade of the Penguin Regional Athletics Centre
- » Sorell Council – South East Region Sporting, Recreation and Cultural Precinct.

Regional Economic Development Facilitation

A Memorandum of Understanding on place-based investment between the Australian and Tasmanian governments was signed by the Prime Minister Julia Gillard and Premier Lara Giddings on 26 August 2011.

Development of three Regional Economic Development Plans was undertaken, with these scheduled to be launched in late October/early November 2012. Significantly, these plans adopt a whole-of-government approach, and their development has included extensive engagement with industry peak bodies, individual enterprises and relevant government agencies. In March-April 2012, staff from the regional offices; Hobart, Launceston and Burnie undertook 38 community conversations at 19 venues across the three regions, to gain input into the regional economic development plans.

Three Regional Reference Groups were established in October 2011. These groups consist of a cross-section of representatives from industry, local government and the community sectors and provide advice and input to the Minister on matters of regional significance and aimed at finding solutions that build local assets and promote collaborative partnerships.

Regional offices identified a list of potential projects that could be considered for support under the Australian Government's \$120 million Tasmanian economic diversification package, \$20 million of which was earmarked for expenditure in 2011-12.

Staff from the regional offices established and managed relationships with key stakeholders including peak industry bodies, chambers of commerce, local councils, and state and Australian Government representatives, particularly to adopt a strategic approach to projects.

Renewable Energy Loan Scheme

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

Three proposals have been approved. Redbank Farming Pty Ltd based at Sisters Creek has installed a Vestas V27 wind turbine to supply its diversified farming operation. Van Asperen Holdings Pty Ltd has installed a solar panel system on its commercial building at Connector Park, Launceston. Fire Developments Pty Ltd has installed an Enercon E30 wind turbine at Thule Road, Whitemark, Flinders Island. The turbine is estimated to supply 25 per cent of Flinders Island electricity needs.





Salmonid Aquaculture Industry Development

Macquarie Harbour

Three major businesses in the Tasmanian aquaculture industry explored options for the expansion of salmon and trout farming on the West Coast. The businesses worked together to develop the required Environmental Impact Statement and the accompanying draft amendment to the Macquarie Harbour Marine Farming Development Plan (October 2005).

The department was represented on inter-agency and industry working groups that provided guidance on the development of the required documentation.

In May 2012, following an assessment process, the Minister for Primary Industries and Water Bryan Green, approved the draft amendment. The proposal also requires assessment by the Australian Government under the provisions of the *Environment Protection and Biodiversity Conservation Act 1999* and a decision is expected to be made in 2012-13.

If the development proceeds, modelling indicates that the land and sea-based investment will be around \$60 million over a five year period and create the equivalent of around 100 jobs in the construction phase, some 45 further jobs in the farming of fish, and another 120 jobs in processing. The department will continue its involvement in the project through the established working groups, particularly through supporting industry through the planning and approvals process during the construction phase.

Lower Huon Bathing Scheme

The department brokered an agreement to support the expansion of the salmon industry in the state's south. This resulted in the Commonwealth government, through the Tasmanian Forests Intergovernmental Agreement, providing \$3.924 million, which, accompanied by industry funds, is being used to develop a freshwater bathing scheme in the Lower Huon. The bathing scheme project, involving Tassal and Huon Aquaculture, will help industry to meet its expansion targets, and increase direct and indirect industry employment in the Huon Region.

Science in Tasmania for Tasmania

Antarctic Tasmania and Science Research Development (ATSRD) partnered with the University of Tasmania and the Australian Government's Department of Innovation, Industry, Science and Research in 2011 to support delivery of Inspiring Australia in Tasmania. *Inspiring Australia* is a national strategy aimed at building a strong relationship between science and society through effective communication of science and its benefits. ATSRD has extended this partnership for a further two years.

Key outcomes in 2011-12 included:

- » *The Particle* newsletter: This is distributed to over 2000 subscribers, with five issues being released in 2011-12. Established in 2010, the Particle is a source of contemporary news and views for the Tasmanian science research sector;
- » *C-Star Award*: For the past six years, this award attracts a large number of innovative applications from researchers, industry and individuals. The presentation ceremony is held annually during National Science Week.
- » *National Science Week*: The department continues to provide financial support for National Science Week activities in Tasmania, and
- » *Science Meets Parliament*: an annual dinner at State Parliament House, attracted 70 Tasmanian high-profile science and political luminaries in 2011 discuss current issues and future opportunities for science in the state. This flagship communication event is a collaborative initiative between the University of Tasmania, the department, and the Minister for Innovation, Science and Technology, David O'Byrne. It aims to highlight the benefits of, and potential opportunities for, scientific endeavour in the state.

Renewable Energy Strategy

In July 2011, the Tasmanian Renewable Energy Industry Development Board (TREIDB) delivered its advice to the State Government. The TREIDB's recommendation was to position Tasmania as the 'renewable energy state'. The government's strategy for further growing the renewable energy sector is outlined in the *Economic Development Plan* published on 28 July 2011.

As part of the strategy, a comprehensive and detailed assessment of the regulatory, technical, fiscal, social and environmental implications of the TREIDB's final advice will be undertaken by agencies that have responsibility for these matters before the government determines further action on priorities. The department is also consulting with a number of renewable energy proponents, working with Aurora to deliver greater transparency and clarity for regulatory arrangements between distributed embedded generators, and electricity networks and retail businesses.

Additionally, the department is working with the Tasmanian Planning Commission to ensure the refinements to planning schemes and assessment processes are technically feasible, effective and minimise the regulatory burden on industry.

SenseT

The SenseT feasibility and scoping study was completed and an agreement reached to proceed, with an initial investment of \$24.9 million. SenseT is an initiative of the Tasmanian Government, the University of Tasmania and the CSIRO to develop a state-wide sensor network coupled to an online knowledge management system. SenseT will provide collaborative, open access to public information for government agencies, the community, business and researchers.

Skills Response Initiative

The erection of communications towers as part of the NBN project was identified by the Skills Response Unit as an employment opportunity for redundant Tasmanian forestry workers. Some 2 600 towers are to be erected across Australia over the next three years to create the wireless links necessary in remote areas. Due to the terrain, Tasmania will require a large number of these towers. In addition, a scaffolding and riggers pre-employment working group was established to identify training pathways to maximise job opportunities arising from the roll-out of the NBN wireless network in Tasmania over the next eight years.

Gunns announced the closure of the Western Junction sawmill in October 2011 and the mill closed on 10 November 2011. The Skills Response Unit arranged an on-site information session which included representatives from Centrelink, the Australian Government's Department of Education, Employment and Workplace Relations (DEEWR), Job Services Australia, Skills Tasmania, Tasmanian Polytechnic, Skills Institute, Forestworks and labour hire firms. Sessions have been held for workers at Triabunna and Austins Ferry sites and more are to be held at Deloraine and Smithton. Negotiations are taking place for Southwood and Somerset sites pending the possible sale of these sites to other operators.

The Skills Response Unit continued to support Tasmanian workers by co-ordinating information sessions for redundant workers through meetings with Centrelink, DEEWR, Job Services Australia, Skills Tasmania, the Tasmanian Polytechnic, Skills Institute and labour hire firms. The unit also worked with stakeholders to develop of pre-employment training programs for scaffolding, rigging and other employment skills support roles.



Small Business Connect

The department has run four small business forums as committed under the Small Business Connect action, providing an opportunity for an ongoing, open dialogue between government, small business and representative organisations.

Under this same initiative, the department has supported events and networks such as the 5 Days of Innovation Festival, TCCI Business Expo 2012, Women in Global Business initiative and Flying Solo Seminars, which showcase innovative practices and opportunities for knowledge transfer and collaboration.

Social Enterprise and Work Program

The Social Enterprise and Work program is embedded within the Economic Development Plan in which the government prioritises the development of social enterprises in building social capital and creating economic opportunities for marginalised people. During 2011-12 the first ever Tasmanian Social Enterprise Network state-wide forum was held in Campbell Town. In addition a Disadvantaged Youth project is underway. The department also made the Social Traders 'The Crunch' program available to Tasmania's social enterprise organisations.

Southern Cross Care (Tas) Inc (Fairway Rise Development, Rosny)

Southern Cross Care (Tas) Inc. is a not-for-profit organisation that has been operating in Tasmania since 1973. It provides care, accommodation and support for more than 1500 Tasmanians.

A loan of \$1 305 000 was approved to assist the purchase of Crown land at Rosny for the Fairway Rise Lifestyle Village. This development will include a 60-bed nursing home, 76 independent living units and a community centre.

The \$46 million project is expected to generate the equivalent of 250 jobs during its construction, mostly in the building and construction sector. The project will create around 100 permanent positions once complete in December 2013.

Study on the desirability of a second High Voltage Electricity Link

On the recommendation of the TREIDB the government commissioned a \$179 000 threshold or 'proof-of-concept' study into the potential for a second high voltage electricity link across Bass Strait.

The purpose of the threshold study was to determine if there is a case to undertake a much more comprehensive, complex and detailed study into the potential for a second interconnector now or at some point in the future.

The threshold study concluded that in the short to medium-term, government policy should focus on removing barriers to the development of up to 550MW of renewable baseload (continuous) power output, which is feasible without the need for a second HV electricity link across Bass Strait.

It also recommended that a further study of a second HV electricity link across Bass Strait should be deferred until there is a material favourable change in the conditions that contribute to making a second link economically and commercially viable.

Supporting the Planning Reform Agenda

Seven new projects were funded that will improve strategic planning at state-wide, regional and local levels over coming years. These included projects with Northern Tasmania Development, Meander Valley, Southern Midlands, Brighton and Kingborough Councils and the Tasmanian Planning Commission.

During the year, structure plans funded under the program directly facilitated the granting of development approval for major developments, such as the Bicheno Golf Estate and Huonville Light Industrial Estate amongst others.

Support for master plans or structure plans from the department in the past 12 months can be directly linked to development approvals worth \$40 million.

By increasing the capacity of the department to both recognise and respond to land use planning issues and its value economic development can be enhanced. To improve the department's skills in this area, briefings developed with the Tasmanian Planning Commission, were held in the northern, north-west and southern regional offices.

Tasmanian Dairy Products

The department provided facilitation support through Invest Tasmania for Tasmanian Dairy Products' \$75 million investment in a new dairy powder plant at Smithton.

The facility will significantly increase dairy processing capacity in Tasmania. It will produce high-specification milk powders and associated products for international markets, with the ability to process more than 200 million litres per year.

The Smithton plant commenced construction during the year and is expected to be operational in the second half of 2012.



Tasmanian Forests Intergovernmental Agreement

Under stream three of the Tasmanian Forests Intergovernmental Agreement (TFA), signed on 7 August 2011, the Australian Government will provide \$120 million over a period of 15 years, including an initial payment of \$20 million in 2011-12, to fund economic diversification in Tasmania.

The Memorandum of Understanding (MOU) for Place-Based Investment, signed on 26 August 2011 by the Prime Minister, Julia Gillard, and the Premier Lara Giddings, provides a mechanism for the Australian Government and Tasmanian Government to work in partnership. The TFA is an example of this collaboration.

The Australian Government's Department of Regional Australia, Local Government, Arts and Sport and the department worked together to identify shovel-ready investment options to be funded in 2011-12.

Funding has been announced and committed to ten projects amounting to \$16 million being the full regional funding allocation for 2011-12.

These projects are as follows:

- » **AgriTas Trade College:** an agricultural trade college in Circular Head – \$4.25 million
- » **Electrical power to Harcus River Road:** infrastructure to enhance the expansion of the dairy industry in Circular Head – up to \$1.5 million
- » **Aquaculture dam in the Huon Valley:** funding towards the development of freshwater dam infrastructure to provide cost effective bathing of salmon to eliminate disease – \$3.924 million
- » **SenseT Program:** capital funding for core infrastructure, scoping studies, demonstration projects and impact assessment – \$3.6 million
- » **Maria Island Jetty Upgrade and Ecotourism Development Feasibility Study:** infrastructure funding to upgrade the current jetty at Darlington and a study to examine ecotourism development opportunities on the island – \$1.6 million
- » **Wine Research, Development and Extension:** funding towards a research project to optimise Tasmania's wine production, through identifying micro-climates; and towards provision of wine development and extension services – \$400 000

- » **Soft Fruit Chilling and Blast Freezing Facility:** funding to develop a fruit chilling facility in the Derwent Valley aimed at diversifying markets and maintaining fruit quality – \$300 000
- » **Innovative Food Systems Business Plan:** funding towards a detailed business plan for innovative food systems research and training in the North of Tasmania, for the benefit of the Dorset and broader Tasmanian community along with a feasibility study for a food processing, research and testing facility at Scottsdale – \$150 000
- » **Business Model Scoping Study Tasmanian Regional Sawmills:** funding towards investigating a collaborative business model venture for a number of Tasmanian regional sawmills – \$76 000
- » **Walking and Ecotourism Feasibility Study:** to test the economic and environmental case for an all-season walking and ecotourism track from Mount Wellington to the Western Tasmania World Heritage Areas – \$200 000.

Tasmanian Innovation and Investment Fund

On 3 October 2011, the Australian Government announced the Tasmanian Innovation and Investment Fund (TIIF) as part of the Tasmanian Forests Intergovernmental Agreement. The TIIF was to provide up to \$8 million over three years to give innovative businesses an opportunity to generate new jobs while broadening the Tasmanian economy and strengthening its employment base. \$4 million from the initial \$20 million has been allocated for the 2012-13 financial year.

In March, the Federal Minister for Industry and Innovation, Greg Combet, and the Minister for Regional Australia, Simon Crean, announced grants to 28 companies totalling \$8.3 million from the TIIF, which is predicted to generate \$20 million of investment and create more than 270 new jobs in the state.

The grants are supporting investment in projects that will diversify Tasmania's economy, recognising the impacts of the restructuring of the forestry sector.

This will create sustainable new jobs across a broad range of industries and across all three regions. Many of the grants will be used to invest in new equipment and infrastructure for Tasmanian companies in the manufacturing, construction, transport and food processing sectors.

The grants from the TIIF are being more than matched by private investment shows that there is strong confidence in Tasmania's economic outlook.

Taste Tasmania – Food and Beverage Branding and Promotional Campaign

During 2011-12 the department developed and launched the *Taste Tasmania* campaign in conjunction with Brand Tasmania Council Inc. and industry partners the Tasmanian Farmers and Graziers Association, the Tasmanian Independent Farmers Group, the Tasmanian Independent Retail Network and the Tasmanian Hospitality Association.

The key aims of the campaign are to:

- » make Tasmanian food and beverage products easier to identify in supermarkets, speciality stores and food service businesses
- » encourage consumers to purchase Tasmanian food and beverages
- » build and promote a consistent Tasmanian food and beverage brand, which sits above the enterprise brand level.

The campaign was launched on 26 May 2012 and will be promoted in the local market during 2012-13.

A suite of marketing collateral has been produced which is being provided to industry free-of-charge. In-store point-of-sale marketing is being supported by advertising activity including television, print media and bus backs signage. Industry feedback and uptake has been very positive with over 70 IGA and independent retail stores and over 20 producers participating in the first two months.

One producer has used the campaign material as part of its promotion in one of the major supermarkets locally and another has used it as the cornerstone of an overseas market development push. Negotiations are continuing with the major retailers about using the point-of-sale material in their stores.

Wealth from Water

Wealth from Water is a collaborative program to help farmers and investors to make more informed choices about land use and to shift to higher value production.

Program partners, the Department of Primary Industries, Parks, Water and the Environment and the Tasmanian Institute of Agriculture, have conducted enterprise suitability mapping, developed suitability rules for around 20 crops and provided technical information to industry.

The department has developed a range of business tools and presented a series of workshops to inform farmers of opportunities in, and approaches to, markets. Workshops were conducted in the Meander Valley and Southern Midlands areas and included topics such as supply chain analysis and development, and training in gross margin and other business planning tools.

Western Tasmania Industry Infrastructure study

In 2010 the Tasmanian Government committed \$250 000 to fund a Western Tasmania Industry Infrastructure (WTII) study. This study was jointly commissioned by the department and Department of Infrastructure, Energy and Resources which project managed it.

The aim of the study is to provide both the Australian and Tasmanian Governments with a plan for upgrading infrastructure for industry and the community in the region into the future. The study was a multi-stakeholder exercise engaging with a range of local government, business and industry representatives and other relevant stakeholders in the region.

North-West Tasmania has a diverse range of industries including forestry, mining and minerals processing, tourism, aquaculture and agriculture. The results of the study will be used to inform infrastructure planning in western Tasmania.

Wine Industry Development Program

The Wine Industry Development Program was established in 2011 as part of the department's work under Goal 2 of the Economic Development Plan.

The initial focus was on working with Wine Tasmania to leverage the opportunity to showcase the Tasmanian Wine Industry and its investment potential at the International Cool Climate Symposium (ICCS), which was held in Hobart in February 2012.

In October 2011, following a Request for Quote, expert consultants were engaged to work with government and industry to prepare an investor guide to support wine industry development. A trade booth was established at the ICCS to promote investment opportunities. Delegates and other wine industry influencers were invited to attend an investment seminar in Hobart during the ICCS.

Following six months of extensive industry consultation and input the final *The Wine Industry in Tasmania – A Guide for Investors* was launched by the Minister for Economic Development, David O'Byrne, in May 2012. The launch coincided with Europe's leading wine publication *The Drinks Business* ranking Tasmania second only to China as the best wine investment location in the world.

As part of the Tasmanian Forests Intergovernmental Agreement the department worked with the Australian Government, the University of Tasmania and Wine Tasmania to broker agreement for the University of Tasmania to undertake a \$525 000 wine industry research and extension project.

The project, which commenced in July 2012 and will run for two years, is co-funded by the Federal and State Governments. The department also provided a financial contribution to the making of the *Unbottle Tasmania* television program, showcasing seven Tasmanian wineries, which aired on Southern Cross Television in June and will be broadcast nationally later in 2012.

Tourism



MasterChef Tasmania Week

Tourism Tasmania encourages other organisations to run promotions and campaigns that support and extend Tasmania's marketing efforts. This year saw Tourism Tasmania worked with production company Shine Australia to secure the right to feature in the popular reality television cooking series, MasterChef Australia. As a result, Tasmania featured in four episodes with five Tasmanian locations highlighted on the show.

Each episode attracted around 1.3 million viewers and showcased Tasmania to an affluent national and international audience that enjoys fine food and travel. As well, Tasmania received significant editorial (in-program) endorsement by MasterChef Australia's respected judges. Tourism Tasmania provided logistical and operational support on the ground to enable the filming to take place in Tasmania. Tourism Tasmania also developed an extensive leveraging program to maximise the opportunities generated by the MasterChef visit.

The project saw strong state-wide co-operative support from Local Government, regional associations and industry operators. Leveraging partnerships also saw the production of a dedicated gourmet touring brochure highlighting the areas visited by MasterChef and distributed through Travelscene American Express travel agencies nationally.

The series also resulted in the creation of new supply opportunities for Tasmanian food products to mainland restaurants owned by MasterChef judges.

Regional Tourism Initiative

In early 2010, Tourism Tasmania and the Regional Tourism Associations initiated a review of Tasmania's regional tourism sector to identify how the state's regional tourism industry could work together to create effective partnerships, shared goals and make the best use of available resources. This and other independent reviews, along with further industry input, have informed a new approach to regional tourism in Tasmania.

This new approach will see four regional tourism organisations established to cover the North-West and West Coast region, the southern region, the northern region and the East Coast. Tourism Tasmania has been instrumental in supporting the transition to the new regional tourism structure. It has worked closely with councils, the Tasmanian Visitor Information Network, zone marketing groups, local tourism organisations, regional tourism operators and other stakeholder groups on the transition to the new arrangement.

While each region is currently at a different stage in its development, the formation of the new bodies is on-track, with the East Coast and northern regional bodies in the process of establishing inaugural board positions, while the Cradle Coast Tourism Executive and Destination Southern Tasmania are now functioning as established organisations.

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



Research and market insights

Tourism Tasmania commissions research to ensure Tasmanian operators are equipped with an understanding of our current markets and contemporary consumer behaviour.

In 2011-12, Tourism Tasmania secured global research agency Taylor Nelson Sofres (TNS) to deliver the data and insights necessary for informed business decision making and marketing and promotional campaign development. Securing the services of TNS reflects Tourism Tasmania's commitment to evidence-based planning and to ensuring that Tasmania's tourism operators have the best market intelligence available to grow their business.

In addition to market insights, the agreement will see TNS provide tracking and reporting capacity against major marketing campaigns and Tourism Tasmania's corporate goals as well as forecasting to improve our understanding of Tasmania's operating environment. TNS will also deliver four presentations a year based on quarterly data gathered from multiple surveys for the Tourism Information Monitor; - an online panel conducted by TNS exclusive to Tourism Tasmania.



Save a Mainlander campaign

As part of its marketing program for 2011-12, Tourism Tasmania ran a quirky two-month online promotion to encourage Tasmanians to invite their friends and relatives to visit the state for a holiday or break. The domestic marketing campaign targeted the growing interstate visiting friends or relatives travel market and was timed to take advantage of the exposure gained by the state in the airing of four Tasmanian episodes of MasterChef Australia.

Partners in the promotion included Virgin Australia with a contribution of \$11 000 worth of airline seats and the Tasmanian tourism industry with a contribution of prizes worth \$24 000. With 60 tourism industry partners in the campaign, the level of participation in this promotion by the state's tourism operators was the highest ever achieved for a Tourism Tasmania campaign.

Other contributions included bonus advertising worth more than \$100 000, from the state's various media outlets. The campaign also received considerable coverage via local radio, television, online sites and our regional newspapers.

Tourism Tasmania designed the campaign to harness the capacity of social media to communicate to potential travellers and encourage them to visit the state. The *Save a Mainlander* website – the means by which Tasmanians and interstate visitors could invite a friend and win a prize – had received nearly 21 000 visits.



Sport and Recreation Tasmania



Find Thirty every day® campaign

In October 2011, Premier Lara Giddings launched the new, three-year *Find Thirty every day®* campaign. It builds upon the *Find Thirty. It's not a big exercise®* campaign, which was implemented in Tasmania between 2008 and 2011.

Find Thirty every day® aims to increase the number of Tasmanian adults who are sufficiently active for good health.

The campaign includes television, radio and bus advertising, print resources and merchandise, community and regional health strategies.

Providing leadership and developing sport

During 2011-12 Sport and Recreation Tasmania (SRT) provided a number of leadership projects and programs to develop sporting organisations. These included:

- » strategic planning sessions were held with nine community sporting organisations
- » implementation and promotion of Play by the Rules in Tasmania continued, highlighting the importance of the development of safe, inclusive and fair sporting environments
- » forums for state and community sporting organisations on the topics of good governance, cyber-safety, and sports law were held in partnership with the Australian and New Zealand Sports Lawyers Association
- » delivery of state-wide forums were held in partnership with the Hawthorn Football Club exploring leadership, community engagement and sponsorship
- » delivery of Aboriginal cultural awareness training for SRT staff.

Sport and recreation for people with a disability

Implementation of the Tasmanian Sport and Recreation Framework for People with a Disability continued during the year.

Training and assistance was provided to Glenorchy YMCA Sports Ability HUB, and assistance was provided to Unigym Hobart and Unigym Launceston Sports Ability Hubs to coordinate and evaluate activities.

Two Disability Sport and Recreation Network Forums were held to provide the opportunity for sport, recreation and physical activity providers and disability service providers to identify and plan how they can work together.

SRT worked with a number of sporting, disability sector and other organisations to develop, provide and promote sport, recreation and physical activity opportunities for people with a disability, including Orienteering Tasmania, Bowls Tasmania, Cricket Tasmania, Surf Life Saving Tasmania, Paraquad Tasmania, St Giles and the Special Olympics.



Tasmanian Institute of Sport

A record number of Tasmanian athletes were selected to compete in the London Olympics. A total of 18 Tasmanian athletes will travel to London (15 Olympians and three Paralympians), eclipsing the 2008 record of 15 athletes at Beijing.

Two Western Australian athletes (rowers) who have received training and services from the Tasmanian Institute of Sport (TIS) were also selected, with three Tasmanian athletes selected as reserves.

The TIS Rowing Program, which is part of Rowing Australia's Centre for Excellence, produced medal-winning performances at the 2011 World Championships, with a record number of rowers nominated for Olympic selection.

The TIS successfully staged the Tasmanian Athlete of the Year Award in December 2011, transitioning from the previous annual awards dinner.

TIS athlete selection to national teams exceeded the set Key Performance Indicator of 65, with 88 achieved.

Value of Sport and Physical Recreation to Tasmania

The *Value of Sport and Physical Recreation* report was publically released in August 2011. This report includes an evaluation of the costs and benefits of sport and physical recreation in Tasmania, and is the most comprehensive report of this nature ever done in Australia. The report demonstrates the significant value that sport and physical recreation brings to Tasmania, including directly contributing over \$819 million to the Tasmanian economy annually, and that for every \$1 spent on sport and physical recreation there is a \$4 return. The report, prepared by the University of Tasmania, was funded and overseen by the department through SRT.

Arts



Arts Industry Development

146 ArtSpace

146 ArtSpace is a public exhibition space in the foyer of Arts Tasmania's Hobart offices.

June 2011 saw the presentation of a cultural exchange that explored how contemporary video artists portray aspects of social and cultural life in China and Australia. The exhibition, titled *NEW AGE: NEW MEDIA*, involved 12 established new media artists from both Australia and China with exhibitions in 10 locations – six in China and four in Australia. The international touring exhibition comprised part of the program of cultural events associated with *Imagine Australia*, a series of celebrations marking the Year of Australian Culture in China 2010-2011.

In September 2011, 146 ArtSpace presented *BESTPRACTICE* by Tasmanian artist John Vella. The exhibition formed part of *Iteration: Again*, a series of 13 public art commissions by 22 Australian and international artists and was developed by Contemporary Art Services Tasmania and New Zealand curator David Cross in numerous locations around Hobart and Launceston.

November 2011 saw the celebration of the COLLECT Art Purchase Scheme's third birthday and the passing of the \$2 million milestone for the value of approved loans. To celebrate, a two-week exhibition showcasing artworks from the 15 COLLECT galleries was held.

In May 2012, 146 ArtSpace presented *Latitude*: a collaborative exhibition by Vicki West and Karin Beaumont as part of the program of events arranged to celebrate the 2011-2012 Antarctic Centennial Year. The exhibition project involved a process of mentoring, collaboration and exchange between marine biologist and artist Karin Beaumont and Aboriginal artist Vicki West, where the artists combined traditional techniques with modern technology to create a series of kelp and fibre-based sculptural objects inspired and informed by their respective artistic backgrounds.

Artist in Residence 2012 program

The Artist in Residence (AIR) 2012 program was offered to seven professional Tasmanian artists to take up residence in three selected Tasmanian high schools, one district school (Kindergarten to year 12) and Claremont College through first term (February to May) 2012.

Five residencies took place:

- » Kelly Drummond Cawthon, (contemporary dance) and Julie Waddington (theatre) at Kingston High School, offered students contemporary dance and physical theatre workshops developing a series of pop-up performances in response to the school site.
- » Lyndon Riggall, (writer) at St Helens District School, worked as a roving writer, exploring imaginative ways to develop writing skills with students at the school.
- » Staja Hobsbawn and Christian Parr, (social circus skills and equipment making) at Penguin High School, worked predominately with year nine students teaching circus skills and making circus equipment. The students in turn taught the circus acts they had learnt to local primary school children.
- » Alyssa Simone, (video installation/multimedia) at Claremont College, shared with students and staff the process of developing her installation for the Moorilla Scholarship exhibition at the Museum of Old and New Art (MONA).
- » Glenn Folpp, (multi-media) at Brooks High School, explored and documented significant locations with students using audio, video and digital photography. A website and a 'one night only' installation was then created at the old Rocherlea School.



Arts and Disability

The roll-out of the second year of grant funding under the banner of Arts and Disability Grants 2011-12 saw \$139 324 distributed to support 11 projects across Tasmania. Six organisations, offering seven projects, and four individual artists were supported under the program. Successful applicants included representation of the north-west region for the first time.

Industry development in disability and the arts has resulted in the development of a Theatre Captioning pilot project rolled out across Tasmania with key stakeholders. The project has resulted in improving access to new audiences for theatres of those individuals who are deaf or hard of hearing.

Universal accessible formatting has been adopted by Arts Tasmania in an effort to break down barriers for improved participation, particularly people living with vision impairment or low-level literacy capacities. In partnership with Arts Law, Arts Tasmania hosted information sessions in southern and northern Tasmania, providing advice about working with artists living with intellectual disability and acquired brain injuries.

Stage one of the Arts and Disability Community Engagement Strategy was completed. This included evaluation, research and consultation with relevant key stakeholders towards the professional development of artists with disability and artists working in specialist disability environments.

Disability and Arts Program Officers participate on the department's Disability Working Group to facilitate the Premier's Disability Framework for Action agenda. They also provide policy advice and information to the National Arts and Disability Strategy Intergovernmental Working Group, Arts Access Australia National Policy Working Group and National Arts and Health Intergovernmental Working Group.

Artsbridge

The Artsbridge travel assistance funding program has been in continuous operation since 1999.

During this period it has assisted over 300 Tasmanian artists to develop links with Australia and the international art world. The average applicant has received \$1 517 in funding assistance from an annual average program allocation of \$31 764, with a total of \$444 697 in assistance provided over the life of the program.

In the 2011-12 period Artsbridge assisted 26 projects with an average grant of \$1 838, helping artists to travel to Spain, the United Kingdom, France, the United States, The Netherlands, Germany, Austria, Morocco, China, Turkey, Russia, Scotland, Ireland, Iceland, Sydney, Melbourne, the Gold Coast and Brisbane.

COLLECT Art Purchase Scheme

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

The COLLECT Art Purchase Scheme was launched in November 2008, since which time it has assisted in the purchase of 1 125 individual artworks by 290 Tasmanian artists. This has resulted in \$2 780 252 being invested in supporting the Tasmanian arts sector. 974 loans have been approved, with 547 loans already repaid.

On average, 73 per cent of loans were approved to Tasmanian residents, with the remaining 27 per cent going to interstate residents and helping to assist in the export of Tasmanian artworks to a national audience.

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

smart map tasmania

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

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

The website is database-driven with interactive mapping, which allows users to conduct searches based on region, arts sector and art form. It promotes quality professional arts experiences that are approved and curated by Arts Tasmania.

It is a key component of Tourism Tasmania's Arts Tourism Strategy and was shortlisted in the 2011 Tasmanian Tourism Awards for tourism marketing. A review of the website is currently underway with the aim of improving functionality and developing a mobile application.

The Tasmanian Government Art Site Scheme

The Tasmanian Government Art Site Scheme commissions public art that is funded from the capital works infrastructure budget for State Government entities.

Commissions are two per cent of the capital works budget, capped at a maximum of \$80 000 per commission.

The Tasmanian Government Art Site Scheme delivers accessible, engaging and meaningful public art that plays a pivotal role in education and health as well as in the broader Tasmanian community. National and international research shows that public art improves health and wellbeing, reduces levels of anxiety, stress and depression and can contribute to a reduction in length of hospital stays.

The Tasmanian Government Art Site Scheme is part of a much wider public art program administered by Arts Tasmania's industry development arm, arts@work. This public art program works in partnership with the State Government, local government, Commonwealth Government and the corporate and private sectors to incorporate public art into capital works projects by all these sectors.

The public art program is currently commissioning or purchasing artwork for a total of 58 government capital works and corporate art projects.

Screen Industry Development

Following the launch of Screen Tasmania's five-year strategic plan, in June 2011, the policy direction prioritising support for local production companies to drive increased local production activity has been a sound one. It has been imperative to support local production in a climate where the strength of the Australian dollar and an increasingly competitive financial environment has reduced in-bound production across the country.

Pioneering support for factual entertainment series and a vision to leverage opportunities arising from the roll-out of the NBN are strategies in their infancy, but are signalling promising growth areas for the Tasmanian screen industry.

Delivering against strategic objectives

The following is a summary of the key areas of Screen Tasmania's activity in 2011-12 against its four objectives:

Objective one: quality and innovation

The Digital Innovation Program was created to drive innovative digital media content creation. Funding processes were streamlined and bespoke targeted project support was provided to improve creative collaborations and enhance production outcomes. The Market Forces program provided opportunities for Tasmanians to meet with the marketplace in Tasmania, and the silverScreen fund was initiated to provide a tailored career development pathway for Tasmanian talent.

This has resulted in a commensurate increase in the quality of applications received by Screen Tasmania, innovative project development in the digital media environment and an increase in the quality of skills in the industry.

Objective two: growth and sustainability

Screen Tasmania continued to provide funding to generate production investing in eight productions totalling \$418 505. This resulted in production budgets totalling \$16.9 million, generating approximately 114 jobs and \$1 218 000 spend in the state.

The Enterprise Development Fund was introduced to help Tasmanian production companies expand their business activities. This enabled local production company Blue Rocket Productions to develop its adult arm, Electric Yak.



Objective three: promotion and participation

An increased focus on engaging the media to raise the profile of the industry overall resulted in increased publicity for Screen Tasmania, as well as for specific productions such as *The Hunter*, *The Straits*, *First Fagin* and *Beaconsfield*.

A new website was launched, along with a communications strategy to incorporate enhanced use of social media, including Facebook and Twitter, resulting in increased industry engagement.

Support of the Breath of Fresh Air Tasmanian film festival and *The Hunter* premiere raised the profile of the industry overall and provided opportunities for Tasmanians to participate in screen industry events.

Objective four: performance and accountability

Commitment to improving communication has resulted in enhanced stakeholder and industry relationships. A one-year revision of funding guidelines was completed and the build of a new project management database to improve client service and reporting processes is well underway.

Screen Tasmania continues to provide leadership in representing Tasmania's interests at a national level, contributing to and influencing public policy and decision-making, as well as identifying areas of potential collaboration to benefit the screen industry. This includes membership of the State and Territory Screen Agency Forum, contributing to the Convergence Review, the SBS funding bid, and engaging with Screen Australia regarding policy and funding changes.

Screen Tasmania financial snapshot 2011-12

In 2011-12, Screen Tasmania provided a total of \$751 029 to the screen industry through each of its five major funding programs:

1. Digital Innovation Program – \$28 278.26 for two projects and a Digital Media Seminar
2. Production Finance – \$425 505 for eight production investment projects and one factual entertainment project
3. Project Development – \$130 210 for 18 projects
4. Industry and Enterprise Development – \$134 844 to assist two practitioners through silverScreen; 21 practitioners through professional development and business travel; two production companies through Enterprise Development and Wide Angle Tasmania through the Training Partnerships fund
5. Festivals and Events – \$32 191 for 12 festivals and events programs and special initiatives.

The balance of funding was expended on contracted services and legal fees for assessment and contracting. The total annual expenditure for Screen Tasmania was \$787 003.54.

Screen Tasmania also successfully leveraged triennial Screen Australia funding of \$10 000 per year for Festivals and \$40 000 for Goldpass.

Performance outcomes: production and development

2011-12 has seen Screen Tasmania not only entertain the nation but place Tasmania centre stage to the world. The following production achievements have positioned Tasmania strongly as a leader in this new media environment:

The Hunter – a 102-minute feature film shot entirely in Tasmania starring Willem Dafoe, Sam Neill and Frances O'Connor. (Producer: Porchlight Films). Screen Tasmania's investment was \$50 000 for development and \$250 000 for production investment. The production shoot provided jobs for eight Tasmanian crew, four attachment places and 20 extras as well as a \$1 million economic spend in the state. See Case Study for further details.

The Straits – 10 one-hour episode television drama series. (Producer, Matchbox Pictures). Screen Tasmania's investment was \$63 005 for Blue Rocket to produce online elements in Tasmania. *The Straits* screened on ABC 1 and sold to Sundance Channel internationally.

Beaconsfield – 135-minute telemovie, starring Shane Jacobsen and Lachy Hulme. (Producer, Southern Star Entertainment). Screened on the Channel 9 network during Sunday night prime time.

Bushwhacked – Thirteen 26-minute episodes produced by North One Australia for ABC 3 (due to air nationally later in 2012).

First Fagin – 85-minute feature documentary drama, shot entirely in Tasmania. (Producers, Roar Film and Wild Fury Productions). Screen Tasmania's investment was \$110 000. All casting was done in Tasmania with 100 per cent Tasmanian cast, starring Ryk Goddard in the lead role of Ikey Solomon. The production resulted in excess of \$330 000 spend in the state and over 30 jobs. The film is due to premier at the 2012 Melbourne International Film Festival.

Holy Switch – three 27-minute episode television documentary series. (Producer, Roar Film.) Screen Tasmania's investment was \$100 000. Shot partially in Tasmania and fully post-produced in Tasmania, it resulted in six jobs for Tasmanians in key roles and two attachment places. Its estimated Tasmanian spend is in excess of \$350 000. *Holy Switch* is the first reality format television series to come out of Tasmania.

The Outlaw: Michael Howe – feature drama documentary project by the same team behind *The Last Confessions of Alexander Pearce*. (Producer, Niall Fulton and Jigsaw Cordell Productions.) Screen Tasmania investment was \$150 000, with the production shoot scheduled to take place in Tasmania late 2012.

My Place, Series 2 – investment of \$100 000 provided for Blue Rocket to produce the online elements in Tasmania resulting in a \$250 000 spend in the state. Screened on ABC 3 and winner of Logie for Best Children's series for second year in a row.

Fourteen projects were supported in development across feature film, digital media, factual entertainment and television drama and the New Writer's Fund.

Case study: *The Hunter*

Screen Tasmania recognised the potential in *The Hunter* from the outset, in 2002 first providing \$20 000 in development investment for the script with further development investment of \$30 000 in 2005. Screen Tasmania's early support of the project enabled the producer, Porchlight Films, to leverage support from other investors including Screen Australia.

In 2010, Screen Tasmania committed production investment funding in the amount of \$250 000 to the project. The seven-week production shoot for *The Hunter* took place entirely in Tasmania during October 2010, providing jobs for eight Tasmanian crew, four attachment places and 20 extras as well as a \$1 million economic spend in the state.

The film premiered at the Toronto Film Festival in September 2011. *The Hunter* highlights the benefits of high-profile screen industry activity in raising the profile of Tasmania on the world stage, providing opportunities to leverage tourism and screen industry outcomes.

Tourism Tasmania has worked closely with the film's distributors in each territory to maximise the tourism opportunities for Tasmania from the film's screenings in international markets. In the United Kingdom, this model has been particularly successful, with Tourism Tasmania working closely with the film's distributor there, Artificial Eye. In addition, the film's success in the international marketplace will also deliver a financial return on Screen Tasmania's investment, thereby benefitting future screen industry projects in Tasmania.

Performance outcomes: promotion and participation, and industry and enterprise development

In 2011-12, promotion, participation, industry and enterprise performance outcomes from Screen Industry Development included:

- » delivery of the Factual Entertainment Seminar — an Australian first, the two-day seminar attended by 40 Tasmanians and viewed by 200 people via online streaming. Presenters from Lifestyle Network, Freehand, Cordell Jigsaw, Beyond, WTFN, ABC Factual, Australian Children's Television Foundation, Channel 7, and Peter Hamilton provided strong marketplace connections and industry intelligence
- » delivery of a two-day Digital Media Seminar, which was attended by 35 Tasmanians and presented by industry luminaries such as American games writer and novelist Matt Costello (*Pirates of the Caribbean, Doom*); local apps company Secret Lab; Mike Cowap, Investment Manager at Screen Australia
- » support for festivals and events, including the Breath Of Fresh Air Tasmanian film festival, Tropfest, Flickerfest National Tour, Australian International Documentary Conference 2012, Australian Cinematography Awards, Saturday Morning Film Club at the State Cinema and the Longest Night Film Festival. It is estimated that over 4 700 Tasmanians attended these events
- » hosting of the Tasmanian premiere of *The Hunter* at the State Cinema, a Hollywood-style event with a red carpet entrance by the film's star, Willem Dafoe.

Ten industry connect events provided opportunities for industry to meet with Screen Tasmania staff and board members, increasing awareness of activities and providing opportunities for feedback.



Tasmanian Museum and Art Gallery (TMAG)

TMAG Redevelopment

The \$30 million redevelopment of TMAG is on track to be completed by early 2013. Seventy-five percent of the museum is closed to the public while the works continue.

VOS Construction Pty Ltd was appointed in November 2011 and is midway through the construction of Stage One, which remains on time and on budget.

The major milestone and significant engineering feat of raising Orlando Baker's original 1902 space frame roof to create the new 14 metre-high Central Gallery space received state-wide media attention in June 2012.

Over 12 exhibitions are under development for over 2 500 square metres of exhibition space, which involves all museum staff in both direct and indirect roles.

Major tenders for exhibition showcases, audio visual equipment, supply of lighting fixtures, the Central Gallery exhibition, architectural and exhibition joinery were also let. Many small contracts are also being let to local artisans who are undertaking everything from specialist mount-making to taxidermy.



Centre for Learning and Discovery (CLD)

TMAG's Centre for Learning and Discovery delivers learning, social inclusion and visitor programs year-round. The area includes Access Art, a successful Art Education program which is fully funded by the Detached Cultural Organisation.

New acquisitions

TMAG's collections form an important part of the state's overall asset base. This asset base continues to increase as new acquisitions are added to the collection. This year major acquisitions included:

- » *Reflection in Pyrite, King River*, by Geoff Dyer
- » 1899 Drawing Room Suite, by Whiteside and Sons
- » *In these latitudes*, by Imants Tillers
- » An embroidered table cover and table circa 1860-1880
- » Four William Duke whaling lithographs
- » Art Deco dining suite, by HC Millington
- » Reception suite, by Peter Prasil
- » Union Jack Flag presented to the American Transit of Venus Expedition in 1874.



Visitation

Even with 75 per cent of the museum closed, visitation remains strong, with 238 305 visitors this financial year.

Volunteers

TMAG continues to be well serviced by a team of over 60 volunteers who contribute, on average, over 600 hours each month. Two key volunteers are Ray Thompson (who has been a volunteer at TMAG for 22 years and had just registered his 40 000th item into the Numismatics collection) and Liz Turner (who was a staff member for over 40 years and is now a volunteer one day a week).

Events

Major and Regional Events

The Events Tasmania Major and Regional Events Program provided funding support of \$2.4 million to 19 events in the 2011-2012 financial year.

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

These events attracted around 20 000 visitors to Tasmania, staying an average of four nights and contributing a direct spend of approximately \$18.5 million into the state's economy.

Each year hundreds of thousands of local, national and international visitors attend an enormous variety of concerts, exhibitions and sporting showcases.

These events tell the story of who we are, not only as individuals, but also as an island state.

As well as ensuring Tasmania remains a vibrant place to live year-round, this calendar of events is also a key driver of growth in our tourism and hospitality sectors.

Event Development

The Event Development Program provided both coaching and mentoring to targeted events, as well as event education to the wider event sector. This included Local Government, community event organisations and other government agencies with an event focus. Through this program a regular series of seminars and workshops were delivered by leading Australian presenters focused on marketing, sponsorship, planning and creativity.

The program increased the capacity, ingenuity and skills of the event sector. Over 180 events personnel attended one of the sessions in 2011-12.



One-on-one consultations with event organisers were also provided. This afforded event development assistance in the areas of risk management, marketing, planning, communications, governance, business planning, creative expansion, product development and many other issues unique to the events sector.

Events Tasmania Grants Program

In 2012, the Events Tasmania Grants Program supported 65 events held in Tasmania. The program, designed to increase interstate visitation, included a National Championship Grant Program, a Touring Grant Program and a Special Event Grant Program.

In the 2011-2012 budget, \$350 000 was committed to support the range of grant programs and to deliver event tourism objectives.

The programs brought around 13 000 event visitors to the state and delivered an estimated direct spend of \$18 million to the Tasmanian economy. The grants ranged from \$940 to \$7 500.

The grants supported events across the state, with 11 in the north, 33 in the south, five in the north-west and 13 statewide events.

The Tasmanian Regional Event Development Program provided nine \$4 000 grants to small projects supporting the sustainability of regional events and festivals and promoting regional tourism benefits. Grants were provided to the north-west (two), the east coast (two), the north (two), the south (two) and the west of the state (one).

Princes Wharf Number 1 Shed

Princes Wharf Number 1 Shed (PWI) is a multi-purpose venue that can be adapted to any kind of event, including exhibitions, seminars, corporate events, concerts and cocktail functions.

In the 2011-12 events program, PWI hosted 18 events, with major highlights being the Tasmanian Symphony Orchestra MONA concert, Taste of Tasmania, MONA FOMA and the Australian Road Rescue Challenge 2012.

PWI operates in a competitive national and international events and conference market, and must therefore meet required industry standards to attract commercial events and derive the necessary income to move towards a sustainable operation. New venue hire fees were introduced on 1 February 2012.

A new website is now operational at <http://princeswharf.com/>

The events and conference business model is typically built on a two to three-year advance booking cycle, which is reflected in the period set to achieve this target.

The department assumed responsibility for the management of PWI in mid-August 2011, providing strategic input to the overall growth and development of the venue's events program and facility management. The contracted venue manager, Venue Management Services, is responsible for PWI operations, sales and marketing and oversees all operational aspects, including hirers and contractors.

Corporate Communications



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 promotional material
- » 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:

- » the launch of *The Economic Development Plan*
- » the launch of *The Small Business Strategy*
- » the launch of the strategy *Developing Tasmania's Antarctic Sector*
- » the 8th International Cool Climate Wine Symposium
- » the launch of the *Taste Tasmania* food and beverage campaign
- » the XXXV Antarctic Treaty Consultative Meeting and other Antarctic Centennial Year and related activities
- » the Tasmanian Export Awards
- » the 2011 Employer of Choice Awards

- » the premiere of the film *The Hunter*
- » the Southern Cross Tasmanian Athlete of the Year Award
- » the launch of *The Value of Sport and Physical Recreation to Tasmania* report
- » the Memorandum of Understanding between the Tasmanian Government and the Tasmanian Hospitality Association
- » the Living in Tasmania and Events Tasmania website re-launches
- » the TMAG redevelopment.

There was also concerted communication activity associated with the implementation of the Economic Development Plan and the development of the three Regional Economic Development Plans.

Corporate Communications continued its program of internal communication in support of a range of department initiatives.

To improve media and communication skills across the department, Corporate Communications arranged one-on-one media training sessions as required.

People and culture

people matter
We act with integrity
make a real difference



Values

The first 'birthday' of the department's organisational values was celebrated in November 2011. Teams that actively uphold the values (we act with integrity, our people matter and we make a real difference) were recognised for their initiative as exemplars of workplace behaviour.

A Values Behaviour Guide was developed by the department's Values Team for use by our people to outline what values-driven behaviour looks like. The guide has become a key element of the values toolkit as the department continues on its values journey.

An in-house values training program, Be BRAVE (behaviour recognition and acknowledgement values engagement), was developed and is being delivered on an ongoing basis across the department.

Service Recognition

Over 40 of our people were recognised during the year for their significant contribution to both the department and the State Service, reaching employment milestones of 15, 20 and 25 years' continuous service.

Pulse Check

Pulse Check, the department's annual survey measuring staff satisfaction levels, was conducted in March 2012.

The survey enjoyed a historically high response rate of 74 per cent. Average staff satisfaction score for the overall department was 68.11 per cent, which was comparative to the 2010 result of 68.26 per cent and an improvement on the 2009 score of 64.76 per cent.

The three categories with the highest satisfaction scores were:

1. Work/life balance (78.87 per cent)
2. Performance and recognition (76.85 per cent)
3. Your teams and colleagues (75.10 per cent).

Areas identified for ongoing focus were communication; motivation, commitment and empowerment; and leadership and planning.



Workplace Health and Safety

Great Life Options @ Work (GLOW)

The goal of the GLOW program is to positively enhance and support the health and wellbeing of our people.

The program was revised in October 2011 to remain relevant to meeting the different health and wellbeing needs of our people. GLOW specifically targeted psychological distress (stress), sedentary behaviour (sitting time), nutrition and physical activity and health over the 12-month period.

Additionally the department received a grant from the Tasmanian Government Healthy@Work Project to create a multi-purpose space for health and wellbeing activities in its offices in the ANZ Centre in Hobart.

GLOW initiatives for 2011-12 included:

- » influenza vaccinations
- » user-pays exercise and well being programs
- » mental health awareness training
- » community fundraising and special events for Stress Down Day, Harmony Day and International Women's Day
- » lunchtime forums on nutrition and physical activity, which included a presentation by Olympian Matt Welsh
- » corporate partnerships with Zap Fitness 24/7 and Bupa, including an online wellness portal for our people.

As well as the proactive GLOW Program the department actively promotes and provides a number of workplace health and safety preventative programs.

These include:

- » Employee Assistance Program; a professional and confidential counselling service for both work and personal problems for all employees and their families
- » a comprehensive workplace ergonomics program to reduce occupational overuse syndrome and ensures the correct workstation setup is used by our people
- » a Safe Driving Program which includes Crash-Free Driver Training for all regular users of departmental vehicles, safe driving tips, and a driver fatigue management program featuring free drink accounts at identified locations on commonly used long distance routes
- » an Injury Management Program to optimise the recovery of injured employees returning to the workplace. The department has adopted the injury management process and approach to non-compensable claims as well as the compensable workers compensation claims. This has provided a positive and supportive environment for all employees who return to work after injury, regardless of cause. The program was reaccredited during the period by Workcover Tasmania.

Performance Management

The department's integrating performance framework includes:

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

Learning and Development

The department supports continuous learning and sharing of knowledge. An in-house training calendar is developed annually to meet the key training needs of the department and our people have access to targeted training to meet their individual development needs.

The department's Study Assistance Program contributes to employees' professional and career development aspirations by providing support for them to undertake graduate and postgraduate studies that benefit the department as a whole by enhancing employee performance.

Student work placement, Corporate Internship Program and volunteers

The department participated in the Vocational Education and Training (VET) in Schools program and the Corporate Internship Program run in conjunction with the University of Tasmania.

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

Workplace diversity

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

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

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

Human resources management statistics

Employee numbers 30 June 2012

Full-time equivalent employees	412.92
Total number of employees	475
Employee analysis — by employment type	
Permanent	432
Fixed-term	26
Senior Executive Service	17
Total	475

Employee analysis — by gender

Male	190
Female	285
Total	475

Employee analysis — by work pattern

Full-time	336
Part-time	139
Total	475

Commencements	37
Terminations	89
Employees who have commenced ML and LWOP>20 days and all transfers and secondments	25
Head count decrease	-77

Total department turnover (terminations/head count as at 30 June 2012)	19%
--	-----

Number of employees who accessed State Service Accumulated Leave Scheme (SSALS)	19
Number of employees who accessed paid ML 2011-12	13
Number of employees who accessed unpaid ML 2011-12	20
Number of employees who accessed LWOP > 20 days	23
Number of employees who are accessing phased-in retirement	2

Youth recruitment (employees under 25 years-of-age recruited during 2011-12 year)

Permanent appointments	2
Fixed-term appointments greater than six months	1
Total	3

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

Number of trainees	0
Number of graduates	0
Number of general stream employees	12
Number of professional officers	0
Number of technical officers	0
Total	12

Supporting information

Right to Information

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

The *Right to Information Act 2009*:

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

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

During 2011–12 the department determined 14 applications for assessed disclosure of information under the *Right to Information Act 2009*.

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

Legislation

Under the Administrative Arrangements Order (No.2) 2011, the department was responsible for the administration of the following Acts as at 30 June 2012:

Minister for the Arts

Meteorites Act 1973

Museums (Aboriginal Remains) Act 1984

Plomley Trusts Act 1984

Tasmanian Arts Advisory Board Act 1975

Tasmanian Museum Act 1950

Theatre Royal Management Act 1986

Minister for Economic Development

Closer Settlement Act 1957

Copper Mines of Tasmania Pty Ltd (Agreement) Act 1999

Employment Incentive Assistance Act 1984

Farm Water Development Act 1985

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

Goldamere Pty Ltd (Agreement) Act 1996

Iron Ore (Savage River) Arrangements Act 1996

Pulp Mill Assessment Act 2007

Rural Adjustment Act 1995

Tasmanian Development Act 1983

War Service Land Settlement Act 1950

Minister for Tourism

Tourism Tasmania Act 1996

Policies to help manage our business

Asset management

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

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

The department manages land and buildings in accordance with a Strategic Asset Management Plan (SAMP) prepared in accordance with the Government's Strategic Asset Management Framework. Strategic asset management is the planned alignment of assets with service demand to achieve the best possible match of assets with the service delivery strategies. The SAMP guides sound and strategic acquisition, use and disposal of assets and the related risks and costs over their useful life.

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 2011–12 are reported on an accrual basis and contain details of policies in relation to recognition, valuation and depreciation of assets in notes of the statements. Assets have been valued in accordance with the department's accounting policies and procedures. These values are disclosed in the statements together with appropriate notes on valuation methods.

Risk management

The department's approach to risk management involves identifying risks that may affect the department's ability to meet its objectives and establishing strategies to treat those risks. In 2011–12, the department completed a review of its strategic business risk register and 'focus area' risk registers which are addressed in division charters which are part of the agency strategic planning process. Specific 'focus areas' include Tasmanian Museum and Art Gallery; Arts and Screen Tasmania; Sport and Recreation; Economic Development and Corporate Support.

Publications

The department produced the following stakeholder publications and resources in 2011-12:

Economic Development

- » *The Economic Development Plan* – a publication and supporting material which charts a clear direction for Tasmania's economic development priorities over the next 10 years taking a whole of Government approach
- » *The wine industry in Tasmania: a guide for investors* – a publication to support the 8th International Cool Climate Wine Symposium plus a range of collateral including a promotional DVD, banners, case studies, and trade booth display material
- » *Tasmania Delivers* – a suite of English and Chinese versions of the dairy, fruit and wine industry brochures for investors
- » A suite of Invest Tasmania material that reflects a fresh, contemporary and progressive image of the state's offerings to potential investors. The material produced includes a new PowerPoint presentation, promotional DVD, banners and an updated website
- » A suite of point-of-sale material and brochures to promote the *Taste Tasmania* campaign
- » A 20-page, full colour *Small Business Strategy* booklet and a leaflet showing key facts for small business in Tasmania
- » *Developing Tasmania's Antarctic Sector: a vibrant industry in a global market* – a publication and action plan promoting Tasmania as an international Antarctic gateway and identifying the economic opportunities within the sector
- » *Tasmanian Defence Initiative* – a capability showcase development strategy to maximise Tasmanian industry opportunities in global and national defence markets
- » *Export Active* – a bi-monthly electronic newsletter focusing on export activities and opportunities
- » *Particle* – an online newsletter for the science and research sector
- » *Living in Tasmania* – a website to promote Tasmania as a great place to live, work and learn
- » Employer of Choice promotional material
- » Events Tasmania – a new website to provide grant funding, advice, training and educational resources to assist in the creation, staging, promotion and operation of events in Tasmania.

Tourism

- » A total of 10 promotional brochures aimed at specific geographical and area-of-interest markets
- » Regular e-newsletters to specific markets including consumers, trade, corporate and media interests
- » Four research reports including visitor snapshots
- » Tourism Tasmania Annual Report 2010-2011
- » Tourism Tasmania Corporate Plan 2011-2014
- » Statement of Corporate Intent 2011-2014
- » Our Services Booklet.

Sport and Recreation

- » The newsletter *Actively in Touch*, produced on a monthly basis
- » *Staying Active* booklets were produced for the south, north and north-west
- » The Tasmanian Institute of Sport produced a quarterly bulletin
- » PPAC published the newsletter *Get Moving Tasmania* three times a year, and the bi-monthly e-newsletter *Get Moving at Work*
- » A new *Get Moving Tasmania* website
- » Sport and Recreation Tasmania published a final report into the business case for a Tasmania United Football Club A-League team
- » *The Values of Sport and Physical Recreation to Tasmania (Summary)*
- » A reviewed and updated *Sport and Recreation Tasmania Strategic Plan 2009-2014*
- » *Participation of Australians and Tasmanians in Exercise, Recreation and Sport* – a document focusing on an analysis of the 2010 exercise, recreation and sport survey results.

Arts

- » *Arts Tasmania and arts@work Resources 2013* – a handbook to provide information about applying for funding through Arts Tasmania's grants and loans programs
- » *Arts-e resources* – an electronic package to assist artists and arts organisations across artforms to develop their skills, connections, profile and business practices
- » *Culture Report 2012* – this report prepared by the National Centre for Culture and Recreation Statistics of the Australian Bureau of Statistics (ABS) provides Arts Tasmania with a summary of data for the cultural sector in Tasmania
- » A fortnightly e-newsletter for the arts industry – *arts-e newsbyte* was produced
- » A suite of COLLECT Art brochures
- » TMAG published a number of exhibition-specific brochures and booklets throughout the year
- » A new Screen Tasmania website to provide information on loans, grants and equity investments in the development, production and marketing of Tasmanian screen projects including short films, drama, documentaries, feature films, TV series and digital media
- » Monthly e-letters *The Big Picture* and regular e-bulletins *Screen Rushes* were distributed electronically.

Consultants and contractors

The Department of Economic Development, Tourism and the Arts ensures that Tasmanian businesses are given every opportunity to compete for department business. It is the Department's policy to support Tasmanian businesses whenever they offer best value for money for the government.

See Table 1 for a summary of the level of participation by local businesses for contracts, tenders and/or quotations with a value of \$50 000 or over (excluding GST). Tables 2 and 3 provide detailed information on consultancies and other contracts with a value of \$50 000 or over (excluding GST). Table 4 provides information on contracts awarded as a result of a direct/limited submission sourcing process approved in accordance with Treasurer's Instruction 1114. Table 5 provides information on contract extensions approved in accordance with Treasurer's Instruction 1115(3).

TABLE 1: Summary of participation by local businesses

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

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

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

Name of contractor	Location of contractor	Description of contract	Period of contract	Total value of contract (\$)
Media Equation Pty Ltd	VIC	Provision of a digital visual asset management system which has the capacity for storage and distribution of still images and film footage and other digital visual asset management as required	1/06/2011 to 31/05/2012	29 900
			Plus optional extension provision 1/06/2012 to 31/05/2014	59 800
Taylor Nelson Sofres Australia Pty Limited	NSW	Provision of travel research and visitor tracking services for Tourism Tasmania	1/07/2011 to 30/06/2013	628 000
			Plus optional extension provision 1/07/2013 to 30/06/2015	515 512
Studio Round Pty Ltd	VIC	Provision of identity, wayfinding and design services encompassing the creation of a new visual identity, signage and wayfinding collateral for TMAG	1/08/2011 to 31/12/2012	190 400
Hansen Yuncken Pty Ltd	TAS	Repair of heritage floors and skirtings for TMAG	19/09/2011 to 19/12 2011	54 699
Wine IP Pty Ltd and Wine Network Consulting Pty Ltd	NSW	Development of an action plan for the strategic and sustainable development of the Tasmanian wine sector, and assistance with the delivery of the action plan	31/10/2011 to 30/06/2012	50 000
Macquarie Franklin Pty Ltd	TAS	Examination of market, economic, social and environmental issues relating to Tasmania's GMO-free status	10/11/2011 to 30/03/2012	74 800
VOS Construction and Joinery Pty Ltd	TAS	TMAG Stage 1 Main Works managing contractor	21/11/2011 to 30/09/2012	10 689 726
			Plus optional extension provision 30/09/2012 to 31/03/2013	500 000
Badjar Ogilvy Pty Ltd	NSW	Tasmanian food and beverage branding and promotion	14/12/2011 to 13/05/2012	300 000
AEC Group Limited	QLD	Development of a series of credible concept proposals for the Macquarie Point railyards, together with a benefit cost analysis of the concepts	17/01/2012 to 30/06/2012	60 000

<i>Archaeological Services Panel</i>		Provision of archaeological services on an as-required basis	2/02/2012 to 31/01/2013	200 000*
Austral Tasmania Pty Ltd	TAS			
Sinclair Knight Merz	TAS			
DIG International Pty Ltd	VIC			
ArcTas Pty Ltd	TAS			
Synateq Pty Ltd	TAS	The purpose of this project is to establish Smart Form guidelines and templates; collaborate with the pilot agency to confirm pilot forms for development; and to provide technical guidance in relation to form development and criteria for 'significant' transactions	29/03/12 to 20/07/12	80 440
Stenning & Associates Pty Ltd	TAS	Establishment of a baseline measurement of the current compliance burden faced by Tasmanian businesses against which future actions to reduce the burden can be evaluated	11/04/2012 to 30/06/2012	95 599
Collabforge Pty Ltd	VIC	Delivery of a structured program that enhances the knowledge, understanding and application of Gov 2.0 across the Business Tasmania Online (BTO) stakeholders through the period of development of the BTO website, up to its public launch	31/05/2012 to 31/12/2012 Plus optional extension provision 1/01/2013 to 30/06/2013	42 850 57 150
Medhurst Equipment Pty Ltd	TAS	Supply of commercial kitchen equipment for Princes Wharf No 1 shed	6/06/2012 to 30/07/2013	99 999

*Note: This total is an estimate only across the associated panel contracts and the actual value will be dependent upon budget allocations and use.

Name of contractor	Description of contract	Period of contract	Total value of contract (\$)
<i>Digital Ready coaching panel:</i>		1/06/2012 to 30/12/2014	650 000*
GlobalNet ICT Pty Ltd	TAS	Delivery of digital-ready services including coaching and mentoring that will focus on Tasmanian small business digital development.	
Pelion Consulting Pty Ltd	TAS		
Pricklebox	TAS		
Leopoldyna McGee	TAS		
Business Advice Tasmania	TAS		
Kingthing	TAS		
Grafik Communication Pty Ltd	TAS		
Ionata Web Solutions	TAS		

*Note: This total is an estimate only across the associated panel contracts and the actual value will be dependent upon budget allocations and use.

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

Nil

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

Name of supplier	Description of contract	Reasons for approval	Total value of contract (\$)
Dialog Information Technology	Application testing and security review for major investment projects map	Provision of additional services by original supplier because of requirements of interchangeability	16 990
AEC Group Limited	Market and Demand analysis, planning and impact assessment for the Macquarie Point Railyards site	For reasons of extreme urgency brought about by events unforeseen by the agency, the goods or services could not be obtained in time using an open or selective tender	123 283
Moffat Pty Ltd	Purchase of cooking equipment for Princes Wharf No 1 Shed	Purchase made under exceptionally advantageous conditions	16 875
Print Mail Logistics Limited	Reprint of Taste Tasmania food and beverage campaign collateral	For reasons of extreme urgency brought about by events unforeseen by the agency, the goods or services could not be obtained in time using an open or selective tender	16 000

TABLE 5: Contract extensions approved in accordance with Treasurer's Instruction 1115(3)

Nil.

Statutory and non-statutory bodies

Statutory bodies

Tasmanian Arts Advisory Board

Tasmanian Development Board

Tasmanian Museum and Art Gallery Board of Trustees

Theatre Royal Management Board

Tourism Tasmania Board

Non-statutory bodies

Screen Tasmania Board

Building and Construction Industry Advisory Committee

Digital Futures Advisory Council

Food Industry Advisory Committee

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

Friends of the Tasmanian Museum and Art Gallery

Premier's Physical Activity Council

Tasmanian Museum and Art Gallery's Tasmanian Aboriginal
Advisory Council

Manufacturing Industry Advisory Committee

Tasmanian Science and Research Advisory Committee (SRAC)

Public Interest Disclosures Act

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

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

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

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

Pursuant to Section 86 of the Act:

- » a copy of the department's procedures established under Part 7 may be obtained from the Protected Disclosures Officer, Matt Coombe, Director Corporate Information and Executive Services
- » the department did not receive any disclosures, nor has it had any disclosures referred to it from the Ombudsman to investigate in the year to 30 June 2012.

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	First State Super	Mentor Super	Super Directions
Alcorso Superannuation Fund	FuturePlus Super	Midgard Super	Superwrap
AMP Flexible Lifetime Super	Gillooly Super Fund	MLC Masterkey	Synergy Capital Mngt
AMP Life Limited	Haley & Associates Super	Navigator Personal Retirement	Tasplan Superannuation
AMP Retirement Savings	Hermitage Super Fund	OSF Super	The Spectrum Plan
Annells Price Super	HESTA Super Fund	Penary Super	The Universal Super Scheme
Ascu Super	Hite Super	Penny Morton Super Fund	Tower Master
Asgard Super	Host-Plus Hospitality	Quadrant Super	Unisuper
Austchoice Super Plan	ING Custodians	REI Super	VicSuper
Australian Ethical Super	ING Masterfund (Integra Super)	REST	Vision Super
AustralianSuper	Integra Super	Retirement Benefits Fund	
AXA Gen Personal Super	IOOF IPS	Rogers Family Super Fund	
Bretos Proj Mngmt Super Fund	JT & P Super Fund	Russell SuperSolution	
BT Super for Life	Just Super	Spectrum Super	
Campbell-Bideau Super	Kirkpatrick Super	Stacpoole Hire Super	
CBUS	Lgsuper	Statewide Super Trust	
Colonial First State	Local Super	Summit Master Trust	
Colonial First State Invest	Macquarie Investment Mngmt Ltd	Sunsuper	
Eslake & Arenella Fund	Media Super	Super Currant Fund	



Mark Kelleher

Secretary

Department of Economic Development,
Tourism and the Arts

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
ACY	Antarctic Centennial Year
AGM	Annual General Meeting
AIF	Arts Infrastructure Fund
AIR	Artist in residence in schools project
AIRC	Australian Innovation Research Centre
ASC	American Society of Cinematographers
ATO	Australian Taxation Office
DEDTA	Department of Economic Development, Tourism and the Arts
DFAC	Digital Futures Advisory Council
DPIPWE	Department of Primary Industries, Parks, Water and Environment
EDP	Economic Development Plan
EGP	Enterprise Growth Program
ERP	Emissions Reduction Plan
FFIC	Forests and Forest Industry Council
FTE	full-time equivalent
FWDLS	Farm Water Development Loans Scheme

GFC	global financial crisis
GSP	Gross State Product
GST	Goods and Services Tax
IA	Inspiring Australia
IAATO	International Association of Antarctic Tourism Operators
ICNTAS	Industry Capability Network Tasmania
ICT	Information Communication Technology
LGAT	Local Government Association of Tasmania
LWOP	leave without pay
ML	Maternity Leave
MONA	Museum of Old and New Art
MOU	Memorandum of Understanding
NBN	National Broadband Network
NILS Tasmania	No Interest Loans Scheme Tasmania
NWNTVIDP	North West and Northern Tasmania Vegetable Industry Development Program
OH&S	Occupational Health and Safety
PAPF	Premier's Arts Partnership Fund
PBTR	Play by the Rules
PDAC	Premier's Disability Advisory Council
PPAC	Premier's Physical Activity Council
QVMAG	Queen Victoria Museum and Art Gallery

RACT	Royal Automobile Club of Tasmania
RAP-Tas	Regional Assistance Program Tasmania
RDAF	Regional Development Australia Fund
RELS	Renewable Energy Loans Scheme
R&D	Research and Development
SAMP	Strategic Asset Management Plan
SELF	Social Enterprise Loan Fund
SFM	SFM Environmental Solutions Pty Ltd
SPAP	State Physical Activity Plan
SRSAC	Science and Research Sector Strategy and Advisory Committee
SRT	Sport and Recreation Tasmania
SSALS	State Service Accumulated Leave Scheme
TAAB	Tasmanian Arts Advisory Board
TCCI	Tasmanian Chamber of Commerce and Industry
TDR	Tasmania Development and Resources
TFGA	Tasmanian Farmers and Graziers Association
TIAR	Tasmanian Institute of Agricultural Research
TICT	Tourism Industry Council of Tasmania
TMAG	Tasmanian Museum and Art Gallery
TREIDB	Tasmanian Renewable Energy Industry Development Board
WfW	Wealth from Water pilot program
WPP	Workforce Participation Program

Performance index

Performance Summary

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Compliance Index

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

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

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

The four columns in the index have the following 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	<i>State Service Regulations 2001</i>
SS	<i>State Service Act 2000</i>
TI	Treasurer's Instructions
FMAA	<i>Financial Management and Audit Act 1990</i>
RTI	<i>Right to Information Act 2009</i>
PSSRA	<i>Public Sector Superannuation Reform Act 1999</i>

Section	Compliance	Page	Details
General			
		3	Table of contents
		Annual Report	Alphabetical index
		69	Index of acronyms
Overview			
Strategic plan	SSR s9(a)(i)	7	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 department.
Operational structure			
Department organisational chart	SSR s9(a)(ii)	11	An organisation chart illustrating the department administrative structure, including regional offices, and showing officers of the department.
Why we are structured in this way	SSR 9(a)(iii)	Annual Report	A description of the relationship between the organisational structure and the program management structure of the department.

Section	Compliance	Page	Details
Performance measurement			
Performance summary	TI 70I (I)(a)(e)	37-58	A narrative summary, together with quantitative measure where relevant, of the objectives and functions of the programs or activities, including significant outcomes, key efficiency measures, targets, proposed plans and any ministerial objectives.
	TI 20I (I)(b)	8	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)	133-134	List of contact officers and points of public access in relation to services provided by the department.
Community awareness report	SSR s9(c)(i)	37-58	Details of activities undertaken to develop community awareness of the department and the services it provides.
Agency publications	SSR s9(c)(i)	61	List of major documents published by any internal or external body of the department during the year.
Right to information	RTI S23	60	Right to information details for 2011-12.
Human resources management			
Recruitment and selection	SSR s9(b)(i)	60	Details of recruitment policies and programs, including statistical information.
Staff development	SSR s9(b)(ii)	60-61	Information relating to employee training and development activities, including statistical information for 2011-12.
Equal employment opportunities	SSR s9(b)(iii)	60	A description of the department's workplace diversity program, including statistical information for 2011-12.
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)	60	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)	65	An outline of the processes available for appeals against decisions made by the department.
Superannuation contribution	PSSRA s13	66	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> .

Section	Compliance	Page	Details
Asset management and risk management policies			
Major capital projects	TI 201 (1)(d)	62	Information on major capital projects or undertakings.
Asset management	TI 201 (1)(g)	62	Statement of asset management policies and an outline of asset management strategies and initiatives.
Risk management	TI 201 (1)(f)	62	Statement of risk management policies and an outline of significant risk management activities and initiatives.
Pricing policies	TI 201 (1)(c)	n/a	Pricing policies of goods and services provided, the last review date, and reference to documents that contain the pricing information, with details of cost-recovery policies and their application, as appropriate.
Government procurement			
Support for local businesses	TI 1110 6(a)	5-6	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)	64-66	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)	74-130	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)	131	Auditor-General's report on the department's Financial Statements.

Department of Economic Development, Tourism and the Arts

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Department of Economic Development, Tourism and the Arts

Statement of Comprehensive Income for the year ended 30 June 2012

	Notes	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Continuing operations				
Revenue and other income from transactions				
Revenue from government				
Appropriation revenue - recurrent	2.9(a), 7.1	97,016	99,551	108,483
Appropriation revenue - section 8A of the <i>Public Account Act 1986</i>	2.9(a), 7.1	1,650	2,520	969
Revenue from Special Capital Investment Funds	7.2	11,027	6,758	12,664
Grants	2.9(b), 7.3	1,959	16,231	195
Sales of goods and services	2.9(c), 7.4	2,021	2,226	3,002
Interest	2.9(d), 7.5	2,862	1,965	3,238
Contributions received	2.9(e), 7.6	-	5,223	116
Other revenue	2.9(f), 7.7	1,310	3,805	4,240
Total revenue and other income from transactions		117,845	138,279	132,907
Expenses from transactions				
Employee benefits	2.10(a), 8.1	37,934	40,388	41,833
Depreciation and amortisation	2.10(b), 8.2	1,535	1,671	2,067
Supplies and consumables	2.10(c), 8.3	29,240	29,339	33,306
Grants and subsidies	2.10(d), 8.4	37,417	53,792	52,277
Borrowing costs	2.10(e), 8.5	1,793	2,043	2,309
Other expenses	2.10(f), 8.6	2,314	3,408	3,830
Total expenses from transactions		110,233	130,641	135,622
Net result from transactions (net operating balance)	6	7,612	7,638	(2,715)
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	2.11(a)(c), 9.1	(50)	13,169	(31,812)
Net gain/(loss) on financial instruments and statutory receivables/payables	2.11(b), 9.2	-	(1,636)	(4,509)
Total other economic flows included in net result		(50)	11,533	(36,321)
Net result from continuing operations		7,652	19,171	(39,036)
Net result		7,562	19,171	(36,036)

Statement of Comprehensive Income for the year ended 30 June 2012 (continued)

	Notes	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Other economic flows – other non-owner changes in equity				
Changes in physical asset revaluation reserve	13.1	10,952	3,628	(92,755)
Total other economic flows – Other non-owner changes in equity		10,952	3,628	(92,755)
Comprehensive result		18,514	22,799	(131,791)

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

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

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

Department of Economic Development, Tourism and the Arts

Statement of Financial Position as at 30 June 2012

	Notes	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and deposits	2.12(a), 14.1	27,497	8,488	20,386
Receivables	2.12(b), 10.1	810	3,493	1,855
Loan advances	2.12(c), 10.2	33,569	37,030	37,694
Equity investments	2.12(e), 10.3	216	586	584
<i>Non-financial assets</i>				
Inventories	2.12(d), 10.4	489	376	559
Property, plant and equipment	2.12(f), 10.5	81,379	84,809	63,495
Heritage and cultural assets	2.12(f), 10.5	505,570	376,739	371,237
Investment property	2.12(g), 10.6	12,094	9,700	10,610
Intangibles	2.12(h), 10.7	1,146	762	926
Other assets	2.12(i), 10.8	3,653	2,125	2,323
Total assets		666,423	524,108	509,669
Liabilities				
Payables	2.13(a), 11.1	934	3,720	1,973
Interest bearing liabilities	2.13(b), 11.2	28,021	18,021	26,621
Provisions	2.13(c), 11.3	-	2,759	2,747
Employee benefits	2.13(d), 11.4	7,318	9,021	8,842
Other liabilities	2.13(f), 11.5	3,796	1,703	3,401
Total liabilities		40,069	35,224	43,584
Net assets		626,354	488,884	466,085

Statement of Financial Position as at 30 June 2012 (continued)

	Notes	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Equity				
Contributed equity		-	420,912	420,912
Reserves	13.1	122,207	10,831	7,203
Accumulated funds		504,147	57,141	37,970
Total equity		626,354	488,884	466,085

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

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

Department of Economic Development, Tourism and the Arts

Statement of Cash Flows for the year ended 30 June 2012

	Notes	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities				
Cash inflows				
Appropriation receipts - recurrent		97,016	100,551	111,003
Receipts from Special Capital Investment Funds		2,027	2,583	10,513
Grants		1,959	16,231	195
Sales of goods and services		2,031	2,424	2,985
GST receipts		6,500	7,939	8,086
Interest received		2,862	2,071	3,353
Other cash receipts		1,310	3,991	4,698
Total cash inflows		122,705	135,790	140,833
Cash outflows				
Employee benefits		(37,834)	(40,191)	(40,398)
Grants and subsidies		(37,417)	(60,233)	(57,725)
GST payments		(6,500)	-	-
Interest payments		(1,793)	(2,032)	(2,229)
Supplies and consumables		(29,335)	(31,084)	(35,922)
Other cash payments		(2,314)	(3,623)	(3,692)
Total cash outflows		(115,193)	(137,163)	(139,966)
Net cash from (used by) operating activities	14.2	7,512	(1,373)	867
Cash flows from investing activities				
Cash inflows				
Proceeds from the disposal of non-financial assets		-	315	526
Receipts from Special Capital Investment Funds		9,000	4,175	2,150
Repayment of loans by other entities		3,150	2,955	5,649
Receipts from investments		-	133	57
Other cash receipts		-	310	-
Total cash inflows		3,150	7,888	8,382

Statement of Cash Flows for the year ended 30 June 2012 (continued)

	Notes	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Cash outflows				
Loans made to other entities		-	(3,492)	(15,074)
Payments for acquisition of non-financial assets		(9,150)	(5,710)	(2,038)
Payments for investments		1,000	(611)	(687)
Other cash payments		-	-	(198)
Total cash outflows		(8,150)	(9,813)	(17,997)
Net cash from (used by) investing activities		(5,000)	(1,925)	(9,615)
Cash flows from financing activities				
Cash inflows				
Proceeds from borrowings		6,000	-	3,600
Total cash inflows		6,000	-	3,600
Cash outflows				
Repayment of borrowings		(13,000)	(8,600)	(2,000)
Total cash outflows		(13,000)	(8,600)	(2,000)
Net cash from (used by) financing activities		(7,000)	(8,600)	1,600
Net increase (decrease) in cash held and cash equivalents		(4,488)	(11,898)	(7,147)
Cash and deposits at the beginning of the reporting period		31,985	20,386	27,533
Cash and deposits at the end of the reporting period	14.1	27,497	8,488	20,386

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

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

Explanations of material variances between budget and actual outcomes are provided in [Note 4](#) of the accompanying notes.

Department of Economic Development, Tourism and the Arts

Statement of Changes in Equity for the year ended 30 June 2012

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

	Notes	Contributed equity \$'000	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
Balance as at 1 July 2010		420,912	100,604	76,360	597,876
Total comprehensive result		-	(92,755)	(39,036)	(131,791)
Transfers to/(from) reserves	13.1	-	(646)	646	-
Total		-	(93,401)	(38,390)	(131,791)
Balance as at 30 June 2011		420,912	7,203	37,970	466,085

Notes to and forming part of the Financial Statements for the year ended 30 June 2012

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Note I Administered Financial Statements

I.1 Schedule of Administered Income and Expenses

	Notes	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Administered revenue and other income from transactions				
Revenue from government				
Appropriation revenue – recurrent	2.9(a), 16.2	3,891	3,891	3,850
Total administered revenue and other income from transactions		3,891	3,891	3,850
Administered expenses from transactions				
Grants and subsidies	2.10(d), 16.3	3,891	3,891	3,850
Total administered expenses from transactions		3,891	3,891	3,850
Administered net result from transactions attributable to the State		-	-	-

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

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

Explanations of material variances between budget and actual outcomes are provided in [Note 16.1](#) of the accompanying notes.

The Department does not have any Administered Assets or Liabilities.

I.2 Schedule of Administered Cash Flows

	Notes	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Administered cash flows from operating activities				
Administered cash inflows				
Appropriation receipts – recurrent		3,891	3,891	3,850
Total administered cash inflows		3,891	3,891	3,850
Administered cash outflows				
Grants and subsidies		(3,891)	(3,891)	(3,850)
Total administered cash outflows		(3,891)	(3,891)	(3,850)
Administered net cash from (used by) operating activities	16.1(b)	-	-	-
Net increase (decrease) in administered cash held				
Administered cash and deposits at the beginning of the reporting period				
		-	-	-
Administered cash and deposits at the end of the reporting period				
		-	-	-

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

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

Explanations of material variances between budget and actual outcomes are provided in [Note 16.1](#) of the accompanying notes.

Note 2 Significant accounting policies

2.1 Objectives and funding

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

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

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

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

Departmental activities are classified as either controlled or administered.

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

The Department is predominantly funded through Parliamentary appropriations. The Financial Statements encompass all funds through which the Department controls resources to carry on its functions.

2.2 Basis of accounting

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

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

The Financial Statements were signed by the Secretary on 13 August 2012.

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.

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 1054 *Australian Additional Disclosures* – This Standard in conjunction with AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.
- » AASB 2009-12 *Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]* – This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.

- » AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASBs 1, 7, 101, & 134 and Interpretation 13]* – This Standard amends a range of Australian Accounting Standards and Interpretation as a consequence of the annual improvements project.
 - » The amendments to AASB 7 clarify financial instrument disclosures in relation to credit risk. The carrying amount of financial assets that would otherwise be past due or impaired, whose terms have been renegotiated, is no longer required to be disclosed. There is no financial impact.
 - » The amendments to AASB 101 clarify the presentation of the Statements of Changes in Equity. The disaggregation of other comprehensive income reconciling the carrying amount at the beginning and the end of the period for each component of equity is no longer required. There is no financial impact.
 - » AASB 2010-5 *Amendments to Australian Accounting Standards [AASBs 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]* – This Standard makes editorial amendments to a range of Australian Accounting Standards. There is no financial impact.
 - » AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASBs 1 & 7]* – This Standard introduces additional disclosure relating to transfers of financial assets in AASB 7. An entity shall disclose all transferred financial assets that are not derecognised and any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. There is no financial impact.
 - » AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASBs 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113]* – this Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.
 - » AASB 2011-15 *Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASBs 127, 128 & 131]* – this Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity are not-for-profit non-reporting entities that comply with Australian Accounting Standards. There is no financial impact.
- (b) Impact of new and revised Accounting Standards yet to be applied**
- The following applicable Standards have been issued by the AASB and are yet to be applied:
- » AASB 9 *Financial Instruments* – This Standard supersedes AASB 139 *Financial Instruments: recognition and Measurement*, introducing a number of changes to accounting treatments. The Standard was reissued in December 2010. The Department has not yet determined the potential financial impact of the standard.
 - » AASB 10 *Consolidated Financial Statements* – This Standard supersedes requirements under AASB 127 *Consolidated and Separate Financial Statements and Interpretation 112 Consolidation – Special Purpose Entities*, introducing a number of changes to accounting treatments. The standard was issued in August 2011. The Department has not yet determined the application or the potential impact of the Standard.
 - » AASB 11 *Joint arrangements* – this Standard supersedes AASB 131 *Interest in Joint Ventures*, introducing a number of changes to accounting treatments. The Standard was issued in August 2011. The Department has not yet determined the application or the potential impact of the Standard.
 - » AASB 12 *Disclosure of Interests in Other Entities* – This Standard supersedes disclosure requirements under AASB 127 *Consolidated and Separate Financial Statements* and AASB 131 *Interests in Joint Ventures*. The Standard was issued in August 2011. The Department has not yet determined the application or the potential impact of the Standard.
 - » AASB 13 *Fair Value Measurement* – This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.
 - » AASB 119 *Employee Benefits* – This Standard supersedes AASB 119 *Employee Benefits*, introducing a number of changes to accounting treatments. The Standard was issued in September 2011. The Department has not yet determined the application or the potential impact of the Standard.
 - » AASB 127 *Separate Financial Statements* – This standard supersedes requirements under AASB 127 *Consolidated and Separate Financial Statements*, introducing a number of changes to accounting treatments. The Standard was issued in August 2011. The Department has not yet determined the application or the potential impact of the Standard.
 - » AASB 128 *Investments in Associates and Joint Ventures* – This Standard supersedes AASB 128 *Investments in Associates and introduces a number of changes to accounting treatments*. The Standard was issued in August 2011. The Department has not yet determined the application or the potential impact of the Standard.
 - » AASB 1053 *Application of Tiers of Australian Accounting Standards* – This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. The Standard does not have any financial impact on the Department, however, it may affect disclosures if reduced disclosure requirements apply.
 - » AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASBs 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129, & 1052]* – This Standard makes amendments to Australian accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.

- » AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* [AASBs 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19, & 127] – This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB in December 2010. It is not anticipated that there will be any financial impact.
- » AASB 2011-2 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements* [AASBs 101 & 1054] – This Standard makes amendments to introduce reduced disclosure requirements for certain types of entities. There is no expected financial impact of applying these changes as the Department is a Tier 1 entity.
- » AASB 2011-6 *Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements* [AASBs 127, 128 & 131] – This Standard extends relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. It is not expected to have a financial impact.
- » AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* [AASBs 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 and 17] – This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. It is not expected to have a financial impact.
- » AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* [AASBs 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] – This Standard replaces the existing definition of fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no expected financial impact.

- » AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income* [AASBs 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] – This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). It is not expected to have a financial impact.
- » AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)* [AASBs 1, 8, 101, 124, 134, 1049 & 2011-8 and Interpretations 14] – This Standard makes amendments to other Australian Accounting Standards and Interpretation as a result of issuing AASB 119 Employee Benefits in September 2011. It is not expected to have a financial impact.
- » AASB 2011-11 *Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements* – This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.

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.

2.9 Income from transactions

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

(a) Revenue from government

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

(b) Grants

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

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

(c) Sales of goods and services

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

(d) Interest

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

(e) Contributions received

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

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

(a) Employee benefits

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

(b) Depreciation and amortisation

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

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

Major depreciation periods are:

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

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

The major amortisation period is:

Software	5 years
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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; or
- » the grant eligibility criteria have been satisfied.

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

(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; and
- » 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 the Statement of Comprehensive Income.

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

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

Other gains/(losses) from other economic flows 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 future economic benefits will flow to the Department and the asset has a cost or value that can be measured reliably.

(a) Cash and deposits

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

(b) Receivables

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

(c) Loan advances

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

(d) Inventories

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

(e) Equity investments

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

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

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

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

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

(f) Property, plant and equipment

(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 are recorded at historic cost less accumulated depreciation and accumulated impairment losses.

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

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

(ii) Subsequent costs

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

(iii) Asset recognition threshold

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

(iv) Revaluations

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

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

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

Heritage and cultural assets were last revalued on a fair value basis as at 30 June 2012.

(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; and
- » the cost of the asset can be reliably measured.

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

(i) Other assets

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

2.13 Liabilities

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

(a) Payables

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

(b) Interest bearing liabilities

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

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

(c) Provisions

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

(d) Employee benefits

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June 2012, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

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

(e) Superannuation

Defined contribution plans

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

Defined benefit plans

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

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

(f) Other liabilities

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

2.14 Leases

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

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

2.15 Judgements and assumptions

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

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

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

- » Note 9.2 Net gain/(loss) on financial instruments and statutory receivables/payables;
- » Note 10.2 Loan advances;
- » Note 10.3 Equity investments;
- » Note 10.5 Property, plant and equipment; and
- » Note 10.6 Investment property.

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

2.16 Foreign currency

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

2.17 Comparative figures

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

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

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

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

2.18 Budget information

Budget information refers to original estimates as disclosed in the 2011-12 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 (ATO). Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the ATO is recognised as an asset or liability within the Statement of Financial Position.

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

Note 3 Departmental Output Schedules

3.1 Output Group Information

Comparative information has not been restated for administrative restructures.

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

Output Group 1 – Economic Development

1.1 Business Growth

This Output provides a range of services which support the growth of Tasmanian businesses. Assistance programs will focus on improving the business-enabling environment and fostering a dynamic small business sector in Tasmania. Business development services will be delivered by the Department in partnership with the private sector.

1.2 Industry Development

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

1.3 Social and Environmental Sustainability

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

1.4 Regional Economic Development

This Output aims to support and grow sustainable communities within regions. This includes the development of Regional Economic Development Plans, the diversification of the Tasmanian economy through the Tasmanian Forests

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

Output Group 2 – Sport and Recreation

2.1 Sport and Recreation

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

Output Group 3 – Tourism

3.1 Tourism

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

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

This Output enables booking opportunities for Tasmanian tourism operators via a range of distribution channels as a consequence of partnerships with wholesalers and retailers, and on-line travel agents.

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

3.2 Events

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

Output Group 4 – Arts

4.1 Tasmanian Museum and Art Gallery

This Output aims to increase community understanding of the cultural and natural world by collecting, conserving, interpreting and researching material evidence within the areas of humanities, including visual arts, history 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 their representative organisations. It aims to broaden the engagement of Tasmanians in the arts, highlight the State's diverse arts and cultural sector, and deepen Tasmanian cultural experiences. This is achieved by providing funding to individual artists, arts organisations and major Tasmanian cultural institutions to assist their planning and realisation of projects, as well as to attract and encourage new work. The Output also includes grant funding to Tasmanian museums, arts galleries and heritage organisations as a key part of the Government's ongoing support for the preservation of the State's cultural heritage.

4.3 Screen Industry Development

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

Output Group I – Economic Development

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
<i>Continuing operations</i>			
Revenue and other income from transactions			
Revenue from appropriation			
Appropriation revenue – recurrent	40,381	42,281	45,334
Appropriation revenue - section 8A of the <i>Public Account Act 1986</i> ¹	1,650	2,380	969
Grants ²	-	16,191	14
Interest ³	2,862	1,957	3,203
Sales of goods and services	763	683	1,487
Other revenue	1,060	1,153	1,845
Total revenue and other income from transactions	46,716	64,645	52,852

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Expenses from transactions			
Employee benefits	16,660	16,791	16,443
Superannuation	1,837	1,892	1,862
Depreciation and amortisation	580	561	702
Borrowing costs	1,793	1,962	2,309
Grants and subsidies ⁴	16,371	32,130	20,521
Other expenses from ordinary activities			
Consultants and contracted services ⁵	753	2,343	3,929
Property services	1,133	826	807
Maintenance	107	342	325
Communications	314	314	419
Information technology ⁶	1,585	954	925
Travel and transport	1,188	954	1,157
Advertising and promotion	639	765	706
Other supplies and consumables	2,990	2,869	3,166
Other expenses	1,068	1,564	1,942
Total expenses from transactions	47,018	64,267	55,213
Net result from transactions (net operating balance)	(302)	378	(2,361)

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ⁷	(50)	(915)	(400)
Net gain/(loss) on financial instruments and statutory receivables/payables ⁸	-	(1,152)	(3,855)
Total other economic flows included in net result	(50)	(2,067)	(4,255)
Net result from continuing operations	(352)	(1,689)	(6,616)
Net result	(352)	(1,689)	(6,616)
Comprehensive result	(352)	(1,689)	(6,616)

Expense by output			
I.1 Business Growth	11,294	12,172	10,167
I.2 Industry Development	25,721	26,614	28,916
I.3 Social and Environmental Sustainability	1,659	1,395	1,639
I.4 Regional Economic Development ⁹	8,394	24,086	14,491
Total	47,068	64,267	55,213

Net Assets			
Total assets deployed for Output Group I		62,417	74,316
Total liabilities incurred for Output Group I		(27,056)	(37,268)
Net assets deployed for Output Group I		35,361	37,048

Notes

A major restructure of Output Group 1: Economic Development occurred in 2010-11. The new Output Group structure aligns with the four goals of the Economic Development Plan. Comparative information has been restated for the Output restructure.

1. Appropriation revenue - section 8A of the *Public Account Act 1986* is above budget due to the 2010-11 approved carry forward requests for Renewable Energy Loan Scheme (\$500,000), Tasmania Now (\$390,000), Enterprise Growth Program (\$350,000), Regional Assistance Program - Tasmania (\$540,000), McCains Taskforce (\$100,000), Food and Agribusiness (\$250,000) and Springboard into Market (\$250,000) and Disability.
2. Grants are above budget due to the \$16.0 million Australian Government funded Tasmanian Forestry Agreement grant program.
3. Interest is below budget due to the cessation of interest payable by Treasury on several accounts held within the Department's operating account.
4. Grants and subsidies are above budget due to the \$16.0 million Australian Government funded Tasmanian Forestry Agreement grant program.
5. Consultants and contracted services are above budget due to several payments originally budgeted as grants being classified as contracted services, including payments for Business Tasmania Online, Digital Ready, Food and Agriculture and Savour Tasmania.
6. Information technology is below budget due to the original budget including funding for Digital Futures initiatives.
7. Net gain/(loss) on non-financial assets relate to the revaluation of the Department's assets.
8. Net gain/(loss) on financial instruments and statutory receivables/payables relates to TDR loan impairments recognised during 2011-12.
9. Regional Economic Development is over budget due to the \$16.0 million Australian Government funded Tasmanian Forestry Agreement grant program.

Output Group 2 – Sport and Recreation

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
<i>Continuing operations</i>			
Revenue and other income from transactions			
Revenue from appropriation	14,282	13,432	16,234
Grants ¹	1,959	-	166
Sales of goods and services	-	4	-
Other revenue ²	250	2,479	2,066
Total revenue and other income from transactions	16,491	15,915	18,466
Expenses from transactions			
Employee benefits	3,965	4,307	4,463
Superannuation	414	500	511
Depreciation and amortisation	324	535	567
Grants and subsidies ³	10,324	8,365	11,193
Other expenses from ordinary activities			
Consultants and contracted services	90	236	294
Property services	332	280	267
Maintenance	55	115	156
Communications	98	115	141
Information technology	80	71	77
Travel and transport	241	366	409
Advertising and promotion	158	178	122
Other supplies and consumables	554	566	692
Other expenses	309	526	224
Total expenses from transactions	16,944	16,160	19,116
Net result from transactions (net operating balance)	(453)	(245)	(650)

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ⁴	-	(3,892)	3,918
Total other economic flows included in net result	-	(3,892)	3,918
Net result from continuing operations	(453)	(4,137)	3,268
Net result	(453)	(4,137)	3,268
Other economic flows – other non-owner changes in equity			
Changes in physical asset revaluation reserve	-	4,155	(4,513)
Total other economic flows – other non-owner changes in equity	-	4,155	(4,513)
Comprehensive result	(453)	18	(1,245)
Expense by output			
2.1 Sport and Recreation	16,944	16,160	19,116
Total	16,944	16,160	19,116

Net Assets

Total assets deployed for Output Group 2		32,446	31,880
Total liabilities incurred for Output Group 2		(1,560)	(1,011)
Net assets deployed for Output Group 2		30,886	30,869

Notes:

1. Grants are below budget due to the reclassification of revenue from Grants to Other revenue for funds received from the Community Support Levy (\$1.16 million), Silverdome activities (\$387,000) and Tasmanian Institute of Sport programs (\$837,000).
2. Other revenue is above budget due to the reclassification of revenue from Grants to Other revenue for funds received from the Community Support Levy (\$1.16 million), Silverdome activities (\$387,000) and Tasmanian Institute of Sport programs (\$837,000).
3. Grants and subsidies are below budget mainly due to the approved carry forward and declared saving in the Hawthorn Football Club – New Agreement funding.
4. Net gain/(loss) on non-financial assets relates to the revaluation of the Department's buildings.

Output Group 3 – Tourism

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	28,087	28,192	30,724
Sales of goods and services	560	737	680
Contributions received ¹	-	4,938	-
Other revenue	-	160	267
Total revenue and other income from transactions	28,647	34,027	31,671
Expenses from transactions			
Employee benefits	7,678	8,256	9,261
Superannuation	888	766	944
Depreciation and amortisation	82	243	273
Borrowing costs	-	75	-
Grants and subsidies ²	3,522	5,552	5,449
Other expenses from ordinary activities			
Consultants and contracted services ³	1,065	1,766	2,252
Property services ⁴	1,141	245	130
Maintenance	30	116	25
Communications	229	261	387
Information technology	828	853	798
Travel and transport	715	551	694
Advertising and promotion	9,732	8,842	9,507
Other supplies and consumables ⁵	2,395	1,304	1,479
Other expenses	518	687	858
Total expenses from transactions	28,823	29,517	32,057
Net result from transactions (net operating balance)	(176)	4,510	(386)

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Other economic flows included in net result			
Net gain/(loss) on financial instruments and statutory receivables/payables	-	-	(22)
Total other economic flows included in net result	-	-	(22)
Net result from continuing operations	(176)	4,510	(408)
Net result	(176)	4,510	(408)
Other economic flows – other non-owner changes in equity			
Changes in physical asset revaluation reserve ⁶	-	13,656	(4,513)
Total other economic flows – other non-owner changes in equity	-	13,656	(4,513)
Comprehensive result	(176)	18,166	(408)
Expense by output			
3.1 Tourism	24,906	24,530	27,121
3.2 Events ⁷	3,917	4,987	4,936
Total	28,823	29,517	32,057
Net Assets			
Total assets deployed for Output Group 3		20,243	2,759
Total liabilities incurred for Output Group 3		(2,191)	(2,872)
Net assets/(liabilities) deployed for Output Group 3		18,052	(113)

Notes:

1. Contributions received relate to the transfer (at no cost) of Princes Wharf Shed No.1 to the Department during 2011-12.
2. Grants and subsidies are above budget mainly due to the reversal of 2010-11 prepayments.
3. Consultants and contracted services are above budget due to the reclassification of payments from advertising and promotion to consultants and contracted services.
4. Property services are below budget due to the reclassification of rent to operating leases in other supplies and consumables.
5. Other supplies and consumables are below budget due to the reclassification of expenditure to other expenditure categories. In addition to a general reduction in other supplies and consumables expenditure in line with recent Budget and staff reductions.
6. Changes in physical asset revaluation reserve relate to the transfer (at no cost) of Princes Wharf Shed No.1 to the Department during 2011-12.
7. Events is above budget mainly due to the reversal of 2010-11 prepayments.

Output Group 4 – Arts

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation			
Appropriation revenue – recurrent	14,266	15,646	16,191
Appropriation revenue - section 8A of the <i>Public Account Act 1986</i> ¹	-	140	-
Grants	-	37	15
Sales of goods and services	698	801	835
Interest	-	8	35
Contributions received	-	285	116
Other revenue	-	13	62
Total revenue and other income from transactions	14,964	16,930	17,254
Expenses from transactions			
Employee benefits	5,865	6,415	6,990
Superannuation	627	752	774
Depreciation and amortisation	549	332	525
Borrowing costs	-	6	-
Grants and subsidies	5,673	5,177	4,831
Other expenses from ordinary activities			
Consultants and contracted services ²	59	1,053	1,243
Property services ³	831	497	511
Maintenance	193	360	174
Communications	176	176	165
Information technology	288	132	218
Travel and transport	205	215	276
Advertising and promotion	188	82	248
Other supplies and consumables	348	1,085	1,326
Other expenses	419	438	552
Total expenses from transactions	15,421	16,720	17,833
Net result from transactions (net operating balance)	(457)	210	(579)

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ⁴	-	17,976	(35,330)
Net gain/(loss) on financial instruments and statutory receivables/payables ⁵	-	(484)	(632)
Total other economic flows included in net result	-	17,492	(35,962)
Net result from continuing operations	(457)	17,703	(36,541)
Net result	(457)	17,702	(36,541)
Other economic flows – other non-owner changes in equity			
Changes in physical asset revaluation reserve	-	(14,183)	(88,242)
Total other economic flows – other non-owner changes in equity	-	(14,183)	(88,242)
Comprehensive result	(457)	3,519	(124,783)
Expense by output			
4.1 Tasmanian Museum and Art Gallery	6,722	7,360	8,425
4.2 Art Industry Development ⁶	7,112	8,296	8,156
4.3 Screen Industry Development ⁷	1,587	1,064	1,252
Total	15,421	16,720	17,833
Net Assets			
Total assets deployed for Output Group 4		404,960	399,453
Total liabilities incurred for Output Group 4		(4,418)	(2,433)
Net assets deployed for Output Group 4		400,542	397,020

Notes:

1. Revenue from appropriation is above budget due to approved transfers between Output Groups from the Economic Development Output Group to the Arts Output Group (\$1.38 million).
2. Consultants and contracted services are above budget due to higher than anticipated expenditure through the Public Art Special Deposit and Trust Fund account (\$790,000).
3. Property services are below budget due to the reclassification of rent to other supplies and consumables.
4. Net gain/(loss) on non_financial assets relates to the revaluation of Heritage and Cultural assets and Land and Buildings of the Tasmanian Museum and Art Gallery.
5. Net gain/(loss) on financial instruments and statutory receivables/payables relates to the impairment of Screen Industry Development Equity investments.
6. Arts Industry Development is above budget due to the 2010-11 approved carry forward request for Disability and the Arts (\$140,000), higher than anticipated expenditure through Special Deposit and Trust Fund accounts (\$200,000), revaluation decrement of Arts Tasmania assets (\$147,000) and 2011-12 accrual transactions (\$540,000).
7. Screen Industry Development is below budget due to the diminution of Screen Tasmania equity investments acquired in 2011-12 (\$478,000). All Screen Tasmania equity investments are fully amortised in the year that they are acquired.

Special Capital Investment Funds

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from Special Capital Investment Funds ¹	11,027	6,758	12,664
Grants	-	3	-
Sales of goods and services	-	1	-
Total revenue and other income from transactions	11,027	6,762	12,664
Expenses from transactions			
Employee benefits	-	651	538
Superannuation	-	58	47
Grants and subsidies	2,027	2,568	10,283
Other expenses from ordinary activities			
Consultants	-	306	148
Property services	-	3	1
Communications	-	8	9
Information technology	-	15	12
Travel and transport	-	21	36
Advertising and promotion	-	50	63
Other supplies and consumables	-	104	12
Other expenses	-	193	254
Total expenses from transactions	2,027	3,977	11,403
Net result from continuing operations	9,000	2,785	1,261
Net result	9,000	2,785	1,261
Comprehensive result	9,000	2,785	1,261

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Expense by output			
Aurora Stadium ²	-	500	1,500
Tasmanian Museum and Art Gallery ³	-	1,396	890
AFL Arrangement - Hawthorn Football Club	1,427	1,687	3,488
Domain Tennis Centre	-	-	1,200
Industry Assistance Program ⁴	600	369	359
Tourism Promotion Plan	-	10	10
Whitemark Civic Centre	-	15	-
Mersey Bluff Recreation Precinct	-	-	495
Elphin Sports Centre Maintenance	-	-	130
Queen Victoria Museum and Art Gallery	-	-	537
Glenorchy Arts Sculpture Park	-	-	1582
Devonport Regional Play Space	-	-	300
Devonport Maritime Museum	-	-	600
Devonport City Soccer Club	-	-	142
Longford Community Sports Centre	-	-	100
Tarkine marketing and promotion	-	-	70
Total	2,027	3,977	11,403

Net Assets

Total assets deployed for Special Capital Investment Funds	4,043	1,261
Total liabilities incurred for Special Capital Investment Funds	-	-
Net assets deployed for Special Capital Investment Funds	4,043	1,261

Notes:

1. Revenue from Special Capital Investment Funds is below budget due to lower than anticipated expenditure on the TMAG Redevelopment project in 2011-12.
2. Aurora Stadium is above budget as the grant was originally budgeted to be disbursed in 2009-10.
3. Tasmanian Museum and Art Gallery is above budget due to the classification of the project budget as an asset not expenditure in the 2011-12 Budget.
4. Industry Assistance Program is below budget mainly due to expenditure on grants and other industry assistance agreements, which have been delayed and will now occur in 2012-13.

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

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Total comprehensive result of Output Groups	7,562	19,171	(39,036)
Reconciliation to comprehensive result			
Changes in physical asset revaluation reserve	10,952	3,628	(92,755)
Comprehensive result	18,514	22,799	(131,791)

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

	2012 Actual \$'000	2011 Actual \$'000
Total net assets deployed for Output Groups	488,884	466,085
Reconciliation to net assets		
Assets unallocated to Output Groups	-	-
Liabilities unallocated to Output Groups	-	-
Net assets	488,884	466,085

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.

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Administered revenue and other income from transactions			
Revenue from appropriation	3,891	3,891	3,850
Total administered revenue and other income from transactions	3,891	3,891	3,850
Administered expenses from transactions			
Grants and subsidies	3,891	3,891	3,850
Total administered expenses from transactions	3,891	3,891	3,850
Administered net result from transactions (net operating balance)	-	-	-
Administered expense by output			
Ten Days on The Island	1,229	1,229	1,229
Tasmanian Symphony Orchestra	1,484	1,484	1,449
Theatre Royal	178	178	172
Tasmanian Icon Program	1,000	1,000	1,000
Total	3,891	3,891	3,850

Note 4 Explanations of material variances between budget and actual outcomes

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

4.1 Statement of Comprehensive Income

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Continuing operations					
Appropriation revenue – section 8A of the <i>Public Account Act 1986</i>	(a)	1,650	2,520	870	53
Revenue from Special Capital Investment Funds (SCIF)	(b)	11,027	6,758	(4,269)	(39)
Grants	(c)	1,959	16,231	14,272	729
Interest	(d)	2,862	1,965	(897)	(31)
Contributions received	(e)	-	5,223	5,223	N/A
Other revenue	(f)	1,310	3,805	2,495	190
Grants and subsidies	(g)	37,417	53,792	16,375	44
Borrowing costs	(h)	1,793	2,043	250	14
Other expenses	(i)	2,314	3,408	1,094	47
Net gain/(loss) on non-financial assets	(j)	(50)	13,169	13,219	26,438
Net gain/(loss) on financial instruments and statutory receivables/payables	(k)	-	(1,636)	(1,636)	N/A

Notes to Statement of Comprehensive Income variances

- a) Appropriation revenue - section 8A of the *Public Account Act 1986* is above budget due to the 2010-11 approved carry forward requests for Renewable Energy (\$500,000), Tasmania Now (\$390,000), Enterprise Growth Program (\$350,000), Regional Assistance Program - Tasmania (\$540,000), McCains Taskforce (\$100,000), Food and Agribusiness (\$250,000), Springboard into Market (\$250,000) and Disability and the Arts (\$140,000).
- b) Revenue from Special Capital Investment Funds is below budget due to lower than anticipated expenditure on the TMAG Redevelopment project in 2011-12.
- c) Grants are above budget due to the \$16.0 million Australian Government funded Tasmanian Forestry Agreement grant program.
- d) Interest is below budget due to the cessation of interest payable by Treasury on several accounts held within the Department's operating account.
- e) Contributions received relate to the transfer (at no cost) of Princes Wharf Shed No.1 to the Department during 2011-12.
- f) Other revenue is above budget due to the reclassification of funds received from the Community Support Levy (\$1.16 million), Silverdome activities (\$387,000) and Tasmanian Institute of Sport programs (\$837,000).
- g) Grants and Subsidies are above budget due to the \$16.0 million Australian Government funded Tasmanian Forestry Agreement grant program.
- h) Borrowing costs are above budget due to significantly increased Government discount rates used to calculate the present value of make-good provisions. As a result borrowing costs (unwinding of discounting of provisions) have increased accordingly.
- i) Other expenses are above budget due to higher than budgeted expenditure for salary on-costs.
- j) Net gain/(loss) on non-financial assets relates to the revaluation of Heritage and Cultural assets and Land and Buildings of the Tasmanian Museum and Art Gallery.
- k) Net gain/(loss) on financial instruments and statutory receivables/payables relates to the impairment losses on loan advances not budgeted for.

4.2 Statement of Financial Position

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Cash and deposits	(a)	27,497	8,488	(19,009)	(69)
Receivables	(b)	810	3,493	2,683	331
Equity Investments	(c)	216	586	370	171
Heritage and cultural assets	(d)	505,570	376,739	(128,831)	(25)
Investment property	(e)	12,094	9,700	(2,394)	(20)
Intangibles	(f)	1,146	762	(384)	(34)
Other assets	(g)	3,653	2,125	(1,528)	(42)
Payables	(h)	934	3,720	2,786	298
Interest bearing liabilities	(i)	28,021	18,021	(10,000)	(36)
Provisions	(j)	-	2,759	2,759	N/A
Employee benefits	(k)	7,318	9,021	1,703	23
Other liabilities	(l)	3,796	1,703	(2,093)	(55)

Notes to Statement of Financial Position variances

- a) Cash and Deposits are below budget mainly due to the repayment of several borrowings in 2011-12.
- b) Receivables are above budget due to the reclassification of tax assets from other assets to receivables.
- c) Equity Investments are above budget mainly due to purchase of equity investments by Screen Tasmania in 2011-12 not budgeted for.
- d) Heritage and Cultural assets are below budget based on the revised valuation of the Department's Heritage and Cultural assets.
- e) Investment property assets are below budget based on the revised valuation of the Department's investment properties.
- f) Intangibles are below budget due to a lower than estimated value of intangibles as at 30 June 2012.
- g) Other assets are below budget due to the reclassification of tax assets from other assets to receivables.
- h) Payables are above budget due to higher than estimated outstanding creditors as at 30 June 2012 and Accrued Expenses related to TMAG's work in progress.
- i) Interest bearing liabilities are below budget due to the repayment of several borrowings during 2011-12 (8.6 million).
- j) Provisions are above budget due to significantly increased Government discount rates used to calculate the present value of make-good provisions.
- k) Employee entitlements are above budget due to higher than estimated balance of long service leave as at 30 June 2012.
- l) Other liabilities are below budget mainly due to section 8(A)2 carry forward requests which reduced from \$2.52 million in 2010-11 to \$1.00 million in 2011-12.

4.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Receipts from Special Capital Investment Funds	(a)	11,027	6,758	(4,269)	(26)
Grants	(b)	1,959	16,231	14,272	729
GST receipts	(c)	6,500	7,939	1,439	22
Interest received	(d)	2,862	2,071	(791)	(28)
Other cash receipts	(e)	1,310	3,991	2,681	205
Grants and subsidies	(f)	(37,417)	(60,233)	(22,816)	61
Supplies and consumables	(g)	(29,335)	(31,084)	(1,749)	6
Other cash payments	(h)	(2,314)	(3,623)	(1,309)	57
Loans made to other entities	(i)	-	(3,492)	(3,492)	N/A
Payments for acquisition of non-financial assets	(j)	(9,150)	(5,710)	3,440	(38)

Notes to Statement of Cash Flows variances

- a) Receipts from Special Capital Investment Funds are below budget due to lower than anticipated expenditure on the TMAG Redevelopment project in 2011-12.
- b) Grants are above budget due to the \$16.0 million Australian Government funded Tasmanian Forestry Agreement grant program.
- c) GST receipts are above budget due to higher than anticipated GST receipts.
- d) Interest received is below budget due to the cessation of interest payable by Treasury on several accounts held within the Department's operating account.
- e) Other cash receipts are above budget due to the reclassification of funds received from the Community Support Levy (\$1.16 million), Silverdome activities (\$387,000) and Tasmanian Institute of Sport programs (\$837,000).
- f) Grants and subsidies are above budget due to the \$16.0 million Australian Government funded Tasmanian Forestry Agreement grant program.
- g) Supplies and consumables are above budget due to supplies and consumables being grossed up to include GST.
- h) Other cash payments due to higher than budgeted expenditure for salary on-costs and other expenses.
- i) Loans made to other entities are above budget due to the disbursement of several loans in 2011-12, which had not been included in the original budget.
- j) Payments for acquisition of non-financial assets are below budget mainly due to lower than expected expenditure in the TMAG redevelopment project.

Note 5 Events occurring after balance date

There have been no events subsequent to balance date which would have a material effect on the Department's Financial Statements as at 30 June 2012.

Note 6 Underlying net operating balance

Non-operational capital funding is the income from transactions relating to funding for capital projects. This funding is classified as income from transactions and included in the net operating balance. However, the corresponding capital expenditure is not included in the calculation of the net operating balance. Accordingly, the net operating balance will portray a position that is better than the true underlying financial result.

For this reason, the net operating result is adjusted to remove the effects of funding for capital projects.

	Note	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Net result from transactions (net operating balance)		7,612	7,638	(2,715)
<i>Less impact of Non-operational capital funding</i>				
Revenue from Special Capital Investment Funds	7.2	9,000	4,175	2,151
Fair value of additions Events Tasmania land and building at no cost (Princes Wharf No.1)	7.6	-	4,938	-
Total		9,000	9,113	2,151
Underlying Net operating balance		(1,388)	(1,475)	(4,866)

Note 7 Income from transactions

7.1 Revenue from government

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

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

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
<i>Continuing operations</i>			
Appropriation revenue - recurrent			
Current year	97,016	99,551	108,483
Total	97,016	99,551	108,483
Revenue from government - other			
Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year	1,650	2,520	969
Total	1,650	2,520	969
Total revenue from government	98,666	102,071	109,452

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

7.2 Revenue from Special Capital Investment Funds

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

	2012 Actual \$'000	2011 Actual \$'000
<i>Continuing operations</i>		
Economic and Social Infrastructure Fund	2,583	10,513
Total	2,583	10,513
<i>Non-operational capital funding</i>		
Economic and Social Infrastructure Fund	4,175	2,151
Total	4,175	2,151
Total revenue from Special Capital Investment Funds	6,758	12,664

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

7.3 Grants

	2012 \$'000	2011 \$'000
<i>Grants from the Australian Government</i>		
Tasmanian Forestry Agreement	16,000	-
Industry Capability Network – National Broadband Network	175	-
General grants	30	-
Total	16,205	-
<i>Other Grants</i>		
General Grants	26	195
Total	26	195
Total	16,231	195

Grants received prior to 30 June 2012 that remained unspent at the end of the year total \$36,185.

7.4 Sales of goods and services

	2012	2011
	\$'000	\$'000
Other goods and services	2,226	3,002
Total	2,226	3,002

7.5 Interest

	2012	2011
	\$'000	\$'000
Interest	1,965	3,238
Total	1,965	3,238

7.6 Contributions received

	2012	2011
	\$'000	\$'000
Fair value of additions to TMAG Collections at no cost	250	116
Fair value of additions Events Tasmania land and building at no cost (Princes Wharf No.1)	4,938	-
Fair value of additions to TMAG plant and equipment at no cost	32	-
Donations and Bequests	3	-
Total	5,223	116

7.7 Other revenue

	2012	2011
	\$'000	\$'000
Investment property rental	1,137	1,146
Fees and recoveries	1,864	1,365
Other	804	1,729
Total	3,805	4,240

Note 8 Expenses from transactions

8.1 Employee benefits

	2012	2011
	\$'000	\$'000
Wages and salaries	30,084	31,558
Annual leave	2,241	2,681
Long service leave	437	1,049
Sick leave	1,183	1,191
Superannuation – defined benefit scheme	563	656
Superannuation – contribution schemes	3,405	3,482
Other post-employment benefits	1,920	622
Other employee expenses	555	594
Total	40,388	41,833

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 12.3 per cent of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of nine per cent of salary. In addition, Departments are also required to pay into the SPA a "gap" payment equivalent to 3.3 per cent of salary in respect of employees who are members of contribution schemes.

8.2 Depreciation and amortisation

(a) Depreciation

	2012	2011
	\$'000	\$'000
Plant and equipment	421	440
Buildings	540	727
Total	961	1,167

(b) Amortisation

	2012	2011
	\$'000	\$'000
Intangibles	390	493
Leasehold improvements	320	407
Total	710	900
Total depreciation and amortisation	1,671	2,067

8.3 Supplies and consumables

	2012	2011
	\$'000	\$'000
Audit fees – financial audit	114	110
Audit fees – internal audit	149	156
Operating lease costs	2,954	4,279
Consultants and contracted services	5,702	7,866
Property services	1,851	1,716
Maintenance	933	680
Communications	874	1,121
Information technology	2,025	2,030
Travel and transport	2,107	2,572
Advertising and promotion	9,917	10,646
Other supplies and consumables	2,713	2,130
Total	29,339	33,306

8.4 Grants and subsidies

	2012	2011
	\$'000	\$'000
Grants		
Business and Industry Assistance	2,786	4,789
Enterprise Centres	867	923
Brand Tasmania	436	470
Menzies Development	5,000	-
Domain House	3,500	-
Forest Contractors	-	3,600
Natural Gas Infrastructure	-	3,000
North West / Northern Tasmania Innovation and Infrastructure Fund	524	1,284
Contact Centres	1,230	2,515
Tasmanian Forestry Agreement	16,000	-
Intelligent Island	1,754	3,484
Sport and Recreation	8,062	11,161
Tourism Development Assistance	1,763	1,526
Major Events	3,403	3,445
Museums and Art Galleries	1,746	1,711
Arts Grants	3,263	2,980
Screen Tasmania Grants	156	140
Special Capital Investment Fund	2,568	10,283
General Grants	59	240
Total	53,117	51,551
Subsidies		
Other subsidies	20	-
Total	20	-
Sponsorship		
Other sponsorship	655	726
Total	655	726
Total	53,792	52,277

The Department provides grants and assistance to the following initiatives:

Tasmanian enterprises for industry development and employment assistance include support in the areas of exporting, innovation, contact centres, skill development, screen and film, sport and recreation and general industry assistance. In 2011-12 this included disbursement of \$16 million through the Tasmanian Forestry Agreement.

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.

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

8.5 Borrowing costs

	2012	2011
	\$'000	\$'000
Interest expense		
Interest on bank overdrafts and loans	1,781	2,308
Total	1,781	2,308
Other borrowing costs		
Unwinding of discounting of provisions	262	1
Total	262	1
Total borrowing costs	2,043	2,309

For Unwinding of discounting of provisions refer to Note 11.3(b).

8.6 Other expenses

	2012	2011
	\$'000	\$'000
Salary on-costs	2,600	2,691
Seminars and conferences	246	383
Other	562	756
Total	3,408	3,830

Note 9 Other economic flows included in net result

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

	Note	2012 \$'000	2011 \$'000
Revaluation of Heritage and cultural assets		5,102	(22,732)
Revaluation of Buildings		8,867	(8,914)
Revaluation of Investment Property	10.6(b)	(944)	(783)
Net gain/(loss) on non-financial assets transferred		97	264
Net gain/(loss) on sale of non-financial assets		47	353
Total net gain/(loss) on non-financial assets		13,169	(31,812)

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

	2012 \$'000	2011 \$'000
Impairment reversals/(losses) of:		
Loans advances	(1,154)	(3,350)
Equity investments	(476)	(637)
Loan advances written off during the year	(6)	(500)
Receivables written off during the year	-	(22)
Total net gain/(loss) on financial instruments	(1,636)	(4,509)

Loan advances impaired in 2011-12 related mainly to a *Tasmanian Development Act 1983* loan to Tascot Templeton Carpets Pty Ltd. In addition a Section 35 loan Administered by TDR was impaired this year in relation to Tas-Air Pty Ltd. This company was placed into liquidation by the owners on 3 February 2012 and immediately ceased flight operations, refer to Note 10.2.

During 2011-12 the Equity investments impairment related to Screen Tasmania equity investments, refer to Note 10.3.

Loan advances written off in 2011-12 related to a Screen Tasmania loan to Arctic Blast Print and Advertising.

Note 10 Assets

10.1 Receivables

	2012 \$'000	2011 \$'000
Receivables	505	390
Tax assets	2,988	1,465
Total	3,493	1,855
Settled within 12 months	3,493	1,855
Settled in more than 12 months	-	-
Total	3,493	1,855

10.2 Loan advances

	2012 \$'000	2011 \$'000
Convertible note	200	200
Section 35 Loans Administered by TDR	33,013	33,458
<i>Tasmanian Development Act 1983</i>	5,609	5,562
Renewable Energy Loan Scheme	584	-
<i>Fire Damage Relief Act 1967</i>	25	24
<i>Farm Water Development Act 1985</i>	1,161	977
Screen Tasmania Loans	270	236
Arts Loans	878	747
No Interest Loan Scheme	454	500
Less: Provision for impairment	(5,164)	(4,010)
Total	37,030	37,694
Settled within 12 months	8,245	12,483
Settled in more than 12 months	28,785	25,211
Total	37,030	37,694

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.

Reconciliation of movement in provision for impairment of other financial assets	2012 \$'000	2011 \$'000
Carrying amount at 1 July	4,010	660
Increase/(decrease) in provision recognised in net result	1,154	3,350
Carrying amount at 30 June	5,164	4,010

During 2011-12, two significant loans were assessed as being impaired. The TDR Board approved a specific provision of \$3.350 million for impairment in relation to a *Tasmanian Development Act 1983* loan to Tascot Templeton Carpets Pty Ltd. The value of this impairment reduced by \$0.500 million from 2010-11 following a disbursement of proceeds from assets sales. The impairment is the result of Tascot Templeton Carpets Pty Ltd going into voluntary administration on 23 September 2010. In addition a Section 35 loan Administered by TDR was impaired this year in relation to Tas-Air Pty Ltd. A specific provision of \$1.6 million was approved by the TDR Board. Tas-Air Pty Ltd was placed into liquidation by the owners on 3 February 2012 and immediately ceased flight operations.

10.3 Equity investments

	2012 \$'000	2011 \$'000
Listed shares – at cost	2,412	2,412
Listed shares – converted	944	944
Unlisted equity instruments	11,389	10,911
Less: Provision for impairment	(14,159)	(13,683)
Total	586	584
Settled within 12 months	-	-
Settled in more than 12 months	586	584
Total	586	584

Listed shares

TASSAL Ltd

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

Unlisted equity instruments

First Tasmania Investments Ltd

The Department holds 2,402,105 ordinary shares in First Tasmania Investments Ltd. The shares have been valued at \$Nil as at 30 June 2012.

North West Bay Ships Pty Ltd

The Department acquired 800,000 preference shares (7 per cent) of \$1.00 each in June 2000. The shares have been valued at \$Nil as at 30 June 2012.

SDT Australia Pty Ltd

The Department acquired 200,000 preference shares (9 per cent) of \$1.00 each in June 2000. The company has not operated for the last four and a half years due to a lack of capital for further research and development. The shares have been valued at \$Nil as at 30 June 2012.

Reconciliation of movement in provision for impairment of equity investments	2012 \$'000	2011 \$'000
Carrying amount at 1 July	13,683	13,046
Increase/(decrease) in provision recognised in net result	476	637
Carrying amount at 30 June	14,159	13,683

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

10.4 Inventories

	2012 \$'000	2011 \$'000
Inventory held for sale	376	559
Total	376	559
Settled within 12 months	376	559
Settled in more than 12 months	-	-
Total	376	559

10.5 Property, plant and equipment

(a) Carrying amount

	2012 \$'000	2011 \$'000
Land		
Properties - at fair value (30 June 2012)	21,071	16,810
Rural properties - at fair value (30 June 2012)	3,687	3,953
Total	24,758	20,763
Buildings		
At fair value (30 June 2012)	49,799	36,780
Less: Accumulated depreciation	-	-
	49,799	36,780
Work in progress (at cost)	6,779	2,201
Total	56,578	38,981
Leasehold improvements		
At cost	5,419	5,207
Less: Accumulated amortisation	(3,291)	(2,971)
	2,128	2,236
Work in progress (at cost)	-	44
Total	2,128	2,280

(a) Carrying amount (continued)

	2012 \$'000	2011 \$'000
Plant and equipment		
At cost	4,178	4,013
Less: Accumulated depreciation	(2,938)	(2,596)
	1,240	1,417
Work in progress (at cost)	105	54
Total	1,345	1,471
Heritage and cultural assets		
At fair value (30 June 2012)	376,739	371,237
	376,739	371,237
Work in progress (at cost)	-	-
Total	376,739	371,237
Total property, plant and equipment	461,548	434,732

(a) Carrying amount (continued)

Rural properties are valued as at 30 June 2012 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.

The latest revaluations as at 30 June 2012 (other than rural properties) were based on valuations undertaken by independent valuers Brothers and Newton Opteon. This valuation was prepared on the basis of Market Value as defined by the International Valuation Standards Committee (IVSC), and endorsed by the Australian Property Institute.

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.

The balance of revaluation decrements by class for Buildings and Heritage and cultural assets over and above the opening balance of their respective asset revaluation reserves has been recognised in the Comprehensive Income Statement, for details refer to Note 9.1.

During 2010-11 new valuers were engaged to perform a full valuation of Heritage and cultural assets (TMAG Collections).

TMAG Collections were independently valued with an effective date of 30 June 2012 by RHAS Chartered Valuers and Brokers. The revaluation of these assets was on a fair value basis in accordance with relevant accounting standards and Treasurer's Instructions

The definition of fair value is defined in AASB116, and in summary is the estimated amount for which any asset should be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion, and where the market value has been determined by appraisal.

Heritage and cultural assets are not depreciated as they do not have limited useful lives as 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.

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

2011	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Heritage and cultural assets \$'000	Total \$'000
Carrying value at 1 July	14,287	53,690	2,192	1,683	486,520	558,372
Additions	-	1,360	852	235	-	2,447
Contributions received	-	-	-	-	116	116
Disposals	(103)	-	(357)	(32)	-	(492)
Revaluation increments (decrements)	6,579	(15,317)	-	-	(115,663)	(124,401)
Net transfers	-	-	-	-	264	264
Depreciation and amortisation	-	(727)	(407)	(440)	-	(1,574)
Carrying value at 30 June	20,763	39,006	2,280	1,446	371,237	434,732

10.6 Investment property

(a) Carrying amount

	2012 \$'000	2011 \$'000
Land at fair value	4,600	4,810
Buildings at fair value	5,100	5,800
	9,700	10,610
Work in progress at cost	-	-
Total	9,700	10,610

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 2012 were based on valuations undertaken by independent valuers Brothers and Newton Opteon. This valuation was prepared on the basis of Market Value as defined by the International Valuation Standards Committee (IVSC), and endorsed by the Australian Property Institute.

(b) Reconciliation of movements

	Note	2012 \$'000	2011 \$'000
Carrying amount at 1 July		10,610	11,310
New purchases		34	83
Net gains/(losses) from fair value adjustments	9.1	(944)	(783)
Carrying amount at 30 June		9,700	10,610

10.7 Intangibles

(a) Carrying amount

	2012 \$'000	2011 \$'000
Intangibles with a finite useful life		
Software at cost	2,361	2,357
Less: Accumulated amortisation	(1,599)	(1,431)
Total	762	926

(b) Reconciliation of movements

	2012 \$'000	2011 \$'000
Carrying amount at 1 July	926	1,237
Additions – other	226	221
Disposals	-	(39)
Amortisation expense	(390)	(493)
Carrying amount at 30 June	762	926

10.8 Other assets

(a) Carrying amount

	2012 \$'000	2011 \$'000
Other assets		
Prepayments	2,123	2,321
Other	2	2
Total	2,125	2,323
Utilised within 12 months	2,125	2,323
Utilised in more than 12 months	-	-
Total	2,125	2,323

(b) Reconciliation of movements

	2011 \$'000	2010 \$'000
Carrying amount at 1 July	2,323	2,313
Additions	2,125	2,323
Used-up	(2,323)	(2,313)
Carrying amount at 30 June	2,125	2,323

Note II Liabilities

II.1 Payables

	2011 \$'000	2010 \$'000
Creditors	309	277
Funds held in trust	786	475
Accrued expenses	2,621	1,221
Paid Parental Leave Scheme liabilities	4	-
Total	3,720	1,973
Settled within 12 months	3,720	1,973
Settled in more than 12 months	-	-
Total	3,720	1,973

Settlement is usually made within 30 days.

Funds held in trust relate to funds held by the Department on behalf of the independent non-government entities of Brand Tasmania Council and Agreement on the Conservation of Albatrosses and Petrels (ACAP), for which the Department provides corporate support. Refer to Note 17 for additional information.

II.2 Interest bearing liabilities

(a) Carrying amount

	2012 \$'000	2011 \$'000
Loans from the State Government	21	21
Loans from Tascorp	18,000	26,600
Total	18,021	26,621

(b) Maturity schedule

	2012 \$'000	2011 \$'000
One year or less	-	8,600
From one to five years	18,021	18,021
Total	18,021	26,621

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 2012 financial year totalled \$362,010 (2011 \$380,521).

II.3 Provisions

(a) Carrying amount

	2012 \$'000	2011 \$'000
Operating lease provisions	1,308	1,558
Operating lease make-good provisions	1,451	1,189
Total	2,759	2,747
Settled within 12 months	1,585	1,558
Settled in more than 12 months	1,174	1,189
Total	2,759	2,747

The amount of the Department's provisions is the best estimate of the expenditure required to settle the present obligation, as at the end of the reporting period. The best estimate at the end of the reporting period, takes into account increases of costs, using the Consumer Price Index (CPI). The provision is discounted to reflect the present value of such expenditures where the time value of money is material.

(b) Reconciliation of movements in provisions

	Operating lease make-good provision		Operating lease provisions		Total Provisions	
	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July	1,189	1,545	1,558	478	2,747	2,023
Increases	61	18	-	1,080	61	1,098
Changes against the provision	-	(357)	-	-	-	(357)
Reversals	-	-	(250)	-	(250)	
Changes in discounting	201	(17)	-	-	201	(17)
Balance at 30 June	1,451	1,189	1,308	1,558	2,759	2,747

Movements in operating lease provisions relate to the renegotiation of tenancy leases held by the Department. Government discount rates used to calculate the present value of make-good provisions changed significantly this year and as a result make-good provisions increased accordingly.

11.4 Employee benefits

	2012	2011
	\$'000	\$'000
Accrued salaries	1,028	963
Annual leave	2,499	2,552
Long service leave	5,416	5,156
SSALS provision	78	171
Total	9,021	8,842
Settled within 12 months	3,993	4,121
Settled in more than 12 months	5,028	4,721
Total	9,021	8,842

11.5 Other liabilities

	2012	2011
	\$'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>	1,000	2,520
Other liabilities		
Employee benefits – on-costs	579	559
Other liabilities	124	322
Total	1,703	3,401
Settled within 12 months	1,375	3,094
Settled in more than 12 months	328	307
Total	1,703	3,401

Note 12 Commitments and Contingencies

12.1 Schedule of commitments

	2012	2011
	\$'000	\$'000
By type		
<i>Capital commitments</i>		
Buildings	12,716	-
Investment property	-	-
Total capital commitments	12,716	-
<i>Lease Commitments</i>		
Operating leases	45,663	48,972
Total lease commitments	45,663	48,972
<i>Other commitments</i>		
Loan commitments: Loans approved but not drawn down by clients as at 30 June	3,611	3,379
Program / Project commitments	52,818	66,385
Total other commitments	56,429	69,764
Total	114,808	118,736
By maturity		
<i>Capital commitments</i>		
One year or less	12,716	-
From one to five years	-	-
More than five years	-	-
Total capital commitments	12,716	-
<i>Operating lease commitments</i>		
One year or less	3,022	3,568
From one to five years	14,361	13,775
More than five years	28,280	31,629
Total operating lease commitments	45,663	48,972

	2012	2011
	\$'000	\$'000
<i>Other commitments</i>		
One year or less	30,023	25,916
From one to five years	26,406	43,848
More than five years	-	-
Total other commitments	56,429	69,764
Total	114,808	118,736

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

Operating leases are associated with rental costs for leased premises occupied by the Department, office equipment and motor vehicles leased through the government's fleet manager. The rentals on leased premises generally contain renewal options that extend the lease to match the current lease periods. These range from 2 to 15 years.

The program / project commitments 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.

12.2 Contingent assets and liabilities

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

(a) Quantifiable contingencies

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

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

	2012	2011
	\$'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. The legal matter was resolved in Tasmanian Hockey Inc's favour in May 2012 thereby extinguishing the guarantee arrangement. There are no other contingent liabilities under the guarantee.

-	1,250
-	1,250

Total quantifiable contingent liabilities

(b) Unquantifiable contingencies

At 30 June 2012, the Department had an outstanding legal claim against it as detailed below. It is not possible at the reporting date to accurately estimate the amounts of eventual receipts or payments, if any, that may be required in relation to this claim.

Jill Mure vs Tasmania Development and Resources and the Recorder of Titles. The landowner is disputing the ownership of a strip of foreshore land at Tinderbox currently valued by TDR at \$55,000. The matter has been adjourned to a date to be fixed by the Court.

Note 13 Reserves

13.1 Reserves

2012	Land \$'000	Buildings \$'000	Art work \$'000	Leasehold improvements \$'000	Heritage and cultural assets \$'000	Total \$'000
Asset revaluation reserve						
Balance at the beginning of financial year	7,202	-	1	-	-	7,203
Revaluation increments/ (decrements)	2,062	1,566	-	-	-	3,628
Impairment losses	-	-	-	-	-	-
Reversals of impairment losses	-	-	-	-	-	-
Transfers to accumulated surplus	-	-	-	-	-	-
Transfers to/(from) reserves	-	-	-	-	-	-
Balance at end of financial year	9,264	1,566	1	-	-	10,831

2011	Land \$'000	Buildings \$'000	Art work \$'000	Leasehold improvements \$'000	Heritage and cultural assets \$'000	Total \$'000
Asset revaluation reserve						
Balance at the beginning of financial year	574	6,450	1	646	92,932	100,604
Revaluation increments/ (decrements)	6,628	(6,450)	-	-	(92,932)	(92,755)
Impairment losses	-	-	-	-	-	-
Reversals of impairment losses	-	-	-	-	-	-
Transfers to accumulated surplus	-	-	-	-	-	-
Transfers to/(from) reserves	-	-	-	(646)	-	(646)
Balance at end of financial year	7,202	-	1	-	-	7,203

(a) Nature and purpose of reserves

Asset Revaluation Reserve

The Asset Revaluation Reserve is used to record increments and decrements on the revaluation of Non-financial assets, as described in Note 2.12(f).

(b) Asset revaluation reserve by class of assets

The balance within the asset revaluation reserve for the following classes of assets is:

	2012 \$'000	2011 \$'000
Land	9,264	7,202
Buildings	1,566	-
Art work	1	1
Total Asset revaluation reserve	10,831	7,203

Note 14 Cash Flow Reconciliation

14.1 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.

	2012	2011
	\$'000	\$'000
Special Deposits and Trust Fund balance		
T522 Economic Development Operating Account	6,506	16,370
T659 Tourism Temptations	-	440
T773 Sports Development Account	56	2
T790 Government Guarantees Reserve Account	351	327
T941 Fire Relief Account	3	3
T797 Intelligent Island Project Account	1,543	3,239
Total	8,459	20,381
Other cash held		
Cash on hand and at bank	5	5
Cash in transit	24	-
Total	29	5
Total cash and deposits	8,488	20,386

14.2 Reconciliation of net result to net cash from operating activities

	2012	2011
	\$'000	\$'000
Net result	19,171	(39,036)
Increase (decrease) S8A(2) carry forwards	(1,520)	1,551
Special Capital Investment Funds	(4,175)	(2,151)
Depreciation and amortisation	1,671	2,067
(Gain)/loss from sale of non-financial assets	(47)	(353)
(Gain)/loss on non-financial assets transferred	(97)	(264)
Interest	41	82
(Gain)/loss on fair value revaluations	(13,025)	32,429
Impairment adjustments	1,636	4,509
Contributions received	(5,220)	(116)
Derecognition of provisions	-	(356)
Decrease (increase) in Receivables	(1,638)	68
Decrease (increase) in Inventories	183	(100)
Decrease (increase) in Other assets	198	(10)
Increase (decrease) in Employee benefits	178	1,418
Increase (decrease) in Payables	1,437	232
Increase (decrease) in Provisions	12	724
Increase (decrease) in Other liabilities	(178)	173
Net cash from (used by) operating activities	(1,373)	867

14.3 Acquittal of Capital Investment and Special Capital Investment Funds

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

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

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

(a) Project expenditure

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Special Capital Investment Funds			
<i>Economic and Social Infrastructure Fund</i>			
Industry Assistance Program	600	369	359
Tourism Promotion Plan	-	10	10
AFL – Hawthorn Football Club	1,427	1,689	3,488
Domain Tennis Centre	-	-	1,200
Aurora Stadium	-	500	1,500
Tasmanian Museum and Art Gallery	-	4,175	2,151
<i>Urban Renewal and Heritage Fund</i>			
Whitemark Civic Centre	-	15	-
Mersey Bluff Recreation Precinct	-	-	495
Elphin Sports Centre Maintenance	-	-	130
Queen Victoria Museum and Art Gallery	-	-	537
Glenorchy Arts Sculpture Park	-	-	1,582
Devonport Regional Play Space	-	-	300
Devonport Maritime Museum	-	-	600
Devonport City Soccer Club	-	-	142
Longford Community Sports Centre	-	-	100
<i>Major Capital Project Fund</i>			
Tarkine marketing and promotion	-	-	70
Total	2,027	6,758	12,664

(b) Classification of cash flows

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

	2012 \$'000	2011 \$'000
Cash outflows		
Employee benefits	747	608
Advertising and promotion	45	58
Grants and transfer payments	2,568	10,283
Contracted services	247	144
Payments for the acquisition of non-financial assets	2,794	1,261
Other cash payments	357	310
Total cash outflows	6,758	12,664

Note 15 Financial Instruments

15.1 Risk exposures

(a) Risk management policies

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

credit risk;

liquidity risk; and

market risk.

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

(b) Credit risk exposures

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

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

The Department manages credit risk on Loan advances by obtaining security over assets in accordance with the provisions of the *Tasmanian Development Act 1983* and by including appropriate risk margins in the Department's interest rate pricing, based on an assessment of the inherent risk of individual clients.

The Department is materially exposed to JBS Australia Propriety Limited (33%). Concentration of credit risk by industry on Loan advances is: Food (55%).

Financial Instrument	Accounting and strategic policies (including recognition criteria, measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Receivables	Receivables are recognised at amortised cost, less any impairment losses.	The general term of trade for receivables is 30 days.
Other Financial Assets - Loan advances	Loan advances are held to maturity and are measured at amortised cost subsequent to initial recognition. Impairment of Loan advances are reviewed on an ongoing basis.	Loan advances include financial assistance provided by the government to the private sector in the form of loans.
Cash and deposits	Deposits are recognised at the nominal amounts.	Cash means notes, coins and any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund.

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:

	2012 \$'000	2011 \$'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 2012 but not impaired

	Past due >30 days \$'000	Past due >60 days \$'000	Past due >90 days \$'000	Total \$'000
Receivables	159	18	193	370
Other Financial Assets – Loan advances	5	4	67	76

Analysis of financial assets that are past due at 30 June 2011 but not impaired

	Past due >30 days \$'000	Past due >60 days \$'000	Past due >90 days \$'000	Total \$'000
Receivables	40	11	197	248
Other Financial Assets – Loan advances	4	4	26	34

(c) Liquidity risk

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

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

(c) Liquidity risk (continued)

The following tables detail the undiscounted cash flows payable by the Department relating to the remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

2012

	Maturity analysis for financial liabilities						Undiscounted Total \$'000	Carrying Amount \$'000
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Financial liabilities								
Payables	3,720	-	-	-	-	-	3,720	
Interest bearing liabilities	-	-	-	-	-	18,021	18,021	
Total	3,720	-	-	-	-	18,021	21,741	

2011

	Maturity analysis for financial liabilities						Undiscounted Total \$'000	Carrying Amount \$'000
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Financial liabilities								
Payables	1,973	-	-	-	-	-	1,973	
Interest bearing liabilities	8,600	-	-	-	-	18,021	26,621	
Total	10,573	-	-	-	-	18,021	28,594	

(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:

	2012	2011
	\$'000	\$'000
Fixed rate instruments		
Financial assets	4,079	2,439
Financial liabilities	(21,720)	(19,973)
Total	(17,641)	(17,534)
Variable rate instruments		
Financial assets	45,518	58,080
Financial liabilities	(21)	(8,621)
Total	45,497	49,459

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 2012				
Cash and deposits	149,436	(146,436)	149,436	(146,436)
Loan advances	370,296	(370,296)	370,296	(370,296)
Interest bearing liabilities	(180,214)	180,214	(180,214)	180,214
Net sensitivity	339,518	(339,518)	339,518	(339,518)
30 June 2011				
Cash and deposits	136,187	(136,187)	136,187	(136,187)
Loan advances	376,939	(376,939)	376,939	(376,939)
Interest bearing liabilities	(266,214)	266,214	(266,214)	266,214
Net sensitivity	246,912	(246,912)	246,912	(246,912)

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2011.

15.2 Categories of financial assets and liabilities

	2012	2011
	\$'000	\$'000
Financial assets		
Cash and deposits	8,488	20,386
Loans and receivables	40,523	39,549
Available-for-sale financial assets	586	584
Total	49,597	60,519
Financial Liabilities		
Financial liabilities measured at amortised cost	21,741	28,594
Total	21,741	28,594

15.3 Comparison between carrying amount and net fair value of financial assets and liabilities

	Carrying Amount 2012 \$'000	Net Fair Value 2012 \$'000	Carrying Amount 2011 \$'000	Net fair Value 2011 \$'000
Financial assets				
Other financial assets				
Equity investments	586	586	584	584
Total financial assets	586	586	584	584

15.4 Net fair values of financial assets and liabilities

2012

	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net fair Value Level 3 \$'000	Net Fair Value Total \$'000
Financial assets				
Other financial assets				
Equity investments	-	586	-	586
Total financial assets	-	586	-	586

2011

	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net fair Value Level 3 \$'000	Net Fair Value Total \$'000
Financial assets				
Other financial assets				
Equity investments	-	584	-	584
Total financial assets	-	584	-	584

The recognised fair values of financial assets and financial liabilities are classified according to the fair value hierarchy that reflects the significance of the inputs used in making these measurements. The Department uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- » Level 1 – the fair value is calculated using quoted prices in active markets;
- » Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- » Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Financial Assets

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

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

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

Financial Liabilities

The net fair values of payables approximate their carrying amounts.

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

Note 16 Notes to Administered Statements

16.1 Explanations of material variances between budget and actual outcomes

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

(a) Schedule of Administered Income and Expenses

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue - recurrent	(a)	3,891	3,891	-	-
Grants and subsidies	(a)	3,891	3,891	-	-

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)	3,891	3,891	-	-
Grants and subsidies	(a)	(3,891)	(3,891)	-	-

Notes to Schedule of Administered Cash Flow variances

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

16.2 Administered revenue from government

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

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

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Appropriation revenue - recurrent			
Current year	3,891	3,891	3,850
Total administered revenue from government	3,891	3,891	3,850

16.3 Administered grants and subsidies

	2012 \$'000	2011 \$'000
Grants – government contribution to the Tasmanian Symphony Orchestra	1,484	1,449
Grants – Tasmanian Icon Program	1,000	1,000
Grants – Ten Days On The Island	1,229	1,229
Grants – Theatre Royal	178	172
Total	3,891	3,850

16.4 Schedule of Administered Commitments

	2012	2011
	\$'000	\$'000
By type		
<i>Other commitments</i>		
Grants and subsidies	11,636	15,508
<i>Total other commitments</i>	11,636	15,508
Total	11,636	15,508
By maturity		
<i>Other commitments</i>		
One year or less	3,726	3,872
From one to five years	7,910	11,636
More than five years	-	-
<i>Total other commitments</i>	11,636	15,508
Total	11,636	15,508

Note 17 Transactions and balances relating to a Trustee or Agency arrangement

Account/Activity	Opening balance \$'000	Net transactions during 2011-12 \$'000	Closing balance \$'000
Agreement for the Conservation of Albatrosses and Petrels (ACAP)	347	89	436
Brand Tasmania Council Incorporated	85	265	350
Tasmanian Museum and Art Gallery – Trustee funds	43	(43)	-

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 2012 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

13 August 2012

Hobart



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Independent Auditor's Report

To Members of the Parliament of Tasmania

Department of Economic Development, Tourism and the Arts

Financial Statements for the Year Ended 30 June 2012

I have audited the accompanying financial statements of the Department of Economic Development, Tourism and the Arts (the Department), which comprise the statement of financial position as at 30 June 2012, the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Secretary of the Department.

Auditor's Opinion

In my opinion the Department's financial statements:

- a) present fairly, in all material respects, its financial position as at 30 June 2012, and its financial performance, cash flows and changes in equity for the year then ended; and
- b) are in accordance with the *Financial Management and Audit Act 1990* and Australian Accounting Standards.

The Responsibility of the Secretary for the Financial Statements

The Secretary of the Department is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and Section 27 (1) of the *Financial Management and Audit Act 1990*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

...1 of 2

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
 Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Secretary's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Secretary, as well as evaluating the overall presentation of the financial statements.

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

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

Independence

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

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

Tasmanian Audit Office

H M Blake
 Auditor-General

HOBART
 27 September 2012

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To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
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