



P A R L I A M E N T O F T A S M A N I A

Budget Paper No 2

Government Services

Volume 1

Presented by

Lara Giddings MP, Treasurer, for the information of
Honourable Members, on the occasion of the Budget, 2012-13

Useful 2012-13 Budget and Government Websites

www.treasury.tas.gov.au	Contains the Budget Papers and provides other Budget and financial publications.
www.media.tas.gov.au	Contains the Government's Budget related media releases.
www.tas.gov.au	Provides links to the Websites of a wide range of Tasmanian public and private sector organisations.
www.service.tas.gov.au	Provides a comprehensive entry point to Government services in Tasmania.
www.tasmaniatogether.tas.gov.au	Provides detailed information on Tasmania <i>Together</i> , including the current status of this initiative.

CONTENTS

VOLUME 1

1 Introduction

PART 1: DEPARTMENTS

2 Department of Economic Development, Tourism and the Arts

3 Department of Education

4 Finance-General

5 Department of Health and Human Services

6 Department of Infrastructure, Energy and Resources

7 Department of Justice

VOLUME 2

PART 1: DEPARTMENTS (CONTINUED)

8 Ministerial and Parliamentary Support

9 Department of Police and Emergency Management

10 Department of Premier and Cabinet

11 Department of Primary Industries, Parks, Water and Environment

12 Department of Treasury and Finance

PART 2: AGENCIES

13 House of Assembly

14 Integrity Commission

15 Legislative Council

16 Legislature-General

17 Office of the Director of Public Prosecutions

18 Office of the Governor

19 Office of the Ombudsman

20 Tasmanian Audit Office

PART 3: TASMANIAN HEALTH ORGANISATIONS

21 Tasmanian Health Organisation - North

22 Tasmanian Health Organisation - North West

23 Tasmanian Health Organisation - South

PART 4: STATUTORY AUTHORITIES

24 Inland Fisheries Service

25 Marine *and* Safety Tasmania

26 Royal Tasmanian Botanical Gardens

27 State Fire Commission

28 The Tasmanian Skills Institute

INDEX

VOLUME 1

PART 1: DEPARTMENTS

1	Introduction	1.1
	Overview	1.2
	Structure of Budget Paper No 2 <i>Government Services</i>	1.2
	Further Information on Budget Paper No 2	1.3
	Current Ministerial Portfolio and Departmental Structure	1.4
	Budget Paper No 2 Developments	1.6
	Accounting for Australian Government National Partnership Payments	1.6
	Additional Agency Budget Savings Targets	1.6
	Crown Law – Revised Funding Arrangements	1.7
	27th Pay in 2015-16	1.7
2	Department of Economic Development, Tourism and the Arts	2.1
	Agency Outline	2.1
	Major Initiatives	2.2
	Other Major Initiatives	2.3
	Output Information	2.6
	Output Group 1: Economic Development	2.9
	Output Group 2: Sport and Recreation	2.10
	Output Group 3: Tourism	2.11
	Output Group 4: Arts	2.13
	Special Capital Investment Funds	2.14
	Economic and Social Infrastructure Fund	2.14
	Detailed Budget Statements	2.15
3	Department of Education	3.1
	Agency Outline	3.1

Major Initiatives	3.3
Other Initiatives	3.7
Output Information	3.7
Output Group 1: Pre-Compulsory and Compulsory Education	3.10
Output Group 2: Post-Compulsory Education and Skills Development	3.12
Output Group 3: LINC Tasmania	3.15
Capital Investment Program	3.16
Detailed Budget Statements	3.18
4 Finance-General	4.1
Agency Outline	4.1
Output Information	4.1
Output Group 1: Debt Servicing and Management	4.3
Output Group 2: Employee Related Costs	4.4
Output Group 3: Government Businesses	4.4
Output Group 4: Miscellaneous	4.5
Special Capital Investment Funds	4.7
Economic and Social Infrastructure Fund	4.7
Hospitals Capital Fund	4.8
Housing Fund	4.9
Infrastructure Tasmania Fund	4.9
Royal Hobart Hospital Redevelopment Fund	4.11
Urban Renewal and Heritage Fund	4.11
Detailed Budget Statements	4.12
5 Department of Health and Human Services	5.1
Agency Outline	5.1
National Health Reform	5.2
Major Initiatives	5.3
Other Initiatives	5.6
Output Information	5.8

Output Restructure	5.8
Output Group 1: Acute Health Services	5.11
Output Group 2: Community Health Services	5.14
Output Group 3: Human Services	5.17
Output Group 4: Children's Services	5.19
Output Group 5: Independent Children's Review Services	5.22
Special Capital Investment Funds	5.23
Capital Investment Program	5.25
Detailed Budget Statements	5.28
Appendix 5.1 Comparative Budget Statements	5.39
6 Department of Infrastructure, Energy and Resources	6.1
Agency Outline	6.1
Major Initiatives	6.2
Output Information	6.6
Output Restructure	6.6
Output Group 1: Infrastructure	6.10
Output Group 2: Energy Advisory and Regulatory Services	6.13
Output Group 3: Mineral Resources Management and Administration	6.14
Output Group 4: Support for the Minister for Energy and Resources	6.15
Output Group 5: Racing Policy and Regulation	6.15
Output Group 6: Transport Subsidies and Concessions	6.17
Capital Investment Program	6.18
Detailed Budget Statements	6.21
7 Department of Justice	7.1
Agency Outline	7.1
Major Initiatives	7.2
Other Initiatives	7.3
Output Information	7.4
Output Group 1: Administration of Justice	7.7

Output Group 2: Legal Services	7.11
Output Group 3: Registration Services	7.11
Output Group 4: Review Services	7.12
Output Group 5: Electoral Services	7.13
Output Group 6: Corrective Services	7.14
Output Group 7: Other Services	7.15
Output Group 8: Consumer Services	7.16
Output Group 9: Industrial Relations Services	7.16
Output Group 10: Resource Planning	7.17
Output Group 11: Workplace Services	7.18
Capital Investment Program	7.20
Detailed Budget Statements	7.21

CONVENTIONS

Figures in tables and in the text have been rounded. Discrepancies in tables between totals and sums of component items reflect rounding. Percentage changes in all tables are based on the underlying unrounded amounts.

The notation used in the Budget Papers is as follows:

na not available, or not applicable

.... zero, or rounded to zero

\$'000 \$thousand

\$m \$million

PART 1:

DEPARTMENTS

1 INTRODUCTION

Features

- The information in Budget Paper No 2 provides support for the Consolidated Fund Appropriation Bills and the Government's initiatives, as outlined in the Treasurer's Budget Speech.
- Budget Paper No 2 *Government Services* provides information about the Outputs (goods and services) the Government will deliver in 2012-13 and over the Forward Estimates period (2013-14 to 2015-16).
- Budget Paper No 2 provides detailed financial and non-financial information regarding Government departments, agencies and General Government Sector statutory authorities, including the three new Tasmanian Health Organisations.

OVERVIEW

Budget Paper No 2 *Government Services* provides information about the Outputs (goods and services) the Government will deliver in 2012-13 and over the Forward Estimates period (2013-14 to 2015-16). Budget Paper No 2 is a major source of financial and non-financial information on the operations of Government departments, agencies and General Government Sector statutory authorities, including the three new Tasmanian Health Organisations. The other major source of information on these entities is the annual report required to be published by every entity.

The following points should be noted when reading Budget Paper No 2:

- Information is provided in accordance with Australian Accounting Standards and includes details of the actions being taken by each entity to implement the Government's initiatives.
- Ministerial responsibility for departments is assigned under the provisions of the *Administrative Arrangements Order (No. 2) 2011*, issued in accordance with section 4(1) of the *Administrative Arrangements Act 1990*. The Ministerial responsibilities detailed in the Order are illustrated in Table 1.1.

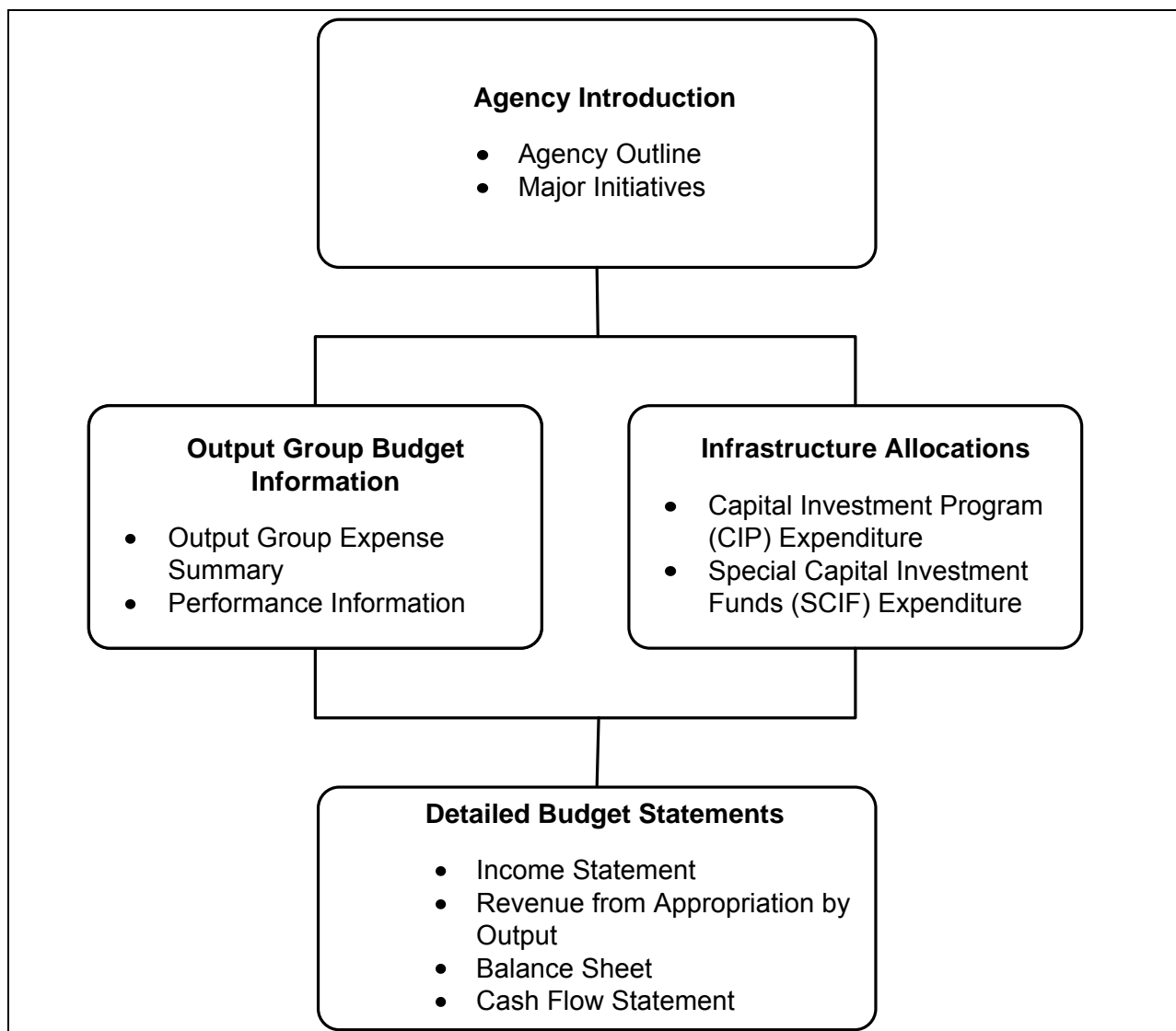
STRUCTURE OF BUDGET PAPER NO 2 *GOVERNMENT SERVICES*

Budget Paper No 2 is structured to reflect the differing nature of the entities within the General Government Sector and consists of four parts:

- Part 1 includes Government departments, such as the Department of Education and the Department of Health and Human Services;
- Part 2 includes Parliamentary agencies, such as the House of Assembly and the Legislative Council, and other independent entities such as the Tasmanian Audit Office and the Office of the Ombudsman;
- Part 3 includes the three new Tasmanian Health Organisations (THOs); and
- Part 4 includes other Statutory Authorities within the General Government Sector, such as the Inland Fisheries Service, the State Fire Commission and Tasmanian Skills Institute.

The structure of Budget Paper No 2 chapters is presented in Chart 1.1.

Chart 1.1: Budget Paper No 2 Chapter Structure



FURTHER INFORMATION ON BUDGET PAPER No 2

Further information on the structure and content of Budget Paper No 2 is provided in the *Guide to the Budget*. The Guide is designed to assist readers by explaining the financial information presented in the Budget Papers and by providing illustrative examples of the main financial statements detailed in the Budget Papers. The Guide is available on the Department of Treasury and Finance's website at www.treasury.tas.gov.au.

CURRENT MINISTERIAL PORTFOLIO AND DEPARTMENTAL STRUCTURE

The Ministerial portfolio and departmental structure of the Tasmanian Government, which reflects the departmental restructure implemented under the *Administrative Arrangements Order (No. 2) 2011*, is outlined in Table 1.1.

Table 1.1: Structure of the Tasmanian Government

Minister	Portfolio	Department
Hon Lara Giddings MP	Premier	Premier and Cabinet
	Treasurer	Treasury and Finance
	Minister for the Arts	Economic Development, Tourism and the Arts
Hon Bryan Green MP	Deputy Premier	
	Minister for Primary Industries and Water	Primary Industries, Parks, Water and Environment
	Minister for Energy and Resources	Infrastructure, Energy and Resources
	Minister for Local Government	Premier and Cabinet
	Minister for Planning	Justice
Hon David O'Byrne MP	Minister for Racing	Infrastructure, Energy and Resources
	Minister for Infrastructure	Infrastructure, Energy and Resources
	Minister for Economic Development	Economic Development, Tourism and the Arts
	Minister for Innovation, Science and Technology	Economic Development, Tourism and the Arts
	Minister for Police and Emergency Management	Police and Emergency Management
Hon Michelle O'Byrne MP	Minister for Workplace Relations	Justice
	Minister for Health	Health and Human Services
	Minister for Children	Health and Human Services/Education/Premier and Cabinet
Hon Nick McKim MP	Minister for Sport and Recreation	Economic Development, Tourism and the Arts
	Minister for Education and Skills	Education
	Minister for Corrections and Consumer Protection	Justice
	Minister for Sustainable Transport	Infrastructure Energy and Resources

Table 1.1: Structure of the Tasmanian Government (continued)

Minister	Portfolio	Department
Hon Cassy O'Connor MP	Minister for Human Services	Health and Human Services
	Minister for Community Development	Premier and Cabinet
	Minister for Climate Change	Premier and Cabinet
	Minister for Aboriginal Affairs	Premier and Cabinet
Hon Brian Wightman MP	Attorney-General	
	Minister for Justice	Justice
	Minister for Environment, Parks and Heritage	Primary Industries, Parks, Water and Environment
Hon Scott Bacon MP	Minister for Tourism	Economic Development, Tourism and the Arts
	Minister for Hospitality	Economic Development, Tourism and the Arts
	Minister for Veterans' Affairs	Premier and Cabinet

Tasmanian Health Organisations

The THOs have been established as statutory authorities in accordance with the provisions of the *Tasmanian Health Organisations Act 2011*.

Table 1.2 identifies the Ministerial portfolio allocation for the THOs.

Table 1.2: Tasmanian Health Organisations

Statutory Authority	Portfolio Minister	Portfolio Department
Tasmanian Health Organisation - North	Hon Michelle O'Byrne MP	Health and Human Services
Tasmanian Health Organisation - North West	Hon Michelle O'Byrne MP	Health and Human Services
Tasmanian Health Organisation - South	Hon Michelle O'Byrne MP	Health and Human Services

General Government Sector Authorities

These Statutory Authorities are established under specific legislation, which defines the purpose of the authority and the general functions for which it is responsible.

Table 1.3 identifies the current Ministerial portfolio allocations for the GGS authorities (excluding the THOs).

Table 1.3: General Government Sector Authorities

Statutory Authority	Portfolio Minister	Portfolio Department
Inland Fisheries Service	Hon Bryan Green MP	Primary Industries, Parks, Water and Environment
Marine <i>and</i> Safety Tasmania	Hon David O'Byrne MP	Infrastructure, Energy and Resources
Royal Tasmanian Botanical Gardens	Hon Brian Wightman MP	Primary Industries, Parks, Water and Environment
State Fire Commission	Hon David O'Byrne MP	Police and Emergency Management
Tasmanian Skills Institute	Hon Nick McKim MP	Education

BUDGET PAPER NO 2 DEVELOPMENTS

Accounting for Australian Government National Partnership Payments

From 1 July 2012, funding from the Australian Government for National Partnership payments will no longer be appropriated to agencies. Payments will now be receipted by Finance-General and then transferred to agency operating accounts based on agency expenditure estimates.

While making no difference to the overall funding provided to agencies from National Partnership payments, this change in accounting treatment does result in a reduction in agency Consolidated Fund appropriations, but is fully offset by an increase in agency grant revenue.

Additional Agency Budget Savings Targets

To assist in moving the Budget to a sustainable basis, additional Budget savings targets have been identified for selected agencies.

The additional agency Budget savings targets will provide savings of \$68.4 million over the Budget and Forward Estimates period. The additional savings targets will not be required from the Department of Health and Human Services, the Department of Education or the Department of Police and Emergency Management.

Savings Targets are equivalent to five per cent of the Consolidated Fund allocation over the period 2012-13 to 2014-15 (two per cent in 2012-13 and 2013-14 and one per cent in 2014-15) for most Departments. Savings Targets for Parliament and Executive Offices and the Department of Justice are equivalent to three per cent of the Consolidated Fund allocation over the period 2012-13 to 2014-15 (one per cent each year).

Table 1.4 identifies the additional Agency Budget Savings Targets required in the 2012-13 Budget. The Consolidated Fund agency allocations have been adjusted to reflect these savings targets.

Table 1.4: Additional Agency Budget Savings Targets

	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000
Additional Savings Targets	2%	2%	1%	....
Economic Development, Tourism and the Arts	1 900	3 400	4 400	4 400
Infrastructure, Energy and Resources	1 000	1 700	2 000	2 100
Premier and Cabinet	600	1 300	1 700	1 800
Primary Industries, Parks, Water and Environment	2 700	5 400	6 900	6 900
Treasury and Finance	600	1 200	1 600	1 600
Additional Savings Targets	1%	1%	1%	....
House of Assembly	25	50	75	75
Integrity Commission	30	60	100	100
Justice	1 200	2 400	3 600	3 700
Legislative Council	35	70	110	110
Legislature-General	60	120	185	190
Ministerial and Parliamentary Support	180	370	570	580
Office of the Director of Public Prosecutions	60	125	190	190
Office of the Governor	30	60	90	90
Office of the Ombudsman	20	40	65	65
Tasmanian Audit Office	20	40	65	65
	8 460	16 335	21 650	21 965

Crown Law – Revised Funding Arrangements

Crown Law encompasses the Office of the Solicitor-General, the Office of the Director of Public Prosecutions (ODPP) (Criminal and Civil Divisions) and the Crown Solicitor's Office. Traditionally, the ODPP Civil Division and the Crown Solicitor's Office generated income by charging agencies and instrumentalities for a range of legal services. The ODPP Criminal Division and the Office of the Solicitor-General were fully funded by an appropriation from the Consolidated Fund.

From 1 July 2012, Crown Law will be funded by an appropriation from the Consolidated Fund and will no longer charge agencies for legal services provided. Agency appropriations have been adjusted to ensure that the impact of this change is budget neutral.

27th Pay in 2015-16

Salary payments to employees in the General Government Sector are made fortnightly. Usually this means that there are 26 pay days in each year. Approximately once every 11 or 12 years, there are 27 fortnightly pay days in a financial year. The next year with 27 pay days for agencies (other than the Department of Health and Human Services) will be 2015-16. The Department of Health and Human Services makes its salary payments on a different day each fortnight to the rest of the General Government Sector, therefore, it also makes a 27th pay in a different year.

Additional funding is provided to agencies for this additional cost from the Consolidated Fund. On a cash basis, this can be seen in the level of appropriation to agencies and in Employee Entitlements on the agency Cash Flow Statement. However, on an accrual basis there is no impact on the agency Income Statement as the additional cash payment is offset by a downwards adjustment to accrued Employee Entitlements expense. This adjustment to accrued Employee Entitlements expense can also be seen as a reduction in the liability for Employee Entitlements on the agency Balance Sheet.

2 DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND THE ARTS

AGENCY OUTLINE

The Department of Economic Development, Tourism and the Arts promotes economic and industry development in Tasmania, delivers marketing 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 supports the Minister for Economic Development and the Minister for Innovation, Science and Technology, Hon David O'Byrne MP; the Minister for Tourism and the Minister for Hospitality, Hon Scott Bacon MP; the Minister for Sport and Recreation, Hon Michelle O'Byrne MP; and the Minister for the Arts, Hon Lara Giddings MP.

The Department aims to promote 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.

This chapter details the Department's financial information for 2012-13 and over the Forward Estimates period (2013-14 to 2015-16).

Further information on the Department, including the Economic Development Plan, is available at www.development.tas.gov.au.

MAJOR INITIATIVES

Table 2.1 provides a summary of the Budget and Forward Estimate allocations for major initiatives.

Table 2.1: Major Initiatives Statement

	2012-13	2013-14	2014-15	2015-16
	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000
Hospitality Industry Training and Development	100	100	....	....
Major Events Funding	325	825	2 016	2 016
Sirolli Enterprises Facilitation	475	475	....	....
Small Business On-Line Retail Innovation	125	125	130	....
Tasmanian Government Innovation and Investment Fund	5 000	....	....	....

Hospitality Industry Training and Development

A range of initiatives will be funded in 2012-13 focussed on workforce development and capacity building in the hospitality industry. Initiatives will seek to encourage a greater recognition of the hospitality industry as a career choice, improve the skills and capabilities of the hospitality industry workforce and assist the industry in preparing to meet the needs of emerging markets, such as China.

Major Events Funding

Increased major event program funding will be used to secure and grow existing events in Tasmania. It will allow Events Tasmania to support a diverse range of events and activities that deliver a range of social, cultural, economic and environmental benefits to the Tasmanian community.

Sirolli Enterprise Facilitation

Funding of \$950 000 over two years has been committed to implement the Sirolli Enterprise Facilitation model in forest industry change affected communities including Smithton, George Town and Scottsdale. The initiative will deliver targeted support for communities impacted by structural changes in our economy such as those occurring in forestry. The focus of the Sirolli Enterprise Facilitation model is on fostering entrepreneurship through delivering advice and facilitating business opportunities. Funding will be used to employ locally-based facilitators in each region to support enterprise and community development. Support will also include training and advice for the facilitators and voluntary management groups over the two-year period.

Small Business On-Line Retail Innovation

Program offering Tasmanian small businesses and retail operators free one-on-one coaching by specialists in the digital and e-commerce fields, to assist in boosting their online presence, and on-line retail sale capacity, similar to the successful Tourism Tasmania's Digital Coach program. This initiative aims to secure and grow Tasmanian and interstate customer bases, and assist Tasmanian retail internet sales being competitive within the internet sales market.

Tasmanian Government Innovation and Investment Fund

The Tasmanian Government Innovation and Investment Fund (TGIF) will provide grant funds to support investments and new activities that will broaden Tasmania's economy and deliver sustainable job creation, consistent with the Economic Development Plan, particularly in regional Tasmania.

The TGIF will be divided into two components, one focused on encouraging innovation and investment by Tasmanian businesses, the second to leverage private sector investment in major projects.

The TGIF will require recipients to at least match the total amount of grant funding provided.

OTHER MAJOR INITIATIVES

Economic Development Plan

The Department is leading the implementation of the Economic Development Plan which takes a whole-of-government approach to establishing economic development priorities for Tasmania at an economy-wide, sectoral and regional level. The Plan provides the overarching framework in which to coordinate important government strategies such as infrastructure, skills and innovation. The Plan aims to improve the prosperity of Tasmanians through development which is economically, socially and environmentally sustainable and establishes a system that includes:

- a framework with clear goals, principles and criteria for identifying strategic priorities;
- a ten-year vision for Tasmania with rolling implementation plans;
- robust stakeholder engagement and collaboration; and
- an evidence-based assessment of the impact of government action.

Major Initiatives include:

- Invest Tasmania - actively leading the Government's investment attraction and facilitation efforts for projects with major economic impact. The Invest Tasmania unit identifies potential investment opportunities based on the State's competitive strengths and market these locally, nationally and internationally. Invest Tasmania works as a one-stop shop in helping to provide investors with a seamless experience in their dealings across government departments. It provides dedicated project teams to assist proponents to bring their investments to successful completion.
- Regional Economic Development Plans – developing three Regional Economic Development Plans, supported by three Regional Reference Groups established by the Minister for Economic Development. These Plans align with the Economic Development Plan, and aim to make a genuine difference “on the ground” by adopting a whole-of-government approach to regional development. The Plans are being assisted in their development phase by a comprehensive engagement process that has included 38 community conversations in which almost 700 people participated, as well as input from the Regional Reference Groups and from business, industry and government.
- Business Tasmania Online - establishing a centralised online government information and licence tool to improve the business-enabling environment for all enterprises by reducing the administrative burden of complying with regulations and reducing the cost of business interfacing with government. Current initiatives include the Compliance Burden Review and the Smart Forms Development program.
- Digital Ready – a four-year program with the objective improving small business operators' participation in the digital economy by providing targeted knowledge, skills and advice via a Business e-Kit and Digital

Coach Program. The Business e-Kit provides tutorials and information to give operators the skills and knowledge to participate in the digital economy. The Digital Coach Program is providing one-on-one assistance to enable businesses to understand how to transition to a digital economy business model.

Other Department led initiatives include:

- actively promoting and facilitating the growth of key industry sectors;
- supporting the growth of external trade, both interstate and international exports, including rationalising and strengthening marketing and branding activities. Export promotion will also be more closely targeted to sectoral priorities and markets;
- taking action at the regional level to make the most of our opportunities for investment and jobs growth;
- delivering business development services in partnership with the private sector tailored to achieve maximum reach and value; and
- working collaboratively with the Tasmanian Climate Change Office, the Social Inclusion Unit, and the Tasmanian Planning Commission on initiatives to increase the social and environmental sustainability of the Tasmanian economy.

Arts Industry Digital Development Strategy 2012-2016

The Arts Industry Digital Development Strategy 2012-2016 considers two key areas:

- incorporation of digital technologies into artform practice; and
- incorporation of digital technologies into business and marketing.

At its core will be the creation of partnerships that integrate digital technologies into artform practice by preparing artists to utilise a suite of tools that can be found in a 'fab lab', a small scale workshop that offers digital fabrication, and a 'hack space' that offers computer and technology equipment to people with common interests who share knowledge, engage in peer learning and who may then use and develop free software, open hardware and alternative media.

The second area of incorporation of digital technology into business and marketing practice would be supported through a range of implementation plans including a Roving Digital Development Officer Program, based on the successful Roving Curator Program model. The strategy further proposes the creation of a specific Digital Development Fund that would be used to realise arts, business and marketing projects.

New Regional Tourism Models

This project involves supporting the development and the growth of a strong regional tourism platform, delivered through four regional tourism organisations. These organisations will have the autonomy to plan and deliver tourism programs in their region, while also being accountable to industry and their other stakeholders.

Refresh of the Tourism Brand for Tasmania

This project will look at and reassess the current Tasmanian tourism brand. The purpose of this is to find a clear competitive position in the market that Tasmania can develop to ensure the state is not forced to compete like so many other destinations in a commodity-based travel marketplace.

The successful completion of the tourism brand project is critical to a number of other key marketing projects to be delivered in 2012. The brand project and its engagement and communications strategy form a

fundamental component of Tourism Tasmania's key deliverables and performance for the short to medium term.

Screen Industry Strategy

Screen Tasmania, as part of its strategic focus on developing long form television series and online content creation, delivered two major seminars and dedicated funding programs in 2011-12. The current priority is to build on the foundations established through these programs in order to achieve ongoing long form television and online production activity generated and produced in Tasmania in order to underpin industry sustainability.

Over the next twelve months, Screen Tasmania will focus on the development of light entertainment series including sit-com and sketch comedy, game, panel, lifestyle and reality shows, children's factual television series, and the development of television drama series. This strategy will include a number of elements including professional development, project development, networking facilitation, marketplace information and bespoke guidance to assist in advancing Tasmanian projects into production, attracting investment and generating employment opportunities.

Sport, Recreation and Physical Activity and Schools Strategy

In 2012-13, Sport and Recreation Tasmania will develop a sport, recreation and physical activity and schools strategy, in partnership with the Department of Education and the Premier's Physical Activity Council. The purpose of the strategy is to provide a coordinated, state-wide approach to ensure more Tasmanian children have better access to sport, physical activity and recreation as part of their school experience. The project will promote and build on some of the initiatives already being delivered in Tasmanian schools.

Tourism Info Monitor

Tourism Tasmania will implement a new suite of research reporting in 2012. The Tourism Info Monitor (TIM) is a new research tool for Tourism Tasmania and industry. It will complement the existing Tasmanian Visitor Survey and provide a more complete picture of what the consumer is seeking in a holiday destination.

It will also help Tourism Tasmania and the local industry to understand more about the environmental factors influencing the tourism industry at large, including the associated opportunities and risks for Tasmania as a destination.

The tool will provide a detailed understanding of Tasmania's performance as a holiday/leisure destination against other domestic locations. It will also help identify how well the State's tourism marketing campaigns are tracking and understand the changing perceptions and motivations of domestic travellers.

TIM will be produced by Tourism Tasmania, using results from an on-line survey. TIM will be presented to the local industry in a range of formats including online reports, industry advisories, and interactive presentations.

OUTPUT INFORMATION

Outputs of the Department of Economic Development, Tourism and the Arts are provided under the following Output Groups:

- Output Group 1 – Economic Development;
- Output Group 2 – Sport and Recreation;
- Output Group 3 – Tourism; and
- Output Group 4 – Arts.

Table 2.2 provides an Output Group Expense Summary for the Department.

Table 2.2: Output Group Expense Summary

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Minister for Economic Development					
Output Group 1 - Economic Development					
1.1 Business Growth ¹	11 294	9 731	9 878	9 875	8 833
1.2 Industry Development ²	25 671	24 412	11 100	11 472	11 715
1.3 Social and Environmental Sustainability ³	1 659	2 118	1 941	1 592	1 634
1.4 Regional Economic Development ⁴	8 394	12 314	6 935	6 817	7 006
	47 018	48 575	29 854	29 756	29 188
Special Capital Investment Funds	600	....	....	....	....
Minister for Sport and Recreation					
Output Group 2 - Sport and Recreation					
2.1 Sport and Recreation ⁵	16 944	17 350	15 767	15 633	15 966
	16 944	17 350	15 767	15 633	15 966
Minister for Tourism					
Output Group 3 - Tourism					
3.1 Tourism ⁶	24 906	24 072	23 127	23 141	23 502
3.2 Events ⁷	3 917	3 382	3 855	5 482	5 568
	28 823	27 454	26 982	28 623	29 070
Grants and Subsidies	1 000	1 000	1 000	1 000	1 000
Special Capital Investment Funds	1 427	....	....	....	....

Table 2.2: Output Group Expense Summary (continued)

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Minister for the Arts					
Output Group 4 - Arts					
4.1 Tasmanian Museum and Art Gallery	6 722	7 633	8 158	8 271	8 781
4.2 Art Industry Development	7 112	7 118	7 022	6 957	7 053
4.3 Screen Industry Development	1 587	1 624	1 633	1 649	1 701
	15 421	16 375	16 813	16 877	17 535
Grants and Subsidies	2 891	2 951	2 975	3 001	3 027
TOTAL	114 124	113 705	93 391	94 890	95 786

Notes:

1. The decrease in the Business Growth Output in 2012-13 is primarily due to the completion of funding for the 2010 Election Commitment, Strengthening the Economy, and the Additional Budget Savings Target required in the 2012-13 Budget.
2. The decrease in the Industry Development Output in 2013-14 is primarily due to the completion of funding for the Menzies Centre redevelopment (\$10 million in 2012-13).
3. The increase in the Social and Environmental Sustainability Output in 2012-13 reflects additional funding for the Sirolli Enterprise Facilitation initiative.
4. The increase in the Regional Economic Development Output in 2012-13 reflects additional funding for the Tasmanian Government Innovation and Investment Fund.
5. The decrease in the Sport and Recreation Output in 2013-14 is primarily due to the completion of funding for the Mersey Aquatic Centre (\$2.5 million in 2012-13).
6. The decrease in the Tourism Output in 2012-13 and the Forward Estimates reflects the impact of the Additional Budget Savings Target required in the 2012-13 Budget.
7. The increase in the Events Output in 2014-15 reflects additional funding for major events.

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 agri-business, 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.

Table 2.3: Performance Information - Output Group 1

Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Jobs facilitated ^{1,2,3}	Number	2 696	1 878	3 000	1 500
Investment, exports and import replacements facilitated ^{3,4,5}	\$ million	288.2	321.8	410.0	300.0
Economic Development Plan projects meeting timeframes ⁶	% of total projects	na	na	95	95

Notes:

1. This performance measure was previously Jobs Created or Retained.
2. The outcome for 2010-11 is below the target of 3 000 jobs. During this period, total Tasmanian employment increased by 1.4 per cent.
3. Targets for 2012-13 have been revised in line with the current economic and fiscal environment. Previously, targets were unchanged from very high levels set prior to the Global Financial Crisis.
4. This performance measure combines the previous measures of Investment Facilitated, Exports Facilitated and Import Replacements Facilitated
5. The outcome for 2010-11 is below the target of \$410 million. During this period Tasmanian total private investment grew by 4.3 per cent and international exports increased by 6.0 per cent.
6. The Economic Development Plan was launched in August 2011 with the implementation of projects occurring from this point. As such, performance measures are not available for 2009-10 or 2010-11.

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.

Table 2.4: Performance Information – Output Group 2

Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Number of participation opportunities facilitated through SRT grants and programs ¹	Number	302 975	323 700	262 000	262 000
Total investment in sport and recreation infrastructure and programs ¹	\$ million	11.4	13.6	6.3	6.1

Note:

1. The decrease in the 2011-12 Target is due to the completion of the Trails and Bikeways Program (\$2 million) and the completion of the 2010 Election commitments including funding for Surf Life Saving Tasmania (\$2.4 million), Kingston Twin Ovals (\$1.6 million) and Sporting Infrastructure for Southern Tasmania (\$1.2 million).

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 to 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 online 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.

Table 2.5: Performance Information – Output Group 3

Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Total visitation to Tasmania ¹	'000	910	895	840	840
Interstate visitation to Tasmania ¹	'000	787	775	720	720
International visitation to Tasmania ¹	'000	123	120	120	120
Total holiday visitation ¹	'000	393	379	350	350
Intrastate visitation ¹	'000	1 005	1 001	1 010	1 010
Domestic intention to travel to Tasmania in next 12 months ²	%	4.6	4.5	4.8	na
Prompted domestic advertising awareness ²	%	24.5	23.3	26.0	na
Unprompted domestic advertising awareness ²	%	15.5	16.4	17.0	na
DiscoverTasmania.com total visits	'000	1 601	1 873	2 080	2 255
On-line bookings via Tas e-Connect ³	\$'000	3 280	4 029	4 200	na
On-line searches for price and availability ³	'000	na	na	na	300

Table 2.5: Performance Information – Output Group 3 (continued)

Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Equivalent advertising value of publicity generated ⁴					
International	\$ million	25.9	28.7	28.0	25.0
Domestic	\$ million	36.5	20.7	30.0	25.0
Local tourism strategies negotiated with local government or RTOs in 2012-13 ^{5,6}	Number	4	7	15	4

Notes:

1. Performance Measures have changed from International and Interstate Marketshare 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 of four regional tourism plans and 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.

Performance Information Comments

Tasmania's performance during 2011 has softened from 2010, with total visitor numbers down in all regional locations of Tasmania. The latest figures for the December 2011 quarter are more positive, with the total number of visitors to Tasmania being similar to the same period in 2010. This is despite around 100 000 fewer airline seats being available into and out of Tasmania during this period, compared with the December 2010 quarter.

Recent flooding in key markets may have impacted the domestic market nationally, and restrained consumer confidence is also likely to have a continuing effect on discretionary spending including spending on travel.

Despite these concerns with the state of the domestic Australian industry and the continuing competition posed by outbound travel due to a continuing strong dollar, the potential for the Tasmanian tourist sector to grow is still strong. There is encouraging news for Domestic tourism potential from research partners, with one in four Australians (24 per cent) planning on taking more trips within Australia in the next 12 months, with a trend to taking shorter, smaller breaks and trips within Australia.

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 Arts Industry Development

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.

Table 2.6: Performance Information - Output Group 4

Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Tasmanian Museum and Art Gallery					
TMAG Total Visitors ¹	Number	800/day	700/day	700/day	1000/day
Arts Industry Development					
Attendance at selected cultural venues	'000	758	774	800	815
Contribution to Gross State Product of selected arts industries ²	\$ million	55.6	57.9	58.0	59.5
Employment in selected cultural and leisure activities ³	Number	...	18 600	...	...

Notes:

1. The decrease in the 2010-11 Actual and 2011-12 Targets is due to the redevelopment of the city site. The 2012-13 target assumes that the redeveloped city site reopens to the public early in 2013.
2. In the 2010-11 State Accounts release, the Australian Bureau of Statistics recalculated all years (from 1990). The recalculated 2009-10 contribution to Gross State Product by cultural industries increased by \$5.5 million to \$55.6 million. The 2011-12 and 2012-13 targets have also been amended upwards.

3. Data for this measure has been gained from the Australian Bureau of Statistics release *'Participation in Selected Cultural Activities, Australia, 2010-11'* (Cat. No. 4921.0). This is a new publication and data is scheduled to be collected next in 2013-14.

SPECIAL CAPITAL INVESTMENT FUNDS

Table 2.7 identifies expenditure by the Department from the Government's Special Capital Investment Funds.

Table 2.7: Special Capital Investment Fund (SCIF) Allocations

	Estimated Total Cost	2012-13 Budget	2013-14 Forward Estimate	2014-15 Forward Estimate	2015-15 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Economic and Social Infrastructure Fund					
<i>Minister for the Arts</i>					
Tasmanian Museum and Art Gallery	30 000	11 344	....	....	....
		11 344	....	....	....
Total SCIF Allocations		11 344	....	....	....

Economic and Social Infrastructure Fund

Tasmanian Museum and Art Gallery

This project provides for Stage One of a major redevelopment of the Hobart TMAG site. The complete redevelopment will include preservation of heritage buildings, archaeology, new buildings and exhibitions. In 2010-11, the full Architectural Concept Design was completed and detailed architectural design for Stage One. In 2011-12, construction of Stage One commenced and will be completed by early 2013.

DETAILED BUDGET STATEMENTS

Table 2.8: Income Statement

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Revenue from Appropriation ¹	98 666	102 405	82 284	83 343	85 371
Interest Revenue	2 862	2 670	2 530	2 480	2 430
Grants ²	12 986	13 333	1 989	2 149	2 149
Sales of Goods and Services	2 021	2 038	2 048	2 058	2 058
Other Revenue	1 310	1 340	1 370	1 370	1 370
	117 845	121 786	90 221	91 400	93 378
Less Expenses					
Employee Entitlements	34 168	33 588	33 675	34 322	34 836
Superannuation	3 766	3 675	3 668	3 711	3 769
Depreciation and Amortisation ³	1 535	1 925	1 725	1 613	1 535
Borrowing Costs ⁴	1 793	1 500	1 550	1 595	1 660
Grants and Transfer Payments ⁵	37 417	40 312	21 203	22 207	22 130
Supplies and Consumables ⁶	29 240	26 179	25 041	25 351	25 720
Other Expenses	2 314	2 575	2 554	2 090	2 109
	110 233	109 754	89 416	90 889	91 759
Plus Gains/(Losses)					
Other Gains(losses)	(50)	....	....	....	....
	(50)	....	....	....	....
Equals OPERATING RESULT	7 562	12 032	805	511	1 619
Plus Other Movements in Equity					
Revaluations of Non-Financial Assets	10 952	13 065	13 270	13 495	13 744
Other Non-Owner Movements in Equity	....	....	....	....	....
	10 952	13 065	13 270	13 495	13 744
Equals COMPREHENSIVE INCOME	18 514	25 097	14 075	14 006	15 363

Notes:

1. The decrease in Revenue from Appropriation in 2013-14 is primarily due to the completion of the Menzies Centre redevelopment (\$10 million in 2012-13), the one-off funding for the 2012-13 Budget Priority, Tasmanian Government Innovation and Investment Fund (\$5 million), and the Additional Budget Savings Target required in the 2012-13 Budget.
2. The decrease in Grants in 2013-14 is due to the completion of the Special Capital Investment Fund project, Tasmanian Museum and Art Gallery Redevelopment (\$11.3 million).
3. The increase in Depreciation and Amortisation in 2012-13 reflects revised estimates of depreciation and amortisation based on the 2010-11 actual results.

4. The decrease in Borrowing Costs in 2012-13 reflects the reduction in the estimate of borrowings required to fund loans advanced by the Department under the Tasmania Development and Resources Loan, Property and Equity Portfolio.
5. The decrease in Grants and Transfer Payments in 2013-14 is primarily due to the completion of the Special Capital Investment Fund project, the Tasmanian Museum and Art Gallery Redevelopment (\$11.3 million), and the 2012-13 Budget Priority Tasmanian Government Innovation and Investment Fund (\$5 million).
6. The decrease in Supplies and Consumables in 2012-13 is primarily due to the Additional Budget Savings Target required in the 2012-13 Budget and a reallocation of funding to Employee Entitlements and Superannuation.

Table 2.9: Income Statement – Administered

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Revenue from Appropriation	3 891	3 951	3 975	4 001	4 027
	3 891	3 951	3 975	4 001	4 027
Less Expenses					
Grants and Transfer Payments	3 891	3 951	3 975	4 001	4 027
	3 891	3 951	3 975	4 001	4 027
Equals OPERATING RESULT					

Plus Other Movements in Equity					
Revaluations of Non-Financial Assets	....	....	....	....	....
Other Non-Owner Movements in Equity	....	....	....	....	....
Equals COMPREHENSIVE INCOME					

Table 2.10: Revenue from Appropriation by Output

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Minister for Economic Development					
Output Group 1 - Economic Development					
1.1 Business Growth ¹	10 392	9 144	9 229	9 211	9 283
1.2 Industry Development ²	20 330	22 693	9 680	9 850	10 127
1.3 Social and Environmental Sustainability ³	1 609	2 070	2 023	1 551	1 598
1.4 Regional Economic Development ⁴	8 050	11 993	6 473	6 475	6 664
	40 381	45 900	27 405	27 087	27 672
Recurrent Services	40 381	45 900	27 405	27 087	27 672
Works and Services	....	....	....	....	....
	40 381	45 900	27 405	27 087	27 672
Minister for Sport and Recreation					
Output Group 2 - Sport and Recreation					
2.1 Sport and Recreation ⁵	14 282	14 674	13 093	12 792	13 128
	14 282	14 674	13 093	12 792	13 128
Recurrent Services	14 282	14 674	13 093	12 792	13 128
Works and Services	....	....	....	....	....
	14 282	14 674	13 093	12 792	13 128
Minister for Tourism					
Output Group 3 - Tourism					
3.1 Tourism	24 170	23 333	22 377	22 369	22 732
3.2 Events ⁶	3 917	3 382	3 855	5 482	5 568
	28 087	26 715	26 232	27 851	28 300
Grants and Subsidies	1 000	1 000	1 000	1 000	1 000
Recurrent Services	29 087	27 715	27 232	28 851	29 300
Works and Services	....	....	....	....	....
	29 087	27 715	27 232	28 851	29 300

Table 2.10: Revenue from Appropriation by Output (continued)

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Minister for the Arts					
Output Group 4 - Arts					
4.1 Tasmanian Museum and Art Gallery	6 237	7 143	7 668	7 776	8 286
4.2 Art Industry Development	6 368	6 374	6 278	6 213	6 309
4.3 Screen Industry Development	1 661	1 599	1 608	1 624	1 676
	14 266	15 116	15 554	15 613	16 271
Grants and Subsidies	2 891	2 951	2 975	3 001	3 027
Recurrent Services	17 157	18 067	18 529	18 614	19 298
Works and Services	....	....	....	....	....
	17 157	18 067	18 529	18 614	19 298
Department of Economic Development, Tourism and the Arts					
Total Recurrent Services	100 907	106 356	86 259	87 344	89 398
Total Works and Services	....	....	....	....	....
	100 907	106 356	86 259	87 344	89 398
Reserved by Law					
Appropriation Carried Forward	1 650	....	....	....	....
Total Revenue from Appropriation	102 557	106 356	86 259	87 344	89 398
Controlled Revenue from Appropriation	98 666	102 405	82 284	83 343	85 371
Administered Revenue from Appropriation	3 891	3 951	3 975	4 001	4 027
	102 557	106 356	86 259	87 344	89 398

Notes:

1. The decrease in the Business Growth Output in 2012-13 reflects the completion of funding for the 2010 Election Commitment, Strengthening the Economy, and the Additional Budget Savings Target required in the 2012-13 Budget.
2. The decrease in the Industry Development Output in 2013-14 is primarily due to the completion of funding for the Menzies Centre redevelopment (\$10 million in 2012-13).
3. The increase in the Social and Environmental Sustainability Output reflects additional funding for the Sirolli Enterprise Facilitation initiative.
4. The increase in the Regional Economic Development Output in 2012-13 reflects additional funding for the Tasmanian Government Innovation and Investment Fund (\$5 million).
5. The decrease in the Sport and Recreation Output in 2013-14 is primarily due to the completion of funding for the Mersey Aquatic Centre (\$2.5 million in 2012-13).
6. The increase in the Events Output in 2014-15 reflects additional funding for major events.

Table 2.11: Administered Expenses

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Grants and Subsidies					
10 Days on the Island	1 229	1 254	1 278	1 304	1 330
Government Contribution to the Tasmanian Symphony Orchestra	1 484	1 519	1 519	1 519	1 519
Tasmanian Icon Program	1 000	1 000	1 000	1 000	1 000
Theatre Royal	178	178	178	178	178
Total Administered Expenses	3 891	3 951	3 975	4 001	4 027

Ten Days On The Island

Ten Days On The Island is Tasmania's premier cultural event. A biennial event that commenced in 2001, Ten Days On The Island has continually attracted the highest quality local and international artists from island nations around the world to celebrate our unique island culture. The seventh edition of Ten Days On The Island will be held in 2013 under the artistic directorship of Jo Duffy and will continue to lead the way in the presentation of outstanding Tasmanian, Australian and international performance.

Government Contribution to Tasmanian Symphony Orchestra

The Tasmanian Symphony Orchestra (TSO), one of the world's finest small orchestras, will continue to receive State Government support. The TSO plays to audiences throughout the State and its award-winning recordings are heard throughout the world. A versatile orchestra, the TSO is renowned for its expertise in music of the Classical and early Romantic periods, and is recognised internationally as a champion of Australian music.

Tasmanian Icon Program

The Tasmanian Icon Program is designed to utilise world-class Tasmanian talent to promote the State both nationally and internationally. Currently, funded icons are the Tasmanian Symphony Orchestra, and the State Cricket Team, the Tassie Tigers.

Theatre Royal

The Theatre Royal is Australia's oldest continually operating theatre. The Government's commitment in funding the Theatre Royal recognises the Theatre Royal not just as a significant piece of Tasmania's history, but a living centre for the performing arts.

Table 2.12: Balance Sheet as at 30 June

	2012	2013	2014	2015	2016
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Financial Assets					
Cash and Deposits ¹	27 497	18 733	18 378	18 888	19 283
Investments	33 569	32 184	35 644	38 144	40 644
Other Equity Investments	216	277	277	277	277
Receivables ²	810	375	370	365	360
Other Financial Assets	3 687	3 995	4 040	4 058	4 092
	65 779	55 564	58 709	61 732	64 656
Non-Financial Assets					
Land and Buildings ³	77 838	89 042	91 022	93 205	95 615
Plant and Equipment ⁴	3 541	2 371	1 929	1 580	1 304
Heritage and Cultural Assets ⁵	505 570	390 965	401 105	411 245	421 385
Investment Property	12 094	11 147	11 426	11 712	12 005
Intangibles ⁶	1 146	513	431	383	355
Other Non-Financial Assets ⁷	455	632	697	757	817
	600 644	494 670	506 610	518 882	531 481
Total Assets	666 423	550 234	565 319	580 614	596 137
Liabilities					
Borrowings ⁸	28 021	19 621	20 621	21 621	22 621
Employee Entitlements ⁹	7 318	8 726	8 618	8 789	7 831
Payables ¹⁰	934	762	867	972	1 077
Other Liabilities ¹¹	3 796	4 872	4 885	4 898	4 911
Total Liabilities	40 069	33 981	34 991	36 280	36 440
NET ASSETS	626 354	516 253	530 328	544 334	559 697
Equity					
Accumulated Funds	504 147	482 657	483 462	483 973	485 592
Asset Revaluation Reserve	122 207	33 596	46 866	60 361	74 105
Total Equity	626 354	516 253	530 328	544 334	559 697

Notes:

1. The decrease in Cash and Deposits in 2012-13 reflects the repayment of several borrowings during 2011-12, held by the Department under the Tasmania Development and Resources Loan, Property and Equity Portfolio.
2. The decrease in Receivables in 2012-13 reflects revised estimates of balance sheet items based on the 2010-11 actual results.
3. The increase in Land and Buildings in 2012-13 reflects the capitalisation of works as part of the Tasmanian Museum and Art Gallery Redevelopment. The increase also includes estimates for the revaluation of the Department's other land and buildings.

4. The decrease in Plant and Equipment in 2012-13 reflects revised estimates of balance sheet items based on the 2010-11 actual results. The decrease also includes estimates for depreciation of the Department's assets.
5. The decrease in Heritage and Cultural Assets in 2012-13 reflects revised estimates of balance sheet items based on the 2010-11 actual results. During 2010-11, new valuers were engaged to perform a full valuation of Heritage and Cultural Assets. As a result, the assets were valued at \$115 million less than the previous year.
6. The decrease in Intangibles in 2012-13 reflects revised estimates of balance sheet items based on the 2010-11 actual results. The decrease also includes estimates for amortisation of the Department's intangible assets.
7. The increase in Other Non-Financial Assets in 2012-13 reflects revised estimates of balance sheet items based on the 2010-11 actual results.
8. The decrease in Borrowings in 2012-13 reflects the repayment of several borrowings during 2011-12, held by the Department under the Tasmania Development and Resources Loan, Property and Equity Portfolio.
9. The increase in Employee Entitlements reflects revised estimates of balance sheet items based on the 2010-11 actual results. The increase is primarily due the impact of the award translation process.
10. The decrease in Payables reflects revised estimates of balance sheet items based on the 2010-11 actual results.
11. The increase in Other Liabilities reflects revised estimates of balance sheet items based on the 2010-11 actual results. The increase is primarily due the impact of the award translation process on employee entitlements on-costs.

Table 2.13: Cash Flow Statement

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
Cash Received					
Appropriation ¹	97 016	102 405	82 284	83 343	85 371
Interest Received	2 862	2 670	2 530	2 480	2 430
Grants ²	12 986	13 333	1 989	2 149	2 149
Sales of Goods and Services	2 031	2 043	2 053	2 063	2 063
GST Receipts	6 500	6 500	6 500	6 500	6 500
Other Receipts	1 310	1 340	1 370	1 370	1 370
	122 705	128 291	96 726	97 905	99 883
Cash Paid					
Employee Entitlements	(34 068)	(33 608)	(33 780)	(34 148)	(35 645)
Superannuation	(3 766)	(3 675)	(3 671)	(3 714)	(3 918)
Borrowing Costs ³	(1 793)	(1 550)	(1 600)	(1 645)	(1 710)
Grants and Transfer Payments ⁴	(37 417)	(40 212)	(21 103)	(22 107)	(22 030)
Supplies and Consumables ⁵	(29 335)	(26 412)	(25 263)	(25 541)	(25 926)
GST Payments	(6 500)	(6 500)	(6 500)	(6 500)	(6 500)
Other Payments	(2 314)	(2 575)	(2 554)	(2 090)	(2 109)
	(115 193)	(114 532)	(94 471)	(95 745)	(97 838)
Net Cash Flows from Operating Activities	7 512	13 759	2 255	2 160	2 045
Cash Flows from Investing Activities					
Purchase of Fixed Assets ⁶	(9 150)	(11 494)	(150)	(150)	(150)
Net Purchase of Investments	1 000	....	....	....	....
Net Customer Loans (Granted)/Repaid ⁷	3 150	2 210	(3 460)	(2 500)	(2 500)
Net Cash Flows from Investing Activities	(5 000)	(9 284)	(3 610)	(2 650)	(2 650)
Cash Flows from Financing Activities					
Net Borrowings ⁸	(7 000)	....	1 000	1 000	1 000
Net Cash Flows from Financing Activities	(7 000)	....	1 000	1 000	1 000
Net Increase/(Decrease) in Cash Held	(4 488)	4 475	(355)	510	395
Cash at the Beginning of the Year	31 985	14 258	18 733	18 378	18 888
Cash at the End of the Year	27 497	18 733	18 378	18 888	19 283

Notes:

1. The decrease in Appropriation in 2013-14 is primarily due to the completion of the Menzies Centre redevelopment (\$10 million in 2012-13), the one-off funding for the 2012-13 Budget Priority Tasmanian Government Innovation and Investment Fund (\$5 million) and the Additional Budget Savings Target required in the 2012-13 Budget.

2. The decrease in Grants in 2013-14 is due to the completion of the Special Capital Investment Fund project, Tasmanian Museum and Art Gallery Redevelopment (\$11.3 million).
3. The decrease in Borrowing Costs in 2012-13 reflects the reduction in the estimate of borrowings required to fund loans advanced by the Department under the Tasmania Development and Resources Loan, Property and Equity Portfolio.
4. The decrease in Grants and Transfer Payments in 2013-14 is primarily due to the completion of the Special Capital Investment Fund project, the Tasmanian Museum and Art Gallery Redevelopment (\$11.3 million) and the 2012-13 Budget Priority, Tasmanian Government Innovation and Investment Fund (\$5 million).
5. The decrease in Supplies and Consumables in 2012-13 is primarily due to the Additional Budget Savings Target required for the 2012-13 Budget and a reallocation of funding to Employee Entitlements and Superannuation.
6. The decrease in Purchase of Fixed Assets in 2013-14 is primarily due to the completion of the Special Capital Investment Fund project, the Tasmanian Museum and Art Gallery Redevelopment.
7. The movement in Net Customer Loans (Granted)/Repaid reflects the estimate of loans advanced by the Department under the Tasmania Development and Resources Loan, Property and Equity Portfolio.
8. The movement of Net Borrowings reflects the estimate of borrowings required to fund the loans advanced by the Department under the Tasmania Development and Resources Loan, Property and Equity Portfolio.

Table 2.14: Cash Flow Statement – Administered

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
Cash Received					
Appropriation	3 891	3 951	3 975	4 001	4 027
	3 891	3 951	3 975	4 001	4 027
Cash Paid					
Grants and Transfer Payments	(3 891)	(3 951)	(3 975)	(4 001)	(4 027)
	(3 891)	(3 951)	(3 975)	(4 001)	(4 027)
Net Increase/(Decrease) In Cash Held	....	....	....	....	....
Cash at the Beginning of the Year	....	....	....	....	....
Cash at the End of the Year	....	....	....	....	....

3 DEPARTMENT OF EDUCATION

AGENCY OUTLINE

The Department of Education is responsible for providing public education, vocational education and training, adult and community education, and library and archive services throughout Tasmania. The central strategy supporting and guiding the Department's direction is the Department's Strategic Plan 2012-2015: "Learners First, Connected and Inspired". Priorities for the Department will be delivered through three major areas:

- Early Years – giving Tasmanian children a "Bright Beginning";
- School Education – focussing on "Great Schools ... Great Communities"; and
- Further Education, Adult Learning and Skills, creating "Purposeful Pathways" to ensure Tasmanians lead fulfilled and successful lives.

The Department is responsible to the Minister for Education and Skills, Hon Nick McKim MP, and the Minister for Children, Hon Michelle O'Byrne MP.

The Department's service delivery is structured into three divisions:

- Early Years and Schools;
- Further Education and Training; and
- Corporate Services.

In addition, Skills Tasmania operates as a statutory authority with direct accountability to the Minister for Education and Skills.

Early Years and Schools

The Early Years and Schools Division delivers its services to more than 53 000 school aged students attending 192 schools. It oversees pre-compulsory and compulsory schooling delivered through programs operated in schools and in the newly established Child and Family Centres. Educational leadership within the Division is provided by three Learning Services (reduced from four following the 2011-12 Budget) and, from 2012, their role has been refocussed as a key element of a new integrated and comprehensive approach to school improvement. This approach will build on the work already being undertaken to improve the quality of teaching and learning to:

- develop leadership capacity;
- build teacher capacity;
- develop and support staff;
- introduce consistency across the curriculum; and

- utilise data to support and monitor performance.

For 2012, this strategy has also seen the creation of 11 Principal Network Leader positions to foster the establishment of networks of schools and to support school improvement and increased student outcomes.

From 2012, the Division is also responsible, through its regulatory authority, for implementing the new national system of regulation, compliance, assessment and rating for education and care services which aim to improve the quality of early childhood services. The National Quality Framework for Early Childhood Education and Care has been embedded in Australian and Tasmanian legislation.

Further Education and Training

The Further Education and Training Division is responsible for education and training beyond the compulsory years of school as well as library, archive and heritage services throughout Tasmania. The Division comprises:

- the Tasmanian Academy (colleges for year 11 and 12 education);
- the Tasmanian Polytechnic (vocational education and training provision for years 11 and 12 and adults);
- LINC Tasmania (adult and community education, and library, archive and heritage services);
- Government Education and Training International (international education); and
- Pathways and Participation (pathway planning for students; implementation of retention and attainment strategies).

Through these services, the Division supports approximately 12 900 senior secondary students; delivers some 5 million vocational education and training hours; and provides services to approximately 200 000 Tasmanians through LINC Tasmania.

As has been the case in recent years, reform of the further education and training sector remains a focus of the Department. In 2012-13, the Department expects to be acting in response to the Review of the Role and Function of Tasmania's Public VET Providers. The Review has been undertaken with a view to: establishing governance, funding and operational arrangements for the sector; improving the capacity of the State's public providers to drive student participation and retention rates; responding to identified skills needs; and to contribute to Tasmania's productivity.

Pending the outcomes of this Review, for the purposes of the 2012-13 Budget, the Tasmanian Polytechnic is represented as part of the Department of Education's Output structure. The Tasmanian Skills Institute remains as a separate statutory authority, delivering technical and further education skills development for industry and employees.

Corporate Services Division

The third division is the Corporate Services Division, which provides centralised support to service delivery areas through business units responsible for corporate support, policy development, regulation and assessment and review.

Skills Tasmania

Skills Tasmania is responsible for planning, purchasing and supporting the delivery of vocational education and training (VET) services for Tasmania; the development of policy advice for skills development; promotion of industry investment in training; and the development, regulation and administration of apprenticeships/traineeships and other State funded skills development programs in Tasmania.

This chapter provides the Department's financial information for 2012-13 and over the Forward Estimates period (2013-14 to 2015-16). Further information on the Department is provided at www.education.tas.gov.au.

MAJOR INITIATIVES

Table 3.1 provides a summary of the Budget and Forward Estimate allocations for major initiatives.

Table 3.1: Major Initiatives Statement

	2012-13	2013-14	2014-15	2015-16
	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000
Early Years – Bright Beginnings				
Child and Family Centres				
Construction Costs	10 000	....	....	....
Operational Expenditure	2 875	2 987	3 209	3 277
Launching into Learning	5 911	5 911	5 911	5 911
School Education – Great Schools ... Great Communities				
Empowering Local Schools	2 027	....	....	....
Port Sorell Primary School	4 500	3 000	....	....
Principal Network Leader Positions	2 164	2 202	2 241	2 281
Professional Learning Institute	1 702	1 711	1 721	1 731
Raising the Bar Closing the Gap	11 000	11 000	11 000	11 000
Reducing Carbon Footprint	500	500	....	....
School Transition Fund	1 200	2 300	....	....
Student Management System	350	....	....	....
Further Education, Adult Learning and Skills – Purposeful Pathways				
Learning and Information Network Centre Operations	1 508	1 706	1 731	1 757
Tasmanian Adult Literacy Action Plan	2 870	2 930	2 966	3 003
Trade Training Centres				
Construction Costs	7 133	....	....	....
Operational Expenditure	1 345	1 356	1 366	1 377

Early Years – Bright Beginnings

The Department's Launching into Learning and Child and Family Centre initiatives will continue with the following priorities:

- to ensure quality education and care programs and services for young children so they develop as confident and curious learners prior to commencing full-time school;
- to engage with children and families in a cohesive way by connecting and integrating services; and
- to develop and maintain strong relationships between schools, families, services and the broader community.

Work to build quality education and care programs and services for young children will continue so that they develop as confident and curious learners, eager to begin full-time school. Services working together in a cohesive way for families with young children are important and Child and Family Centres will continue to strengthen their model of integrated services to support school readiness. The Department will also develop and maintain strong relationships between schools, families, services and the broader community from the early years.

The key to improving education and care program quality is the introduction of the national curriculum framework for children birth to five - the Early Years Learning Framework. Over the next two years, a curriculum officer has been funded to lead the implementation of the framework in Launching into Learning and Kindergarten settings in state schools and to work closely with those providing professional learning in other education and care settings.

Specific strategies targeting improvement to services for young children include:

Child and Family Centres – In 2012-13, capital funding of \$10.0 million will be spent, as the final phase of a four year project totalling \$34.5 million to construct 11 Child and Family Centres. Seven centres at Beaconsfield, Queenstown, East Devonport, Clarence Plains, Ravenswood, Risdon Cove and St Helens have been completed and are operating. A further four centres will be completed during 2012-13, which will be located at Chigwell, Derwent Valley, Burnie and George Town.

A further \$454 000 has also been included in the Budget in 2012-13 to continue support for the employment of new staff to manage and operate the services of new Child and Family Centres as they commence operations. This increases funding for CFC operational expenditure to \$2.9 million in 2012-13.

Staff in the centres will continue to work collaboratively with local schools, families, service providers, the local community, and government and non-government organisations to provide quality, accessible and integrated programs and services for children, their families and communities.

Launching into Learning – Improving literacy and numeracy remains a major focus of the Department across the school system. For the early years total funding of \$5.9 million per annum will support the continued operation of the successful Launching into Learning initiative with all schools with primary students being supported.

School Education – Great Schools ... Great Communities

Through the reformed Learning Service model, the new Principal Network Leaders and the ongoing hard work of the Department's schools and colleges, the following will be priorities for 2012-13:

- to implement and support the Australian Curriculum and to ensure that teachers are provided with appropriate and high-quality resources to support the delivery of learning and thinking;
- to work within the organisation-wide framework for teaching and learning of literacy and numeracy to ensure students develop the skills required for participation and growth throughout their education; and
- to establish networks of schools and colleges to improve outcomes through meaningful, creative and innovative programs so that students are engaged in learning, are motivated to complete their studies and are equipped with the skills required to be citizens in a dynamic and global world.

Empowering Local Schools – An implementation plan for Empowering Local Schools in Tasmania has been developed to secure funding of \$2.0 million under Stage 1 of the National Partnership Agreement on Empowering Local Schools. Up to 22 schools will receive funding under the plan to provide them with resources to facilitate decision making in three areas considered important to enabling schools to make decisions about how best to improve teaching and learning. The three key decision making areas are governance, funding and infrastructure, and workforce.

Port Sorell Primary School - Commencing in 2010-11, funding of \$13.0 million was provided over four years to construct a new modern primary school at Port Sorell with state of the art facilities for up to 350 students from Kindergarten to Grade 6. In 2012-13, funding of \$4.5 million will be spent with construction due to be completed in 2012.

Principal Network Leader Positions – The Department is increasing its efforts to build a culture that recognises and develops school leaders. It is based on significant research that advocates for networks of schools achieving excellence by working together to accomplish increased opportunities for student and staff learning as well as school improvement. The establishment of 11 school and college networks of approximately 20 schools will be supported by 11 Principal Network Leaders at a cost of \$2.2 million in 2012-13, from National Partnership funding. Their role will be to support school and college principals in their development of school improvement plans and professional learning strategies. In order to maintain a culture of high leadership performance, the Principal Network Leaders will also work with principals to develop and strengthen their leadership skills.

Professional Learning Institute – A new Professional Learning Institute (PLI) within the Department will deliver and broker high quality professional learning for departmental staff. In line with the Strategic Plan 2012–2015, the PLI will place high priority on promoting a strong leadership culture. With a 2012-13 Budget of \$1.7 million, the Institute will initially be offering programs primarily aimed at school based leadership roles but will gradually expand its focus to encompass all areas of the Department. It will provide programs that support aspiring, newly appointed and experienced leaders, as well as programs that equip leaders with the skills to manage and encourage innovation and continuous improvement. By 2015, the PLI will expand its focus to meet all employees' professional learning needs.

Current PLI leadership programs (Leadership Starts from Within, Leading Teaching and Learning and Leading Others) will be further developed and become more personalised for each participant. To ensure Tasmanian school leaders benefit from national developments in best educational practice, all relevant programs will be based on the National Standards for Teaching, the National Standard for Principals and the Australian Curriculum.

Raising the Bar Closing the Gap – The full implementation of the program has now been achieved with coverage across the primary and secondary sector. In 2012-13, the support for the program totals \$11.0 million, and as part of the new approach to managing the resources that support these sorts of programs, all of the available resources will be placed in schools for their local management. Funding of \$11.0 million per annum reflects the Primary and Secondary components of the program.

Reducing Carbon Footprint of Schools and Colleges – Funding of \$1.0 million (\$500 000 in 2012-13 and 2013-14) will be available to assist schools and colleges to undertake capital works to improve water management, waste management, energy efficiency or to address other climate change concerns. Schools and colleges will be able to apply for up to \$20 000 with funding to be matched by the schools and colleges themselves.

School Transition Fund – In 2012-13, funding of \$1.2 million will be made available and a further \$2.3 million will be available in 2013-14 to support and further encourage school communities to move towards achieving viable and aspirational educational provision for their children and young people.

The School Transition Fund will have an explicit focus on supporting those school communities, who may choose to voluntarily close, amalgamate, federate or co-locate. The Fund will primarily be used to support capital works and improvements at school sites.

Student Management System – In 2012-13, funding of \$350 000 will be spent on the completion of a \$500 000 project to develop a Student Support System which will record information used by teachers and schools in the management of the provision of support for students. Information managed in the system includes observed behaviours, resolution of incidents, positive support actions, personalised learning plans, links to psychologists reports, student suspensions, students on the Severe Disability Register, non-attendance management, part time students and exemptions. This project commenced during 2011-12.

Further Education, Adult Learning and Skills – Purposeful Pathways

The *Purposeful Pathways* strategy establishes the following priorities for the Department:

- to engage with industry, employers and stakeholders to ensure training meets education and workforce needs, and to ensure that students are provided with tangible pathways to further education and employment;
- to provide supported and relevant learning, knowledge and training opportunities to adult learners to ensure that they are equipped with the skills to contribute productively to the community and economy; and
- to promote higher education, vocational and adult learning throughout the community to encourage participation and to create fulfilled and enriched Tasmanians.

The Department is working to ensure that Tasmania has a sound structure for the public providers of vocational education and training (VET) that will serve the state well, both now and into the future. This will be achieved through the *Review of the Role and Function of Tasmania's Public VET Providers*. The Review's terms of reference set the scene for recommendations covering areas including the future direction for the Tasmanian Polytechnic, the Tasmanian Skills Institute and for the provision of VET for younger Tasmanians through government schools and colleges.

The Review is seeking to ensure that these providers are optimally positioned to meet the current opportunities and challenges facing the state. Tasmania's natural advantages are already providing exciting new opportunities for the Tasmanian economy. As the state transitions into these new sectors, it is

important to consider whether the current structure of the public VET system is the best way to ensure that Tasmanians achieve contemporary skills and qualifications.

Challenges such as the significant national VET reform agenda, the constraints of the State's Budget and the reshaping of traditional provision by higher education and private VET providers also mean that it is imperative for the state to have a public VET system that is future oriented and responsive to industry.

Further education and training reform supports the Department's key priority of providing purposeful pathways for all Tasmanians. This priority recognises the importance of engaging with industry, employers and stakeholders to provide students with tangible training and employment pathways.

Learning and Information Network Centre Operations - In 2012-13, additional funding of \$353 000 has been provided, bringing the total 2012-13 Budget to \$1.5 million, to support the operating costs of newly established LINC's. Operational funding for LINC's will increase to \$1.8 million by 2015-16. This increase reflects the allocation of resourcing and operational costs associated with the anticipated opening of the Burnie and Scottsdale LINC's in 2012-13.

Tasmanian Adult Literacy Action Plan – Funding of \$2.9 million will be spent in 2012-13 to continue the implementation of the Tasmanian Adult Literacy Action Plan. This Action Plan is being jointly implemented by Skills Tasmania and by LINC Tasmania.

Trade Training Centres – In 2012-13, \$7.1 million will be spent under the \$13.7 million Trade Training Centres in Schools National Partnership. Six centres in the Huon Valley, Circular Head, Break O'Day, Dorset, Brighton and George Town municipalities have been completed and are operational in 2012. The funding for these centres was secured through rounds one and two of the funding program.

Two further projects will be undertaken under round four, one at Deloraine High School and the other a Southern project involving schools in the south eastern area. The Southern project will be undertaken in two stages, with stage one including Sorell School and Triabunna District High School, and stage two including Tasman District School. Rosny College will also be part of the consortium as the main provider of services to students in grade 11 and 12 in the area.

Further funding of \$1.3 million has also been included in the Budget in 2012-13 to continue support for the employment of centre co-ordinators to manage and operate the Trade Training Centres.

OTHER INITIATIVES

Four Term School Year – The 2013 school year will see the introduction of the four term school year in Tasmania. Based on the recommendations of the *Report on the Merits of Introducing a Four Term School Year in Tasmania*, the strategy aims to contribute to improved education outcomes for Tasmanian students.

OUTPUT INFORMATION

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

- Output Group 1 – Pre-Compulsory and Compulsory Education;
- Output Group 2 – Post-Compulsory Education and Skills Development; and
- Output Group 3 – LINC Tasmania.

Table 3.2: Output Group Expense Summary

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Minister for Education and Skills					
Output Group 1 - Pre-Compulsory and Compulsory Education					
1.1 In School Education ¹	764 036	764 991	765 739	777 048	793 892
1.2 Learning Services ²	15 563	13 138	13 803	14 045	14 224
1.3 Education Performance Services ³	983	1 442	1 434	1 435	1 451
1.5 Grants and Financial Assistance ⁴	7 568	7 006	6 817	6 817	6 817
	788 150	786 577	787 793	799 345	816 384
Output Group 2 - Post-Compulsory Education and Skills Development					
2.1 Skills Development Contestable Funding ⁵	68 641	53 359	54 193	55 352	54 361
2.2 Tasmanian Polytechnic	92 737	92 625	92 887	93 699	94 802
2.3 Tasmanian Academy ⁶	78 365	80 994	82 852	84 435	85 893
2.4 Post-Compulsory Education in Schools ⁷	3 958	3 783	3 866	3 932	3 988
2.5 Skills Tasmania	7 582	7 565	7 366	7 520	7 656
2.6 Tasmanian Qualifications Authority	3 778	3 904	4 091	4 179	4 250
2.7 Grants and Financial Assistance	2 188	2 138	1 792	1 792	1 792
	257 249	244 368	247 047	250 909	252 742
Output Group 3 - LINC Tasmania					
3.1 Information Services and Community Learning	33 590	33 312	34 324	34 943	35 486
3.2 Tasmania Archives and Heritage Office	3 095	3 106	3 165	3 225	3 278
	36 685	36 418	37 489	38 168	38 764
Grants and Subsidies⁸	220 896	236 694	241 420	246 240	251 158
Capital Investment Program	850	850	850	850	850
Minister for Children					
Output Group 1 - Pre-Compulsory and Compulsory Education					
1.4 Early Years ⁹	4 503	4 957	5 069	5 332	5 431
	4 503	4 957	5 069	5 332	5 431
Capital Investment Program	....	899	999	....	....
TOTAL	1 308 333	1 310 763	1 320 667	1 340 844	1 365 329

Notes:

1. The increase in the In School Education Output primarily reflects increased expenditure for the Bilateral Agreement between the State and the Australian Government for Achieving Universal Access to Early Childhood Education. The increase is partially offset by a review of the depreciation expense due to changes to the building valuation methodology.
2. The decrease in the Learning Services Output in 2012-13 reflects the restructure of the Learning Services to gain savings through efficiencies achieved from a structural change.
3. The increase in the Education Performance Services Output reflects the transfer of the Student Management Information team from the Tasmanian Polytechnic to this Output.
4. The decrease in Grants and Financial Assistance Output reflects the cessation of Australian Government grants for child care providers and the phasing out of the Accommodation Allowance for Tertiary Students.
5. The decrease in the Skills Development Contestable Funding Output in 2012-13 primarily reflects changes in the cash flow across the Forward Estimates of expenditure under the National Partnership Agreement between the State and the Australian Government on Productivity Places. This is partially offset by increased expenditure relating to the National Partnership Agreement between the State and the Australian Government for Building Australia's Future Workforce.
6. The increase in the Tasmanian Academy Output reflects the transfer of allocations from the Post-Compulsory Education in Schools Output.
7. The decrease in the Post-Compulsory Education in Schools Output reflects the review of allocations against this Output which resulted in a transfer to the Tasmanian Academy Output.
8. The increase in Grants and Subsidies reflects a more accurate estimate of State funding for Non-Government School Grants and Australian Government funding to Non-Government Schools.
9. The increase in the Early Years Output primarily reflects the additional funding provided from the Australian Government under the National Quality Agenda for Early Childhood Education and Care.

Output Group 1: Pre-Compulsory and Compulsory Education

1.1 In School Education

The services provided under this Output focus on the delivery of education to students in schools enrolled in classes from Kindergarten up to Year 10. The purpose of this Output is to provide a range of educational services that will help students develop intellectually, socially, morally, emotionally and physically in a stimulating, inclusive and supportive environment. An essential factor to the success in delivering this Output is that these services be provided within the Department's strategic framework of the Learner at the Centre.

1.2 Learning Services

With effect from the start of 2012, a Learning Service supports schools in the North-West, North and South of the State. The Learning Services work collaboratively with schools on educational and operational issues including leadership, professional learning in teaching, curriculum and assessment and general school improvement. Learning Services have a key role in facilitating the sharing of resources, knowledge, innovation and learning between schools and across the State and respond to schools on the basis of their improvement needs.

1.3 Education Performance Services

This Output monitors and measures student outcomes in the pre-compulsory and compulsory years of schooling including achievement against the national benchmarks established under the National Assessment Plan – Literacy and Numeracy (NAPLAN). It also provides state-wide support and advice for assessment and reporting as well as information regarding teacher assessment using the standards of the Tasmanian Curriculum and the Australian Curriculum as it is being progressively implemented by schools. It is directed towards Tasmanian compliance with national assessment program requirements, national reporting for the schooling sector to the end of Year 12 and monitoring and reporting on the educational accountability information required for specific purpose programs. It is also responsible for corporate reporting and facilitating the collection, storage and utilisation of student and school data, particularly for the purposes of publishing the annual Tasmanian Education Performance Report and individual school improvement reports.

1.4 Early Years

Following COAG agreement to the National Partnership Agreement on the National Quality Agenda for Early Childhood and Care, from the beginning of 2012 this Output (through the Education and Care Unit) has responsibility for approving and regulating education and care services (long day care, outside school hours care and family day care) under new national legislation. It also continues to license and monitor all other child care services under the *Child Care Act 2001*. This Output also provides assistance and advice to education and care services and funds are provided to eligible service providers as a contribution towards operating expenses and capital upgrades through the Education and Care Grants Program.

The Output manages implementation of the national Early Years Learning Framework in schools as part of the National Partnership, oversight of the roll-out of 15 hours of Kindergarten and provides co-ordination and funding for the Launching into Learning Program. The Output also includes operational expenditure for Child and Family Centres.

1.5 Grants and Financial Assistance

This Output is responsible for Child Care Grants, Sundry Grants, Fees and Scholarships and Student Assistance, Bursaries and Allowances.

Table 3.3: Performance Information - Output Group 1

Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Reading¹					
Reading rates against national minimum standard (NMS) Year 3	% of students at or above the NMS	93.8	92.4	93.0	93.5
Reading rates against national minimum standard (NMS) Year 5	%	90.7	90.0	90.5	91.0
Reading rates against national minimum standard (NMS) Year 7	%	94.3	93.2	93.5	94.0
Reading rates against national minimum standard (NMS) Year 9	%	90.2	90.6	91.0	91.5
Numeracy¹					
Numeracy rates against national minimum standard (NMS) Year 3	% of students at or above the NMS	94.6	95.4	95.5	96.0
Numeracy rates against national minimum standard (NMS) Year 5	%	93.2	93.9	94.0	94.5
Numeracy rates against national minimum standard (NMS) Year 7	%	94.2	92.6	93.0	93.5
Numeracy rates against national minimum standard (NMS) Year 9	%	92.4	90.9	91.5	92.0
Aboriginal Students²					
	educational				
Year 3 reading for aboriginal students	outcome gap %	6.6	7.5	6.5	6.0
Year 5 reading for aboriginal students	%	7.2	9.7	8.5	8.0
Year 7 reading for aboriginal students	%	8.9	8.4	8.0	7.5
Year 9 reading for aboriginal students	%	12.0	9.7	9.5	9.0
	educational				
Year 3 numeracy for aboriginal students	outcome gap %	6.1	5.7	5.5	5.0
Year 5 numeracy for aboriginal students	%	7.5	7.6	7.0	6.5
Year 7 numeracy for aboriginal students	%	7.5	10.6	8.5	8.0
Year 9 numeracy for aboriginal students	%	8.7	11.8	9.0	8.5

Table 3.3: Performance Information - Output Group 1 (continued)

Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Other					
Licensed child care services ³	Number	278	272	278	40
Services approved under National Applied Law ^{3,4}	Number	na	na	na	224
Percentage of children meeting the Kindergarten Development Check	%	76.0	76.0	76.5	77.0
Percentage of Prep students achieving:					
expected literacy outcomes	%	85.7	84.3	85.5	86.0
expected numeracy outcomes	%	84.5	84.8	85.5	86.0

Sources: National Assessment Program: Literacy and Numeracy: Achievement in Reading, Writing, Language Conventions and Numeracy 2010,2011; *Report on Government Services 2012*; Department of Education *Annual Report 2010-11*; and *Tasmanian Education Performance Report 2009, 2010*.

Notes:

1. Sustained school improvement is long term in nature and will be subject to variations from year to year. School performance targets for 2011–12 and 2012–13 represent consolidation of improvement.
2. This measure represents the difference between the achievement for all Tasmanian students and the achievement of Aboriginal students and has been established to meet the Council of Australian Government's goal of halving the educational outcome gap between Aboriginal and non-Aboriginal students in ten years.
3. From 1 January 2012, the majority of services are approved to operate under the National Applied Law rather than licensed under the *Child Care Act 2001*. Only a small number of services are now regulated under the latter. The target for 2012-13 is lower than the previous actuals and 2011-12 target as a number of services with more than one licence under the *Child Care Act 2001* have chosen to combine these. These services now have one service approval under the National Applied Law.
4. This indicator has not previously been reported.

Output Group 2: Post-Compulsory Education and Skills Development

2.1 Skills Development Contestable Funding

This Output focuses on delivering training to develop knowledge and skills across a wide range of occupations to support the workforce needs of enterprises and provide career development opportunities for individual Tasmanians. Training priorities take into account, among other things, skill shortages in key industries and occupations. This Output includes funding for training of apprentices and trainees with the Tasmanian Skills Institute and a range of other Registered Training Organisations (RTOs). It also supports competitively tendered programs aimed at meeting specific industry needs and provides targeted programs for students who are disadvantaged in accessing training programs.

2.2 Tasmanian Polytechnic

The focus of this Output is the provision of education and training services by the Tasmanian Polytechnic. The Tasmanian Polytechnic aims to deliver practical learning opportunities with a vocational pathway for both Years 11 and 12 students and mature age students seeking employment outcomes or entry into university programs.

2.3 Tasmanian Academy

This Output provides for the provision of education services by the eight colleges of the Tasmanian Academy, which focuses on both academic and vocational learning, with a strong focus on curriculum and academic pathways for Years 11 and 12 students seeking university entrance.

2.4 Post-Compulsory Education in Schools

This Output focuses on delivery of senior secondary education to students in district high schools. It provides a range of educational services that will help post-year 10 students develop intellectually, socially, morally, emotionally and physically in a stimulating, inclusive and supportive environment.

2.5 Skills Tasmania

Skills Tasmania is responsible for developing strategy and policy relating to skills and workforce development in Tasmania and for purchasing vocational education and training from the Tasmanian Polytechnic, the Tasmanian Skills Institute and other Registered Training Organisations (RTOs) to support the skill development needs of Tasmanian enterprises and individuals. Skills Tasmania also manages the regulation of apprenticeships and traineeships, provides support services to RTOs and other service providers, and is generally responsible for the development, regulation and administration of the training system in Tasmania.

2.6 Tasmanian Qualifications Authority

The Tasmanian Qualifications Authority is responsible for consolidated statements of qualifications and accreditation and registration in the senior secondary, vocational education and training and higher education sectors.

2.7 Grants and Financial Assistance

This Output manages grants and financial assistance for apprentices and trainees and for Industry Training Advice.

Table 3.4: Performance Information - Output Group 2

Performance Measure	Unit of Measure	2009-10 Actual¹	2010-11 Actual¹	2011-12 Target	2012-13 Target
Attainment Measures for 15 – 19 year olds, achieving:					
120 credit points in education and training	Number	3 931	3 937	4 196	4 395
Some vocational education and training	Number	4 952	4 876	5 072	5 660
A Tasmanian Certificate of Education	Number	2 825	2 782	2 894	3 075
A Tertiary Entrance Rank	Number	2 235	2 201	2 289	2 428
NSSC Census ²	Number	8 002	8 470	8 300	8 200
Apparent retention rate Years 10-12 ³	%	73.0	70.4	70.0	71.0
Full year training equivalents ⁴	Number	13 800	na	13 500	na
Training Participation rate ⁴	%	14.8	na	14.0	na
Student Satisfaction – Graduates ⁵	%	89.8	90.6	90.0	90.0
Student Satisfaction – Module Completers ⁵	%	82.2	79.2	87.0	87.0

Sources: *Tasmanian Qualifications Authority, National Schools Statistics Collection (NSSC), Australian Bureau of Statistics (ABS) Schools, Australia (cat. no. 4221.0), NCVER Student Outcomes Survey 2011, released December 2011, Tables 13 and 14.*

Notes:

1. Actual performance measures are based on calendar years. The measures for the 2009-10 Actuals are based on the 2010 calendar year, while the measures for 2010-11 Actuals are based on the 2011 calendar year. Completion and participation rates are affected by economic circumstances and targets assume these circumstances, especially youth employment opportunities, will remain stable over this period.
2. Actuals are full-time equivalent Further Education students regardless of age, as at the Mid-Year Census. The 2011-12 and 2012-13 targets represent slightly reduced student cohort numbers progressing from secondary to senior secondary classes.
3. Apparent Retention Rate is a measure of the number of school students in a designated year of education expressed as a percentage of their respective cohort group in a base year. Figures relate to Government school students. Retention has improved significantly moving from 62.2 per cent in 2009 to 73.0 per cent in 2010 due to a combination of many factors, most notably students studying longer, new entrants to the Further Education and Training system who had not previously been enrolled in a Tasmanian government school and adults returning to the sector after breaks in education. Sustained improvement in retention is long term in nature and will be subject to variations from year to year. The retention targets for 2011-12 and 2012-13 represent a consolidation of that improvement.
4. Participation (age 15-64) in all publicly funded VET and commercial activity by government providers. Participation rates are derived by calculating student numbers in the age group as a percentage of the estimated residential population in the corresponding age groups. Figures are based on ABS population figures, catalogue number 3201.0. The 2010-11 actual data for full year training equivalents and the training participation rate is not currently available and, therefore, meaningful 2012-13 targets cannot be derived at this point. Skills Tasmania estimates of the 2010-11 actual data will be available in May and published on the Skills Tasmania website. These figures will be verified with National Centre for Vocational Education Research (NCVER) data in July.
5. Student satisfaction is the percentage of students satisfied with the overall quality of training. These results are based on a survey of a sample of students and therefore are not "actual" figures but rather estimates with a 95.0 per cent confidence level. Each estimate is the mid-point of a range; the range is called the 95.0 per cent confidence interval (if the survey covered all students then there is a 95.0 per cent chance that the actual results would fall within that range). It should be recognised that the current review into the public provider of VET may impact on student satisfaction survey ratings in the future.

Output Group 3: LINC Tasmania

3.1 Information Services and Community Learning

This Output provides for the life long learning of all Tasmanians through the delivery of information, education and training, literacy support and other community services through the Learning and Information Network Centre network.

3.2 Tasmanian Archives and Heritage Office

This Output focuses on the provision of Tasmanian Information Services and the management of Tasmania's Archival and Heritage Collection.

Table 3.5: Performance Information - Output Group 3

Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
In-person visits ¹	Number	3 273 328	3 354 483	3 350 000	3 320 000
Online visits to the Virtual LINC	Number	2 563 979	2 787 583	3 000 000	3 150 000
Library items borrowed	Number	5 002 129	5 015 518	4 800 000	4 900 000
Community education enrolments					
Work and Life Skills program enrolments	Number	5 625	6 754	7 500	8 250
Leisure and Lifestyle program enrolments ²	Number	19 881	15 080	12 800	11 000
People accessing literacy support services	Number	262	500	1005	1 660
Volunteer hours	Number	92 376	94 395	92 000	94 000
Tasmanian publications added to the State record	Number	48 929	47 320	40 000	40 000
Significant items conserved	%	70.0	71.0	73.0	73.0
Heritage documents and artefacts publicly available in digital format	Number	172 022	201 722	210 000	300 000

Notes:

1. The decrease in the 2012-13 Target for In-person visits reflects an increase in online activity including the operation of a new LINC Online website.
2. Target is based on the number of enrolments required to achieve full cost recovery in the *Leisure and Lifestyle* program.

CAPITAL INVESTMENT PROGRAM

Table 3.6 provides financial information for the Department's Capital Investment Program. Further information on the Capital Investment Program is provided in Chapter 7 of Budget Paper No 1 *The Budget*.

Table 3.6: Capital Investment Program

	Estimated Total Cost \$'000	2012-13 Budget \$'000	2013-14 Forward Estimate \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000
Minister for Children					
Bridgewater Child and Family Centre	8 000	3 399	999	432	432
Campbell Town Child Care Centre	1 000	800	....	....	....
Child and Family Centres	34 493	10 000	....	....	....
Total		14 199	999	432	432
Minister for Education and Skills					
Learning and Information Network Centre (LINC)	3 568	500	....	....	....
LINC Tasmania - Learning and Information Network Centres	11 000	6 350	....	....	....
Local Schools Working Together	2 500	500	....	....	....
Port Sorell Primary School	13 000	4 500	3 000	....	....
Post Year 10 Reforms	7 800	1 000	....	....	....
Post Year 10 Reforms - Infrastructure Support	Ongoing	850	850	850	850
Renewing our Education System	1 165	1 165	....	....	....
School Transition Fund	3 500	1 200	2 300	....	....
Trade Training Centres	13 745	7 133	....	....	....
Total		23 198	6 150	850	850
Total CIP Allocations		37 397	7 149	1 282	1 282

Capital Investment Program projects in 2012-13 include:

- *Campbell Town Child Care Centre* – \$800 000 will be expended in 2012-13 in the final year of construction of a new Child Care Centre at Campbell Town;
- *Child and Family Centres (CFCs)* – \$10.0 million will be spent in 2012-13 on the ongoing construction of a further four CFCs around Tasmania. These centres will be located at Chigwell, Derwent Valley, Burnie and George Town;

- *LINC Tasmania (Learning and Information Network Centres)* – Total funding of \$6.4 million has been provided in 2012-13 towards the establishment of a further two Learning and Information Network Centres (LINC) at Scottsdale and George Town. This is the fourth year of a \$14.6 million investment to construct LINC in locations within Tasmania. Two LINC at Queenstown and Bridgewater were completed and began operating during 2011-12;
- *Port Sorell Primary School* – \$4.5 million will be expended in 2012-13 towards a four year \$13.0 million development to establish a state of the art primary school at Port Sorell;
- *School Transition Fund* – In 2012-13, funding of \$1.2 million will be made available and a further \$2.3 million will be available in 2013-14 to support and further encourage school communities to move towards achieving viable and aspirational educational provision for their children and young people.

The School Transition Fund will have an explicit focus on supporting those school communities, who may choose to voluntarily close, amalgamate, federate or co-locate. The Fund will primarily be used to support capital works and improvements at school sites; and

- *Trade Training Centres* – Since 2009, funding of \$13.7 million has been secured from the Australian Government funded National Partnership on Trade Training Centres in Schools to build new Centres. In 2012-13, \$7.1 million will be expended on Trade Training Centres to be used by schools at Deloraine and the South East area, which includes Sorell School, Triabunna District High School, Tasman District School and Rosny College.

DETAILED BUDGET STATEMENTS

Table 3.7: Income Statement

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Revenue from Appropriation ¹	1 008 613	921 729	923 840	942 626	985 712
Interest Revenue ²	1 467	1 614	1 536	1 552	1 561
Grants ³	488	67 758	40 939	33 756	29 742
Sales of Goods and Services ⁴	49 914	47 422	49 473	49 145	49 254
Other Revenue ⁵	23 210	25 485	24 856	25 198	25 447
	1 083 692	1 064 008	1 040 644	1 052 277	1 091 716
Less Expenses					
Employee Entitlements ⁶	577 546	619 518	637 824	647 266	664 271
Superannuation ⁷	70 672	73 635	74 794	75 865	77 205
Depreciation and Amortisation ⁸	65 901	41 184	42 010	42 402	43 187
Grants and Transfer Payments ⁹	132 427	50 859	51 105	53 087	51 861
Supplies and Consumables ¹⁰	193 034	237 974	221 894	223 623	224 565
Other Expenses	47 857	50 899	51 620	52 361	53 082
	1 087 437	1 074 069	1 079 247	1 094 604	1 114 171
Plus Gains/(Losses)					
Gain (Loss) on Sale of Non-Financial Assets	(179)	237	192	215	273
	(179)	237	192	215	273
Equals OPERATING RESULT	(3 924)	(9 824)	(38 411)	(42 112)	(22 182)
Plus Other Movements in Equity					
Revaluations of Non-Financial Assets ¹¹	12 163	26 368	25 557	28 463	32 303
Other Non-Owner Movements in Equity	....	....	....	....	....
	12 163	26 368	25 557	28 463	32 303
Equals COMPREHENSIVE INCOME	8 239	16 544	(12 854)	(13 649)	10 121

Notes:

1. The decrease in Revenue from Appropriation primarily reflects an administrative change to the treatment of Australian Government National Partnership Payments, which transfers these payments from the Consolidated Fund to the Special Deposits and Trust Fund, resulting in a reclassification of the associated revenue from Appropriation to Grants. Another factor contributing to the reduction is reduced Works and Services appropriation resulting from a reduced Capital Investment Program.
2. The movement in Interest Revenue reflects the movement of the Department's operating account cash balances.

3. The increase in Grants primarily reflects the impact of an administrative change to the treatment of Australian Government National Partnership Payments resulting in the transfer of these payments from the Consolidated Fund to the Special Deposits and Trust Fund, and reclassification of the associated revenue from Appropriation to Grants.
4. The decrease in Sales of Goods and Services in 2012-13 primarily reflects a decrease in estimated retail revenue from the original estimate in the Tasmanian Polytechnic.
5. The movement in Other Revenue is due to an increase in the estimated sundry revenue received within schools.
6. The increase in Employee Entitlements primarily reflects a reclassification of funding for the Tasmanian Polytechnic from Grants and Transfer Payments to Employee Entitlements and Supplies and Consumables following the amalgamation of the Tasmanian Polytechnic and the Department, and the impact of salary indexation.
7. The increase in Superannuation reflects a reclassification of funding for the Tasmanian Polytechnic from Grants and Transfer Payments to Superannuation following the amalgamation of the Tasmania Polytechnic and the Department.
8. The decrease in Depreciation and Amortisation reflects the impact of a revision of the useful lives of the Department's buildings following independent advice from the Department's property valuer.
9. The decrease in Grants and Transfer Payments primarily reflects a reclassification of expenditure for the Tasmanian Polytechnic from Grants and Transfer Payments to Employee Entitlements and Supplies and Consumables following the amalgamation of the Tasmanian Polytechnic and the Department, and the impact of cashflow adjustments associated with the Productivity Places Program National Partnership Agreement between the Department and the Australian Government.
10. The increase in Supplies and Consumables primarily reflects a reclassification of expenditure for the Tasmanian Polytechnic from Grants and Transfer Payments to Employee Entitlements and Supplies and Consumables following the amalgamation of the Tasmanian Polytechnic and the Department, and a reclassification of Australian Government National Partnership funding from Employee Entitlements to Supplies and Consumables due to this funding being paid to Schools via the School Resource Package.
11. The increase in Revaluations of Non-Financial Assets reflects the impact of a review of the utility factor used to value specialised buildings within the Department which resulted in an increase in the Asset Revaluation Reserve from the original estimate.

Table 3.8: Income Statement - Administered

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Revenue from Appropriation ¹	220 896	236 694	241 420	246 240	251 158
Grants	474	569	....	....	....
Sales of Goods and Services	336	343	351	360	369
	221 706	237 606	241 771	246 600	251 527
Less Expenses					
Grants and Transfer Payments ¹	220 896	236 694	241 420	246 240	251 158
Transfer to the Consolidated Fund	810	912	351	360	369
	221 706	237 606	241 771	246 600	251 527
Equals OPERATING RESULT	....	....	....	....	....
Plus Other Movements in Equity					
Revaluations of Non-Financial Assets	....	....	....	....	....
Other Non-Owner Movements in Equity	....	....	....	....	....
Equals COMPREHENSIVE INCOME	....	....	....	....	....

Note:

1. The increase in Revenue from Appropriation and Grants and Transfer Payments in 2012-13 reflects a more accurate estimate of State funding for Non-Government School Grants and Australian Government funding to Non-Government Schools.

Table 3.9: Revenue from Appropriation by Output

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Minister for Education and Skills					
Output Group 1 - Pre-Compulsory and Compulsory Education					
1.1 In School Education ¹	664 604	640 296	660 711	679 043	717 973
1.2 Learning Services ²	13 943	11 429	11 707	11 949	12 128
1.3 Education Performance Services ³	841	1 284	1 283	1 284	1 300
1.5 Grants and Financial Assistance ⁴	7 568	7 006	6 817	6 817	6 817
	686 956	660 015	680 518	699 093	738 218
Output Group 2 - Post-Compulsory Education and Skills Development					
2.1 Skills Development Contestable Funding ⁵	68 641	41 241	42 664	44 190	45 083
2.2 Tasmanian Polytechnic	59 870	60 162	60 646	61 798	62 450
2.3 Tasmanian Academy	76 079	78 708	80 564	82 147	83 605
2.4 Post-Compulsory Education in Schools	4 041	3 875	3 949	4 015	4 071
2.5 Skills Tasmania	6 621	6 970	7 092	7 246	7 382
2.6 Tasmanian Qualifications Authority	3 588	3 675	3 742	3 830	3 901
2.7 Grants and Financial Assistance	1 830	1 780	1 780	1 780	1 780
	220 670	196 411	200 437	205 006	208 272
Output Group 3 - LINC Tasmania					
3.1 Information Services and Community Learning	29 316	29 116	29 700	30 319	30 862
3.2 Tasmania Archives and Heritage Office	3 027	3 038	3 097	3 157	3 210
	32 343	32 154	32 797	33 476	34 072
Grants and Subsidies⁶	220 896	236 694	241 420	246 240	251 158
Capital Investment Program	30 936	12 050	5 300	....	....
Recurrent Services	1 160 865	1 125 274	1 155 172	1 183 815	1 231 720
Works and Services	30 936	12 050	5 300	....	....
	1 191 801	1 137 324	1 160 472	1 183 815	1 231 720

Table 3.9: Revenue from Appropriation by Output (continued)

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Minister for Children					
Output Group 1 - Pre-Compulsory and Compulsory					
Education					
1.4 Early Years	4 483	4 634	4 788	5 051	5 150
	4 483	4 634	4 788	5 051	5 150
Capital Investment Program	30 175	....	....	....	....
Recurrent Services	4 483	4 634	4 788	5 051	5 150
Works and Services	30 175	....	....	....	....
	34 658	4 634	4 788	5 051	5 150
Department of Education					
Total Recurrent Services	1 165 348	1 129 908	1 159 960	1 188 866	1 236 870
Total Works and Services	61 111	12 050	5 300	....	....
	1 226 459	1 141 958	1 165 260	1 188 866	1 236 870
Appropriation Carried Forward	3 050	16 465	....	....	....
Total Revenue from Appropriation	1 229 509	1 158 423	1 165 260	1 188 866	1 236 870
Controlled Revenue from Appropriation	1 008 613	921 729	923 840	942 626	985 712
Administered Revenue from Appropriation	220 896	236 694	241 420	246 240	251 158
	1 229 509	1 158 423	1 165 260	1 188 866	1 236 870

Notes:

1. The decrease in the In School Education Output primarily reflects an administrative change to the treatment of Australian Government Partnership Payments, which transfers these payments from the Consolidated Fund to the Special Deposits and Trust Fund, resulting in a reclassification of the associated revenue from Appropriation to Grants.
2. The decrease in Learning Services Output reflects the restructure of the Learning Services to gain savings through efficiencies achieved from a structural change.
3. The increase in the Education Performance Services Output primarily reflects the transfer of the Student Management Information team from the Tasmanian Polytechnic to this Output.
4. The decrease in the Grants and Financial Assistance Output is due to the cessation of Australian Government grants for child care providers and the phasing out of the Accommodation Allowance for Tertiary Students.
5. The decrease in the Skills Development Contestable Funding Output primarily reflects change in expenditure cash flow from the original estimate across the Forward Estimates of expenditure undertaken under the National Partnership Agreement between the State and the Australian Government on Productivity Places. Other appropriation decreases in this Output reflect an administrative change to the treatment of Australian Government National Partnership Payments which removes these payments from the Consolidated Fund to the Special Deposits and Trust Fund, resulting in a reclassification of the associated revenue from Appropriation to Grants.

6. The increase in Grants and Subsidies reflects a more accurate estimate of State funding for Non-Government School Grants and Australian Government funding to Non-Government Schools.

Table 3.10: Administered Revenue

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue Collected on Behalf of the Consolidated Fund					
Commonwealth Recurrent Grants ¹	474	569	....	....	....
Other Sales of Services	336	343	351	360	369
	810	912	351	360	369
Revenue from Appropriation					
Annual Appropriation ²	220 896	236 694	241 420	246 240	251 158
Total Administered Revenue	221 706	237 606	241 771	246 600	251 527

Notes:

1. The movement in Commonwealth Recurrent Grants reflects the cessation of Australian Government Funding for the Indigenous Education Targeted Assistance Literacy and Numeracy Project Agreement 2010 – Raising the Bar Closing the Gap.
2. The increase in Annual Appropriation in 2012-13 reflects a more accurate estimate of State funding for Non-Government School Grants and Australian Government funding to Non-Government Schools.

Table 3.11: Administered Expenses

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Grants and Subsidies					
Commonwealth Grants to Non-Government Schools ¹	168 665	180 404	184 012	187 692	191 446
Non-Government Schools: Capital Assistance	1 050	1 071	1 092	1 114	1 137
Non-Government Schools: Grants ²	50 795	54 833	55 930	57 048	58 189
Non-Government Schools: Student Assistance	386	386	386	386	386
	220 896	236 694	241 420	246 240	251 158
Transfer to the Consolidated Fund	810	912	351	360	369
Total Administered Expenses	221 706	237 606	241 771	246 600	251 527

Notes:

1. The increase in Commonwealth Grants to Non-Government Schools reflects indexation increases in Australian Government funding to Non-Government Schools.
2. The increase in Non-Government Schools Grants reflects a more accurate estimate of payments to Non-Government Schools.

Commonwealth Grants to Non-Government Schools

This grant program represents Australian Government funding relating to non-government schools. These funds are administered on behalf of the Australian Department of Education, Employment and Workplace Relations (DEEWR) and, upon receipt, are forwarded to non-government schools.

Non-Government Schools: Capital Assistance

These grants provide funding to non-government schools and non-government school authorities for assistance with eligible capital projects in accordance with sections 64-70 of the *Education Act 1994*.

Non-Government Schools: Grants

This program covers the cost of grants which are distributed to registered non-government schools in accordance with Part 5, Division 3 of the *Education Act 1994* and Part 6 of the *Education Regulations 1995*.

Non-Government Schools: Student Assistance

This includes the operation of the Student Assistance Scheme and coverage of costs for the supply of spectacles to students whose parents are unable to provide them.

Table 3.12: Balance Sheet as at 30 June

	2012	2013	2014	2015	2016
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Financial Assets					
Cash and Deposits ¹	29 341	44 981	42 769	43 318	43 813
Receivables ²	6 657	9 928	8 952	8 145	7 338
Other Financial Assets ³	7 540	5 198	5 214	5 239	5 264
	43 538	60 107	56 935	56 702	56 415
Non-Financial Assets					
Land and Buildings ⁴	1 545 105	1 600 004	1 593 518	1 583 066	1 575 614
Plant and Equipment	26 628	28 039	30 117	32 181	34 273
Heritage and Cultural Assets	61 292	63 363	64 933	66 542	68 206
Assets Held for Sale ⁵	7 700	11 669	11 066	10 102	9 138
Other Non-Financial Assets	223	....	....	....	....
	1 640 948	1 703 075	1 699 634	1 691 891	1 687 231
Total Assets	1 684 486	1 763 182	1 756 569	1 748 593	1 743 646
Liabilities					
Employee Entitlements	150 173	154 527	160 224	166 206	151 447
Payables ⁶	7 458	3 234	3 396	2 732	2 068
Other Liabilities ⁷	14 930	18 967	19 349	19 704	20 059
Total Liabilities	172 561	176 728	182 969	188 642	173 574
NET ASSETS	1 511 925	1 586 454	1 573 600	1 559 951	1 570 072
Equity					
Accumulated Funds	1 012 118	1 044 733	1 006 322	964 210	942 028
Asset Revaluation Reserve	268 231	302 030	327 587	356 050	388 353
Other Equity	231 576	239 691	239 691	239 691	239 691
Total Equity	1 511 925	1 586 454	1 573 600	1 559 951	1 570 072

Notes:

1. The increase in Cash and Deposits reflects the transfer of cash and deposits for the Tasmanian Polytechnic and Tasmanian Academy that were transferred through the 2010-11 financial statements and an estimated increase in Appropriation carried forward associated with delays in the Capital Investment Program. The Tasmanian Polytechnic and Tasmanian Academy opening cash has now been reflected in the Department's 2011-12 opening balances.
2. The increase in Receivables primarily reflects the recognition of Tasmanian Polytechnic and Tasmanian Academy receivables on a full financial year basis.
3. The decrease in Other Financial Assets reflects a reduction in estimated accrued revenue.
4. The increase in Land and Buildings in 2012-13 primarily reflects the impact of a review of the utility factor used to value specialised buildings within the Department.
5. The increase in Assets Held for Sale in 2013 reflects a more accurate estimate based on the 2011-12 actual result.

6. The decrease in Payables primarily reflects the impact of the finalisation of expenditure for the Australian Government Funded Building the Education Revolution, which had previously resulted in higher Accounts Payable balances.
7. The increase in Other Liabilities reflects increased accrued expenses in line with the 2011-12 actual result.

Table 3.13: Cash Flow Statement

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
Cash Received					
Appropriation ¹	1 005 563	905 264	923 840	942 626	985 712
Interest Received ²	1 467	1 614	1 536	1 552	1 561
Grants ³	488	67 758	40 939	33 756	29 742
Sales of Goods and Services ⁴	51 623	48 554	51 913	54 619	54 728
GST Receipts	49 016	48 574	48 621	48 621	48 621
Other Receipts ⁵	23 208	25 483	24 854	25 196	25 445
	1 131 365	1 097 247	1 091 703	1 106 370	1 145 809
Cash Paid					
Employee Entitlements ⁶	(575 006)	(611 748)	(627 993)	(639 801)	(674 785)
Superannuation ⁷	(70 512)	(72 793)	(73 890)	(75 098)	(79 200)
Grants and Transfer Payments ⁸	(132 427)	(50 859)	(51 105)	(53 087)	(51 861)
Supplies and Consumables ⁹	(203 776)	(243 389)	(231 837)	(232 765)	(233 707)
GST Payments	(49 018)	(47 378)	(48 625)	(48 625)	(48 625)
Other Payments ¹⁰	(47 095)	(50 333)	(50 953)	(51 801)	(52 522)
	(1 077 834)	(1 076 500)	(1 084 403)	(1 101 177)	(1 140 700)
Net Cash Flows from Operating Activities	53 531	20 747	7 300	5 193	5 109
Cash Flows from Investing Activities					
Sale of Fixed Assets	....	....	....	....	30
Purchase of Fixed Assets	(67 455)	(39 827)	(9 512)	(4 644)	(4 644)
Net Cash Flows from Investing Activities	(67 455)	(39 827)	(9 512)	(4 644)	(4 614)
Net Increase/(Decrease) in Cash Held	(13 924)	(19 080)	(2 212)	549	495
Cash at the Beginning of the Year	43 265	64 061	44 981	42 769	43 318
Cash at the End of the Year	29 341	44 981	42 769	43 318	43 813

Notes:

1. The decrease in Appropriation reflects an administrative change to the treatment of Australian Government National Partnership Payments which transfers these payments from the Consolidated Fund to the Special Deposits and Trust Fund. This results in a reclassification of the associated receipt from Appropriation to Grants. The decrease also reflects reduced Works and Services appropriation resulting from a reduced Capital Investment Program.
2. The movement in Interest Received reflects the movement of the Department's operating account cash balances.

3. The increase in Grants primarily reflects the impact of an administrative change to the treatment of Australian Government National Partnership Payments resulting in the transfer of these payments from the Consolidated Fund to the Special Deposits and Trust Fund resulting in a reclassification of the associated funding receipts from Appropriation to Grants.
4. The decrease in Sales of Goods and Services in 2012-13 primarily reflects a decrease in estimated retail receipts from the original estimate in the Tasmanian Polytechnic.
5. The movement in Other Receipts reflects an increase in the estimated sundry revenue received within schools.
6. The increase in Employee Entitlements primarily reflects a reclassification of funding for the Tasmanian Polytechnic from Grants and Transfer Payments to Employee Entitlements and Supplies and Consumables following the amalgamation of the Tasmanian Polytechnic and the Department, and the impact of salary indexation.
7. The increase in Superannuation reflects a reclassification of funding for the Tasmanian Polytechnic from Grants and Transfer Payments to Superannuation following the amalgamation of the Tasmanian Polytechnic and the Department.
8. The decrease in Grants and Transfer Payments primarily reflects a reclassification of payments for the Tasmanian Polytechnic from Grants and Transfer Payments to Employee Entitlements and Supplies and Consumables following the amalgamation of the Tasmanian Polytechnic and the Department, and the impact of cash flow adjustments associated with the Productivity Places Program National Partnership Agreement between the State and the Australian Government.
9. The increase in Supplies and Consumables primarily reflects a reclassification of payments for the Tasmanian Polytechnic from Grants and Transfer Payments to Employee Entitlements and Supplies and Consumables following the amalgamation of the Tasmanian Polytechnic and the Department, and a reclassification of Australian Government National Partnership funding from Employee Entitlements to Supplies and Consumables due to this funding being paid to Schools via the School Resource Package.
10. The increase in Other Payments reflects the increased estimated Payroll Tax payments associated with increased Employee Entitlement payments.

Table 3.14: Cash Flow Statement – Administered

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
Cash Received					
Appropriation ¹	220 896	236 694	241 420	246 240	251 158
Grants	474	569	....	....	....
Sales of Goods and Services	336	343	351	360	369
	221 706	237 606	241 771	246 600	251 527
Cash Paid					
Grants and Transfer Payments ¹	(220 896)	(236 694)	(241 420)	(246 240)	(251 158)
Transfers to the Consolidated Fund	(810)	(912)	(351)	(360)	(369)
	(221 706)	(237 606)	(241 771)	(246 600)	(251 527)
Net Cash Flows from Operating Activities	....	....	....	....	....
Net Increase/(Decrease) In Cash Held	....	....	....	....	....
Cash at the Beginning of the Year	....	....	....	....	....
Cash at the End of the Year	....	....	....	....	....

Note:

1. The increase in Appropriation in 2012-13 and Grants and Transfer Payments reflects a more accurate estimate of State funding for Non-Government School Grant payments and Australian Government payments to Non-Government Schools.

4 FINANCE-GENERAL

AGENCY OUTLINE

The Finance-General Division is administered by the Department of Treasury and Finance. Expenditure through Finance-General generally reflects whole-of-government activities.

The major activities transacted through Finance-General include the management of the Government's financial assets and liabilities, meeting the Government's pension and other superannuation commitments, administration of the Tasmanian Risk Management Fund, management of the Government's light vehicle fleet and property portfolio, and payments to Government businesses.

Certain provisions have been made in the Special Deposits and Trust Fund to meet future liabilities of the Government, including a provision within the Tasmanian Risk Management Fund for workers' compensation and other insurable risks in respect of inner-Budget agencies. Further information on the Government's superannuation liabilities and administration of the Tasmanian Risk Management Fund is provided in Budget Paper No 1 *The Budget*, Chapter 6 Assets and Liabilities.

OUTPUT INFORMATION

Outputs of Finance-General are provided under the following Output Groups:

- Output Group 1 - Debt Servicing and Management;
- Output Group 2 - Employee Related Costs;
- Output Group 3 - Government Businesses; and
- Output Group 4 - Miscellaneous.

Table 4.1 provides an Output Group Expense Summary for Finance-General.

Table 4.1: Output Group Expense Summary

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Treasurer					
Output Group 1 - Debt Servicing and Management					
1.1 Debt Servicing ¹	2 275	2 208	781	377	402
1.2 Interest on Sundry Deposits ²	5 263	3 496	3 632	3 816	3 974
1.3 Debt Management	9 622	9 326	9 023	8 710	8 390
	17 160	15 030	13 436	12 903	12 766
Output Group 2 - Employee Related Costs					
2.1 Superannuation and Pensions ³	343 518	377 710	383 948	389 156	390 366
	343 518	377 710	383 948	389 156	390 366
Output Group 3 - Government Businesses					
3.1 Forestry Tasmania ⁴	3 182	37 000	27 000	27 000	27 000
3.2 State Fire Commission ⁵	2 846	2 309	2 046	2 046	2 046
3.4 Government Businesses ⁶	766	782	1 798	2 039	2 316
	6 794	40 091	30 844	31 085	31 362
Output Group 4 - Miscellaneous					
4.2 Treasurer's Reserve	20 000	20 000	20 000	20 000	20 000
4.3 Miscellaneous ⁷	9 362	7 886	10 230	19 207	17 712
4.4 Payment to Australian Tax Office: GST Administration	14 600	15 609	15 499	15 544	15 544
4.5 Tasmanian Risk Management Fund ⁸	49 072	45 171	47 812	50 539	53 276
4.6 Fleet Management Services ⁹	20 020	18 081	16 497	15 939	16 124
4.7 Property Management Services ¹⁰	25 231	28 320	32 560	56 690	41 290
4.8 Infrastructure Investment Project Planning	1 500	2 000	2 000	2 000	2 000
	139 785	137 067	144 598	179 919	165 946
Grants and Subsidies	116 767	445 234	424 436	240 601	308 313
Special Capital Investment Funds¹¹	122 606	92 255	12 475	10 750	1 433
TOTAL	746 630	1 107 387	1 009 737	864 414	910 186

Notes:

1. The decrease in the Debt Servicing Output is due to the repayment of maturing debt.
2. The decrease in the Interest on Sundry Deposits Output in 2012-13 primarily reflects a reduction in interest bearing accounts in the Special Deposits and Trust Fund.
3. The increase in the Superannuation and Pensions Output in 2012-13 reflects actuarial projections of movements in the Superannuation liability.
4. The increase in the Forestry Tasmania Output reflects the provision of funds to ensure Forestry Tasmania can continue to operate, meet its contractual obligations and perform its non-commercial functions in the current market environment.

5. The decrease in the State Fire Commission Output reflects the removal of National Partnership Payments for the Bushfire Mitigation Program from Finance-General.
6. The increase in the Government Businesses Output reflects funding to reimburse Tasracing Pty Ltd the costs (including principal where necessary) associated with a \$40.0 million debt facility with Tascorp.
7. The decrease in the Miscellaneous Output primarily reflects a decrease in Water and Sewerage Subsidy payments of \$1.2 million and a reduction in the Natural Disaster Relief scheme of \$1.5 million, offset by funding for the Electricity Supply Industry Reform and the strategic review of Forestry of \$1.5 million per annum over three years. The increase over the Forward Estimates period reflects anticipated costs associated with the Mobile Radio Network Project.
8. The decrease in Tasmanian Risk Management Fund Output in 2012-13 primarily relates to finalisation of the Bridgewater High School claim.
9. The decrease in Fleet Management Services Output is primarily due to the reduction in vehicles held within the Government's fleet resulting in a reduced depreciation expense.
10. The increase in Property Management Services Output is due to changes in the timing of cash flows for fit out costs, rent and other costs associated with the *parliament square* Project.
11. The decrease in Special Capital Investment Funds (SCIF) reflects the winding down of these Funds. Further details are provided in the SCIF section of this Chapter.

Output Group 1: Debt Servicing and Management

1.1 Debt Servicing

This Output meets the costs of servicing and managing the State Government's gross debt portfolio. The Output provides for the interest cost and principal repayments of borrowings.

The gross debt held by the Government consists of Australian Government borrowings incurred under various Commonwealth-State Housing Agreements, borrowings through the Tasmanian Public Finance Corporation plus a temporary overnight end of year borrowing. It is estimated that, as at 30 June 2013, gross debt managed within Finance-General will be \$861.6 million (\$13.0 million 2011-12) in borrowings through Tascorp and \$202.8 million (\$209.8 million in 2011-12) in borrowings from the Australian Government under the CSHAs. This debt is included under Borrowings in the Balance Sheet for Finance-General.

The increase in Borrowings in 2012-13 primarily reflects an estimated temporary overnight end of year borrowing of \$861.6 million to be undertaken on 30 June 2013 to gross up the Government's cash holdings to equate to the estimated balance of accounts in the Special Deposits and Trust Fund. The end of year borrowing is essentially a paper transaction as the same amount will be borrowed and invested overnight on 30 June with Tascorp, grossing up the amount of cash held and borrowings. The end of year borrowing has no impact on the Government's Net Debt, the accepted measure of State indebtedness as reflected in the State's Fiscal Strategy.

1.2 Interest on Sundry Deposits

This Output provides for the payment of interest on balances held in certain accounts in the Special Deposits and Trust Fund.

1.3 Debt Management

This Output reflects transactions associated with the repayment of Australian Government debt relating to housing activities.

The expense of \$9.3 million in 2012-13 (\$9.6 million in 2011-12) represents interest payments to the Australian Government on debt incurred under various CSHAs.

Principal repayments by Housing Tasmania of \$7.0 million in 2012-13 (\$6.8 million in 2011-12), are capital transactions and are therefore not included in the expenses of Output 1.3, or in the expenses reported in the Income Statement, but are reflected within Borrowings in the Balance Sheet and included under Cash Flows from Investing Activities in the Cash Flow Statement.

Output Group 2: Employee Related Costs

2.1 Superannuation and Pensions

This Output meets the Government's share of pension and superannuation costs.

In 2012-13, superannuation and pension expenses are estimated to total \$377.7 million, an anticipated increase of \$34.2 million in comparison with the budgeted cost in 2011-12 of \$343.5 million. The 2012-13 estimate includes total cash pension and lump sum payments of \$202.0 million (\$187.8 million in 2011-12), which is primarily made up of payments of \$197.9 million (\$184.3 million 2011-12) to meet benefits payable under the *Retirement Benefits Act 1993*.

The estimated superannuation liability as at 30 June 2013 is \$4 957.9 million (excluding the Housing Tasmania pre-July 1994 superannuation liability reflected in the estimates of the Department of Health and Human Services, which it is estimated will be \$15.5 million at 30 June 2013 and the State Fire Commission component which it is estimated will be \$3.8 million at 30 June 2013). This is a decrease of \$197.2 million from the 2011-12 estimate of the liability as at 30 June 2012. The projected value of the liability reflects the most recent actuarial assessment of the liability.

Further information in relation to the State's superannuation liability can be found in Budget Paper No 1 *The Budget*, Chapter 6 Assets and Liabilities.

Output Group 3: Government Businesses

3.1 Forestry Tasmania

The 2012-13 Budget includes a provision of \$35.0 million (\$25.0 million in 2013-14, 2014-15 and 2015-16) to ensure Forestry Tasmania can continue to operate, meet its contractual obligations and perform its non-commercial functions in the event that market conditions do not improve. The independent strategic review of Forestry Tasmania will provide recommendations to the Government in relation to the options for future structures, governance and business models under which Forestry Tasmania may operate in the future.

In addition, a provision of \$2.0 million has been made in 2012-13 (\$2.0 million in 2011-12) for excess fire fighting costs incurred by Forestry Tasmania. This funding will be used in the event of a high cost fire fighting season, if the cost to Forestry Tasmania exceeds the 10-year moving average of variable costs plus any financial reserves set aside from previous years.

3.2 State Fire Commission

A provision has been made for funding of \$2.3 million for the State Fire Commission in 2012-13 (\$2.8 million in 2011-12). Of this amount, \$240 000 has been appropriated as a contingent provision for funding excess fire fighting costs and \$263 000 (\$525 000 in 2011-12) to develop and implement community protection plans. The remaining \$1.8 million represents the State Government's annual funding contribution to the Commission in accordance with section 101 of the *Fire Service Act 1979*.

3.4 Government Businesses

This Output provides for expenses arising from the Government's ownership interests in Government businesses. The expenditure represents funding of the Government's agreement to reimburse Tasracing Pty Ltd the costs (including principal where necessary) associated with a \$40 million debt facility with Tascorp, where Tasracing cannot meet those costs.

Output Group 4: Miscellaneous

4.2 Treasurer's Reserve

An amount of \$20.0 million has been provided in the Treasurer's Reserve in 2012-13 (\$20.0 million in 2011-12) to meet expenditure that could not reasonably be foreseen at the time of developing the 2012-13 Budget and which is essential for efficient financial management.

4.3 Miscellaneous

Items of expenditure under this Output relate to revenue support to the water and sewerage corporations; pensioner concession assistance for water and sewerage charges; and a number of other miscellaneous payments.

Natural Disaster Relief

A limited Tasmanian Natural Disaster Relief scheme, administered by the Department of Premier and Cabinet, is funded from within Finance-General. This scheme provides for payments to local government authorities that face the eligible costs of restoring or replacing essential public assets, that have been damaged as a direct result of a disaster, to a pre-disaster standard. Disasters for which relief is available are determined at the national level and include any one of, or a combination of, the following natural hazards: bushfire; earthquake; flood; storm; cyclone; storm surge; landslide; tsunami; meteorite strike or tornado.

A provision of \$532 000 (\$2.0 million in 2011-12) has been included in the 2012-13 Budget allocation for Finance-General for payments that may be made under the Natural Disaster Relief scheme.

Water and Sewerage Reform – Local Government Transition

A provision of \$262 000 has been included in 2012-13 to support the implementation of the reform of Tasmania's water and sewerage sector. Expenditure under this item represents payments to Southern Water, under an agreement between the Government, Southern Water and the Glamorgan-Spring Bay Council, as a contribution toward the debt servicing costs incurred by Southern Water for the construction of a new water supply and treatment plant for the town of Swansea. The Government's total contribution is fixed at \$1.9 million over six years: (\$100 000 in 2008-09; \$525 000 in 2009-10; \$548 000 in 2010-11; \$383 000 in 2011-12; \$262 000 in 2012-13; and \$102 000 in 2013-14).

Water and Sewerage Reform – Authority Subsidy Payments

The Government is providing funding to the water and sewerage corporations to assist their short-term financial viability and reduce pressure for price shocks from 1 July 2012. Payments from the Government to the water and sewerage entities is estimated as \$3.4 million in 2012-13 (\$4.9 million in 2011-12) and \$1.9 million in 2013-14.

4.4 Payment to Australian Taxation Office: GST Administration

Under the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations*, the states and territories meet the costs of the Australian Taxation Office in administering the goods and services tax. The states and territories share the GST administration costs on a per capita basis. Tasmania's contribution to collection and compliance costs for 2012-13 is estimated at \$15.6 million (\$14.6 million in 2011-12).

4.5 Tasmanian Risk Management Fund

The estimated expenses of \$45.2 million in 2012-13 (\$49.1 million in 2011-12) represent anticipated administration and claims costs. Expenditure projections reflect the most recent actuarial advice.

4.6 Fleet Management Services

All direct transactions associated with whole-of-government light vehicle fleet management activities are recorded in the Government Car Fleet Account within the Special Deposits and Trust Fund. Revenue in the Government Car Fleet Account is derived from the sale of vehicles and receipts from the Government's Fleet Manager of lease, registration and insurance payments by agencies, net of the fleet management fee.

Estimated expenses for this Output in 2012-13 of \$18.1 million (\$20.0 million in 2011-12) include motor vehicle registration expenses of \$1.2 million (\$1.4 million in 2011-12) and estimated depreciation on motor vehicles of \$16.9 million (\$18.6 million in 2011-12).

4.7 Property Management Services

It is estimated that 2012-13 expenditure for Property Management Services will amount to \$28.3 million (\$25.2 million in 2011-12), including property lease and rental payments of \$17.3 million (\$16.5 million in 2011-12); power and fuel expenses of \$830 000 (\$890 000 in 2011-12); rates payments of \$400 000 (\$400 000 in 2011-12); rent and other expenses of \$410 000 (\$365 000 in 2011-12); depreciation for government-owned office buildings of \$1.1 million (\$572 000 in 2011-12) reflecting the higher value of Land and Buildings following revaluation on 30 June 2010; property maintenance expenses totalling \$3.8 million (\$3.1 million in 2011-12); and \$4.5 million for fit out, and agency rental costs associated with the *parliament square* Project (\$3.4 million in 2011-12).

4.8 Infrastructure Investment Project Planning

The Infrastructure Investment Project Planning Output provides funding for the early planning stages of major infrastructure projects.

SPECIAL CAPITAL INVESTMENT FUNDS

Within Finance-General, funds are held for investment in economic and social infrastructure. This section provides a description of the Funds, the balance of each Fund and the projects to be funded in 2012-13 and over the Forward Estimates period. Further details on capital expenditure from the Special Capital Investment Funds are provided in Budget Paper No 1 *The Budget*, Chapter 7 Infrastructure Investment.

Economic and Social Infrastructure Fund

The Economic and Social Infrastructure Fund funds projects assisting economic development and the provision of social infrastructure. Social infrastructure projects relate to education, tourism, parks, heritage, health and housing throughout the State. Economic development projects relate to a range of infrastructure and associated developments, including the maintenance of the State's roads and bridges, and rural and agricultural related water infrastructure.

A summary of the projects to be funded from the ESIF is provided in Table 4.2.

Table 4.2: Economic and Social Infrastructure Fund

	Estimated Total Cost \$'000	2012-13 Budget \$'000	2013-14 Forward Estimate \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000
Balance Brought Forward		14 164	....	....	....
TOTAL SOURCE OF FUNDS		14 164	....	....	....
OUTFLOWS					
<i>Department of Economic Development, Tourism and the Arts</i>					
Minister for the Arts					
Tasmanian Museum and Art Gallery	30 000	11 344	....	....	....
		11 344	....	....	....
<i>Department of Health and Human Services</i>					
Minister for Health					
Hospital Equipment Fund	25 000	2 820	....	....	....
		2 820	....	....	....
TOTAL OUTFLOWS		14 164	....	....	....
Closing Balance		....	....	....	....

Economic and Social Infrastructure Fund Projects

Funding allocated in 2012-13 to ESIF projects is as follows:

- Tasmanian Museum and Art Gallery - \$11.3 million of the \$30 million allocation is provided for the redevelopment of the TMAG; and
- Hospital Equipment Fund – \$2.8 million to maintain quality equipment in hospitals. A total of \$25 million has been provided from the ESIF over five years to purchase new hospital equipment.

Hospitals Capital Fund

The Hospitals Capital Fund was established in 2007-08 to provide capital funding for hospitals across the State. In 2012-13, \$47.6 million has been allocated from the HCF for the construction of the Launceston General Hospital Car Park (\$1.9 million); Mersey Hospital Upgrades (\$1.9 million) and the redevelopment of the Royal Hobart Hospital (\$43.8 million).

The HCF will provide \$100.0 million to address the Royal Hobart Hospital's ageing buildings and infrastructure, and to improve and expand key services such as intensive care.

A summary of the projects to be funded from the Hospitals Capital Fund is provided in Table 4.3.

Table 4.3: Hospitals Capital Fund

	Estimated Total Cost \$'000	2012-13 Budget \$'000	2013-14 Forward Estimate \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000
Balance Brought Forward		32 581	....	....	....
Consolidated Fund:					
Appropriation		15 000	....	....	....
TOTAL SOURCE OF FUNDS		47 581	....	....	....
OUTFLOWS					
Department of Health and Human Services					
Minister for Health					
Launceston General Hospital Car Park	15 000	1 893	....	....	....
Mersey Hospital Upgrades	1 900	1 900	....	....	....
Royal Hobart Hospital	100 000	43 788	....	....	....
TOTAL OUTFLOWS		47 581	....	....	....
Closing Balance		....	....	....	....

Housing Fund

The Housing Fund was established in 2007-08, with an allocation of \$60.0 million for the purpose of increasing the supply of public housing. In 2012-13, it is anticipated that a further \$14.2 million will be expended from the Housing Fund on public housing projects.

Details of projects to be funded from the Housing Fund in 2012-13 are provided in Chapter 5 of this Budget Paper.

Table 4.4: Housing Fund

	Estimated Total Cost \$'000	2012-13 Budget \$'000	2013-14 Forward Estimate \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000
Balance Brought Forward		17 172	3 000	3 000	....
TOTAL SOURCE OF FUNDS		17 172	3 000	3 000	....
OUTFLOWS					
<i>Department of Health and Human Services</i>					
Minister for Human Services					
Housing Fund ¹	60 000	14 172	....	3 000	....
TOTAL OUTFLOWS		14 172	....	3 000	....
Closing Balance		3 000	3 000	....	....

Note:

- The Housing Fund will retain \$3 million until 2014-15 for the purpose of providing funding in a future round of the Australian Government's National Rental Housing Affordability Scheme.

Infrastructure Tasmania Fund

The Infrastructure Tasmania Fund (ITF) was established in 2007-08, with proceeds of \$312.9 million from the divestment of Government businesses, to fund major capital projects. During 2007-08, \$80.0 million was transferred from the ITF to the Water Infrastructure Fund administered by the Department of Primary Industries, Parks, Water and Environment and \$25.0 million was transferred to the Urban Renewal and Heritage Fund.

A summary of the projects to be funded from the ITF is provided in Table 4.5

Table 4.5: Infrastructure Tasmania Fund

	Estimated Total Cost \$'000	2012-13 Budget \$'000	2013-14 Forward Estimate \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000
Balance Brought Forward		39 242	23 557	11 082	3 332
TOTAL SOURCE OF FUNDS		39 242	23 557	11 082	3 332
OUTFLOWS					
<i>Department of Health and Human Services</i>					
Minister for Health					
Health Infrastructure	67 410	12 998	12 175	7 750	1 433
		12 998	12 175	7 750	1 433
<i>Department of Primary Industries, Parks, Water and Environment</i>					
Minister for Environment, Parks and Heritage					
Off Road Vehicle and Track Management	1 500	300	....	....	....
Spatial Information Foundations	2 986	2 387	300	....	....
		2 687	300	....	....
TOTAL OUTFLOWS		15 685	12 475	7 750	1 433
Closing Balance		23 557	11 082	3 332	1 899

Infrastructure Tasmania Fund Projects

Funding allocated in 2012-13 to ITF projects is as follows:

- Health Infrastructure - \$13.0 million for infrastructure upgrades including: Flinders Island Multi Purpose Centre Upgrade (\$4.1 million); Glenorchy – Tier Three Community Health Services Facility (\$5.0 million); Launceston Integrated Care Centre (\$500 000); King Island Hospital and Health Care Upgrade (\$1.4 million); Kingston – Tier Three Community Health Services Facility (\$1.5 million); and Tasmanian Ambulance Headquarters Upgrade (\$498 000);
- Off Road Vehicle and Track Management – \$300 000 for the Arthur Pieman conservation area, including upgrades to the track network, works to protect Aboriginal heritage, the development of a new recreational vehicle permit system, education and interpretation material and other infrastructure required to enable effective recreational vehicle management; and
- Spatial Information Foundations - \$2.4 million to enhance the core infrastructure of the Land Information System Tasmania by developing a contemporary, web-based platform for the distribution of spatial information across Government and the private sector.

Royal Hobart Hospital Redevelopment Fund

A Royal Hobart Hospital Redevelopment Fund was established in 2004-05 with a \$35.0 million allocation provided for the purposes of developing and enhancing the facilities at the Royal Hobart Hospital. Funding of \$653 000 has been allocated from this Fund in 2012-13.

It is anticipated the Royal Hobart Hospital Redevelopment Fund will be fully expended by 30 June 2013.

Urban Renewal and Heritage Fund

The Urban Renewal and Heritage Fund will be fully expended in 2011-12 and is no longer included in Budget Estimates.

DETAILED BUDGET STATEMENTS

Table 4.6: Income Statement – Administered

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Revenue from Appropriation ¹	433 679	463 468	440 169	492 013	503 861
Taxation ²	941 560	976 795	1 026 492	1 068 924	1 111 529
Interest Revenue ³	247 598	252 651	418 856	437 905	348 639
Grants ⁴	2 795 105	2 465 025	2 529 732	2 704 744	2 826 656
Sales of Goods and Services ⁵	80 337	88 751	91 737	96 940	99 886
Other Revenue	100 382	101 004	101 608	102 165	102 675
	4 598 661	4 347 694	4 608 594	4 902 691	4 993 246
Less Expenses					
Superannuation	343 518	377 710	383 948	389 156	390 366
Depreciation and Amortisation	19 198	18 010	16 415	15 845	16 019
Borrowing Costs ⁶	17 615	15 485	13 891	13 358	13 221
Grants and Transfer Payments ⁷	252 955	583 258	475 772	299 426	358 098
Supplies and Consumables ⁸	113 244	112 924	119 711	146 629	132 482
Transfer to the Consolidated Fund	4 217 747	3 717 641	3 680 525	3 853 185	3 954 992
Other Expenses	100	....	....	....	....
	4 964 377	4 825 028	4 690 262	4 717 599	4 865 178
Plus Gains/(Losses)					
Gain/(Loss) on Investments in GBEs and SOCs ⁹	316 458	300 530	150 228	34 544	79 222
Other Gains(losses) ¹⁰	(188)	(11 866)	(8 093)	(7 341)	(7 438)
	316 270	288 664	142 135	27 203	71 784
Equals OPERATING RESULT	(49 446)	(188 670)	60 467	212 295	199 852
Plus Other Movements in Equity					
Revaluations of Non-Financial Assets	....	....	....	....	....
Other Non-Owner Movements in Equity	(3)	(2)	(2)	(2)	(2)
	(3)	(2)	(2)	(2)	(2)
Equals COMPREHENSIVE INCOME	(49 449)	(188 672)	60 465	212 293	199 850

Notes:

1. Explanations for significant variations can be found in Table 4.7 Revenue from Appropriation by Output.
2. Further information regarding Taxation Revenue can be found in Budget Paper No 1 *The Budget*, Chapter 4 General Government Revenue.

3. Interest Revenue includes interest on investments, and dividend and income tax equivalent receipts from Government businesses. Further information on returns from Government businesses can be found in Budget Paper No 1 *The Budget*, Chapter 4 General Government Revenue.
4. Grant revenue is funding from the Australian Government in the form of GST receipts, National Partnership Payments and Special Purpose Payments. Further information on Australian Government Funding can be found in Budget Paper No 1 *The Budget*, Chapter 4 General Government Revenue.
5. The increase in Sale of Goods and Services primarily reflects agency contributions to the Tasmanian Risk Management Fund of \$50.0 million (\$41.6 million in 2011-12) as recommended by the Actuary.
6. The decrease in Borrowing Costs reflects a decrease in interest on sundry deposits due to lower interest rates.
7. Grants and Transfer Payments have increased in 2012-13 primarily relating to the transfer of National Partnership Payments totalling \$310.9 million to agencies. Expenditure in 2012-13 also includes provision for grant payments to Forestry Tasmania of up to \$35.0 million and payments of \$22.2 million under the Tasmanian Forests Intergovernmental Agreement.
8. The increase in expenditure over the Forward Estimates period for Supplies and Consumables relates to forecast expenditure for the *parliament square* Project.
9. Gain/(Loss) on investments in GBEs and SOCs represents the estimated movement in the value of net assets of Government-owned businesses, excluding any equity contributions, between 1 July and 30 June each year.
10. Other Gains/(Losses) reflect revaluation decreases/(increases) related to the Tasmanian Risk Management Fund liability.

Table 4.7: Revenue from Appropriation by Output

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Output Group 1 - Debt Servicing and Management					
1.1 Debt Servicing ¹	2 195	2 242	700	320	330
1.2 Interest on Sundry Deposits ²	96 146	9 785	10 262	10 775	11 308
	98 341	12 027	10 962	11 095	11 638
Output Group 2 - Employee Related Costs					
2.1 Superannuation and Pensions	210	228	235	242	249
2.2 Targeted Voluntary Redundancy Program	10 000	10 000	....	....	....
2.3 Provision for 27 th Pay	6 500	6 500	6 500	6 500	6 500
	16 710	16 728	6 735	6 742	6 749
Output Group 3 - Government Businesses					
3.1 Forestry Tasmania ³	2 500	47 000	27 000	27 000	27 000
3.2 State Fire Commission ¹	2 846	2 309	2 046	2 046	2 046
3.4 Government Businesses	766	782	1 798	2 039	2 316
	6 112	50 091	30 844	31 085	31 362
Output Group 4 - Miscellaneous					
4.2 Treasurer's Reserve	10 000	10 000	10 000	10 000	10 000
4.3 Miscellaneous ¹	9 362	7 886	10 230	19 207	17 712
4.4 Payment to Australian Tax Office: GST Administration	14 600	15 609	15 499	15 544	15 544
4.7 Property Management Services ¹	8 209	9 988	13 428	35 098	19 698
4.8 Infrastructure Investment Project Planning	1 500	2 000	2 000	2 000	2 000
	43 671	45 483	51 157	81 849	64 954
Grants and Subsidies	106 320	96 961	98 503	100 998	104 677
Special Capital Investment Funds⁴	33 600	15 000	....	....	....
Finance-General					
Total Recurrent Services	277 854	221 290	198 201	231 769	219 380
Total Works and Services ⁴	26 900	15 000	....	....	....
	304 754	236 290	198 201	231 769	219 380
Reserved by Law					
Appropriation to the Treasurer's Reserve (<i>Public Account Act 1986</i>)	10 000	10 000	10 000	10 000	10 000
Contribution to the Superannuation Provision Account (<i>Retirements Benefits Act 1993</i>) ⁵	100 950	....	....	....	....

Table 4.7: Revenue from Appropriation by Output (continued)

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Superannuation Benefits Payable under the <i>Retirement Benefits Act 1993</i> ⁵	....	197 945	211 852	229 131	252 539
Payments to Municipalities under the (<i>Local Government (Rates and Charges Remissions) Act 1991</i>)	14 498	15 167	15 938	16 750	17 604
Payments under the <i>Retirement Benefits (Parliamentary Superannuation) Regulations 2002</i>	1 437	1 779	1 766	1 822	1 776
Superannuation Benefits Payable under the <i>Governor of Tasmania Act 1982</i>	84	101	106	111	112
Superannuation Benefits Payable under the <i>Judges' Contributory Pensions Act 1968</i>	1 730	1 945	2 051	2 161	2 179
Superannuation Benefits Payable under the <i>Solicitor-General Act 1983</i>	226	241	255	269	271
	128 925	227 178	241 968	260 244	284 481
Total Revenue from Appropriation	433 679	463 468	440 169	492 013	503 861

Notes:

1. The decrease in appropriation reflects the reduced expenditure for this Output as detailed in Table 4.1 Output Group Expense Summary.
2. The decrease in appropriation for Interest on Sundry Deposits in 2012-13 reflects the closure of the Superannuation Provision Account, with the result that a notional interest contribution is no longer required. For further information in relation to Superannuation refer to Budget Paper No 1 *The Budget*, Chapter 6 Assets and Liabilities.
3. The 2012-13 appropriation includes \$35.0 million to ensure Forestry Tasmania can continue to operate, meet its contractual obligations and perform its non-commercial functions and a one-off equity contribution of \$10.0 million to Forestry Tasmania representing a return of tax payable by Forestry Tasmania as a result of the sale of the softwood joint venture.
4. The decrease in Works and Services for 2012-13 and over the Forward Estimates period reflects the final contribution to the Hospitals Capital Fund.
5. For further information in relation to Superannuation, refer to Budget Paper No 1 The Budget, Chapter 6 Assets and Liabilities.

Table 4.8: Administered Expenses

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Grants and Subsidies					
Australian Government Contribution for Extension of Pensioner Concessions	475	475	475	475	475
First Home Owners Scheme ¹	16 037	12 810	13 067	13 484	13 954
Launceston Flood Levee ²	5 750	....	....	....	....
Local Government: Grants	68 226	71 795	74 301	77 046	80 256
Management of Australian Government Funding ³	....	310 878	302 587	115 260	178 249
Other Grants and Subsidies	2	2	1	1	....
Payments under <i>Local Government (Rates and Charges Remissions) Act 1991</i> ⁴	14 498	15 167	15 938	16 750	17 604
Payroll Tax Assistance	3 300	2 700	1 200	....	....
Support for Local Government Infrastructure Investment	971	921	375	....	....
Tasmanian Forestry Agreement ⁵	....	22 228	7 408	7 593	7 783
Water and Sewerage Community Service Obligations Concession Payments ⁶	7 508	8 258	9 084	9 992	9 992
	116 767	445 234	424 436	240 601	308 313
Transfer to the Consolidated Fund	4 217 747	3 717 641	3 680 525	3 853 185	3 954 992
Other Administered Expenses	629 863	662 153	585 301	623 813	601 873
Total Administered Expenses	4 964 377	4 825 028	4 690 262	4 717 599	4 865 178

Notes:

1. The decrease in First Home Owners Scheme grants reflects the fall in actual grant payments in 2011-12 consistent with reduced activity in the residential property market.
2. The decrease in Launceston Flood Levee expenses reflects the finalisation of grant payments to the Launceston City Council.
3. The increase reflects a revised arrangement for administering Australian Government Funding for National Partnership Payments whereby Finance-General receives all Australian Government NPP funds and transfers the funding to agencies as a Grants expense.
4. The increase in payments to municipalities reflects the most recent estimates of rates remissions concessions for the Budget and Forward Estimates period based on actual payments in 2011-12.
5. Payments in 2012-13 comprise \$7.2 million for management of forest reserves and \$15.0 million for Sawlog Buyback.
6. The Water and Sewerage Community Service Obligation Concession Payments represent payments to the water and sewerage corporations in accordance with the Government's agreement to relieve councils as owners of the businesses of the need to fully fund this cost to those corporations, in terms of revenue foregone, as per the *Water and Sewerage Industry (Community Service Obligation) Act 2009*. The Budget and Forward Estimates for Water and Sewerage Community Service Obligations will remain unchanged until the pricing environment has been set by the Tasmanian Economic Regulator in June 2012.

Australian Government Contribution for Extension of Pensioner Concessions

The purpose of this item is to provide non-Budget sector agencies with funds to cover the additional cost of maintaining existing concession arrangements following an extension by the Australian Government, from 1 April 1993, of eligibility for the Pensioner Concession Card.

First Home Owners Grant Scheme

As part of the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations*, the states and territories fund and administer a First Home Owners Grant scheme. The scheme was designed to offset the impact of the introduction of the GST on newly constructed and existing houses. The FHOG scheme commenced on 1 July 2000. First home purchasers who meet the eligibility criteria are entitled to a \$7 000 grant.

Local Government Grants

Local Government Grants are comprised of two components: general purpose funding and identified local road funds. Under the *Australian Local Government (Financial Assistance) Act 1995*, the Australian Government each year provides funds to the states for on-passing as general purpose grants to local government.

Other Grants and Subsidies

An amount of \$2 000 (\$2 000 in 2011-12) has been provided for a subsidy to the Municipality of Sorell on interest costs on borrowings under the *Midway Point Improvement Act 1975*.

Payments under the Local Government (Rates and Charges Remissions) Act 1991

In accordance with the provisions of the *Local Government (Rates and Charges Remissions) Act 1991*, the pensioner rates remission scheme provides a remission of 30 per cent off council rates and charges, up to a defined maximum annual amount for eligible pensioners. The maximum remission is indexed annually to ensure that rate relief increases in line with inflation.

Prior to 1 July 2009, as councils' rates and charges included water and sewerage charges in addition to the general rates, the rates remission calculation included remissions on both general rates and water and sewerage charges components.

With the introduction of the water and sewerage reforms, from 1 July 2009, water and sewerage services and charges applicable became the responsibility of separate water and sewerage corporations. A separate concession on water and sewerages charges is offered by the State Government through the regional water and sewerage corporations to eligible card holders. This concession effectively replaces the previous water and sewerage charges remission component under the pensioner rates remission scheme.

For 2012-13, the maximum pensioner rate remission concession will be capped at \$275 for those pensioners who are customers of a water and sewerage corporation, and will be \$406 for those pensioners who are not customers.

Payroll Tax Assistance

The purpose of this grant is to provide financial assistance to organisations, subject to various eligibility criteria being met. Some organisations receive assistance by way of grants equivalent to their payroll tax liability and are entitled to assistance when their payroll expenditure exceeds the threshold limit, currently \$1.01 million per annum.

Employee Payroll Tax Relief

Payroll tax relief is made available to employers liable for payroll tax, by way of rebate for the payroll tax payable for any new positions created and maintained during the period from 16 June 2011 to 30 June 2012, provided these positions are maintained continuously until 30 June 2013. The *Employment Incentive Scheme (Payroll Tax Rebate) Act 2009* was given Royal Assent on 21 July 2009 giving effect to this payroll tax relief initiative.

Support for Local Government Infrastructure Investment

This Output provides for the Government's initiative to promote local government infrastructure investment through the provision of targeted subsidies to councils to offset loan interest costs.

Tasmanian Forestry Agreement

Expenditure in 2011-12 under the Tasmanian Forests Intergovernmental Agreement between the Australian Government and the State comprises a \$15.0 million State contribution and a \$50.0 million Australian Government contribution. The State's contribution of \$15.0 million was made to ForestWorks Ltd to administer and provide transition support payments to workers directly impacted by the industry restructuring, including employees of contractors who are made redundant as a result of Gunns Ltd's exit from native forest processing.

The 2012-13 expenditure comprises \$15.0 million for Sawlog Buyback and \$7.2 million for the management of forest reserves.

Water and Sewerage Community Service Obligations Concession Payments

Under the *Water and Sewerage Industry (Community Service Obligation) Act 2009* concessions are made available to eligible low income earners and pensioners to assist them in meeting the cost of services provided by the water and sewerage corporations. Payments are made to the corporations which pass the benefit on to concession card holders as lower service charges. Persons eligible for the concession are current holders of a Health Care Card, Pensioner Concession Card, Department of Veterans' Affairs Repatriation Health Gold Card.

Table 4.9: Balance Sheet as at 30 June – Administered

	2012	2013	2014	2015	2016
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Financial Assets					
Cash and Deposits ¹	174 903	840 546	690 891	684 306	674 770
Investments	228 746	224 843	211 162	198 041	184 784
Equity Investment in PNFC & PFC Sectors ²	6 352 541	6 537 914	6 688 142	6 722 686	6 801 908
Receivables ³	76 758	84 145	84 145	84 145	84 145
Other Financial Assets ⁴	4 954	1 672	1 976	2 526	2 862
	6 837 902	7 689 120	7 676 316	7 691 704	7 748 469
Non-Financial Assets					
Land and Buildings	57 586	55 512	54 440	53 368	52 296
Plant and Equipment ⁵	66 196	56 511	49 833	46 058	44 173
Assets Held for Sale	1 237	1 095	1 095	1 095	1 095
	125 019	113 118	105 368	100 521	97 564
Total Assets	6 962 921	7 802 238	7 781 684	7 792 225	7 846 033
Liabilities					
Borrowings ⁶	404 873	1 267 199	1 010 058	644 450	356 613
Superannuation ⁷	5 155 087	4 957 864	5 125 547	5 280 967	5 414 207
Payables	7 546	10 633	10 633	10 633	10 633
Other Liabilities ⁸	154 625	184 422	192 861	201 297	209 852
Total Liabilities	5 722 131	6 420 118	6 339 099	6 137 347	5 991 305
NET ASSETS	1 240 790	1 382 120	1 442 585	1 654 878	1 854 728
Equity					
Accumulated Funds	400 835	1 360 603	1 421 068	1 633 361	1 833 211
Asset Revaluation Reserve	21 517	21 517	21 517	21 517	21 517
Other Equity	818 438	....	....	....	....
Total Equity	1 240 790	1 382 120	1 442 585	1 654 878	1 854 728

Notes:

1. The increase in Cash and Deposits in 2012-13 primarily reflects the estimated overnight increase in the Government's cash holdings as a result of the temporary overnight borrowing undertaken at 30 June as per Note 6.
2. Equity Investments represents the Government's equity interest in Government-owned businesses measured as the consolidated value of their net assets.
3. The increase in Receivables of \$7.3 million in 2012-13 reflects the expected outstanding State taxation receipts.
4. The decrease in Other Financial Assets in 2012-13 is due to decreases in Accrued Revenues and Tax Assets (net receivable GST input tax credits) consistent with the actual 30 June 2011 outcomes.
5. The reduction in Plant and Equipment relates to the Government's light motor vehicle fleet. In June 2011, the Government announced a policy change to require agencies to achieve 10 per cent savings and change lease terms

to 3 years/60 000kms. The value of the fleet has been impacted by delays in the replacement of vehicles and the removal of prestige vehicles from contract together with fewer large 4WDs being purchased.

6. Borrowings consist of Australian Government borrowings incurred under various Commonwealth-State Housing Agreements, borrowings through Tascorp and monies held on behalf of agencies in the Special Deposits and Trust Fund. The increase in Borrowings in 2012-13 is due to the estimated temporary overnight end of year borrowing of \$861.6 million at 30 June to gross up the Government's cash holdings to the estimated balance of accounts in the Special Deposits and Trust Fund. Borrowings also includes borrowing from the Australian Government under the CSHAs of \$202.8 million and deposits held on behalf of agencies of \$202.8 million.
7. The movement in the Superannuation liability reflects the most recent available actuarial projections of the liability. Further information on Superannuation is included in Budget Paper No 1 *The Budget*, Chapter 6 Assets and Liabilities.
8. Other Liabilities is principally comprised of the Tasmanian Risk Management Fund's liabilities. The movements in this Balance Sheet item reflect the movements in the estimated TRMF liabilities. Further information on the TRMF is included in Budget Paper No 1 *The Budget*, Chapter 6 Assets and Liabilities.

Table 4.10: Cash Flow Statement – Administered

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
Cash Received					
Appropriation	304 754	236 290	198 201	231 769	219 380
Reserved by Law	128 925	227 178	241 968	260 244	284 481
Taxation	941 560	976 795	1 026 492	1 068 924	1 111 529
Interest Received	28 605	20 430	17 225	26 409	37 500
Grants	2 795 105	2 465 025	2 529 732	2 704 744	2 826 656
Sales of Goods and Services	80 337	88 751	91 737	96 940	99 886
GST Receipts	13 500	13 500	13 500	13 500	13 500
Other Receipts	318 596	333 960	502 694	513 009	413 376
	4 611 382	4 361 929	4 621 549	4 915 539	5 006 308
Cash Paid					
Superannuation	(187 997)	(202 239)	(216 265)	(233 736)	(257 126)
Borrowing Costs	(17 090)	(15 152)	(13 423)	(12 886)	(12 747)
Grants and Transfer Payments	(252 955)	(583 258)	(475 772)	(299 426)	(358 098)
Supplies and Consumables	(113 699)	(113 379)	(120 166)	(147 084)	(132 937)
Transfers to the Consolidated Fund	(4 217 747)	(3 717 641)	(3 680 525)	(3 853 185)	(3 954 992)
GST Payments	(13 500)	(13 500)	(13 500)	(13 500)	(13 500)
Other Payments	(100)	....	....	....	....
	(4 803 088)	(4 645 169)	(4 519 651)	(4 559 817)	(4 729 400)
Net Cash Flows From Operating Activities	(191 706)	(283 240)	101 898	355 722	276 908
Cash Flows From Investing Activities					
Sale of Fixed Assets	25 000	28 335	15 785	14 580	12 900
Purchase of Fixed Assets	(42 515)	(41 266)	(24 451)	(25 579)	(25 963)
Net Purchase of Investments	....	(10 000)	....	....	....
Net Customer Loans (Granted)/Repaid	(2 666)	611	14 255	14 301	14 202
Net Cash From Investing Activities	(20 181)	(22 320)	5 589	3 302	1 139

Table 4.10: Cash Flow Statement – Administered (continued)

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Financing Activities					
Net Borrowings	(57 189)	185 454	(257 142)	(365 609)	(287 583)
Net Cash Flows from Financing Activities	(57 189)	185 454	(257 142)	(365 609)	(287 583)
Net Increase/(Decrease) In Cash Held	(269 076)	(120 106)	(149 655)	(6 585)	(9 536)
Cash at the Beginning of the Year	443 979	960 652	840 546	690 891	684 306
Cash at the End of the Year	174 903	840 546	690 891	684 306	674 770

5 DEPARTMENT OF HEALTH AND HUMAN SERVICES

AGENCY OUTLINE

The Department of Health and Human Services is responsible for delivering integrated services that maintain and improve the health and wellbeing of Tasmanians.

The Department coordinates the delivery of its services across Tasmania through a network of facilities, community services and home-based care; it reports to the Minister for Health and Minister for Children, Hon Michelle O'Byrne MP; and the Minister for Human Services, Hon Cassy O'Connor MP.

Service delivery is achieved through direct provision of services by the Department or through service agreements or contracts with provider organisations. From 1 July 2012, Tasmanian Health Organisations (THOs) will be responsible for the provision of public hospital services and a broad range of health services. The Department, on behalf of the Minister for Health, will negotiate the service agreements with the THOs and will monitor performance against these agreements.

The principal responsibilities of the Department include:

- planning and funding high quality, safe and efficient health services through the public hospital system, primary and community health services, including mental health, oral health and correctional health services and ambulance services;
- delivering health promotion and protection through emergency management, public health and related preventative services;
- providing care for older Tasmanians, as well as support and assistance to enable them to remain living independently in their own homes;
- funding a network of alcohol and drug abuse prevention and treatment services;
- funding a range of accommodation and support services aimed at enhancing the quality of life for people with a disability;
- statutory responsibilities for vulnerable children and young people in relation to child protection and juvenile justice;
- funding a wide range of community services for children and their families, including early intervention, family support services and child health services; and
- delivering secure, affordable housing and support to low income Tasmanians, as well as accommodation and support for people experiencing homelessness.

This chapter provides the Department's financial information for 2012-13 and over the Forward Estimates period (2013-14 to 2015-16). Further information about the Department is provided at www.dhhs.tas.gov.au.

NATIONAL HEALTH REFORM

National Health Reform will be implemented in Tasmania from 1 July 2012 with the establishment of three Tasmanian Health Organisations (THOs) under the *Tasmanian Health Organisations Act 2011*. The three THOs are called Tasmanian Health Organisation – North (THO – North), Tasmanian Health Organisation – North West (THO – North West) and Tasmanian Health Organisation – South (THO – South). Each THO is a statutory authority with a Governing Council established under the Act.

The functions of the THOs include improving, promoting, protecting and maintaining the health of Tasmanians as required by its service agreement; and managing public hospitals, health institutions, health services and health support services. The financial statements and performance information for each of the three THOs are presented in Chapters 21, 22 and 23 respectively of Budget Paper No 2 Volume 2, *Government Services*.

The THOs replace the Area Health Services previously managed directly by the Department of Health and Human Services. This has a significant impact on the quantum and type of expenditure managed by the Department and presented in its financial statements. The most significant impact is a substantial reduction in employee expenditure and an increase in grants paid by the Department to THOs. To align with National Health Reform, outputs in the Acute Health Services Output Group have been restructured to identify Admitted Services, Non-admitted Services and Emergency Department Services. THOs also provide services previously identified as Primary Health Services, including rural hospital services. This output has been renamed Community and Aged Care Services.

Under National Health Reform, the majority of funding previously provided by the Australian Government under the Health Specific Purpose Payment (SPP) is now provided to THOs via accounts held in the National Pool. In 2011-12, this funding was paid to the Department by way of a recurrent appropriation, in 2012-13 this funding will flow as grants to the THOs. Also, under new administrative arrangements in place for 2012-13, funding due to the Department under National Partnership Agreements with the Australian Government and Commonwealth Own Purpose Expenditure will be paid as grants rather than by way of appropriation. The impact is a substantial reduction in revenue from appropriation and an increase in grants received by the Department.

Performance information relating to each THO is reported in the respective chapters in Budget Paper No 2. Final performance indicators and targets will be agreed between the Minister for Health and the Governing Council in the service agreements.

To assist readers in better understanding the impact of National Health Reform on health expenditure in the Tasmanian public health system, a Comparative Income Statement showing the 2011-12 Budget and 2012-13 Budget is provided at Table 5.19. It should be noted that the comparative information for 2012-13 does not simply represent the sum of the Department and THO Income Statements, but has been adjusted for internal transactions between the Department and the THOs to avoid double counting.

Further information on National Health Reform is provided at www.dhhs.tas.gov.au and www.yourhealth.gov.au.

MAJOR INITIATIVES

Table 5.1 provides a summary of the Budget and Forward Estimate allocations for major initiatives.

Table 5.1: Major Initiatives Statement

	2012-13	2013-14	2014-15	2015-16
	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000
Budget Savings Relief	27 300	33 100	30 000	30 000
Endoscopy and Elective Procedures	4 000	....	....	....
Energy Efficiency for Housing Tasmania Low Income Tenants	1 000	....	....	....
Integrated Care Centres/Community Health Services Facilities	7 000	10 943	7 750	1 433
National Health and Hospitals Network Reforms				
Elective Surgery	3 393	2 610	....	....
Four Hour National Access Target	3 300	4 400	....	....
Sub-Acute Beds	11 000	11 936	1 314	1 350
National Health Reform Agreement – National Partnership Agreement on Improving Public Hospital Services				
Emergency Departments	2 325	....	....	....
Sub-Acute Care	428	....	....	....
Royal Hobart Hospital				
Royal Hobart Hospital (Hospitals Capital Fund)	43 788	....	....	....
Royal Hobart Hospital Redevelopment	10 000	114 250	140 750	100 000
Royal Hobart Hospital Women's and Children's Hospital	60 000	35 750	....	....
Social and Community Service Workers	3 000	6 000	9 000	12 000
State-wide Cancer Services	17 386	2 538	....	....

Budget Savings Relief

In 2012-13, Budget Savings Relief of \$27.3 million is provided to address cost and demand pressures on the health system. This funding reduces the savings to be implemented by the Department to \$100.0 million in 2012-13, \$110.0 million in 2013-14, and \$120.0 million in 2014-15 and thereafter.

Endoscopy and Elective Procedures

In 2012-13, \$4.0 million is allocated to relieve pressure on elective procedures and to increase the number of endoscopy procedures being performed. These funds will be targeted in line with clinical decisions to ensure that those patients who have waited the longest for elective surgery receive appropriate treatment. It will also be used to reduce waiting times for endoscopy amongst both those patients who have waited longest and those whose clinical need has been identified as the most urgent. These funds will be managed to maximise the impact on excess waiting times across the state, and to provide the maximum possible additional capacity within available funds.

Energy Efficiency for Housing Tasmania Low Income Tenants

This Budget priority will provide \$1.0 million in 2012-13 to fund improvements in energy efficiency for Housing Tasmania low-income tenants. It will assist low income Tasmanians with the cost of living through energy savings, and will add to work already underway in Housing Tasmania and through the Tasmanian Climate Change Office.

This is an addition to the \$2.5 million per annum to be provided in 2012-13 and 2013-14 announced in the 2011-12 Budget to fund energy audits and energy efficiency improvements in public housing.

Integrated Care Centres/Community Health Services Facilities

The Government will continue its investment in new models of care, including the better integration of services from existing facilities into a single access point. The Government will invest almost \$70.0 million in Integrated Care Centres at Launceston and Clarence, and Community Health services facilities at Kingston and Glenorchy, with some \$27.1 million to be spent over the next four years.

National Health and Hospitals Network Reforms

Under the National Health and Hospitals Network Reform program, the Australian Government will provide Tasmania from 2010-11 with an additional \$63.1 million over four years. The purpose of these reforms is to improve access to elective surgery in public hospitals, create a Four Hour National Access Target, and to deliver and operate new sub-acute beds.

The Four Hour National Access Target is for patients presenting to a public hospital emergency department to be admitted, referred for treatment or discharged within four hours, where clinically appropriate to do so. Sub-acute services include rehabilitation, palliative care, mental health and geriatric services, in both hospitals and the community. Sub-acute care can significantly improve patient's health and quality of life by restoring their independence, allowing them to live with as much comfort and dignity as possible.

National Health Reform Agreement – National Partnership Agreement on Improving Public Hospital Services

The Australian Government will provide the State with funding towards improving public hospital services, as agreed in July 2011 under the *National Health Reform Agreement – National Partnership Agreement on Improving Public Hospital Services*. The purpose of this reform is to facilitate improved access to public hospital services, including elective surgery and emergency department services, and sub-acute care, with some \$2.8 million to be spent in 2012-13.

Royal Hobart Hospital Redevelopment

Total funding of \$565.0 million has been provided for the redevelopment of the Royal Hobart Hospital. Funding for this project is provided for three different elements:

- Royal Hobart Hospital (Hospitals Capital Fund) – in 2012-13, \$43.8 million will be allocated from the State Government's \$100.0 million Hospitals Capital Fund to address ageing buildings and infrastructure; to improve and expand key services including the Intensive Care Unit; to construct the air bridge from the Wellington Centre and the Lower Statton building (Repatriation Centre); and to fit out the clinical spaces. The projects are being managed as an integrated package in the overall Royal Hobart Hospital Redevelopment program of works;

- Royal Hobart Hospital Redevelopment - funding for a major redevelopment of the Royal Hobart Hospital has been secured following an application in late 2010 to the Board of the Health and Hospitals Fund (HHF). The \$365.0 million available to redevelop the RHH is a combined Australian and State Government commitment, with \$240.0 million being provided by the Australian Government and \$125.0 million provided by the State Government. Overall, the project will build the capacity to deliver 195 new overnight beds and twelve new operating and procedure rooms. Funding of \$10.0 million has been allocated in 2012-13; and
- Royal Hobart Hospital Women's and Children's Hospital - \$100.0 million has been provided by the Australian Government to fund the construction of a Women's and Children's Hospital within the broader redevelopment program of the Royal Hobart Hospital. In 2012-13, \$60.0 million will be available for site establishment and demolition of an existing building within the site to make way for the commencement of construction of Stage 1 of the new inpatient precinct.

Social and Community Service Workers

On 1 February 2012, Fair Work Australia (FWA) issued a decision in response to an application by the Australian Services Union to provide wage increases to employees covered by the *Social, Community, Home Care and Disability Services Award 2010* to address wage inequality in the social and community services industry.

This wage increase will impact workers in the disability sector that are primarily employed by non-government organisations (NGOs) that are funded by the Tasmanian Government. To assist these NGOs to meet this cost increase, the Tasmanian Government will provide an additional \$3.0 million in grant funding in 2012-13, increasing to \$12.0 million in 2015-16. It is anticipated that the Australian Government will provide a similar level of assistance to NGOs.

State-wide Cancer Services

Funding for cancer services has been secured to build specialist Cancer Centres within the hospital precincts of the Royal Hobart Hospital and the Launceston General Hospital. The total commitment is \$31.6 million, with \$16.5 million from the State, \$13.9 million from the Australian Government and notable donated contributions from the Menzies Centre (\$600 000) and the Cancer Council (\$600 000).

North West Cancer Services is an integral part of the Tasmanian Cancer Framework and Strategic Plan established in partnership with the Australian Government and significant Tasmanian cancer support stakeholder groups. The Department is continuing to work with the Australian Government for the construction of a purpose-built Cancer Centre connected to the North West Regional Hospital housing chemotherapy, palliative care and teaching facilities. Installation of Magnetic Resonance Imaging (MRI) is also part of the discussions with the Australian Government.

OTHER INITIATIVES

Emergency Services Support Review

The Department of Police and Emergency Management and the Department of Health and Human Services will play an important role in an across agency review of emergency services support functions. This Review, which will involve Tasmania Police, Tasmania Fire Service, Ambulance Tasmania and the State Emergency Service, will seek to identify:

- areas of duplication in support functions within the Tasmanian Government's emergency services sector; and
- opportunities to reduce or eliminate duplication, while maintaining or increasing operational effectiveness.

Support functions that will be the focus of the Review will include:

- fleet and facilities management;
- information infrastructure and systems;
- corporate administration and support; and
- volunteer support.

Health and Wellbeing Strategy

The Health and Wellbeing Strategy will be a coordinated and integrated approach to health and wellbeing, bringing together key organisations and government agencies that are well placed to support Tasmanians to have healthy lives. The Strategy will acknowledge and address the social determinants of health and wellbeing, to best support those who are most in need. With over \$15.0 million per annum currently committed to prevention and health protection programs, the Strategy has initially focused on establishing an evidence base for decision making, working with communities to put in place relevant place-based strategies and bringing together key partners to invest well in ill-health prevention in Tasmania. A Health and Wellbeing Advisory Council comprising members with a diverse range of expertise has been established to provide input into, and help guide, this work. This Strategy will recognise that health and wellbeing is not only an issue for the health sector, but is shared across the community.

National Mental Health Reform

Funding of \$6.6 million over five years from the Australian Government through the National Partnership Agreement on Supporting National Mental Health Reform will provide up to 70 flexible individual packages of care for people with severe and persistent mental illness. It will assist Tasmanian mental health services to reconfigure state delivered mental health services and achieve savings targets over the forward estimates, and help Tasmanians with a severe and persistent mental illness to live well in the community and break the hospital admission cycle.

Our Children Our Young People Our Future – the Agenda for Children and Young People

Our Children Our Young People Our Future aims to improve the health, education, protection and wellbeing of Tasmania's children and young people so that they may achieve their full potential. It is a whole-of-government 10 year action plan that focuses on 13 priority action areas, within and across agencies and sectors, to deliver tangible outcomes for children and young people from before their birth to their transition to adulthood at age 18 years.

Tasmanian Government Response to the Select Committee on Child Protection Report

The Tasmanian Government is implementing a broad-based, forward-looking strategy, to deliver wellbeing and safety for all Tasmanian children, young people and families, and support for those who are vulnerable or have greater need.

Tasmania's Children's Services system is changing and there has already been significant investment and progress. This comprehensive strategy builds on this investment with six, broad based action areas, that will address matters raised by the Select Committee on Child Protection, and other past reviews; providing a pathway for the future wellbeing of Tasmania's children.

Action on the Tasmanian Government Response to the Select Committee on Child Protection will first target areas where outcomes can be achieved through the redirection of current resources; working more cooperatively across the government and the community sectors, and intervening earlier to reduce the potential for chronic problems to develop.

OUTPUT INFORMATION

Outputs of the Department of Health and Human Services are provided under the following Output Groups:

- Output Group 1 – Acute Health Services;
- Output Group 2 – Community Health Services;
- Output Group 3 – Human Services;
- Output Group 4 – Children's Services; and
- Output Group 5 – Independent Children's Review Services.

Table 5.2 provides an Output Group Expense Summary for the Department.

Output Restructure

The 2011-12 Budget presented expenses for a number of Outputs that have been restructured to align with the implementation of National Health Reform. Also, Outputs previously reported under Output Group 3 – Human Services but included in the portfolio of the Minister for Children, have been separated into a new Output Group 4 – Children's Services.

In Output Group 1 – Acute Health Services has been restructured to reflect the implementation of National Health Reform. The following Outputs have been removed:

- Output 1.1 Clinical Support Services;
- Output 1.2 Medical Services;
- Output 1.3 Surgical Services;
- Output 1.4 Women's and Children's Services; and
- Output 1.5 Diagnostic and Pharmacy Services.

The expenditure has been reallocated to:

- Output 1.1 Admitted Services;
- Output 1.2 Non-admitted Services; and
- Output 1.3 Emergency Department Services.

In Output Group 2 – Community Health Services:

- Output 2.1 Primary Health Services has been renamed Community and Aged Care Services.

In Output Group 3 – Human Services has been restructured to separate expenditure associated with the Minister for Children into Output Group 4 - Children's Services:

- Output 3.1 Children and Family Services and Output 3.2 Youth Justice Services have been merged and replaced by Output 4.1 Children's Services; and
- Output 3.1 Community Support Services has been created to identify expenditure on other community services not directly related to children previously reported under Output 3.1 Children and Family Services.

For comparative purposes, the 2011-12 Budget has been recast to reflect the impact of these changes, as shown in Table 5.2.

Table 5.2: Output Group Expense Summary

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Minister for Health					
Output Group 1 - Acute Health Services¹					
1.1 Admitted Services ^{2,3,4}	778 603	419 985	406 182	394 476	403 560
1.2 Non-admitted Services ^{2,4}	67 709	33 628	36 020	38 992	40 819
1.3 Emergency Department Services ^{2,3,4}	63 810	35 550	34 520	34 316	35 967
1.4 Ambulance Services	57 770	58 241	60 446	62 059	62 832
1.5 Forensic Medicine Services	2 354	2 351	2 340	2 365	2 414
	970 246	549 755	539 508	532 208	545 592
Output Group 2 - Community Health Services					
2.1 Community and Aged Care Services ^{2,3,4}	191 260	137 800	133 279	131 543	134 489
2.2 Oral Health Services	26 317	26 833	27 030	27 374	27 927
2.3 Population Health Services	39 600	38 629	39 692	39 729	40 780
2.4 Mental Health Services ⁵	149 440	150 633	144 861	146 040	147 818
	406 617	353 895	344 862	344 686	351 014
Capital Investment Program	480	....	....	....	....
Special Capital Investment Funds⁶	2 036	7 405	....	....	....
Minister for Human Services					
Output Group 3 - Human Services					
3.1 Community Support Services ⁷	21 908	22 810	23 762	24 300	24 879
3.2 Disability Services ⁸	163 152	175 762	180 918	185 188	189 097
3.3 Housing Services ⁹	151 477	161 400	165 920	168 564	169 520
	336 537	359 972	370 600	378 052	383 496
Grants and Subsidies¹⁰	24 957	37 288	37 288	38 407	39 558
Capital Investment Program	2 377	7 883	8 063	8 233	8 433
Special Capital Investment Funds¹¹	11 213	8 058	....	3 000	....

Table 5.2: Output Group Expense Summary (continued)

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Minister for Children					
Output Group 4 - Children's Services					
4.1 Children's Services ^{12,13}	88 929	95 724	93 489	95 032	96 965
	88 929	95 724	93 489	95 032	96 965
Output Group 5 - Independent Children's Review Services					
5.1 Office of the Commissioner for Children	764	766	765	787	792
	764	766	765	787	792
TOTAL	1 844 156	1 420 746	1 394 575	1 400 405	1 425 850

Notes:

1. The 2011-12 Budget for Outputs 1.1 to 1.5 (formerly Clinical Support Services, Medical Services, Surgical Services, Women's and Children's Services, and Diagnostic and Pharmacy Services) have been replaced and recast by Output 1.1 Admitted Services, Output 1.2 Non-admitted Services and Output 1.3 Emergency Department Services to reflect the implementation of National Health Reform.
2. The Tasmanian Health Organisations (THOs) will commence operation on 1 July 2012. The reduction in Admitted Services, Non-admitted Services, Emergency Department Services, and Community and Aged Care Services from 2011-12 to 2012-13 reflects the transfer of Australian Government and own source funding to the THOs. The amounts reflected in DHHS from 2012-13 onwards reflect State Government funding to the THOs and Australian Government National Partnership Agreement (NPA) funding passed on to the THOs through the Department. Further information is provided in the THO Chapters 21, 22 and 23 in Budget Paper No 2, Volume 2 *Government Services*.
3. The decrease in Admitted Services, Emergency Department Services and Community and Aged Care Services in 2013-14 primarily reflects the impact of Budget Savings Strategies, the cessation of one-off funding for Endoscopy and Elective Procedures, and Australian Government funding relating to the NPA on Improving Public Hospitals.
4. Due to the implementation of Budget Savings Strategies and the negotiation of Service Agreements with THOs, Forward Estimates for Admitted Services, Non-admitted Services, Emergency Department Services and Community and Aged Care Services are preliminary and will be reviewed during 2012-13.
5. The decrease in Mental Health Services in 2013-14 primarily reflects the cessation of Reviews and Reforms funding and the profile of Australian Government funding.
6. The movement in Special Capital Investment Funds reflects the timing and nature of project development and management expenses associated with the Royal Hobart Hospital Redevelopment.
7. The 2011-12 Budget for Output 3.1 Community Support Services (formerly Children and Family Services) has been recast to reflect the transfer of expenditure relating to the portfolio of the Minister for Children to Output 4.1 Children's Services.
8. The increase in Disability Services in 2012-13 primarily reflects additional funding for Social and Community Sector Workers following the outcome of the Fair Work Australia case, a change in the funding formula as part of Disability Services reform, and indexation.
9. The increase in Housing Services in 2012-13 primarily reflects additional funding for maintenance, including energy efficiency works.
10. The increase in Grants and Subsidies reflects the estimated increases in the Community Service Activity: Aurora Energy Pty Ltd Pensioner Concessions.
11. Movements in Special Capital Investment Funds primarily reflect the profile of grants from the Housing Fund for the National Rental Affordability Scheme.
12. The 2011-12 Budget for Output 4.1 Children's Services has been recast to reflect expenditure reported in the 2011-12 Budget Papers under Output 3.1 Children and Family Services and Output 3.2 Youth Justice Services, less expenditure identified under Output 3.1 Community Support Services.
13. The decrease in Children's Services in 2013-14 reflects the cessation of Reviews and Reforms funding.

Output Group 1: Acute Health Services

1.1 Admitted Services

This Output provides admitted acute, sub-acute and non-acute inpatient services (elective and non-elective) provided by Tasmania's major public hospitals to patients either admitted to a ward or in an out-of-hospital setting. It excludes designated mental health wards in major public hospitals.

Admitted Services are provided through Tasmanian Health Organisations (THOs) from 1 July 2012. Funding under this Output represents the purchase of these services by the Department from the three new THOs.

1.2 Non-admitted Services

This Output provides non-admitted services, including ambulatory acute and sub-acute services provided from Tasmania's major public hospitals either on site or in an out-of-hospital setting.

Non-admitted Services are provided through THOs from 1 July 2012. Funding under this Output represents the purchase of these services by the Department from the three new THOs.

1.3 Emergency Department Services

This Output provides services relating to emergency presentations at Tasmania's major public hospital emergency departments.

Emergency Department Services are provided through THOs from 1 July 2012. Funding under this Output represents the purchase of these services by the Department from the three new THOs.

1.4 Ambulance Services

This Output provides emergency integrated pre-hospital emergency and medical services, health transport, aero-medical and medical retrieval services to the Tasmanian community. It provides these services through a system of paramedics, doctors, patient transport officers, volunteer officers and the support and partnership of independent non-government services around the State.

1.5 Forensic Medicine Services

This Output provides forensic and medical services, forensic pathology and clinical forensic medicine.

Table 5.3: Performance Information - Output Group 1

Performance Measure	Unit of measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target¹
Admitted Services – all hospitals					
Admitted patients – weighted separations	Number	101 286	102 849	107 000	113 042
Elective surgery patients seen on time					
Category 1 (admitted within 30 days)	%	77.0	72.0	71.7	88.0
Category 2 (admitted within 90 days)	%	55.0	61.0	60.2	71.5
Category 3 (admitted within 365 days)	%	80.0	73.0	85.0	83.5
Median waiting time for elective surgery	Days	34	37	37	na
Waiting list	Number	7 680	7 782	8 914	na
Admitted Services					
Salaried medical officers per 1 000 people: public hospitals	Number	1.8	1.9	1.6	na
Nurses per 1 000 people: public hospitals	Number	5.3	5.5	5.2	na
Recurrent expenditure per person (public hospitals)	\$	1 653	1 769	1 791	na
Recurrent cost per casemix adjusted separation (including depreciation)	\$	5 474	5 915	5 932	na
Emergency Department Services – all hospitals					
Emergency Department (ED) presentations	Number	141 967	143 864	153 600	146 397
Emergency Department patients seen within the recommended time (ED Australian Triage Scale):					
Category 1 (immediate)	%	99.0	99.4	100.0	na
Category 2 (10 minutes)	%	73.0	72.4	80.0	na
Ambulance Services					
Total Ambulance Responses	Number	69 899	73 156	76 600	76 800
Emergency Ambulance Responses ²	Number	38 306	41 100	46 500	46 500
Satisfaction with Ambulance Services	%	98.0	98.0	97.5	97.5
Emergency Response Times (State-wide) ³	Mins	11.0	11.4	11.4	11.4
Emergency Response Times (Hobart) ³	Mins	10.2	10.6	10.6	10.6
Emergency Response Times (Launceston) ³	Mins	9.6	10.1	10.0	10.0
Emergency Response Times (Devonport) ³	Mins	8.6	9.3	9.3	9.3
Emergency Response Times (Burnie) ³	Mins	9.1	9.4	9.4	9.4
Ambulance Services expenditure per person ⁴	\$	91.4	107.4	107.4	107.4

Notes:

1. Admitted Services and Emergency Department Services will be provided through the Tasmanian Health Organisations (THOs) from 1 July 2012. Performance information, by THO, is also provided in individual THO Chapters 21, 22 and 23 in Budget Paper No 2 Volume 2 *Government Services*.
2. Activity to date suggests that growth in demand in 2011-12 for these items is likely to be significantly lower than the original projection made last year.
3. The criteria and definitions used to calculate the target response times for 2012-13 have been refined to provide more accurate projections. This includes changes to the geographical definition used to define the urban areas of Hobart, Launceston, Burnie and Devonport. This change does not affect the overall state-wide projection.

4. Actual 2009-10 amounts have been revised from figures published in the 2011-12 Budget to reflect amounts in 2010-11 dollars.

Performance Information Comments

Admitted Services

In the 12 months ending 30 June 2011, the number of weighted inpatient separations increased by 1.5 per cent compared to the same period in the previous year. This is consistent with a general trend for increased demand for hospital services due to an ageing population and higher rates of chronic disease.

The conclusion of specific program funding initiatives at the end of 2009-10 resulted in a lower level of overall elective surgical activity being performed in 2010-11 than in the previous year. Major construction works also further reduced elective surgery capacity during this period. These reductions pre-date the Budget Savings Strategy.

The reduction in elective surgery activity was reflected in an increase in the median waiting time, and a reduction of the proportion of patients seen within recommended times in elective surgery urgency categories 1 and 3 (although performance in category 2 improved).

The number of nurses and salaried medical officers in public hospitals per 1 000 population both increased slightly compared to the previous year. Recurrent expenditure per person and cost per casemix adjusted separation also increased slightly during 2010-11.

Emergency Department Services

Emergency Department (ED) services are provided at each of the State's major public hospitals. EDs provide care for a range of illnesses and injuries, particularly those of a life-threatening nature. In the 12 months ending 30 June 2011, ED presentations increased by 1.3 per cent compared to the same period in the previous year.

Despite this increased growth, there was an improvement in the proportion of patients seen within the recommended timeframes for category 1 patients, when compared to 2009-10 from 99.0 per cent to 99.4 per cent, while there was a slight decrease in the proportion seen on time for Category 2 from 73.0 per cent to 72.4 per cent.

Ambulance Services

Factors affecting ambulance response times include Tasmania having almost twice the national average of population proportionally in small rural and remote areas than all jurisdictions, according to the Rural, Remote and Metropolitan Areas index and the lowest proportion of its population living in highly accessible locations. Other factors include:

- Tasmania's hilly terrain in both urban and rural areas combined with "ribbon" urban development along the Derwent and Tamar Rivers;
- a high reliance on volunteers; and
- the low population density of Tasmania's two major cities, Hobart and Launceston, compared to the mainland capital cities which have at least double the population density.

Output Group 2: Community Health Services

2.1 Community and Aged Care Services

This Output comprises rural hospitals, residential aged care, and community health based services including:

- rehabilitation, allied health assessments and case management; and
- community nursing, continence, orthotics and prosthetics services, and equipment schemes.

In addition, community palliative care services provide interdisciplinary care, support and counselling to people living with life limiting illnesses and their families. These services are provided in a community health centre or home based environment.

Community and Aged Care Services are provided through THOs from 1 July 2012. Funding under this Output represents the purchase of these services by the Department from the three new THOs.

2.2 Oral Health Services

This Output provides emergency and general care and dentures to eligible adults (holders of Health Care or Pensioner Concession cards) and all children under the age of 18 years as well as a range of health promotion and prevention activities.

Oral Health Services are provided through THO - South from 1 July 2012. These services are included in the Community and Aged Care Services Output in the THO - South Budget estimates.

2.3 Population Health Services

This Output provides three service streams: Public and Environmental Health Services, which monitors the health of the Tasmanian population and implements programs to protect and promote health; Cancer Screening and Control Services; and Population and Health Priorities, which implements programs to prevent or reduce risk factors that lead to chronic conditions.

2.4 Mental Health Services

This Output provides services to clients and their families to treat, support and manage mental health disorders. The service also provides:

- crisis assessment and treatment, intensive support, community care and rehabilitation services;
- Correctional Primary Health - which provides primary health care services to correctional facilities;
- Forensic Mental Health services - which provides care and treatment for people with mental illnesses who have come into conflict with the criminal justice system; and
- Alcohol and Drug Services - which provides a range of specialist alcohol and other drug interventions and treatments at both the individual and population levels.

Table 5.4: Performance Information – Output Group 2

Performance Measure	Unit of measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target ¹
Community and Aged Care Services					
Rural hospitals - separations ²	Number	4 438	4 316	3 382	4 500
Rural hospitals - occupancy rate ²	%	56	56	67	67
Community nursing - occasions of service	Number	145 058	141 740	165 000	165 000
Residential aged care - occupancy rate ²	%	82	95	90	92
Aged Care Assessment Program - completed assessments	Number	4 882	4 817	4 800	5 200
Palliative Care - specialist community - clients accessing the service	Number	4 420	4 277	4 800	na
Oral Health Services					
Adults - occasions of service – general	Number	4 264	4 696	5 700	5 267
Adults - occasions of service – episodic	Number	22 233	23 032	26 195	28 654
Adults - occasions of service – dentures	Number	9 879	9 441	11 281	10 578
Children - occasions of service	Number	65 162	63 023	63 799	67 214
General (adults) waiting list	Number	9 659	12 863	16 723	17 969
Dentures - waiting list	Number	1 675	1 932	1 438	3 658
Population Health Services					
Vaccine coverage in children aged 12-15 months	%	92.7	90.4	92.5	92.5
Vaccine coverage in children aged 24-27 months	%	93.8	94.6	92.5	92.5
Cancer Screening					
Eligible women screened for breast cancer	Number	27 352	26 470	27 000	27 000
BreastScreen - percentage of clients assessed within 28 days of screening	%	71.2	95.3	90.0	90.0
Mental Health Services					
Inpatient separations	Number	2 015	2 031	2 050	2 000
Community and Residential - active clients	Number	4 228	4 465	4 677	4 677
28-day readmission rate	%	12.0	13.9	16.0	16.0
Proportion of persons with a mental illness whose needs are met by the Tasmanian Mental Health Service	%	27.9	32.0	30.5	30.5
Average length of acute inpatient stay	Days	11.6	12.2	11.0	11.0
Alcohol and Drug Services					
Alcohol and Drug Services - closed episodes of treatment	Number	1 140	1 279	1 300	1 300
Pharmacotherapy Program - total active participants	Number	621	640	650	650
Withdrawal Unit - bed occupancy	%	47.0	54.6	65.0	65.0
Withdrawal Unit - average length of stay	Days	6.0	6.4	6.0	6.0

Notes:

1. Community and Aged Care Services will be provided through the Tasmanian Health Organisations (THOs) from 1 July 2012. Performance information, by THO, is also provided in individual THO Chapters 21, 22 and 23 in Budget Paper No 2 Volume 2 *Government Services*. Oral Health Services are provided through Tasmanian Health Organisation – South in 2012-13.
2. Due to the changeover to a new Patient Administration System, the 2011-12 Budget Papers reported data only to January 2010. The 2009-10 figure provided here is the full year actual figure.

Performance Information Comments

Community and Aged Care Services

Rural hospital activity is affected by the availability of rural GPs to provide inpatient services. The national shortage of rural GPs is likely to have an ongoing impact on hospital utilisation at some sites. The 2011 GP census identified that Tasmania had 72.5 full time workload equivalent (FWE) GPs per 100 000 people compared to the national rate of 75.0 FWE GPs per 100 000 people. There has been a decline in both the State and National rate from the 2010 GP Census of 76.4 and 80.1 FWE GPs respectively. The rural hospital occupancy rate remained relatively unchanged from the previous year at 56 per cent and there has been a slight reduction in separations.

Residential aged care is provided by the Department in rural communities where the population is too small to support a viable, non-government nursing home. Utilisation of these beds is influenced by the numbers of people living in rural locations needing this type of care and occupancy rate can vary as demonstrated by the increase from 82 per cent in 2009-10 to 95 per cent in 2010-11.

Oral Health Services

Episodic occasions of service are expected to increase by 13.7 per cent while prosthetic occasions of service will increase by around 19.5 per cent, reflecting investment in additional prosthetist staff and an upgrade to laboratory facilities in 2010-11. A range of recruitment and retention strategies are in place to increase and sustain clinician numbers. Under the Better Dental Care Package, a \$1.9 million education and service centre opened in Hobart in mid-2008. Ongoing partnerships with the University of Queensland and the University of Adelaide have resulted in successful dental student clinical placements.

There is expected to be a 1.2 per cent increase in occasions of service for children receiving dental care in 2011-12 compared to 2010-11, reflecting improved productivity. Dental care for children is provided by dental therapists.

The general care (adults) waiting list indicator shows the number of adults waiting for general care oral health services. Demand for episodic care impacts capacity to provide general care.

The dentures waiting list indicator provides a measure of the number of people waiting for upper and/or lower dentures.

Population Health Services

Children in these age groups are considered fully immunised if they have received the vaccines for diphtheria, pertussis and tetanus (DPT), polio, Haemophilus influenza type b and hepatitis B for both the 12-15 month and the 24-27 month age groups; and measles, mumps and rubella (MMR) for the 24-27 month age group. Tasmania continues to record high rates of child immunisation in both the 12-15 month and the 24-27 month age cohorts and the rates were above the national average for both age groups.

Screening for breast cancer amongst the eligible population occurs biennially. Although the target population is all Tasmanian women aged between 50 and 69 years, all women aged over 40 years are eligible for screening services. Service performance is therefore best measured by comparing the screening numbers for any given period with the equivalent period two years earlier. Although the numbers of women in the target age group are increasing with the ageing population, Tasmania's participation rate for the target age group for 2010-11 was 59.5 per cent compared with 58.2 per cent for the previous equivalent cohort of women.

BreastScreen National Accreditation Standards require that all women who are recalled to assessment following screening attend an assessment clinic within 28 days of their screening visit. In 2010-11, 95.3 per cent of clients attending for assessment at BreastScreen Tasmania did so within 28 days of their screening visit, this exceeds national standards and is an improvement of 24.1 percentage points from 2009-10.

Mental Health Services

Mental Health Services continues to focus attention on processes in support of improved data quality as it moves towards implementation of an electronic clinical information system, commencing during 2011-12. This attention has resulted in indicators that more accurately reflect clinical activity across all care settings.

The number of people receiving care from Mental Health Services increased between 2009-10 and 2010-11 with higher numbers projected for 2011-12 and 2012-13.

Inpatient average length of stay is expected to remain stable, though 28-day readmission rates are likely to be variable as new models of care that will better integrate inpatient and community care are bedded down and efforts continue to address data quality issues.

Alcohol and Drug Services continue to grow as the Future Directions program is implemented with the number of closed episodes increasing by 12.2 per cent between 2009-10 and 2010-11. Overall activity levels in both Mental Health and Alcohol and Drug Services are forecast to remain at similar levels in line with current funding levels.

Output Group 3: Human Services

3.1 Community Support Services

This Output provides funding for services provided by community sector organisations, including Neighbourhood Houses, family support grants, the gambling support program and a range of other support to the community.

3.2 Disability Services

This Output provides accommodation support, community support, community access, respite, advocacy and information, and research and development for people with a disability.

3.3 Housing Services

This Output provides access to secure, affordable housing and support to low income Tasmanians, as well as accommodation and support for people experiencing homelessness.

Table 5.5: Performance Information – Output Group 3

Performance Measure	Unit of measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Disability Services¹					
Supported accommodation clients	Number	1 246	1 280	1 351	1 355
Day options clients	Number	1 527	1 579	1 609	1 610
Supported accommodation waiting list ²	Number	41	75	131	167
Day options waiting list	Number	94	70	145	116
Housing Tasmania					
Public Housing occupancy rate	%	98.7	98.4	98.0	98.0
Applicants housed ³	Number	1 054	1 190	1 100	1 100
New allocations to those in greatest need	%	95.6	96.2	90.0	92.0
Households assisted through the Private Rental Support Scheme					
Applicants on waitlist	Number	3 179	2 972	3 000	3 000
Average wait time for people who are housed	Weeks	42.1	39.4	41.5	41.5
Average time to house Category 1 applicants ³	Weeks	17.0	17.2	22.0	22.0
Net recurrent cost per dwelling ³	\$	8 069	8 777	8 500	8 700
Turnaround time	Days	27.4	29.3	28.0	28.0

Notes:

1. Estimates for 2011-12 and 2012-13 are projections rather than targets.
2. The 2011-12 projection has been revised to reflect projections of increasing demand from 2010-11 Actual data.
3. The 2009-10 figure has been revised to reflect audited data.

Performance Information Comments

Disability Services

Disability Services continues to operate in an environment where demand for services outstrips supply. This increase in need for services is consistent with national trends and is evidenced in the apparent rise in the supported accommodation (urgent) waiting list figure from 41 in 2009-10 to 75 in 2010-11.

In terms of services delivered, there was a modest increase in the number of clients receiving accommodation support in 2010-11 and it is anticipated this number will remain relatively stable in 2011-12. It is further anticipated that demand for day services will remain fairly constant.

Housing Tasmania

Housing Tasmania maintains a stock of public rental dwellings that recorded an occupancy rate of 98.4 per cent in 2010-11. The high occupancy rate is due to a combination of factors including a high level of demand and a comparatively efficient allocation system. The occupancy rate is expected to exceed the target of 98.0 per cent again for 2011-12 and remain at or above this level during 2012-13.

The number of applicants housed increased in 2010-11 to 1 190, up 136 from the number housed in 2009-10. A similar number is expected in 2011-12. The number of applicants waiting to be housed as at

30 June 2011 was 207 lower than as at 30 June 2010. The wait list is expected to remain at around 3 000 in 2011-12 and 2012-13 with the increasing availability of a range of alternative housing options.

Since January 2009, the Government has assisted in the provision of over 1 000 new affordable homes and expects to exceed its target of 1 400 affordable homes by June 2012.

Targeting of allocations to those in greatest need is expected to increase in 2011-12 and 2012-13 as a result of several factors including an increase in the rate that applicants in lower categories of need seek alternative housing options and are replaced by applicants in higher categories of need. In 2010-11, 96.2 per cent of allocations were made to applicants in greatest need. The target for 2012-13 has, as a consequence of this performance, been increased from 90.0 per cent to 92.0 per cent.

The measure of net recurrent cost per dwelling for public housing showed a substantial increase in 2010-11, with the increase expected to continue in 2011-12 and 2012-13. The 2011-12 actual net cost may therefore exceed the 2011-12 target. This is primarily caused by the combined effects of an increased investment in maintenance and improved energy efficiency for tenants.

The number of clients assisted through the Private Rental Support Scheme remained constant in 2010-11. The comparatively high cost of private rental coupled with stable funding is expected to result in approximately 3 800 clients receiving assistance under the scheme in 2011-12 and 2012-13.

Output Group 4: Children's Services

4.1 Children's Services

This Output provides services through a range of program areas including Child Protection, Child Health and Parenting, Family Violence Counselling and Support, Youth Justice (community and custodial), Out of Home Care, and Adoptions and Permanency Planning.

During 2011-12, Children's Services introduced a range of strategic reform initiatives that are expected to have a positive impact on performance over time. These initiatives include:

- a realignment of the organisational structure so that there is improved support for operations;
- development of a Strategic Plan for the business area that identifies clear goals and priority areas for action across the range of services;
- introduction of a quality and safety framework to support delivery of safe, high quality services that are client centred;
- reviewed models of care for each of the program areas to ensure that services provided are evidence based, sustainable and deliverable within available resources;
- an increased capacity for workforce development and training; and
- introduction of Service Level Agreements that serve to improve accountability arrangements.

Table 5.6: Performance Information – Output Group 4

Performance Measure	Unit of measure	2009-10 Actual¹	2010-11 Actual	2011-12 Target	2012-13 Target
Children's Services					
Parents enrolling their newborn with Child Health and Parenting Services (CHAPS)	Proportion %	96.3	97.4	96.0	97.0
People attending Child Health and Parenting Services at eight weeks who were exclusively breastfeeding ²	%	49.0	49.3	50.0	50.0
Children in notifications (per 1 000 population) ²	Rate	60.9	64.8	55.0	70.0
Child protection notifications referred for investigation ^{2,3}	%	18.4	21.4	20.0	15.0
Investigations finalised within 28 days of receipt of notification ²	Proportion %	24.2	29.3	45.0	50.0
Finalised child protection investigations that were substantiated ²	%	60.9	63.5	66.0	70.0
Children who were the subject of an investigation and a decision not to substantiate, who were the subject of a subsequent substantiation within the next 12 months	%	17.7	18.3	15.0	10.0
Children who were the subject of a substantiation during the previous year, who were the subject of a subsequent substantiation within 12 months	%	21.3	20.1	15.0	15.0
Child abuse or neglect: number of unallocated cases at 30 June ⁴	Number	....	36	....	....
Children on Care and Protection Orders (per 1 000 children) ²	Rate	9.7	10.5	11.0	11.3
Children in out-of-home care at 30 June ²	Number	896	964	1 050	1 120
Children in out-of-home care who had 3+ placements during the previous 12 months	Proportion %	20.7	18.3	15.0	15.0
Ashley Youth Detention Centre					
Average daily number of young people on site	Number	27.6	25.4	27.0	21.0
Total number of active clients ^{2,5}	Number	146	109	114	110
Community Youth Justice					
Average daily number of active clients	Number	685	599	625	470
Total number of active clients ^{2,6}	Number	1 255	1 109	1 133	990
Community Service Orders ended before the statutory expiry date	Proportion %	82.6	77.8	85.0	90.0
Youth Justice Community Conferences that are held within six weeks of receipt of referral for conference	%	43.7	53.0	60.0	60.0

Notes:

1. Actual figures may have been updated since previous publications to account for data lag.
2. Estimates for 2011-12 and 2012-13 are projections rather than targets.
3. A decrease in the proportion of notifications referred for investigation during 2012-13 has been projected in anticipation that the new Gateway and Integrated Family Support Services will divert demand from the Child Protection Services.
4. As at 30 June 2011, there were 36 unallocated cases compared to zero at the same time in the previous year. The Department remains committed to keeping this number at zero.
5. The decrease in the projected number of young people on site at Ashley Youth Detention Centre is consistent with the decreasing trend in the number of young people on site at Ashley since the start of the 2010-11 financial year.
6. A similar decrease in the number of young people known to Community Youth Justice has also been observed, thus the total number of active clients indicator is projected to decrease. This trend is related to changes in the approaches of the Police and Courts to divert more young people away from the justice system where possible and to speed up the resolution of cases so that there are less active cases. Youth crime clearance rates by Tasmania Police, court diversion programs, successful prosecutions, and sentencing by the Courts are the drivers underpinning the demand for Youth Justice Services. Given the variables in the criminal justice system, the actual end of year averages may vary from projections.

Performance Information Comments

Children's Services

Child Health and Parenting Services have a consistently high level of initial engagement with parents of newborn children, with 97.4 per cent of parents enrolling their newborn children in 2010-11. Child Health and Parenting Services also promote breastfeeding and, during 2010-11, the proportion of attending mothers exclusively breastfeeding at eight weeks remained steady. This figure is projected to remain at approximately 50 per cent during 2011-12.

Child Protection Services aim to finalise investigations of child abuse or neglect within 28 days of receipt of notification. The proportion of investigations finalised within 28 days increased from 24.2 per cent during 2009-10, to 29.3 per cent during 2010-11, and performance is continuing to improve state-wide. The rate of re-substantiations declined by approximately one per cent during 2010-11, and has continued to fall during 2011-12. This is, in part due to a concerted effort to address cumulative harm, by ensuring multiple adverse events in a child's life are not investigated in isolation.

As at 30 June 2011, there were 36 unallocated cases compared to zero at the same time in the previous year. While the number of cases not allocated within timeframes fluctuated during June 2011, the Department has remained committed to keeping this number at zero. An overall reduction in recent years has been achieved as a result of several improvements including the introduction of a new operating model and information system.

Out-of-home care services provide care for children placed away from their parents for protective or other reasons related to family welfare. As has been the case nationally, there was an increase in the number of children in out-of-home care in Tasmania between 2009-10 and 2010-11 and, based on current projections, it is anticipated this number will continue to rise. Further refinement of new models for out-of-home care is expected to improve the capacity of the care system to better respond to the needs of children in placements.

During 2010-11, 18.3 per cent of children in care had three or more placements in the previous 12 months. Carer availability has been identified as a critical factor in improving stability for children in care. While it is anticipated that strategies to enhance the carer pool in all regions will deliver some improvement, a considerable increase will be required to significantly improve placement stability.

The average daily number of young people on site at Ashley Youth Detention Centre has reduced during 2010-11 and is expected to decline further. The average daily number of young people supported in the community by Community Youth Justice has increased since the proclamation of the *Youth Justice Act 1997* in 2000, to a peak in 2009-10. However, in 2010-11 the average decreased.

Similarly, with the exception of 2008-09, the total number of individual young people supported by both custodial and community based services has increased every year since proclamation of the Act. However, during 2010-11, the numbers declined and, although it is too early to confirm the reasons for the decrease, the trend is consistent with the principles of the Act, including use of detention as a last resort.

Youth crime clearance rates by Tasmania Police, court diversion programs, the number of prosecutions, and sentences assigned by the Courts tend to be the drivers underpinning demand for Youth Justice Services. Given the variables in the criminal justice system, the actual end of year values may vary from projections.

Output Group 5: Independent Children's Review Services

5.1 Office of the Commissioner for Children

Activities provided in this Output include promoting the rights and wellbeing of children and examining the policies, practices and services provided for children and any law affecting the health, welfare, care, protection and development of children.

Performance Information Comments

The Commissioner for Children does not report performance information as it is not a service delivery Output Group. Details of the Commissioner for Children's activities are available in the Commissioner's Annual Reports, which can be accessed from its website at www.childcomm.tas.gov.au.

SPECIAL CAPITAL INVESTMENT FUNDS

Table 5.7 identifies expenditure by the Department from the Government's Special Capital Investment Funds.

Table 5.7: Special Capital Investment Fund (SCIF) Allocations

	Estimated Total Cost	2012-13 Budget	2013-14 Forward Estimate	2014-15 Forward Estimate	2015-16 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Minister for Health					
Economic and Social Infrastructure Fund					
Hospital Equipment Fund	25 000	2 820	....	....	....
Hospitals Capital Fund					
Launceston General Hospital Car Park	15 000	1 893	....	....	....
Mersey Hospital Upgrade	1 900	1 900	....	....	....
Royal Hobart Hospital	100 000	43 788	....	....	....
		47 581	....	....	....
Royal Hobart Hospital Redevelopment Fund	35 000	653	....	....	....
Infrastructure Tasmania Fund					
Health Infrastructure					
Flinders Island Multi Purpose Centre Upgrade	6 000	4 109	1 232	....	....
Glenorchy – Tier Three Community Health Services Facility	21 000	5 000	7 000	7 000	1 433
King Island Hospital and Health Centre Upgrade ¹	5 000	1 991	....	....	....
Kingston – Tier Three Community Health Services Facility	6 500	1 500	3 943	750	....
Launceston Integrated Care Centre ²	3 000	500	....	....	....
Tasmanian Ambulance Headquarters Upgrade ³	2 900	498	....	....	....
		13 598	12 175	7 750	1 433
Minister for Human Services					
Housing Fund					
Housing Fund ⁴	60 000	14 172	....	3 000	....
Total SCIF Allocations		78 824	12 175	10 750	1 433

Notes:

1. Total funding for the King Island Hospital and Health Centre Upgrade is \$5.8 million and includes an additional \$800 000 from the Department for asbestos removal.

2. Total funding for the Launceston Integrated Care Centre (ICC) is \$22.5 million, consisting of \$15.0 million from the Capital Investment Program, \$4.5 million from the University of Tasmania and \$3.0 million from the Infrastructure Tasmania Fund.
3. Total funding for the Tasmanian Ambulance Headquarters Upgrade is \$8.5 million, consisting of \$2.9 million from the Health Infrastructure Fund and \$5.6 million from the Department, including retained revenue of the Tasmanian Ambulance Service.
4. The cash flows from the Housing Fund reflect the timing of the National Rental Affordability Scheme approval processes.

Hospital Equipment Fund

In 2006-07, a \$25.0 million fund was established for the purchase of hospital equipment throughout the State. Anticipated expenditure in 2012-13 is \$2.8 million, which will be allocated to clinically determined priorities for major medical equipment and information system investment to support better care delivery in hospitals and health services.

Hospitals Capital Fund

The Hospitals Capital Fund (HCF) was established in 2007-08 to provide capital funding for hospitals around the State. In 2012-13, \$47.6 million has been allocated from the HCF for the construction of the Launceston General Hospital Car Park (\$1.9 million); the upgrade of the Mersey Community Hospital (\$1.9 million); and the redevelopment of the Royal Hobart Hospital (\$43.8 million).

Infrastructure Tasmania Fund - Health Infrastructure

The Infrastructure Tasmania Fund – Health Infrastructure was established in 2008-09, to implement a series of capital investment projects. Expenditure in 2012-13 of \$13.6 million will include the Launceston Integrated Care Centre (\$500 000); upgrading the Flinders Island Multi Purpose Centre (\$4.1 million); redevelopment of the Glenorchy Community Health Centre (\$5.0 million); upgrading the King Island Hospital and Health Centre (\$2.0 million); redevelopment of the Kingston Community Health Centre (\$1.5 million); and the continued upgrade of the Ambulance Tasmania Headquarters precinct in Hobart (\$498 000).

Housing Fund

The Housing Fund was established in 2007-08 with an allocation of \$60.0 million for the purpose of increasing the supply of affordable housing. In 2012-13, it is anticipated that \$14.2 million will be spent from the Housing Fund on public projects, which include:

- the acquisition of land for the development of affordable housing sites (\$1.0 million);
- contributions towards the Housing Reform project (\$3.5 million);
- construction of 35 units at Brisbane Street, Hobart (\$1.5 million); and
- the continuation of support for the National Rental Affordability Scheme (\$8.2 million).

CAPITAL INVESTMENT PROGRAM

Table 5.8 provides financial information for the Department's Capital Investment Program. More information on the Capital Investment Program is provided in Chapter 7 Budget Paper No 1 *The Budget*.

Table 5.8: Capital Investment Program

	Estimated Total Cost	2012-13 Budget	2013-14 Forward Estimate	2014-15 Forward Estimate	2015-16 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Minister for Health					
Launceston General Hospital Acute Medical and Surgical Unit	40 000	10 566	....	....	....
National Health and Hospitals Network Reforms ¹					
Elective Surgery	7 500	1 500	....	....	....
Emergency Department	9 700	3 460	1 960	....	....
North West Regional Hospital Car Park	5 500	3 971	....	....	....
Royal Hobart Hospital Redevelopment ²	365 000	10 000	114 250	140 750	100 000
Royal Hobart Hospital Women's and Children's Hospital ²	100 000	60 000	35 750	....	....
State-wide Cancer Services ³	31 640	17 386	2 538	....	....
Minister for Human Services					
Housing - New Projects	Ongoing	7 842	6 680	6 350	6 550
Non-Works Housing	Ongoing	6 968	7 147	7 328	7 454
Total CIP Allocations		121 693	168 325	154 428	114 004

Notes:

1. Total funding for the National Health and Hospital Network Reforms of \$25.7 million included \$8.6 million for the Flexible Pool for Emergency Departments, Elective Surgery and Sub Acute Areas. This funding has now been allocated.
2. Total funding for the combined Royal Hobart Hospital redevelopment project is \$565.0 million, consisting of \$100.0 million from the State Government's Hospital Capital Fund for urgent works, \$100.0 million from the Australian Government for the Royal Hobart Hospital Women's and Children's Hospital and \$365.0 million for the remaining Royal Hobart Hospital Redevelopment, funded by \$240.0 million from the Australian Government's Health and Hospitals Fund and \$125.0 million from the State Government.
3. Total funding for State-wide Cancer Services has increased from \$31.2 million to \$31.6 million to reflect revised contributions under the Implementation Plan agreed with the Australian Government.

Launceston General Hospital Acute Medical and Surgical Unit

Total funding of \$40.0 million was provided in 2009-10 by the Australian Government over four years for the construction of a new Acute Medical Assessment Unit and the upgrade of the Surgical Services Unit and Intensive Care Unit. Services proposed include providing patient assessment, early treatment and care planning. It is expected that the project will be completed in 2012-13.

National Health and Hospitals Network Reforms

Funding of \$25.7 million over four years from 2010-11 is provided for capital improvements relating to the National Health Reform initiatives: Elective Surgery and Emergency Department under the *National Partnership Agreement on Improving Public Hospital Services*. Health and Human Services allocations for 2012-13 include \$1.5 million for Elective Surgery and \$3.5 million for Emergency Department. Funding of \$8.6 million for the Flexible Pool for Emergency Departments, Elective Surgery and Sub Acute Areas has now been allocated.

North West Regional Hospital Car Park

In 2010-11, \$5.5 million was allocated to the redevelopment of the North West Regional Hospital Car Park. The new car park will have improved pedestrian safety, increased security and lighting, and increased number of parking spaces available. Funding of approximately \$4.0 million is available for this project in 2012-13 and it is expected to be completed in 2012-13.

Royal Hobart Hospital Redevelopment and the Royal Hobart Hospital Women's and Children's Hospital

In 2010, funding from the Health and Hospitals Fund was secured for a major redevelopment of the Royal Hobart Hospital. The \$365.0 million Royal Hobart Hospital Redevelopment (RHH Redevelopment) commitment is a combined Australian Government/State project, with \$240.0 million being provided by the Australian Government and \$125.0 million provided by the State. In addition, the Australian Government provided \$100.0 million for the construction of a Women's and Children's Hospital within the broader redevelopment program of the Royal Hobart Hospital. An additional \$100.0 million has been provided from the Hospitals Capital Fund, which is part of the Special Capital Investment Funds.

In 2012-13, funding of \$70.0 million will be available, comprising \$10.0 million from the RHH Redevelopment commitment and \$60.0 million from the Women's and Children's Hospital funding. Funding will be used for site establishment and the demolition of an existing building within the site to make way for the commencement of construction of Stage 1 of the new inpatient precinct. Overall, the project will build the capacity to deliver 195 new overnight beds and twelve new operating and procedure rooms.

State-wide Cancer Services

Funding for cancer services has been secured to build specialist Cancer Centres within the hospital precincts of the Royal Hobart Hospital and the Launceston General Hospital. The total commitment is \$31.6 million, with \$16.5 million from the State, \$13.9 million from the Australian Government, and notable donated contributions from the Menzies Centre (\$600 000) and the Cancer Council (\$600 000).

At the Launceston General Hospital, \$2.7 million will be utilised for expanding Medical Oncology. At the Royal Hobart Hospital, \$13.6 million will be spent on relocation of the rehabilitation ward and oncology day centre; and refurbishment of the integrated patient care centre. The development of supporting IT technology for the cancer centres will receive \$1.1 million in 2012-13.

Housing – New Projects

Funding of \$7.8 million is provided in 2012-13 for Housing Tasmania's capital program, including the purchase and construction of public housing. Further details of the Housing capital program are provided in Budget Paper No 1 *The Budget*, Chapter 7 Infrastructure Investment.

Non-Works Housing

A Non-Works Housing allocation of \$7.0 million is provided in 2012-13. This is for the repayment of loans from the Australian Government under the former Commonwealth-State Housing Agreement.

DETAILED BUDGET STATEMENTS

Table 5.9: Income Statement

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Revenue from Appropriation ^{1,2}	1 602 018	1 195 467	1 190 107	1 323 621	1 229 835
Interest Revenue ³	1 371	725	428	436	440
Grants ⁴	108 293	213 830	191 583	43 439	118 502
Sales of Goods and Services ³	240 942	104 626	104 024	101 907	97 860
Other Revenue ³	24 445	6 427	6 642	9 504	9 266
	1 977 069	1 521 075	1 492 784	1 478 907	1 455 903
Less Expenses					
Employee Entitlements ^{5,6}	878 005	241 194	252 544	263 900	258 261
Superannuation ^{5,6}	86 089	28 175	28 517	29 790	29 378
Depreciation and Amortisation ⁵	51 857	27 363	27 470	27 422	27 374
Borrowing Costs	9 623	9 326	9 022	8 710	8 405
Grants and Transfer Payments ^{6,7,8}	275 588	875 571	825 907	818 818	857 143
Supplies and Consumables ^{5,6}	446 807	176 895	188 633	187 099	179 931
Other Expenses ^{5,6}	71 230	24 934	25 194	26 259	25 800
	1 819 199	1 383 458	1 357 287	1 361 998	1 386 292
Plus Gains/(Losses)					
Gain (Loss) on Sale of Non-Financial Assets	9 225	5 352	5 510	5 862	6 063
	9 225	5 352	5 510	5 862	6 063
Equals OPERATING RESULT	167 095	142 969	141 007	122 771	75 674
Plus Other Movements in Equity					
Revaluations of Non-Financial Assets ⁹	53 436	(38 468)	23 069	23 069	23 069
Other Non-Owner Movements in Equity ⁹	....	(351 695)	....	....	....
	53 436	(390 163)	23 069	23 069	23 069
Equals COMPREHENSIVE INCOME	220 531	(247 194)	164 076	145 840	98 743

Notes:

- The Tasmanian Health Organisations (THOs) will commence operation on 1 July 2012. The decrease in Revenue from Appropriation and increase in Grants income primarily reflects changes associated with National Health Reform and the administration arrangements for Australian Government payments, whereby funding previously associated with the Health Specific Purpose Payment (SPP), National Partnership Agreements (NPAs) and Commonwealth Own Purpose Expenditure (COPEs) are no longer appropriated but paid as Grants. The majority of funding formerly received under the Health SPP is now paid directly to THOs as part of National Health Reform.

2. The decrease in Revenue from Appropriation in 2013-14 and increase 2014-15 primarily reflect movements in Works and Services.
3. The decrease in Interest Revenue, Sales of Goods and Services and Other Revenue in 2012-13 reflects the transfer of Australian Government and own source funding to THOs, including funding received for the Mersey Community Hospital.
4. The increase in Grants in 2012-13 primarily reflects changes in administration arrangements for National Partnership funding from the Australian Government and movements in funding from Special Capital Investment Funds.
5. The reduction in Employee Entitlements, Superannuation, Depreciation and Amortisation, Supplies and Consumables and Other Expenses in 2012-13 primarily reflects the implementation of National Health Reform with expenses associated with hospital services now incurred by THOs, and State Government funding for hospitals provided through Grants and Transfer Payments.
6. Due to the restructure of expenditure associated with the implementation of Budget Savings Strategies, the establishment of THOs, and the negotiation of Service Agreements with THOs, Forward Estimates for Employee Entitlements, Superannuation, Grants and Transfer Payments, Supplies and Consumables and Other Expenses are preliminary and will be reviewed during 2012-13.
7. The increase in Grants and Transfer Payments in 2012-13 primarily reflects payments to THOs under the Service Agreements, but also includes additional funding for wages increases for Social and Community Services Workers and support to the Housing Reform project from the Housing Program.
8. The decrease in Grants and Transfer Payments in 2013-14 reflects a number of factors including Budget Savings Strategies, and the cessation of one-off funding for Endoscopy and Elective Procedures, grants payments associated with NPAs and the Housing Program.
9. The movements in Revaluations of Non-Financial Assets and Other Non-Owner Movements in Equity in 2012-13 reflects the transfer of asset and liability balances to the THOs as at 1 July 2012.

Table 5.10: Revenue from Appropriation by Output

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Minister for Health					
Output Group 1 - Acute Health Services¹					
1.1 Admitted Services ^{2,3,4}	621 532	385 436	383 423	378 325	391 266
1.2 Non-admitted Services ^{2,4}	58 497	33 522	35 917	38 889	40 714
1.3 Emergency Department Services ^{2,3,4}	51 185	30 131	31 724	34 216	35 866
1.4 Ambulance Services	50 796	52 072	54 254	55 862	56 634
1.5 Forensic Medicine Services	2 176	2 187	2 170	2 193	2 242
	784 186	503 348	507 488	509 485	526 722
Output Group 2 - Community Health Services					
2.1 Community and Aged Care Services ^{2,3,4}	174 099	127 641	123 124	121 148	124 340
2.2 Oral Health Services	24 268	23 734	24 478	24 885	25 438
2.3 Population Health Services	37 945	36 824	37 875	37 906	38 962
2.4 Mental Health Services ⁵	144 786	145 630	139 967	141 102	142 872
	381 098	333 829	325 444	325 041	331 612
Capital Investment Program	84 536	7 928	....	125 000	....
Recurrent Services	1 165 284	837 177	832 932	834 526	858 334
Works and Services	84 536	7 928	....	125 000	....
	1 249 820	845 105	832 932	959 526	858 334
Minister for Human Services					
Output Group 3 - Human Services					
3.1 Community Support Services ⁶	18 934	19 836	20 788	21 326	21 905
3.2 Disability Services ⁷	161 759	174 066	179 346	183 604	187 503
3.3 Housing Services ⁸	56 906	64 751	67 578	68 144	69 139
	237 599	258 653	267 712	273 074	278 547
Grants and Subsidies⁹	24 876	37 288	37 288	38 407	39 558
Capital Investment Program	28 580	....	....	....	....
Recurrent Services ¹⁰	262 475	295 941	305 000	311 481	318 105
Works and Services	28 580	....	....	....	....
	291 055	295 941	305 000	311 481	318 105

Table 5.10: Revenue from Appropriation by Output (continued)

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Minister for Children					
Output Group 4 – Children's Services					
4.1 Children's Services ^{6,11}	84 525	90 956	88 713	90 249	92 177
	84 525	90 956	88 713	90 249	92 177
Output Group 5 - Independent Children's Review Services					
5.1 Office of the Commissioner for Children	753	753	750	772	777
	753	753	750	772	777
Recurrent Services ¹⁰	85 278	91 709	89 463	91 021	92 954
Works and Services	....	....	....	....	....
	85 278	91 709	89 463	91 021	92 954
Department of Health and Human Services					
Total Recurrent Services	1 513 037	1 224 827	1 227 395	1 237 028	1 269 393
Total Works and Services	113 116	7 928	....	125 000	....
	1 626 153	1 232 755	1 227 395	1 362 028	1 269 393
Appropriation Carried Forward	741	....	....	....	....
Total Revenue from Appropriation	1 626 894	1 232 755	1 227 395	1 362 028	1 269 393
Controlled Revenue from Appropriation	1 602 018	1 195 467	1 190 107	1 323 621	1 229 835
Administered Revenue from Appropriation	24 876	37 288	37 288	38 407	39 558
	1 626 894	1 232 755	1 227 395	1 362 028	1 269 393

Notes:

1. The 2011-12 Budget for Outputs 1.1 to 1.5 (formerly Clinical Support Services, Medical Services, Surgical Services, Women's and Children's Services, and Diagnostic and Pharmacy Services) have been replaced and recast by Output 1.1 Admitted Services, Output 1.2 Non-admitted Services and Output 1.3 Emergency Department Services to reflect the implementation of National Health Reform.
2. The Tasmanian Health Organisations (THOs) will commence on 1 July 2012. The reduction in Admitted Services, Non-admitted Services, Emergency Department Services, and Community and Aged Care Services from 2011-12 to 2012-13 reflects the transfer of Australian Government and own source funding to the THOs. The amounts reflected in DHHS from 2012-13 onwards reflect State Government funding to the THOs.
3. The decrease in Admitted Services, Emergency Department Services and Community and Aged Care Services in 2013-14 primarily reflects Budget Savings Strategies, and the cessation of one-off funding for Endoscopy and Elective Procedures.
4. Due to the implementation of Budget Savings Strategies and the negotiation of Service Agreements with THOs, Forward Estimates for Admitted Services, Non-admitted Services, Emergency Department Services and Community and Aged Care Services are preliminary and will be reviewed during 2012-13.

5. The decrease in Mental Health Services in 2013-14 primarily reflects the cessation of Reviews and Reforms funding and the profile of Australian Government funding.
6. In the 2011-12 Budget, Output 3.1 (formerly Children and Family Services) was appropriated to the Minister for Health. Following the Output Restructure, the 2011-12 Budget estimates for Output 3.1 have been recast with \$18.9 million allocated to Output 3.1 Community Support Services in the Minister for Human Services' portfolio and \$84.5 million allocated to Output 4.1 Children's Services in the Minister for Children's portfolio.
7. The increase in Disability Services in 2012-13 primarily reflects additional funding for Social and Community Sector Workers, a change in the funding formula as part of Disability Services reform and indexation.
8. The increase in Housing Services in 2012-13 primarily reflects additional funding for maintenance, including energy efficiency works.
9. The increase in Grants and Subsidies reflects the estimated increases in the Community Service Activity: Aurora Energy Pty Ltd Pensioner Concessions.
10. The 2011-12 Budget, *Consolidated Fund Appropriation Act (No.1) 2011*, Schedule 1, appropriated \$243.5 million to the Minister for Human Services and \$104.2 million to the Minister for Children for recurrent services. Following the restructure of Output Group 3, for comparative purposes, the 2011-12 Budget figures have been recast to include \$18.9 million in Output 3.1 Community Support Services as part of the Minister for Human Services' portfolio.
11. The decrease in Children's Services in 2013-14 reflects the cessation of Reviews and Reforms funding.

Table 5.11: Income Statement – Administered

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Revenue from Appropriation ¹	24 876	37 288	37 288	38 407	39 558
Grants ²	36 680	....	....	....	....
	61 556	37 288	37 288	38 407	39 558
Less Expenses					
Grants and Transfer Payments ¹	24 957	37 288	37 288	38 407	39 558
Transfer to the Consolidated Fund ²	36 600	....	....	....	....
	61 557	37 288	37 288	38 407	39 558
Equals OPERATING RESULT	(1)	....	....	....	....
Plus Other Movements in Equity					
Revaluations of Non-Financial Assets	....	....	....	....	....
Other Non-Owner Movements in Equity ²	....	2 614	....	....	....
	....	2 614	....	....	....
Equals COMPREHENSIVE INCOME	(1)	2 614	....	....	....

Notes:

1. The increase in Revenue from Appropriation and Grants and Transfer Payments reflects the estimated increases in the Community Service Activity: Aurora Energy Pty Ltd Pensioner Concessions.
2. The decrease in Grants, Transfer Payments to the Consolidated Fund, and Other Non-Owner Movements in Equity reflects a change in administrative arrangements in Australian Government funding for Commonwealth Own Purpose Expenditure items.

Table 5.12: Administered Revenue

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue Collected on Behalf of the Consolidated Fund					
Commonwealth Recurrent Grants ¹	36 600	....	....	....	....
Revenue from Appropriation					
Annual Appropriation	24 876	37 288	37 288	38 407	39 558
Other Revenue					
Commonwealth Capital Grants	80	....	....	....	....
Total Administered Revenue	61 556	37 288	37 288	38 407	39 558

Note:

1. The decrease in Commonwealth Recurrent Grants reflects a change in administrative arrangements in Australian Government funding for Commonwealth Own Purpose Expenditure items.

Table 5.13: Administered Expenses

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Grants and Subsidies					
Community Service Activity: Aurora Energy Pty Ltd - Pensioner Concessions ¹	24 957	37 288	37 288	38 407	39 558
Transfer to the Consolidated Fund	36 600	....	....	....	....
Total Administered Expenses	61 557	37 288	37 288	38 407	39 558

Note:

1. The increase in Community Service Activity: Aurora Energy Pty Ltd – Pensioner Concessions is driven by a higher number of people eligible for concessions and pricing determinations made by the Electricity Regulator.

Community Service Activity: Aurora Energy Pty Ltd – Pensioner Concessions

Under arrangements with the electricity supply industry in Tasmania, an agreement for the provision of Pensioner and Health Care Card holder concessions has been established between the Government and Aurora Energy Pty Ltd as a Community Service Activity. The Department provides funding to Aurora Energy

for the purpose of providing a subsidy to eligible Tasmanian pensioners and Health Care Card holders on their electricity accounts.

Table 5.14: Balance Sheet as at 30 June

	2012	2013	2014	2015	2016
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Financial Assets					
Cash and Deposits ¹	56 169	39 368	34 643	32 903	31 036
Investments	5 500	3 077	2 177	1 736	1 295
Other Equity Investments ²	4 059	7 752	13 752	16 752	19 752
Receivables ¹	23 663	16 098	16 567	17 036	17 505
Other Financial Assets	10 095	14 201	14 366	14 533	14 700
	99 486	80 496	81 505	82 960	84 288
Non-Financial Assets					
Land and Buildings ^{1,3}	2 921 399	2 628 884	2 787 002	2 926 755	3 019 489
Plant and Equipment ¹	69 997	36 384	36 016	35 564	35 068
Intangibles ¹	11 384	10 935	10 935	10 935	10 935
Assets Held for Sale	6 839	8 961	9 344	9 344	9 344
Other Non-Financial Assets ¹	13 062	10 061	10 697	11 333	11 969
	3 022 681	2 695 225	2 853 994	2 993 931	3 086 805
Total Assets	3 122 167	2 775 721	2 935 499	3 076 891	3 171 093
Liabilities					
Borrowings	209 808	202 840	195 693	188 365	180 911
Superannuation	15 036	15 522	15 533	15 544	15 555
Employee Entitlements ¹	217 330	79 741	81 336	82 962	84 621
Payables ¹	27 823	11 739	11 995	12 251	12 507
Other Liabilities ¹	60 224	54 419	55 406	56 393	57 380
Total Liabilities	530 221	364 261	359 963	355 515	350 974
NET ASSETS	2 591 946	2 411 460	2 575 536	2 721 376	2 820 119
Equity					
Accumulated Funds ¹	797 556	482 270	623 277	746 048	821 722
Asset Revaluation Reserve	1 788 296	1 923 096	1 946 165	1 969 234	1 992 303
Other Equity	6 094	6 094	6 094	6 094	6 094
Total Equity	2 591 946	2 411 460	2 575 536	2 721 376	2 820 119

Notes:

1. The Tasmanian Health Organisations (THOs) will commence on 1 July 2012. The reduction in these items from 2011-12 to 2012-13 reflects the transfer of asset and liability balances to the THOs as at 1 July 2012.
2. The movement in Other Equity Investments reflects the investment in equity held in properties under the HomeShare initiative.
3. The increase in Land and Buildings reflects investment in infrastructure and a revaluation of assets. Investment in infrastructure relating to THOs will be transferred to the relevant THO upon completion of the project. This transfer is not reflected in the Forward Estimates pending confirmation of the accounting treatment.

Table 5.15: Balance Sheet as at 30 June – Administered

	2012	2013	2014	2015	2016
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Financial Assets					
Receivables ¹	2 489	....	....	....	....
	2 489	....	....	....	....
Total Assets	2 489	....	....	....	....
Liabilities					
Payables ¹	6 036	....	....	....	....
Total Liabilities	6 036	....	....	....	....
NET ASSETS	(3 547)	....	....	....	....
Equity					
Accumulated Funds ¹	(3 547)	....	....	....	....
Total Equity	(3 547)	....	....	....	....

Note:

1. The decrease in 2013 reflects a change in administrative arrangements relating to Australian Government funding for Commonwealth Own Purpose Expenses.

Table 5.16: Cash Flow Statement

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
Cash Received					
Appropriation ^{1,2}	1 601 277	1 195 467	1 190 107	1 323 621	1 229 835
Interest Received ³	1 371	725	428	436	440
Grants ^{1,4}	108 293	213 830	191 583	43 439	118 502
Sales of Goods and Services ³	239 518	104 103	103 501	101 384	97 337
GST Receipts	60 061	61 413	62 802	64 238	64 778
Other Receipts ³	28 075	9 922	10 237	10 417	10 179
	2 038 595	1 585 460	1 558 658	1 543 535	1 521 071
Cash Paid					
Employee Entitlements ^{5,6}	(855 505)	(235 718)	(247 340)	(258 665)	(252 993)
Superannuation ^{5,6}	(86 172)	(28 205)	(28 547)	(29 820)	(29 408)
Borrowing Costs	(9 623)	(9 326)	(9 022)	(8 710)	(8 405)
Grants and Transfer Payments ^{6,7,8}	(275 588)	(875 571)	(825 907)	(818 818)	(857 143)
Supplies and Consumables ^{5,6}	(447 032)	(178 120)	(190 258)	(188 724)	(181 556)
GST Payments	(60 060)	(61 408)	(62 802)	(64 240)	(64 780)
Other Payments ^{5,6}	(70 650)	(22 853)	(23 113)	(24 178)	(23 719)
	(1 804 630)	(1 411 201)	(1 386 989)	(1 393 155)	(1 418 004)
Net Cash Flows from Operating Activities	233 965	174 259	171 669	150 380	103 067
Cash Flows from Investing Activities					
Sale of Fixed Assets	15 640	11 767	11 925	12 277	12 478
Purchase of Fixed Assets ⁹	(238 463)	(178 245)	(172 672)	(153 792)	(106 681)
Net Purchase of Investments ¹⁰	(1 600)	(24 284)	(6 000)	(3 000)	(3 000)
Net Customer Loans (Granted)/Repaid	(1 800)	(2 200)	(2 500)	(277)	(277)
Net Cash Flows from Investing Activities	(226 223)	(192 962)	(169 247)	(144 792)	(97 480)
Cash Flows from Financing Activities					
Net Borrowings	(6 812)	(6 968)	(7 147)	(7 328)	(7 454)
Net Cash Flows from Financing Activities	(6 812)	(6 968)	(7 147)	(7 328)	(7 454)
Net Increase/(Decrease) in Cash Held	930	(25 671)	(4 725)	(1 740)	(1 867)
Cash at the Beginning of the Year	55 239	65 039	39 368	34 643	32 903
Cash at the End of the Year	56 169	39 368	34 643	32 903	31 036

Notes:

1. The Tasmanian Health Organisations (THOs) will commence on 1 July 2012. The decrease in Appropriation and increase in Grants primarily reflects changes associated with National Health Reform and the administration arrangements for Australian Government payments, whereby funding previously associated with the Health Specific Purpose Payment (SPP), National Partnership Agreements (NPAs) and Commonwealth Own Purpose Expenditure (COPEs) are no longer appropriated but paid as Grants. The majority of funding formerly received under the Health SPP is now paid directly to THOs as part of National Health Reform.
2. The decrease in Appropriation in 2013-14 and increase 2014-15 primarily reflect movements in Works and Services.
3. The decrease in Interest Received, Sales of Goods and Services and Other Receipts in 2012-13 reflects the transfer of Australian Government and own source funding to THOs, including cash received for the Mersey Community Hospital.
4. The increase in 2012-13 in Grants primarily reflects changes in administration arrangements for National Partnership funding from the Australian Government and movements in funding from Special Capital Investment Funds.
5. The reduction in Employee Entitlements, Superannuation, Supplies and Consumables and Other Payments in 2012-13 primarily reflects the implementation of National Health Reform with payments associated with hospital services now incurred by THOs and State Government funding for hospitals provided through Grants and Transfer Payments.
6. Due to the restructure of expenditure associated with the implementation of Budget Savings Strategies, the establishment of THOs, and the negotiation of Service Agreements with THOs, Forward Estimates for the classification of payments to Employee Entitlements, Superannuation, Grants and Transfer Payments, Supplies and Consumables and Other Payments are preliminary and will be reviewed during 2012-13.
7. The increase in Grants and Transfer Payments in 2012-13 primarily reflects payments to THOs under the Service Agreements, but also includes additional funding for wages increases for Social and Community Services Workers and support to the Housing Reform project from the Housing Program.
8. The decrease in Grants and Transfer Payments in 2013-14 reflects a number of factors including Budget Savings Strategies, and the cessation of one-off funding for Endoscopy and Elective Procedures, grants payments associated with NPAs and the Housing Program.
9. The decrease in Purchase of Fixed Assets in 2012-13 reflects the cash flows for capital projects.
10. The movement in Net Purchase of Investments includes equity contributions made by Housing Tasmania under the HomeShare initiative. The increase for 2012-13 reflects the transfer of cash to the THOs.

Table 5.17: Cash Flow Statement – Administered

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
Cash Received					
Appropriation ¹	24 876	37 288	37 288	38 407	39 558
Grants ²	36 600	....	....	....	....
	61 476	37 288	37 288	38 407	39 558
Cash Paid					
Grants and Transfer Payments ¹	(24 876)	(37 288)	(37 288)	(38 407)	(39 558)
Transfers to the Consolidated Fund ²	(36 600)	....	....	....	....
	(61 476)	(37 288)	(37 288)	(38 407)	(39 558)
Net Cash Flows from Operating Activities	....	....	....	....	....
Net Increase/(Decrease) In Cash Held	....	....	....	....	....
Cash at the Beginning of the Year	....	....	....	....	....
Cash at the End of the Year	....	....	....	....	....

Notes:

1. The increase in Appropriation, and Grants and Transfer Payments reflects the estimated increases in the Community Service Activity: Aurora Energy Pty Ltd Pensioner Concessions.
2. The cessation of Grants and Transfer to the Consolidated Fund reflects a change in administrative arrangements in Australian Government funding for Commonwealth Own Purpose Expenditure items.

APPENDIX 5.1 COMPARATIVE BUDGET STATEMENTS

Comparative Output Expenses for Department Outputs relating to THOs

Table 5.18 shows the comparative 2011-12 Budget presented on the same basis for THO related Outputs.

The Department's expenses include:

- State payments to THOs for activity-based and block funding for THOs under the service agreement;
- grants paid to THOs in relation to National Partnership Agreements and Commonwealth Own Purpose Expenditure; and
- the Department's costs as the Tasmanian health system manager.

Expenses previously recognised by the Department but now only recognised by THOs include:

- expenses funded by activity-based and block funding from the Australian Government;
- expenses relating to the Mersey Community Hospital;
- expenses funded by the Australian Government and received directly by THOs, such as Highly Specialised Drugs;
- expenses funded from THO own source revenue, such as inpatient fees; and
- depreciation and accrued employee expenses.

Table 5.18: Comparative Expenses for Outputs relating to THOs

	2011-12 Comparative Budget ¹	2012-13 Budget	2013-14 Forward Estimate	2014-15 Forward Estimate	2015-16 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Minister for Health					
Outputs Relating to THOs					
1.1 Admitted Services	412 801	419 985	406 182	394 476	403 560
1.2 Non-admitted Services	34 843	33 628	36 020	38 992	40 819
1.3 Emergency Department Services	35 052	35 550	34 520	34 316	35 967
2.1 Community and Aged Care Services	144 135	137 800	133 279	131 543	134 489
2.2 Oral Health Services	25 726	26 833	27 030	27 374	27 927
	652 557	653 796	637 031	626 701	642 762

Note:

1. The Comparative Budget for 2011-12 has been estimated using the Expenses by Output from Table 5.2 and excluding expenses associated with the Health SPP, Mersey Community Hospital, Highly Specialised Drugs Australian Government grant, own source revenue including inpatient fees and interest revenue, depreciation and other accruals.

Comparative Income Statement

A Comparative Income Statement showing the 2011-12 Budget and 2012-13 Budget is provided at Table 5.19. It should be noted that the comparative information for 2012-13 does not simply represent the sum of the Department and THO Income Statements, but has been adjusted for internal transactions between the Department and THOs to avoid double counting.

Table 5.19: Comparative Income Statement

	2011-12 DHHS Budget \$'000	2012-13 Comparative Budget \$'000
Revenue		
Revenue from Appropriation ¹	1 602 018	1 195 467
Interest Revenue	1 371	1 291
Grants ¹	108 293	574 232
Sales of Goods and Services ²	240 942	180 818
Other Revenue	24 445	22 627
	1 977 069	1 974 435
Less Expenses		
Employee Entitlements ³	878 005	873 335
Superannuation	86 089	88 139
Depreciation and Amortisation	51 857	52 449
Borrowing Costs	9 623	9 326
Grants and Transfer Payments ⁴	275 588	310 052
Supplies and Consumables	446 807	449 423
Other Expenses	71 230	71 911
	1 819 199	1 854 635
Plus Gains/(Losses)		
Gain (Loss) on Sale of Non-Financial Assets	9 225	5 391
	9 225	5 391
Equals OPERATING RESULT	167 095	125 191
Plus Other Movements in Equity		
Revaluations of Non-Financial Assets	53 436	53 475
Other Non-Owner Movements in Equity	....	....
	53 436	53 475
Equals COMPREHENSIVE INCOME	220 531	178 666

Notes:

1. The decrease in Revenue from Appropriation and increase in Grants revenue primarily reflects changes associated with National Health Reform and the administration arrangements for Australian Government payments, whereby funding previously associated with the Health Specific Purpose Payment, National Partnership Agreements and Commonwealth Own Purpose Expenditure are no longer appropriated but paid as Grants.
2. The decrease in Sales of Goods and Services reflects a change in the treatment of funding received from the Australian Government for the Mersey Community Hospital, which is now classified as a Grant.
3. The reduction in Employee Entitlements reflects the implementation of Budget Savings Strategies.
4. The increase in Grants and Transfer Payments primarily reflects the continued transition of human services delivery to non-government organisations and includes additional funding for wages increases for Social and Community Services Workers and support to the Housing Reform project from the Housing Program.

6 DEPARTMENT OF INFRASTRUCTURE, ENERGY AND RESOURCES

AGENCY OUTLINE

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

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

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

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

The Department has responsibility for implementation of the Tasmanian Infrastructure Strategy, which is an integrated long-term strategy to guide future infrastructure priorities and investment decision making over the next decade and beyond. This is achieved through co-ordination of government efforts across the major economic sectors of transport, water, energy and digital infrastructure. The Department is also responsible for motor registration and licensing, and regulation of minerals exploration and mining leases, including responsibility for revenue collections exceeding \$300 million annually. Other significant Departmental responsibilities relate to asset management and capital works on the state road network and administration of significant passenger transport and related government payments.

This chapter provides the Department's financial information for 2012-13 and over the Forward Estimates period (2013-14 to 2015-16). Further information on the Department is provided at www.dier.tas.gov.au.

MAJOR INITIATIVES

Table 6.1 provides a summary of the Budget and Forward Estimate allocations for major initiatives.

Table 6.1: Major Initiatives Statement

	2012-13	2013-14	2014-15	2015-16
	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000
National Transport Regulation Reform	815	....	....	....
Passenger Transport Innovation Program	3 203	3 203	....	....
Road Planning Allocation	2 947	1 500	....	....
Road Safety Initiatives	2 100	1 240	1 240	1 240
Tasmanian Forests Intergovernmental Agreement and the Forestry Transition Project	15 000	....	....	....
West Coast Geosciences Project	600	600	....	....
Infrastructure Projects				
Asset Management	5 238	5 353	5 484	5 673
Bell Bay Intermodal Terminal	500	3 320	....	....
Brighton Bypass	13 540	....	....	....
Community Roads Projects	27 470	34 208	13 234	....
Environmental Management	512	525	538	555
Infrastructure Development	1 119	4 412	125	125
Infrastructure Maintenance	58 872	57 991	55 304	56 909
North East Freight Roads	15 300	14 020	....	....
Port Sorell Main Road	3 000	....	....	....
Road Safety and Traffic Management	13 594	15 278	12 816	12 965
Tarkine Forest Drive	10 000	7 655	....	....
West Coast Roads	4 572	9 000	6 000	....

National Transport Regulation Reform

On 19 August 2011, the Council of Australian Governments signed Intergovernmental Agreements to establish the National Maritime Regulator, the National Rail Safety Regulator and investigation system, and the National Heavy Vehicle Regulator. The Department is leading Tasmania's transition to national arrangements for heavy vehicles and rail safety which comes into effect from January 2013.

The signing of Intergovernmental Agreements represents a landmark microeconomic reform through establishment of national regulatory frameworks, which, when complete, will significantly reduce the number of regulators. These national arrangements will remove inefficiencies arising from inconsistent jurisdictional requirements, streamline the regulatory arrangements and thus reduce the compliance burden for business, and reduce transport costs more generally. Importantly, the efficiencies to be gained in moving to national transport safety regimes will not compromise safety. Improving the assessment of risk and more efficient allocation of resources through a national scheme will improve the safety of these key transport sectors.

The Office of the National Regulator for Heavy Vehicles and Rail Safety will be hosted in Queensland and South Australia respectively. The Department will continue to deliver regulatory services on behalf of the National Heavy Vehicle Regulator. The National Rail Safety Regulator will establish an office in Tasmania to regulate the Tasmanian rail industry.

Passenger Transport Innovation Program

This initiative provides funding of \$2.1 million in 2012-13 for the continued implementation of programs consistent with the directions set under the *Tasmanian Urban Passenger Transport Framework*.

An urban travel demand model to better forecast the impact of passenger transport proposals has been completed in 2011-12. Work is underway in each of the priority areas identified in the Framework. These priority areas include:

- targeted improvement in urban fringe bus routes;
- identification and development of active transport networks for walking and cycling;
- WiFi services being trialled on inter-regional and urban fringe bus routes;
- a pilot workplace program to effect travel behaviour change;
- planning of transit corridor strategies for key urban public transport corridors; and
- development of a Greater Launceston Metropolitan Transport Plan.

The Government has also allocated \$1 million for additional projects, with a further \$100 000 allocated for a feasibility study into North West Tasmania cycleways.

Road Planning Allocation

The Government committed funding of \$1.5 million per annum commencing in 2010-11 to accelerate planning work for future road projects, including as a priority, planning work for the Government's Community Roads Package. The Government remains committed to guiding sensible infrastructure investment decisions so that the State is better placed to meet the Tasmanian community's long-term road network needs.

Road Safety Initiatives

This initiative provides funding of \$1.2 million per annum for targeted road safety programs, including the implementation and administration of point-to-point speed enforcement.

Tasmanian Forests Intergovernmental Agreement and the Forestry Transition Project

The Tasmanian forestry sector is undergoing a period of major structural change due to soft international and national markets for some native hardwood products, the cessation of Managed Investment Scheme support for plantation establishment and a strong Australian dollar.

In accordance with the requirements of the Tasmanian Forests Intergovernmental Agreement, funding of \$15 million from the Australian Government is allocated in 2012-13 to a voluntary sawlog contract buyback program. This program will buy back native forest sawlog contracts from saw-millers who wish to voluntarily exit the industry.

The Government will continue to support the forest industry and the transition process addressed by the Tasmanian Forests Agreement in 2012-13 to ensure the sector remains innovative, sustainable and modern.

West Coast Geosciences Project

Work is continuing on this initiative to undertake further collection of geoscientific data to enhance the existing Tasmanian Information on Geosciences and Exploration Resources (TIGER) system and stimulate mineral exploration in the region.

The initiative is centred on extending the work of the TasExplore project in the North East to western Tasmania and King Island to substantially upgrade the 3-D model of the region. This will have two main goals:

- to enhance the prospectivity for tin, tungsten and copper; and
- to increase the potential for zinc, lead and gold resources in the Mount Read Volcanic region through improved age dating and rock correlations.

Infrastructure Projects

During 2012-13, the Department will progress commitments by the State and Australian Governments on a range of road projects.

The Brighton Bypass Project will be completed in 2012-13. This has been the largest infrastructure project undertaken in the State with the overall objectives being improved safety, flow and efficiency of traffic and freight between northern and southern Tasmania. In delivering this project, the Government has been committed to ensuring the protection of the important Jordan River levee deposit. The innovative approach to the construction of a bridge across the levee has been initiated to protect Aboriginal heritage values.

The Government also remains committed to the construction of the Tarkine Forest Drive Project in working with the tourism industry and the community in the north west of the State to deliver improved tourism opportunities, undertake other infrastructure improvements, and boost the economy and confidence in the region.

Details of projects are provided in the Capital Investment Program section of this chapter and in Budget Paper No 1 *The Budget*, Chapter 7 Infrastructure Investment.

Community and West Coast Roads Package

The Department continues to progress, as a priority, the 16 projects under the Community Roads Package. Of these 16 projects, four projects were completed during 2011-12.

In 2012-13, the following Community and West Coast Roads projects will progress to the construction phase:

- Bass Highway junction with Stanley Highway upgrade;
- Bell Bay Main Road improved port access near George Town;
- Esk Main Road upgrading;
- Ferry Main Road;
- Mud Walls Road pavement improvement at the northern end (continuation of construction);
- West Tamar Highway junction with Cormiston Road traffic signals; and
- West Tamar Highway upgrading between Waldhorn Drive and Bradys Lookout.

Planning and community consultation will continue on the five remaining projects in preparation for tendering. These projects are:

- Huon Highway, overtaking lanes;
- Richmond Heavy Vehicle Link Road;
- Rokeby Main Road upgrading access south of Howrah;
- Arthur Highway between Taranna and Port Arthur, and from Dunalley to Murdunna; and
- Tasman Highway upgrading between Scottsdale and Launceston.

The Department will also progress upgrades of the Murchison Highway which will deliver significant safety benefits and will ensure the highway is strengthened to adequately cater for forecast growth in freight. Projects are:

- Murchison Highway at Mount Black; and
- Murchison Highway upgrades between the Anthony Main Road and Cradle Mountain Drive.

North East Freight Roads

The Department will continue to deliver on its commitment for improved transport efficiency together with a focus on public safety by minimising interaction between passenger vehicles and heavy vehicles on key passenger and tourist routes in the North East. This project has been broken down into six discrete projects which are as follows:

- replacement of Tebrakunna Bridge - this project was completed in 2011-12;
- replacement of three wooden bridges on Mathinna Plains Road and two on Evercreech Road – construction works will commence in 2012-13;
- curve improvements, junction improvements, pavement strengthening and widening on Bridport Main Road – planning and scoping will continue with construction to commence in the first half of 2013-14;

- curve improvements, junction improvements, pavement strengthening and widening on Tasman Highway/Gladstone Main Road between Derby and Herrick – construction works will commence in the first half of the 2012-13 financial year;
- upgrades of various junctions on Prossers Main Road – construction works will commence in the first half of the 2012-13 financial year; and
- curve widening and culvert extensions on Camden Road – planning and scoping will continue in 2012-13.

OUTPUT INFORMATION

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

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

Table 6.2 provides an Output Group Expense Summary for the Department.

OUTPUT RESTRUCTURE

During 2011-12, Output 5.2 – Racing Policy was consolidated with Output 5.1 – Racing Regulation to better align with how the policy function supporting racing integrity services is actually delivered.

Table 6.2: Output Group Expense Summary

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Minister for Infrastructure					
Output Group 1 – Infrastructure					
1.1 Infrastructure Strategy ¹	5 456	4 737	3 263	1 908	1 884
1.2 Rail Safety	549	531	515	541	541
1.3 Road Safety ²	8 970	10 338	8 336	8 389	8 427
1.4 Registration and Licensing ³	13 725	14 251	13 329	13 422	13 597
1.5 Vehicle Operations	4 640	4 490	4 352	4 349	4 407
1.6 Traffic Management and Engineering Services ⁴	7 391	6 855	5 950	6 040	6 122
	40 731	41 202	35 745	34 649	34 978
Output Group 6 - Transport Subsidies and Concessions					
6.1 Bruny Island Ferry Service	640	640	640	659	678
6.2 Furneaux Shipping Contract	279	286	288	288	288
6.3 King Island Shipping	49	49	49	49	49
6.7 Construction of Streets in Towns	52	52	52	52	52
	1 020	1 027	1 029	1 048	1 067
Grants and Subsidies⁵	21 315	18 830	18 846	18 846	18 846
Capital Investment Program	40 018	40 511	40 282	34 175	35 010
Depreciation on Infrastructure Assets	96 240	101 002	105 763	105 763	105 763
Minister for Racing					
Output Group 5 - Racing Policy and Regulation					
5.1 Racing Regulation	3 806	3 688	3 638	3 662	3 715
	3 806	3 688	3 638	3 662	3 715
Grants and Subsidies⁶	27 339	28 383	29 022	29 675	30 342

Table 6.2 Output Group Expense Summary (continued)

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Minister for Energy and Resources					
Output Group 2 - Energy Advisory and Regulatory Services					
2.1 Energy Policy and Advice ⁷	2 056	1 708	1 687	1 464	1 482
	2 056	1 708	1 687	1 464	1 482
Output Group 3 - Mineral Resources Management and Administration					
3.1 Minerals Exploration and Land Management	3 661	3 625	3 452	2 815	2 857
3.2 Tenement Management of the Exploration and Minerals Industry	3 298	3 127	3 000	3 019	3 057
	6 959	6 752	6 452	5 834	5 914
Output Group 4 - Support for the Minister for Energy and Resources					
4.1 Support for the Minister ⁸	3 783	648	635	641	649
	3 783	648	635	641	649
Grants and Subsidies⁹	4 324	19 415	4 477	4 549	4 613
Minister for Sustainable Transport					
Output Group 1 - Infrastructure					
1.7 Passenger Transport ¹⁰	3 682	3 748	2 751	2 760	2 792
1.8 Passenger Transport Innovation ¹¹	4 650	3 203	....	....	....
	8 332	6 951	2 751	2 760	2 792
Output Group 6 - Transport Subsidies and Concessions					
6.4 Metropolitan General Access Regular Passenger Transport Services	36 574	37 726	38 869	39 956	41 057
6.5 Rural and Special Needs School Bus Services	18 491	19 494	21 707	22 358	23 029
6.6 Non-Metropolitan General Access Regular Passenger Transport Services	7 818	8 117	7 452	7 626	7 626
	62 883	65 337	68 028	69 940	71 712
Grants and Subsidies	26 466	27 805	29 820	30 332	31 057
TOTAL	345 272	363 259	348 175	343 338	347 940

Notes:

1. The decrease in Infrastructure Strategy in 2012-13 reflects completion of the Flinders Island Port Infrastructure Project, partially offset by funding from 2011-12 reallocated into 2012-13 for Road Planning. The decrease in 2014-15 is due to completion of the Road Planning initiative.
2. The increase in Road Safety reflects funding from 2011-12 reallocated into 2012-13 for Road Safety Initiatives funded by Increased Penalties and the full year effect of the increase in the Road Safety Levy from \$20 to \$25. The decrease in 2013-14 reflects a reduction in the amount carried forward from 2011-12 and a larger component of the Road Safety Levy being spent on Infrastructure Projects. The budget for the Infrastructure Projects component of the Road Safety Levy is reflected in the Road Safety and Traffic Management Output within the Capital Investment Program.
3. The increase in Registration and Licensing in 2012-13 reflects one-off funding from the Australian Government to assist with transition towards a National Heavy Vehicle Regulator.
4. The decreases in Traffic Management and Engineering Services reflect the phased completion of the Extra Low Voltage/Light Emitting Diode Traffic Signal initiative.
5. The decrease in Grants and Subsidies reflects a decrease in grant payments to Tasmanian Railways Pty Ltd.
6. The increase in Grants and Subsidies reflects the current estimate of indexation applied to payments to the Tasmanian Racing Board.
7. The decrease in the Energy Policy and Advice Output in 2012-13 reflects a one-off reallocation of funds from 2010-11 into 2011-12 for the Renewable Energy Fund – King and Flinders Island. The decrease in 2014-15 reflects the completion of the Bass Strait Islands Renewable Energy initiative.
8. The decrease in Support for the Minister in 2012-13 reflects the completion of actions under the Forestry Transition Project initiative.
9. The increase in Grants and Subsidies relates to funding provided by the Australian Government as part of the Tasmanian Forests Intergovernmental Agreement to support voluntary compensable exits by saw-millers wishing to exit the industry.
10. The increase in the Passenger Transport Output in 2012-13 reflects funding from 2011-12 reallocated into 2012-13 relating to Park and Ride Facilities. The reduction in 2013-14 reflects the one-off nature of this carry forward.
11. The decrease in the Passenger Transport Innovation Output reflects funding from 2011-12 reallocated into 2012-13 for Passenger Transport Innovation projects and completion of these projects. Offsetting this reduction are additional funds allocated in 2012-13 for further Passenger Transport projects and a feasibility study into North West Tasmania cycleways.

Output Group 1: Infrastructure

1.1 Infrastructure Strategy

This Output delivers effective strategic policy and planning frameworks for the safe and efficient movement of people and freight, with a focus on:

- supporting the implementation and ongoing development of the *Tasmanian Infrastructure Strategy*;
- coordinating participation in the development of strategic infrastructure solutions across all levels of government; and
- developing transport infrastructure strategic policy and planning frameworks.

1.2 Rail Safety

This Output delivers Tasmania's rail safety regulatory regime. It aims to continuously improve rail safety through accreditation, auditing, safety investigation and enforcement. Tasmania is working to transition to a National Regulator by 1 January 2013.

1.3 Road Safety

This Output develops and supports strategic road safety initiatives and provides policy advice; encourages community involvement in the road safety effort through the establishment of partnerships with local government and their associated community organisations and networks; and develops and delivers road safety education and awareness programs, with a focus on:

- developing, implementing and monitoring *Action Plan* initiatives under the *Tasmanian Road Safety Strategy 2007-2016*; and
- ongoing delivery of the Community Road Safety Partnerships (CRSP) program.

1.4 Registration and Licensing

This Output develops business policies and procedures; provides information; and delivers services relating to the registration of vehicles and licensing of drivers.

1.5 Vehicle Operations

This Output develops, encourages and enforces compliance with regulations for vehicle roadworthiness, standards, dimensions and mass limits, safe loading and operation of primarily heavy vehicles; and undertakes management of approved inspection stations and transport operator accreditation schemes. Tasmania is working to transition to a National Regulator for Heavy Vehicles from 1 January 2013.

1.6 Traffic Management and Engineering Services

This Output delivers cost-effective safety improvements to reduce the incidence of road crashes and provides specialist, technical traffic management and engineering solutions for the Government, local road authorities, developers and the community, with a focus on:

- upgrading the State's traffic signal system infrastructure through the introduction of Extra Low Voltage/Light Emitting Diode (ELV/LED) lighting technology; and
- delivering specific projects under the auspices of the *Tasmanian Road Safety Strategy 2007-2016*.

1.7 Passenger Transport

This Output delivers passenger transport services that support the efficient, equitable, and appropriate movement of people, including the administration of targeted transport assistance schemes and subsidies for students, the unemployed, aged pensioners, and persons with disabilities, with a focus on:

- developing a regulatory and contractual framework conducive to the sustainable delivery of passenger transport services;
- administering contracts for the delivery of regular passenger transport services in metropolitan, urban fringe, regional and rural areas; and
- implementing sustainable transport infrastructure and services in major urban areas.

1.8 Passenger Transport Innovation

This Output is for the implementation of programs including those arising from the *Tasmanian Urban Passenger Transport Framework*. In 2012-13, additional funding has been provided for other projects, including a feasibility study into North West Tasmania cycleways.

Table 6.3: Performance Information - Output Group 1

Performance Measure¹	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Tasmanian Infrastructure Strategy goals achieved within published timeframe ²	%	na	100	100	100
Rail Safety compliance audits completed within agreed audit program timeframes ³	%	100	100	100	na
Increasing the number of Local Government Community Road Safety Partnerships ⁴	Number	25	27	29	29
Motor Registry System availability	%	99	99	99	99
Transport Enquiry Service – percentage of calls answered	%	89	97	95	95
Vehicles found to be unregistered of those checked ⁵	%	0.92	0.72	0.50-0.75	0.50-0.75
Heavy vehicles found overweight	%	4.8	4.49	≤5.0	≤5.0
Linemarking program achieved by the end of the financial year	%	100	100	100	100
Blackspot interventions in accordance with the program	%	86	100	100	100
ELV/LED technology integrated into the existing traffic signals system ⁶	%	2	22	21	23
Wheelchair accessible taxis (WATS) licensed	Number	57	63	65	70
Bus contracts qualifying for a capital payment	%	82.5	87.4	87.5	90

Notes:

1. 'na' indicates that data is not available or measurement has not yet commenced.
2. This performance measure relates to those activities for which the Department has responsibility, specifically Energy Policy and Transport excluding TasPorts and Tasmanian Railway Pty Ltd. These activities are grouped in three year time frames with the first reporting time frame concluding in 2012-13.
3. From January 2013, Rail Safety in Tasmania will be administered by a National Regulator.
4. There are 29 local government authorities in Tasmania.
5. This measure is based upon Automatic Number Plate Recognition cameras in accordance with the Memorandum of Understanding between the Department and the Motor Accidents Insurance Board (MAIB).
6. This is a ten-year program, with 70 per cent to be completed by June 2013 and the remaining 30 per cent of traffic signal sites (which represents the more complex and time consuming projects) to be completed over the following years.

Output Group 2: Energy Advisory and Regulatory Services

2.1 Energy Policy and Advice

This Output provides strategic advice and support to Ministers on matters affecting energy in Tasmania. The aim is to maintain an efficient and effective regulatory structure for the Tasmanian energy sector, with a focus on:

- advancing Tasmania's interests in National Energy Market policy reforms and developments;
- issues affecting the reliability, adequacy or security of Tasmanian supplies of electricity;
- supporting the implementation of the Government's energy supply industry reform;
- risk management and response preparedness for any large scale disruptions to electricity, natural gas or petroleum supply;
- promoting increased efficiency in the supply and use of energy in Tasmania;
- managing programs and projects in energy requested of it by Government; and
- helping Tasmania to gain economic, social and environmental benefits from its renewable energy.

Table 6.4: Performance Information - Output Group 2

Performance Measure¹	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Policy Advice					
Provision of effective support to the Government by providing information and advice to enable informed decision making	Satisfaction	4	4	≥4	≥4
National Energy Market Development					
Promote and protect Tasmanian interests in national energy market developments and reforms	Outcomes	4	>4	≥4	≥4
Emergency Preparedness					
Maintain adequate frameworks to deal with major emergencies in electricity, gas or oil	Adequacy	4	>4	≥4	≥4
Projects and Programs					
Achieve objectives within budget and time frame, achieve sponsor and client satisfaction and comply with all prudential guidelines.	Outcomes	4	>4	≥4	≥4

Note:

1. Satisfaction and outcomes are largely measured by feedback from the Minister's Office, Secretary, Director of Energy and Planning and (where appropriate) colleagues and clients using a five-point scale where four is rated 'good'.

Output Group 3: Mineral Resources Management and Administration

3.1 Minerals Exploration and Land Management

This Output facilitates mineral exploration and infrastructure development, and fosters and encourages responsible land management in Tasmania, with a focus on:

- improving the quality and quantity of geoscience information, essential to the encouragement of mineral exploration and responsible land management, including the continued development of a comprehensive three dimensional geological model of the State;
- promoting Tasmania nationally and internationally as being highly prospective for mineral exploration and mining through targeted and strategic marketing; and
- providing information for sustainable land use planning and infrastructure development decisions.

3.2 Tenement Management of the Exploration and Minerals Industry

This Output ensures the responsible management of the State's mineral resources and a fair and sustainable return to the community when a resource of metallic and nonmetallic minerals, petroleum or geothermal energy is developed. This is achieved by focusing on:

- administering legal titles for mineral tenements; and
- managing the royalty regime, and collecting fees and rentals.

Table 6.5: Performance Information - Output Group 3

Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Area covered by modern remote sensing data with subsequent 1:25 000 geological mapping coverage ^{1,2}	%	53.8	74.4	71.5	72.1
Programmed abandoned mining lands rehabilitation projects completed	%	80	95	100	100

Notes:

1. The area covered by remote sensing data and subsequent geological mapping has increased due to the TasExplore program. The percentages are based on the present coverage of modern remote sensing data and reflect the quality and currency of the published geological mapping.
2. The method for calculating the performance measure has been modified to provide more reliable information. As a consequence, the previous figure of 49.0 per cent for 2009-10 Actual has now become 53.8 per cent.

Output Group 4: Support for the Minister for Energy and Resources

4.1 Support for the Minister

This Output provides high-level support on forest resource policy and management issues including the provision of advice relating to Government Business Enterprises and Statutory authorities, with a focus on forest policy projects of strategic importance, such as the implementation and review of the Regional Forest Agreement, the Tasmanian Community Forest Agreement and the Tasmanian Forests Intergovernmental Agreement.

Table 6.6: Performance Information - Output Group 4

Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
User Satisfaction Survey¹					
Set and maintain high standards in administrative process and policy development that meet the needs of the end -user:					
Minister	Satisfaction	Satisfied	Satisfied	Satisfaction	Satisfaction
Agency – Secretary / Deputy Secretary	Satisfaction	Satisfied	Satisfied	Satisfaction	Satisfaction

Note:

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

Output Group 5: Racing Policy and Regulation

5.1 Racing Regulation

This Output delivers probity and integrity services to the Tasmanian racing industry. This is achieved by:

- registering race clubs;
- registering and licensing industry participants and racing animals;
- providing handicapping and grading services;
- providing stipendiary stewards;
- enforcing national and local rules of racing for each racing code;
- registering and regulating bookmakers and their agents;
- setting the integrity conditions applicable to all Tasmanian race field information publication approvals;
- providing administrative support to the Tasmanian Racing Appeal Board and the Integrity Assurance Board;
- undertaking high level research and analysis on a range of issues relating to the Tasmanian racing industry;

- developing, implementing and evaluating racing policy in Tasmania, with reference to local and national developments in the sector;
- representing the State and the local industry on national bodies and in national forums in terms of racing integrity and related matters; and
- ensuring compliance with the requirements of the *Racing Regulation Act 2004*.

Table 6.7: Performance Information - Output Group 5

Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Swabs taken by stewards	Number	3 512	3 501	3 700	3750
Positive swabs to swabs taken	%	0.23	0.28	0.32	0.32
Suspensions, disqualifications and fines imposed by stewards on licensed persons	Number	395	405	410	400
Suspensions, disqualifications and fines appealed to the Tasmanian Racing Appeal Board	Number	25	10	12	14
Appeals to the Tasmanian Racing Appeal Board where conviction quashed	Number	6	2	2	2
Licence applications received	Number	1 632	1 626	1 650	1 660
Licence applications not referred to Licensing Panel approved within 14 days	%	98	98	100	100
Appeals to the Integrity Assurance Board	Number	4	3	2	4
Races handicapped ¹	Number	729	762	720	765
Races handicapped requiring a redraw due to errors	Number	....	1	....	....
Races graded ¹	Number	1 569	1 572	1 570	1 724
Races graded requiring a redraw due to errors	Number	....	1	....	....

Note:

1. The number of races conducted is determined by Tasracing.

Output Group 6: Transport Subsidies and Concessions

6.1 Bruny Island Ferry Service

This Output relates to contract payments for the provision of the Bruny Island Ferry Service.

6.2 Furneaux Shipping Contract

This Output relates to arrangements for the provision of a shipping service to the Furneaux Group of Islands.

6.3 King Island Shipping

This Output relates to arrangements to assist King Island residents with shipping services in accordance with a Partnership Agreement with the King Island Council.

6.4 Metropolitan General Access Regular Passenger Transport Services

This Output relates to the contract funding provided to suppliers of public bus services, including school day only services in the metropolitan areas of Hobart, Launceston, Devonport and Burnie. Included in this Output is funding to Metro Tasmania of \$3.3 million per annum outside of the contract for service delivery for the Company to pursue a range of priorities including:

- purchase of new low-emission accessible buses;
- improvements to off-bus infrastructure on major corridors; and
- undertaking research and marketing initiatives.

6.5 Rural and Special Needs School Bus Services

This Output relates to contract payments to operators of rural and special needs school buses during the school year.

6.6 Non-Metropolitan General Access Regular Passenger Transport Services

This Output relates to contract funding provided to suppliers of public bus services outside the metropolitan areas of Hobart, Launceston, Devonport and Burnie but includes services to, from and between the metropolitan areas.

6.7 Construction of Streets in Towns

This Output contributes to the construction of streets as provided under the *Local Government (Highways) Act 1982* and the *Local Government Act 1993*.

CAPITAL INVESTMENT PROGRAM

Table 6.8 provides financial information for the Department's Capital Investment Program. More information on the Capital Investment Program is provided in Budget Paper No 1 *The Budget*, Chapter 7 Infrastructure Investment.

Table 6.8: Capital Investment Program¹

	Estimated Total Cost	2012-13 Budget	2013-14 Forward Estimate	2014-15 Forward Estimate	2015-16 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Minister for Infrastructure					
Arthur Highway upgrading between Taranna and Port Arthur, and Dunalley and Murdunna	18 000	2 184	8 000	7 500	....
Asset Management	Ongoing	5 238	5 353	5 484	5 673
Bass Highway junction with Mersey Main Road upgrade	2 500	1 830	....	....	....
Bass Highway junction with Stanley Highway upgrade	1 500	1 200	300	....	....
Bell Bay Intermodal Terminal ²	9 120	500	3 320	....	....
Bell Bay Main Road improved port access near George Town	1 000	750	250	....	....
Brighton Bypass	188 700	2 700	....	....	....
Environmental Management	Ongoing	512	525	538	555
Esk Main Road upgrading	5 000	2 500	2 118	....	....
Ferry Main Road at Kettering upgrade and Ferry Main Road Waste Water Treatment Plant and associated works	8 000	1 500	4 020	300	....
Highland Lakes Road sealing between Breona and Brandum Creek	2 500	749	....	....	....
Huon Highway upgrade including overtaking lanes and safety improvements	8 000	1 252	4 000	2 243	....
Illawarra Main Road	6 200	700	....	....	....
Infrastructure Development	Ongoing	1 719	122	125	128
Infrastructure Maintenance	Ongoing	58 872	57 791	55 304	56 909
Kingston Bypass	50 600	200	....	....	....
Mudwalls Road pavement improvement at the northern end	8 000	6 267	247	....	....
Murchison Highway Upgrade there are 2 sections: Mount Black and Anthony MR to Cradle Mountain Drive	21 000	4 572	9 000	6 000	....
North East Freight Roads	42 500	14 900	21 020	....	....
Port Sorell Main Road	4 000	3 000	1 000	....	....
Program Management	Ongoing	2 317	2 218	2 280	2 344

Table 6.8: Capital Investment Program¹ (continued)

	Estimated Total Cost	2012-13 Budget	2013-14 Forward Estimate	2014-15 Forward Estimate	2015-16 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Richmond Heavy Vehicle Link Road	6 000	793	2 500	2 156	....
Ridgley Main Road pavement upgrade	4 000	697	....	....	....
Road Safety and Traffic Management	Ongoing	13 594	15 278	12 816	12 965
Rokeby Main Road upgrading to improve access south of Howrah	10 000	1 478	7 000	720	....
Strategic Planning and Policy	Ongoing	2 640	2 693	2 753	2 847
Tarkine Drive	19 200	10 000	7 655	....	....
Tasman Highway junction with Coles Bay Road upgrade	300	17	....	....	....
Tasman Highway upgrading between Scottsdale and Launceston	4 000	453	3 000	108	....
West Tamar Highway junction with Cormiston Road traffic signals	300	300	....	....	....
West Tamar Highway upgrading between Waldhorn Drive and Bradys Lookout	9 000	5 500	2 773	207	....
Total CIP Allocations		148 934	160 183	98 534	81 421

Notes:

1. The major reduction from 2014-15 onwards is due to completion of projects from the Government's \$90 million Community Roads Program and West Coast Roads Program and no allocation provided by the Australian Government from 2014-15 due to completion of the existing five-year agreement. Negotiations are currently underway for a new agreement between the State and Australian Government. However, for the purpose of whole-of-government Budget and Forward Estimate development, it is estimated that \$35 million per annum will be received from the Australian Government for Road Program funding in 2014-15 and 2015-16. This estimate is not included in this table.
2. This project is jointly managed by the Department and Tasmanian Railway Pty Ltd.

Roads Program

The Roads Program directly contributes to the achievement of the Departmental outcome of a safe, sustainable and efficient transport system that enhances economic and social development. Major Roads Program activities funded from the Capital Investment Program during 2012-13 include:

- the completion of the Brighton Bypass Project;
- the Tarkine Forest Drive Project;
- the Community Roads and West Coast Roads Program; and
- ongoing road and bridge maintenance.

The State Government, in conjunction with the Australian Government, will continue planning and commence construction on the following key projects as part of the Australian Government's 2007 Election commitments:

- Bell Bay Intermodal Terminal; and
- North East Freight Roads.

DETAILED BUDGET STATEMENTS

Table 6.9: Income Statement

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Revenue from Appropriation ¹	303 665	238 591	231 193	200 473	186 619
Fines and Regulatory Fees ²	11 294	13 755	13 155	13 155	13 155
Grants ³	1 069	50 531	51 855	1 069	1 069
Sales of Goods and Services	654	669	684	699	699
Other Revenue	1 046	1 046	1 046	1 046	1 046
	317 728	304 592	297 933	216 442	202 588
Less Expenses					
Employee Entitlements	35 878	36 327	35 479	35 058	35 500
Superannuation	3 912	3 903	3 789	3 793	3 842
Depreciation and Amortisation	99 969	104 731	109 492	109 492	109 492
Grants and Transfer Payments ⁴	71 677	70 293	69 760	71 679	73 460
Supplies and Consumables ⁵	51 739	51 339	45 162	37 619	38 466
Other Expenses	2 653	2 233	2 328	2 295	2 322
	265 828	268 826	266 010	259 936	263 082
Plus Gains/(Losses)					
Gain (Loss) on Sale of Non-Financial Assets	4	4	4	4	4
	4	4	4	4	4
Equals OPERATING RESULT	51 904	35 770	31 927	(43 490)	(60 490)
Plus Other Movements in Equity					
Revaluations of Non-Financial Assets	132 674	134 198	136 211	136 211	136 211
Other Non-Owner Movements in Equity ⁶	(44 496)	(30 401)	(19 880)	....	....
	88 178	103 797	116 331	136 211	136 211
Equals COMPREHENSIVE INCOME	140 082	139 567	148 258	92 721	75 721

Notes:

1. The decrease in Revenue from Appropriation primarily reflects a reduction in Capital Investment Program expenditure and Australian Government contributions to Tasmania Railway Pty Ltd. The reduction also reflects changed administrative arrangements for the treatment of Australian Government Funds with this funding now being reflected as Grants.
2. The increase in Fines and Regulatory Fees primarily reflects an increase in the Road Safety Levy from \$20 to \$25 and continuation of the Levy from December 2012.

3. The increase in Grants in 2012-13 reflects the changed administrative arrangements for the treatment of Australian Government Funds with this funding now being reflected as Grants. The decrease in Grants in 2014-15 reflects the completion of the existing five year roads funding agreement with the Australian Government. Negotiations are currently underway for a new agreement between the State and Australian Governments. The Australian Government has not yet allocated funding for the continuation of this agreement beyond 2013-14.
4. The decrease in Grants and Transfer Payments primarily reflects completion of the Passenger Transport Innovation initiative in 2012-13.
5. The decrease in Supplies and Consumables in 2014-15 reflects a reduction in expenditure in the Capital Investment Program and completion of Australian Government funded initiatives.
6. The amounts represented as Other Non-Owner Movements in Equity reflect Equity payments made to Tasmanian Railway Pty Ltd from the Australian Government. No allocation has been provided by the Australian Government from 2014-15 due to completion of the existing five-year agreement. Negotiations are currently underway for a new agreement between the State and Australian Governments. However, for the purpose of whole-of-government Budget and Forward Estimate development, it is estimated that \$35 million per annum will be received from the Australian Government for Road Program funding in 2014-15 and 2015-16. This estimate is not included in this table.

Table 6.10: Income Statement – Administered

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Revenue from Appropriation	77 878	77 867	80 599	81 836	83 292
Taxation	33 970	34 045	34 960	35 986	36 886
Fines and Regulatory Fees ¹	11 047	8 741	8 489	11 355	11 103
Grants ²	417	15 235	235	235	235
Sales of Goods and Services ³	53 121	60 683	60 876	59 281	59 368
Other Revenue	33	33	33	33	33
	176 466	196 604	185 192	188 726	190 917
Less Expenses					
Employee Entitlements	874	873	873	874	874
Superannuation	108	108	108	108	108
Depreciation and Amortisation	1	1	1	1	1
Grants and Transfer Payments	77 743	77 733	80 465	81 701	83 157
Supplies and Consumables	639	639	639	639	639
Transfer to the Consolidated Fund	97 143	102 292	103 148	105 445	106 180
Other Expenses ²	79	15 079	79	79	79
	176 587	196 725	185 313	188 847	191 038
Plus Gains/(Losses)					
Gain (Loss) on Sale of Non-Financial Assets	1	1	1	1	1
	1	1	1	1	1
Equals OPERATING RESULT	(120)	(120)	(120)	(120)	(120)
Plus Other Movements in Equity					
Revaluations of Non-Financial Assets	....	....	....	....	....
Other Non-Owner Movements in Equity	....	....	....	....	....
Equals COMPREHENSIVE INCOME	(120)	(120)	(120)	(120)	(120)

Notes:

1. The decrease in Fines and Regulatory Fees reflects a reduction in Driver License fees due to the effects of the five year license profile and learner drivers taking more time to progress through the Novice Driver Program. The increase in 2014-15 reflects the high point of the five year license profile.
2. The increase in Grants and Other Expenses relates to funding provided by the Australian Government as part of the Tasmanian Forests Intergovernmental Agreement to support voluntary compensable exits by saw-millers wishing to exit the industry.
3. The increase in Sales of Goods and Services in 2012-13 reflects an increase in estimated Mineral Royalties revenue.

Table 6.11: Revenue from Appropriation by Output

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Minister for Infrastructure					
Output Group 1 – Infrastructure					
1.1 Infrastructure Strategy ¹	49 892	4 677	3 203	1 848	1 919
1.2 Rail Safety	547	529	513	539	552
1.3 Road Safety ²	2 638	3 096	2 239	2 292	2 375
1.4 Registration and Licensing	11 962	11 659	11 525	11 614	12 052
1.5 Vehicle Operations	4 406	4 244	4 094	4 086	4 245
1.6 Traffic Management and Engineering Services ³	7 143	6 600	5 691	5 781	6 005
	76 588	30 805	27 265	26 160	27 148
Output Group 6 - Transport Subsidies and Concessions					
6.1 Bruny Island Ferry Service	640	640	640	659	678
6.2 Furneaux Shipping Contract	279	286	288	288	288
6.3 King Island Shipping	49	49	49	49	49
	968	975	977	996	1 015
Grants and Subsidies⁴	21 315	18 830	18 846	18 846	18 846
Capital Investment Program⁵	140 180	123 633	121 677	90 934	73 821
Recurrent Services	98 871	50 610	47 088	46 002	47 009
Works and Services	140 180	123 633	121 677	90 934	73 821
	239 051	174 243	168 765	136 936	120 830
Minister for Racing					
Output Group 5 - Racing Policy and Regulation					
5.1 Racing Regulation	3 248	3 130	3 080	3 104	3 222
	3 248	3 130	3 080	3 104	3 222
Grants and Subsidies⁶	27 339	28 383	29 022	29 675	30 342
Recurrent Services	30 587	31 513	32 102	32 779	33 564
Works and Services	....	....	....	....	....
	30 587	31 513	32 102	32 779	33 564

Table 6.11 Revenue from Appropriation by Output (continued)

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Minister for Energy and Resources					
Output Group 2 - Energy Advisory and Regulatory Services					
2.1 Energy Policy and Advice ⁷	1 578	1 230	1 209	986	1 027
	1 578	1 230	1 209	986	1 027
Output Group 3 - Mineral Resources Management and Administration					
3.1 Minerals Exploration and Land Management	3 530	3 488	3 310	2 673	2 776
3.2 Tenement Management of the Exploration and Minerals Industry	2 948	2 767	2 634	2 652	2 743
	6 478	6 255	5 944	5 325	5 519
Output Group 4 - Support for the Minister for Energy and Resources					
4.1 Support for the Minister ⁸	3 778	643	630	636	664
	3 778	643	630	636	664
Grants and Subsidies					
Recurrent Services	14 592	10 977	10 694	9 930	10 257
Works and Services	....	....	....	....	....
	14 592	10 977	10 694	9 930	10 257
Minister for Sustainable Transport					
Output Group 1 - Infrastructure					
1.7 Passenger Transport ⁹	3 262	3 328	2 331	2 340	2 439
1.8 Passenger Transport Innovation ¹⁰	4 650	3 203	....	....	....
	7 912	6 531	2 331	2 340	2 439

Table 6.11 Revenue from Appropriation by Output (continued)

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Output Group 6 - Transport Subsidies and Concessions					
6.4 Metropolitan General Access Regular Passenger Transport Services	36 574	37 726	38 869	39 956	41 057
6.5 Rural and Special Needs School Bus Services	18 491	19 494	21 707	22 358	23 029
6.6 Non-Metropolitan General Access Regular Passenger Transport Services	7 818	8 117	7 452	7 626	7 626
	62 883	65 337	68 028	69 940	71 712
Grants and Subsidies	26 466	27 805	29 820	30 332	31 057
Recurrent Services	97 261	99 673	100 179	102 612	105 208
Works and Services	....	....	....	....	....
	97 261	99 673	100 179	102 612	105 208
Department of Infrastructure, Energy and Resources					
Total Recurrent Services	241 311	192 773	190 063	191 323	196 038
Total Works and Services	140 180	123 633	121 677	90 934	73 821
	381 491	316 406	311 740	282 257	269 859
Reserved by Law					
Contribution towards Construction of Streets in Towns by Municipal Councils (Local Government Act 1993)	52	52	52	52	52
	52	52	52	52	52
Total Revenue from Appropriation	381 543	316 458	311 792	282 309	269 911
Controlled Revenue from Appropriation	303 665	238 591	231 193	200 473	186 619
Administered Revenue from Appropriation	77 878	77 867	80 599	81 836	83 292
	381 543	316 458	311 792	282 309	269 911

Notes:

1. The decrease in Infrastructure Strategy in 2012-13 reflects completion of the Flinders Island Port Infrastructure Project and changed arrangements for payments made by the Australian Government to Tasmania Railway Pty Ltd, partially offset by funding from 2011-12 reallocated into 2012-13 for Road Planning. The decrease in 2014-15 is due to completion of the Road Planning initiative.

2. The increase in Road Safety reflects funding from 2011-12 reallocated into 2012-13 for Road Safety Initiatives funded by Increased Penalties and the full year effect of the increase in the Road Safety Levy from \$20 to \$25. The decrease in 2013-14 reflects a reduction for the amount carried forward from 2011-12 and a larger component of the Road Safety Levy being spent on Infrastructure Projects. The budget for the Infrastructure Projects component of the Road Safety Levy is reflected in the Road Safety and Traffic Management Output within the Capital Investment Program.
3. The decreases in Traffic Management and Engineering Services reflect the phased completion of the Extra Low Voltage/Light Emitting Diode Traffic Signal initiative.
4. The decrease in Grants and Subsidies reflects a decrease in grant payments to Tasmanian Railway Pty Ltd.
5. The decrease in the Capital Investment Program is due to completion of projects from the Government's \$90 million Community Roads Program and West Coast program and changed arrangements for treatment of funding provided by the Australian Government from 2012-13. Funding from the Australian Government will no longer be allocated as Appropriation but instead will be managed through a Special Deposits and Trust Fund.
6. The increase in Grants and Subsidies reflects the current estimate of indexation applied to payments to the Tasmanian Racing Board.
7. The decrease in the Energy Policy and Advice Output in 2012-13 reflects a one-off reallocation of funds from 2010-11 into 2011-12 for the Renewable Energy Fund – King and Flinders Islands. The decrease in 2014-15 reflects the completion of the Bass Strait Islands Renewable Energy initiative.
8. The decrease in the Support for the Minister Output in 2012-13 reflects the completion of actions under the Forestry Transition Project initiative.
9. The increase in the Passenger Transport Output in 2012-13 reflects funding from 2011-12 reallocated into 2012-13 relating to Park and Ride Facilities. The reduction in 2013-14 reflects the one-off nature of this carry forward.
10. The decrease in the Passenger Transport Innovation Output reflects funding from 2011-12 reallocated into 2012-13 for Passenger Transport Innovation projects and completion of these projects. Offsetting this reduction are funds allocated in 2012-13 for further Passenger Transport projects and a feasibility study into North West Tasmania cycleways.

Table 6.12: Administered Revenue

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue Collected on Behalf of the Consolidated Fund					
Commonwealth Capital Grants	262	80	80	80	80
Drivers Licences ¹	8 008	6 163	5 870	8 694	8 398
Fines	12	12	12	12	12
MAIB Commission	2 178	2 231	2 287	2 344	2 403
Motor Vehicle Taxes and Fees	33 970	34 045	34 960	35 986	36 886
Other Revenue	8	8	8	8	8
Other Sales of Services	1 381	1 398	1 415	1 433	1 451
Personalised and Custom Plates	330	402	412	422	432
Photo Licence Fees ¹	1 623	1 463	1 499	1 536	1 574
Regulatory Fees ²	1 347	1 045	1 049	1 053	1 058
Royalty Income ³	47 950	55 370	55 480	53 800	53 800
Sales of Goods	33	33	33	33	33
Vehicle Inspection Services Fees	41	42	43	44	45
	97 143	102 292	103 148	105 445	106 180
Revenue from Appropriation					
Annual Appropriation	77 878	77 867	80 599	81 836	83 292
Other Revenue					
Fines	16	16	16	16	16
Grants from Non-Government Sector	155	155	155	155	155
Grants from Special Capital Funds ⁴	....	15 000	....	....	....
Other Revenue	25	25	25	25	25
Sales of Goods	1 249	1 249	1 249	1 249	1 249
	1 445	16 445	1 445	1 445	1 445
Total Administered Revenue	176 466	196 604	185 192	188 726	190 917

Notes:

1. The decrease in Drivers Licences and Photo License Fees reflects the effects of the five year license profile and learner drivers taking more time to progress through the Novice Driver Program. The increase in 2014-15 reflects the high point of the five year license profile.
2. The decrease in Regulatory Fees reflects an adjustment to the anticipated revenues from perpetual taxi licences and vehicle escort fees.
3. The increase in Royalty Income is due to a revised Royalty Regime and information from mining companies about expected Royalty payments.
4. The increase in Grants from Special Capital Funds relates to funding provided by the Australian Government as part of the Tasmanian Forests Intergovernmental Agreement to support voluntary compensable exits by sawmillers wishing to exit the industry.

Table 6.13: Administered Expenses

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Grants and Subsidies					
Contribution to Marine <i>and</i> Safety Tasmania	1 040	1 042	1 042	1 042	1 042
Conveyance Allowance	1 500	1 552	1 630	1 630	1 630
National Transport Commission (NTC): Local					
Government Contribution	1 500	1 500	1 500	1 500	1 500
Payments on Behalf of the Forest Practices Authority	2 916	2 951	2 975	3 004	3 029
Pensioner Air Travel Subsidy	10	10	10	10	10
Private Forests Tasmania	1 408	1 464	1 502	1 545	1 584
Student-Only Passenger Based Regular Passenger					
Transport Services	20 564	21 725	23 662	24 174	24 899
Tasmanian Forestry Agreement ¹	....	15 000	....	....	....
Tasmanian Racing Assistance ²	27 339	28 383	29 022	29 675	30 342
Tasmanian Railway Pty Ltd ³	18 775	16 288	16 304	16 304	16 304
Transport Access Scheme	4 392	4 518	4 518	4 518	4 518
	79 444	94 433	82 165	83 402	84 858
Transfer to the Consolidated Fund	97 143	102 292	103 148	105 445	106 180
Total Administered Expenses	176 587	196 725	185 313	188 847	191 038

Notes:

1. The funding for the Tasmanian Forestry Agreement relates to funding provided by the Australian Government as part of the Tasmanian Forests Intergovernmental Agreement to support voluntary compensable exits by saw-millers wishing to exit the industry.
2. The increase in Tasmanian Racing Assistance reflects the current estimate of indexation applied to payments to the Tasmanian Racing Board.
3. The decrease in payments to Tasmanian Railway Pty Ltd in 2012-13 reflects Grants contributions by the Tasmanian Government for rail maintenance and administration.

Contribution to Marine and Safety Tasmania

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

Conveyance Allowance

The Department administers allowances paid to parents and guardians of students who do not have access to government subsidised public passenger transport services for travel to and from school. It is intended to assist with the cost of providing private transport to the nearest bus stop, or school. Allowances are also paid to Bass Strait Islands residents.

National Transport Commission (NTC): Local Government Contribution

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

Payments on Behalf of the Forest Practices Authority

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

Pensioner Air Travel Subsidy

Aged pensioner residents of the Bass Strait Islands are entitled to an air fare subsidy when travelling between the Bass Strait Islands and Northern Tasmania. The subsidy is a 50 per cent concession on one return airfare from their Island residence to Northern Tasmania each financial year.

Private Forests Tasmania

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

Student-Only Passenger Based Regular Passenger Transport Services

In accordance with Government policy, provision is made for payments to operators of contracted fare charging student-only bus services for the difference between the fare paid by students, set by Government policy, and that which would be charged if the services were operating on a commercial basis.

Tasmanian Forestry Agreement

The Australian Government under the terms of the Tasmanian Forests Intergovernmental Agreement has provided funding to support voluntary compensable exits by sawmillers wishing to exit the industry.

Tasmanian Racing Assistance

The Government separately funds the Tasmanian Racing Industry under a legally binding deed, which provides secure funding and creates certainty for the industry. The annual funding allocation allows the Tasmanian Racing Board to facilitate key administration roles and functions, including the responsibility for the corporate governance, strategic direction and funding of the Tasmanian Racing Industry, as well as ratification of national rules, the making of local rules and the setting of licence standards and criteria.

Tasmanian Railway Pty Ltd

This payment represents the Government's Grant contributions to Tasmanian Railway Pty Ltd. The payment allows Tasmanian Railway Pty Ltd to manage, maintain and operate the Tasmanian rail network on a sustainable basis and it also provides for critical annual maintenance of the Company's rolling stock assets.

Transport Access Scheme

Payments made to operators of taxis and wheelchair accessible taxis to support fare concessions and subsidies made available to eligible persons with permanent disabilities or medical conditions that significantly restrict their personal mobility.

Table 6.14: Balance Sheet as at 30 June

	2012	2013	2014	2015	2016
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Financial Assets					
Cash and Deposits ¹	6 589	12 412	13 123	13 849	14 575
Receivables ²	1 242	2 392	2 392	2 392	2 392
Other Financial Assets ³	9 260	5 558	5 559	5 560	5 561
	17 091	20 362	21 074	21 801	22 528
Non-Financial Assets					
Land and Buildings	72 661	74 984	74 689	74 394	74 099
Infrastructure ⁴	5 119 209	3 948 516	4 099 542	4 195 022	4 272 324
Plant and Equipment	22 452	22 343	21 419	20 489	19 559
Intangibles ⁵	10 948	9 022	7 002	4 982	2 962
	5 225 270	4 054 865	4 202 652	4 294 887	4 368 944
Total Assets	5 242 361	4 075 227	4 223 726	4 316 688	4 391 472
Liabilities					
Employee Entitlements	11 286	11 611	11 852	12 093	11 156
Payables ⁶	16 216	8 114	8 114	8 114	8 114
Other Liabilities ⁷	2 219	1 097	1 097	1 097	1 097
Total Liabilities	29 721	20 822	21 063	21 304	20 367
NET ASSETS	5 212 640	4 054 405	4 202 663	4 295 384	4 371 105
Equity					
Accumulated Funds	2 869 017	2 707 159	2 719 206	2 675 716	2 615 226
Asset Revaluation Reserve	2 343 623	1 347 246	1 483 457	1 619 668	1 755 879
Total Equity	5 212 640	4 054 405	4 202 663	4 295 384	4 371 105

Notes:

1. The increase in Cash and Deposits in 2013 reflects a more accurate estimate of these items based on 2010-11 actual results.
2. The increase in Receivables in 2013 reflects a more accurate estimate of these items based on 2010-11 actual results.
3. The decrease in Other Financial Assets in 2013 primarily reflects a more accurate estimate of GST reimbursements based on 2010-11 actual results.

4. The decrease in Infrastructure in 2013 reflects a change in the methodology used by the Valuer-General for valuation of Land under Roads and a more contemporary valuation methodology being used for other Infrastructure.
5. The decreases in Intangibles reflect the amortisation of the Motor Registry System.
6. The decrease in Payables in 2013 reflects a more accurate estimate of these items based on 2010-11 actual results.
7. The decrease in Other Liabilities in 2013 reflects a reclassification of items from Controlled to Administered.

Table 6.15: Balance Sheet as at 30 June – Administered

	2012	2013	2014	2015	2016
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Financial Assets					
Cash and Deposits ¹	1 248	3 953	3 848	3 743	3 638
Receivables	264	181	181	181	181
Other Financial Assets	420	46	46	46	46
	1 932	4 180	4 075	3 970	3 865
Non-Financial Assets					
Plant and Equipment	48	27	27	27	27
Intangibles	....	21	21	21	21
Other Non-Financial Assets	....	5	5	5	5
	48	53	53	53	53
Total Assets	1 980	4 233	4 128	4 023	3 918
Liabilities					
Employee Entitlements	450	476	491	506	521
Payables	70	40	40	40	40
Other Liabilities ²	....	1 328	1 328	1 328	1 328
Total Liabilities	520	1 844	1 859	1 874	1 889
NET ASSETS	1 460	2 389	2 269	2 149	2 029
Equity					
Accumulated Funds	1 460	2 389	2 269	2 149	2 029
Total Equity	1 460	2 389	2 269	2 149	2 029

Notes:

1. The increase in Cash and Deposits in 2013 reflects a more accurate estimate of these items based on 2010-11 actual results.
2. The increase in Other Liabilities in 2013 reflects a reclassification of items from Controlled to Administered.

Table 6.16: Cash Flow Statement

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
Cash Received					
Appropriation ¹	303 613	238 539	231 141	200 421	186 567
Reserved by Law	52	52	52	52	52
Fines and Regulatory Fees ²	11 294	13 755	13 155	13 155	13 155
Grants ³	1 069	50 531	51 855	1 069	1 069
Sales of Goods and Services	654	669	684	699	699
GST Receipts	10 398	10 398	10 398	10 398	10 398
Other Receipts	1 046	1 046	1 046	1 046	1 046
	328 126	314 990	308 331	226 840	212 986
Cash Paid					
Employee Entitlements	(35 637)	(36 086)	(35 238)	(34 817)	(36 263)
Superannuation	(3 912)	(3 903)	(3 789)	(3 793)	(3 958)
Grants and Transfer Payments	(71 677)	(70 293)	(69 760)	(71 679)	(73 460)
Supplies and Consumable ⁴	(51 739)	(51 339)	(45 162)	(37 619)	(38 466)
GST Payments	(10 399)	(10 399)	(10 399)	(10 399)	(10 399)
Other Payments	(2 653)	(2 233)	(2 328)	(2 295)	(2 380)
	(176 017)	(174 253)	(166 676)	(160 602)	(164 926)
Net Cash Flows from Operating Activities	152 109	140 737	141 655	66 238	48 060
Cash Flows from Investing Activities					
Sale of Fixed Assets	4	4	4	4	4
Purchase of Fixed Assets	(112 236)	(109 644)	(121 068)	(65 516)	(47 338)
Net Purchase of Investments ⁵	(44 496)	(30 401)	(19 880)	....	....
Net Cash Flows from Investing Activities	(156 728)	(140 041)	(140 944)	(65 512)	(47 334)
Net Increase/(Decrease) in Cash Held	(4 619)	696	711	726	726
Cash at the Beginning of the Year	11 208	11 716	12 412	13 123	13 849
Cash at the End of the Year	6 589	12 412	13 123	13 849	14 575

Notes:

1. The decrease in Appropriation in 2012-13 primarily reflects a reduction in Capital Investment Program expenditure and Australian Government contributions to Tasmania Railway Pty Ltd. The reduction also reflects changed administrative arrangements for the treatment of Australian Government Funds with this funding now being reflected as Grants.
2. The increase in Fines and Regulatory Fees primarily reflects an increase in the Road Safety Levy from \$20 to \$25 and continuation of the Levy from December 2012.

3. The increase in Grants in 2012-13 reflects the changed administrative arrangements for the treatment of Australian Government Funds with this funding now being reflected as Grants. The decrease in Grants in 2014-15 reflects the completion of the existing five year roads funding agreement with the Australian Government. At the time the 2012-13 Budget was finalised negotiations were currently underway for a new agreement between the State and Australian Governments. The Australian Government had not yet allocated funding for the continuation of this agreement beyond 2013-14.
4. The decrease in Supplies and Consumables reflects a reduction in expenditure in the Capital Investment Program and completion of Government funded initiatives.
5. The amounts represented as Other Net Purchase of Investments reflect Equity payments made to Tasmanian Railway Pty Ltd from the Australian Government. No allocation has been provided by the Australian Government from 2014-15 due to completion of the existing five-year agreement. Negotiations are currently underway for a new agreement between the State and Australian Governments.

Table 6.17: Cash Flow Statement – Administered

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
Cash Received					
Appropriation	77 878	77 867	80 599	81 836	83 292
Taxation	33 970	34 045	34 960	35 986	36 886
Fines and Regulatory Fees ¹	11 047	8 741	8 489	11 355	11 103
Grants ²	417	15 235	235	235	235
Sales of Goods and Services ³	53 121	60 683	60 876	59 281	59 368
Other Receipts	33	33	33	33	33
	176 466	196 604	185 192	188 726	190 917
Cash Paid					
Employee Entitlements	(859)	(858)	(858)	(859)	(859)
Superannuation	(108)	(108)	(108)	(108)	(108)
Grants and Transfer Payments	(77 743)	(77 733)	(80 465)	(81 701)	(83 157)
Supplies and Consumables	(639)	(639)	(639)	(639)	(639)
Transfers to the Consolidated Fund	(97 143)	(102 292)	(103 148)	(105 445)	(106 180)
Other Payments ²	(79)	(15 079)	(79)	(79)	(79)
	(176 571)	(196 709)	(185 297)	(188 831)	(191 022)
Net Cash Flows From Operating Activities	(105)	(105)	(105)	(105)	(105)
Cash Flows From Investing Activities					
Sale of Fixed Assets	1	1	1	1	1
Purchase of Fixed Assets	(1)	(1)	(1)	(1)	(1)
Net Cash Flows From Investing Activities	....	....	....	....	....
Net Increase/(Decrease) In Cash Held	(105)	(105)	(105)	(105)	(105)
Cash at the Beginning of the Year	1 353	4 058	3 953	3 848	3 743
Cash at the End of the Year	1 248	3 953	3 848	3 743	3 638

Notes:

1. The decrease in Fines and Regulatory Fees reflects a reduction in Driver License fees due to the effects of the five year license profile and learner drivers taking more time to progress through the Novice Driver Program. The increase in 2014-15 reflects the high point of the five year license profile.
2. The increase in Grants and Other Payments relates to funding provided by the Australian Government as part of the Tasmanian Forests Intergovernmental Agreement to support voluntary compensable exits by sawmillers wishing to exit the industry.
3. The increase in Sales of Goods and Services reflects an increase in estimated Mineral Royalties revenue.

7 DEPARTMENT OF JUSTICE

AGENCY OUTLINE

The Department of Justice provides services that maintain and promote rights and responsibilities, resolve disputes, and contribute to the aim of a safer and more inclusive society to benefit the Tasmanian community as a whole.

The Department is responsible to the Attorney-General and Minister for Justice, Hon Brian Wightman MP; the Minister for Corrections and Consumer Protection, Hon Nick McKim MP; the Minister for Workplace Relations, Hon David O'Byrne MP; and the Minister for Planning, Hon Bryan Green MP.

The Department provides administrative support for the Supreme and Magistrates Courts; Tasmanian Industrial Commission; Legal Aid Commission of Tasmania; Tasmanian Electoral Commission; Workers' Rehabilitation and Compensation Tribunal; WorkCover Tasmania Board; Forensic Tribunal, Guardianship and Administration Board; Mental Health Tribunal; Parole Board of Tasmania; the Poppy Advisory and Control Board; Resource Management and Planning Appeal Tribunal; and the Tasmanian Planning Commission. It also supports the statutory offices of the Solicitor-General, Public Guardian and the Anti-Discrimination Commissioner. Each of these areas is separately accountable to Parliament.

The Department comprises: Corrective Services; Crown Law; the Office of Consumer Affairs and Fair Trading; the Registry of Births, Deaths and Marriages; Workplace Standards Tasmania; Monetary Penalties Enforcement Service; Victims Support Services; Legislation Development and Review; Strategic Policies and Projects; Corporate Services; Office of the Secretary; Industrial Relations (Private Sector); and the State Architect.

By working closely with the community, other parts of government and relevant statutory bodies, the Department aims to:

- increase safety in the Tasmanian community;
- enhance the rights and responsibilities of the Tasmanian community;
- improve the effectiveness of services delivered to the Tasmanian community; and
- enhance Tasmania's regulatory frameworks.

This chapter provides the Department's financial information for 2012-13 and over the Forward Estimates period (2013-14 to 2015-16). Further information on the Department is available at www.justice.tas.gov.au.

MAJOR INITIATIVES

Table 7.1 provides a summary of the Budget and Forward Estimate allocations for major initiatives.

Table 7.1: Major Initiatives Statement

	2012-13	2013-14	2014-15	2015-16
	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000
Planning Reform Initiative	1 610	1 500	1 500	1 500
Prison Services Cost Pressures	2 000	2 000	....	....
Prisons Infrastructure Redevelopment Program Stage D	15 400	3 170	....	....

Planning Reform Initiative

This initiative will continue the implementation of the Government's planning reforms. Regional land use strategies will be implemented through new planning schemes for all Tasmanian councils being prepared using the new Planning Scheme Template for Tasmania.

In 2012-13, the Department will:

- commence the assessment of new planning schemes for each municipal area prepared by councils using the state-wide planning scheme template. This will include the formal assessment processes that will lead to the finalisation of the new planning schemes;
- expand the provisions in planning schemes that are consistent across the State by working with local government, industry and professional bodies;
- continue the development and implementation of regional land use strategies to keep them up to date and integrated with the broader strategic planning interests of Government. This includes capital and regional city planning, economic development and infrastructure planning;
- provide a single, on-line point of access to planning schemes that are accurate and incorporate all amendments;
- report on key indicators of the performance of strategies and planning schemes; and
- participate in national planning reform and funding initiatives.

Prison Services Cost Pressures

To assist with increasing cost pressures in the Prison Services Output, the Government has provided an additional \$2.0 million in each of the next two financial years. The additional funding will provide some relief while a number of major reforms, many of which will have a significant lead time, are implemented at the Prison.

In 2011-12, in order to progress the significant number of activities and issues flowing from recent major reports and strategic plans, the Department has introduced a Corrections Reform Program. A major focus for the Department in 2012-13 is the continuation of this Program. Governance arrangements have been put in place to ensure the significant number of corrections reform issues and activities are progressed. Tasmania Prisons Service and Community Corrections have been presented with a number of major reports and strategic plans which will influence the future direction of corrections in Tasmania.

The Corrections Reform Program will be led by the Director of Corrective Services, Director of Prisons, Director of Community Corrections and the recently appointed Director of Change Management who will provide oversight of, and guidance to corrective services to progress the recommendations arising from the major reports and strategic plans.

Recommendations from all reports will be prioritised, many of which have long-term goals requiring cultural change and in a number of cases, future investment.

Prisons Infrastructure Redevelopment Program Stage D

Preliminary planning for Stage D of the Prisons Infrastructure Redevelopment Program commenced during 2010-11. Stage D of the Program builds on the major capital improvements implemented on the Risdon site in Stage C. Construction of facilities will commence during 2012-13. Funding of \$15.4 million has been provided to progress the project in 2012-13.

OTHER INITIATIVES

Crown Law – Revised Funding Arrangements

Revised funding arrangement for the provision of legal services, will commence from 1 July 2012 under which the Crown Solicitor and the Office of the Director of Public Prosecutions (ODDP) will now receive a Consolidated Fund allocation in lieu of charging agencies a fee-for-service for the provision of legal advice. As a result of this arrangement agencies will no longer pay for legal services provided by the Crown Solicitor or the ODDP Civil Division. This new arrangement will provide Crown Law with increased funding certainty but similar funding levels to those previously provided.

OUTPUT INFORMATION

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

- Output Group 1 – Administration of Justice;
- Output Group 2 – Legal Services;
- Output Group 3 – Registration Services;
- Output Group 4 – Review Services;
- Output Group 5 – Electoral Services;
- Output Group 6 – Corrective Services;
- Output Group 7 – Other Services;
- Output Group 8 – Consumer Services;
- Output Group 9 – Industrial Relations Services;
- Output Group 10 – Resource Planning; and
- Output Group 11 – Workplace Standards.

Table 7.2 provides an Output Group Expense Summary for the Department.

Table 7.2: Output Group Expense Summary

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Attorney-General and Minister for Justice					
Output Group 1 - Administration of Justice					
1.1 Supreme Court Services	10 031	10 427	10 687	10 976	11 424
1.2 Magisterial Court Services	12 761	13 816	14 192	14 611	15 256
1.3 Enforcement of Monetary Penalties ¹	5 863	7 935	7 981	8 038	8 116
1.4 Support and Compensation for Victims of Crime and Others ²	7 970	6 933	7 035	7 099	7 181
1.5 Legal Aid	11 530	11 755	11 925	12 043	12 208
1.6 Protective Jurisdictions	1 811	1 842	1 855	1 876	1 901
	49 966	52 708	53 675	54 643	56 086
Output Group 2 - Legal Services					
2.1 Crown Law ³	3 261	3 746	3 850	3 967	4 150
2.2 Legislation Development and Review	602	653	655	660	666
	3 863	4 399	4 505	4 627	4 816
Output Group 3 - Registration Services					
3.1 Births Deaths and Marriages ⁴	1 336	1 538	1 545	1 554	1 568
	1 336	1 538	1 545	1 554	1 568
Output Group 4 - Review Services					
4.1 Anti-Discrimination Commissioner	1 191	1 251	1 258	1 268	1 279
	1 191	1 251	1 258	1 268	1 279
Output Group 5 - Electoral Services					
5.1 Elections and Referendums ⁵	2 954	2 101	5 512	3 713	3 794
	2 954	2 101	5 512	3 713	3 794
Output Group 7 - Other Services					
7.1 Supervision of Poppy and Hemp Crops	689	686	685	684	684
	689	686	685	684	684
Grants and Subsidies⁶	....	6 559	6 801	7 041	7 283
Minister for Planning					
Output Group 10 - Resource Planning					
10.1 State Architect	260	....	....	....	....
10.2 Tasmanian Planning Commission ⁷	4 278	5 281	5 236	5 318	5 396
10.3 Resource Management Planning Appeals Tribunal	1 272	1 256	1 231	1 213	1 219
	5 810	6 537	6 467	6 531	6 615

Table 7.2: Output Group Expense Summary (continued)

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Grants and Subsidies⁸	335	....	....	....	....
Minister for Corrections and Consumer Protection					
Output Group 6 - Corrective Services					
6.1 Prison Services	51 992	55 562	55 612	54 154	54 885
6.2 Community Corrective Services	7 517	7 648	7 734	7 848	7 934
	59 509	63 210	63 346	62 002	62 819
Output Group 8 - Consumer Services					
8.1 Fair, Safe and Equitable Marketplace	4 266	4 534	4 683	4 716	4 760
	4 266	4 534	4 683	4 716	4 760
Minister for Workplace Relations					
Output Group 9 - Industrial Relations Services					
9.1 Services of the Tasmanian Industrial Commission ⁹	1 506	1 268	1 278	1 291	1 309
9.2 Workers' Rehabilitation and Compensation Tribunal Decisions	1 156	1 165	1 165	1 165	1 166
9.3 Industrial Relations Policy and Advocacy Services	186	181	179	177	176
	2 848	2 614	2 622	2 633	2 651
Output Group 11 - Workplace Services					
11.1 Workplace Standards ¹⁰	15 401	18 535	18 670	18 800	18 965
	15 401	18 535	18 670	18 800	18 965
Grants and Subsidies¹¹	5 853	8 885	9 148	9 419	9 698
TOTAL	154 021	173 557	178 917	177 631	181 018

Notes:

1. The increase in Enforcement of Monetary Penalties reflects the recognition of the disbursement of transactions collected on behalf of local government through the Special Deposits and Trust Fund. This increase is offset by the completion of one-off additional funding for the Monetary Penalties Enforcement Service provided in 2011-12.
2. The decrease in Support and Compensation for Victims of Crime and Others reflects a reduction in the Reserved by Law allocation for criminal injury compensation payments due to a decrease in the number of compensation claims.
3. The increase in Crown Law primarily reflects the changes in funding arrangements for the Office of the Crown Solicitor. The Crown Solicitors' Office will now be fully funded from the Consolidated Fund rather than through fee generating activities.
4. The increase in Births, Deaths and Marriages (BDM) primarily reflects expenditure in the Special Deposits and Trust Fund related to BDM Records Scanning Project. The migration of hard copy records to electronic documents is anticipated to take several years to complete.

5. The movements in these estimates reflect the timing of various elections overseen by the Tasmanian Electoral Office. The decrease in 2012-13 primarily reflects local government elections being completed in 2011-12 and the 2013-14 increase reflects the anticipated timing of the next House of Assembly election. The funding of parliamentary elections is a Reserved by Law item.
6. The increase in Grants and Subsidies in the Attorney-General and Minister for Justice Portfolio reflects the establishment of the Asbestos Compensation Fund administered by the Department of Justice on behalf of the Asbestos Compensation Commissioner. The initial expenditure estimates have been based on actuarial assessments.
7. The increase in the Tasmanian Planning Commission reflects the next stage of funding for current planning reforms and a realignment of Special Deposits and Trust Fund expenditure estimates.
8. The decrease in Grants and Subsidies in the Minister for Planning Portfolio reflects the winding up of the Sullivans Cove Waterfront Authority in August 2011.
9. The decrease in Services of the Tasmanian Industrial Commission primarily reflects the next stage of the Budget management strategies to restructure the administrative arrangements of the Commission.
10. The increase in Workplace Standards is due to the realignment of Special Deposits and Trust Fund expenditure estimates associated with the Occupational Licensing Fund and the Building Practitioner Accreditation Scheme.
11. The increase in Grants and Subsidies in the Minister for Workplace Relations Portfolio reflects a realignment of expenditure estimates of the WorkCover Tasmania Board.

Output Group 1: Administration of Justice

1.1 Supreme Court Services

This Output is responsible for the timely and just resolution of civil and criminal matters in the Supreme Court. The Supreme Court has unlimited jurisdiction in criminal and civil matters and acts as a court of review for the Magistrates Court and a range of other decision making bodies.

1.2 Magisterial Court Services

This Output is responsible for the operation of Tasmania's Magistrates Courts in the Hobart, Launceston, Devonport and Burnie registries and several country courts in which Magistrates sit on a regular circuit basis.

1.3 Enforcement of Monetary Penalties

This Output is responsible for the collection and enforcement of monetary penalties imposed by courts and other authorities. It ensures that the integrity of orders for payment of fines is maintained and maximises the collection of revenue by utilising *Service Tasmania* shops, telephone systems and the Internet to provide avenues of payment for clients.

1.4 Support and Compensation for Victims of Crime and Others

This Output manages services provided by the Department to support victims in their recovery from the impacts of crime. The Output includes administration of the Criminal Injuries Compensation Scheme.

1.5 Legal Aid

This Output provides legal advice and education and legal representation on a means tested basis. It operates under State legislation with joint State and Australian Government funding and provides services in accordance with an Australian Government-State Government agreement.

1.6 Protective Jurisdictions

This Output includes:

- the Guardianship and Administration Board, which determines applications and performs functions under the *Guardianship and Administration Act 1995*, the *Mental Health Act 1996*, the *Wills Act 2008* and the *Powers of Attorney Act 2000*. These functions primarily relate to appointing guardians and administrators for persons with disabilities, registering and reviewing appointments of enduring guardians, reviewing enduring powers of attorney for persons with a disability under the *Powers of Attorney Act 2000* and creating statutory wills;
- the Public Guardian, who when appointed by the Guardianship and Administration Board, acts as the guardian or administrator for persons with decision making disabilities, promotes and protects their interests, and provides education on the operation of the *Guardianship and Administration Act 1995*;
- the Mental Health Tribunal, which conducts hearings to determine whether it is necessary for a person who has been placed on an involuntary order under the *Mental Health Act 1996* to continue to be treated as an involuntary patient; and
- the Forensic Tribunal, which determines the appropriateness of a patient remaining the subject of a restriction or supervision order, the treatment that the person can be subjected to without their consent and the restrictions that can be placed upon their freedoms, in accordance with the *Criminal Justice (Mental Impairment) Act 1999*.

Table 7.3: Performance Information - Output Group 1

Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Supreme Court – Criminal Jurisdiction					
Pending cases older than 12 months	%	12.1	16.7	10.0	10.0
Real net recurrent expenditure per finalisation ¹	\$	10 733	10 760	9 900	9 900
Supreme Court – Civil Jurisdiction					
Pending cases older than 12 months	%	38.4	32.5	35.0	35.0
Real net recurrent expenditure per finalisation ¹	\$	3 440	3 694	3 300	3 300
Magistrates Court – Criminal Jurisdiction					
Pending cases older than six months	%	33.1	33.9	30.0	30.0
Real net recurrent expenditure per finalisation ¹	\$	385	365	380	380
Magistrates Court – Youth Justice Division					
Pending cases older than six months	%	27.9	29.2	20.0	20.0
Real net recurrent expenditure per finalisation ¹	\$	318	506	400	400
Magistrates Court – Civil Division					
Pending cases older than six months	%	41.8	44.6	30.0	30.0
Real net recurrent expenditure per finalisation ¹	\$	96	76	90	90

Table 7.3: Performance Information - Output Group 1 (continued)

Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Magistrates Court – Coronial Division					
Pending cases older than 12 months	%	29.6	30.5	20.0	20.0
Real net recurrent expenditure per finalisation ¹	\$	1 112	1 029	1 900	1 900
Enforcement of Monetary Penalties					
Fine Collection Rate	%	90	105	94	95
Protective Jurisdictions - Guardianship and Administration Board					
Matters determined within statutory time frame	%	90.0	85.0	100.0	100.0
Number of hearings per sitting	Number	4.6	5.0	4.0	4.0
Protective Jurisdictions – Mental Health Tribunal					
Matters determined within statutory time frame	%	92.0	90.0	99.0	99.0
Matters listed for hearing but discharged prior to hearing	%	52.0	50.0	55.0	55.0

Note:

1. Actual 2009-10 amounts have changed from actual amounts published in the 2011-12 Budget to reflect the amounts in 2010-11 dollars, as published in the Productivity Commission's *Report on Government Services 2012*.

Performance Information Comments

Table 7.3 reports actual and target data for efficiency and effectiveness indicators for the Administration of the Justice Output Group. Indicators for court services are taken from Chapter 7 (Court Administration) of the Productivity Commission's *Report on Government Services 2012*. The indicators are:

- Backlog indicator or Pending cases older than a given time period is an indicator of the timeliness of case processing. It is derived by comparing the age (in elapsed time) of a court's pending caseload against time standards. The indicator recognises that case processing must take some time and that this time does not necessarily equal delay. Timeliness is often affected by delays caused by factors outside the direct control of the court such as the preparedness and availability of the parties, prosecutors, legal representatives and witnesses;
- Cost per finalisation or real net recurrent expenditure per finalisation is an indicator of efficiency. This indicator is not a measure of the actual cost per case. It is derived by dividing the total net recurrent expenditure within each court for the financial year by the total number of finalisations for the same period (Net expenditure refers to expenditure minus income, where income is derived from court fees and other revenue but excludes revenue from fines); and
- Fine Collection Rate – an indicator of the effectiveness of the fines collection and enforcement process. It shows the value of penalties collected or satisfied during the period as a proportion of the net value (ie penalties imposed less penalties withdrawn) of penalties imposed.

Supreme Court – Criminal Jurisdiction

The Court continues to aim to better the national standard of no more than 10 per cent of pending cases being older than 12 months. However, it should be noted that a relatively small number of cases can have a significant impact on Court indicators.

Supreme Court – Civil Jurisdiction

The age of pending cases is partially due to the Court's active case management process which focuses on ensuring cases are ready for trial. Once cases are ready for trial, there is a minimal delay in listing them before a judge. However, it should be noted that a relatively small number of cases can have a significant impact on Court indicators.

Magistrates Court – Criminal Jurisdiction and Youth Justice Division

The Magistrates Court is continuing to implement a number of initiatives aimed at reducing the proportion of cases older than 12 months old. It is anticipated these initiatives will lead to a modest improvement in pending cases indicator.

Magistrates Court – Coronial Division

The net recurrent expenditure per finalisation in the Coronial Division is particularly sensitive to the number of significant coronial hearings held in a year.

Enforcement of Monetary Penalties

The fine collection rate is an indicator of the effectiveness of the enforcement of monetary penalties. The commencement of the *Monetary Penalties Enforcement Act 2005* in April 2008 provided a wider range of tools for enforcing monetary penalties and consequently improving the fine collection rate.

These tools have enabled the Monetary Penalties Enforcement Service to achieve a fine collection rate of over 100 per cent in the past two years by effectively targeting and collecting fines that have been outstanding for long periods. This has been a once off opportunity and the fine collection rate is expected to return to lower levels in future years.

Protective Jurisdictions

The protective jurisdictions are responsible for reviewing orders and hearing applications relating to rights of, and protections for, persons with decision making disabilities. Because of the nature of the decisions, there are statutory requirements to perform the functions within a defined timeframe.

The percentage of matters determined within the statutory timeframe is an indicator of the effectiveness of the jurisdictions in managing their caseloads within the defined timeframe.

One of the significant costs of these jurisdictions is the payment of Board and Tribunal members to preside over hearings. The number of hearings per sitting (or session) is an indicator of the efficiency of the hearing processes adopted by the Guardianship and Administration Board. However, too many hearings per sitting (ie less time for consideration) may undermine the quality of decision making by Board members.

The Mental Health Tribunal, unlike the Guardianship and Administration Board and the Forensic Tribunal, does not make orders, it reviews orders made by approved psychiatrists who have the power to discharge the order prior to the hearing of the matter. The Tribunal's workload includes preparation for hearings of many matters that are discharged prior to the hearing. These discharges are considered a measure of the effectiveness of the Tribunal processes. The sending out of the hearing notice prompts a review of the patient's status and patients who no longer fit the criteria under the Act are discharged by the treating team. Whilst on each hearing day an average of six hearings will be listed, approximately half of these will be discharged prior to hearing.

Output Group 2: Legal Services

2.1 Crown Law

This Output aims to protect the interests of the Crown by providing legal services and advice.

2.2 Legislation Development and Review

This Output provides research services and advice to assist the Attorney-General with the formation of new policies and legislation. It provides support to the Attorney-General in the discharge of parliamentary, legal and ministerial duties and participation in a range of ministerial councils. It also aims to ensure that laws meet contemporary needs and provides some services to other agencies relating to the legislative process.

Table 7.4: Performance Information - Output Group 2

Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Crown Law					
Chargeable Time – Office of the Crown Solicitor	%	65	58	60	60

Performance Information Comments

The performance indicator for this Output Group focuses on the demand for the services provided and the effective use of legal practitioners' time. The target of 60 per cent of practitioners' time being chargeable is based on the normal expectation in private practice. With the change in funding arrangements from 1 July 2012, this target will be based on notionally chargeable hours.

Output Group 3: Registration Services

3.1 Births Deaths and Marriages

This Output provides services involving the registration of a range of life events which legislation requires or enables to be registered. By the provision of these services, it aims to preserve the rights of individuals including the right to a unique identity.

Table 7.5: Performance Information - Output Group 3

Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Unit Cost per Transaction	\$	12.06	12.96	12.00	12.00
Registration within 3 days of receipt	%	80	80	80	80
Certificates within 3 days of receipt ¹	%	60	60	60	60

Note:

1. Priority certificates are issued on same day of receipt of the application.

Performance Information Comments

The performance assessment for this Output Group focuses on efficiency and timeliness of this Output Group's service delivery.

Unit cost per transaction represents the aggregation of a wide range of transaction types. These transaction types include: the registration and provision of certificates for births, deaths and marriages; changes of name; paternity acknowledgment; legitimations; adoptions; and the registration of significant relationships.

The cost of each type of transaction may vary significantly from the aggregate measure. The unit cost per transaction measure is sensitive to variations in demand, as the Output Group has a high proportion of fixed costs.

Output Group 4: Review Services

4.1 Anti-Discrimination Commissioner

Operating under the *Anti-Discrimination Act 1998*, this Output involves the investigation and conciliation of claims regarding alleged discrimination and prohibited behaviour, and aims to promote human rights for all Tasmanians. The Output can refer unresolved claims to the Anti-Discrimination Tribunal and can also grant or reject applications for exemption from the Act.

Table 7.6: Performance Information - Output Group 4

Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Accepted complaints to the Tasmanian Anti-Discrimination Commissioner ¹	Number of 'accepted' complaints	88	137	137	142

Note:

1. The implementation of a more effective complaints management system has enabled the Anti-Discrimination Commissioner to more accurately measure accepted complaints. Following a review of the complaints accepted by the Commissioner in 2009-10 the number of accepted complaints was revised down from 171 to 88 in the Commissioner's Annual Report.

Performance Information Comments

While this indicator has been in place for a number of years there are some issues with its effectiveness. The Office of the Anti-Discrimination Commissioner implemented a new case management system in September 2011, which will provide improved complaint data analysis. Alternative performance measures will be considered in this context.

Output Group 5: Electoral Services

5.1 Elections and Referendums

This Output Group is responsible for the administration of State elections and referendums. Through such services it contributes to the preservation of the State's parliamentary democracy. It is also responsible for the management and maintenance of electoral rolls for State and local governments, administration of electoral and enrolment policy and systems, and the implementation of electoral boundary redistributions.

The Electoral Commissioner also has statutory responsibility for Aboriginal Land Council and Local Government elections. The latter are conducted on a cost recovery basis.

Table 7.7: Performance Information - Output Group 5

Performance Measure	Unit of Measure	2002 Actual	2006 Actual	2010 Actual	2014 Target
House of Assembly Elections					
House of Assembly Election Participation Rate	%	93.7	94.9	93.9	95.0
House of Assembly Rate of Informal Votes	%	4.9	4.4	4.4	4.0
Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Target
Legislative Council Elections					
Legislative Council Election Participation Rate	%	83.0	84.8	85.0	85.0
Legislative Council Rate of Informal Votes	%	3.8	4.9	3.5	3.5
Legislative Council – Election Cost Per Enrolled Elector	\$	4.93	5.89	6.30	6.30
Roll Maintenance Cost per Elector	\$	0.67	0.69	0.70	0.70

Performance Information Comments

The performance indicators for this Output Group focus on the effectiveness and efficiency of the electoral process and maintenance of the electoral roll.

The Electoral Commission reports on participation rate (ie proportion of enrolled voters who lodged a formal vote), and whether voters cast their votes correctly (ie informal votes as a proportion of the total votes cast).

Output Group 6: Corrective Services

6.1 Prison Services

This Output aims to provide a safer Tasmania by ensuring the secure containment of inmates and offering them opportunities for rehabilitation and personal development. It maintains facilities that provide care and custody, at various levels of security, for inmates and persons detained in custody. It also provides safe, secure transport between prison and courts.

6.2 Community Corrective Services

This Output supports a variety of non-custodial sentencing options. It is responsible for pre-parole reporting to the Parole Board, pre-sentence reporting to the Courts, and community service orders, probation and parole supervision. It provides these services in accordance with the *Sentencing Act 1997*, the *Corrections Act 1997* and various other Acts that include sentencing provisions.

Table 7.8: Performance Information - Output Group 6

Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Proportion of adult offenders convicted again within two years ¹	%	24.4	26.1	23.0	23.0
Prison Escape Rate – Secure Perimeter	Number per 100 prisoner years	0.0	0.7	0.0	0.0
Prison Escape Rate – Open Perimeter	Number per 100 prisoner years	0.0	0.0	<2.0	<2.0
Completion rate for community supervision orders	%	88.5	87.9	90.0	90.0
Cost per Prisoner Day ²	\$	327	323	300	300
Cost per Community Supervised Offender per day ²	\$	10.70	10.45	12.00	12.00

Notes:

1. The indicator relates to offenders who completed their justice order two years before the reference period.
2. Actual 2009-10 amounts have been changed from actual amounts published in the 2011-12 Budget to reflect the amounts in 2010-11 dollars, as published in the Productivity Commission's *Report on Government Services 2012*.

Performance Information Comments

Table 7.8 reports actual and target data for efficiency and effectiveness indicators as reported for Tasmania *Together* and annually in Chapter 8 (Corrective Services) of the Productivity Commission's *Report on Government Services*. The indicators are:

- the effectiveness of the Output Group in reducing recidivism. The indicator shows the number of adults who have returned to corrections (either with a custodial order or a community based order from the Courts) within two years of being released from prison or completing a community based order for a previous offence as a proportion of all adults who completed a period of sentenced imprisonment or community supervision in the same period. The indicator only includes those adults who have completed their first period of sentenced imprisonment or supervision based on an assumption that effective early intervention is required to minimise the chance that an offender will develop into a 'chronic recidivist offender'. It should be noted that this indicator uses different counting rules from the four 'rate of return' indicators reported in the *Report on Government Services 2011*;
- the effectiveness of the Output Group in ensuring the containment of prisoners and the compliance of offenders with community based orders; and
- the efficiency of the corrections system.

Output Group 7: Other Services

7.1 Supervision of Poppy and Hemp Crops

This Output aims to maintain a securely regulated poppy industry through responsibility for the licensing, inspection, supervision and management of the poppy industry from the growth stage through to manufacture and export from Australia. It ensures that the cultivation of the poppy crop is performed in accordance with the *Poisons Act 1971*. It provides policy coordination and preparation of advice to the Government, whilst liaising with private enterprise, Government agencies, growers and other stakeholder bodies.

Table 7.9: Performance Information - Output Group 7

Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Cost of Poppy Advisory Control Board per hectare sown	\$	30	26	33	26

Performance Information Comments

The performance indicator for this Output Group focuses on the efficiency of the Poppy Advisory and Control Board's supervision and protection activities. As a high proportion of the Board's costs are fixed the cost per hectare varies mostly in accordance with the extent of sowing in each year. The number of hectares sown is expected to increase during 2012-13.

Output Group 8: Consumer Services

8.1 Fair, Safe and Equitable Market Place

This Output provides services to the public and the Government which contribute to the maintenance of a fair, safe and equitable marketplace. It provides legislative and policy advice to the Government and provides advice, information and business registration procedures to the public. It also enforces product safety standards and promotes compliance with legislation and the move to national uniformity in a number of policy areas.

Table 7.10: Performance Information - Output Group 8

Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Cost per Compliance Action	\$	14.95	11.88	15.00	15.00

Performance Information Comments

The performance measure for this Output Group focuses on the cost effectiveness of its compliance activities.

Output Group 9: Industrial Relations Services

9.1 Services of the Tasmanian Industrial Commission

The Commission is an independent tribunal established under the *Industrial Relation Act 1984*. The Commission exercises jurisdiction over the Tasmanian State Service for which it is to:

- conciliate and arbitrate to resolve industrial disputes, including claims of unfair dismissal;
- fix wages rates and set terms and conditions of employment by making industrial awards; and
- approve enterprise and industrial agreements.

9.2 Workers' Rehabilitation and Compensation Tribunal Decisions

This Output provides support and makes decisions on matters regarding workers compensation disputes brought before the Workers Rehabilitation and Compensation Tribunal by employers and employees.

9.3 Industrial Relations Policy and Advocacy Services

This Output provides policy advice to the Minister for Workplace Relations regarding Private Sector Industrial Relations.

Table 7.11: Performance Information - Output Group 9

Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Tasmanian Industrial Commission					
Clearance Rate ^{1,2}	%	99	109	100	100
Proportion of matters finalised within three months ²	%	74	70	75	75

Notes:

1. The Clearance Rate is the number of applications finalised during a reporting period expressed as a percentage of those lodged during the same period.
2. The 2009-10 Actuals have been amended from figures published in the 2011-12 Budget Papers to reflect results published in the Department's 2010-11 Annual Report.

Performance Information Comments

The clearance rate is a measure of the efficiency of the Tasmanian Industrial Commission. A figure of 100 per cent indicates the Commission is keeping up with its work load, a figure of less than 100 per cent indicates that the Commission is falling behind.

The proportion of matters finalised within three months is an indicator of timeliness of resolution of disputes. Performance against this indicator is a measure of the effectiveness of the Commission's case management together with the preparation of the parties to the dispute. In the majority of cases where matters take longer than three months to settle, the delay is at the instigation of the parties.

Output Group 10: Resource Planning

10.1 State Architect

This Output comprises the State Architect who provides strategic and independent advice to the Tasmanian Government on a range of matters including planning, urban design and building architecture. The State Architect position is currently vacant. The Government considers the position to be important. However, it has decided that the position will remain vacant until the State's Budget position further improves.

10.2 Tasmanian Planning Commission

This Output has a range of statutory responsibilities prescribed in the Resource Management and Planning System legislation as well as strategic planning roles assigned by the Minister for Planning through the Ministerial Statement of Expectations including:

- oversight of the implementation of the planning reform agenda and Planning Reform Initiative;
- assessments of regional strategies, council planning schemes and planning scheme amendments, projects of regional significance and draft planning directives under the *Land Use Planning and Approvals Act 1993*;
- assessments of projects of State significance and draft State Policies under the *State Policies and Projects Act 1993*;

- preparation of the Tasmanian State of the Environment report under the *State Policies and Projects Act 1993*; and
- conduct of inquiries into public land use under the *Public Land (Administration and Forests) Act 1991*.

This Output also provides advice to the Minister for Planning on land use planning in Tasmania, plans for the coordinated provision of transport and infrastructure, and advises local government in relation to planning schemes under the *Land Use Planning and Approvals Act 1993*.

10.3 Resource Management and Planning Appeal Tribunal

This Output provides for the hearing of appeals regarding heritage, planning, marine and environmental decisions and determines applications for orders under relevant legislation.

Table 7.12: Performance Information - Output Group 10

Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Proportion of substantive decisions of Resource Management Planning Appeal Tribunal resolved by mediation (consent)	%	70.3	72.0	78	78

Performance Information Comments

The settlement of disputes through mediation (consent) provides a fair and cost effective way of resolving disputes. The Tribunal is committed to the continued use of mediation to resolve disputes. The targets have been set to increase the proportion of disputes resolved through mediation but it should be noted that the decision to resolve by mediation rests with the parties involved, not the Tribunal.

Output Group 11: Workplace Services

11.1 Workplace Standards

This Output aims to improve or administer:

- health and safety at work;
- the safety with which dangerous goods are transported, handled and stored;
- Tasmania's workers compensation scheme; and
- legislation, standards, codes of practice, licensing, registration and accreditation procedures to ensure an appropriate level of regulation.

This Output also provides strategic policy advice to the Minister for Workplace Relations and the WorkCover Tasmania Board.

Table 7.13: Performance Information - Output Group 11

Performance Measure	Unit of Measure	2009-10 Actual	2010-11 Actual	2011-12 Target	2012-13 Target
Safety of Workers – rates of serious injury ¹	Claims per 1 000 employees	na	15.4	9.8	9.8
All Claims Frequency Rate – all industries ^{2,3}	Rate	29.0	na	28.0	28.0

Notes:

1. The Safety of Workers measure reflects the incidence rates of serious compensated injury and musculoskeletal claims per 1 000 employees. Serious claims include accepted workers' compensation claims for temporary incapacity involving one or more weeks of compensation, plus claims for fatality and permanent incapacity. The nationally agreed target for Tasmania is 9.84 claims per 1 000 employees by 2012.
2. The All Claims Frequency Rate is a measure of the frequency of occurrence of all workplace injuries and illnesses, relative to the amount of time workers are exposed to risk. It is derived by dividing the number of workers' compensation claims lodged over a particular period by the number of hours worked by employees exposed to risk during the same period, multiplied by one million.
3. Data for the All Claims Frequency Rate is published by the Australian Bureau of Statistics. Data for 2010-11 is not yet available.

Performance Information Comments

Workplace Standards Tasmania aims to reduce the rate of claims for serious injury through its administration of a range of legislation which aims to protect the safety of workers and other persons.

Workplace Standards conducts accident and incident investigations, undertakes audits for compliance with legislation, delivers awareness and educational programs and assesses and processes licences and permits for key occupations.

CAPITAL INVESTMENT PROGRAM

Table 7.14 provides financial information for the Department's Capital Investment Program. Further information on the Capital Investment Program is provided in Chapter 7 of Budget Paper No 1 *The Budget*.

Table 7.14: Capital Investment Program

	Estimated Total Cost \$'000	2012-13 Budget \$'000	2013-14 Forward Estimate \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000
Minister for Corrections and Consumer Protection					
Prisons Infrastructure Redevelopment Program	20 170	15 400	3 170	....	....
Total CIP Allocations		15 400	3 170	....	....

Prisons Infrastructure Redevelopment Program – Stage D

Planning for Stage D of the Prisons Infrastructure Redevelopment Program commenced in 2010-11. The five year \$20.2 million redevelopment involves the construction of additional facilities at the Risdon Prison Complex.

DETAILED BUDGET STATEMENTS

Table 7.15: Income Statement

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Revenue from Appropriation ¹	131 227	140 956	132 300	127 333	132 744
Fines and Regulatory Fees ²	4 685	8 712	8 750	8 783	8 813
Interest Revenue ³	700	920	1 020	1 091	1 161
Grants ⁴	....	5 935	6 039	6 039	6 039
Sales of Goods and Services ⁵	5 479	3 797	3 854	3 912	3 970
Other Revenue	3 982	3 801	4 829	3 877	3 899
	146 073	164 121	156 792	151 035	156 626
Less Expenses					
Employee Entitlements	75 136	78 698	81 484	79 508	81 208
Superannuation	7 507	8 501	8 801	8 567	8 749
Depreciation and Amortisation	4 364	4 885	4 885	4 885	4 885
Grants and Transfer Payments	11 865	12 439	12 676	12 861	13 032
Supplies and Consumables	30 046	31 627	33 200	33 673	34 362
Other Expenses	18 915	19 463	19 422	19 177	19 301
	147 833	155 613	160 468	158 671	161 537
Equals OPERATING RESULT	(1 760)	8 508	(3 676)	(7 636)	(4 911)
Plus Other Movements in Equity					
Revaluations of Non-Financial Assets	....	....	....	....	....
Other Non-Owner Movements in Equity	....	....	....	....	....
Equals COMPREHENSIVE INCOME	(1 760)	8 508	(3 676)	(7 636)	(4 911)

Notes:

1. The increase in Revenue from Appropriation primarily reflects funding for the Prisons Infrastructure Redevelopment Program Stage D, which is partially offset by the revised Australian Government funding arrangements and the Department's Budget management savings strategies requirements.
2. The increase in Fines and Regulatory Fees primarily reflects the realignment of Special Deposits and Trust Fund expenditure estimates associated with the Occupational Licensing Fund and the Building Practitioner Accreditation Scheme.
3. The increase in Interest Revenue reflects the increase in the value of bonds held in trust by the Rental Deposit Authority.
4. The increase in Grants reflects the change in administrative arrangements for the management of Australian Government National Partnership Payments. From 2012-13, these payments will be managed through the Special Deposits and Trust Fund rather than through the Consolidated Fund.
5. The decrease in Sales of Goods and Services primarily reflects the changes in funding arrangements for the Office of the Crown Solicitor. The Crown Solicitors' Office will now be fully funded from the Consolidated Fund rather than through fee generating activities.

Table 7.16: Income Statement – Administered

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Revenue from Appropriation ¹	335	....	....	....	....
Fines and Regulatory Fees ²	26 704	37 598	38 589	39 446	40 293
Interest Revenue	82	100	100	100	100
Sales of Goods and Services ³	7 018	27	27	27	27
Other Revenue ⁴	5 331	8 795	9 058	9 329	9 608
	39 470	46 520	47 774	48 902	50 028
Less Expenses					
Employee Entitlements ⁵	995	2 340	2 409	2 480	2 553
Superannuation ⁵	100	284	293	301	310
Grants and Transfer Payments ⁶	1 135	218	225	232	239
Supplies and Consumables ⁵	1 661	3 239	3 343	3 451	3 563
Transfer to the Consolidated Fund ⁷	32 030	26 988	29 036	29 593	30 140
Other Expenses ⁸	2 297	11 863	12 179	12 496	12 816
	38 218	44 932	47 485	48 553	49 621
Equals OPERATING RESULT	1 252	1 588	289	349	407
Plus Other Movements in Equity					
Revaluations of Non-Financial Assets	....	....	....	....	....
Other Non-Owner Movements in Equity	....	....	....	....	....
Equals COMPREHENSIVE INCOME	1 252	1 588	289	349	407

Notes:

1. The decrease in Revenue from Appropriation reflects the winding up of the Sullivans Cove Waterfront Authority in August 2011.
2. The increase in Fines and Regulatory Fees reflects the reclassification of revenue from Sales of Goods and Services to realign Budget estimates with financial reporting and also reflects the administered fees collected on behalf of the Asbestos Compensation Fund and fines collected on behalf of local government.
3. The decrease in Sales of Goods and Services reflects the reclassification of revenue to Fines and Regulatory Fees to realign budget estimates with financial reporting.
4. The increase in Other Revenue reflects a realignment of revenue estimates of the WorkCover Tasmania Board.
5. The increase in Employee Entitlements, Superannuation and Supplies and Consumables primarily reflects a realignment of expenditure estimates of the WorkCover Tasmania Board.
6. The decrease in Grants and Transfer Payments reflects the winding up of the Sullivans Cove Waterfront Authority in August 2011 and a realignment of expenditure estimates of the WorkCover Tasmania Board.
7. The decrease in Transfer to the Consolidated Fund reflects a decrease in the level of fines imposed and collected through the Monetary Penalties Enforcement Service and the transfer of the responsibility of Business names to the Australian Government from 2012-13.
8. The increase in Other Expenses reflects a realignment of expenditure estimates of the WorkCover Tasmania Board and compensation payments to be made from the Asbestos Compensation Fund administered on behalf of the Asbestos Compensation Commissioner.

Table 7.17: Revenue from Appropriation by Output

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Attorney-General and Minister for Justice					
Output Group 1 - Administration of Justice					
1.1 Supreme Court Services	5 496	5 542	5 589	5 653	5 883
1.2 Magisterial Court Services	7 052	7 063	7 120	7 201	7 493
1.3 Enforcement of Monetary Penalties ¹	5 508	4 305	4 351	4 408	4 557
1.4 Support and Compensation for Victims of Crime and Others	5 132	5 095	5 197	5 261	5 404
1.5 Legal Aid ²	11 528	5 818	5 884	6 002	6 167
1.6 Protective Jurisdictions	1 806	1 837	1 850	1 871	1 947
	36 522	29 660	29 991	30 396	31 451
Output Group 2 - Legal Services					
2.1 Crown Law ³	653	3 206	3 278	3 361	3 505
2.2 Legislation Development and Review	599	600	602	607	631
	1 252	3 806	3 880	3 968	4 136
Output Group 3 - Registration Services					
3.1 Births Deaths and Marriages	1 004	1 007	1 014	1 023	1 057
	1 004	1 007	1 014	1 023	1 057
Output Group 4 - Review Services					
4.1 Anti-Discrimination Commissioner	1 033	1 044	1 051	1 061	1 107
	1 033	1 044	1 051	1 061	1 107
Output Group 5 - Electoral Services					
5.1 Elections and Referendums	827	849	855	864	897
	827	849	855	864	897
Output Group 7 - Other Services					
7.1 Supervision of Poppy and Hemp Crops ⁴	685	32	31	30	31
	685	32	31	30	31
Recurrent Services	41 323	36 398	36 822	37 342	38 679
Works and Services	....	....	....	....	....
	41 323	36 398	36 822	37 342	38 679

Table 7.17: Revenue from Appropriation by Output (continued)

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Minister for Planning					
Output Group 10 - Resource Planning					
10.1 State Architect	260	....	....	....	....
10.2 Tasmanian Planning Commission	4 269	4 675	4 630	4 712	4 836
10.3 Resource Management Planning Appeals Tribunal	1 269	1 253	1 228	1 210	1 319
	5 798	5 928	5 858	5 922	6 155
Grants and Subsidies⁵	335	....	....	....	....
Recurrent Services	6 133	5 928	5 858	5 922	6 155
Works and Services	....	....	....	....	....
	6 133	5 928	5 858	5 922	6 155
Minister for Corrections and Consumer Protection					
Output Group 6 - Corrective Services					
6.1 Prison Services	45 184	47 796	47 846	46 388	48 264
6.2 Community Corrective Services	7 491	7 622	7 708	7 822	8 086
	52 675	55 418	55 554	54 210	56 350
Output Group 8 - Consumer Services					
8.1 Fair, Safe and Equitable Marketplace	2 941	2 940	2 963	2 996	3 117
	2 941	2 940	2 963	2 996	3 117
Capital Investment Program⁶	3 500	15 400	3 170	....	....
Recurrent Services	55 616	58 358	58 517	57 206	59 467
Works and Services	3 500	15 400	3 170	....	....
	59 116	73 758	61 687	57 206	59 467

Table 7.17: Revenue from Appropriation by Output (continued)

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Minister for Workplace Relations					
Output Group 9 - Industrial Relations Services					
9.1 Services of the Tasmanian Industrial Commission ⁷	1 362	1 124	1 134	1 147	1 197
9.2 Workers Rehabilitation and Compensation Tribunal Decisions	89	88	88	88	91
9.3 Industrial Relations Policy and Advocacy Services	186	181	179	177	178
	1 637	1 393	1 401	1 412	1 466
Output Group 11 - Workplace Services					
11.1 Workplace Standards	11 207	11 538	11 622	11 752	12 267
	11 207	11 538	11 622	11 752	12 267
Recurrent Services	12 844	12 931	13 023	13 164	13 733
Works and Services	....	....	....	....	....
	12 844	12 931	13 023	13 164	13 733
Department of Justice					
Total Recurrent Services	115 916	113 615	114 220	113 634	118 034
Total Works and Services	3 500	15 400	3 170	....	....
	119 416	129 015	117 390	113 634	118 034
Reserved by Law					
Expenses of Aboriginal Land Council of Tasmania Elections (<i>Aboriginal Lands Act 1995</i> , section 17) ⁸	25	5	25	5	5
Expenses of Parliamentary Elections and Referendums (<i>Electoral Act 2004</i> and <i>Referendum Procedures Act 2004</i>) ⁹	885	1 033	3 418	1 630	1 697
Expenses under the <i>Legislative Council Electoral Boundaries Act 1995</i>	5	5	5	5	5
Salaries of Judges (<i>Supreme Court Act 1887</i>)	2 981	3 117	3 304	3 502	3 814
Salaries of Magistrates (<i>Magistrates Court Act 1987</i>)	4 898	5 314	5 633	5 971	6 504

Table 7.17: Revenue from Appropriation by Output (continued)

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Salary and Travelling Allowance, Associate Judge of the Supreme Court (<i>Supreme Court Act 1959</i>)	390	434	460	487	531
Salary, Solicitor-General (<i>Solicitor-General Act 1983</i>)	462	533	565	599	654
<i>Victims of Crime Assistance Act 1976</i> ¹⁰	2 500	1 500	1 500	1 500	1 500
	12 146	11 941	14 910	13 699	14 710
Total Revenue from Appropriation	131 562	140 956	132 300	127 333	132 744
Controlled Revenue from Appropriation	131 227	140 956	132 300	127 333	132 744
Administered Revenue from Appropriation	335	....	....	....	....
	131 562	140 956	132 300	127 333	132 744

Notes:

1. The decrease in Enforcement of Monetary Penalties reflects the completion of one-off additional funding for the Monetary Penalties Enforcement Service provided in 2011-12.
2. The decrease in Legal Aid reflects the change in administrative arrangements for the management of Australian Government National Partnership Payments. From 2012-13 these payments will be managed through the Special Deposits and Trust Fund rather than through the Consolidated Fund.
3. The increase in Crown Law reflects the changes in funding arrangements for the Office of the Crown Solicitor. The Crown Solicitors' Office will now be fully funded from the Consolidated Fund rather than through fee generating activities.
4. The decrease in Supervision of Poppy and Hemp Crops reflects changes in the funding arrangements for the Poppy Advisory and Control Board. From 1 July 2012, the Board will be funded through industry fees rather than from the Consolidated Fund.
5. The decrease in Grants and Subsidies in the Minister for Planning Portfolio reflects the winding up of the Sullivans Cove Waterfront Authority in August 2011.
6. The increase in the Capital Investment Program reflects increase funding for the commencement of the construction phase of the Prison Infrastructure Redevelopment Program Stage D.
7. The decrease in Services of the Tasmanian Industrial Commission reflects the next stage of the Budget management strategies to restructure the administrative arrangements of the Commission.
8. The movements in Expenses of Aboriginal Land Council of Tasmania Elections reflects the anticipated timing of Aboriginal Land Council of Tasmania elections.
9. The increase in 2013-14 for Expenses of Parliamentary Elections and Referendums reflects the anticipated timing of the next House of Assembly election.
10. The decrease in *Victims of Crime Assistance Act 1976* reflects a reduction in the Reserved by Law allocation for criminal injury compensation payments due to a decrease in the number of compensation claims.

Table 7.18: Administered Revenue

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue Collected on Behalf of the Consolidated Fund					
Certificate of Competency Fees	152	152	152	152	152
Consumer Affairs Office Fines and Regulatory Fees ^{1,2}	2 689	1 256	1 325	1 323	1 321
Fines ³	24 688	21 185	23 081	23 634	24 184
Magisterial Courts Fines and Regulatory Fees ¹	830	851	872	871	870
Other Revenue ⁴	....	40	40	40	40
Other Sales of Services ⁴	747	7	7	7	7
Registrar-General Fines and Regulatory Fees ¹	2 099	2 151	2 205	2 204	2 204
Regulatory Fees ⁴	172	677	685	693	693
Supreme Court Fines and Regulatory Fees ¹	653	669	669	669	669
	32 030	26 988	29 036	29 593	30 140
Revenue from Appropriation					
Annual Appropriation ⁵	335	....	....	....	....
Other Revenue					
Fines ⁶	1 692	3 857	2 500	2 500	2 500
Interest income	82	100	100	100	100
Other Revenue ⁷	5 331	8 755	9 018	9 289	9 568
Other Sales of Services ⁷	....	20	20	20	20
Regulatory Fees ⁸	....	6 800	7 100	7 400	7 700
	7 105	19 532	18 738	19 309	19 888
Total Administered Revenue	39 470	46 520	47 774	48 902	50 028

Notes:

1. The names of these accounts have been changed from 'Fees and Recoveries' to 'Fines and Regulatory Fees' to more accurately describe their function.
2. The decrease in Consumer Affairs Office Fines and Regulatory Fees reflects the transfer of administration processes for Business Names to the Australian Government from 2012-13.
3. The decrease in Fines reflects a decrease in the level of fines imposed and collected through the Monetary Penalties Enforcement Service.
4. The increase in Other Revenue and Regulatory Fees reflects the reclassification of revenue from Other Sales of Services to realign budget estimates with financial reporting.
5. The decrease in Annual Appropriation reflects the winding up of the Sullivans Cove Waterfront Authority in August 2011.
6. The increase in Fines reflects the collection of fines collected on behalf of local government through the Special Deposits and Trust Fund by the Monetary Penalties Enforcement Service.
7. The increase in Other Revenue and Other Sales of Service reflects a realignment of revenue estimates of the WorkCover Tasmania Board.
8. The increase in Regulatory Fees reflects the administered fees collected on behalf of the Asbestos Compensation Fund.

Table 7.19: Administered Expenses

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Grants and Subsidies					
Asbestos Compensation Fund ¹	....	6 559	6 801	7 041	7 283
Sullivans Cove Waterfront Authority ²	335	....	....	....	....
Workcover Tasmania Board ³	5 853	8 885	9 148	9 419	9 698
	6 188	15 444	15 949	16 460	16 981
Transfer to the Consolidated Fund	32 030	26 988	29 036	29 593	30 140
Other Administered Expenses⁴	....	2 500	2 500	2 500	2 500
Total Administered Expenses	38 218	44 932	47 485	48 553	49 621

Notes:

1. The increase in the Asbestos Compensation Fund reflects the estimated compensation payments to be made from the Fund established on 31 October 2011.
2. The decrease in Sullivans Cove Waterfront Authority reflects the winding up of the Authority in August 2011.
3. The increase in the WorkCover Tasmania Board primarily reflects a realignment of expenditure estimates of the Board.
4. The increase in Other Administered Expenses primarily reflects the recognition of the disbursement of transactions collected on behalf of local government through the Special Deposits and Trust Fund.

Asbestos Compensation Fund

The Asbestos Compensation Fund was established in accordance with the *Asbestos-Related Diseases (Occupational Exposure) Compensation Act 2011*. The Fund is established for the payment of compensation, and certain other expenses, related to the contraction of asbestos related diseases by workers who are exposed to asbestos in the course of their employment. The Fund is overseen by the Asbestos Compensation Commissioner, who is responsible for making determinations regarding a worker's application for compensation, and managing all monies in relation to the Fund.

WorkCover Tasmania Board

The WorkCover Tasmania Board oversees, promotes, reviews, and ensures the efficient operation of workers rehabilitation and compensation procedures in accordance with the *Workers Rehabilitation and Compensation Act 1988*. Integral to this role is advising the Minister on matters relating to workers rehabilitation and compensation in this State. Other major functions include reviewing the performance of licensed insurers and self-insurers and the operation of the Nominal Insurer, and managing the Workers Rehabilitation and Compensation Fund.

Table 7.20: Balance Sheet as at 30 June

	2012	2013	2014	2015	2016
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Financial Assets					
Cash and Deposits	12 298	12 561	11 129	8 907	6 865
Receivables ¹	2 482	1 600	1 625	1 650	1 675
Other Financial Assets ¹	434	266	266	266	266
	15 214	14 427	13 020	10 823	8 806
Non-Financial Assets					
Land and Buildings ²	139 639	150 604	149 775	145 776	141 777
Plant and Equipment	2 758	2 585	2 124	1 663	1 202
Intangibles	3 107	3 172	2 747	2 322	1 897
Other Non-Financial Assets	1 762	1 606	1 606	1 606	1 606
	147 266	157 967	156 252	151 367	146 482
Total Assets	162 480	172 394	169 272	162 190	155 288
Liabilities					
Employee Entitlements ¹	19 461	22 158	22 575	22 992	20 864
Payables ¹	1 884	1 293	1 393	1 493	1 593
Other Liabilities ¹	1 741	2 514	2 551	2 588	2 625
Total Liabilities	23 086	25 965	26 519	27 073	25 082
NET ASSETS	139 394	146 429	142 753	135 117	130 206
Equity					
Accumulated Funds	98 570	105 605	101 929	94 293	89 382
Asset Revaluation Reserve	40 824	40 824	40 824	40 824	40 824
Total Equity	139 394	146 429	142 753	135 117	130 206

Notes:

1. The movement in Receivables, Other Financial Assets, Employee Entitlements, Payables and Other Liabilities in 2013 more accurately reflects the balance of these items based on the Department's 2010-11 financial statements.
2. The increase in Land and Buildings primarily reflects the capitalisation of the construction costs associated with the Prison Infrastructure Investment Program Stage D.

Table 7.21: Balance Sheet as at 30 June – Administered

	2012	2013	2014	2015	2016
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Financial Assets					
Cash and Deposits	2 276	3 048	3 347	3 706	4 123
Receivables	55 269	57 143	57 143	57 143	57 143
	57 545	60 191	60 490	60 849	61 266
Non-Financial Assets					
Plant and Equipment	9	6	6	6	6
Intangibles ¹	....	387	387	387	387
	9	393	393	393	393
Total Assets	57 554	60 584	60 883	61 242	61 659
Liabilities					
Employee Entitlements ²	442	569	575	581	587
Payables ²	854	447	450	453	456
Other Liabilities ²	90	253	254	255	256
Total Liabilities	1 386	1 269	1 279	1 289	1 299
NET ASSETS	56 168	59 315	59 604	59 953	60 360
Equity					
Accumulated Funds	56 168	59 315	59 604	59 953	60 360
Total Equity	56 168	59 315	59 604	59 953	60 360

Notes:

1. The increase in Intangibles reflects software development costs of the Workers' Compensation Management System.
2. The movement in Employee Entitlements, Payables and Other Liabilities in 2013 more accurately reflects the balance of these items based on the WorkCover Tasmanian Board's 2010-11 financial statements.

Table 7.22: Cash Flow Statement

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
Cash Received					
Appropriation	119 081	129 015	117 390	113 634	118 034
Reserved by Law	12 146	11 941	14 910	13 699	14 710
Fines and Regulatory Fees ¹	4 685	8 712	8 750	8 783	8 813
Interest Received ²	700	920	1 020	1 091	1 161
Grants ³	....	5 935	6 039	6 039	6 039
Sales of Goods and Services ⁴	5 351	3 772	3 829	3 887	3 945
GST Receipts	5 700	5 700	5 700	5 700	5 700
Other Receipts	3 982	3 801	4 829	3 877	3 899
	151 645	169 796	162 467	156 710	162 301
Cash Paid					
Employee Entitlements	(74 682)	(78 244)	(81 030)	(79 054)	(82 887)
Superannuation	(7 507)	(8 501)	(8 801)	(8 567)	(9 016)
Grants and Transfer Payments	(11 865)	(12 439)	(12 676)	(12 861)	(13 032)
Supplies and Consumables	(29 946)	(31 527)	(33 100)	(33 573)	(34 262)
GST Payments	(5 700)	(5 700)	(5 700)	(5 700)	(5 700)
Other Payments	(18 915)	(19 463)	(19 422)	(19 177)	(19 446)
	(148 615)	(155 874)	(160 729)	(158 932)	(164 343)
Net Cash Flows from Operating Activities	3 030	13 922	1 738	(2 222)	(2 042)
Cash Flows from Investing Activities					
Purchase of Fixed Assets ⁵	(3 500)	(15 400)	(3 170)	....	....
Net Cash Flows from Investing Activities	(3 500)	(15 400)	(3 170)	....	....
Net Increase/(Decrease) in Cash Held	(470)	(1 478)	(1 432)	(2 222)	(2 042)
Cash at the Beginning of the Year	12 768	14 039	12 561	11 129	8 907
Cash at the End of the Year	12 298	12 561	11 129	8 907	6 865

Notes:

1. The increase in Fines and Regulatory Fees reflects the realignment of Special Deposits and Trust Fund expenditure estimates associated with the Occupational Licensing Fund and the Building Practitioner Accreditation Scheme.
2. The increase in Interest Received reflects the increase in the value of bonds held in trust by the Rental Deposit Authority.
3. The increase in Grants reflects the change in administrative arrangements for the management of Australian Government National Partnership Payments. From 2012-13, these payments will be managed through the Special Deposits and Trust Fund rather through the Consolidated Fund.

4. The decrease in Sales of Goods and Services reflects the changes in funding arrangements for the Office of the Crown Solicitor. The Crown Solicitors' Office will now be fully funded from the Consolidated Fund rather than through fee generating activities.
5. The increase in the Purchase of Fixed Assets reflects increase funding for the commencement of the construction phase of the Prison Infrastructure Redevelopment Program Stage D.

Table 7.23: Cash Flow Statement – Administered

	2011-12	2012-13	2013-14	2014-15	2015-16
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
Cash Received					
Appropriation ¹	335	....	....	....	....
Fines and Regulatory Fees ²	25 012	36 241	38 589	39 446	40 293
Interest Received	82	100	100	100	100
Sales of Goods and Services ³	7 018	27	27	27	27
Other Receipts ⁴	5 331	8 795	9 058	9 329	9 608
	37 778	45 163	47 774	48 902	50 028
Cash Paid					
Employee Entitlements ⁵	(990)	(2 335)	(2 404)	(2 475)	(2 548)
Superannuation ⁵	(99)	(283)	(292)	(300)	(309)
Grants and Transfer Payments ⁶	(1 135)	(218)	(225)	(232)	(239)
Supplies and Consumables ⁵	(1 658)	(3 236)	(3 340)	(3 448)	(3 560)
Transfers to the Consolidated Fund ⁷	(32 030)	(26 988)	(29 036)	(29 593)	(30 140)
Other Payments ^{5,8}	(2 296)	(11 862)	(12 178)	(12 495)	(12 815)
	(38 208)	(44 922)	(47 475)	(48 543)	(49 611)
Net Cash Flows From Operating Activities	(430)	241	299	359	417
Net Increase/(Decrease) In Cash Held	(430)	241	299	359	417
Cash at the Beginning of the Year	2 706	2 807	3 048	3 347	3 706
Cash at the End of the Year	2 276	3 048	3 347	3 706	4 123

Notes:

1. The decrease in Appropriation reflects the winding up of the Sullivans Cove Waterfront Authority in August 2011.
2. The increase in Fines and Regulatory Fees primarily reflects the reclassification of revenue from Sales of Goods and Services to realign Budget estimates with financial reporting, and also reflects the administered fees collected on behalf of the Asbestos Compensation Fund and fines collected on behalf of local government.
3. The decrease in Sales of Goods and Services reflects the reclassification of revenue to Fines and Regulatory Fees to realign Budget estimates with financial reporting.
4. The increase in Other Receipts reflects a realignment of revenue estimates of the WorkCover Tasmania Board.
5. The increase in Employee Entitlements, Superannuation, Supplies and Consumables and Other Payments, primarily reflects a realignment of expenditure estimates of the WorkCover Tasmania Board.
6. The decrease in Grants and Transfer Payments reflects the winding up of the Sullivans Cove Waterfront Authority in August 2011, and a realignment of expenditure estimates of the WorkCover Tasmania Board.

7. The decrease in Transfer to the Consolidated Fund reflects a decrease in the level of fines imposed and collected through the Monetary Penalties Enforcement Service and the transfer of the responsibility of Business names to the Australian Government from 2012-13.
8. The increase in Other Payments reflects compensation payments to be made from the Asbestos Compensation Fund administered on behalf of the Asbestos Compensation Commissioner.

