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MAST

MARINE and SAFETY TASMANIA
making boating better

Annual Report

Marine and Safety Tasmania

Annual Report 2017-18

Marine and Safety Tasmania

GPO Box 607 | Hobart | Tasmania | 7001

(03) 6235 8888

Email: admin@mast.tas.gov.au

An electronic version of the Report is available on the MAST website:

www.mast.tas.gov.au

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Letter to the Minister

10 October 2018

Hon Jeremy Rockliff MP
Deputy Premier
Minister for Infrastructure
Salamanca Place
HOBART TAS 7000

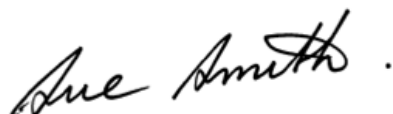
Dear Minister

In accordance with the requirements of Section 28 of the *Marine and Safety Authority Act 1997* I am pleased to submit for your information and presentation to Parliament the Annual Report of the Authority for the year ended 30 June 2018.

In accordance with Section 28(3) of the *Marine and Safety Authority Act 1997*, copies of the Annual Report have also been provided to the Treasurer and the Auditor-General.

The Statement of Accounts and Certificate of the Auditor-General are included.

Yours sincerely

A handwritten signature in black ink that reads "Sue Smith". The signature is written in a cursive, flowing style.

Sue Smith
Chair



Who we are

Marine and Safety Tasmania (MAST) is a statutory authority that was established on 30 July 1997. MAST is managed by a Board appointed by the Minister for Infrastructure, which represents the various sectors of the boating community.

The Board is responsible to the Minister for the performance by the Authority of its functions and ensuring that the business and affairs of the Authority are managed and conducted in a manner that is in accordance with sound commercial practice.

What we do

The four primary functions of MAST are to:

- a) ensure the safe operation of vessels (recreational and commercial),
- b) perform the functions delegated to it by the Australian Maritime Safety Authority,
- c) provide and manage marine facilities; and
- d) manage environmental issues relating to vessels.

MAST has jurisdiction in and over:

- The waters of all inland lakes, rivers and streams,
- Coastal waters,
- Any vessel not covered by Commonwealth legislation,
- Any matters delegated to it by the National Regulator for Domestic Commercial Vessels; and
- Any marine facility under the control of the Authority.

The way we operate

Our success is built on our people and the way we work. There is a commitment to a shared set of values that guide how we behave towards our customers, our community and our colleagues.

- **Approachable and accountable** – we attempt at all times to be approachable and deliver services that focus on the needs of our stakeholders
- **Professional** – we employ people with a range of professional skills and experience. Our people come from the maritime industry, policy and regulatory backgrounds and with operational compliance experience and are committed to providing a professional service that is timely
- **Risk focused** – we recognise and manage risk, reporting regularly to the Board
- **Proactive** – we recognise the value of being proactive and will identify and develop innovative solutions to problems.

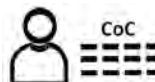
At a Glance

30,580



registered recreational boats, each boat used 17.9 times per year with an average trip time of four hours

6,319



current holders of certificates of competency operating commercial vessels

64,814



recreational boat licences; an average of 2.1 licence holders per boat.

1,730



commercial vessels operate in Tasmanian waters all positively contributing to the Tasmanian economy

63



facilities managed across the State, consisting of 31 jetties, 18 boat ramps, 8 pontoons and 6 breakwaters

4,442



registered moorings audited on a regular basis

\$23.4m



spent on upgrading over 480 facilities for the recreational boater since 1998 through the Recreational Boating and Licence Funds

293



navigation aids maintained in Tasmanian waters

4,882 km



of coastline (including islands) highlighting the importance of reliable aids to navigation and the provision of VHF radio coverage and distress monitoring

Ongoing



boating safety education and regulation resulting in an overall decrease in fatalities since 2001



Highlights and Challenges

In 2017-18 MAST

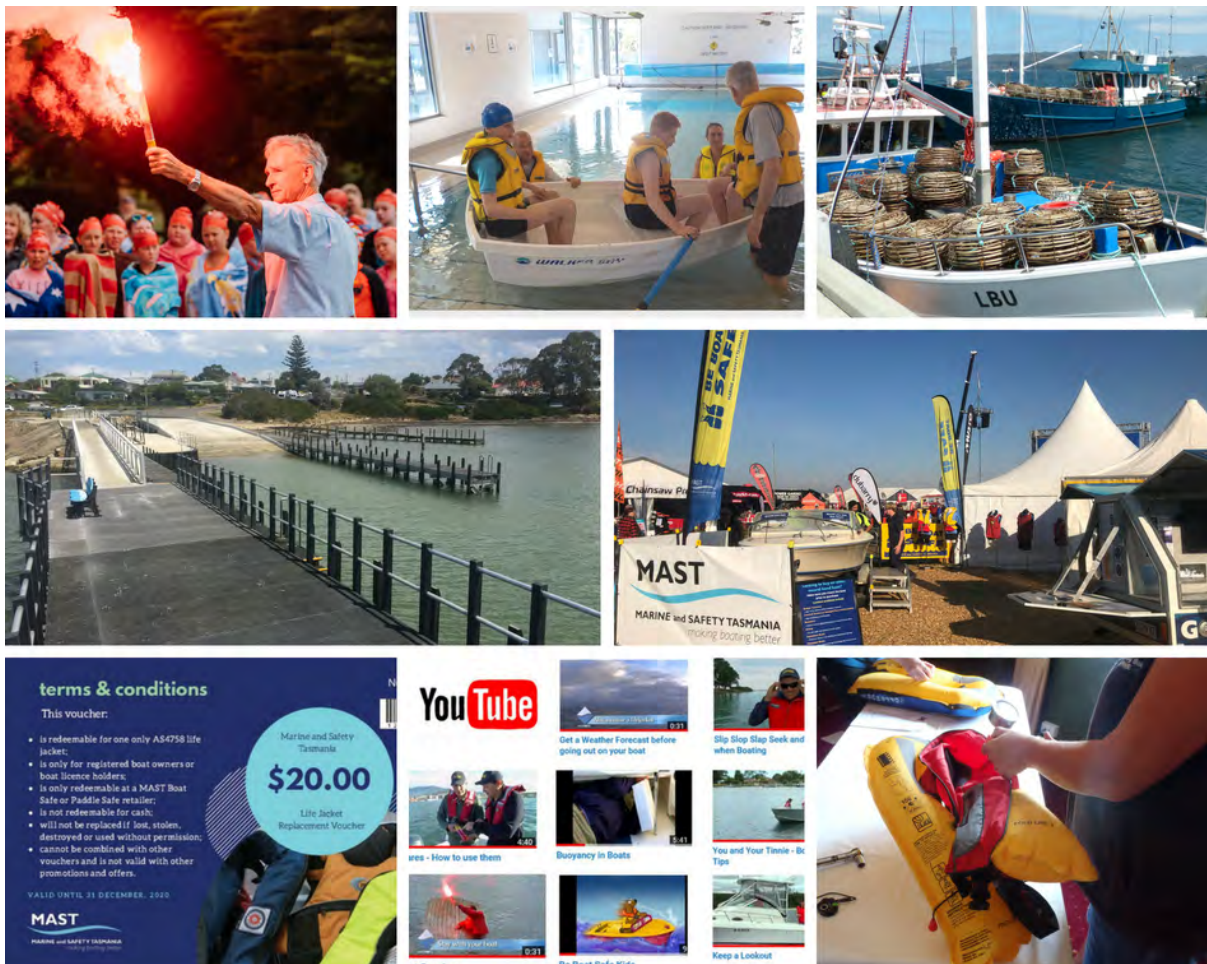
- Implemented a life jacket replacement program offering a \$20 voucher per old standard jacket as an incentive to purchase a new Australian Standard jacket by 2021
- Expanded the number of schools visited through the Swimming and Water Safety Program, resulting in a 25 per cent increase in the number of students being educated on boating safety
- Invested \$1.28 million in marine infrastructure across the State through the Recreational Boating and

Licence Funds, including the much anticipated Swansea boat ramp, providing an all tide facility

- Improved the functionality of the MAST GIS system to display the positioning and characteristics of all navigation aids in coastal waters
- Coordinated and delivered a large marine precinct at Agfest
- Further enhanced the library of YouTube safety videos
- Introduced an online licence and registration status tool to allow the public to view the validity of their licence and boat/mooring registration

Our challenges included:

- The delivery of efficient services for commercial vessel owners and operators against a background of significant regulatory change by the National Regulator;
- Resourcing implications associated with the transition of commercial vessel services to AMSA by 1 July 2018;
- Ensuring owners of inflatable life jackets maintain and service these jackets in accordance with the manufacturer's instructions





The Year in Review

During 2017-18, MAST reached a significant milestone – 20 years as a safety regulator. MAST has a proud history of improving safety through both education and regulation. MAST was the first jurisdiction in the world to introduce the compulsory wearing of life jackets in 2001, resulting in the fatality rate decreasing from 6.2 persons per 10 000 registered boats to 0.98 in 2017. This decrease is particularly significant given the number of registered recreational boats has doubled over this timeframe. Being an island state, Tasmanians have a connection to the water and this is demonstrated by the fact that 1 in 17 people own a registered recreational vessel and 1 in 8 have a recreational motor boat licence.

Our vision is to make Tasmania's waterways safe and enjoyable for all users. MAST has again made solid progress towards this vision in 2017-18.

MAST continues to develop and promote a safety culture through education and enforcement.

With the ongoing assistance of the Department of Education, MAST's contact with Grades 3, 4 and 5 through the swimming and water safety program has expanded with the number of schools visited in 2017-18 totalling 47.

Additional YouTube videos were produced during the year focusing on safety issues such as anchoring, carbon monoxide poisoning, man overboard and the imminent changes to the life jacket standard. To assist with the transition from the old life jacket standard to the new in 2021, MAST implemented a life jacket replacement program offering a \$20 voucher per old standard jacket as an incentive. Vouchers are available through the network of MAST accredited Boat Safe and Paddle Safe Partners. MAST has also educated stakeholders through many of its publications, flare and safety demonstrations, Facebook and the media. Ongoing membership of the Australian and New Zealand Safe Boating Education Group supports the identification of national issues and coordinated public education strategies. A strong working relationship with Tasmania Police ensures effective enforcement strategies based on the identification of trends extrapolated from infringement notice data.

Improved marine infrastructure to deliver safe access to waterways for all users is provided through MAST's Recreational Boating Fund (RBF). This fund is derived from recreational boating registration and licence fees. Significant projects facilitated through the RBF in 2017-18 included upgraded facilities at Swansea, Lake Barrington, Old Beach, Inspection Head, Port Dalrymple and Lake St Clair plus a contribution towards the construction of a new purpose built operations centre for Tas Maritime Radio. The Swansea boat ramp has been planned for some time and with additional funding from the Commonwealth Government, a much anticipated all tide ramp has been achieved for this popular area.

MAST also receives appropriation from the Government for the maintenance and upgrade of MAST owned infrastructure. Work was completed on the replacement of the inner section of Brid River Jetty and a detailed design was finalised on the Woodbridge Jetty reconstruction. A new contract was entered into for navigation aid maintenance to ensure compliance with the International Association of Marine Aids to Navigation and Lighthouse Authorities. In addition, navigation aid data was also incorporated in the MAST GIS system that provides a public display of all navigation aids in Tasmania, including aids owned by MAST, Tasports and the Australian Maritime Safety Authority (AMSA). The Prosser River Stabilisation Project was largely completed during 2017-18. This project was funded by the Government, MAST and the Glamorgan Spring Bay Council and has achieved its objective to protect key infrastructure and provide safe boating access.

With a variety of stakeholder expectations, effective waterway management can be challenging. This year MAST has worked collaboratively with Rowing Tasmania, Tasports, Jet Ski Clubs, Boat Safe and Paddle Safe Partners and yacht clubs to deliver a number of key safety messages. Work also advanced with the Department of Primary Industries, Parks, Water and Environment and marine farmers to reduce the amount of marine debris outside lease areas.

Regular communications with stakeholders through MAST publications, Facebook and the website remains a high priority. Face to face engagement is also extremely important and is achieved through events such as flare and safety demonstrations, Recreational Boating Forums and a presence at boat ramps.

This year MAST staff worked with the Agfest committee to produce a marine precinct where all marine based stalls were co-located. This proved to be extremely successful.

Throughout 2017-18 the Board remained focused on assisting the Tasmanian industry to better understand the challenges of regulatory change in the commercial vessel area and the associated transfer of commercial vessel service delivery from MAST to AMSA on 1 July 2018. A number of changes to MAST's operations were initiated to ensure those services provided to commercial vessels that remain with MAST continue to be cost recovered. MAST also worked collegially with AMSA to ensure a seamless transition for industry. This regulatory change has been borne across the organisation over a number of years, increasing the workload of an already small and dedicated team.

Ensuring a results driven, resilient and progressive organisation is challenging. The Board continues to implement an internal audit program that tests the adequacy and effectiveness of MAST's systems of management, internal control and the management of financial and operational risk.

Ongoing improvements to MAST's business systems have provided improved levels of system redundancy, data security and productivity. The functionality of the MAST GIS system was further enhanced during the year to display the positioning and characteristics of all navigation aids in coastal waters. The provision of public facing web-based products does not come without risk and work has been undertaken to mitigate weaknesses in the MAST IT environment following a cyber-risk workshop.

Achieving our vision requires ongoing focus and MAST is committed to continually improving its systems and processes.

Our sincere thanks to the Board and staff for their ongoing commitment to the many and varied responsibilities of the Authority that are required to deliver positive safety outcomes for our stakeholders.

Sue Smith
Chair

Lia Morris
Chief Executive





In June 2017 the Strategic Plan for 2017-2022 was adopted by the Board. This plan focuses on the Board's strategic priorities consistent with the longer term vision to make Tasmania's waterways safe and enjoyable for all users:

1. Ensuring the safety of all vessels in Tasmanian waters
2. Providing and managing marine infrastructure that delivers safer access to waterways for all users

3. Supporting key agencies on matters relating to the maritime environment
4. Engaging with key stakeholders, recreational boaters and the community to achieve strategic goals
5. Ensuring a results driven, resilient and progressive organisation

The Plan sets out objectives and supporting initiatives to achieve these priorities.



Delivering against our Strategic Priorities

Strategic Priority 1 – Ensuring the safety of all vessels in Tasmanian waters

Strategic Priority 2 – Providing and managing marine infrastructure that delivers safe access to waterways for all users

Strategic Priority 3 - Supporting key agencies on matters relating to the maritime environment

Strategic Priority 4 - Engaging with key stakeholders, recreational boaters and the community to achieve strategic priorities

Strategic Priority 5 - Ensuring a results driven, resilient and progressive organisation



STRATEGIC PRIORITY 1

**ENSURING THE SAFETY OF
ALL VESSELS IN TASMANIAN
WATERS**

- **Continue to develop and promote a safety culture through education and enforcement**

For twenty years MAST has been a member of the Australian New Zealand Safe Boating Education Group (ANZSBEG). The objective of the group is to identify national safe boating issues, address them through coordinated public education strategies and provide a forum for the exchange of ideas and knowledge.

MAST continues to highlight to the boating community the necessity to maintain and service inflatable life jackets in accordance with the manufacturer's recommendations. The compliance rate for wearing life jackets is high, however only 3 840 inflatables were serviced this year across the State out of an estimated 80 000 jackets. Considering around 1 000 of these were for commercial operations, it means very few recreational inflatable life jackets are being serviced.

The Australian life jacket standard, AS 4758 was introduced into legislation in 2010. By 1 January 2021 all life jackets used on recreational boats in Tasmania will need to meet this standard. To help with the transition, MAST is offering \$20 vouchers, funded through boat licence renewals, as an incentive for the public to purchase AS4758 jackets. As part of this program, the older standard jackets are being donated to MAST. These will be shipped to Papua New Guinea which is trying to reduce its fatality rate and introduce a safety culture.

The important relationship that exists between MAST and retailers through the Boat and Paddle Safe partnership plays a vital role in boating safety education.

These safety partners are often the first point of contact for the boating public when they are unsure about safety gear or other issues relating to boating.

The Department of Education's Swimming and Water Safety Program has a boating safety component embedded within its curriculum. MAST is actively engaged with the primary school sector to deliver the boat safety program through school talks and visits. Since 2015-16 MAST has increased the number of students educated through this program by 109%. Flare displays have also been conducted at some schools and work is progressing to expand the program into non-government schools and high schools. MAST has also conducted sessions at three Special School campuses as well running a program for the Multicap organisation in Burnie.

Public safety presentations continue to be an important part of educating boaters around the State. MAST has conducted 27 presentations this year in various locations around Tasmania. Included in these are presentations to the North West Fly Fishers Club, Clarence Anglers, Kingborough Anglers and the Fly Fishers Club of Tasmania. In addition BoatWise education nights have been held around the State in locations including Nubeena, Dodges Ferry, South Arm and St Helens. A safety day was run in conjunction with the Longford Anglers and MAST also had a presence at the Inland Fisheries Service open weekend, the Boat Show in Hobart and a number of Boat Safe dealer boat shows.

MAST works collaboratively with Rowing Tasmania and this year lighting of rowing shells and coach boats was the major focus. Rowing Tasmania conducted a survey with its affiliated clubs on the most appropriate form of lighting. After years of inconsistency it was decided that a strobe light is to be placed on the bow with 360 degree visibility and on the stern a white light with a 270 degree visibility. MAST thanks Rowing Tasmania and its Executive Officer, Mr Rob Prescott for assistance in achieving this result which will deliver improved safety on the water.

YouTube clips on the MAST website are a major educational tool and a useful resource for the boating public. This year a segment on carbon monoxide poisoning was added as a result of a coronial recommendation together with retrieving a man overboard which was produced at the suggestion of members of the Bellerive Yacht Club. With much publicity regarding the AS4758 life jacket standard,

MAST has also produced a segment which will help the boating public understand the change in standards.

Incidents reported to MAST during the 2017-18 reporting period totalled 67. Of these, 34 involved commercial vessels under 35 metres in length, 7 involved commercial vessels in excess of 35 metres and 25 related to recreational vessels. Unfortunately there were four fatalities recorded in the 2017-18 reporting period. These fatalities are still before the Coroner.

MAST has continued its close relationship with the Marine Division of Tasmania Police. This includes the briefing of police officers on MAST legislation and regular communication about areas where non-compliance is prevalent. Analysis of infringement notices issued by Tasmania Police assists MAST in identifying where further education is required.



- **Establish and maintain effective regulatory systems and processes**

Through a Deed of Agreement, MAST delegates certain functions of the *Marine and Safety (Pilotage and Navigation) Regulations 2017* to Tasports. MAST undertakes an annual audit of Tasports to ensure compliance with these Regulations. This year's audit involved MAST visiting multiple ports around the State and meeting with key Tasports personnel.

The annual audit of Tas Maritime Radio (TMR) was conducted during the year to ensure compliance with the requirements of the *Marine and Safety (Radio) Regulations 2012*.

Ongoing compliance with these Regulations allows TMR to maintain the status of a MAST-approved marine radio station.

MAST has a number of accredited training providers who conduct the MAST power boat licence testing. During the year MAST conducted a major audit of these providers by seeking feedback from randomly selected participants. Each participant was asked a number of questions in which they rated the provider. These results were then analysed and shared with the providers. This audit provided valuable feedback as the totals were averaged against each provider.

Every three years power boat licences are renewed. In 2015 MAST decided not to issue plastic licence cards. For some people who were travelling interstate or overseas this was a problem and the opportunity now exists to pay an additional amount with the licence renewal for a plastic card.

In accordance with the *Subordinate Legislation Act 1992*, a number of key pieces of legislation were required to be remade during the reporting period including the:

- *Marine and Safety (Jetties) By-Laws 2017*
- *Marine and Safety (Pilotage and Navigation) Regulations 2017*
- *Marine and Safety (Infringement Notices) Regulations 2017*
- *Marine and Safety (Maritime Incidents) Regulations 2017*
- *Marine and Safety (Collision) Regulations 2017*

Due to the Intergovernmental Agreement on Commercial Vessel Safety Reform, the *Marine Safety (Domestic Commercial Vessel National Law Application) (Fees) Regulations 2013* required rescission and amendments were made to the *Marine and Safety (General) Regulations 2013* to prescribe:

- the fees payable in respect of the retrieval and copying of information from MAST records; and
- information to be supplied to MAST in respect of commercial vessels in certain circumstances; and
- the annual infrastructure administration fee that is payable in respect of certain commercial vessels.

- **Effective management of waterways**

Mooring audits continue to be undertaken statewide. These audits are an important management tool for MAST and focus on identification of the mooring, correct location and condition of the mooring itself. Mooring demand continues to grow and this is putting pressure on some mooring areas resulting in many bays now being closed to new moorings.

During the year MAST conducted inspections of marine farm leases on the East Coast, Tasman Peninsula and the D'Entrecasteaux Channel and Huon River areas. MAST inspects for marine farm debris and marine farming gear that is outside the lease area.

MAST now has two officers authorised to issue infringement notices under the *Marine Farming Planning Act 1995* and works closely

with the Marine Farming Branch of the Department of Primary Industries, Parks, Water and Environment in respect to marking lease areas for navigational safety.

Over the reporting period, 206 Notices to Mariners were issued by MAST for a variety of reasons. Content ranges from advising prohibited areas for the finish of the Sydney to Hobart Yacht Race to ensuring local communities are aware of closures of boat ramps. Notices are also issued during times of flood to advise of floating debris and when mooring work is being carried out on marine farm leases. Notices are issued via email to an extensive list of subscribers and advertised in the daily papers to ensure mariners are aware of issues that may affect safe navigation.



Ensuring navigable access to the Port of St Helens is maintained resulted in agitation dredging being undertaken twice during the year in the channel adjacent to Pelican Point. MAST and the St Helens Barway Committee reviewed options for a sustainable solution to this access issue. This review identified a more specific and long term dredging plan for Pelican Point as being the best option. Approval for this dredging plan is underway.

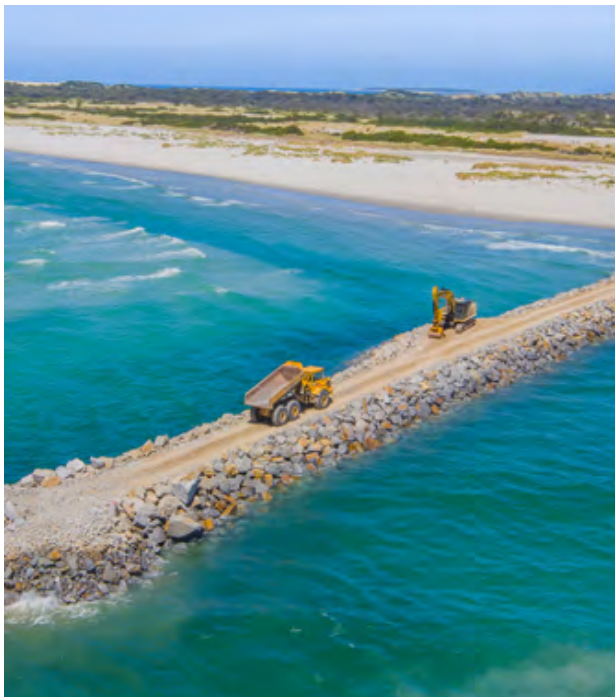
MAST has continued to monitor both the Marion Narrows and the approaches to the Denison Canal for depth and provides this information to boaters via the MAST website. The monitoring is undertaken regularly throughout the year, particularly during the busy boating times over Christmas and Easter.

This year saw the commencement of the stabilisation of the Prosser River mouth after a long design and approval process. Most of the works were completed prior to the migratory bird breeding season in October

2017 with the exception of the seaward end of the southern geotextile bag wall and the repair of some defective bags. Since December 2017, two separate flooding events occurred with the new entrance directing river flows and stopping any northern propagation of the mouth or flood damage to bird nesting areas. The depth of the channel has remained consistent since December 2017 which is encouraging with very heavy boating traffic over the summer period. The walls and channels have also seen a high level of passive community use including fishing, swimming and kayaking.

MAST has met with Tasports, yacht clubs and Rowing Tasmania to discuss issues around port areas and particularly vessels under pilotage.

Education has continued on restricted areas, 5 knot zones, rules surrounding the transit of the Tasman Bridge and berthing operations.



- **Implement the National System for Domestic Commercial Vessel Safety**

The National System for Domestic Commercial Vessel Safety presented MAST and industry with many challenges throughout the year. The most significant of these challenges was the constant regulatory change as the Australian Maritime Safety Authority continued preparations to assume all service delivery functions from 1 July 2018.

Despite the increasing demands on the diminishing number of commercial vessel staff as a result of this national reform, MAST continued to provide efficient services for Domestic Commercial Vessel owners and operators under delegation from AMSA. In accordance with the Intergovernmental Agreement on Commercial Vessel Safety Reform, MAST worked closely with AMSA to

ensure a seamless transition of all services from MAST to AMSA on 1 July 2018 with minimal impact on industry.

While certification services for domestic commercial vessels will transition to AMSA from 1 July 2018, a number of infrastructure and waterways management responsibilities remain with MAST. To ensure these can continue to be delivered, a number of changes to MAST's operations were implemented in consultation with industry, including a disaggregation of existing fees. MAST ensured all owners and operators of domestic commercial vessels were directly communicated with in relation to these changes.





STRATEGIC PRIORITY 2

**PROVIDING AND MANAGING
MARINE INFRASTRUCTURE
THAT DELIVERS SAFE
ACCESS TO WATERWAYS
FOR ALL USERS**

- **Deliver new and updated infrastructure for the recreational boater through the Recreational Boating Fund**

The provision of recreational boating facilities is funded from the annual recreational boating registration fees and triennial licence fees. New and upgraded facilities have lasting benefits from a safety perspective as well as providing well designed facilities that meet engineering standards and user expectations. The concept of the Recreational Boating Fund (RBF) is simple and effective and provides an opportunity for Councils, individuals and community groups to apply for funding to improve marine infrastructure across the State.

In 2017-18 MAST received 41 submissions under the RBF for new projects for the upgrading of any public recreational boating facility.

After public meetings to discuss these submissions, MAST supported 16 facility improvements through RBF funding of \$980 000. Successful applications included:

- upgraded facilities at Arthur River, Lake Barrington, Old Beach and Inspection Head
- a new fuel berth at Port Dalrymple Yacht Club
- public mooring installations at Binalong Bay and Pirates Bay
- new navigation aids in inland waters.

MAST also committed \$328 000 for the planned \$600 000 upgrade of the Fortescue Bay boat ramp and completed the construction of the much anticipated ramp at Swansea with \$700 000 from MAST and \$600 000 from the Commonwealth Government.

As at 30 June 2018 a total of \$23.4 million has been spent on 480 recreational facilities across the State since MAST commenced operations in 1997.



- **Maintain MAST owned marine infrastructure**

MAST undertakes engineering audits on its 63 facilities with the aid of divers every three years, with the last audit undertaken in 2016. These audits determine the lifespan of structures and are also used to set the remedial maintenance plan for the next three years.

Several projects commenced and others were completed in 2017-18. The inner section of the Brid River Jetty was replaced with a concrete retaining wall structure by VEC Civil Engineering and the design of a new Woodbridge Jetty by Burbury Consulting was also completed and advertised for tender with construction to be completed in 2018-19.

Another interesting project was the commencement of the redecking of the Dunalley Jetty with a concrete overlay. The existing timber piles are in good condition with many years life remaining, however the timber decking and joists require continual replacement due to rot. The new concrete deck has been designed to span between the piles, rendering the decking and joists redundant. It will provide at least another 25 years residual life at approximately 25 per cent of the cost of building a new facility.



This year saw the expiry of the current maintenance contract for the 293 MAST owned aids to navigation that was held by Australian Maritime Systems (AMS) and tenders were advertised for a new five year contract. Three submissions were received for evaluation including one from AMS which was subsequently awarded a contract.

MAST aids to navigation are maintained professionally and continue to have a very high reliability rate with very few outages.

A new navigation aid management database was commissioned during the year. The system is a web-based product that allows MAST's contractor to access the system remotely to record maintenance work and to update details on each aid. The system is also used to program forward maintenance and calculate reliability statistics for these aids.

Navigation aid data has also been incorporated in the MAST GIS system. This gives a public

display of all navigation aids in Tasmanian waters including aids owned and managed by MAST, Tasports and the Australian Maritime Safety Authority.

All MAST owned navigation aids were revalued in March 2018 by MAST's contractor. MAST uses the fair value method to value navigation aids. Navigation aids have no active market, nor are they capable of generating cash inflows, but are vital to maritime safety in Tasmania. As a result, the fair value for each aid is determined using the current replacement cost for each aid.

This year the *Marine and Safety (Jetties) By-laws 2017* were implemented giving MAST greater power to deal with owners of vessels that regularly stay berthed alongside MAST facilities for extended periods. New restricted berthing areas have been added to a number of MAST facilities where a limit of three days applies.



- **Maintain and enhance the VHF radio coverage**

During 2017-18 MAST has continued to provide resources to maintain the marine communications network throughout the State run by a team of dedicated volunteers.

MAST acknowledges the valuable contribution made by volunteers who continue to provide their time and expertise in the development and operation of the network that enhances boating safety in Tasmania.

In 2016-17, Tas Maritime Radio (TMR) was successful in receiving a contribution of \$40 000 from MAST through the Recreational Boating Fund towards the construction of a new purpose built operations centre which was completed in June 2018.

The upgrade to the strategic Mt Maria radio site, managed by the Department of Police, Fire and Emergency Management, was completed during the year. Works included upgrades to the site's power supply and

backup batteries and associated infrastructure to ensure the ongoing reliability of this key site.

Severe weather in May 2018 saw lightning damage to essential equipment at the TMR Albion Heights site, impacting on the monitoring and control of the statewide network. TMR and TasNetworks worked tirelessly to restore systems within 24 hours. MAST subsequently provided funds for replacement backup batteries.

Golden Electronics took over after hours monitoring in July 2017 from TasPorts. The transfer, coordinated by TMR, proved seamless and MAST acknowledges the generous ongoing contribution by Golden Electronics towards marine safety in Tasmania.





STRATEGIC PRIORITY 3

**SUPPORTING KEY AGENCIES
ON MATTERS RELATING TO
THE MARITIME
ENVIRONMENT**

- **In conjunction with EPA, Tasports and DPP reduce the number of derelict, abandoned and unseaworthy vessels in Tasmanian waters**

During regular mooring audits MAST checks that vessels attached to moorings are registered and in good condition. It is evident from MAST's routine audits that the condition of some vessels is not acceptable. Work continues on improving legislation and proactively managing vessels that appear to be deteriorating.

MAST continues to assist the Environment Protection Authority (EPA) through participation in the State Marine Pollution Committee. MAST was also actively involved in a simulated marine oil pollution incident as part of the Environment, Science and Technical Network Workshop that was held by AMSA in Hobart in August 2017. MAST has

also liaised with EPA and Tasports in relation to minor pollution incidents that have occurred within state waters.

During the reporting period, MAST worked with Tasports and other government agencies on the regulation of commercial shipping activities occurring outside defined port areas. This has generally related to cruise ship operators wanting to anchor vessels in areas that are currently not regulated ports. Work is continuing on the management of navigational safety and the marine environment in these areas.



- **Assist the Marine Farming Branch to reduce the amount of marine debris from aquaculture farms**

A primary function of MAST under the *Marine and Safety Authority Act 1997* is to ensure the safe operation of all vessels, both recreational and commercial.

During the year, MAST has continued to work collaboratively with the Marine Farming Branch of the Department of Primary Industries, Parks, Water and Environment to assist in the development of procedures to further reduce marine farm debris found

outside lease areas and to ensure that marine farming equipment is marked to readily identify the source.

MAST has also been working directly with the Tasmanian Salmonid Growers Association and salmon farmers to further develop and enhance reporting systems for marine debris.



- MAST has installed additional cruising moorings to help protect the environment in areas at Trousers Point, Prime Seal Island,

Port Davies and Lady Barren on Flinders Island. This brings to 19 the total number of cruising moorings.





STRATEGIC PRIORITY 4

**ENGAGING WITH KEY
STAKEHOLDERS,
RECREATIONAL BOATERS
AND THE COMMUNITY TO
ACHIEVE STRATEGIC
PRIORITIES**

- **Regularly engage the recreational boater and broader community on issues relating to safety and infrastructure**

MAST regularly engages with its stakeholders and the community in a number of ways.

The *Boatwise* publication informs licence holders and boat owners on important issues. With a distribution in excess of 60 000, *Boatwise* is a vital method in conveying safety messages and other significant boating news. It continues to be a major educational tool and commands a high interest from our stakeholders.

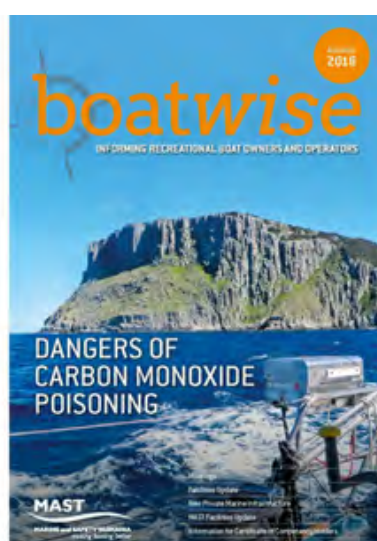
Between issues of *Boatwise*, MAST sends out an electronic newsletter via email to those who have subscribed. This electronic newsletter provides information on infrastructure upgrades and safety tips.

The MAST website, YouTube and Facebook sites allow the organisation to convey safety messages and to educate the public quickly and efficiently. MAST now has in excess of 7 600 followers. MAST has also produced an additional four safety videos for YouTube covering life jacket standards, carbon monoxide, anchoring and man overboard

routes. The YouTube library now exceeds 66 videos.

Direct contact with stakeholders allows MAST to gain valuable feedback on important safety issues and also how the public feels about MAST's service delivery, messaging and boating infrastructure upgrades around the State. This year MAST coordinated a marine industry display at Agfest which included all the large marine dealers and various marine businesses. The combined display showcased the industry and put all marine dealerships in one combined area. Public and industry feedback has been very favourable and MAST has an agreement with the Agfest Committee to have the same collective display in 2019 and 2020.

MAST has also engaged directly with the boating community through dealer boat shows and the revamped Hobart Boat Show held at the Motor Yacht Club of Tasmania. Visits to fishing clubs have also seen an engagement with inland anglers.



- **Enhance relationships with key stakeholders to increase understanding of safety rules and equipment**

MAST continues to engage with a variety of key stakeholders including Tasports, Tasmania Police, yacht and boating clubs, PWC clubs, rowing clubs, Surf Life Saving Tasmania and inland angling clubs.

MAST has expanded its Boat Safe and Paddle Safe Partner network, increasing education around inflatable life jackets, servicing and correctly fitted jackets.



- **Continue to utilise media to facilitate safety messages**

MAST has been proactively engaged with the media to discuss safety and other relevant

matters, issuing joint releases with Tasmania Police, conducting live radio interviews, TV interviews and delivering a safety campaign on radio.



- **Enhance the Boatsafe school education program**

In addition to the relationship that MAST has with the Department of Education's Swimming and Water Safety Program for primary school students, MAST has enhanced its relationship with the Australian Council for Health Physical Education and Recreation (ACHPER) through sponsorship of its annual conference. The conference provides a pathway for engaging with the Health and Physical Education (HPE) teachers that covers the primary, secondary and the independent

school systems. As a sponsor, MAST has a prominent position in the trade exhibition and has improved access to the HPE teachers. This access has significantly increased MAST's school visitation program and is a prime tool for increasing the reach of the Swimming and Water Safety Program (SWSP) into high schools and the independent school system.





STRATEGIC PRIORITY 5

**ENSURING A RESULTS
DRIVEN, RESILIENT AND
PROGRESSIVE ORGANISATION**

• Sound financial management to deliver identified outcomes

Under the *Audit Act 2008*, the Auditor-General is responsible for the audit of MAST's Financial Statements and to prepare and sign an opinion on an audit.

The Auditor-General can also appoint external contractors to provide auditing services. In 2016-17, Crowe-Horwath was appointed to undertake the financial audit of MAST for a period of three years with an option to extend the arrangement for a further period of two years.

MAST Financial Statements are prepared in accordance with Australian Accounting Standards (AAS) and Interpretations issued by the Australian Accounting Standards Board (AASB).

As further detailed in the following Financial Statements, new and revised Standards and Interpretations are issued by the AASB. Standards that are relevant to MAST are reviewed and the impact assessed and adopted as required.

MAST's internal audit program includes testing the adequacy and effectiveness of MAST's systems of management, internal control and the management of financial and operational risk. In 2017-18 the Board

reviewed and considered a number of internal audit reports, including the response by management. The Board ensures that where deficiencies in internal controls or procedures occur that appropriate and timely action is taken by management.

Preparations for exit from commercial vessel operations commenced a number of years ago. In the lead up to the 1 July 2018 transfer to the Commonwealth, MAST has tailored the fees charged to industry to ensure vessel operators only pay for services delivered within the 2017-18 financial year.

The tapering of the annual administration fee throughout the year to 30 June has resulted in a reduction in revenue from commercial vessels of \$520 000.

From 1 July 2018, an Annual Infrastructure Administration Fee will be charged to vessel operators to ensure an equitable contribution from the commercial sector towards the management of marine infrastructure shared with the recreational sector.

• Comprehensive Corporate Governance





The Board is appointed by the Minister and responsible for:

- The performance by the Authority of its functions; and
- Ensuring that the business and affairs of the authority are managed and

conducted in a manner that is in accordance with sound commercial practice

The membership of the Board during the 2017-18 financial year was -

 <p>Sue Smith - Chair</p>	<p>Sue has dedicated the majority of her career to serving Tasmania's north west community since first being elected a Councillor for Ulverstone in 1981. She subsequently held the positions of Central Coast Mayor, President of the Local Government Association of Tasmania and was an independent member of the Legislative Council of Tasmania for 16 years. She was the first female President of the Legislative Council of Tasmania retiring in 2013. Sue is currently an Independent Director of TFGA, a Director of RACT, past Commissioner Glenorchy City Council 2017 and a Member of Local Government Code of Conduct Panel.</p>
 <p>Mark Nikolai</p>	<p>Mark commenced as TARFish CEO in 2008 and is an avid fisherman in freshwater and saltwater. He is an experienced senior manager with over 20 years' extensive, practical hands on experience in large, medium and small Australian organisations. Combined with this extensive experience Mark has attained a Masters Degree in Business Administration (MBA Executive) from Australia's premier business school, The Australian Graduate School of Management at UNSW. Mark returned to Tasmania in 2005 to take up a role as General Manager in a professional services organisation in Hobart and has a diverse background with senior management roles in Finance and Accounting, Strategic Planning, Management Consulting, Information Technology, Customer Service, Internal Sales, Credit Management and Distribution.</p>

 <p>Neil Stump</p>	<p>Term expired on 1 October 2017</p> <p>Neil was recently the Executive Officer of Oysters Tasmania and prior to this was the Chief Executive of the Tasmanian Seafood Industry Council for 9 years. A former commercial fisherman he still retains an interest in the Tasmanian rock lobster fishery. He has been involved at various levels in seafood industry representative organisations for over 25 years, and has served on a number of seafood industry advisory committees. Neil holds formal qualifications from the AMC (Bachelor of Applied Science – Fisheries) and UTAS (Bachelor of Science (Hons) and Master of Environmental Studies. He is a member of the IMAS Board.</p>
 <p>Hughie Lewis</p>	<p>Hughie has extensive experience in recreational boating. He has been the Managing Director of Lewis Marine for the past 31 years and previous Board member of the Bellerive Yacht Club for 12 years. Hughie owns a number of recreational boats and used to water ski at a State level.</p>
 <p>Rodney Trelloggen</p>	<p>Term commenced on 1 October 2017</p> <p>Rodney has been an amateur and commercial fisher for most of his working life, fishing all areas of Tasmania as well as Flinders Island. He was involved with many fishing bodies and served as Chairman and Chief Executive Officer of the Tasmanian Rock Lobster Fishermans Association, Chair and Vice Chair of the Southern Rock Lobster Board and Seafood Services Australia and member of the Tasmanian Seafood Industry Council. He has also served on the St Helens Hospital Board. Rodney was also a member on Federal Research and Development Corporation Selection Panels, as well as other State and Federal Boards. Rodney currently serves as Vice Chair and Operations Manager of St Helens Marine Rescue Association.</p>
 <p>Lia Morris</p>	<p>Lia is the Chief Executive of Marine and Safety Tasmania and was appointed to her current role in 2011. Lia is a qualified planner holding a Bachelor of Arts (Hons) and a Masters in Town planning and has over 20 years of experience in senior management roles. Lia has worked in both government and private sectors.</p>

	11 August	21 September	16 October	23 November	6 December	25 January	9 February	6 April	8 June
Sue Smith	♦	♦	♦	♦	♦	♦	♦	♦	♦
Hughie Lewis		♦	♦	♦	♦	♦	♦	♦	♦
Mark Nikolai	♦	♦	♦	♦	♦	♦	♦	♦	♦
Neil Stump	♦	♦							
Rodney Treloggen			♦	♦	♦	♦	♦	♦	♦
Lia Morris	♦	♦	♦	♦	♦	♦	♦	♦	♦

The Board's remuneration is in accordance with the Tasmanian Government Board Fee Policy administered by the Department of Premier and Cabinet.

Employment terms and conditions of the MAST leadership team are contained in individual contracts. The 2017-18 Financial Statements detail the remuneration of key management personnel.

Internal Audit and Risk Management

Deloitte Touche Tohmatsu has been appointed to provide internal audit and risk management services to the Board of MAST. Internal audit activity is directed to areas of heightened risk identified in the MAST Risk Register.

Legislative Compliance

MAST is committed to complying with all relevant legislative and regulatory obligations including:

Right to Information Act 2009

The *Right to Information Act 2009* (RTI Act) provides for greater access to information held by government bodies. There were five application requests received under the *Right to Information Act 2009* for the financial year 2017-18.

Integrity Commission Act 2009

Under Section 32 of the *Integrity Commission Act 2009*, MAST is required to ensure staff is given the appropriate training in relation to ethical conduct. MAST is committed to ongoing provision of this training with all staff completing the training course – Practical Ethics in the Public Sector in December 2017.

MAST has a comprehensive set of policies and procedures that support an ethical framework including:

- Code of Ethics and Conduct
- Fraud and Corruption Control
- Misconduct Complaints Handling
- Complaints Handling

Public Interest Disclosures Act 2002

MAST is committed to the aims and objectives of the *Public Interest Disclosures Act 2002*. It does not tolerate improper conduct by its employees, officers or members, or the taking of detrimental action against those who come forward to disclose such conduct.

MAST adopted a revised set of Public Interest Disclosure procedures in August 2017 in accordance with s 60 (3) of the *Public Interest Disclosures Act 2002*. A copy of these procedures together with the Complaints Handling Policy can be viewed at MAST during office hours or accessed via the MAST website, www.mast.tas.gov.au, under MAST Publications.

Disclosures made to MAST during the year	Nil
Disclosures determined to be a public interest disclosure	Nil
Disclosures determined by MAST to be public interest disclosure that MAST investigated during the year	Nil
Disclosed matters referred to MAST during the year by the Ombudsman	Nil
Disclosed matters referred during the year by MAST to the Ombudsman to investigate	Nil
Investigations of disclosed matters taken over by the Ombudsman from MAST	Nil
Disclosed matters that MAST has declined to investigate during the year	Nil
Disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation	Nil
Any recommendations made by the Ombudsman that relate to MAST	Nil

• Regulation that is relevant and robust

The Board endorsed the following legislation that came into force in the 2017-18 reporting period:

- *Marine and Safety (Jetties) By-Laws 2017*
- *Marine and Safety (Prescribed Offences) Amendment By-Laws 2017*
- *Marine and Safety (Pilotage and Navigation) Regulations 2017*
- *Marine and Safety (Infringement Notices) Regulations 2017*
- *Marine and Safety (Maritime Incidents) Regulations 2017*
- *Marine and Safety (General) Amendment Regulations 2017*
- *Marine and Safety (General) Amendment (Label) Amendment Regulations 2018*
- *Marine and Safety (Collision) Regulations 2017*

• Business systems that support current and future needs

Ongoing improvements to MAST's business systems have provided improved levels of system redundancy, data security and productivity.

The functionality of the MAST GIS was further enhanced during the year with special access granted to mooring contractors to assist in the management of moorings in Tasmania. The system was also expanded to display the positioning and characteristics of all navigation aids in coastal waters.

An online licence and registration status tool was introduced during the year to allow the public to view the validity of their licence and boat/mooring registration. This not only assists boaters in being able to confirm their own holdings but has saved many enquiries to both MAST and *Service Tasmania*.

MAST also commenced work on an online portal where clients can register and pay for new vessels via the web. The new system is due to go live in early 2018-19 and will improve data quality, streamline processing and offer flexibility for lodgment and payment of fees.

The provision of public facing web-based products does not come without risk. In order to mitigate risks, MAST undertook a Cyber Risk workshop during the year to identify areas of weakness within the MAST IT environment. At year end MAST had engaged Deloitte to undertake follow-up penetration

testing on public facing platforms.

Recommendations stemming from the testing will be implemented to further mitigate any risk identified.

During the year two projects were initiated to meet new Australian Taxation Office (ATO) reporting requirements. As MAST exceeded 20 employees at 30 April 2018, Single Touch Payroll requirements needed to be met. Work has been completed on payroll systems upgrades to comply with the new requirements from 1 July 2018.

In addition, MAST is required to comply with ATO Taxable Payments and Reporting requirements from 1 July 2017. Updates to MAST's financial systems have been implemented to allow the lodgment of reportable payments for the financial year.

With the handover of commercial vessel service delivery to the Commonwealth, MAST entered into a Memorandum of Understanding with AMSA covering the ongoing provision of client records. At 30 June 2018, MAST migrated its data holdings from the commercial databases to AMSA as well as commencing work to extract the many thousands of digitised records for transfer to AMSA to facilitate service delivery for Tasmanian operators with AMSA in the future. Remaining records will be archived in accordance with the MAST archiving policies and the Tasmanian Archives and Heritage Office approved Disposal Authority.

- **Professional, flexible and knowledgeable staff**

As at 30 June 2018, MAST had 17.7 full time equivalents (FTEs) compared to 17.3 in 2016-17 and 20.2 in 2015-16. Overall, numbers have reduced due to the transition out of commercial vessel service delivery. The slight increase in 2017-18 is attributable to additional hours worked in the field by recreational boating officers.

A knowledgeable and flexible staff is fundamental to MAST maintaining its capabilities. This has been actively demonstrated over an extended period of Commonwealth regulatory reform focused on commercial vessels. With 12.5 years being the average length of service, MAST staff are also committed and engaged.



MAST



MARINE and SAFETY TASMANIA
making boating better

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2018

Statement of Comprehensive Income

for the year ended 30 June 2018

	Note	2018 Budget \$'000	2018 Actual \$'000	2017 Actual \$'000
Continuing operations				
Revenue and other income from transactions	3			
Commercial vessels		277	446	968
Certificates of competency		312	304	292
Recreational boating		4 377	4 752	2 701
Moorings		355	384	354
State Government grants	3.1	1 603	1 708	1 892
Interest		69	104	112
Contribution of Assets		-	306	-
Other income		132	167	369
Total revenue and other income from transactions		7 125	8 171	6 688
Expenses from transactions				
Employee expenses	4.1	1 871	1 877	2 209
Supplies and consumables	4.2	1 306	1 244	1 144
Facilities maintenance	4.3	829	1 732	529
Recreational boating funding program	4.4	1 500	1 656	1 308
Depreciation charges	4.5	1 086	1 110	1 067
Other expenses	4.6	214	179	161
Total expenses from transactions		6 806	7 798	6 418
Net result from transactions (net operating balance)		319	373	270
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	5	-	(82)	(1)
Total other economic flows included in net result		-	(82)	(1)
Net result from continuing operations		319	291	269
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation reserve	9	-	330	-
Total other comprehensive income		-	330	-
Comprehensive result		319	621	269

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 1 of the accompanying notes.

Statement of Financial Position

as at 30 June 2018

	Note	2018 Budget \$'000	2018 Actual \$'000	2017 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash & deposits	8.2, 10.1	2 862	6 651	5 821
Receivables	6.1	135	140	81
<i>Non-financial assets</i>				
Other assets	6.3	37	40	40
Property, plant & infrastructure	6.2	27 972	28 485	28 374
Total assets		31 006	35 316	34 316
Liabilities				
Payables	7.1	304	598	164
Other liabilities	7.4	35	33	136
Employee benefits	7.2	460	496	448
Total liabilities		799	1 127	748
Net assets		30 207	34 189	33 568
Equity				
Contributed capital		9 939	9 939	9 939
Reserves	9	16 646	16 976	16 646
Accumulated funds		3 622	7 274	6 983
Total equity		30 207	34 189	33 568

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 1 of the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2018

	Note	2018 Budget \$'000	2018 Actual \$'000	2017 Actual \$'000
Cash flows from operating activities				
Cash inflows				
Grants from State Government		1 603	1 708	1 892
Sales of goods and services		5 321	5 755	4 638
GST receipts		383	577	510
Interest received		69	104	112
Other cash receipts		132	167	368
Total cash inflows		7 508	8 311	7 520
Cash outflows				
Employee benefits		(1 871)	(1 829)	(2 285)
GST payments		(385)	(538)	(529)
Supplies and consumables		(1 305)	(877)	(1 319)
Facilities maintenance		(829)	(1 724)	(529)
Recreational boating funding program		(1 500)	(1 657)	(1 253)
Other cash payments		(215)	(181)	(168)
Total cash outflows		(6 105)	(6 806)	(6 083)
Net cash from/(used by) operating activities	10.2	1 403	1 505	1 437
Cash flows from investing activities				
Receipts of non-operational capital grants		-	-	-
Proceeds from disposal of non-financial assets		-	-	-
Payments for non-financial assets		(600)	(675)	(1 397)
Net cash from/(used by) investing activities		(600)	(675)	(1 397)
Net increase/(decrease) in cash and cash equivalents held		803	830	40
Cash and cash equivalents held at the beginning of the reporting period		2 059	5 821	5 781
Cash and cash equivalents held at the end of the reporting period	10.1	2 862	6 651	5 821

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

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

Explanations of material variances between budget and actual outcomes are provided in Note 1 of the accompanying notes.

Statement of Changes in Equity

for Year Ended 30 June 2018

	Contributed Equity \$'000	Accumulated Funds \$'000	Reserves \$'000	Total Equity \$'000
Balance as at 1 July 2017	9 939	6 983	16 646	33 568
Comprehensive result	-	291	330	621
Balance at 30 June 2018	9 939	7 274	16 976	34 189

	Contributed Equity \$'000	Accumulated Results \$'000	Reserves \$'000	Total Equity \$'000
Balance as at 1 July 2016	9 939	6 714	16 646	33 299
Comprehensive result	-	269	-	269
Balance at 30 June 2017	9 939	6 983	16 646	33 568

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

Notes to the Financial Statements

For the year ended 30 June 2018

Note 1: Explanations of Material Variances between Budget and Actual Outcomes

1.1 Statement of Comprehensive Income

Statement of Comprehensive Income variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and \$20,000.

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Commercial vessels	(a)	277	446	169	61
Recreational boating	(b)	4 377	4 752	375	9
Moorings	(c)	355	384	29	8
Grants from State Government	(d)	1 603	1 708	105	7
Interest	(e)	69	104	35	51
Contribution of assets	(f)	-	306	306	-
Other income	(g)	132	167	35	27
Supplies and consumables	(h)	1 306	1244	(62)	(5)
Facilities maintenance	(i)	829	1 732	903	109
Recreational boating funding program	(j)	1 500	1 656	156	10
Depreciation charges	(k)	1 086	1 110	24	2
Other expenses	(l)	214	179	(35)	(16)

Notes to Statement of Comprehensive Income variances.

- (a) The budget was prepared prior to a change of accounting policy for the treatment of commercial vessel annual administration fees. The variance is partly drive by the recognition as revenue of funds received in advance in the prior year. Annual Administration fees were progressively tapered during the year to meet the transfer of commercial vessel operations to the Commonwealth on 30 June 2018 resulting in less revenue received than in the prior year.
- (b) Income from recreational boating activities was better than budget expectations due to stronger than anticipated registration and licence renewals as well as the receipt of non-budget contributions received from external sources for recreational boating fund projects.
- (c) Revenue from annual mooring registration renewal process received earlier than budget.
- (d) An additional Grant of \$105 000 was received from Government for works on the Bridport Breakwater. Works will be undertaken during 2018-19.
- (e) Interest was higher than originally budgeted due to timing differences for the commencement and completion of several infrastructure and recreational boating fund projects.
- (f) During the year, ownership and management of the Sullivan's Cove Pontoon was transferred from the Hobart City Council to the Authority.
- (g) Variance relates to the Authority's role in co-ordinating the marine precinct at Agfest and receipt of funds from exhibitors.
- (h) Several budget line item allowances were not required during the reporting period.
- (i) The variance is mainly due to the substantial completion of works at the

Prosser River mouth funded in the prior year. Works are expected to be completed in early 2018-19. Various maintenance line items were under budget at the end of the reporting period. These amounts will be carried forward into the next period and utilised to replace the deck of the Nubeena Jetty.

- (j) The original budget of \$1.5 million is the expected annual spend under the program. Once committed funds from the prior year were carried forward, there was an actual underspend of \$1.1 million. This amount is expected to be spent in 2018-19.
- (k) Depreciation expenses higher than expected due to capitalisation of projects earlier than anticipated.
- (l) Budget allowances for a number of line items were not fully expended

1.2 Statement of Financial Position

Statement of Financial Position variances are considered material where the variance exceeds the greater of 10% of Budget estimate and \$20,000.

Budget estimates for the 2016-17 Statement of Financial Position were compiled prior to the completion of the actual outcomes for 2015-16. As a result, the actual variance from the Original Budget estimate will be impacted by the difference between estimated and actual opening balances for 2015-16. The following variance analysis therefore includes major movements between the 30 June 2016 and 30 June 2017 actual balances.

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Cash & deposits	(a)	2 862	6 651	3 789	132
Property Plant & Infrastructure	(b)	27 972	28 485	513	2
Payables	(c)	304	598	294	97
Employee benefits	(d)	460	496	36	8
Reserves	(e)	16 646	16 946	330	2
Accumulated funds	(f)	3 622	7 274	3 652	101

Notes to Statement of Financial Position variances.

- (a) Cash and deposits variance is mainly due to the differences between the budgeted opening cash balance compared to the actual opening balance. In addition, a number of projects that were expected to be completed during the year have not proceeded as planned, with those projects expected to be completed in the 2018-19 financial year. Positive variances from various items of income and expenditure have also contributed to the cash balance being higher than expected at year end.
- (b) Increase in Property, plant & infrastructure is due to the non-budget take-on of the Sullivan's Cove Pontoon as well as the revaluation increase in Navigation Aids.
- (c) The Payables variance is mainly due to timing of receipt of trade creditors invoices at year end. In addition, the creation of a provision for redeemable vouchers under the Life Jacket Replacement program has been created with issued vouchers expected to be redeemed during 2018-19.
- (d) Employee benefits higher than anticipated due to staff leave profile differing from budget expectations.
- (e) The movement in Reserves is due to the revaluation of Navigations aids as

- explained at (c) above.
- (f) Variance in accumulated funds is mainly due to the higher than expected surplus achieved compared to budget as a result of the variances previously explained.

1.3 Statement of Cash Flows

Statement of Cash Flows variances are considered material where the variance exceeds the greater of 10 percent of Budget estimate and \$20,000.

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Grants from State Government	(a)	1 603	1 708	105	7
Sales of goods and services	(b)	5 321	5 755	434	8
GST receipts/payments (net)	(c)	(2)	39	41	2 050
Interest Received	(d)	69	104	35	51
Other cash receipts	(e)	132	167	35	27
Employee Benefits	(f)	1 871	1 829	42	2
Supplies and consumables	(g)	1 305	877	428	33
Facilities Maintenance	(h)	829	1 724	(895)	(108)
Recreational boating funding program	(i)	1 500	1 657	(157)	(10)
Other cash payments	(j)	215	181	34	16
Payments for non-financial assets	(k)	600	675	(75)	(13)

Notes to Statement of Cash Flows variances

- (a) An additional Grant of \$105 000 was received from Government for works on the Bridport Breakwater. Works will be undertaken during 2018-19.
- (b) Better than expected revenue from the recreational boating and commercial vessel areas contributed to the positive variance.
- (c) Variance reflects timing differences of the receipt of GST refunds over the end of financial years.
- (d) Interest was higher than originally budgeted due to timing differences for the commencement and completion of a number of infrastructure and recreational boating fund projects.
- (e) Variance relates to the Authority's role in co-ordinating the marine precinct at Agfest and receipt of funds from exhibitors.
- (f) Employee payments less than budget as planned staff separations due to exit from commercial vessel operations delayed to early 2018-19.
- (g) A number of budget allowances were not required during the reporting period.
- (h) The variance is mainly due to the substantial completion of works at the Prosser River mouth funded in the prior year. Works are expected to be completed in early 2018-19. Various maintenance line items were under budget at the end of the reporting period. These amounts will be carried forward into the next period and utilised to replace the deck of the Nubeena Jetty.
- (i) The original budget of \$1.5 million is the expected annual spend under the program. Once committed funds from the prior year were carried forward, there was an actual underspend of \$1.1 million. This amount is expected to be spent in 2018-19.
- (j) Budget allowances for a number of line items were not fully expended.
- (k) Variance due to a number of low value works capitalised during the year along with early commencement for infrastructure works at Dunalley and Woodbridge due for completion in 2018-19.

Note 2: Underlying Net Operating Balance

State Government grants revenue may include non-operational funding for capital projects. This funding is classified as income from transactions and recognised in the Statement of Comprehensive Income. The related costs are capitalised and recognised as non-financial assets in the Statement of Financial Position. The underlying result restates the financial performance of the Authority by adjusting for capital grants.

	2018 Budget \$'000	2018 Actual \$'000	2017 Actual \$'000
Net result from transactions (net operating balance)	(1,599)	291	269
Less impact of Non-operational capital funding			
State Government Grants	589	705	589
Underlying Net operating balance	(2,188)	(414)	(320)

Note 3: Income from Transactions

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

3.1 Revenue from Government

Grants, whether recurrent or capital, are recognised as revenue in the period in which the Authority gains control of the appropriated funds.

The Authority received funding from State Government for the construction and preventative maintenance of assets, on-going dredging operations at St Helens and the stabilisation of the Prosser River entrance.

	2018 \$'000	2017 \$'000
Marine Facilities – preventative maintenance	1 003	1 003
Bridport Wharf – partial replacement	500	-
Woodbridge Jetty Replacement	100	-
Bridport breakwater extension	105	-
St Helens Barway Stabilisation	-	589
Prosser River Entrance Stabilisation	-	300
Total State Government Grants	1 708	1 892

3.2 Commercial vessel revenue

In preparation for the transition of the commercial vessel services to the Commonwealth on 30 June 2018, the Authority progressively reduced the Annual Administration Fees throughout the year resulting in a reduction of revenue of \$0.5 million.

3.3 Recreational boating and mooring revenue

Revenue from recreational boating and moorings is received for the renewal of vessel and mooring registrations on an annual basis. Recreational licences are renewed every three years. Revenue from these items is recognised when the payment for the registration is received.

3.4 Interest

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

Note 4: Expenses from Transactions

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

4.1 Employee benefits

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

(a) Employee expenses

	2018	2017
	\$'000	\$'000
Wages and salaries	1 487	1 799
Annual leave	128	125
Long service leave	44	45
Superannuation	166	191
Board fees	52	49
Total	1 877	2 209

(b) Remuneration of key management personnel

2018	Short-term benefits		Long Term Benefits		Termination Benefits	Total
	Salary	Other Benefits	Superannuation	Other Benefits and Long Service Leave		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Key management personnel						
Susan Smith, Chair	16	-	2	-	-	18
Hughie Lewis, Director	11	-	1	-	-	12
Mark Nikolai, Director	11	-	1	-	-	12
Rodney Treloggen, Director (from 02 Oct 2017)	8	-	1	-	-	9
Neil Stump, Director (to 01 Oct 2017)	3	-	-	-	-	3
Lia Morris, Chief Executive	196	25	19	12	-	252
William Batt, Chief Operating Officer	147	21	14	7	-	189
Peter Hopkins, General Manager – Recreational Boating Safety & Facilities	147	29	14	-	-	190
Toby Greenlees, Manager – Marine Certification	131	-	12	12	-	155
Total	670	75	64	31	-	840

2017	Short-term benefits		Long Term Benefits		Termination Benefits	Total
	Salary	Other Benefits	Superannuation	Other Benefits and Long Service Leave		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Key management personnel						
Susan Smith, Chair	15	-	2	-	-	17
Hughie Lewis, Director	10	-	1	-	-	11
Neil Stump, Director	10	-	1	-	-	11
Mark Nikolai, Director	10	-	1	-	-	11
Lia Morris, Chief Executive	191	24	18	-	-	233
William Batt, Chief Operating Officer	154	21	14	2	-	191
Peter Hopkins, General Manager – Recreational Boating Safety & Facilities	146	22	14	14	-	196
Toby Greenlees, Manager – Marine Certification (from 31 Jan 2017)	52	-	5	16	-	73
Peter Keyes, General Manager - Commercial Vessels (to 31 Jan 2017)	81	16	8	(54)	97	148
Total	669	83	64	(22)	97	891

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Authority, directly or indirectly.

Remuneration and other terms of employment are specified in employment contracts. Remuneration includes salary, motor vehicle and other non-monetary benefits. Long-term employee expenses include long service leave and superannuation obligations.

Acting Arrangements

When members of key management personnel are unable to fulfil their duties, consideration is given to appointing other members of senior staff to their position during their period of absence. Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

(c) Related party transactions

AASB 124 Related Party Disclosures requires related party disclosures to ensure that the financial statements contain disclosures necessary to draw attention to the possibility that the Authority's financial results may have been affected by the existence of related parties and by transactions with such parties.

This note is not intended to disclose conflicts of interest for which there are administrative procedures in place.

The extent of information disclosed about related party transactions and balances is subject to the application of professional judgement by the Authority. It is important to understand that the disclosures included in this note will vary depending on factors such as the nature of the transactions, the relationships between the parties to the transaction and the materiality of each transaction. Those transactions which are not materially significant by their nature, impact or value, in relation to the Authority's normal activities, are not included in this note.

A six-year agreement with Lewis Marine for the use of boat storage facilities expired in October 2017. The agreement commenced prior to Mr Lewis's appointment to the MAST Board.

The Authority subsequently entered into a new 5-year lease agreement on 1 November 2017, with rental payable at market rates based on an independent valuation.

4.2 Supplies and consumables

	2018 \$'000	2017 \$'000
Advertising and promotion	221	179
Property services	139	160
Travel and transport	140	140
AMSA Contribution – Inter Governmental Agreement	123	121
Information technology	119	105
Communications	192	95
Insurance	50	80
Operating lease costs	33	35
Consultants	35	24
Other operating expenses	192	205
Total	1 244	1 144

4.3 Facilities maintenance

	2018 \$'000	2017 \$'000
Maintenance - Navigation aids	251	178
Maintenance – Jetties	149	101
Dredging – St Helens	201	112
Dredging – Prosser River	1 022	41
Maintenance – Radio Equipment	66	45
Other	43	52
Total	1 732	529

4.4 Recreational boating fund program

Projects from registration fees	685	979
Projects from licence fees	971	329
Total	1 656	1 308

4.5 Depreciation

All applicable non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential.

Depreciation is provided for on a straight-line basis, using rates which are reviewed annually.

Major depreciation periods are:

Navigation Aids	5-20 years
Marine Facilities	5-50 years
Plant and Equipment	2-5 years

Depreciation

Navigation aids	113	108
Marine facilities	890	863
Plant & equipment	107	96
Total	1 110	1 067

4.6 Other expenses

Employee on-costs	95	88
Legal expenses	1	3
Bank fees	52	28
Audit fees – internal audit	22	21
Audit fees – financial audit	11	20
Other	(2)	1
Total	179	161

Note 5: Other economic flows included in net result

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

Net gain/(loss) of non-financial assets

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

Net gain/(loss) on disposal of Navigation aids	(4)	(1)
Net gain/(loss) on disposal of Marine facilities	(78)	-
Net gain/(loss) on disposal of Plant & equipment	-	-
Total net gain/(loss) in non-financial assets	(82)	(1)

Note 6: Assets

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

6.1 Receivables

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

	2018 \$'000	2017 \$'000
Receivables	26	23
Less: Provision for impairment	(3)	(6)
	<u>23</u>	<u>17</u>
Other receivables	117	64
	<u>140</u>	<u>81</u>
Settled within 12 months	140	81
Settled in more than 12 months	-	-
	<u>140</u>	<u>81</u>

6.2 Plant, equipment and infrastructure

(i) Valuation basis

Infrastructure assets comprising of marine facilities and navigation aids, are held at fair value less accumulated depreciation. All other non-current physical assets are recorded at historic cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of infrastructure or plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant, equipment and infrastructure.

(ii) Subsequent costs

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

(iii) Asset recognition threshold

The asset capitalisation threshold adopted by the Authority is \$2,500. Assets valued at less than \$2,500 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

(iv) Revaluations

Infrastructure is grouped on the basis of having a similar nature or function in the operations of the Authority. Infrastructure is revalued every three years by independent experts to ensure the carrying amount does not vary significantly from its fair value.

(v) Construction and Work in Progress

Construction and work in progress is valued at cost. Cost includes both variable and fixed costs relating to specific contracts and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis.

(a) Carrying amount

	2018 \$'000	2017 \$'000
Navigation aids		
At fair value	2 178	1 216
Less accumulated depreciation	(1 254)	(531)
Total	924	685
Marine facilities		
At fair value	44 854	44 469
Less accumulated depreciation	(17 863)	(17 275)
Total	26 991	27 194
Plant and equipment		
At cost	1327	1 291
Less accumulated depreciation	(915)	(808)
Total	412	483
Work in progress (at cost)	158	12
Total plant, equipment and infrastructure	28 485	28 374

Valuations

Navigation Aids were revalued at 31 March 2018 by Australian Maritime Systems Ltd. Marine facilities, comprising jetties, wharves, launching ramps, breakwaters and training walls were valued at 31 May 2016 by Burbury Consulting.

Assets subject to revaluation are valued at their Current Replacement Cost. The current replacement cost is the amount that would be required to acquire or construct a substitute asset of comparable utility, adjusted for obsolescence.

The Authority assesses obsolescence at the end of each reporting period by an evaluation of conditions and events specific to the Authority that may be indicative of obsolescence. No assets have been recognised as obsolete in respect of Plant, Equipment and Infrastructure assets for the reporting period.

Because of the specialised nature of these assets, their valuations are based on inputs that are not observable and significant to the overall fair value measurement. These inputs are categorised as level 3 in a fair value hierarchy, which gives the highest priority to quoted process in active markets for identical assets (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

(b) Reconciliation of movements and level 3 fair value

Reconciliations of the carrying amounts of each class of Plant, Equipment and Infrastructure at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses. There were no transfers in and out of level 3 or gains or losses recognised in profit or loss or other comprehensive income relating to fair value measurements categorised within level 3 during the year.

2018	Navigation Aids Level 3	Marine Facilities Level 3	Plant & Equipment	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	685	27 194	483	12	28 374
Additions	26	765	36	157	984
Transfers from work in progress	-	-	-	(11)	(11)
Disposals	(4)	(78)	-	-	(82)
Revaluation	330	-	-	-	330
increments/(decrements)					
Depreciation expense	(113)	(890)	(107)	-	(1 110)
Carrying amount at 30 June	924	26 991	412	158	28 485

2017	Navigation Aids	Marine Facilities	Plant & Equipment	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	794	27 043	117	147	28 101
Additions	-	942	396	3	1,341
Transfers from work in progress	-	72	66	(138)	-
Disposals	(1)	-	-	-	(1)
Revaluation	-	-	-	-	-
increments/(decrements)					
Depreciation expense	(108)	(863)	(96)	-	(1,067)
Carrying amount at 30 June	685	27 194	483	12	28 374

6.3 Other assets

	2018 \$'000	2017 \$'000
Current:		
Prepayments	40	40
	40	40
Utilised within 12 months	40	40
Utilised in more than 12 months	-	-
	40	40

Note 7: Liabilities

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

7.1 Payables

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

Current:		
Trade creditors	440	85
Accrued expenses	158	79
	598	164
Settled within 12 months	598	164
Settled in more than 12 months	-	-
	598	164

Settlement is usually made within 30 days.

7.2 Employee Benefits

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

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

A liability for sick leave is not recognised as sick leave is non-vesting and because it is probable that sick leave expected to be taken in future reporting periods will be less than entitlements which are expected to accrue in those periods.

	2018 \$'000	2017 \$'000
Accrued salaries	33	32
Annual leave	147	111
Long service leave	316	305
Total	496	448
Settled within 12 months	426	360
Settled in more than 12 months	70	88
Total	496	448

7.3 Superannuation

The Authority does not recognise a liability for the accruing superannuation benefits of Authority employees. For employees who are members of the RBF contributory scheme, the liability is held centrally and is recognised within the Finance-General Division of the Department of Treasury and Finance. Superannuation contributions are made by the Authority to a number of complying superannuation funds and are charged as expenses when incurred. Contributions made on behalf of employees appointed on or after 15 May 1999 are made in accordance with the *Public Sector Superannuation Reform Act 1999*.

7.4 Other liabilities

Revenue received in advance	-	106
Employee benefits – on-costs	33	30
Total	33	136
Settled within 12 months	33	130
Settled in more than 12 months	-	6
Total	33	136

Revenue in advance for the prior year relates to payments received from commercial vessel operators for annual administration fees where the vessel anniversary date fell in 2017-18 financial year. These amounts were brought to account as revenue in 2017-18.

Note 8: Commitments and Contingencies

8.1 Schedule of commitments

By type	2018	2017
	\$'000	\$'000
<i>Lease Commitments</i>		
Operating leases	110	99
Property lease	634	669
<i>Total Lease commitments</i>	744	768
<i>Other commitments</i>		
Navigation Aid maintenance contract	1 095	-
Dunalley Jetty deck replacement	145	-
Managed IT Services	47	-
<i>Total other commitments</i>	1 287	-
Total	2 031	768
<i>By maturity</i>		
<i>Lease commitments</i>		
One year or less	206	184
From one to five years	538	575
More than five years	-	9
<i>Total lease commitments</i>	744	768
<i>Other commitments</i>		
One year or less	442	-
From one to five years	845	-
More than five years	-	-
<i>Total other commitments</i>	1 287	-
Total	2 031	768

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

The Authority does not hold any finance leases.

Lease Commitments

The Authority holds a property lease for its Hobart office. The lease is a non-cancellable lease with a seven-year term and due to expire in September 2023.

Motor vehicles are leased through the government's fleet manager over a standard thirty-six month or 60,000km lease period.

The Authority also has a number of leases for office equipment, which are non-cancellable with either a three or four-year terms. Rent is payable monthly. An option exists to renew the leases at the end of the term or purchase the equipment at fair market value.

Other commitments

During 2017-18 the Authority entered into a contract to replace the Dunalley Jetty deck. Work is expected to be completed in 2018-19 with a further \$145,000 to be paid under the contracted works.

The Authority entered into a 5-year contract for the maintenance of State owned Navigation Aids during the year. A total of \$1.09 million is contracted to be spent under the contract for planned and preventative maintenance.

A two-year Managed IT services contact was signed during the year with an expected \$47,000 to be paid for agreed services and various software licences.

There were no contingent assets or liabilities at year end.

8.2 Uncontracted committed expenditure

The Authority has committed in its forward estimates to continue the funding of community projects under the Recreational Boating Program (RBP) and marine infrastructure maintenance program. Projects are funded from revenue received from registration and licence fees. In addition, funds for incomplete projects and unspent facilities maintenance have been carried forward to 2017-18.

	2018 \$'000	2017 \$'000
By type		
RBP – Registration	911	478
RBP – Licence	357	807
St Helens – Navigation channel maintenance	1 100	1,021
Prosser River Entrance Stabilisation	191	1,195
Bridport Breakwater Extension	115	-
Woodbridge Jetty reconstruction	71	-
Facilities Maintenance	52	174
Total	2 797	3,675
By maturity		
One year or less	1 917	3,675
From one to five years	880	-
More than five years	-	-
Total	2 797	3,675

The uncontracted committed expenditure is in addition to the amounts shown in Note 8.1, and will be funded from cash and deposits as well as revenue to be received in future periods.

Uncontracted expenditure refers to forward budget estimates and has not been subject to audit.

Note 9: Reserves

2018	Navigation Aids \$'000	Marine Facilities \$'000	Total \$'000
Asset revaluation reserve			
Balance at 1 July 2016	1 079	15 567	16 646
Revaluation increments/(decrements)	330	-	330
Balance at 30 June 2017	1 409	15 567	16 976
2017	Navigation Aids \$'000	Marine Facilities \$'000	Total \$'000
Asset revaluation reserve			
Balance at 1 July 2016	1 079	15 567	16 646
Revaluation increments/(decrements)	-	-	-
Balance at 30 June 2017	1 079	15 567	16 646

(a) Nature and purpose of reserves

Asset Revaluation Reserve

The Asset Revaluation Reserve is used to record increments and decrements on the revaluation of Non-financial assets, as described in Note 6.2 (iv).

Note 10: Cash Flow Reconciliation

Cash and cash equivalents include cash on hand and deposits held at call with financial institutions.

Cash means notes, coins, any deposits held at call with a bank or financial institution. Deposits are recognised at amortised cost, being their face value

10.1 Cash and deposits

	2018 \$'000	2017 \$'000
Investment account – Westpac	372	94
Tascorp overnight deposit account	23	23
Tascorp cash index fund	6 256	5 704
Total cash and deposits	6 651	5 821

10.2 Reconciliation of net result to net cash from operating activities

Net result from transactions (net operating balance)	291	269
Depreciation	1 110	1 067
Take-on of non-financial assets at no cost	(306)	-
Net transfer to/from P&L re changes treatment for capital expenditure	7	55
(Gain) loss from sale of non-financial assets	82	1
(Increase) decrease in trade receivables	(42)	101
(Increase) decrease in prepayments	0	12
(Increase) decrease in tax assets	(17)	(8)
Increase (decrease) in payables	433	(98)
Increase (decrease) in other Liabilities	(103)	100
Increase (decrease) in employee benefits	48	(76)
Increase (decrease) in tax liabilities	2	14
Net cash from (used by) operating activities	1 505	1 437

Note 11: Financial Instruments

(a) Risk management policies

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

- credit risk;
- liquidity risk; and
- market risk.

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

(b) Credit risk exposures

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

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Receivables	The Authority has a debt management cycle where all outstanding debts are reviewed weekly. At 30th June, 12% of debtors were in excess of 30 days.	Normal credit terms are 30 days.
Cash and deposits	The Authority aims to maintain as positive cash balances equal to or greater than its liabilities. This target was met as at 30 th June 2018.	Cash means notes, coins and any deposits held at call with a bank or financial institution.

The carrying amount of financial assets recorded in the Financial Statements, net of any allowances for losses, represents the Authority's maximum exposure to credit risk without taking into account of any collateral or other security.

There has been no change to credit risk policy since the previous reporting period. Collectability of receivables is reviewed at balance date and a provision for impairment raised when collection of a debt is judged to be doubtful.

The Authority has no major customers and thus the credit risk is low. The following tables analyse financial assets that are past due but not impaired.

Analysis of financial assets that are past due at 30 June 2018 but not impaired				
	Not past due	Past due 30 days	Past due 60 days	Total
	\$'000	\$'000	\$'000	\$'000
Receivables	137	-	3	140

Analysis of financial assets that are past due at 30 June 2017 but not impaired				
	Not past due	Past due 30 days	Past due 60 days	Total
	\$'000	\$'000	\$'000	\$'000
Receivables	69	1	11	81

(c) Liquidity risk

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

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Liabilities Payables	The Authority, analyses its liquidity requirements daily via reconciliation of its operating bank account and analysis of upcoming accounts payable transactions. The Authority expects that all payables accrued as at 30 th June 2017 will be paid within 30 days.	The Authority pays within suppliers' credit terms. Where there are no credit terms specified payment is made within 30 days.

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

2018 Maturity analysis for financial liabilities								
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted total	Carrying amount
Financial liabilities	\$	\$	\$	\$	\$	\$	\$	\$
Payables	598	-	-	-	-	-	598	598
Total	598	-	-	-	-	-	598	598

2017 Maturity analysis for financial liabilities								
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted total	Carrying amount
Financial liabilities	\$	\$	\$	\$	\$	\$	\$	\$
Payables	164	-	-	-	-	-	164	164
Total	164	-	-	-	-	-	164	164

(d) Market risk

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

There has been no change to policies in relation to market risk since the previous reporting period.

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

	2018 \$'000	2017 \$'000
Variable rate instruments		
Financial assets	6,651	5,821
Total	6,651	5,821

Changes in variable rates of 100 basis points at reporting date would have the following effect on the Authority's profit or loss.

Sensitivity analysis of Authorities exposure to possible changes in interest rates				
	Statement Comprehensive Income		Equity	
	100 basis points increase \$	100 basis points decrease \$	100 basis points increase \$	100 basis points decrease \$
30 June 2018				
Financial asset – 1%	67	(67)	67	(67)
Net sensitivity	67	(67)	67	(67)
30 June 2017				
Financial asset – 1%	58	(58)	58	(58)
Net sensitivity	58	(58)	58	(58)

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2017.

Categories of financial assets and liabilities		
Financial assets		
Cash and cash equivalents	6,651	5,821
Loans and receivables	140	81
Total	6 791	5,902
Financial Liabilities		
Financial liabilities at amortised cost	598	164
Total	598	164

The carrying amount of these financial assets and liabilities approximates their fair value.

Note 12: Events Occurring After Balance Date

There have been no significant events subsequent to balance date which would materially alter the financial results shown in these statements.

Note 13: Other Significant Accounting Policies and Judgements

13.1 Objectives and funding

Marine and Safety Tasmania (Authority) seeks to be widely recognised as a proactive, approachable and knowledgeable organisation, carrying out the functions required by it under the *Marine and Safety Authority Act 1997*. These functions are to:

- ensure safe operations of vessels;
- to perform the functions delegated to it by the National Regulator;
- provide and manage marine facilities; and
- manage environmental issues relating to vessels.

The Authority reports to the Hon. Jeremy Rockliff, MP, Deputy Premier and Minister for Infrastructure. The supporting agency is the Department of State Growth (DSG).

The Authority is a Tasmanian Government non-for-profit entity that is largely self-funding with income derived from recreational boat registrations and licence fees. Income is also received from commercial vessel owners for the inspection of vessels and licensing of operators. These activities are largely fee for service.

An annual grant is received through the DSG and used for the maintenance and management of commercial marine facilities. Further funding from the Capital Investment Program, also through DSG is also received for specific rebuilding projects.

13.2 Basis of accounting

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

- Australian Accounting Standards issued by the Australian Accounting Standards Board and Interpretations;
- Marine and Safety Authority Act 1997; and
- Voluntary adoption of the majority of Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990*. The resulting partial compliance has no financial impact.

The Financial Statements were signed by the Board on 10 August 2018.

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

The Financial Statements are prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year except for those changes outlined in Note 13.4.

The Financial Statements have been prepared as a going concern. The continued existence of the Authority in its present form, undertaking its current activities, is dependent on Government policy and on the continued receipt of grants for the maintenance and rebuilding of government owned infrastructure.

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

13.3 Functional and presentation currency

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

13.4 Changes in accounting policies

(a) Impact of new and revised Accounting Standards

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

- *2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* – The objective of this Standard is to amend AASB 107 *Statement of Cash Flows* to require entities preparing statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This Standard applies to annual periods beginning on or after 1 January 2017. The impact is increased disclosure of financial activities in relation to cash flows and non-cash changes as shown at Note 14.5. There is no financial impact.
- *2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities* - The objective of this Standard is to amend AASB 136 *Impairment of Assets* to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities and to clarify that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 does not apply to such assets that are regularly revalued to fair value under the revaluation model in AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets*, and AASB 136 applies to such assets accounted for under the cost model in AASB 116 and AASB 138. This Standard applies to annual reporting periods beginning on or after 1 January 2017. The impact is enhanced disclosure in relation to non-cash-generating specialised assets of not-for-profit entities. There is no financial impact.

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

The following applicable Standards have been issued by the AASB and are yet to be applied:

- *AASB 15 Revenue from Contracts with Customers* – The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, an uncertainty of revenue and cash flows arising from a contract with a customer. In accordance with *2015-8 Amendments to Australian Accounting Standards - Effective Date of AASB 15*, this Standard applies to annual reporting periods beginning on or after 1 January 2018. Where an entity applies the Standard to an earlier annual reporting period, it will disclose that fact.

It is expected that there will be no financial impact as the majority of revenue received by the Authority comprises of non-contractual statutory income and grants from Government.

- **AASB 16 *Leases*** – The objective of this Standard is to introduce a single lessee accounting model and require a lessee to recognise assets and liabilities. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The standard will result in most of the Authority's operating leases being brought onto the Statement of Financial Position and additional note disclosures. The calculation of the lease liability will take into account appropriate discount rates, assumptions about the lease term, and required lease payments. A corresponding right to use assets will be recognised, which will be amortised over the term of the lease. There are limited exceptions relating to low-value assets and short-term leases with a term at commencement of less than 12 months. Operating lease costs will no longer be shown. The Statement of Comprehensive Income impact of the leases will be through amortisation and interest charges. The Authority's current operating lease costs is shown at note 4.2. In the Statement of Cash Flows lease payments will be shown as cash flows from financing activities instead of operating activities. Further information on the Authority's current operating lease position can be found at note 8.1.

The financial impact on adoption will result in an increase in assets of approximately \$0.5 million on recognition of right of use assets. This will be off-set by a commensurate increase in lease liabilities.

- **AASB 1058 *Income of Not-for-Profit Entities*** – The AASB has issued a new Australian accounting standard and implementation guidance on the recognition and measurement of income for not for profit (NFP) entities.

Where a transaction does not meet the requirements to be accounted for under AASB 15 as it is either not an enforceable contract or the performance obligations are not sufficiently specific, an NFP entity needs to assess whether the transaction should be accounted for under AASB 1058. Examples include cash and other assets received from grants, receipts of appropriations, receipt of taxes or fines and assets acquired for nominal or low amounts.

This Standard applies to annual reporting periods beginning on or after 1 January 2019.

The impact is enhanced disclosure in relation to income of not-for-profit entities. The financial impact is still being assessed in relation to boat licence, registration fees and government grants.

- **AASB 1059 *Service Concession Arrangements: Grantors*** – The objective of this Standard is to prescribe the accounting for a service concession arrangement by a grantor that is a public-sector entity. This Standard applies on or after 1 January 2019. The impact of this standard is enhanced disclosure in relation to service concession arrangements for grantors that are public sector entities. There will be no financial impact as the Authority does not enter into service concession arrangements with private sector operators.

(c) Voluntary changes in accounting policy

The Authority has not adopted any new accounting policies that impact on the Financial Statements.

13.6 Rounding

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. Where the result of expressing amounts to the nearest dollar would result in an amount of zero, the Financial Statements will contain a note expressing the amount to the nearest whole dollar.

13.7 Taxation

The Authority is exempt from all forms of taxation except Fringe Benefits Tax and the Goods and Services Tax.

13.8 Goods and services tax

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

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

13.9 Critical Accounting Estimates and Judgements

Estimates and judgments incorporated into the financial statements are based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained by externally and internally.

Note 14: Auditor's Remuneration

The Tasmanian Audit Office audits the accounts for the Authority. The total remuneration to the Tasmanian Audit Office exclusive of GST is:

	2018	2017
	\$	\$
Fees for Audit	15 550	14 950
Fees for other services	-	-
	15 550	14 950

DIRECTORS DECLARATION

In the opinion of the Directors of the Marine and Safety Authority:

(a) the financial statements and notes of the Authority comply with the *Marine and Safety Authority Act 1997*, including:

- (i) present fairly the results and cash flows for the 2017-18 financial year and the financial position as at 30th June 2018 of the Authority; and
- (ii) subject to the Treasurer's Instructions, complying with Australian Accounting Standards and Interpretations.

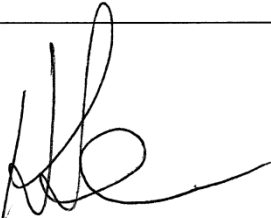
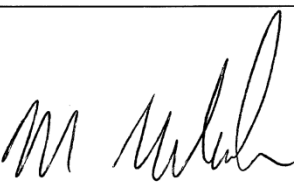
(b) There are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due.

This declaration has been made after receiving the following declaration from the Chief Executive Officer and Chief Financial Officer of the Authority:

- (i) the financial records of the Authority for the 2017-18 financial year have been properly maintained in accordance with the *Marine and Safety Authority Act 1997*;
- (ii) the financial statements, and notes comply with Australian Accounting Standards and Australian Accounting Interpretations adopted by the Australian Accounting Standards Board; and
- (iii) the financial statements and notes for the 2017-18 financial year present fairly.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors

	
Hughie Lewis Non-Executive Director and Acting Chair	Mark Nikolai Non-Executive Director
10 August 2018	10 August 2018

Independent Auditor's Report

To the Members of Parliament

Marine and Safety Authority

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Marine and Safety Authority (the Authority) which comprises the statement of financial position as at 30 June 2018 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the statement of certification by the directors.

In my opinion, the accompanying financial report:

- (a) presents fairly, in all material respects, the financial position of the Authority as at 30 June 2018 and its financial performance and its cash flows for the year then ended
- (a) is in accordance with the *Marine and Safety Authority Act 1997* and Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

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

Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Marine and Safety Authority Act 1997* and for such internal control as they determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority is to be dissolved by an Act of Parliament, or the directors intend to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based

on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



James Hay
Senior Manager Financial Audit Services
Delegate of the Auditor-General

Tasmanian Audit Office

20 August 2018
Hobart

