

ANNUAL REPORT

2016-17



MAST

MARINE and SAFETY TASMANIA
making boating better

Marine and Safety Tasmania

Annual Report 2016-17

Marine and Safety Tasmania
GPO Box 607 | Hobart | TAS | 7001

(03) 6235 8888
Email: admin@mast.tas.gov.au

An electronic version of this Report is available on the MAST website:
www.mast.tas.gov.au

Published October 2017

Marine and Safety Tasmania

Annual Report 2016-17

Letter to the Minister 3

MAST 4

At a Glance 5

Highlights and Challenges 6

The Year in Review 7

Our Strategy 9

Corporate Governance 34

Financial Statements 40

Letter to the Minister

10 October 2017

The Hon M.T. (Rene) Hidding MP
Minister for Infrastructure
Level 1, Franklin Square
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 2017.

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".

Sue Smith
Chair

MAST

Marine and Safety Tasmania (MAST) is a statutory authority that was established on 30 July 1997. The four primary functions of the Authority 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 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.

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



At a Glance



6,195

current holders of certificates of competency operating commercial vessels



1,662

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



30,377

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



4,361

registered moorings audited on a regular basis.



59,711

recreational boat licences, an average of 1.96 licence holders per boat.



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.



62

facilities managed across the State, consisting of 31 jetties, 18 boat ramps, 7 pontoons and 6 breakwaters



\$19.5 m

spent on upgrading over 458 facilities for the recreational boater since 1998 through the Recreational Boating and Licence Funds



Ongoing

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

Highlights and Challenges

In 2016-17 MAST

- Invested \$1.28 million in marine infrastructure across the State through the Recreational Boating and Licence Funds with contributions from local councils and Hydro Tasmania
- Educated 11992 Tasmanian students on boating safety through the Department of Education's Swimming and Water Safety Program
- Further expanded the VHF radio network through the provision of a base station at Barren Tier, providing extensive coverage of inland waters popular with fresh water anglers
- Introduced 33 Boat Safe and Paddle Safe Partners across the State ensuring retailers and dealers are educated on key safety requirements
- Further expanded the number of safety videos on YouTube by 10, bringing the total to 58
- Introduced a mooring GIS system that can be accessed by the public via the MAST website
- Finalised a review of the policy and regulatory framework governing the administration of moorings
- Published *Tassie's Boatwise Buddy* – a pocket guide to practical and safe boating in Tasmania

Our challenges included:

- The continued evolution of the National System for Domestic Commercial Vessels and balancing reform activities with "business as usual" activities
- The delay in the implementation of AMSA's centralised service delivery model for domestic commercial vessels until 1 July 2018 and the resultant resourcing implications
- Educating owners of inflatable life jackets on the importance of servicing these jackets in accordance with manufacturer's instructions

The Year in Review

This Annual Report records the achievements of Marine and Safety Tasmania (MAST) against the objectives contained in its Strategic Plan to improve safety on the water and the extensive range of activities that contribute to this progress.

As a safety organisation, MAST continues to educate recreational boaters and paddlers across the State. This year MAST has focused on the merits of properly fitted life jackets and the need to regularly service inflatable life jackets in accordance with the manufacturer's instructions. To assist with the education of recreational boaters, MAST has worked with industry to create 32 Boat Safe and Paddle Safe Partners across the State. This initiative is aimed at educating retailers and dealers on key safety requirements, therefore giving the public confidence when seeking to purchase recreational boats and safety equipment. MAST, with the assistance of the Department of Education, has also been actively engaging in the swimming and water safety program for Grades 3, 4 and 5. Schools have responded positively with a 50% increase in the number of schools involved. With the increase in commercial vessel activity in the Port of Hobart, MAST and Tasports have been working to educate recreational boaters, yacht clubs and rowing clubs on the importance of waterway communication procedures, 5 knot zones, restricted areas, vessels under pilotage and shipping courses.

Through the Recreational Boating and Licence Funds, boating infrastructure has been expanded and improved. Significant projects in 2016-17 included the upgraded access to the boat ramp at Port Sorell, contribution towards a new control room for Tas Maritime Radio, upgraded boat ramp and installation of



a pontoon at Windermere, improved access at Musselroe Bay and a significant contribution towards the upgrading of the Swansea boat ramp. Further enhancement of the VHF radio network has been completed with the establishment of a new Inland Waters VHF base station. Full VHF coverage is also available around the entire coast and across to Gabo Island, for boats heading to the east coast of the mainland.

The ongoing management of our waterways has involved the commencement of two significant projects this year – access to the Port of St Helens and stabilisation of the mouth of the Prosser River, Orford. Both projects received a large amount of funding from government and the approval processes were lengthy and complex. Stage 1 of the St Helens project, a 160 metre extension to the St Helens training wall, was completed in November 2016. This extension has increased the capacity of Blanche Beach, improving conditions on the nearby barway and minimising the amount of sand entering Georges Bay that contributed to the shoaling of navigation channels. Stage 2 of this project, the construction of groynes in the lower reaches of Georges Bay to concentrate the flow of water through one channel only, will commence in 2017-18. Work also commenced on the stabilisation of the mouth of the Prosser River, Orford, to ensure a safe access.

MAST undertook a mooring review and, after a number of rounds of public consultation, some regulatory changes will be made to

improve mooring management. MAST also developed a web-based mooring mapping system available for public use. The map graphically shows mooring positions and mooring permit numbers in various bays and rivers where moorings have been allowed.

With the expansion of marine farming, MAST has been working with the Department of Primary Industries, Parks, Water and Environment (DPIPWE) to ensure the containment of equipment and infrastructure within their marine farming leases is more closely monitored. DPIPWE has authorised MAST officers under the *Living Marine Resources Management Act 1995*. This authorisation will allow MAST officers to monitor and respond to breaches, in accordance with DPIPWE procedures, where marine farm equipment is found outside marine farm lease areas.

Engagement with our stakeholders is a priority for MAST and every opportunity is taken to educate and listen. MAST communicates through newsletters, social media and face to face engagement. Life jacket awareness days, Recreational Boating Forums and Flare and Safety Demonstrations continue to be well supported by recreational boaters throughout the year. MAST has also capitalised on the efficiency of Facebook and YouTube to educate boaters. *Tassie's Boatwise Buddy* was launched in December 2016. This publication is a pocket guide to practical and safe boating in Tasmania, printed on waterproof paper and available through MAST Boat Safe Partners across the State.

2016-17 provided significant challenges for MAST in a changing commercial vessel regulatory environment due to the ongoing implementation of the National System for Commercial Vessels (National System). In

anticipation of the Australian Maritime Safety Authority (AMSA) assuming service delivery for commercial vessels on 1 July 2018 a number of significant decisions were made by the Board including the relocation of offices in September 2016 and the cessation of vessel survey services from 1 February 2017. The Board has remained focused on how to assist the Tasmanian industry to transition to the new central service delivery arrangements and, by no longer providing survey services, allows the private sector surveyors and industry to be supported in the transition process. The Inter-Governmental Agreement on this commercial vessel safety reform sets out the administrative governance and funding arrangements for the National System. This Agreement requires jurisdictions to pay the costs of implementing the reform. Implementation of the National System and compliance with AMSA's delegation has resulted in significant ongoing costs for MAST.

The importance of good corporate governance documentation cannot be underestimated, particularly in times of change. The Board continues to be vigilant in this area ensuring regular reporting against risks, from both a strategic and operational perspective. Internal audits remain focused on key areas of risk and a new Strategic Plan has been approved for the next five years, effective from 1 July 2017.

Our sincere thanks to the MAST Board and staff for their positive contributions to the many and varied functions for which the Authority is responsible and for their relentless focus on achieving the best possible outcomes for all stakeholders against a background of change.

Sue Smith
Chair

Lia Morris
Chief Executive

Our Strategy

MAST's Strategic Plan focuses on objectives consistent with the long term vision of making our waterways safe and enjoyable for all users:

1. Safety of recreational vessels and users
2. Safety of commercial vessels, operators and passengers
3. Effective management of waterways
4. Provision and management of marine infrastructure
5. Continued engagement with stakeholders
6. Financial sustainability of the organisation



Objective 1

Safety of Recreational Vessels and Users



Objective 1 – Safety of Recreational Vessels and Users

Servicing of inflatable lifejackets

Through a variety of mediums, including articles in *Boatwise*, education nights, boat shows, YouTube, Facebook, email newsletters and life jacket awareness events, MAST has consistently engaged with stakeholders throughout 2016-17 on the importance and necessity of servicing inflatable life jackets together with periodic self-checks.

Since the wearing of life jackets became compulsory in 2001, MAST estimates in excess of 75% of the Tasmanian boating public is now wearing inflatable life jackets. It is essential that these are serviced in accordance with the manufacturer's recommendations as prescribed in legislation.

This year, to promote the importance of servicing inflatable life jackets and other boating safety equipment, MAST has worked with industry to introduce Boat Safe Partners. This initiative is aimed at educating retailers and dealers on key safety requirements and equipment, therefore giving the public confidence when seeking boating advice. MAST has set a number of criteria to become a Boat Safe Partner. MAST trains the retail and dealer staff and provides a package of information including a quick reference guide, swing tags with safety messages for their stock and branding that recognises them as partners of MAST.

MAST will continue to educate and alert the public on the requirement to purchase life jackets compliant with the applicable Australian Standard, AS 4758.1 and the servicing requirements for inflatable life jackets.

Schools Program

The Department of Education's Swimming and Water Safety Program (SWSP) continues to offer MAST opportunities to provide boating safety knowledge to Grade 3 to 6 students, through the Boat Safe program. This year the SWSP program exposed 11992 Tasmanian students to the BoatSafe program. MAST staff directly delivered Boat Safe training to over 3000 of these students. The number of schools visited by MAST has grown from 10 in 2015-16 to 27 in this reporting period. The regional MAST Boating Safety Officers have been instrumental in allowing MAST to increase the reach of this program and the SWSP state coordinators have also been pro-active in promoting MAST's involvement in the schools. This year MAST was invited to be part of the SWSP seminars held in February which presented an opportunity to talk directly to the teachers about involving MAST staff in the delivery of the boating safety section of the program.

MAST thanks all those involved in the Department of Education for their continued support and collaboration with this Boat Safe component of the SWSP. The SWSP is fundamental to the delivery of safety messages to the future recreational boaters of Tasmania.

Flare disposal

Flares are a requirement on all recreational boats in sheltered and coastal waters. Flares have a life of three years under the Australian Standard 2092 and the safe disposal of old flares has continually been an issue.

MAST has convened flare collection days monthly in the south over a number of years. However, collection on a statewide basis has been problematic and challenging, despite the generosity of marine dealers who have been willing to collect out of date flares for collection by MAST officers on a semi regular basis. MAST has also worked collaboratively with WorkSafe Tasmania to dispose of out of date flares, ensuring they do not end up in land fill sites or council refuse centres causing injury to those working on these sites.

A new arrangement has now been put in place. Volunteer Marine Rescue groups affiliated with Surf Life Saving Tasmania will now provide a collection point at seven locations around the State. The boating public is now able to drop expired flares off four times a year at each location for a small donation.

This service results in the recreational boater interacting with local volunteer rescue groups and provides the rescue groups with an opportunity to raise some funding to help run their services.

MAST thanks marine dealers for collecting flares over the years and also the Australian Maritime College for their continued support.

Kayaks and Canoes

The safety of paddlers has been a concern to MAST for some time. Over the last three years MAST, in conjunction with Surf Life Saving Tasmania, has been running a series of practical sessions called Paddle Safe. Local Councils have been engaged to help promote sessions in their areas with mixed success. The Paddle Safe program is now being scaled back as the original funding from the Tasmanian Water Safety Council has been expended. Future campaigns will focus on beach patrols.

This year MAST introduced Paddle Safe Partners. A number of kayak and canoe retailers across the State have received staff training and safety information in the form of retail swing tags, posters and safety equipment banners. This training and information enables their staff to inform the paddling public of safety requirements at the point of sale.

MAST has continued its education program in relation to lighting on kayaks and canoes as night paddling grows in popularity. On water checks have been held as well as checks at points of departure.

MAST thanks the paddling community for adhering to the legislation and ensuring that their chosen pursuit on the water is now safer.

Rowing

MAST continues to work with Rowing Tasmania on initiatives which promote the safety of this popular sport.

This year MAST and Rowing Tasmania developed a plan of the Tamar River which is now displayed in the various rowing clubs illustrating the correct side of the channel to row. MAST and Rowing Tasmania also commenced work on a plan to deliver a consistent approach to the lighting of rowing shells across the State.

Rowing is a popular sport in Tasmania involving many schools and it is essential a strong working relationship exists. MAST thanks the executive of Rowing Tasmania for its continued support.

Boatwise Buddy

MAST developed and published a ready reference guide book suitable for all boats called *Tassie's Boatwise Buddy*. The waterproof book is an informative manual for boaters in Tasmania with references to the Collision Regulations, safety equipment, speed over distance tables and other important information often needed when on the water.

The guide is sold in Boat Safe Partner outlets and has proven to be very popular.

The guide has also been sold to some interstate boaters and gained exposure in the popular "Afloat" magazine.

Recreational Boating Incidents

In accordance with the *Marine and Safety (Maritime Incidents) Regulations 2007*, it is the responsibility of an owner of a vessel involved in a marine incident to report it to MAST as soon as practicable.

There were 17 recreational incidents reported between 1 July 2016 and 30 June 2017. This was a slight increase on the previous year. It should be noted that whilst incidents are required to be reported, many recreational boaters are unaware of their obligations.

Fatalities

Regrettably seven recreational boating fatalities were recorded in Tasmania in 2016-17.

One incident resulted in the death of four males in the south of the state. In another incident a male was killed in a jet ski incident near Launceston and two others died when their boat capsized in the south of the state.

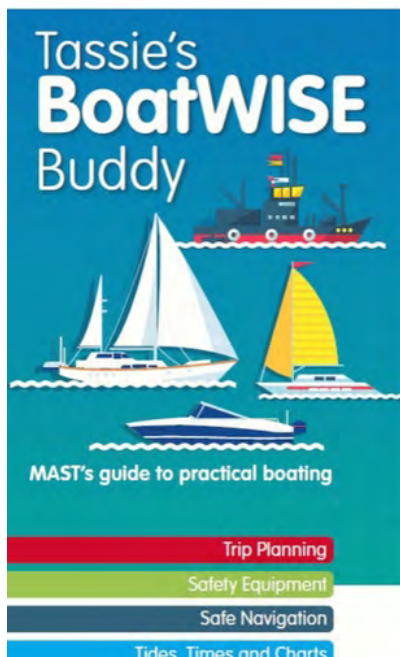
These fatalities are still before the Coroner.

MAST has undertaken an analysis of all fatalities since 2001 when the wearing of life jackets became compulsory. Key findings include:

- The average number of recreational fatalities in Tasmania is 2.4 per calendar year. This is a reduction from 6.34 per year in the period from 1978 to 2000.
- Of the 52 fatalities since 2001, 42 have been recreational and the remaining 10 relate to the commercial industry.

- Males account for 51 of these fatalities and the average age is 47.7 years.
- In excess of 51% of people involved in recreational fatalities were wearing life jackets. This percentage reflects the high compliance rate of wearing life jackets in Tasmania but also highlights the emerging issue of inadequate servicing of inflatable life jackets.
- Alcohol was detected in 25% of the fatalities.
- 78.8% of fatalities occurred in a saltwater environment

MAST will continue to work with stakeholders and promote education initiatives in an endeavour to see the number of fatalities decline further.



Objective 2

Safety of Commercial Vessels Operators and Passengers



Objective 2 – Safety of Commercial Vessels Operators and Passengers

The *Marine Safety (Domestic Commercial Vessel) National Law Act 2012* (National Law) was implemented on 1 July 2013 creating a single national maritime regulator, the Australian Maritime Safety Authority (AMSA).

MAST currently provides regulatory services to the Tasmanian commercial vessel sector as a delegate of AMSA. The Transport and Infrastructure Council agreed to implement a centralised service delivery model for these services by 1 July 2017, to be delivered by AMSA and accredited third party providers. In November 2016, the Transport and Industry Council postponed the implementation of this centralised service delivery model until 1 July 2018. In the interim, it is the responsibility of MAST as Delegate of the National Regulator to ensure that all commercial vessels are properly constructed, maintained and adequately manned with qualified personnel under the National Standard for Commercial Vessels (NSCV).

Existing Fleet and New Vessels

Tasmania has an active commercial vessel fleet, covering operations in aquaculture, tourism, the wild catch fisheries and port services. The total number of commercial vessels in Tasmania increased from 1604 on 30 June 2016 to 1662 on 30 June 2017.

Tasmania has a dynamic, innovative and expanding boat building industry, leading the country in the construction of new vessels for use in Tasmania, interstate and overseas. During 2016-17 a total of 78 additional vessels entered commercial survey in Tasmania.

Certificate of Survey

Under the National Law, MAST issues Certificates of Survey for commercial vessels. Periodic surveys are conducted to renew the certificate when it expires. The purpose of these surveys is to demonstrate that the vessel continues to meet standards.

AMSA's centralised service delivery model relies on private accredited surveyors to undertake periodic vessel surveys, plan approval and under construction surveys. This differs from previous arrangements where MAST employed surveyors undertook this work. To assist with a seamless transition to AMSA's service delivery model, the Board of MAST agreed that MAST should cease providing periodic vessel surveys for existing vessels plus plan approval and under construction surveys for new vessels. MAST ceased providing these services on 1 February 2017, allowing a gradual transition to the new private surveyor system, while maintaining resources to support industry. Under this new arrangement, MAST is still responsible for processing paperwork received by private accredited surveyors and issuing Certificates of Survey and other administrative tasks required by the National Law.

Certificates of Operation

The National Law requires all domestic commercial vessels to have a Certificate of Operation. A Certificate of Operation defines how an operation is undertaken, where it is undertaken, what vessels it can use and the manning requirements for those vessels. It also sets out the need for a Safety Management System.

Since the commencement of the National System, MAST continues to administer applications for and variations to Certificates of Operation.

Competent Commercial Crew

MAST issues Certificates of Competency in accordance with the NSCV Part D. MAST manages the issuing of Certificates of Competency through:

- Assessing evidence of sea service provided
- Ensuring that Registered Training Organisations (RTOs) delivering maritime training in Tasmania are doing so to an appropriate standard; and
- Ensuring that regulatory final assessments are undertaken to an appropriate standard by MAST approved examiners.

MAST has continued to work closely with industry and RTOs to develop a regulatory approach that streamlines the administrative burden for applicants, while ensuring the requirements of the National Law are met.

During 2016-17 MAST issued 389 new Certificates of Competency. Overall the number of current MAST issued Certificates of Competency has increased to 6195 Certificates.

Evolution of the National System

The National System for Domestic Commercial Vessels has presented many challenges to commercial operators as AMSA tries to find a unified approach to the safety requirements of domestic commercial vessels across Australia. This has resulted in many changes to Marine Orders and Exemptions under the National Law and amendments to the NSCV. These changes test both MAST and industry. MAST has endeavoured to maintain its high level of service to industry, despite the increasing demands on the diminishing number of staff in the commercial area as the organisation prepares to transition out of commercial vessel service delivery.

Commercial Vessel Incidents and Fatalities

In accordance with the *Maritime Safety (Domestic Commercial Vessel) National Law Act 2012* a vessel operator must provide a detailed written report within 72 hours of becoming aware of an incident.

During 2016-17 there were 28 incident reports received relating to domestic commercial vessels. Vessels under 35 metres accounted for 23 incidents and five related to vessels over 35 metres. Nine of these incidents related to a close quarters situation or vessels colliding.

Of the 28 reported incidents, two were investigated.

There were no fatalities recorded on commercial vessels during this period.



'Tommy Lyon' built by Richardson Devine Marine

Objective 3

Effective Management of Waterways



Objective 3 – Effective Management of Waterways

Access to Georges Bay

Access to the Port of St Helens has been a longstanding issue. Whilst MAST undertakes major works to provide a long term solution, access is maintained through agitation dredging of the channel adjacent to Pelican Point. This was undertaken several times throughout the reporting period. Whilst an interim measure, it is a cost-effective solution until the major works are completed.

Mooring Audits

MAST manages 4361 mooring permits across the state. Mooring audits are conducted on a regular basis with the intention of covering all mooring areas around the state at least once every three years.

After an area has been audited, letters are sent to the mooring permit holders whose moorings either require a service or are not in the water. The area is checked again for compliance within sixty days. Any mooring permits not returned to the surface are revoked and permits requiring servicing may be issued with an infringement notice.

The areas audited this year included the lower River Derwent, Tamar River, parts of the D'Entrecasteaux Channel, Huon River, Port Sorell, the Tasman Peninsula and upper River Derwent.

Denison Canal - Marion Narrows

MAST continues to monitor the Denison Canal and Marion Narrows which is used by recreational and smaller commercial vessels.

The chartlet was updated at regular intervals during the year for those transiting the Marion Narrows area providing guidance for those entering and leaving Marion Bay, east of the "narrows". The Norfolk Bay end of the Denison Canal continues to be monitored after dredging last year.

Marine farming

MAST has been working constructively with Tassal and Huon Aquaculture to achieve better lighting on marine farm leases, especially in the popular southern section of the D'Entrecasteaux Channel area between Southport and Huon Island. This program will be fully implemented in 2017-18 and will result in corner marks of each lease simultaneously lit with the same flash code. Each lease will flash at different times. This lighting will make it easier to distinguish between leases when navigating at night.

This year, two MAST officers were authorised by the Department of Primary Industries, Parks, Water and Environment (DPIPWE) under the *Living Marine Resources Management Act 1995* to monitor and respond to marine farm debris outside leases in accordance with DPIPWE procedures. These appointments follow concerns expressed by MAST over a long period of time regarding marine farm debris outside lease areas and the dangers this presents to navigation.

MAST also continues to provide advice to DPIPW on the placement of corner marks of marine farm leases to ensure safe navigation. MAST has been providing this advice since its formation in 1997.

Prosser River Mouth Stabilisation

Significant design work and approvals for the stabilisation of the Prosser River mouth were completed this year. The design work included 3D modelling of a southern route that was agreed to in consultation with Birdlife Tasmania with the assistance of the Resource Management and Planning Appeals Tribunal after an appeal to the Glamorgan Spring Bay Council Development Approval was lodged.

All Council and Parks and Wildlife Service approvals were gained this year ready for works to commence in 2017-18.

The Government has committed \$800 000 towards this \$1.3 million project with the remaining funds provided by MAST and Glamorgan Spring Bay Council.

Derelict vessels

Derelict and abandoned vessels on moorings are an emerging issue.

MAST has taken a pro-active position, identifying at risk vessels during mooring audits and contacting mooring permit holders. Several mooring permit holders have been contacted during the course of the year and the vessels either removed from the water or repairs carried out.

Ports and Pilotage

During the year MAST conducted the annual audit of Tasports to monitor the manner in which it conducts pilotage and other navigational safety tasks within commercial port areas.

MAST is responsible for the issuing of Pilot Licences. Eleven licences were issued to operate within Tasmanian ports in 2016-17.

During the reporting period MAST finalised the review of the *Marine and Safety (Pilotage and Navigation) Regulations 2007* and worked closely with Tasports and yacht clubs in the Hobart area to ensure there is a clear set of processes in place when yacht racing is conducted on the River Derwent. This followed a near miss between a vessel under pilotage and a fleet of junior sailors.

A set of procedures has been developed and distributed to clubs clearly outlining and defining the requirements for clubs prior to setting any race buoys. Prior to each season clubs will now provide Tasports a list of their events and regattas. On each race day a club official will contact Tasports to assess if there is any shipping movements and at what time. This will give the clubs an opportunity to amend or set courses in different parts of the River. All clubs involved have agreed to the procedures which will enhance boating safety and ensure the clear passage of vessels under pilotage control. As an on-going commitment the clubs, MAST and Tasports will meet prior to each sailing season to discuss changes to the procedures if necessary.



Prosser River Mouth
Stabilisation



'Ovation of the Seas' -
Port of Hobart



Mooring Audits



Derelict vessels
on moorings



Marine Farm Markers



Marine Farming

Objective 4

Provision and Management of Marine Infrastructure



Objective 4 – Provision and Management of Marine Infrastructure

Recreational Boating Fund and Licence Fund Projects

Marine infrastructure and facility upgrades give MAST an important relationship with local boating communities, Councils and facility owners. These upgrades are funded from the annual recreational boating registration fees (Recreational Boating Fund - RBF) and the triennial licence fees (Licence Fund).

The relationships have lasting benefits from a safety point of view as well as providing well designed facilities that meet engineering standards and user expectations. The RBF process, whilst simple, is very effective. The boating public is able to apply for funding for upgrades to their favourite facility or even a new navigation aid to mark the many hazards around our coastline.

These applications are discussed at public forums and the proponent and general public are invited to make comment on each proposal. After the public meetings the MAST Board meets and makes recommendations regarding what applications and projects should receive funding.

Last year \$1.28 million was spent on projects through this funding process and MAST thanks those Councils who made a financial commitment together with Hydro Tasmania for its on-going support for inland boating facilities.

Projects completed this year included:-

- Cam River pontoon
- Cruising Moorings at Flinders Island locations
- Port Sorell Car Park improvements
- Musselroe Boat access
- Windermere Ramp and Pontoon
- Meadowbank Lake Walkway
- Longford landing stage
- Huon River navigation aids

The amount spent on recreational boating infrastructure since 1998 now exceeds \$19.5 million. Improved infrastructure and services from the Recreational Boating and Licence Funds continues to be embraced by the boating public.



MAST Owned Infrastructure

MAST owned infrastructure continues to be actively managed in accordance with a maintenance schedule which is formulated from MAST's structural audits that are undertaken every three years with the aid of engineers and divers. The most recent audit was completed late in 2015-16 resulting in a maintenance program until early 2019. Significant work was undertaken this year on the Bridport and Woodbridge jetties to extend their residual life until programmed replacement occurs in 2017-18 and 2018-19 respectively. Pile repairs were also undertaken on the Dennes Point Jetty.

Aids to Navigation

MAST continues to manage 293 aids to navigation around the State ensuring these aids operate at a high level of reliability through a comprehensive maintenance program.

St Helens Training Wall Extension

To address the access issue to the Port of St Helens, MAST, in conjunction with the Barway Committee, developed plans for \$2.278 million of priority works to minimise the amount of sand entering Georges Bay and to maintain adequate depth for navigation in the lower reaches of Georges Bay. Stage 1 of the project consists of the extension to the outer training wall with Stage 2 covering the construction of groynes in the lower reaches of Georges Bay. To facilitate these priority works, the Government provided \$1.178 million. The remaining funds required for the project have been provided by MAST and Break O'Day Council.

This year the length of the training wall was extended by 160 metres. The objective of the extension was to increase the capacity for the accretion of sand on Blanche Beach. Sand entering Georges Bay now accretes on the beach rather than entering Georges Bay and shoaling the navigation channels or accumulating on the barway where additional sand would result in a deterioration of conditions for transiting vessels. The addition of the training wall has also seen an increase in tidal flow adjacent to the extension, resulting in an increase in depth to this area of the navigation channel.

During the reporting period design work for Stage 2 of this project also commenced.



St Helens
Training Wall

Maintenance of
Navigation Aids



Marine Communications

In 2016-17 MAST continued to provide resources to maintain and expand the extensive marine communications network throughout the State run by a small 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 this network that enhances boating safety in Tasmania.

A contribution of \$40,000 was provided to Tas Maritime Radio (TMR) via the Recreational Boating Fund towards the construction of a new Operations Centre to be built at the existing site on the Domain. The new purpose-built Operations Centre, once completed, should serve TMR well into the future and provide updated operator facilities including meeting and training areas.

A new VHF base-station went live during the year. Located at Barren Tier, near Miena, the site gives extensive coverage of inland waters popular with fresh water anglers. The site is monitored by TMR volunteers 24/7 and was made possible through generous support from Telstra and Tas Networks staff.

Work commenced in late June to upgrade the Mt Maria VHF base. Mt Maria is a joint site with a number of users, managed by the Department of Police, Fire and Emergency Management.



The marine communications equipment located at the site is an essential part of the state-wide network and the upgrade, due to be completed in early 2017-18, will provide reliable communications into the future.

After close to 15 years of dedicated service, TasPorts withdrew from providing after-hours distress monitoring services for the state-wide VHF network due to operational reasons. TMR engaged Golden Electronics to provide this essential monitoring service from 30 June 2017.

Objective 5

Continued Engagement with Stakeholders



Objective 5 – Continued Engagement with Stakeholders

MAST continues to communicate with its stakeholders via the biannual *Boatwise* publication, regular e-newsletters, YouTube and the MAST website and Facebook page. MAST has in excess of 6,350 followers on Facebook and social media has proved beneficial in being able to relay Notices to Mariners and safety messages to the wider public promptly and efficiently. For example, this year a Facebook post in relation to people tampering with boat trailers reached 56,000 people. MAST also expanded the number of safety videos on YouTube bringing the total to 58.

Agfest/Liawenee/Tasmanian Outdoor Show

MAST was again present at these shows with an emphasis on the servicing of inflatable life jackets and cold water immersion. A number of mannequins were purchased to display inflatable life jacket types and to demonstrate the common problems experienced with these jackets.

Life Jacket Awareness

MAST has continued the popular life jacket awareness sessions. Displays were held in Launceston, Queenstown, Triabunna, Lindisfarne and Bruny Island.

These displays involve MAST staff trialling a variety of life jackets in clothing that may be worn when boating and assessing the effectiveness of these life jackets in a number of scenarios. The outcomes have assisted MAST in educating the boating public on the buoyancy required under different circumstances and the need for a properly fitted life jacket.



Mooring GIS

This year MAST introduced a web based mooring mapping system that can be accessed by the general public via the MAST website. This mooring mapping system graphically depicts mooring positions and mooring permit numbers in the various bays and rivers where moorings have been permitted.



Boat ramp checks

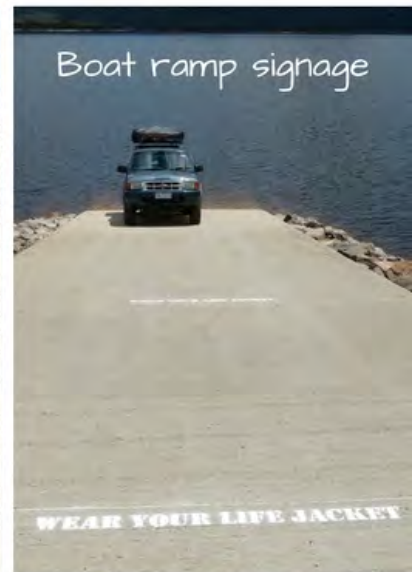
An important aspect of MAST work is to conduct safety checks at boat ramps around the state. MAST has a number of casual staff covering the north and east coast as far south as Bicheno. The rest of the state is covered by MAST full time staff. Safety checks are also carried out by the Marine Division of Tasmania Police together with trained authorised officers from Inland Fisheries Service, Parks and Wildlife Service and Surf Life Saving Tasmania.

A goal of this year was to carry out checks in remote areas of the state. Places visited included Macquarie Heads, Corinna, Couta Rocks and Nelson Bay on the West Coast, Cockle Bay in the far South and areas such as Waterhouse, Petal Point, Blizzards Landing and other popular camping areas in the north east between Bridport and St Helens. A major concern at these locations was the lack of knowledge in relation to the servicing of inflatable life jackets. Consequently MAST provided “service your inflatable life jacket” signage at the majority of boat ramps across the State.

Boatwise nights

In addition to other major events MAST also held a number of boatWise education nights during the year. In total 18 were held at various locations around the state including Port Sorell, Nubeena, Bruny Island, Cygnet and Deloraine.

The events give recreational boaters the opportunity to learn about life jacket servicing and checking and other essential safety information. In addition it enables MAST to receive important feedback from stakeholders and gives the boating public an opportunity to ask questions of MAST. This feedback is important and helps MAST in prioritising its strategies and forward planning.



Objective 6

Financial Sustainability of the Organisation



Objective 6 - Financial Sustainability of the Organisation

The role of the Administration Branch is to contribute to the Vision, Mission and Objectives of MAST by providing support services to other branches within the Authority. These support services include:

- Human resource management services including payroll, leave management and conditions of service;
- Financial management services including budgeting, accounting and asset management and administrative services, such as facilities management and reception services;
- Information management and corporate communications including Internet site management and records management;
- Management and support of MAST's information systems and supporting information technology and infrastructure; and
- Corporate Planning Services, including development and monitoring of strategic and branch operating plans.

Ongoing improvements made to MAST's IT infrastructure have provided improved levels of system redundancy and data security. Functional improvements to MAST data-base systems have resulted in productivity improvements.

In September 2016 MAST relocated to the Port Tower Building from Franklin Wharf. This was due to a number of factors including the expiry of the Franklin Wharf lease, the transition out of commercial vessel service delivery and the need for offices that better suited MAST's needs.

Since MAST was established, the administration area has faced many challenges mainly brought about by the almost doubling of our client base, and in more recent times, the changing regulatory environment surrounding commercial vessels. Most tasks could not have been conducted to the current high level without the dedication of staff, implementation of streamlined processes and continued development of IT systems. As at 30 June 2017, MAST had 17.3 Full Time Equivalents (FTEs) compared with 20.2 FTEs in 2015-16. This reduction in FTEs is a direct consequence of the transition to AMSA's centralised service delivery model for commercial vessels services.



Corporate Governance

Role of the Board

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.

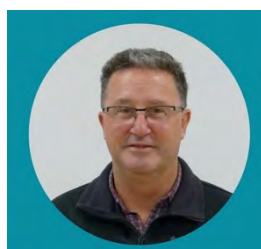
The membership of the Board during the 2016-17 financial year was -

- Sue Smith - Chair
- Mark Nikolai
- Neil Stump
- Hughie Lewis
- Lia Morris



Sue Smith

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, Commissioner Glenorchy City Council and a Member of Local Government Code of Conduct Panel.



Mark Nikolai

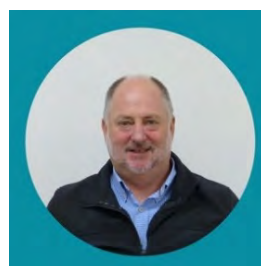
Mark commenced as TARFish CEO in 2008 and is an avid fisherman in freshwater and saltwater. He is an experienced senior manager with over 20 years' extensive, practical hands on experience in large, medium and small Australian organisations. Combined with this extensive experience Mark has attained a 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.



Hughie Lewis

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.



Neil Stump

Neil is currently the Executive Officer of Oysters Tasmania and was previously the Chief Executive of the Tasmanian Seafood Industry Council for nine 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.



Lia Morris

Lia Morris 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 18 years of experience in senior management roles.

Lia has worked in local government, the private sector and with the Housing Industry Association (HIA).

The Board of Directors met on six occasions during the Financial Year.

	9 August	7 October	25 November	10 February	6 April	9 June
Sue Smith	✓	✓	✓	✓	✓	✓
Hughie Lewis	✓	✗	✓	✓	✓	✓
Mark Nikolai	✓	✓	✓	✓	✓	✓
Neil Stump	✓	✓	✓	✓	✓	✓
Lia Morris	✓	✓	✓	✓	✓	✓

Internal Audit and Risk Management

Deloitte Touche Tohmatsu was reappointed until 31 December 2018 to provide internal audit and risk management services to the Board of MAST.

Internal Audit activity includes testing the adequacy and effectiveness of MAST's systems of management, internal control and the management of financial and operational risk. Internal Audit activity is directed to the areas of heightened risk identified in the MAST Risk Register.

The Board reviewed and considered a number of internal audit reports that were completed during the year, 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.

Integrity Commission Act 2009

Under Section 32 of the Integrity Commission Act 2009, MAST is required to ensure staff are given the appropriate training in relation to ethical conduct. MAST is committed to ongoing provision of this training.

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

MAST has adopted a revised set of Public Interest Disclosure procedures 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.

Public Interest Disclosures 2016-17	
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

Legislation

The following legislation came into force in the 2016-17 reporting period:

- *Marine and Safety (Motor Boats and Licences) Amendment By-Laws 2016*

Right to Information Act 2009

The *Right to Information Act 2009* (RTI Act) commenced on 1 July 2010 and provides for greater access to information held by government bodies. There were three application requests received under the *Right to Information Act 2009* for the financial year 2016-17.

You have the right to request any information held by MAST. Where we can we will give you this information at no cost. However, some sensitive information, such as personal or business information, may need more formal assessment before we decide whether it can be released.

Much of our information is available on our website, www.mast.tas.gov.au or you may contact us directly on (03) 6235 8888.

If you wish for your request to be treated as an RTI request, you may contact our Right to Information Office directly at:

Marine and Safety Tasmania
GPO Box 607
HOBART TAS 7001

Or email: admin@mast.tas.gov.au

Policies and forms are available on our website to assist you in accessing information from MAST.

Financial Statements

for the year ended
30 June 2017



Statement of Comprehensive Income

for the year ended 30 June 2017

	Note	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
Continuing operations				
Revenue and other income from transactions	3			
Commercial vessels		730	968	1,131
Certificates of competency		293	292	353
Recreational boating		2,350	2,701	3,604
Moorings		373	354	354
State Government grants	3.1	1,592	1,892	2,092
Interest		67	112	137
Other income		144	369	170
Total revenue and other income from transactions		5,549	6,688	7,841
Expenses from transactions				
Employee expenses	4.1	2,213	2,209	2,384
Supplies and consumables	4.2	1,554	1,144	1,496
Facilities maintenance	4.3	886	529	550
Recreational boating funding program	4.4	1,400	1,308	1,070
Depreciation charges	4.5	912	1,067	946
Other expenses	4.6	183	161	169
Total expenses from transactions		7,148	6,418	6,615
Net result from transactions (net operating balance)		(1,599)	270	1,226
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	5	-	(1)	-
Total other economic flows included in net result		-	(1)	-
Net result from continuing operations		(1,599)	269	1,226
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation reserve	9	-	-	3,557
Total other comprehensive income		-	-	3,557
Comprehensive result		(1,599)	269	4,783

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 2017

	Note	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash & deposits	8.2, 10.1	1,009	5,821	5,781
Receivables	6.1	142	81	174
<i>Non-financial assets</i>				
Other assets	6.3	39	40	51
Property, plant & infrastructure	6.2	24,731	28,374	28,101
Total assets		25,921	34,316	34,107
Liabilities				
Payables	7.1	343	164	247
Other liabilities	7.4	36	136	36
Employee benefits	7.2	719	448	525
Total liabilities		1,098	748	808
Net assets		24,823	33,568	33,299
Equity				
Contributed capital		9,939	9,939	9,939
Reserves	9	13,089	16,646	16,646
Accumulated funds		1,795	6,983	6,714
Total equity		24,823	33,568	33,299

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 2017

	Note	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
Cash flows from operating activities				
Cash inflows				
Grants from State Government		1,592	1,892	2,092
Sales of goods and services		3,702	4,638	5,458
GST receipts		403	510	445
Interest received		67	112	137
Other cash receipts		188	369	170
Total cash inflows		5,952	7,520	8,302
Cash outflows				
Employee benefits		(1,984)	(2,285)	(2,398)
GST payments		(391)	(529)	(450)
Supplies and consumables		(1,749)	(1,319)	(1,606)
Facilities maintenance		(886)	(529)	(550)
Recreational boating funding program		(1,400)	(1,253)	(1,070)
Other cash payments		(183)	(168)	(168)
Total cash outflows		(6,593)	(6,083)	(6,242)
Net cash from/(used by) operating activities	10.2	(641)	1,437	2,060
Cash flows from investing activities				
Receipts of non-operational capital grants		-	-	-
Proceeds from disposal of non-financial assets		-	-	-
Payments for non-financial assets		(589)	(1,397)	(296)
Net cash from/(used by) investing activities		(589)	(1,397)	(296)
Net increase/(decrease) in cash and cash equivalents held		(1,230)	40	1,764
Cash and cash equivalents held at the beginning of the reporting period		2,239	5,781	4,017
Cash and cash equivalents held at the end of the reporting period		1,009	5,821	5,781

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 2017

	Contributed Equity \$'000	Accumulated Funds \$'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

	Contributed Equity \$'000	Accumulated Results \$'000	Reserves \$'000	Total Equity \$'000
Balance as at 1 July 2015	9,939	5,488	13,089	28,516
Comprehensive result	-	1,226	3,557	4,783
Balance at 30 June 2016	9,939	6,714	16,646	33,299

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 2017

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)	730	968	238	33
Recreational boating	(b)	2,350	2,701	351	15
Grants from State	(c)	1,592	1,892	300	19
Government					
Interest	(d)	67	112	45	67
Other income	(e)	144	369	225	156
Supplies and consumables	(f)	1,554	1,144	(410)	(26)
Facilities maintenance	(g)	886	529	(357)	(40)
Depreciation charges	(h)	912	1,067	155	17
Other expenses	(i)	183	161	(22)	(12)

Notes to Statement of Comprehensive Income variances.

- (a) The budget was based on the assumption that the Authority was set to exit commercial vessel operations from 1 July 2017. As a consequence of a Transport Infrastructure Council decision to delay by 12 months the transfer of service delivery to the National Regulator, annual administration fees that were anticipated to reduce during the year were charged at the full rate. The increase was offset somewhat due to exit of in-field survey inspections on 31 January 2017 with a subsequent reduction in income from related activities.
- (b) Income from recreational boating activities were better than budget expectations due to stronger than anticipated registration renewals as well as non-budget contributions received for Recreational Boating Fund projects. Licence revenue was also better than budget.
- (c) An additional Grant of \$300,000 was received from Government towards the Prosser River entrance stabilisation project that will be completed in 2017-18.
- (d) Higher than original budget estimates due to timing differences for completion of infrastructure and recreational boating fund projects.
- (e) The positive variance results from a \$200,000 contribution from Break O'Day Council towards the extension of the St Helens Training Wall. The contribution was originally budgeted for 2015-16.
- (f) A number of budget allowances were not required during the reporting period. Significant contributions towards the variance include savings in property services as a result of the MAST office relocation during the year as well as contributions to the National Regulator for commercial operations less than originally budgeted. Savings were made in advertising and promotions as well as travel and transport costs.
- (g) The main contributor to the variance was for the planned stage 2 works at St Helens. Unspent funds on this project as well as underspends in other facility maintenance will be carried-forward to 2017-18.
- (h) Depreciation charges higher than budget due to actual costs based on revised carrying costs stemming from revaluations conducted in June 2016.
- (i) Budget allowances for a number of line items were not fully used during the year.

Includes expected legal costs that were not incurred as a result of the 12 month delay for transfer of service delivery to the Commonwealth for commercial vessel activities.

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)	1,009	5,821	4,812	477
Receivables	(b)	142	81	(61)	(43)
Property Plant & Infrastructure	(c)	24,731	28,374	3,643	15
Payables	(d)	343	164	(179)	(52)
Other liabilities	(e)	36	136	100	278
Employee benefits	(f)	719	448	(271)	(38)
Reserves	(g)	13,089	16,646	3,557	27
Accumulated funds	(h)	1,795	6,983	5,188	289

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 were delayed due to planning and environmental approvals or waiting on confirmation of external funding.

In addition, positive variances from various items of income and expenditure have contributed to the cash balance at the end of the year. Significant budgeted projects still to be completed include stage 2 of the St Helens project, stabilisation works at Prosser River and various projects under the Recreational Boating Fund including the Swansea ramp.

Funds for incomplete projects have been carried forward to 2017-18.

- (b) The receivables variance to budget is due to a change in the way commercial vessel income billed. With the exit from in-field survey inspections on 31 January 2016, invoices are no longer issued after the work is complete resulting in a reduction of debtor balances.
- (c) Increase in Property Plant & Infrastructure relates to the revaluation of marine facilities in May 2016. Revaluation amounts were adopted after the 2016-17 budget was prepared.
- (d) The Payables variance is due to the timing of receipt of trade creditors invoices compared to the anticipated budget.
- (e) Other liabilities are more than budget due to a change in arrangements for the recognition of revenue from commercial vessels. At year end, \$105,709 was received in commercial vessel administration fees relating to future service periods. These amounts will be brought to account as revenue in line with vessel anniversary

dates during 2017-18.

- (f) Employee benefits are less than budget due to a reduction of staff involved in the commercial sector during the year as a result of the national reform. The original budget anticipated that the reduction if staff would take place in early 2017-18.
- (g) Reserves are higher than budget due to revaluations as explained at (c) above.
- (h) 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)	1,592	1,892	300	19
Sales of goods and services	(b)	3,702	4,638	936	25
GST receipts	(c)	403	510	107	26
Interest Received	(d)	67	112	45	67
Other cash receipts	(e)	188	369	181	96
Employee Benefits	(f)	1,984	2,285	301	15
GST payments	(g)	391	529	138	35
Supplies and consumables	(h)	1,749	1319	(430)	(25)
Facilities	(i)	886	529	(357)	(40)
Maintenance					
Payments for non-financial assets	(j)	589	1,397	808	137

Notes to Statement of Cash Flows variances

- (a) An additional Grant of \$300,000 was received from Government towards the Prosser River entrance stabilisation project that will be completed in 2017-18.
- (b) Higher than budget expectations due to the impact of the 12 month delay for the transfer of commercial vessel service delivery to the Commonwealth as well as better than expected recreational licence and registration revenue.
- (c)
- (d) Higher than original budget estimates due to timing differences for completion of infrastructure and recreational boating fund projects.
- (e) The positive variance results from a \$200,000 contribution from Break O'Day Council towards the extension of the St Helens Training Wall. The contribution was originally budgeted for 2015-16.
- (f) Increase over budget relates to payments of entitlements to staff on separation as a result of early exit for commercial vessel survey inspection services.
- (g)
- (h) A number of budget allowances were not required during the reporting period. Significant contributions towards the variance include savings in property services as a result of the MAST office relocation during the year as well as contributions to the National Regulator for commercial operations less than originally budgeted. Savings were made in advertising and promotions as well as travel and transport costs.
- (i) The main contributor to the variance was for the planned stage 2 works at St Helens. Unspent funds on this project as well as underspends in other facility maintenance will be carried-forward to 2017-18.
- (j) Relates to the completion of the St Helens training wall extension that was originally due for completion in 2015-16.

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.

	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
Net result from transactions (net operating balance)	(1,599)	269	1,226
Less impact of Non-operational capital funding			
State Government Grants	589	589	589
Underlying Net operating balance	(2,188)	(320)	637

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.

	2017 \$'000	2016 \$'000
Marine Facilities – preventative maintenance	722	722
St Helens Dredging – ongoing maintenance	281	281
St Helens Barway Stabilisation	589	589
Prosser River Entrance Stabilisation	300	500
Total State Government Grants	1,892	2,092

3.2 Commercial vessel revenue

In preparation for the transition out of service delivery from the commercial vessel sector by 30 June 2018, the Authority ceased providing in-field vessel survey inspection services on 31 January 2017.

Prior to this date, the recovery of costs incurred was via the issue of an accounts receivable invoice after the delivery of survey services. Subsequent to this date, a change to billing arrangements for the Annual Administration fee has resulted in payments recognised as revenue in the month relating to the survey anniversary date of the vessel.

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

	2017	2016
	\$'000	\$'000
Wages and salaries	1,799	1,940
Annual leave	125	137
Long service leave	45	59
Superannuation	191	198
Board fees	49	50
Total	2,209	2,384

(b) Remuneration of key management personnel

2017	Short-term benefits		Long Term Benefits		Termination Benefits	Total
	Salary	Other Benefits	Superannuation	Other Benefits and Long Service Leave		
	\$'000	\$'000	\$'000	\$'000		
<i>Key management personnel</i>						
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

2016	Short-term benefits		Long Term Benefits		Termination Benefits \$'000	Total \$'000
	Salary	Other Benefits	Superannuation	Other Benefits and Long Service Leave		
	\$'000	\$'000	\$'000	\$'000		
<i>Key management personnel</i>						
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	188	26	18	12	-	244
William Batt, Chief Operating Officer	142	22	13	5	-	182
Peter Hopkins, General Manager – Recreational Boating Safety & Facilities	142	45	13	(1)	-	199
Peter Keyes, General Manager - Commercial Vessels	132	23	13	3	-	171
Total	649	116	62	19	-	846

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.

Mr H Lewis is a Director of Lewis Marine and the Authority. The Authority entered into an agreement with Lewis Marine for the use of boat storage facilities prior to Mr Lewis's appointment to the MAST Board.

The agreement allowed a rent free period of six years. The current agreement is due to expire in October 2017 and it is intended to enter into a lease agreement at market rates from that date.

4.2 Supplies and consumables

	2017	2016
	\$'000	\$'000
Advertising and promotion	179	256
Property services	160	273
Travel and transport	140	193
AMSA Contribution – Inter Governmental Agreement	121	120
Information technology	105	138
Communications	95	104
Insurance	80	78
Operating lease costs	35	30
Consultants	24	105
Other operating expenses	205	199
Total	1,144	1,496

4.3 Facilities maintenance

	2017 \$'000	2016 \$'000
Maintenance - Navigation aids	178	190
Maintenance – Jetties	101	115
Dredging – St Helens	112	140
Maintenance – Radio Equipment	45	47
Other	93	58
Total	529	550

4.4 Recreational boating fund program

Projects from registration fees	979	565
Projects from licence fees	329	505
Total	1,308	1,070

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	108	107
Marine facilities	863	773
Plant & equipment	96	66
Total	1,067	946

4.6 Other expenses

Employee on-costs	88	75
Legal expenses	3	2
Bank fees	28	40
Audit fees – internal audit	21	30
Audit fees – financial audit	20	18
Other	1	4
Total	161	169

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	(1)	-
Net gain/(loss) on disposal of Marine facilities	-	-
Net gain/(loss) on disposal of Plant & equipment	-	-
Total net gain/(loss) in non-financial assets	(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.

	2017 \$'000	2016 \$'000
Receivables	23	128
Less: Provision for impairment	(6)	(7)
	17	121
Other receivables	64	53
	81	174
Settled within 12 months	81	174
Settled in more than 12 months	-	-
	81	174

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

	2017 \$'000	2016 \$'000
Navigation aids		
At fair value	1,216	1,218
Less accumulated depreciation	(531)	(424)
Total	685	794
Marine facilities		
At fair value	44,469	43,455
Less accumulated depreciation	(17,275)	(16,412)
Total	27,194	27,043
Plant and equipment		
At cost	1,291	862
Less accumulated depreciation	(808)	(745)
Total	483	117
Work in progress (at cost)	12	147
Total plant, equipment and infrastructure	28,374	28,101

Valuations

Marine facilities, comprising jetties, wharves, launching ramps, breakwaters and training walls were valued at 31 May 2016 by Burbury Consulting. Navigation Aids were independently revalued at 31 May 2015 by Australian Maritime Systems Ltd. Revaluations are shown on a gross basis where a replacement cost basis of valuations has been used.

Assets are fair valued using the depreciated replacement cost approach.

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).

Plant and equipment is carried at cost.

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

(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.

2017	Navigation Aids Level 3	Marine Facilities Level 3	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

2016	Navigation Aids	Marine Facilities	Plant & Equipment	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	879	24,135	137	42	25,193
Additions	22	124	30	121	297
Transfers from work in progress	-	-	16	(16)	-
Disposals	-	-	-	-	-
Revaluation	-	3,557	-	-	3,557
increments/(decrements)					
Depreciation expense	(107)	(773)	(66)	-	(946)
Carrying amount at 30 June	794	27,043	117	147	28,101

6.3 Other assets

	2017 \$'000	2016 \$'000
Current:		
Prepayments	40	51
	40	51
Utilised within 12 months	40	51
Utilised in more than 12 months	-	-
	40	51

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.

	2017 \$'000	2016 \$'000
Current:		
Trade creditors	85	195
Accrued expenses	79	52
	164	247
Settled within 12 months	164	247
Settled in more than 12 months	-	-
	164	247

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.

Accrued salaries	32	26
Annual leave	111	134
Long service leave	305	365
Total	448	525
Settled within 12 months	360	189
Settled in more than 12 months	88	336
Total	448	525

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

	2017 \$'000	2016 \$'000
Revenue received in advance	106	-
Employee benefits – on-costs	30	36
Total	136	36
Settled within 12 months	129	13
Settled in more than 12 months	6	23
Total	136	36

Revenue in advance relates to payments received from commercial vessel operators for annual administration fees where the vessel anniversary date fall in 2017-18 financial year. These amounts will be recognised as revenue in 2017-18.

Note 8: Commitments and Contingencies

8.1 Schedule of commitments

By type

Lease Commitments

Operating leases	64	40
Property lease	669	39
Total Lease commitments	733	79

Other commitments

Navigation Aid maintenance contract	-	133
Total other commitments	-	133

Total	733	212
--------------	------------	------------

By maturity

Lease commitments

One year or less	149	56
From one to five years	575	22
More than five years	9	-
Total lease commitments	733	78

Other commitments

One year or less	-	134
From one to five years	-	-
More than five years	-	-
Total other commitments	-	134

Total	733	212
--------------	------------	------------

The Authority has entered into a number of operating lease agreements for property, plant and equipment, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease payments are charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property. The Authority does not hold any finance leases.

Lease Commitments

The Authority has a number of leases for office equipment, which are non-cancellable with either a three or four year term. 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.

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.

There were no capital commitments at year end.

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.

	2017 \$'000	2016 \$'000
By type		
RBP – Registration	478	1,382
RBP – Licence	807	1,249
St Helens stage 2 – Pelican Point Groyne	1,021	1,334
Prosser River Entrance Stabilisation	1,195	811
Facilities Maintenance	174	79
Total	3,675	4,855
By maturity		
One year or less	3,675	4,855
From one to five years	-	-
More than five years	-	-
Total	3,675	4,855

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

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
2016	Navigation Aids \$'000	Marine Facilities \$'000	Total \$'000
Asset revaluation reserve			
Balance at 1 July 2015	1,079	12,010	13,089
Revaluation increments/(decrements)	-	3,557	3,557
Balance at 30 June 2016	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

	2017	2016
	\$'000	\$'000
Investment account – Westpac	94	63
Tascorp overnight deposit account	23	23
Tascorp cash index fund	5,704	5,695
Total cash and deposits	5,821	5,781

10.2 Reconciliation of net result to net cash from operating activities

Net result from transactions (net operating balance)	269	1,226
Depreciation	1,067	946
Transfer of 2015-16 work in progress to P&L	55	-
(Gain) loss from sale of non-financial assets	1	-
(Increase) decrease in receivables	101	16
(Increase) decrease in prepayments	12	2
(Increase) decrease in tax assets	(8)	1
Increase (decrease) in payables	(98)	(100)
Increase (decrease) in other Liabilities	100	(1)
Increase (decrease) in employee benefits	(76)	(12)
Increase (decrease) in tax liabilities	14	(18)
Net cash from (used by) operating activities	1,437	2,060

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, 15% 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 2017.	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 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

Analysis of financial assets that are past due at 30 June 2016 but not impaired				
	Not past due	Past due 30 days	Past due 60 days	Total
	\$'000	\$'000	\$'000	\$'000
Receivables	159	8	7	174

(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:

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

2016		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	247	-	-	-	-	-	-	247	247
Total	247	-	-	-	-	-	-	247	247

(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:

	2017	2016
	\$'000	\$'000
Variable rate instruments		
Financial assets	5,821	5,781
Total	5,821	5,781

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 2017				
Financial asset – 1%	58	(58)	58	(58)
Net sensitivity	58	(58)	58	(58)
30 June 2016				
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 2016.

Categories of financial assets and liabilities	2017 \$'000	2016 \$'000
Financial assets		
Cash and cash equivalents	5,821	5,781
Loans and receivables	81	174
Total	5,902	5,955
Financial Liabilities		
Financial liabilities at amortised cost	164	247
Total	164	247

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.

The Authority signed a 5 year contract for the maintenance of State owned Navigation Aids with Remote Maintenance Systems on 1 July 2017. Total Contracted amount is \$1,284,140 (GST inclusive) over the term of the contract.

In preparation for the transition out of service delivery from the commercial vessel sector by 30 June 2018, annual administration fees payable by vessel owners will be progressively reduced throughout 2017-18. It is expected there will be a negative impact on revenue of approximately \$350,000 as a result.

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 Minister for Infrastructure, The Hon. MT Hidding, MP, and 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 11 August 2017.

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:

- 2015-6 Amendments to Australian Accounting Standards – *Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* – The objective of this Standard is to make amendments to AASB 124 *Related Party Disclosures* to extend the scope of that Standard to include not-for-profit public sector entities. This Standard applies to annual reporting periods beginning on or after 1 July 2016. The impact is increased disclosure in relation to related parties. There is no financial impact.
- 2015 10 Amendments to Australian Accounting Standards - *Effective Date of Amendments to AASB 10 and AASB 128* - The objective of this Standard is to make amendments to AASB 10 Consolidated Financial Statements and AASB 128 *Investments in Associates and Joint Ventures* as a consequence of the issuance of International Financial Reporting Standard *Effective Date of Amendment to IFRS 10 and IAS 28* by the International Accounting Standards Board in December 2015. This Standard applies to annual reporting periods beginning on or after 1 January 2016. The impact is a revised application date. There is no financial impact.

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

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

- AASB 9 *Financial Instruments* and 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) - the objective of these Standards is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant information to users of financial statements for their assessment of the amounts, timing, uncertainty of an entity's future cash flows, and to make amendments to various accounting standards as a consequence of the issuance of AASB 9. These standards apply to annual reporting periods beginning on or after 1 January 2018. The future impact is that any impairment losses will be recognised earlier and at more regular intervals. There will not be any financial impact.
- 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 AAS 15*, this Standard applies to not profit entities for annual reporting periods beginning on or after 1 January 2019. Where an entity applies

the Standard to an earlier annual reporting period, it shall disclose that fact. The financial impact is still being assessed.

- *2014-5 Amendments to Australian Accounting Standards arising from AASB 15* – The objective of this Standard is to make amendments to Australian Accounting Standards and Interpretations arising from the issuance of AASB 15 *Revenue from Contracts with Customers*. This Standard applies when AASB 15 is applied, except that the amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply to annual reporting periods beginning on or after 1 January 2018. This Standard shall be applied when AASB 15 is applied. The financial impact is still being assessed.
- *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 in relation to cash flows and non-cash changes.
- *2016-3 Amendments to Australian Accounting Standards - Clarifications to AASB 15* - The objective of this Standard is to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. This Standard applies to annual periods beginning on or after 1 January 2018. The impact is enhanced disclosure in relation to revenue. The financial impact is still being assessed.
- *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 for all leases with a term of more than 12 months, unless the underlying asset is of low value. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to leases. The financial impact is still being assessed.
- *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 and AASB 138, 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. The financial impact is still being assessed.

- AASB 1058 *Income of Not-for-Profit Entities* - The objective of this Standard is to establish principles for not-for-profit entities that apply to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives, and the receipt of volunteer services. 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. There will not be any financial impact.

(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.

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:

	2017	2016
	\$	\$
Fees for Audit	14,950	18,420
Fees for other services	-	-
	14,950	18,420

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 2016-17 financial year and the financial position as at 30th June 2017 of the Authority; and
- (ii) subject to the Treasurer's Instructions, complying with Australian Accounting Standards and Interpretations.


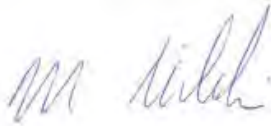
(b) There are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due.

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 2016-17 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 2016-17 financial year present fairly.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors

	
S Non-Executive Director and Chairman	Non-Executive Director
11 August 2017	11 August 2017

11 August 2017

Ms S Smith
Chairperson
Marine and Safety Tasmania
PO Box 607
HOBART TAS 7000

Dear Ms Smith

Marine and Safety Tasmania – Final Management Letter - Audit of Financial Report for the Year Ended 30 June 2017

The audit of the financial report for Marine and Safety Authority (the Authority) has been completed in accordance with the agreed client strategy. I have issued my audit report on the financial report, a copy of which is enclosed.

Audit Findings

Please find enclosed the final management letter, which sets out certain matters that came to the attention of my contractor during the 2016-17 audit and recommendations for improvements. My contractor and I have reviewed the matters raised with management whose written responses are included in the attached report.

You will appreciate that my normal audit procedures are designed primarily to enable me to form an opinion on the financial report as a whole and therefore do not necessarily bring to light at each audit all the weaknesses in internal control or accounting practice which a special investigation might do.

I have prepared this report solely for the use of the Authority. As you know, this report forms part of a continuing dialogue between the directors and the Auditor-General and, therefore, it is not intended to include every matter, whether large or small, that has come to my attention. For this reason I believe that it would be inappropriate for this report to be made available to third parties and, if such a third party were to obtain a copy without my prior written consent, I would not accept any responsibility for any reliance that they might place on it.

...1 of 2

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

Review of the Annual Report

Please will you forward to me a copy of the final draft of the Authority's annual report for review by my staff prior to its publication. This review will be conducted in accordance with Auditing Standard ASA 720 *The Auditor's Responsibilities Relating to Other Information* to identify any material inconsistencies between the financial report and other information disclosed in the annual report.

Appreciation is expressed for the assistance and co-operation provided to my staff during the course of the audit.

Please note that a copy of this letter together with the audit report and management report will be provided to the Minister for Infrastructure, The Hon M T Hidding MP in accordance with section 19(2) of the *Audit Act 2008*.

If you have any queries regarding the audit or any other matters, please contact me on 6173 0900.

Yours sincerely



Minyan Qiu
Acting Group Leader Financial Audit

Encl.

Copy for: Ms L Morris, Chief Executive Officer

...2 of 2

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector,
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference



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 2017 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 compliance by the directors.

In my opinion, the accompanying financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2017 and of its financial performance and its cash flows for the year then ended
- (b) 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.

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

...1 of 3

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

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 they either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Authority's financial reporting process.

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 directors' 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.

...2 of 3

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

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.



Minyan Qiu
Acting Group Leader Financial Audit
Delegate of the Auditor-General

Tasmanian Audit Office

11 August 2017
Hobart

...3 of 3

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

