

Annual Report



18/19

MAST

MARINE and SAFETY TASMANIA
making boating better

Marine and Safety Tasmania

Annual Report 2018-19

Marine and Safety Tasmania

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

www.mast.tas.gov.au

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Letter to the Minister

7 October 2019

Hon Michael Ferguson MP
Deputy Premier
Minister for Infrastructure and Transport
Salamanca Place
HOBART TAS 7000

Dear Minister

In accordance with the requirements of Section 28 of the *Marine and Safety Authority Act 1997* I am pleased to submit for your information and presentation to Parliament the Annual Report of the Authority for the year ended 30 June 2019.

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.

Yours sincerely,

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

Sue Smith
Chair



At a Glance

30,949

**REGISTERED
RECREATIONAL
VESSELS**

*each boat used 17.9
times per year with an
average trip time of
four hours*

60,545

**RECREATIONAL BOAT
LICENCES**

*an average
of two licence holders
per boat*

1,282

COMMERCIAL VESSELS

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

311

NAVIGATION AIDS

*maintained in
Tasmanian waters*

\$25.3m

SPENT ON UPGRADING

*over 500 facilities for
the recreational boater
since 1998 through the
Recreational Boating
and Licence Funds*

4,533

**REGISTERED
MOORINGS**

*audited on a regular
basis*

4,882km

OF COASTLINE

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

64

FACILITIES

*managed across the
State, consisting of 33
jetties, 17 boat ramps, 8
pontoons and 6
breakwaters*

Ongoing

**BOATING SAFETY AND
REGULATION**

*resulting in an overall
decrease in fatalities
since 2001. No boating
fatalities in 2018-19.*

6,485

STUDENTS ENGAGED

*and 67 schools
visited through the
Swimming and Water
Safety Education
program*



"To make
our
waterways
safe and
enjoyable
for all
users"



OUR YEAR IN REVIEW

Chair and CEO's review

The 2018-19 financial year has seen a strong performance by Marine and Safety Tasmania (MAST) to make our waterways safe and enjoyable for all users.

The development and promotion of a safety culture through education and enforcement is central to MAST's operations. MAST is a leader in this area and in recognition of its international reputation, it delivered a paper at the Canadian Safe Boating Council Symposium in October 2018.

For many years MAST has been educating the public on the requirement to service and maintain inflatable life jackets. Overall, Tasmania has a very high compliance rate for the wearing of life jackets, but alarmingly less than 3% of an estimated 85,000 inflatable life jackets are being serviced in accordance with manufacturers' instructions. This issue precipitated the development and implementation of a major safety campaign in 2018-19 – BE BOATWISE – There are NO second chances. In addition to television and radio advertising, MAST used its extensive network of BoatSafe and PaddleSafe Partners to disseminate the key messages of the safety campaign. The important relationship that exists between MAST and retailers through this partnership plays a vital role in boating safety education. These safety partners, trained by MAST, are often the first point of contact for the boating public when they are unsure about safety gear or other issues relating to boating.

The life jacket replacement program, to assist with the transition from the old life jacket standard to the new by 2021, also continued during the year with MAST offering a \$20

voucher per old standard jacket as an incentive.

Continued assistance from the Department of Education ensured MAST's contact with Grades 3, 4 and 5 through the swimming and water safety program further expanded, with the number of schools visited in 2018-19 increasing by 45% from 2017-18.

Delivering a safety culture would not be possible without the ongoing collaboration with Tasmania Police to deliver effective enforcement strategies based on the identification of trends extrapolated from infringement notice data.

Improved marine infrastructure to deliver safe access to waterways for all users is provided through MAST's Recreational Boating Fund (RBF). This Fund is derived from recreational boating registration and licence fees. Some of the more significant projects facilitated through the RBF in 2018-19 included a wave deflection wall at South Arm Jetty, a pontoon on the Swan River, a new launching ramp at Lake Rowallan, walkway and ramp at Montagu, the rebuild of the walkway at Tailrace Ramp, installation of PWC fenders in a number of locations and a major upgrade of facilities at Southport boat ramp. To continue to ensure that funds invested in infrastructure are used efficiently and effectively, a 5-year Infrastructure Plan was developed for consultation.

With grants received from the Government for the maintenance and upgrade of MAST-owned infrastructure, work was completed on the replacement of the Woodbridge Jetty and a 14.4 metre extension to the Nubeena Jetty. MAST also completed a structural audit of its facilities in 2018-19 to

determine the lifespan of these structures and to set the remedial maintenance plan for the next three years.

To deliver effective waterways management, MAST has again worked collaboratively with Tasports, the Environmental Protection Authority (EPA), Rowing Tasmania, Jet Ski Tas, BoatSafe and PaddleSafe Partners, the aquaculture industry and yacht clubs. With the increase in the number of cruise ship visitations, MAST worked with Tasports to implement the use of an escort vessel to assist with pilotage movements in the Port of Hobart, ensuring the safety of recreational and commercial vessels in this busy shared waterway.

Regular engagement with stakeholders and the community is critical to MAST's success in achieving its strategic priorities. This engagement is delivered through publications, Facebook and the website, together with face to face engagement at events such as flare and safety demonstrations, Recreational Boating Forums and a constant presence at boat ramps. This year MAST staff again worked collaboratively with the Agfest committee to produce a marine precinct where all marine-based stalls were co-located. The success of this initiative is now being emulated by other industries.



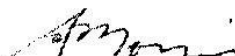
Sue Smith
Chair

Ensuring a results-driven, resilient and progressive organisation is challenging in a constantly changing world. The Board continues to implement an internal audit program that tests the adequacy and effectiveness of MAST's systems of management, internal control and the management of financial and operational risk. This year, the Board adopted a revised Risk Register (Strategic and Operational).

Ongoing improvements to MAST's business systems have provided improved levels of system redundancy, data security and productivity. The functionality of the MAST GIS system was further enhanced during the year to display the positioning and characteristics of all marine farm markers given the growth in this industry.

The provision of public facing web-based products does not come without risk and further penetration testing was conducted on public facing platforms to strengthen the security of the MAST IT environment. Electronic billing was also introduced allowing stakeholders to register and receive payment notices.

Our sincere thanks to the Board and the dedicated staff for their ongoing commitment to the delivery of positive safety outcomes for all waterway users.



Lia Morris
Chief Executive



OUR ORGANISATION

Who we are

Marine and Safety Tasmania is a Statutory Authority that was established on 30 July 1997. MAST is managed by a Board appointed by the Minister for Infrastructure, which represents the various sectors of the boating community. The Board is responsible to the Minister for the performance by the Authority of its functions and ensuring that the business and affairs of the Authority are managed and conducted in a manner that is in accordance with sound commercial practice.

Our role

MAST has four primary functions which are conferred by the *Marine and Safety Authority Act 1997* as follows:

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

MAST has jurisdiction in and over:

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

Our values and behaviours

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

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

Governance

MAST has a range of processes to ensure that we effectively manage our risks and resources to deliver our strategic priorities.

MAST Board

In accordance with Section 13 of the *Marine and Safety Authority Act 1997*, the MAST 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 Board oversees a robust internal audit program and risk management framework and examines procurement processes for all goods and services over \$250,000 to ensure the process is fair and equitable prior to a contract being awarded.

The Chief Executive has overall responsibility for the performance and management of

MAST and is accountable to the Board of MAST. MAST's management team provides leadership and manages human, physical and financial resources to achieve our strategic priorities.

Work Health and Safety Committee

The MAST Work Health and Safety Committee aims to promote safe working behaviour through the development and implementation of measures to improve Work Health and Safety outcomes. Membership comprises representatives from each area of MAST.





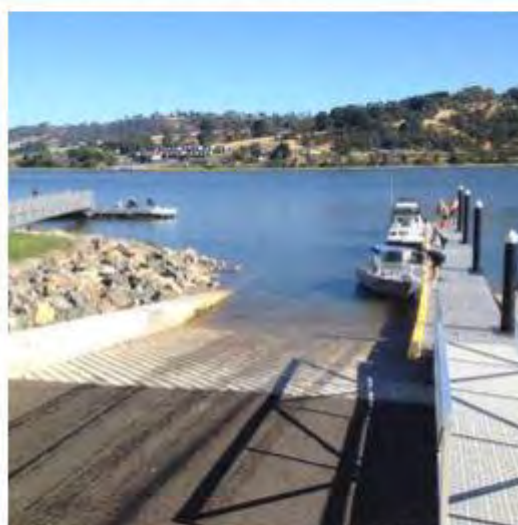


OUR PERFORMANCE

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

1. Ensuring the safety of all vessels in Tasmanian waters
2. Providing and managing marine infrastructure that delivers safer access to waterways for all users
3. Supporting key agencies on matters relating to the maritime environment
4. Engaging with key stakeholders, recreational boaters and the community to achieve strategic goals
5. Ensuring a results-driven, resilient and progressive organisation

The Plan sets out objectives and supporting initiatives to achieve these priorities. This section highlights key achievements under each of the five priority areas.



BE BOATWISE
There are NO second chances

IT'S YOUR LIFEJACKET. CHECK IT. SERVICE IT.

An unserviced inflatable lifejacket could be putting you or your family at risk.



MAST
MARINE and SAFETY TASMANIA
making boating better

mast.tas.gov.au

BE BOATWISE
There are NO second chances

WEATHER OR NOT, CHECK IT BEFORE YOU GO.

Conditions can change pretty fast in Tassie. Make sure you're prepared. Visit bom.gov.au



MAST
MARINE and SAFETY TASMANIA
making boating better

mast.tas.gov.au

BE BOATWISE
There are NO second chances

ARE YOU DODGY BOATWISE? CHECK BEFORE YOU BUY.

When buying a boat, particularly second-hand, there's no such thing as a cheap one.



MAST
MARINE and SAFETY TASMANIA
making boating better

mast.tas.gov.au



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

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

- This year we launched a major safety campaign in December 2018 – BE BOATWISE – There are NO second chances. This campaign ran until May 2019 and included television and radio advertising, bus backs and print media. For many years MAST has been educating the public on the requirement to service and maintain inflatable life jackets. We estimate that there are approximately 85,000 inflatable life jackets owned by Tasmanian boat users. However, despite ongoing education, less than 3% are being serviced by an accredited service provider. This issue, together with the need to transition to the new Australian Standard for life jackets by 1 January 2021, precipitated the development and implementation of the safety campaign, covering inflatable life jackets and other safety messages.
- Our key safety messages in 2018-19 were:
 - ❖ It's your life jacket. Check it. Service it. An unserviced inflatable life jacket could be putting you or your family at risk
 - ❖ Weather or not. Check it before you go. Conditions can change pretty fast in Tassie. Make sure you are prepared. Visit bom.gov.au.
- ❖ There are no second chances – when buying a boat, particularly second hand; there's no such thing as a cheap one.
- We have continued to supply \$20 vouchers, funded through boat licence renewals, as an incentive for the public to transition to the Australian life jacket Standard AS 4758. This Standard was introduced into MAST legislation in 2010 with a transition period of 10 years. By 1 January 2021 all life jackets used on recreational boats in Tasmania will need to meet this Standard. As part of this program, the older standard jackets are being donated to MAST who will then ship them to Papua New Guinea which is desperately trying to reduce its fatality rate and introduce a safety culture. It is estimated 2,000 life jackets will be provided to them.
- We have further increased the number of BoatSafe and PaddleSafe Partners to 40. The important relationship that exists between MAST and retailers through this partnership plays a vital role in boating safety education. These safety partners, trained by MAST, are often the first point of contact for the boating public when they are unsure about safety gear or other issues relating to boating.
- Our role in the Department of Education's Swimming and Water Safety Program has strengthened. Embedded within this program is a boating safety component and MAST is actively engaged with the primary school sector in delivering this component. In 2018-19 MAST's visitation of schools increased by 45%. The program

has also expanded into non-government schools, high schools and special needs schools.

- MAST has conducted 22 presentations this year in various locations around the state. These presentations were delivered to a variety of clubs and community organisations statewide and are an important part of MAST's ongoing safety education. MAST also had a presence at the Inland Fisheries Service open weekend, Agfest and a number of BoatSafe dealer boat shows. These public safety presentations are fundamental to the education of boaters around the state.



Boat Safe Dealer
Boat Show



Flare and safety demonstration -
Flinders Island

- We continue to work collaboratively with Rowing Tasmania to improve the safety of all rowers. This year, further work has been conducted on the lighting of rowing shells and safety management plans for all the clubs.

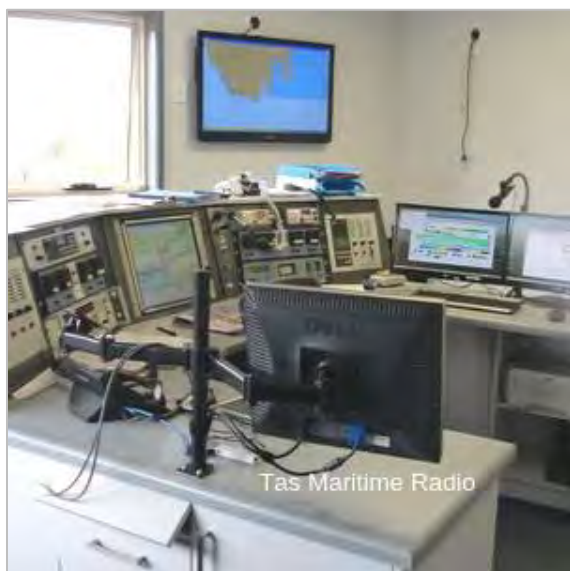
- Additional YouTube clips have been added to the MAST website. These are a major educational tool and a useful resource for the general public. Many existing clips have been rebranded to reflect MAST's safety campaign – BE BOATWISE – There are NO second chances.
- MAST is a leader in the promotion of a safety culture and in recognition of its international reputation, Peter Hopkins presented a paper at the Canadian Safe Boating Council Symposium in October 2018 and met with the US Coast Guard. For over twenty years Peter has been a member of the Australia New Zealand Safe Boating Education Group (ANZSBEG). The objective of the group is to identify national safe boating issues, address them through coordinated public education strategies and provide a forum for the exchange of ideas and knowledge.
- Tasmania Police plays an integral role in the enforcement of MAST's legislation. A collaborative relationship with the Marine Division of Tasmania Police allows regular communication about areas where non-compliance is prevalent and the analysis of infringement notices issued by Tasmania Police assists MAST in identifying where further education is required.



Working with Tasmania Police

Establish and maintain effective regulatory systems and processes

- The annual audit of Tas Maritime Radio (TMR) was conducted during the year to ensure compliance with the requirements of the *Marine and Safety (Radio) Regulations 2012*. Ongoing compliance with these Regulations allows TMR to maintain the status of a MAST-approved marine radio station.



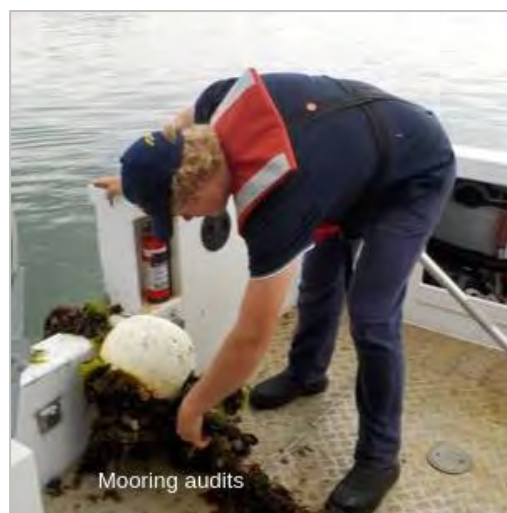
- Through a Deed of Agreement, MAST delegates certain powers and functions under the *Marine and Safety (Pilotage and Navigation) Regulations 2017* to Tasports. MAST undertook the annual audit of Tasports to ensure compliance with these Regulations, visiting multiple ports and the Vessel Traffic Service and meeting with key Tasports' personnel.
- During the year MAST conducted a review of the requirements to become an accredited training provider delivering the MAST power boat licence testing. All existing accredited training providers will

be required to comply with these new requirements post June 2019.

- MAST introduced an Annual Infrastructure Administration Fee from 1 July 2018 applicable to commercial vessels due to the Australian Maritime Safety Authority assuming responsibility for the provision of regulatory services for these vessels under Commonwealth law. With MAST continuing to be responsible for waterways management, a fee was necessary to ensure commercial vessels operating in Tasmanian coastal waters continue to contribute to the cost of providing core services such as the provision of navigation aids and VHF radio services. Upon payment of the required fee, a label is issued that must be displayed on the vessel.

Effective management of waterways

- MAST continued its statewide mooring audit program. These audits are an important management tool for MAST and focus on identification of the mooring, correct location and the condition of both the mooring and the vessel attached to it. Due to the recent mooring review, an examination of the current by-laws was commenced.



- During the year MAST conducted inspections of marine farm leases for marine farm debris and marine farming gear that falls outside the lease area. In accordance with the Government's zero tolerance approach to marine debris, infringement notices were issued where breaches were identified.
- In 2018-19 MAST issued 231 Notices to Mariners. Content ranges from advising prohibited areas for the finish of the Sydney to Hobart Yacht Race to ensuring local communities are aware of closures of boat ramps. Notices are also issued during times of flood to advise of floating debris and when mooring work is being carried out on marine farm leases.

Notices are issued via email to an extensive list of subscribers and advertised in the daily papers to ensure mariners are aware of issues that may affect safe navigation.
- Incidents reported to MAST during the 2018-19 reporting period totalled 43. Of these, 10 involved commercial vessels under 35 metres in length, 15 involved commercial vessels in excess of 35 metres and 18 related to recreational vessels. There were no fatalities recorded in the 2018-19 reporting period.
- Ensuring navigable access to the Port of St Helens is maintained resulted in agitation dredging being undertaken twice during the year in the channel adjacent to Pelican Point. MAST and the St Helens Barway Committee have reviewed options for a sustainable solution to this access issue. This review identified a more specific and long-term dredging plan for Pelican Point. The necessary approvals were completed this year and a contract will be issued for the works in 2019-20.

- This year saw the completion of the stabilisation of the Prosser River mouth. This has provided a safe access, encouraging heavy boating traffic over the summer period. The walls and channels have also seen a high level of passive community use including fishing, swimming and kayaking.
- MAST has continued to monitor both the Marion Narrows and the approaches to the Denison Canal for depth and provides this information to boaters via the MAST website. The monitoring is undertaken regularly throughout the year, particularly during busy boating times over Christmas and Easter.
- With the increase in the number of cruise ship visitations, MAST worked with Tasports to implement the use of an escort vessel to assist with pilotage movements in the Port of Hobart, ensuring the safety of recreational and commercial vessels in this shared waterway.

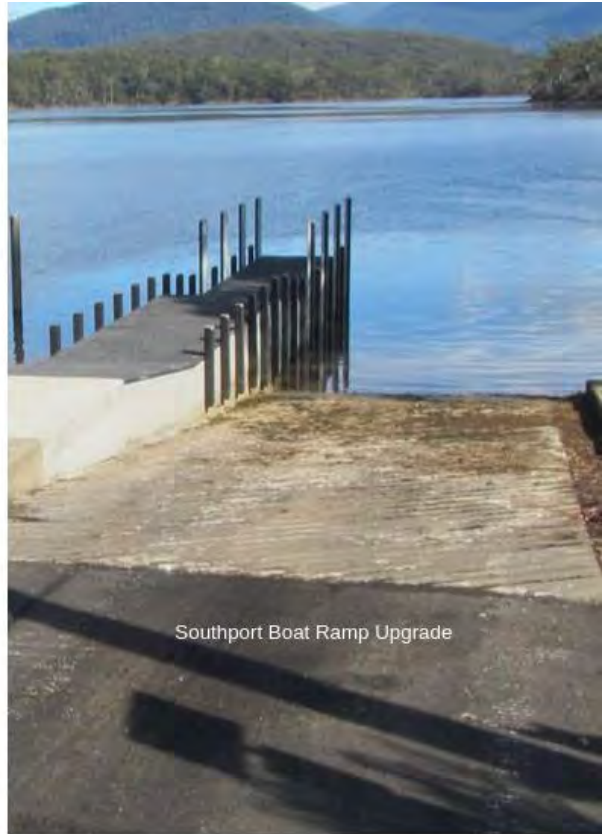
Implement the National System for Domestic Commercial Vessel Safety

- Certification services for domestic commercial vessels transitioned to AMSA on 1 July 2018. All delegations issued to MAST were subsequently revoked. A number of infrastructure and waterways management responsibilities remain with MAST. To ensure these continue to be delivered, some changes to MAST's operations were implemented in consultation with industry.

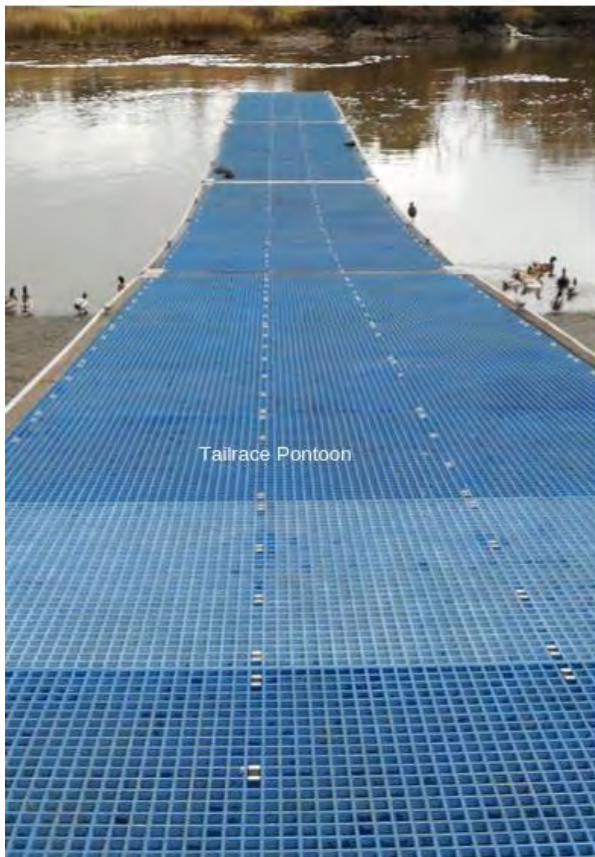




Wave deflection wall - South Arm Jetty



Southport Boat Ramp Upgrade



Tailrace Pontoon



PWC Fenders

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

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

- In 2018-19 MAST received 34 submissions under the Recreational Boating Fund (RBF) for new projects for the upgrading of any public recreational boating facility. After public meetings to discuss these submissions, MAST supported 20 facility improvements through RBF funding of \$1,000,000. Successful applications included a wave deflection wall at South Arm Jetty, a pontoon on the Swan River, a new launching ramp at Lake Rowallan, walkway and ramp at Montagu and the rebuild of the walkway at Tailrace Ramp.
- In addition to projects approved under the RBF, the Board of MAST allocated funding from the Licence Fund for installation of PWC pontoon fenders and a major upgrade of facilities at the Southport Boat Ramp.
- The provision of recreational boating facilities funded from the annual recreational boating registration fees and triennial licence fees provide lasting benefits from a safety perspective as well as providing well-designed facilities that meet engineering standards and user expectations.
- MAST commenced work on the development of a 5-year Infrastructure Plan. This Plan will define the projects to

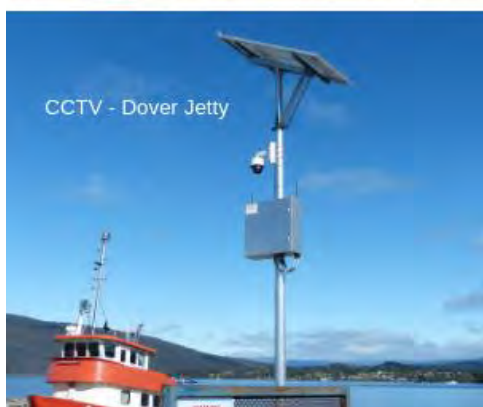
be undertaken, allowing MAST to obtain all necessary approvals and cost estimates plus appoint contractors well in advance of the scheduled construction timeframe. This will deliver certainty and manage stakeholder expectations. Consultation was held with the boating public during regional meetings, Agfest and other events that attended by MAST staff.

Maintain MAST owned marine infrastructure

- This year an engineering audit on MAST owned facilities was undertaken with the aid of divers. These three-yearly structural audits determine the lifespan of structures and are also used to set the remedial maintenance plan for the next three years. MAST's Strategic Asset Management is amended to reflect the audit results. During 2018-19 MAST spent \$520,000 on remedial maintenance of its facilities and aids to navigation.
- The replacement of the Woodbridge Jetty was completed in January 2019. The replacement process involved the construction of a temporary jetty adjacent to the existing jetty to cater for the berthing of the Peppermint Bay ferry and Marine Discovery Centre vessel. The new facility incorporates lower landings for use by smaller recreational vessels.
- MAST delivered a 14.4 metre extension to Nubeena Jetty as part of the 2018 election commitments. This extension was completed in June 2019 and will

provide additional berthing space for recreational and commercial vessels.

- We installed CCTV for monitoring purposes at two of our facilities – Sullivans Cove Pontoon and Dover Jetty. The recorded footage allows MAST to effectively enforce restricted berthing areas under the provisions of the *Marine and Safety (Jetties) By-laws 2017*.



Maintain and enhance the VHF radio coverage

- During 2018-19 MAST continued to provide resources to maintain the marine communications network throughout the State run by a team of dedicated volunteers.
- MAST acknowledges the valuable contribution made by these volunteers who continue to provide their time and expertise in the development and operation of the network that enhances boating safety in Tasmania.
- Preventative maintenance was carried out on key infrastructure, including Maatsuyker Island, Cape Sorell and Three Hummock Island.
- In 2018-19 all jurisdictions re-endorsed an earlier recommendation from the HF Working Group to cease the monitoring of High Frequency (HF) voice distress frequencies by 2022 due to dwindling use and newer technologies available. Tasmania is well positioned to accommodate the phase-out having acted on the earlier Marine Agencies Forum (MAF) decision. There is no anticipated diminution of safety with additional resources provided to expand the VHF coastal network over the last few years.



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

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

- During regular mooring audits MAST checks that vessels attached to moorings are registered and in good condition. Work commenced on amendments to legislation to proactively manage vessels that appear to be deteriorating.
- MAST assists the Environment Protection Authority (EPA) through participation in the State Marine Pollution Committee. MAST has a collaborative relationship with the EPA to mitigate environmental impacts resulting from sunken or grounded vessels.



- We have completed an issues paper on derelict vessels and end-of-life boats. This paper identified the approaches taken in other countries to manage this issue, reviewed the current regulatory arrangements and identified strategies that could be implemented in the future. Work is now progressing on executing some of these strategies.
- We continue to work with Tasports and other government agencies on the regulation of commercial shipping activities occurring outside defined port areas. This has generally related to cruise ship operators wanting to anchor vessels in areas that are currently not regulated ports. Work is continuing on the management of navigational safety and the marine environment in these areas.

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

- A primary function of MAST under the *Marine and Safety Authority Act 1997* is to ensure the safe operation of all vessels, both recreational and commercial. During the year, MAST has continued to work collaboratively with the Marine Farming Branch of the Department of Primary Industries, Parks, Water and Environment (DPIPWE) to assist in the development of procedures to further reduce marine farm debris found outside lease areas and to ensure

that marine farming equipment is marked to readily identify the source.

- MAST has two officers authorised under the *Living Marine Resources Management Act 1995* to monitor and respond to breaches, in accordance with DPIPWE procedures, where marine farm equipment is found outside marine farm lease areas. This year these authorised officers issued eight infringement notices under Section 94 of the *Marine Farm Planning Act 1995* for marine farm equipment found outside marine farm lease areas

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

Provide infrastructure where appropriate that helps to protect the maritime environment

- MAST has installed additional cruising moorings to help protect the environment at Swansea and Grassy Harbour. This brings the total number of cruising moorings to 22.



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

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

- Through the safety campaign BE BOATWISE – There are NO second chances, MAST engaged with its stakeholders and the general public via radio, television, social media and bus backs. This campaign ran from December 2018 until May 2019.
- The *Boatwise* publication informs licence holders and boat owners on important issues. With a distribution in excess of 60,000, *Boatwise* is a vital method in conveying safety messages and other significant boating news including infrastructure upgrades. It continues to be a major educational tool and demands a high interest from our stakeholders.
- Between *Boatwise* issues, MAST sends out an electronic newsletter via email to those who have subscribed. This electronic newsletter provides information on infrastructure upgrades and safety tips.
- The MAST website, YouTube and Facebook sites allow the organisation to convey safety messages and to educate the public quickly and efficiently. MAST now has in excess of 10,000 followers with many posts reaching over 100,000 people as far away as Canada. MAST continues to build the YouTube safety video library. This year, many of the

safety videos were edited and rebranded as a result of the MAST Safety Campaign. The YouTube library now exceeds 70 videos.

- Direct contact with stakeholders allows MAST to gain valuable feedback on important safety issues and how the public feels about MAST's service delivery, messaging and boating infrastructure upgrades around the State. This year MAST coordinated a marine industry display at Agfest which included all the large marine dealers and various marine businesses. The combined display showcased the industry and put all marine dealerships in one combined area.
- MAST has also engaged directly with the boating community through dealer boat shows, visits to fishing clubs, flare and safety demonstrations and regular boat ramp checks.



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

- MAST continues to engage with a variety of key stakeholders including Tasports, Tasmania Police, yacht and boating clubs, PWC clubs, rowing clubs, Surf Life Saving Tasmania, Tas Maritime Radio, inland angling clubs and Rowing Tasmania.
- We have expanded our BoatSafe and PaddleSafe Partner network, increasing education around inflatable life jackets, servicing and correctly fitted jackets.
- This year we conducted more life jacket testing in conjunction with the Australian Maritime College. The testing involved key stakeholders including Tasmania Police and the seafood industry and provided an opportunity to increase knowledge on the correct fitting of life jackets and how they work with different clothing.



Continue to utilise media to facilitate safety messages

- MAST has proactively engaged with the media to discuss safety and other relevant matters including conducting live radio interviews, TV interviews, opinion pieces and regular advertising.



Enhance the BoatSafe school education program

- In addition to the relationship that MAST has with the Department of Education's Swimming and Water Safety Program for primary school students, MAST has enhanced its relationship with the Australian Council for Health Physical Education and Recreation (ACHPER) through sponsorship of its annual conference. The conference provides a pathway for engaging with the Health and Physical Education (HPE) teachers that cover the primary, secondary and the independent school systems. This access has significantly increased MAST's school visitation program and has assisted MAST in engaging with high schools and independent schools.

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

Sound financial management to deliver identified outcomes

- The Auditor-General appointed external contractors to provide auditing services. In 2016-17, Crowe-Horwath was appointed to undertake the financial audit of MAST for a period of three years with an option to extend the arrangement for a further period of two years.
- MAST Financial Statements are prepared in accordance with Australian Accounting Standards (AAS) and Interpretations issued by the Australian Accounting Standards Board (AASB).
- As further detailed in the following Financial Statements, new and revised Standards and Interpretations are issued by the AASB. Standards that are relevant to MAST are reviewed and the impact assessed and adopted as required.
- MAST's internal audit program includes testing the adequacy and effectiveness of MAST's systems of management, internal control and the management of financial and operational risk. In 2018-19 the Board reviewed and considered a number of internal audit reports, including the response by management. The Board ensures that where deficiencies in internal controls or procedures occur, that appropriate and timely action is taken by management.
- An Annual Infrastructure Administration Fee is now charged to commercial vessel operators to ensure an equitable

contribution from this sector towards the management of marine infrastructure is shared with the recreational sector.

Comprehensive Corporate Governance

- The Board is appointed by the Minister and responsible for:
 - o The performance by the Authority of its functions; and
 - o Ensuring that the business and affairs of the Authority are managed and conducted in a manner that is in accordance with sound commercial practice.

Risk Management

Reviewing our risks is integral to the delivery of services and outputs provided by MAST. In February 2019 the Board, as the Audit and Risk Committee, adopted a revised Risk Register (Strategic and Operational).

Deloitte provided an internal audit service to the MAST Board from 2013 to 31 December 2018. BDO Audit (Tas) was appointed in November 2018 to provide internal audit and risk management services for a period of three years from 1 January 2019. Internal audit activity is directed to areas of heightened risk identified in the MAST Risk Register.

Asset Management

MAST owns and manages 64 individual marine facilities and 311 aids to navigation

across the State, all listed in a Strategic Asset Management Plan.

A structural audit of marine facilities is undertaken by an engineering consultancy on a three-yearly basis and the Asset Management Plan updated accordingly.

In addition to the structural audit, MAST officers undertake inspection of facilities at the following intervals:

- jetties, wharves, etc - 3 monthly
- pontoons - 3 monthly
- boat ramps - 6 monthly
- breakwaters - 6 monthly
- training walls - 6 monthly

MAST contracts out the maintenance of aids to navigation. The contract is currently held by Remote Maritime Maintenance, formerly known as Australian Maritime Services.



Regulation that is relevant and robust

The Board endorsed the following legislation that came into force in the 2018-19 reporting period:

- *Marine and Safety (Infringement Notices) Amendment Regulations 2018.*
- A number of pieces of subordinate legislation have been reviewed during 2018-19 with proposed amendments under consideration by the Office of Parliamentary Counsel.

Business systems that support current and future needs

- Ongoing improvements to MAST's business systems have provided improved levels of system redundancy, data security and productivity.
- The functionality of the MAST GIS was further enhanced during 2018-19 with the display of marine farm markers. The MAST GIS received an Asia Pacific Spatial Excellence Award for Spatial Enablement, allowing location intelligence to be imbedded in day to day business.
- Further enhancements were made to the online licence and registration status tool that allows the public to view the validity of their licence and boat/mooring registration. This not only assists boaters in being able to confirm their own holdings, but has saved many enquiries to both MAST and Service Tasmania.
- Work continued on the development of an online portal where clients can register and pay for new vessels via the web. The new system is due to go live in 2019 and will improve data quality, streamline processing and offer flexibility

for lodgement and payment of fees. Work has also commenced on the development of an online portal for the transfer of boat registration.

- The provision of public facing web-based products does not come without risk. In order to mitigate risks, MAST undertook penetration testing on public facing platforms.
- Electronic billing was also introduced during 2018-19, allowing stakeholders to register and receive future payment notices.
- MAST manages a significant number of projects per annum. During 2018-19 new project management software was implemented to assist in a range of reporting requirements.

Professional, flexible and knowledgeable staff

- As at 30 June 2019, MAST had 15.33 full time equivalents (FTEs) compared to 17.7 in 2017-18 and 17.3 in 2016-17. Overall, numbers have reduced due to the transition out of commercial vessel service delivery.
- A knowledgeable and flexible staff is fundamental to MAST maintaining its capabilities. This is actively demonstrated with the volume of work completed by such a small number of personnel. With 9.5 years being the average length of service, MAST staff are also committed and engaged.





SUPPORTING INFORMATION

The Mast Board

The membership of the Board during the 2018-19 financial year was:



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, past Commissioner Glenorchy City Council 2017 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 master's 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 35 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.



Rodney Treloggen - Rodney has been an amateur and commercial fisher for most of his working life, fishing all areas of Tasmania, including Flinders Island. He was involved with many fishing bodies and served as Chairman and Chief Executive Officer of the Tasmanian Rock Lobster Fishermen's Association, Chair and Vice Chair of the Southern Rock Lobster Board and Seafood Services Australia and member of the Tasmanian Seafood Industry Council. He has also served on the St Helens Hospital Board. Rodney was also a member on the Fisheries Research and Development Corporation Selection Panels, as well as other State and Federal Boards. Rodney currently serves as Chair of St Helens Marine Rescue Association.



Lia Morris - Lia is the Chief Executive of Marine and Safety Tasmania and was appointed to her current role in 2011. Lia is a qualified planner, holding a Bachelor of Arts (Hons) and a Masters in Town Planning and has over 20 years' experience in senior management roles. Lia has worked in both government and private sectors.

Attendance at Board meetings during 2018-19

	10 August	22 August	21 September	16 October	23 November	11 December	15 February	5 April	30 May	7 June
Sue Smith		◆	◆	◆	◆	◆	◆	◆	◆	◆
Hughie Lewis	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Mark Nikolai	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Rodney Treloggen	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Lia Morris	◆	◆		◆	◆	◆	◆	◆	◆	◆

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

Employment terms and conditions of the MAST leadership team are contained in individual contracts. The 2018-19 financial statements detail the remuneration of key management personnel.

Gifts, Benefits and Hospitality

MAST maintains a register to record gifts declared or given by our staff. No gifts were recorded in 2018-19.

Legislative Compliance

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

Right to Information Act 2009

The *Right to Information Act 2009* (RTI Act) provides for greater access to information held by government bodies. There were three application requests received under the *Right to Information Act 2009* for the financial year 2018-19. Four additional staff undertook basic training on the RTI Act in August 2018.

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 Act 2002

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

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

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

Procurement

Procurement is undertaken in accordance with Treasurer's Instructions, including the requirement to give Tasmanian businesses every opportunity to compete for business.

A summary of the level of participation by local businesses for contracts, tenders and/or quotations with a value of \$50,000 or over (excluding GST) is set out in the table below.

Summary of Participation by Tasmanian Businesses 2018-19 *(for contracts/procurement processes with a value of \$50,000 or more)*

Total number of contracts awarded	11
Total number of contracts awarded to Tasmanian businesses	9
Value of contracts awarded	\$ 2,646,370.50
Value of contracts awarded to Tasmanian businesses	\$ 2,151,465.50
Total number of procurement processes run	11
Total number of submissions (bids) received	35
Total number of submissions (bids) received by Tasmanian businesses	29

The following table provides information on contracts that MAST has awarded this year with a value of \$50,000 or over (excluding GST).

Contracts with a value of \$50,000 or more (excluding consultancy contracts)

Name of contractor	Location of contractor	Description of contract	Period of contract	Total value of contract
Tas Marine Construction	Margate, Tasmania	Demolition and replacement of the Woodbridge Jetty	11/8/2019 to 23/1/2020	\$685,000.00
Tas Marine Construction	Margate, Tasmania	Extension to the Nubeena Jetty	10/5/2019 to 1/8/2020	\$261,000.00
Hurricane Marine	Goodwood, Tasmania	Supply and installation of wave screens on South Arm Jetty	2/4/2019 – 15/8/2020	\$76,500.00
Remote Maritime Maintenance	Brisbane, Queensland	Maintenance of MAST owned aids to navigation	1/7/2018 to 30/6/2019	\$263,610.00
ASD Diving	Hobart, Tasmania	Replacement of landing stage at Southport Boat Ramp	2/1/2019 to 28/3/2020	\$106,140.00
ASD Diving	Hobart, Tasmania	Construction of boat ramp at Great Bay	2/1/2019 to 19/2/2020	\$102,530.00
ASD Diving	Hobart, Tasmania	Extension to pontoon at Domain Boat Ramp	23/7/2018 to 15/8/2019	\$53,100.00
Becketts Mining and Civil	Exeter, Tasmania	Construction of breakwater at Binalong Bay	5/6/2019 -	\$409,585.00
Seaslip Pontoons and Products	South Nowra, NSW	Supply and installation of pontoon in Leven River, Ulverstone	8/8/2018 to 24/11/2019	\$231,295.00
TasSpan Civil Contracting	Latrobe, Tasmania	Upgrade of Montagu Boat Ramp	14/5/2019 -	\$322,610.50

The following table provides detailed information on consultancies that MAST has awarded this year with a value of \$50,000 or over (excluding GST).

Contracts with a value of \$50,000 or more (consultancy contracts)

Name of consultant	Location of consultant	Description of consultancy	Period of consultancy	Total value of contract
Burbury Consulting	Hobart, Tasmania	Provision of a community-led master plan for the Bridport foreshore	7/8/2018 to 31/8/2019	\$135,000

During 2018-19 there were no disaggregated contracts and no contract extensions.

Only one contract was awarded by MAST as a result of a direct sourcing process during 2018-19.

Name of supplier	Description of contract	Reason for approval	Total value of contract
Fieldwicks	Extraction of rock from Break O'Day Council Priory quarry	Only contractor specifically approved by the quarry owner to undertake works	\$150,000

Grants

MAST administers several Grants. The Grants for 2018-19 are reported below and are meeting their intended objectives.

Grant	Paid 2018-19	Purpose and intended outcome
Circular Head Boat Club	\$ 5,600	Contribution towards the refurbishment of four marina berths at the Smithton marina
Sorell Council	\$ 20,000	Contribution towards maintenance work to the landing stages at the Gypsy Bay and Lewisham boat ramps
Surf Life Saving Tasmania	\$150,000 (election commitment)	<ul style="list-style-type: none"> \$100,000 to increase funding to the volunteer marine rescue units \$50,000 towards a vessel replacement fund for volunteer marine rescue units.



FINANCIAL STATEMENTS

Financial Report

for the year ended 30 June 2019



Marine and Safety Authority

ABN 65 826 980 806

MAST

MARINE and SAFETY TASMANIA
making boating better

Statement of Comprehensive Income

for the year ended 30 June 2019

	Note	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
Continuing operations				
Revenue and other income from transactions	3			
Commercial vessels		285	346	446
Certificates of competency		-	-	304
Recreational boating		3 512	3 910	4 752
Moorings		361	380	384
State Government grants	3.1	2 613	2 763	1 708
Interest		70	155	104
Contribution of Assets		-	-	306
Other income		142	173	167
Total revenue and other income from transactions		6 983	7 727	8 171
Expenses from transactions				
Employee expenses	4.1	1 759	1 901	1 877
Supplies and consumables	4.2	1 137	1 412	1 244
Facilities maintenance	4.3	929	992	1 732
Recreational boating funding program	4.4	1 580	1 342	1 656
Depreciation charges	4.5	1 104	1 160	1 110
Other expenses	4.6	251	207	179
Total expenses from transactions		6 760	7 014	7 798
Net result from transactions (net operating balance)		223	713	373
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	5	-	(18)	(82)
Total other economic flows included in net result		-	(18)	(82)
Net result from continuing operations		223	695	291
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation reserve	9	-	3 912	330
Total other comprehensive income		-	3 912	330
Comprehensive result		223	4 607	621

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 2019

	Note	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash & deposits	8.2, 10.1	4 602	7 186	6 651
Receivables	6.1	332	119	140
<i>Non-financial assets</i>				
Other assets	6.3	68	48	40
Property, plant & infrastructure	6.2	28 428	32 675	28 485
Total assets		33 430	40 028	35 316
Liabilities				
Payables	7.1	222	639	598
Other liabilities	7.4	33	36	33
Employee benefits	7.2	425	557	496
Total liabilities		680	1 232	1 127
Net assets		32 750	38 796	34 189
Equity				
Contributed capital		9 939	9 939	9 939
Reserves	9	16 646	20 888	16 976
Accumulated funds		6 165	7 969	7 274
Total equity		32 750	38 796	34 189

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 2019

	Note	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
Cash flows from operating activities				
Cash inflows				
Grants from State Government		2 613	2 763	1 708
Sales of goods and services		4 158	4 677	5 755
GST receipts		326	535	577
Interest received		70	155	104
Other cash receipts		142	173	167
Total cash inflows		7 309	8 303	8 311
Cash outflows				
Employee benefits		(1 760)	(1 840)	(1 829)
GST payments		(390)	(505)	(538)
Supplies and consumables		(1 256)	(1 427)	(877)
Facilities maintenance		(929)	(992)	(1 724)
Recreational boating funding program		(1 580)	(1 341)	(1 657)
Other cash payments		(251)	(207)	(181)
Total cash outflows		(6 166)	(6 312)	(6 806)
Net cash from/(used by) operating activities	10.2	1 143	1 991	1 505
Cash flows from investing activities				
Proceeds from disposal of non-financial assets		-	3	-
Payments for non-financial assets		(1 710)	(1 459)	(675)
Net cash from/(used by) investing activities		(1 710)	(1 456)	(675)
Net increase/(decrease) in cash and cash equivalents held		(567)	535	830
Cash and cash equivalents held at the beginning of the reporting period		5 169	6 651	5 821
Cash and cash equivalents held at the end of the reporting period	10.1	4 602	7 186	6 651

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 2019

	Contributed Equity \$'000	Accumulated Funds \$'000	Reserves \$'000	Total Equity \$'000
Balance as at 1 July 2018	9 939	7 274	16 976	34 189
Comprehensive result	-	695	3 912	4 607
Balance at 30 June 2019	9 939	7 969	20 888	38 796

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

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 2019

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

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

1.1 Statement of Comprehensive Income

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Commercial vessels	(a)	285	346	61	21
Recreational boating	(b)	3 512	3 910	398	11
Grants from State Government	(c)	2 613	2 763	150	6
Interest	(d)	70	155	85	121
Other income	(e)	142	176	34	24
Employee benefits	(f)	1 759	1 901	142	8
Supplies and consumables	(g)	1 137	1 412	275	24
Facilities maintenance	(h)	929	992	63	7
Recreational boating funding program	(i)	1 580	1 342	(238)	(15)
Depreciation charges	(j)	1 104	1 160	56	5
Other expenses	(k)	251	207	(44)	(18)

Notes to Statement of Comprehensive Income variances.

- (a) Variance relates to payments received for the 2019-20 annual infrastructure administration fee.
- (b) Income from recreational boating activities was better than budget expectations due to stronger than anticipated registration and licence renewals as well as the receipt of non-budget contributions received from external sources for recreational boating fund projects.
- (c) A non-budget grant of \$150 000 was received from the Department of Primary Industries Water and Environment for construction and installation of fish aggregation devices. Works will be undertaken during 2019-20.
- (d) Interest was higher than originally budgeted due to timing differences for the commencement and completion of several infrastructure and recreational boating fund projects.
- (e) Mainly due to better than expected cost recovery from participants in the MAST coordinated marine precinct at Agfest.
- (f) The variance is higher than budget due to a less than expected movement in leave liabilities. In addition, casual staff were utilised more than expected to meet school educational commitments and compliance and enforcement activities.
- (g) The variance is mainly due to expenditure relating to 1st year Government commitments from the "Taking recreational boating and fishing to the next level" election initiative.
- (h) Increase in expenditure is due to completion of the Prosser River project from unspent funds carried forward from the prior year.
- (i) The variance is due to a number of projects not completed as anticipated. Unspent funds will be expended during 2019-20.
- (j) Depreciation expense higher than expected due to impact of increased asset values after the revaluation of marine infrastructure.
- (k) Budget allowances for a number of line items were not fully expended.

1.2 Statement of Financial Position

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Cash & deposits	(a)	4 602	7 186	2 584	56
Receivables	(b)	332	119	(213)	(64)
Property Plant & Infrastructure	(c)	28 428	32 675	4 247	15
Payables	(d)	222	639	417	188
Employee benefits	(e)	425	557	132	31
Reserves	(f)	16 646	20 888	4 242	25
Accumulated funds	(g)	6 165	7 969	1 804	29

Notes to Statement of Financial Position variances.

- (a) The cash and deposits variance is mainly due to the differences between the budgeted opening cash balance compared to the actual opening balance. In addition, a number of projects that were expected to be completed during the year have not proceeded as planned, with those projects expected to be completed in the 2019-20 financial year. Positive variances from various items of income and expenditure have also contributed to the cash balance being higher than expected at year end.
- (b) The receivables variance is mainly due to a difference to budget estimates for balances at year end.
- (c) The revaluation of marine infrastructure during the year is the main contribution to the variance to budget. In addition, some projects under the 1st year election commitments that commenced during the year are classified as capital expenditure.
- (d) The Payables variance is mainly due to timing of receipt of trade creditors invoices at year end.
- (e) Employee benefits higher than anticipated due to staff leave profile differing from budget expectations.
- (f) The movement in Reserves is due to the revaluation of infrastructure as explained at (c) above.
- (g) 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

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Grants from State Government	(a)	2 613	2 763	150	6
Sales of goods and services	(b)	4 158	4 677	519	12
GST receipts/payments (net)	(c)	(64)	30	94	(148)
Interest Received	(d)	70	155	85	118
Other cash receipts	(e)	142	173	31	21
Employee Benefits	(f)	(1 760)	(1 840)	(80)	5
Supplies and consumables	(g)	(1 256)	(1 427)	171	(14)
Facilities Maintenance	(h)	(929)	(992)	(63)	7
Recreational boating funding program	(i)	(1 580)	(1 341)	239	(15)
Other cash payments	(j)	(251)	(207)	44	(18)
Payments for non- financial assets	(k)	(1 710)	(1 458)	252	(15)

Notes to Statement of Cash Flows variances

- (a) A non-budget grant of \$150 000 was received from the Department of Primary Industries Water and Environment for construction and installation of fish aggregation devices. Works will be undertaken during 2019-20.
- (b) Better than expected revenue from the recreational boating and commercial vessel areas contributed to the positive variance.
- (c) Variance reflects timing differences of the receipt of GST refunds over the end of financial year.
- (d) Interest was higher than originally budgeted due to timing differences for the commencement and completion of a number of infrastructure and recreational boating fund projects.
- (e) Variance relates to the Authority's role in co-ordinating the marine precinct at Agfest and receipt of funds from exhibitors.
- (f) Mainly relates to increased use of casual staff and additional hours worked by part-time staff.
- (g) The variance is mainly due to expenditure relating to 1st year Government commitments from the "Taking recreational boating and fishing to the next level" election initiative.
- (h) Increase in expenditure is due to completion of the Prosser River project from unspent funds carried forward from the prior year.
- (i) The variance is due to a number of projects not completed as anticipated. Unspent funds will be expended during 2019-20.
- (j) Budget allowances for a number of line items were not fully expended.
- (k) A number of projects at year end were still work in progress, resulting in less than anticipated expenditure. Projects will be completed during 2019-20.

Note 2: Underlying Net Operating Balance

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

	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
Net result from transactions (net operating balance)	223	395	291
Less impact of Non-operational capital funding State Government Grants	975	975	705
Underlying Net operating balance	<u>(752)</u>	<u>(580)</u>	<u>(414)</u>

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.

	2019 \$'000	2018 \$'000
Election Commitments	1 010	-
Marine Facilities – preventative maintenance	1 003	1 003
Woodbridge Jetty Replacement	600	100
Fish Aggregation Devices	150	-
Bridport Wharf – partial replacement	-	500
Bridport breakwater extension	-	105
Total State Government Grants	2 763	1 708

3.2 Commercial vessel revenue

During 2018-19 the Authority introduced an Annual Infrastructure Administration Fee to recover costs associated with the provision and management of State-owned marine infrastructure and the management of State waterways.

The Infrastructure fee was previously incorporated into the annual administration fee charged to commercial vessel operators prior to the transfer of operations to the Commonwealth and the ongoing state-based fee ensures an equitable contribution to the management of infrastructure managed by the Authority.

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

	2019 \$'000	2018 \$'000
Wages and salaries	1 508	1 487
Annual leave	119	128
Long service leave	62	44
Superannuation	159	166
Board fees	53	52
Total	1 901	1 877

(b) Remuneration of key management personnel

2019	Short-term benefits Salary	Other Benefits	Long Term Benefits Superannuation and Long Service Leave	Termination Benefits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Key management personnel					
Susan Smith, Chair	19	-	2	-	21
Hughie Lewis, Director	11	-	1	-	12
Mark Nikolai, Director	11	-	1	-	12
Rodney Treloggen, Director	13	-	1	-	14
Lia Morris, Chief Executive	198	28	19	4	249
William Batt, Chief Operating Officer	153	22	15	7	197
Peter Hopkins, General Manager – Recreational Boating Safety & Facilities	149	26	14	1	190
Toby Greenlees, Manager – Marine Certification	139	-	13	(4)	148
Total	693	76	66	8	843

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

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

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

Acting Arrangements

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

(c) Related party transactions

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

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

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

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

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

4.2 Supplies and consumables

	2019	2018
	\$'000	\$'000
Election commitments – 1 st year priorities	305	-
Advertising and promotion	225	221
Property services	142	139
Travel and transport	137	140
AMSA Contribution – Inter Governmental Agreement	-	123
Information technology	156	119
Communications	118	192
Insurance	42	50
Operating lease costs	33	33
Consultants	60	35
Other operating expenses	194	192
Total	1 412	1 244

4.3 Facilities maintenance

	2019 \$'000	2018 \$'000
Maintenance - Navigation aids	291	251
Maintenance – Jetties	147	149
Dredging – St Helens	100	201
Dredging – Prosser River	357	1 022
Maintenance – Radio Equipment	52	66
Other	45	43
Total	992	1 732

4.4 Recreational boating fund program

Projects from registration fees	871	685
Projects from licence fees	471	971
Total	1 342	1 656

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	123	113
Marine facilities	935	890
Plant & equipment	102	107
Total	1 160	1 110

4.6 Other expenses

Employee on-costs	98	95
Legal expenses	1	1
Bank fees	47	52
Audit fees – internal audit	45	22
Audit fees – financial audit	16	11
Other	-	(2)
Total	207	179

Note 5: Other economic flows included in net result

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

Net gain/(loss) of non-financial assets

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

Net gain/(loss) on disposal of Navigation aids	-	(4)
Net gain/(loss) on disposal of Marine facilities	(21)	(78)
Net gain/(loss) on disposal of Plant & equipment	3	-
Total net gain/(loss) in non-financial assets	(18)	(82)

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.

	2019 \$'000	2018 \$'000
Receivables	34	26
Less:		
Expected credit loss	(2)	-
Provision for impairment	-	(3)
	<u>32</u>	<u>23</u>
Other receivables	87	117
	<u>119</u>	<u>140</u>
Settled within 12 months	119	140
Settled in more than 12 months	-	-
	<u>119</u>	<u>140</u>

6.2 Plant, equipment and infrastructure

(i) Valuation basis

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

(ii) Subsequent costs

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

(iii) Asset recognition threshold

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

(iv) Revaluations

Infrastructure is grouped on the basis of having a similar nature or function in the operations of the Authority. Infrastructure is revalued

every three years by independent experts to ensure the carrying amount does not vary significantly from its fair value.

(v) Construction and Work in Progress

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

(a) Carrying amount

	2019	2018
	\$'000	\$'000
Navigation aids		
At fair value	2 178	2 178
Less accumulated depreciation	(1 377)	(1 254)
Total	801	924
Marine facilities		
At fair value	48 604	44 854
Less accumulated depreciation	(17 558)	(17 863)
Total	31 046	26 991
Plant and equipment		
At cost	1 231	1327
Less accumulated depreciation	(849)	(915)
Total	382	412
Work in progress (at cost)	446	158
Total plant, equipment and infrastructure	32 675	28 485

Valuations

Marine facilities, comprising jetties, wharves, launching ramps, breakwaters and training walls were valued in March 2019 by Burbury Consulting. Navigation Aids were revalued at 31 March 2018 by Australian Maritime Systems Ltd.

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

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

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

(b) Reconciliation of movements and level 3 fair value

Reconciliations of the carrying amounts of each class of Plant, Equipment and Infrastructure at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.

2019	Navigation Aids Level 3 \$'000	Marine Facilities Level 3 \$'000	Plant & Equipment \$'000	Work in Progress \$'000	Total \$'000
Carrying amount at 1 July	924	26 991	412	158	28 485
Additions	-	941	72	446	1 459
Transfers from work in progress	-	158	-	(158)	-
Disposals	-	(21)	-	-	(21)
Revaluation increments/(decrements)	-	3 912	-	-	3 912
Depreciation expense	(123)	(935)	(102)	-	(1 160)
Carrying amount at 30 June	801	31 046	382	446	32 675

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

6.3 Other assets

	2019 \$'000	2018 \$'000
Prepayments	48	40
	48	40
Utilised within 12 months	48	40
Utilised in more than 12 months	-	-
	48	40

Note 7: Liabilities

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

7.1 Payables

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

Trade creditors	472	440
Accrued expenses	167	158
	639	598
Settled within 12 months	639	598
Settled in more than 12 months	-	-
	639	598

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.

	2019 \$'000	2018 \$'000
Accrued salaries	49	33
Annual leave	149	147
Long service leave	359	316
Total	557	496
Settled within 12 months	464	426
Settled in more than 12 months	93	70
Total	557	496

7.3 Superannuation

Contributions to defined benefit and other complying superannuation schemes are charged as an expense as the contribution becomes payable. The Authority does not recognise a liability for the accruing superannuation benefits of Authority employees.

For employees who are members of the Retirement Benefits Fund defined benefit plan the liability is held centrally and is recognised within the Finance-General Division of the Department of Treasury and Finance.

7.4 Other liabilities

Employee benefits – on-costs	36	33
Total	36	33
Settled within 12 months	36	33
Settled in more than 12 months	-	-
Total	36	33

Note 8: Commitments and Contingencies

8.1 Schedule of commitments

By type	2019	2018
<i>Lease Commitments</i>	\$'000	\$'000
Operating leases	93	110
Property lease	526	634
<i>Total Lease commitments</i>	619	744
<i>Other commitments</i>		
Navigation aid maintenance contract	732	1 095
Marine facilities	152	145
Recreational Boating Fund Program	738	-
Managed IT Services	20	47
<i>Total other commitments</i>	1 642	1 287
Total	2 261	2 031
<i>By maturity</i>		
<i>Lease commitments</i>		
One year or less	182	206
From one to five years	437	538
More than five years	-	-
<i>Total lease commitments</i>	619	744
<i>Other commitments</i>		
One year or less	1 174	442
From one to five years	468	845
More than five years	-	-
<i>Total other commitments</i>	1 642	1 287
Total	2 261	2 031

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

The Authority does not hold any finance leases.

Lease Commitments

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

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

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

Other commitments

At 30 June 2019 contracted works for infrastructure projects were in progress and due for completion in 2019-20. Major works include the Binalong Bay Breakwater, Montague Ramp and Nubeena jetty. These projects have been funded under the Recreational Boating Fund and Government's Election commitment program.

A 5-year contract for the maintenance of State-owned Navigation Aids commenced in 2017-18. A total of \$1.09 million is contracted to be spent under the contract for planned and preventative maintenance over the period.

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

There were no contingent assets or liabilities at year end.

8.2 Uncontracted committed expenditure

The Authority has committed in its forward estimates to continue the funding of community projects under the Recreational Boating Program 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 2018-19.

	2019 \$'000	2018 \$'000
By type		
Recreational Boating Fund program	996	1 151
St Helens – Navigation channel maintenance	764	1 000
Marine facilities - Maintenance	124	48
1 st Year priorities – Election Commitment	453	-
Fish Aggregation Devices	150	-
Bridport Breakwater Extension	91	105
Prosser River Entrance Stabilisation	-	173
Woodbridge Jetty reconstruction	-	65
Total	2 578	2 542
By maturity		
One year or less	2 578	1 742
From one to five years	-	800
More than five years	-	-
Total	2 578	2 542

The uncontracted committed expenditure is in addition to the amounts shown in Note 8.1 and will be funded from cash and deposits.

Uncontracted expenditure refers to forward budget estimates. Amounts are shown exclusive of GST and have not been subject to audit.

Note 9: Reserves

2019	Navigation Aids \$'000	Marine Facilities \$'000	Total \$'000
Asset revaluation reserve			
Balance at 1 July 2018	1 409	15 567	16 976
Revaluation increments/(decrements)	-	3 912	3 912
Balance at 30 June 2019	1 409	19 479	20 888

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

(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

	2019 \$'000	2018 \$'000
Investment account – Westpac	104	372
Tascorp overnight deposit account	-	23
Tascorp cash index fund	7 082	6 256
Total cash and deposits	7 186	6 651

10.2 Reconciliation of net result to net cash from operating activities

Net result from transactions (net operating balance)	695	291
Depreciation	1 160	1 110
Take-on of non-financial assets at no cost	-	(306)
Net transfer to/from P&L re changes treatment for capital expenditure	-	7
(Gain) loss from sale of non-financial assets	21	82
(Increase) decrease in trade receivables	24	(42)
(Increase) decrease in prepayments	(7)	-
(Increase) decrease in tax assets	(5)	(17)
Increase (decrease) in payables	41	433
Increase (decrease) in other Liabilities	3	(103)
Increase (decrease) in employee benefits	60	48
Increase (decrease) in tax liabilities	(1)	2
Net cash from (used by) operating activities	1 991	1 505

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, 6% of debtors were in excess of 30 days.	Normal credit terms are 30 days.
Cash and deposits	The Authority aims to maintain a positive cash balances equal to or greater than its liabilities. This target was met as at 30 th June 2019.	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 an allowance for expected credit loss is made 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.

Receivables age analysis – expected credit loss

The simplified approach to measuring expected credit losses applied, which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June 2019 and 1 July 2018 (adoption of AASB 9 using the cumulative approach) are as follows:

Expected credit loss analysis of receivables as at 30 June 2019				
	Not past due	Past due 30 days	Past due 60 days	Total
	\$'000	\$'000	\$'000	\$'000
Total gross carrying amount (A)	119	-	2	121
Expected credit loss rate (B)	1%	-	50%	
Expected credit loss (A x B)	1	-	1	2

Expected credit loss analysis of receivables as at 1 July 2018 (adoption date of AASB9)				
	Not past due	Past due 30 days	Past due 60 days	Total
	\$'000	\$'000	\$'000	\$'000
Total gross carrying amount (A)	137	-	3	140
Expected credit loss rate (B)	1.5%	-	33%	
Expected credit loss (A x B)	2	-	1	3

The following table is for comparative purposes only and represents the age analysis that was published as part of the Authority's 2017-18 financial statements under the previous accounting standards.

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

(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 2019 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:

2019	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	639	-	-	-	-	-	639	639
Total	639	-	-	-	-	-	639	639

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

(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:

	2019 \$'000	2018 \$'000
Variable rate instruments		
Financial assets	7 186	6 651
Total	7 186	6 651

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 2019				
Financial asset – 1%	72	(72)	72	(72)
Net sensitivity	72	(72)	72	(72)
30 June 2018				
Financial asset – 1%	67	(67)	67	(67)
Net sensitivity	67	(67)	67	(67)

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2018.

Categories of financial assets and liabilities

AASB 9 Carrying amount	2019
	\$'000
Financial assets	
Cash and cash equivalents	7 186
Loans and receivables	119
Total	7 305
Financial Liabilities	
Financial liabilities at amortised cost	639
Total	639

AASB 139 Carrying amount	2018
	\$'000
Financial assets	
Cash and cash equivalents	6 651
Loans and receivables	139
Total	6 790
Financial Liabilities	
Financial liabilities at amortised cost	598
Total	598

Derecognition of Financial Assets

The Authority as not transferred any financial assets.

Comparison between Carrying Amount and Net Fair Value of Financial Assets and Liabilities

	Carrying Amount 2019 \$'000	Net Fair Value 2019 \$'000	Carrying Amount 2018 \$'000	Net Fair Value 2018 \$'000
Financial assets				
Cash at bank	7 186	7 186	6 651	6 651
Receivables	119	119	139	139
Total financial assets	7 305	7 305	6 790	6 790
Financial liabilities				
Payables	639	639	598	598
Total financial liabilities	639	639	598	598

Note 12: Events Occurring after Balance Date

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

Note 13: Other Significant Accounting Policies and Judgements

13.1 Objectives and funding

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

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

The Authority reports to the Hon. Michael Ferguson, MP, Minister for Infrastructure. The supporting agency is the Department of State Growth (DSG).

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

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

13.2 Basis of accounting

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

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

The Financial Statements were signed by the Board on 9 August 2019.

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:

- AASB 9 *Financial Instruments* – the objective of this Standard 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. AASB 9 has replaced accounting for impairment losses with a forward-looking expected credit loss approach. The Authority as applied AASB 9 retrospectively and has not restated comparative information which was reported under AASB 139.

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

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

- AASB 15 *Revenue from Contracts with Customers* – The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. In accordance with 2015-8 *Amendments to Australian Accounting Standards - Effective Date of AASB 15*, this Standard applies to annual reporting periods beginning on or after 1 January 2019.

During the year, the Authority agreed to undertake the installation of Fish Aggregation Devices on behalf of the Department of Primary Industry Water and Environment and entered into a contract with the Department. The contract contains enforceable performance obligations and as a consequence, grant revenue will be recognised in accordance with AASB 15. The total amount payable under the contract

is \$450,000 to be received over three years. The first instalment of \$150,000 was received in 2018-19 with two remaining equal instalments to be received in 2019-20 and 2020-21. For the funding received in 2018-19, under transition provisions of AASB 15 the Authority will retrospectively recognise a contract liability exists through an adjustment to the opening balance of retained earnings.

This standard is not expected to impose any additional impact on the Authority. The Standard permits not-for-profit public sector entities to recognise revenue associated with licences of low value at the point a licence is issued. This represents no change to current treatment.

- AASB 16 Leases – The objective of this Standard is to introduce a single lessee accounting model and require a lessee to recognise assets and liabilities. This Standard applies to annual reporting periods beginning on or after 1 January 2019.

Any existing or new leases where the value of the underlying asset is above a low value threshold of \$10,000 as set in accordance Treasurer's Instruction FC-19 Leases will need to be accounted for in accordance with this standard.

As a result, the Authority will be required to recognise a right of use asset and a lease liability for all contracts that convey the use of a specified asset with amortisation of the right of use asset and finance cost relating to unwinding of the lease liability recognised in the income statement.

The financial impact on adoption will result in an increase in assets of \$0.43 million on recognition of right of use assets. This will be off-set by a commensurate increase in lease liabilities of \$.50 million. Interest payable over remaining life of leases held is expected to be \$47,796.

The Authority's current operating lease costs are shown at note 4.2. In the Statement of Cash Flows lease payments will be shown as cash flows from financing activities instead of operating activities. Further information on the Authority's current operating lease position can be found at note 8.1.

The Authority is in the process of assessing whether revenue received from the issue and renewal of mooring permits are to be accounted under this standard, AASB 15 or AASB1058.

AASB 1058 Income of Not-for-Profit Entities – This standard will impact the recognition of some grants, although the recognition of recurrent government funding will not be impacted. During 2019-20, the Authority will receive \$1.79 million in recurrent grant income which will be recognised as revenue on receipt.

For grants other than recurrent, each grant will need to be assessed to determine if it is in the scope of AASB 15, AASB 1058 or both standards. If the grant comes with sufficiently specific and enforceable performance obligations, revenue would be recognised in accordance with AASB 15 rather than AASB 1058. This could result in income deferral and revenue being recognised as each performance obligation is fulfilled. In case of capital grants to purchase or construct a specific non-financial asset which is to be retained and controlled by the Authority, the income will be deferred and recognised as revenue when the purchase has been completed or progressively throughout the construction of the asset.

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

(c) Voluntary changes in accounting policy

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

13.5 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.

13.6 Taxation

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

13.7 Goods and services tax

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

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

13.8 Critical Accounting Estimates and Judgements

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

Note 14: Auditor's Remuneration

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

	2019	2018
	\$	\$
Fees for Audit	16 180	11 255
Fees for other services	-	-
	16 180	11 255

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 2018-19 financial year and the financial position as at 30th June 2019 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 2018-19 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 2018-19 financial year present fairly.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors

	
Sue Smith Non-Executive Director and Chair	Mark Nikolai Non-Executive Director
9 August 2019	9 August 2019

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 2019 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the statement of certification by the directors.

In my opinion, the accompanying financial report:

- (a) presents fairly, in all material respects, the financial position of the Authority as at 30 June 2019 and 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.

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information included in the financial report.

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the 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.

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.



Leigh Franklin

Assistant Auditor-General Financial Audit Services
Delegate of the Auditor-General

Tasmanian Audit Office

9 September 2019
Hobart

