



Marine and Safety Tasmania Annual Report 2015-16

MAST

MARINE and SAFETY TASMANIA
making boating better

Marine and Safety Tasmania

Annual Report 2015-16



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

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

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

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Letter to the Minister

10 October 2016

The Hon M.T. (Rene) Hidding MP
Minister for Infrastructure
Level 1, Franklin Square
HOBART TAS 7000

Dear Minister

In accordance with the requirements of Section 28 of the Marine and Safety Authority Act 1997 I am pleased to submit for your information and presentation to Parliament the Annual Report of the Authority for the year ended 30 June 2016.

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

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

Yours sincerely

A handwritten signature in black ink that reads "Sue Smith".

Sue Smith
Chair

MAST

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

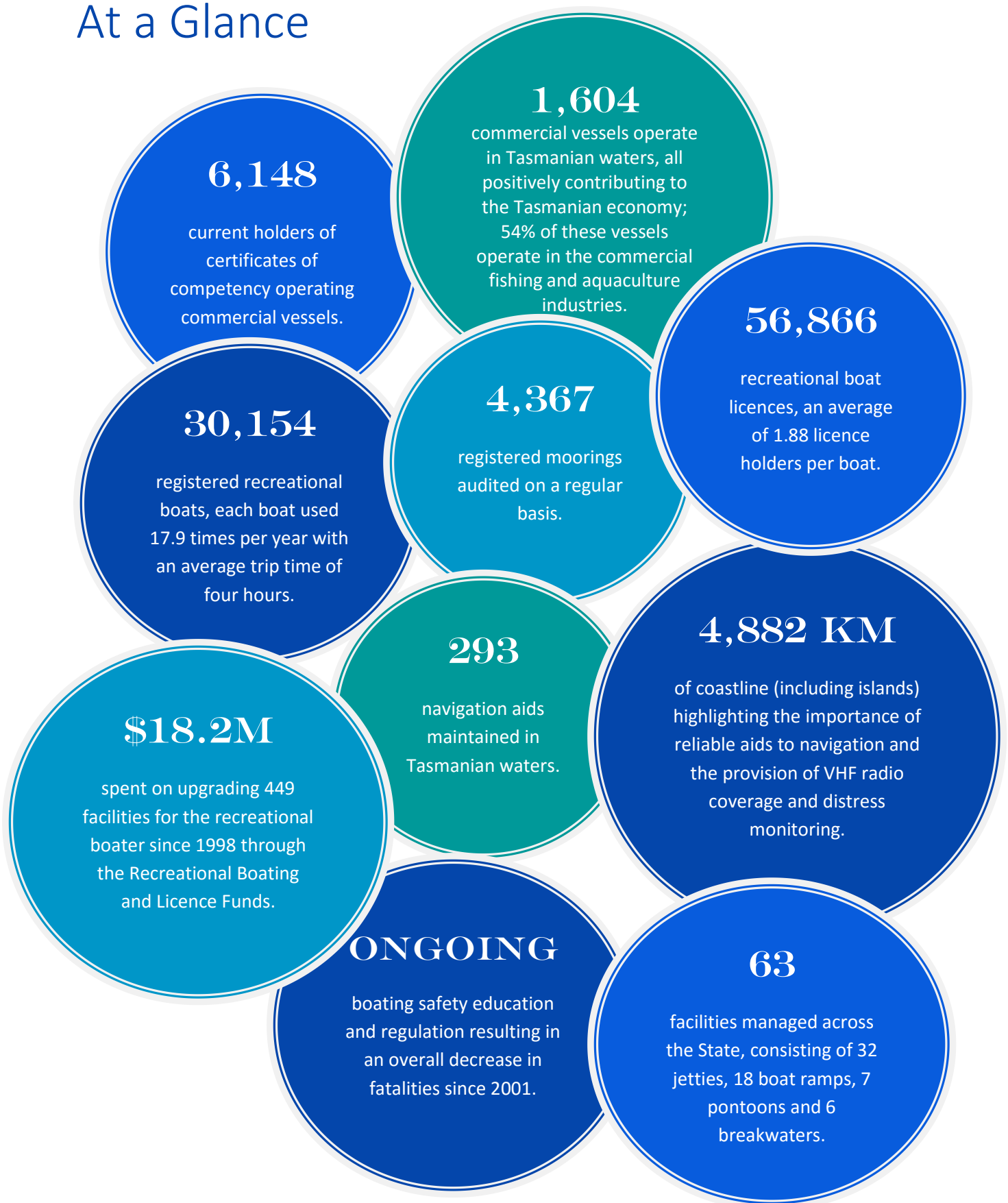
- a) ensure the safe operation of vessels (recreational and commercial),
- b) perform the functions,
- c) provide and manage marine facilities and
- d) manage environmental issues relating to vessels.

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

MAST has jurisdiction in and over:

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

At a Glance



Highlights and Challenges 2015-16

In 2015-16 MAST:

- Invested over \$1.2 million in marine infrastructure across the State through the Recreational Boating and Licence Funds
- Educated over 7000 primary school students about boating safety
- Further expanded the VHF radio network through the provision of a base station on Maatsuyker Island and on the central north coast delivering full coverage of Tasmanian waters
- Improved safety for the users of kayaks and canoes with the continued implementation of the PaddleSafe Program
- Further expanded the number of safety videos on YouTube bringing the total to 48
- Approved 151 new commercial vessels for local, interstate and international use – the largest number of any jurisdiction across Australia
- Completed an audit of its marine facilities resulting in a comprehensive updated maintenance and facility replacement program
- Commenced a review of the policy and regulatory framework governing the administration of moorings
- Conducted a recreational boating survey
- Introduced an on-line service via the website to allow recreational boat licence holders to check the validity of licences

Our challenges included:

- The continued implementation of the evolving National System for Commercial Vessels whilst providing timely and efficient advice to industry
- Balancing Commonwealth reform related activities with “business as usual” activities
- Ensuring owners of inflatable life jackets service their jackets in accordance with manufacturers’ instructions
- Educating users of paddle craft on safety equipment and lighting requirements

Chair's Report

Marine and Safety Tasmania (MAST) has been addressing the ongoing challenges of implementing the National System for Commercial Vessels. The objectives of the National System are to ensure a safe system, a reduction in complexity, consistency in the application of standards and rules, minimising cost of regulation and a more efficient market through eliminating barriers for the efficient movement of compliant vessels and seafarers around the country. The impact of this reform on the organisation from both a resourcing and financial perspective cannot be underestimated.

The National System for Commercial Vessels was introduced on 1 July 2013 with MAST retaining the responsibility for the day-to-day administration of the National Law under delegations from the National Regulator, the Australian Maritime Safety Authority (AMSA). The past twelve months have resulted in further change as AMSA has been moving in a staged way to assume responsibility for full service delivery of the National System by 1 July 2017. The challenges surrounding this reform will continue into the future with MAST set to transition out of all commercial vessel activity on or before 1 July 2017. MAST has worked closely and effectively with industry over the life of this reform and will ensure industry has a full understanding of the transition process.

With the constant change in commercial vessel regulation and the resultant service delivery arrangements, the Board has updated existing governance documentation. A revised Risk Register was adopted together with the development of operational risk registers across key departments within the organisation. The internal audit program has concentrated on key areas of risk and relevant policies revised. The three-yearly structural audit of MAST owned marine facilities was also completed ensuring a comprehensive understanding of future works required, areas to monitor and the residual life of each structure.

Recreationally, the organisation continues to deliver key safety education and boating facilities across the State through its flagship, the Recreational Boating Fund. Since 1998, MAST has spent \$18.2 million on improvements to recreational boating facilities and services in Tasmania, all funded from recreational boating registration and licence fees. The transparency of this fund and the tangible benefits it delivers is fundamental to the credibility of MAST. Being a safety organisation, significant funds are also directed into educating the recreational boater and paddler on regulatory matters. MAST's work in this area is recognised internationally. At the request of the Canadian Safe Boating Council Symposium, Peter Hopkins, General Manager Recreational Boating Safety and Facilities, presented two papers in Halifax, Nova Scotia in September 2015.

The past year has been challenging due to the changing regulatory environment and the following few years will be no easier as MAST moves out of commercial vessels responsibilities. As we work through what the new regime will be, I can assure those we provide services to that the same professional standards will continue to apply.

The exceptional staff have worked under pressure this year but have continued and will continue to work as a strong committed team to ensure our role in the regulatory regime of safe seafaring continues in the professional manner that our customers have come to expect.

My fellow Directors have individually and collectively added solid advice to MAST and myself and I thank them for their support.

Sue Smith
Chair

Chief Executive's Report

Despite the challenges of regulatory change in the commercial vessel area, MAST remains focused on achieving the best possible outcomes for all stakeholders.

The provision of recreational boating facilities and services together with the ongoing safety education is funded by recreational boat owners and operators through registration and licence fees. MAST is regularly congratulated for the transparency of these fees and the direct benefits that the recreational boater receives. This financial year funds were allocated to key infrastructure such as an additional boat ramp at Macquarie Heads, the extension of Freemans Jetty at Coles Bay, the provision of a breakwater and ramp upgrade at Kingston Beach, upgrading of Hillwood boat ramp, the provision of a landing platform at Burns Bay and a new VHF base station at Maatsuyker Island. MAST has also committed \$700 000 towards the planned \$1.2 million upgrade of the Swansea boat ramp. Overall on-water compliance with MAST's regulations and by-laws is high and the safety culture amongst recreational boaters has improved dramatically since 2000. There is, however, a level of complacency regarding the servicing of inflatable life jackets and this is a significant safety issue that MAST has been focusing its educational efforts on. The safety of "paddlers", including kayaks, canoes and rowing sculls, has also been an educational priority.

MAST continues to maintain the marine infrastructure it owns at a high standard, making regular inspections and repairs to jetties, training walls, ramps, navigation aids and wharves. The recently completed structural audit of MAST marine facilities will enable the cost effective management of facilities into the future.

The effective management of waterways can be challenging due to the expectations of MAST's diverse range of stakeholders. The rapid expansion of marine farming over recent years has led to a need to improve the lighting of marine farms in the D'Entrecasteux Channel. This has been achieved with the support of the fish farming companies. Regular agitation dredging has occurred in Georges Bay to ensure access to the Port of St Helens and recent dredging on the approaches to Dunalley Canal has resulted in increased depths. This year MAST also commenced work on two additional waterways management projects - the stabilisation of the mouth of the Prosser River at Orford and the extension to the training wall at the entrance to Georges Bay, St Helens. These two projects received a large amount of funding from government and, given their size and complexity, this year was focused on obtaining the necessary approvals with construction scheduled to commence in 2016-2017. Work also started on a review of the policy and regulatory framework governing the administration of moorings. The objectives of this review are to ensure fair and equitable access to moorings, increase the mooring capacity and efficiency and improve the efficiency of mooring administration, ensuring it is modern and flexible to respond to the growing demand for moorings.

The boat building industry in Tasmania is the most vibrant in Australia with MAST approving 151 new vessels this financial year. This growth is largely driven by the expansion of salmon farming, with many of these vessels increasing in size and complexity. Tasmania's builders of passenger vessels are recognised nationally and internationally.

This year four passenger vessels were delivered to New South Wales and two to Africa. MAST prides itself on the level of service provided to this industry ensuring timely and accurate advice.

Regular communication with all MAST's stakeholders remains a high priority for the organisation with an emphasis on regular newsletters, social media and face to face engagement through events such as Agfest, Life Jacket Awareness Days, Flare and Safety Demonstrations, Recreational Boating Forums and outdoor shows. Our website and Facebook page facilitate fast and direct communication with stakeholders and provide a platform for visual content.

The small but dedicated team at MAST is to be congratulated on the outcomes achieved over the past year, particularly with the changing regulatory environment that continues to impact on the commercial vessel sector. The commitment and passion displayed by each staff member has evolved into a culture that would be difficult to replicate and that I am extremely proud of.

Lia Morris
Chief Executive

Our Strategy

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

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

The Strategic Plan outlines key focus areas to achieve these objectives:-

Commercial Vessel Reform - timely implementation of the government's maritime safety reform commitments

Effective Regulation - continue to establish and maintain effective regulatory systems and processes

Boating Safety - continue to develop and promote a safety culture through education and enforcement

Marine Infrastructure - continue to improve access to waterways for all users through the provision of new and the maintenance of existing infrastructure

Environment - support lead agencies on matters related to the maritime environment

Community Engagement - continue to involve and engage key stakeholders and the community to support MAST's vision and to help achieve its objectives

Meeting all focus areas in a financially sustainable manner.

Objective 1 – Safety of Recreational Vessels and Users

MAST is first and foremost a marine safety agency. A key responsibility is to educate Tasmanians about how to keep safe whilst boating.

The priority safety education issues addressed by MAST in 2015-16 were:

- The necessity to service, maintain and care for inflatable life jackets
- The correct wearing of life jackets
- The safety of kayakers, canoeists and rowers; and
- Cold water immersion.

Inflatable Life Jackets

Some years ago MAST anticipated that one of the major safety issues to confront the boating public would be the servicing, maintenance and care of inflatable life jackets.

In the early to mid-2000s, many Tasmanians switched to wearing inflatable life jackets. This was a result of life jackets being made compulsory in 2001 for persons in a boat, 6 metres and under, that is underway. Inflatable life jackets are popular due to their level of comfort.

MAST research indicates that the number of inflatable life jackets being serviced does not correlate with the number of jackets sold. Out of an estimated 70,000 jackets, figures show less than 2% are being serviced.



The importance of maintaining these jackets has now been highlighted by the Coroner's Office, with separate reports into fatalities during 2014 underlining the need for inflatable life jackets to be serviced as required by manufacturers. The vast majority of boaters wear a life jacket to comply with the legislation but, without the necessary maintenance, inflatable life jackets are no longer a life saving device, resulting in fatalities that could be prevented.

Throughout 2015-16 MAST has consistently engaged with stakeholders on the importance of servicing inflatable life jackets through a variety of mediums, including articles in *Boatwise*, education nights, boat shows, MASTTV, Facebook and life jacket awareness events. MAST has also developed a large range of educational materials to highlight the importance of maintaining inflatable life jackets according to the manufacturer's recommendations.

With a large proportion of inflatable life jackets purchased in the period immediately after the legislation change in 2001, many are now past their use-by date. MAST will continue to educate the public on the need to purchase life jackets compliant with the relevant Australian Standard, AS 4758.1.

The Correct Wearing of Life jackets

Since the initial Life Jacket Awareness day held in Hobart in 2014, MAST has also highlighted the necessity and benefits of not only wearing a life jacket but ensuring it is fitted and worn correctly.

MAST has conducted further testing of a range of life jackets and held a life jacket awareness day in Queenstown. Life jackets will not perform at the optimum level if they are not worn correctly. The Queenstown demonstration showed those present the benefit of crotch straps and correct sizing. It also provided a visual demonstration of how tragedies can occur when a jacket is ill fitting.

PaddleSafe Program

MAST continued to work with Surf Life Saving Tasmania to deliver the PaddleSafe Program for the second consecutive year across the State. This program educates owners of all types of paddle craft about paddling techniques, trip preparation, weather forecasting and other safety related matters. Extra sessions were added to cater for demand in Deloraine and Kingston and the program was also delivered for the first time in St Helens. The Huon, Kingborough and Meander Valley Councils have been very supportive of the PaddleSafe program and planning is under way to reinforce the program for the coming summer season.

Existing canoe clubs have been informed about PaddleSafe and MAST hopes that a co-operative approach will be taken by this paddling community to reinforce the PaddleSafe priorities in their training programs and help them to engage with paddlers who are not members of clubs.



Rowing Tasmania

MAST has developed, in conjunction with Rowing Tasmania, advice on safe practices for rowing clubs. All clubs have been encouraged to develop safety management plans and to submit these with Rowing Tasmania. With the majority of rowers based on the River Derwent, MAST held a meeting to educate all clubs and participating schools on the importance of complying with pilotage regulations, lighting requirements and Tasman Bridge transit requirements.

Rowing as a sport is increasing in popularity and it is important that existing rowing clubs and schools, with rowing as part of their curriculum, have safety strategies in place.

Kayak and Canoe Lighting

Night paddling in Tasmania is growing at a steady pace. Despite regulations being in place to ensure these craft are lit at night, MAST continues to receive reports of kayaks and canoes paddling without compliant lighting.

To address this issue, MAST patrolled foreshore areas and also visited clubs and paddling groups during 2015-16 to make them aware of the dangers of paddling at night without the correct lights being displayed. A practical display was included at Agfest showing examples of correct lighting together with a number of Facebook posts throughout the year.



Cold Water Immersion

An analysis of recreational fatalities since 2001 shows that nearly 70% of fatalities in Tasmania have occurred in water temperatures estimated at 15 degrees and below, demonstrating that cold water immersion is a boating safety issue in Tasmania.

The effects of falling into cold water can be serious. The risk of drowning increases nearly five times if the water temperature is below 15 degrees Celsius. Studies show up to 60% of fatalities due to cold water immersion occur in the first 15 minutes. Cold water carries heat away from the body more than 25 times more quickly than air with the same temperature. MAST continues to work with specialists in this area and to impart this valuable knowledge to its stakeholders. Coroners' reports are now recognising cold water immersion as a contributing factor to fatalities.

School Education Program

MAST continues to support the Department of Education's Swimming and Water Safety Program (SWSP) by delivering the Boatsafe school education course. This program ensures that children in Grades 3-5 experience practical boating safety in a pool environment as part of the water safety program at least once every three years. In 2015-16 the use of regional employees has enabled MAST access to more schools around the state.

The Boatsafe education course has been expanded through the implementation of Stage 2 of SWSP this year. Stage 2 concentrates on boating safety equipment, trip planning and the importance of life jackets.

The Department of Education estimates between 7,000 and 9,000 children attend these programs every year, giving MAST the opportunity to embed a boating safety culture with future boating generations. MAST further promoted the program to the broader school community by holding an educational display at the Australian Council for Health, Physical Education and Recreation Conference. MAST has also been concentrating on increasing its presence in private schools.



Retailers and Boating Dealers

MAST continues its close working relationship with retailers and boat dealers as they provide an important conduit to MAST stakeholders on a daily basis. MAST met with retailers and dealers in September 2015 to provide a briefing on its priority boating safety education programs and other issues, including facility upgrades.

MAST will continue to develop these relationships over the next 12 months with plans to retailers and boating dealers on MAST legislation and the importance of life jacket maintenance and other safety equipment.

Recreational Boating Incidents

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

There were 14 recreational incidents reported between 1 July 2015 and 30 June 2016. This was down from 25 reported recreational incidents the previous year. It should be noted that whilst incidents are required to be reported, many recreational boaters are unaware of their obligations.

Fatalities

Unfortunately four recreational boating fatalities were recorded in Tasmania in 2015-16.

One incident resulted in two males ending up in the water after a 3 metre dinghy capsized in the far North East of the state. In another incident two males were found deceased on a motor launch. It is believed carbon monoxide poisoning may have occurred. Both matters have been referred to the Coroner.

Since 2001 when the wearing of life jackets became compulsory, the average number of recreational fatalities in Tasmania has been 2.2 per year. This is a reduction from 6.34 per year in the period from 1978 to 2000. Of the 43 fatalities since 2001, 33 have been recreational and the remaining 10 relate to the commercial industry. Males account for 42 of these fatalities and the average age is 47.7 years. It is interesting to note that in excess of 50% of people involved in recreational fatalities were wearing life jackets. The analysis also showed that alcohol was detected in 24.2% of the fatalities. Of note, 78.8% of fatalities occurred in a saltwater environment.

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

Police Statistics

An analysis of infringements issued by Tasmania Police is conducted each year.

The number of infringements issued in 2015-16 has reduced for the non-wearing of life jackets on boats 6 metres and under, noting that these have been decreasing since 2014. However, the number of infringements issued for non-wearing of life jackets on lightweight craft (kayaks and canoes) has increased. The number of infringements for the non-carriage of the required safety gear on lightweight craft has also climbed.

Objective 2 – Safety of Commercial Vessels Operators and Passengers

The *Marine Safety (Domestic Commercial Vessel) National Law Act 2012* (National Law) was implemented on 1 July 2013 creating a single national maritime regulator, the Australian Maritime Safety Authority (AMSA). MAST remains responsible for the day-to-day administration of the National Law in Tasmania under delegation from AMSA. It is the responsibility of MAST as Delegate of the National Regulator to ensure that all vessels are properly constructed, maintained and adequately manned with qualified personnel.

Under the National System, the standard applied is the National Standard for Commercial Vessels (NSCV).

Safety Management System

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

Since the commencement of the National System, MAST continues to administer applications for Certificates of Operation and provide assistance to vessel owners and operators on the development of Safety Management Systems. The audit of safety management documentation continues to be conducted by MAST surveyors in conjunction with survey for existing passenger carrying vessels.

Competent Commercial Crew

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

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

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

During 2015-16 MAST issued 486 new Certificates of Competency which is a 16% increase on the number of new certificates issued in the previous financial year. Overall the number of current MAST issued Certificates of Competency has increased to 6,148 Certificates.

Existing Fleet and New Vessels

Tasmania has an active commercial vessel fleet, covering operations in aquaculture, tourism, the wild catch fisheries and port services. MAST engages with these commercial vessels by undertaking regular scheduled vessel surveys, ensuring vessels remain compliant with the requirements of the National Law. The total number of commercial vessels in Tasmania increased from 1523 on 30 June 2015 to 1604 on 30 June 2016.

Tasmania has a dynamic, innovative and expanding boat building industry, leading the country in the construction of new vessels for use in Tasmania, interstate and overseas. In period 2015-16 a total 151 new commercial vessels entered commercial survey in Tasmania, an increase of 64 vessels from the previous year. MAST works with the boat building industry by assessing vessel designs to ensure the design is compliant with the NSCV and during construction to ensure that construction is in accordance with these standards.



Commercial Vessel Incidents and Fatalities

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

During 2015-16 there were 33 incident reports received relating to domestic commercial vessels. Eight of these incidents related to vessels under pilotage.

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

Evolution of the National System

The requirements for commercial vessels continue to change as the transition to the National System for Commercial Vessels progresses and AMSA fine tunes Marine Orders and Exemptions under the National Law.

The national reform has presented many challenges to commercial operators as AMSA tries to find a unified approach to the safety requirements of domestic commercial vessels across Australia. This has resulted in AMSA's streamlining and service delivery incentives which have culminated in AMSA's intention to assume full control of service delivery of the National System commencing on 1 July 2017.

The transition to the National System, and ultimately service delivery by AMSA in 2017, has presented MAST and industry with relentless challenges, the most significant being the need to adapt to a constantly changing regulatory environment. Throughout this change, MAST has endeavoured to maintain its high level of service delivery to industry, despite the increasing demands on all staff in the commercial area.

Objective 3 – Effective Management of Waterways

Mooring Audits

There were 4,376 registered moorings in the state as at 30 June 2016.

During 2015-16 mooring audits were conducted on the East Coast, Tamar River, River Derwent and Huon River, covering the majority of moorings in the State. The audit process is used to identify any unregistered moorings as well as a registration check on the boats attached to approved moorings. After each audit letters are sent to advise the permit holders if any problems are identified, such as servicing or marking. If the mooring is not on the water the permit holder is warned and given a set time to rectify. Each area is re-visited, usually within 60 days, to check that identified problems have been addressed. If not, the mooring permit may be revoked or an infringement notice issued.



Mooring Review

This year MAST undertook a review of the policy and regulatory framework governing the administration of moorings in Tasmania. The objectives of the review were to:

- ensure fair and equitable access to moorings;
- increase the mooring capacity and efficiency; and
- improve the efficiency of mooring administration, ensuring it is modern and flexible to respond to the growing demand for moorings.

The review included public feedback via a survey of recreational boaters, moorings owners and mooring contractors on specific topics. Over 35% of mooring owners responded to the survey. The survey data will be analysed and through this process the issues to be addressed in 2016-2017 will be identified.

Marine Farming

MAST continues to work with the marine farming industry and the Marine Farming Branch of the Department of Primary Industries Parks Water and Environment on matters of safe navigation.

MAST provides comments on marine farming development plans, draft amendments and reviews plans to ensure the maintenance of safe navigation and anchorages. MAST has also been working with the major companies to improve the lighting of marine farm leases in the D'Entrecasteaux Channel and Macquarie Harbour. This work has seen some lighting changes in the Channel area ensuring safer navigation. Further changes will be made in the coming year.

Access to Georges Bay

In 2015-16 MAST continued working with the Break O'Day Council and local barway users at St Helens to develop a long term strategy for improving the access into Georges Bay, which includes the extension of the St Helens Training Wall and groynes at Pelican Point within Georges Bay.

This year has been spent developing plans, undertaking environmental surveys and gaining approvals for both the construction of the wall and the extraction of rock from a nearby quarry. Approvals were granted by the Parks and Wildlife Service, Environmental Protection Authority, Mineral Resources Tasmania and the Break O'Day Council.

Preliminary quarry works were completed and drilling also commenced late 2015-16. Blasting extraction and the construction of the wall will continue in 2016-2017.

Prosser River

In 2014-2015 MAST secured funding from Government and a contribution from the Glamorgan Spring Bay Council for stabilisation works to the mouth of the Prosser River.

2015-16 has been spent undertaking the necessary design works and environmental assessments required to gain approval for the project.

This work has included marine and terrestrial flora and fauna studies and computational modelling of the proposed works. These tasks led to the submission and subsequent approval of the development application with Council, which included a condition that the project be referred to the Commonwealth Department of Environment (DoE) to assess whether the project would have a significant impact on the fairy tern population. This assessment is still being undertaken.

If the DoE assessment is favourable, the stabilisation works will ensure safe access to the 28 jetties, boat ramps and numerous moorings in the river. They will also prevent erosion along the northern shoreline thereby protecting waterfront properties, the integrity of the Tasman Highway and Raspins Beach.

Ports and Pilotage

During the year MAST conducted the annual audit of Tasports to monitor the manner in which it conducts pilotage and other navigational safety tasks within commercial port areas. MAST has also worked with Tasports and Tasmania Police to ensure that recreational vessels have a better understanding of their responsibilities when operating within the vicinity of the Tasman Bridge.

MAST is responsible for the issuing of Pilot licences. Eleven pilot licences were issued to operate within Tasmanian Ports in 2015-16.

During 2015-16 MAST also commenced a review of the current *Marine and Safety (Pilotage and Navigation) Regulations 2007* to ensure the best outcomes for managing navigation on Tasmania's waterways.



Objective 4 – Provision and Management of Marine Infrastructure

Recreational Boating Fund and Licence Fund Projects

The provision of recreational boating facilities is funded from the annual recreational boating registration fees (Recreational Boating Fund - RBF) and the triennial licence fees (Licence Fund).

Facility upgrades give MAST an important connection with local boating communities, Councils and facility owners. The relationships have lasting benefits from a safety point of view as well as providing well designed facilities that meet engineering standards and user expectations.

In 2015-16 a number of projects were completed from the RBF including:

- An upgrade of the ramp at Kingston on the River Derwent
- Navigation mark between Victoria Bridge and Horsehead Creek boat ramp on the Mersey River
- A ramp upgrade and landing jetty at Whitemark on Flinders Island
- A new lane at Macquarie Heads at Strahan
- A new pontoon at Lake Rosebery, Tullah
- A new pontoon at Meredith Street, Strahan
- A new security light at the Low Head boat ramp
- A new concrete layer at Hillwood boat ramp, Tamar River
- A new landing stage at Burns Bay, St Helens
- Clearance height indicator on Bowen Bridge, River Derwent
- Navigation marks in Ansons Bay
- A VHF base at Maatsuyker Island which gives VHF coverage on the south coast
- An extension at Freemans Jetty, Coles Bay that finalises a three stage upgrade

Hydro Tasmania is acknowledged for the contribution to the facility at Lake Rosebery.

The amount spent on recreational boating infrastructure since 1998 now exceeds \$18.2 million. These projects continue a commitment MAST has given to the recreational boating community at public meetings and through *Boatwise* over the years.

Improved infrastructure and services from these funds have been embraced by the boating public.



MAST-owned Marine Infrastructure

In 2015-16 MAST undertook an audit of all of its marine facilities. These audits are undertaken every three years and include a full assessment by engineers with the aid of divers. The audit information allows MAST to set a work program on facility maintenance over the next three years and also provides a revised residual life of facilities for the MAST Strategic Asset Management Plan, which is used to advise Government on the upcoming facility replacement requirements and funding applications.

Aids to Navigation

MAST manages 293 aids to navigation around the State. These aids continue to operate at a high level of reliability due to a comprehensive maintenance program.

This year AMSA divested four aids to MAST. These aids are no longer required by AMSA stakeholders but are still important navigational aids required by Tasmanian mariners. The aids include structures at Low Rocky Point, Sandy Cape and Bluff Hill Point on the West Coast and Hunter Island. An additional aid on Cape Barren Island will also be transferred in the coming year after a lease with the Aboriginal Land Council of Tasmania is complete.



Marine Communications

MAST continued to provide resources to maintain and expand the extensive marine communications network throughout the State run by a small team of dedicated volunteers at Tas Maritime Radio.

Maatsuyker Island VHF Base station went live in early 2016. The system is monitored by Tas Maritime Radio. MAST provided infrastructure on the Island which links directly into the Tas Maritime Radio network to allow monitoring of the system from Hobart. Tas Maritime Radio also added a new VHF Base on the central North Coast that also links into the network. The addition of the two additional bases now gives virtually full VHF coverage of all Tasmanian coastal waters, that is monitored 24/7.

Preliminary work has been conducted to establish a VHF base covering the central highland lakes. Again this system will form part of the state wide network further enhancing maritime safety in Tasmania.

The ongoing annual maintenance program has continued during the year to ensure the network remains reliable into the future.

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



Objective 5 – Continued Engagement with Stakeholders

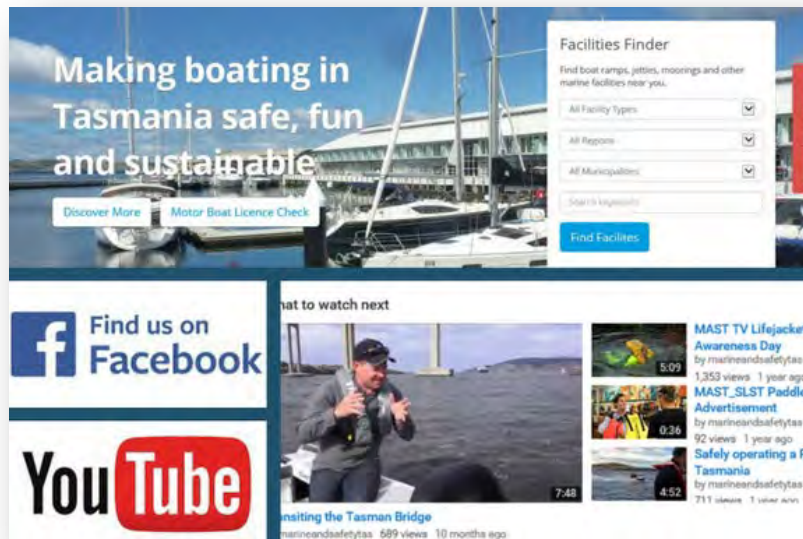
MAST understands the importance of communicating clearly and managing its stakeholder's expectations.

Attendance at boat shows, Boatwise education nights, public meetings and events such as Agfest and the trout weekend at Liawenee, allow the recreational boating team to engage with a broad cross section of stakeholders on a regular basis.

These events, as well as boat ramp patrols and a close association with retailers and boat dealers, give staff valuable feedback on important safety issues and also how the public feel about MAST's service delivery, messaging and boating infrastructure upgrades around the state.



The MAST website, YouTube and Facebook sites are important components of MAST's communication plan. These allow MAST to convey messages and educate the boating public quickly and efficiently. To be able to publicise a notice to mariners via Facebook within minutes means important safety information is passed onto the public with minimal delay. Facebook is also a valuable tool with the ability for one post to reach in excess of 100,000 people. MAST also sends email newsletters between issues of *Boatwise* and gives those who have signed up the opportunity to receive up to date information.



The *Boatwise* publication informs licence holders and boat owners alike on important issues. With a distribution of around 60,000, *Boatwise* is a most important method of conveying safety messages and other significant boating news to stakeholders.



A survey of recreational boat owners was conducted during 2015-16. The survey questions remained the same as in previous years and assist MAST in understanding the behaviour and expectations of the boating public of Tasmania.

The Cruising page on the MAST website continues to be a useful source of information for those visiting from interstate. MAST continues to receive calls from visiting boaters commenting on the page and the detail available.

Motor Boat Licences are renewable every three years. Whilst it is not a requirement to carry a licence on board, MAST has previously issued plastic licence cards when the renewal was paid. As a result of increasing production and administration costs, MAST ceased issuing the plastic licence cards on the 2015 renewal date. MAST now provides an on-line service via its website to allow recreational boat licence holders to check the validity of their licences.



Objective 6 – Financial Sustainability of the Organisation

Finance and Corporate Support

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

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

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

Since MAST was established, the administration area has faced many challenges mainly brought about by the almost doubling of our client base. Most tasks could not have been conducted to the current high level without the dedication of staff, implementation of streamlined processes and continued development of IT systems.

As at 30 June 2016, MAST had 20.2 Full Time Equivalents (FTEs) compared with 19.6 FTEs in 2014-2015.

Corporate Governance

Role of the Board

The Board is responsible to the Minister for:-

- The performance by the Authority of its functions; and
- Ensuring that the business and affairs of the authority are managed and conducted in a manner that is in accordance with sound commercial practice.

The membership of the Board during the Financial year was -

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

Sue Smith

Sue has dedicated the majority of her career to serving Tasmania's north west community since first being elected a Councillor for Ulverstone in 1981. She subsequently held the positions of Central Coast Mayor, President of the Local Government Association of Tasmania and was an independent member of the Legislative Council of Tasmania for 16 years. She was the first female President of the Legislative Council of Tasmania, retiring in 2013. Sue is currently an Independent Director of TFGA, a Director of RACT, Chair of Devonport City and Central Coast Shared Audit Panel and a Member of Local Government Code of Conduct Panel.

Hughie Lewis

Hughie has extensive experience in recreational boating. He is currently the Managing Director of Lewis Marine, a life member of the Bellerive Yacht Club, owns a number of recreational boats and used to water ski at a State level.

Neil Stump

Neil is currently the Executive Officer of Oysters Tasmania and was previously the Chief Executive of the Tasmanian Seafood Industry Council for 9 years. A former commercial fisherman he still retains an interest in the Tasmanian rock lobster fishery. He has been involved at various levels in seafood

industry representative organisations for over 25 years, and has served on a number of seafood industry advisory committees.

Neil holds formal qualifications from the AMC (Bachelor of Applied Science – Fisheries) and UTAS (Bachelor of Science (Hons) and Master of Environmental Studies). He is a member of the IMAS Board.

Mark Nikolai

Mark commenced as TARFish CEO in 2008 and is an avid fisherman in freshwater and saltwater. He is an experienced senior manager with over 20 years' extensive, practical hands on experience in large, medium and small Australian organisations. Combined with this extensive experience Mark has attained a Masters Degree in Business Administration (MBA Executive) from Australia's premier business school, The Australian Graduate School of Management at UNSW. Mark returned to Tasmania in 2005 to take up a role as General Manager in a professional services organisation in Hobart and has a diverse background with senior management roles in, Finance and Accounting, Strategic Planning, Management Consulting, Information Technology, Customer Service, Internal Sales, Credit Management and Distribution.

Lia Morris - MAST Chief Executive

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

◇

	7 August	25 September	19 October	27 November	19 February	15 April	10 June
Sue Smith	✓	✓	✓	✓	✓	✓	✓
Hughie Lewis	✓	✓	✓	✓	✓	✓	✓
Mark Nikolai	✓	✓	✓	✓	✓	✓	
Neil Stump	✓	✓	✓	✓	✓	✓	✓
Lia Morris	✓	✓	✓	✓	✓	✓	✓

Internal Audit and Risk Management

Deloitte Touche Tohmatsu was appointed for an additional one year period until 31 December 2016 to provide internal audit and risk management services to the Board of MAST.

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

The Board reviewed and considered a number of internal audit reports that were completed during the year, including the response by management. The Board also ensured that where deficiencies in internal controls or procedures were identified, appropriate and timely action was taken by management.

Integrity Commission Act 2009

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

The "Speak Up. Build a better place to work" campaign was launched at MAST in July 2015 and the "Thanks is Enough" Awareness Campaign in November 2015.

Public Interest Disclosures

MAST has adopted a set of Public Interest Disclosure procedures in accordance with s 60 (3) of the *Public Interest Disclosures Act 2002*.

A copy of the procedures can be viewed at MAST during office hours or accessed via the MAST website, www.mast.tas.gov.au under MAST Publications.

Public Interest Disclosures 2015-16

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

Legislation

No new legislation came into force in the 2015-16 reporting period.

Right to Information Act 2009

The *Right to Information Act 2009* (RTI Act) commenced on 1 July 2010 and provides for greater access to information held by government bodies. There were four application requests received under the *Right to Information Act 2009* for the financial year 2015-16.

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

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

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

Marine and Safety Tasmania
GPO Box 607
HOBART TAS 7001
or email: admin@mast.tas.gov.au

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

Financial Report

For the Year ended 30 June 2016



Marine and Safety Authority

ABN 65 826 980 806



Statement of Comprehensive Income

for the year ended 30 June 2016

	Note	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
Continuing operations				
Revenue and other income from transactions	3			
Commercial vessels		971	1,131	1,037
Certificates of competency		287	353	269
Recreational boating		3,115	3,604	4,158
Moorings		365	354	342
State Government grants	3.1	2,092	2,092	1,054
Interest		66	137	122
Other income		171	170	228
Total revenue and other income from transactions		7,067	7,841	7,210
Expenses from transactions				
Employee expenses	4.1	1,969	2,384	2,195
Supplies and consumables	4.2	1,584	1,496	1,407
Facilities maintenance	4.3	827	550	657
Recreational boating funding program	4.4	1,600	1,070	1,363
Depreciation charges	4.5	906	946	881
Other expenses	4.6	197	169	168
Total expenses from transactions		7,083	6,615	6,671
Net result from transactions (net operating balance)		(16)	1,226	539
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	5	-	-	(580)
Total other economic flows included in net result		-	-	(580)
Net result from continuing operations		(16)	1,226	(41)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation reserve	9	-	3,557	207
Total other comprehensive income		-	3,557	207
Comprehensive result		(16)	4,783	166

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 2016

	Note	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash & deposits	8.2, 10.1	2,561	5,781	4,017
Receivables	6.1	169	174	191
<i>Non-financial assets</i>				
Other assets	6.3	44	51	53
Property, plant & infrastructure	6.2	24,447	28,101	25,194
Total assets		27,221	34,107	29,455
Liabilities				
Payables	7.1	382	247	365
Other liabilities	7.4	42	36	38
Employee benefits	7.2	692	525	536
Total liabilities		1,116	808	939
Net assets		26,105	33,299	28,516
Equity				
Contributed capital		9,939	9,939	9,939
Reserves	9	12,881	16,646	13,089
Accumulated funds		3,285	6,714	5,488
Total equity		26,105	33,299	28,516

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 2016

	Note	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
Cash flows from operating activities				
Cash inflows				
Grants from State Government – recurrent		2,092	2,092	1,054
Sales of goods and services		4,764	5,458	5,774
GST receipts		355	445	801
Interest received		66	137	122
Other cash receipts		171	170	228
Total cash inflows		7,448	8,302	7,979
Cash outflows				
Employee benefits		(1,914)	(2,398)	(2,149)
GST payments		(357)	(450)	(790)
Supplies and consumables		(1,484)	(1,606)	(1,635)
Facilities maintenance		(827)	(550)	(657)
Recreational boating funding program		(1,600)	(1,070)	(1,362)
Other cash payments		(197)	(168)	(168)
Total cash outflows		(6,379)	(6,242)	(6,761)
Net cash from/(used by) operating activities	10.2	1,069	2,060	1,218
Cash flows from investing activities				
Receipts of non-operational capital grants		-	-	-
Proceeds from disposal of non-financial assets		-	-	26
Payments for non-financial assets		(1,089)	(296)	(3,480)
Net cash from/(used by) investing activities		(1,089)	(296)	(3,454)
Net increase/(decrease) in cash and cash equivalents held		(20)	1,764	(2,236)
Cash and cash equivalents held at the beginning of the reporting period		2,581	4,017	6,253
Cash and cash equivalents held at the end of the reporting period		2,561	5,781	4,017

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 2016

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

	Contributed Equity \$'000	Accumulated Results \$'000	Reserves \$'000	Total Equity \$'000
Balance as at 1 July 2014	9,939	5,529	12,881	28,349
Net result	-	(41)	208	167
Balance at 30 June 2015	9,939	5,488	13,089	28,516

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 2016

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

1.1 Statement of Comprehensive Income

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

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Commercial Vessels	(a)	971	1,131	160	16
Certificates of Competency	(b)	287	353	66	23
Recreational Boating	(c)	3,115	3,604	489	16
Interest	(d)	66	137	71	108
Employee Expenses	(e)	1,969	2,384	415	21
Facilities Maintenance	(f)	827	550	(277)	(33)
Recreational Boating Fund	(g)	1,600	1,070	(530)	(33)
Other Expenses	(h)	197	168	(29)	(15)
Changes in Asset Revaluation Reserve	(i)	-	3,557	3,557	-

Notes to Statement of Comprehensive Income variances.

- (a) Increased income over budget for Commercial Vessels relates to an increased number of new builds entering operations as well as strong growth for existing vessel survey renewal.
- (b) The number of new and renewed certificates processed during the year was higher than expected and significantly higher than the prior year.
- (c) Above budget due to the larger than expected number of licence renewals that were due on 30 June 2015 paid during July 2015. In addition, a number of non-budget contributions towards Recreational Boating Fund projects were received during the year as well as the return of an unspent grant for a project that was not completed.
- (d) Higher than original budget due to timing differences for completion of infrastructure and recreational boating projects.
- (e) Original budget assumed a decrease in employee costs involved in commercial operations that did not eventuate. Internal budget figures were subsequently updated. Actual costs were impacted by benefits payable terminations payments and increased use of casual staff to cater for the increased activity in the commercial sector.
- (f) Variance relates to timing differences to budget for the completion of dredging works at St Helens and the Prosser River. Unspent amounts have been carried forward to 2016-17.
- (g) Relates to timing differences with budget for the completion of projects. Unspent amounts have been carried forward to 2016-17.
- (h) A number of budget allowances were not consumed during the year resulting in the positive variance.
- (i) Valuation increment was not incorporated into the budget.

1.2 Statement of Financial Position

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

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

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Cash & deposits	(a)	2,561	5,781	3,220	126
Property Plant & Infrastructure	(b)	24,447	28,101	3,654	15
Payables	(c)	382	247	(135)	(35)
Employee benefits	(d)	692	525	(167)	(24)
Reserves	(e)	12,881	16,646	3,765	29
Accumulated funds	(f)	3,285	6,714	3,429	104

Notes to Statement of Financial Position variances.

- (a) Cash and deposits variance is mainly due to timing differences to budget for the expected completion of a number major projects either delayed because of planning and environmental approvals or waiting on confirmation of external funding. In addition, positive variances from various items of income and expenditure have contributed the cash balance at the end of the year. Significant projects still to be undertaken include dredging and training wall works at St Helens, Prosser River entrance stabilisation and improvements to the Swansea boat ramp.

Unspent funds relating to capital projects, facilities maintenance and recreational boating fund projects have been carried forward to 2016-17

- (b) Increase in Property Plant & Infrastructure mainly relates to the revaluation of marine facilities in May 2016.
- (c) Decrease in Payables is due to timing differences to budget. It was expected that a number of projects would be in the final stages of completion during June 2016 with associated cost carried as payables.
- (d) Less than budget due to payment of entitlements terminated staff as well as staff consuming leave entitlements during the period.
- (e) As per (b) above. The revaluation of marine facilities could not be reliably budgeted and therefore not included in budget figures.
- (f) Variance in Accumulated funds is due the higher than expected surplus achieved compared to budget as a result of the variances previously explained.

1.3 Statement of Cash Flows

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

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Sales of Goods and Services	(a)	4,764	5,458	694	15
Interest Received	(b)	66	137	71	108
Employee Benefits	(c)	1,914	2,398	484	25
Facilities	(d)	827	550	(277)	(33)
Maintenance					
Recreational Boating	(e)	1,600	1,070	(530)	(33)
Funding Program					
Other Cash	(f)	197	168	(29)	(15)
Payments					
Payments for non-financial assets	(g)	1,089	296	(793)	(73)

Notes to Statement of Cash Flows variances

- (a) Relates to increased activity in the commercial vessel and recreational boating sectors as previously explained.
- (b) Higher than original budget due to timing differences for completion of infrastructure and recreational boating projects.
- (c) Original budget assumed a decrease in employee costs involved in commercial operations that did not eventuate. Internal budget figures were subsequently updated. Actual costs were impacted by benefits payable terminations payments and increased use of casual staff to cater for the increased activity in the commercial sector.
- (d) Variance relates to timing differences to budget for the completion of dredging works at St Helens and the Prosser River. Unspent amounts have been carried forward to 2016-17.
- (e) Relates to timing differences with budget for the completion of projects. Unspent amounts have been carried forward to 2016-17.
- (f) Other cash payments less than budget due to a number of budget allowances not consumed during the year.
- (g) Capital budget included the planned extension to the St Helens Training Wall. Project delays due to waiting on planning and environmental approvals with funds carried forward to the 2016-17.

Note 2: Underlying Net Operating Balance

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

	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
Net result from transactions (net operating balance)	(16)	1,226	540
Less impact of Non-operational capital funding			
State Government Grants	589	589	-
Underlying Net operating balance	(605)	637	540

Note 3: Income from Transactions

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

3.1 Revenue from Government

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

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

	2016 \$'000	2015 \$'000
Marine Facilities – preventative maintenance	722	762
St Helens Dredging – ongoing maintenance	281	292
St Helens Barway Stabilisation – Stage 1	589	-
Prosser River Entrance Stabilisation	500	-
Total State Government Grants	2,092	1,054

(a) Commercial vessel and certificates of competency revenue

Revenue derived from commercial vessels and certificates of competency are primarily the recovery of costs incurred and recognised as income on issue of an accounts receivable invoice.

(b) 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.

(c) 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.

	2016	2015
	\$'000	\$'000
Wages and salaries	1,940	1,743
Annual leave	137	139
Long service leave	59	68
Superannuation	198	191
Board fees	50	54
Total	2,384	2,195

4.2 Supplies and consumables

Property services	273	281
Advertising and promotion	256	228
Travel and transport	193	202
Information technology	138	118
AMSA Contribution – Inter Governmental Agreement	120	117
Consultants	105	19
Communications	104	140
Insurance	78	75
Operating lease costs	30	34
Other operating expenses	199	193
Total	1,496	1,407

4.3 Facilities maintenance

Maintenance - Navigation aids	190	128
Maintenance – Jetties	115	333
Dredging – St Helens	140	96
Maintenance – Radio Equipment	47	49
Other	58	51
Total	550	657

4.4 Recreational boating fund program

Projects from registration fees	565	1,250
Projects from licence fees	505	113
Total	1,070	1,363

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	2016	2015
	\$'000	\$'000
Navigation aids	107	83
Marine facilities	773	722
Plant & equipment	66	76
Total	946	881

4.6 Other expenses

Employee on-costs	75	72
Legal expenses	2	2
Bank fees	40	52
Audit fees – internal audit	30	20
Audit fees – financial audit	18	18
Other	4	4
Total	169	168

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	-	(14)
Net gain/(loss) on disposal of Marine facilities	-	(565)
Net gain/(loss) on disposal of Plant & equipment	-	(1)
Total net gain/(loss) in non-financial assets	-	(580)

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.

Receivables	128	64
Less: Provision for impairment	(7)	(7)
	<u>121</u>	<u>58</u>
Other receivables	53	134
	<u>174</u>	<u>191</u>
Settled within 12 months	174	191
Settled in more than 12 months	-	-
	<u>174</u>	<u>191</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

	2016	2015
	\$'000	\$'000
Navigation aids		
At fair value	1,218	1,196
Less accumulated depreciation	(424)	(317)
Total	794	879
Marine facilities		
At fair value	43,455	27,616
Less accumulated depreciation	(16,412)	(3,481)
Total	27,043	24,135
Plant and equipment		
At cost	862	817
Less accumulated depreciation	(745)	(679)
Total	117	138
Work in progress (at cost)	147	42
Total plant, equipment and infrastructure	28,101	25,194

Valuations

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

Assets are fair valued using the depreciated replacement cost approach.

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

Plant and equipment is carried at cost.

(b) Reconciliation of movements and level 3 fair value

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

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

2015	Navigation Aids	Marine Facilities	Plant & Equipment	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	678	21,895	157	264	22,994
Additions	91	3,336	11	42	3,480
Transfers from work in progress	-	218	46	(264)	-
Disposals	(14)	(592)	-	-	(606)
Revaluation increments/(decrements)	207	-	-	-	207
Depreciation expense	(83)	(722)	(76)	-	(881)
Carrying amount at 30 June	879	24,135	138	42	25,194

6.3 Other assets

	2016 \$'000	2015 \$'000
Current:		
Prepayments	51	53
	51	53
Utilised within 12 months	51	53
Utilised in more than 12 months	-	-
	51	53

Note 7: Liabilities

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

7.1 Payables

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

Current:		
Trade creditors	195	241
Accrued expenses	52	124

	247	365
	247	365
Settled within 12 months	-	-
Settled in more than 12 months	-	-
	247	365

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 entitlements are measured as the present value of the benefit at 30 June, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

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

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

Accrued salaries	26	15
Annual leave	134	135
Long service leave	365	386
Total	525	536
	2016	2015
	\$'000	\$'000
Settled within 12 months	189	182
Settled in more than 12 months	336	354
Total	525	536

7.3 Superannuation

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

7.4 Other liabilities

Employee benefits – on-costs	36	38
Total	36	38
Settled within 12 months	13	12
Settled in more than 12 months	23	26
Total	36	38

Note 8: Commitments and Contingencies

8.1 Schedule of commitments

By type

Lease Commitments

Operating leases	40	71
Property lease	39	271
Total Lease commitments	79	342

Other commitments

Navigation Aid Maintenance Contract	133	264
Total other commitments	133	264

Total

212	606
------------	------------

By maturity

Lease commitments

One year or less	56	264
From one to five years	22	78
More than five years	-	-
Total lease commitments	78	342

Other commitments

One year or less	134	130
From one to five years	-	134
More than five years	-	-
Total other commitments	134	264

Total

212	606
------------	------------

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

Lease Commitments

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

The Authority holds a property lease for its Hobart office. The lease is a non-cancellable lease with a five-year term and due to expire in September 2016.

Other Commitments

The Authority holds a contract with Australian Maritime Systems for the maintenance of Navigation Aids. An option to extend the contract for a further three years to June 2017 was exercised.

There were no capital commitments 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 2016-17.

	2016 \$'000	2015 \$'000
By type		
RBP – Registration	1,382	1,472
RBP – Licence	1,249	1,279
St Helens Dredging & Training Wall Extension	1,334	-
Prosser River Entrance Stabilisation	811	-
Facilities Maintenance	79	589
Total	4,855	3,340
By maturity		
One year or less	4,855	3,340
From one to five years	-	-
More than five years	-	-
Total	4,855	3,340

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

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

Note 9: Reserves

2016	Navigation Aids \$'000	Marine Facilities \$'000	Total \$'000
Asset revaluation reserve			
Balance at 1 July 2015	1,079	12,010	13,089
Revaluation increments/(decrements)	-	3,557	3,557
Balance at 30 June 2016	1,079	15,567	16,646
2015	Navigation Aids \$'000	Marine Facilities \$'000	Total \$'000
Asset revaluation reserve			
Balance at 1 July 2014	871	12,010	12,881
Revaluation increments/(decrements)	208	-	208
Balance at 30 June 2015	1,079	12,010	13,089

(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 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

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

	2016	2015
	\$'000	\$'000
Investment account – Westpac	63	234
Tascorp overnight deposit account	23	22
Tascorp cash index fund	5,695	3,761
Total cash and deposits	5,781	4,017

10.2 Reconciliation of net result to net cash from operating activities

	2016	2015
	\$'000	\$'000
Net result (net operating balance)	1,226	540
Depreciation	946	881
(Increase)/Decrease in receivables	16	(42)
(Increase)/Decrease in prepayments	2	(9)
(Increase)/Decrease in tax assets	1	22
Increase/(Decrease) in payables	(100)	(218)
Increase/(Decrease) in other Liabilities	(1)	(4)
Increase/(Decrease) in employee benefits	(12)	50
Increase/(Decrease) in GST liabilities	(18)	(2)
Net cash from (used by) operating activities	2,060	1,218

Note 11: Related Party Transactions

The Authority has dealings from time to time with its Directors in business capacities. Transactions between the Authority and its related parties are on normal commercial terms and conditions no more favourable than those available to other parties. All such transactions are trivial and/or domestic in nature.

Director's remuneration

Directors are appointed by Cabinet. Each instrument of appointment is for a maximum period of three years and prescribes the relevant remuneration provisions. Directors can be re-appointed.

The level of fees paid to directors is administered by the Department of Premier and Cabinet. Superannuation is paid at the appropriate rate as prescribed by superannuation guarantee legislation. No other leave, termination or retirement benefits are accrued or paid to directors. Directors are entitled to reimbursement of reasonable expenses incurred while attending to Board business.

2016	Directors Fees	Superannuation	Total
	\$	\$	\$
Non-Executive Directors			
Susan Smith – Chair	15,344	1,458	16,802
Hughie Lewis	10,230	972	11,202
Neil Stump	10,230	972	11,202
Mark Nikolai	10,230	972	11,202
Executive Director			
Lia Morris – CEO	-	-	-
Total	46,034	4,374	50,408

The CEO does not receive additional remuneration as a Director.

2015		Directors Fees	Superannuation	Total
		\$	\$	\$
Non-Executive Directors				
Susan Smith – Chair	from 02 Mar 15	5,114	486	5,600
Hughie Lewis	from 01 Oct 14	7,672	729	8,401
Neil Stump	from 01 Oct 14	7,672	729	8,401
Mark Nikolai	from 01 Oct 14	7,672	729	8,401
Simon FitzGerald – Chair	to 24 Aug 14	2,557	243	2,800
Anthony Pedder – Chair	25 Aug 14 – 20 Feb 15	9,475	900	10,375
Michael Stevens	to 30 Sep 14	2,557	243	2,800
Alison Stubbs	to 30 Sep 14	2,557	243	2,800
Stuart Richey	to 7 Aug 14	1,705	162	1,867
Ann Cunningham	to 30 Sep 14	2,557	243	2,800
Executive Director				
Lia Morris – CEO		-	-	-
Total		49,538	4,707	54,245

The CEO does not receive additional remuneration as a Director.

Executive remuneration

Remuneration for the CEO is set by the Board. Remuneration for other senior executives is set with reference to the CEO's salary and broadly aligns with State Service arrangements.

The employment terms and conditions of senior executives are contained in individual employment contracts and prescribe total remuneration, superannuation, annual and long service leave, vehicle and salary sacrifice provisions. In addition to their salaries, the Authority also provides non-cash benefits and contributes to post-employment superannuation plans on their behalf.

The performance of the CEO and each senior executive, is reviewed annually. The terms of employment for the CEO and senior executives, contain a termination clause that requires the senior executive or the Board to provide a minimum notice period of up to 6 months prior to termination of the contract.

The following table discloses the remuneration for senior executives of the Authority during or since the end of the financial year.

Number of Employees	Total Base Salaries	Superannuation	Vehicle	Other Benefits	2015-16 Aggregate Remuneration	2014-15 Aggregate Remuneration
	\$	\$	\$	\$	\$	\$
4	603,459	57,328	95,899	20,122	776,808	709,578

Note 12: Financial Instruments

(a) Risk management policies

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

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

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

(b) Credit risk exposures

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

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Receivables	The Authority has a debt management cycle where all outstanding debts are reviewed weekly. At 30th June, 12% of debtors were in excess of 30 days.	Normal credit terms are 30 days.
Cash and deposits	The Authority aims to maintain as positive cash balances equal to or greater than its liabilities. This target was met as at 30 th June 2016.	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. Based on historic payment behaviour and analysis of the underlying customers' credit ratings the Authority currently believes that all debts due and payable at reporting date will be received, therefore no provision has been made for impairment.

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

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

Analysis of financial assets that are past due at 30 June 2015 but not impaired				
	Not past due	Past due 30 days	Past due 60 days	Total
	\$'000	\$'000	\$'000	\$'000
Receivables	179	5	7	191

(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 2016 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:

2016 Maturity analysis for financial liabilities								
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted total	Carrying amount
Financial liabilities	\$	\$	\$	\$	\$	\$	\$	\$
Payables	247	-	-	-	-	-	247	247
Total	247	-	-	-	-	-	247	247

2015 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	365	-	-	-	-	-	365	365
Total	365	-	-	-	-	-	365	365

(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:

	2016 \$'000	2015 \$'000
Variable rate instruments		
Financial assets	5,781	4,017
Total	5,781	4,017

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 2016				
Financial asset – 1%	58	(58)	588	(58)
Net sensitivity	58	(58)	58	(58)
30 June 2015				
Financial asset – 1%	40	(40)	40	(40)
Net sensitivity	40	(40)	40	(40)

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2015.

Categories of financial assets and liabilities	2016 \$'000	2015 \$'000
Financial assets		
Cash and cash equivalents	5,781	4,017
Loans and receivables	174	191
Total	5,955	4,208
Financial Liabilities		
Financial liabilities at amortised cost	247	365
Total	247	365

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

Note 13: 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.

In preparation for the transition out of service delivery from the commercial vessel sector by 30 June 2017, annual administration fees payable by vessel owners will be progressively reduced throughout 2016-17. It is expected there will be a negative impact on revenue of approximately \$350,000 as a result.

It is intended to enter into a 7 year lease in early 2016-17 for office accommodation as the current office lease expires in September 2016.

Note 14: Other Significant Accounting Policies and Judgements

14.1 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;
- provide and manage marine facilities; and
- manage environmental issues relating to vessels.

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

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

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

14.2 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; 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 2016.

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 14.4.

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.

14.3 Functional and presentation currency

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

14.4 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:

- *2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* [Operative dates: Part A Conceptual Framework – 20 December 2013; Part B Materiality – 1 January 2015; Part C Financial Instruments – 1 January 2016] - The objective of this Standard is to make amendments to the Standards and Interpretations listed in the Appendix:
 - (a) as a consequence of the issue of Accounting Framework AASB CF 2013-1 Amendments to the Australian Conceptual Framework, and editorial corrections, as set out in Part A of the Standard;
 - (b) to delete references to AASB 1031 Materiality in other Australian Accounting Standards, and to make editorial corrections, as set out in Part B of the Standard; and
 - (c) as a consequence of the issuance of IFRS 9 Financial Instruments – Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39 by the IASB in November 2013, as set out in Part C of the Standard.

There will not be any financial impact.

- *2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle* [AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 & AASB 140] – The objective of this Standard is to make amendment to Australian Accounting Standards that arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012-2014 Cycle by the IASB. This Standard applies to annual reporting periods beginning on or after 1 January 2016. There will not be any financial impact.
- *AASB 2015 -2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101* [AASB 7, AASB 101, AASB 134 & AASB 1049] – The objective of this Standard is to amend AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. This Standard applies to annual reporting periods beginning on or after 1 January 2016. This has resulted in some changes in the presentation of these financial statements.
- *AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* – The objective of this Standard is to effect the withdrawal of AASB 1031 Materiality and to delete references to AASB 1031 in the Australian Accounting Standards. This Standard is applicable to annual reporting periods beginning on or after 1 July 2015. There will not be any financial impact.
- *AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities* (effective from 1 July 2016) - The amendment provides relief to not-for-profit public sector entities from certain disclosures about the fair value measurement of property, plant and equipment held for their current service potential rather than to generate net cash inflows that is categorised within Level 3 of the fair value hierarchy. There will not be any financial impact.

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

- *AASB 15 Revenue from Contracts with Customers* – The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, an uncertainty of revenue and cash flows arising from a contract with a customer. This Standard applies to annual reporting periods beginning on or after 1 January 2017. Where an entity applies the Standard to an earlier annual reporting period, it shall disclose that fact. The financial impact is still being assessed.
- *2010-7 and, 2014-7 Amendments to Australian Accounting Standards arising from AASB 9* – The objective of these Standards is to make amendments to various standards as a consequence of the

issuance of AASB 9 Financial Instruments in December 2010. It is anticipated that there will not be any financial impact.

- *2014-5 Amendments to Australian Accounting Standards arising from AASB 15* – The objective of this Standard is to make amendments to Australian Accounting Standards and Interpretations arising from the issuance of AASB 15 Revenue from Contracts with Customers. This Standard applies to annual reporting periods beginning on or after 1 January 2017, except that the amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply to annual reporting periods beginning on or after 1 January 2018. This Standard shall be applied when AASB 15 is applied. The financial impact is still being assessed.
- *2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* – The objective of this Standard is to make amendments to AASB 124 Related Party Disclosures to extend the scope of that Standard to include not-for-profit public sector entities. This Standard applies to annual reporting periods beginning on or after 1 July 2016. The impact is increased disclosure in relation to related parties.
- *2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15* – The objective of this Standard is to amend the mandatory effective date of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. The financial impact is still being assessed.
- *2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* – The objective of this Standard is to amend AASB 107 Statement of Cash Flows to require entities preparing statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This Standard applies to annual periods beginning on or after 1 January 2017. The impact is increased disclosure in relation to cash flows and non-cash changes.
- *AASB 16 Leases* – The objective of this Standard is to introduce a single lessee accounting model and require a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to leases. The financial impact is still being assessed.

(c) Voluntary changes in accounting policy

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

14.6 Rounding

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

14.7 Taxation

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

14.8 Goods and services tax

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

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

Note 15: 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:

	2016	2015
	\$	\$
Fees for Audit	18,420	18,045
Fees for other services	-	-
	18,420	18,045

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 2015-16 financial year and the financial position as at 30th June 2016 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 2015-16 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 2015-16 financial year present fairly.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors

	
Susan Smith Non-Executive Director and Chairman	Mark Nikolai Non-Executive Director
9 August 2016	9 August 2016



Tasmanian
Audit Office

Independent Auditor's Report

To Members of the Tasmanian Parliament

Marine and Safety Authority

Financial Report for the Year Ended 30 June 2016

Report on the Financial Report

I have audited the accompanying financial report of the Marine and Safety Authority (the Authority), which comprises the statement of financial position as at 30 June 2016 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement of compliance by the Directors of the Authority.

Auditor's Opinion

In my opinion the Authority's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2016, and its financial performance, cash flows and changes in equity for the year then ended
- (b) is in accordance with the *Marine and Safety Authority Act 1997* and Australian Accounting Standards.

The Responsibility 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 Section 25 of *Marine and Safety Authority Act 1997*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

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To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, I considered internal control relevant to the Directors' preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

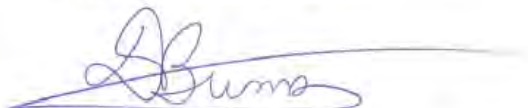
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements.

The *Audit Act 2008* 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.

Tasmanian Audit Office



Derek S Burns
Acting Group Leader Financial Audit
Delegate of the Auditor-General

Hobart
12 August 2016

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To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
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