

MAST

MARINE and SAFETY TASMANIA
making boating better



Annual Report

2021-22

Marine and Safety Tasmania

Annual Report 2021-22

Marine and Safety Tasmania

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

www.mast.tas.gov.au

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Letter to the Minister

7 October 2022


Hon Michael Ferguson MP
Deputy Premier
Minister for Infrastructure and Transport
Executive Building
15 Murray Street
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 2022.

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

Yours sincerely,

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

Rod Sweetnam
Chair

At a Glance



\$28.9m

spent on upgrading

over 544 facilities for the recreational boater since 1998 through the Recreational Boating and Licence Funds

31,438

registered recreational vessels

each boat used 18 times per year with an average trip time of four hours



65

facilities

managed across the State, consisting of 33 jetties, 16 boat ramps, 8 pontoons and 8 breakwaters



4,532

registered moorings

audited on a regular basis



331

navigation aids

maintained in Tasmanian waters

61,902

recreational boat licences

an average of two licence holders per boat



1,226

commercial vessels

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

Ongoing

boating safety and regulation

resulting in an overall decrease in fatalities over 24 years

15,416

students educated

on boating safety through the Swimming and Water Safety Education Program



4,882km

of coastline (including islands)

highlighting the importance of reliable aids to navigation and the provision of VHF radio coverage and distress monitoring

A scenic view of a sunset over a body of water. The sun is low on the horizon, casting a golden glow across the sky and reflecting on the water's surface. In the foreground, the wooden deck of a boat is visible, with ropes and a metal railing. In the background, there are hills and a few sailboats on the water.

OUR VISION

TO MAKE OUR
WATERWAYS SAFE AND
ENJOYABLE FOR ALL
USERS

Our Year in Review



Our Year in Review

The 2021-22 financial year has seen a strong performance by Marine and Safety Tasmania (MAST) in achieving our strategic priorities.

A Safety Review was completed in September 2021 summarising the safety initiatives introduced by MAST over the past 24 years and emerging issues to be addressed over the next five years. The findings of the review have since been integrated into MAST's strategic work plan and communications plan.

The development and promotion of a safety culture through education and enforcement is central to MAST's operations. We continued our collaborative relationship with the Department of Education's swimming and water safety program building knowledge and understanding of boating safety in grades 3, 4 and 5. The program was enhanced with the review of all resources to ensure alignment with the Australian Curriculum. MAST has extended the reach of the school education program with the development of a reader for Kinder to year 2 pupils and resources for older students in grades 9 and 10. The importance of the school education program cannot be underestimated as it is fundamental to further reducing the long-term recreational boating fatality trend.

This year saw the continuation of our safety campaign Be Boatwise – There are NO second chances with messages targeting the safe use of personal watercraft and paddle craft, exercising the right judgement as a skipper and on-water behaviour. With many boaters on the water all year round, MAST also launched a winter safety campaign predominantly via social media.

To further engage with our stakeholders, MAST's website was improved allowing

information to be displayed in different languages. Regular e-newsletters are produced in addition to the *Boatwise* publication. As part of MAST's digital strategy, subscribers for the electronic version of *Boatwise* and e-newsletters have significantly increased. Additional media platforms are also being trialled to increase the reach of MAST's safety messaging.

The Marine Infrastructure and Safety Plan 2021-25 sets the parameters and guidelines for the delivery of new and updated recreational boating facilities and services in Tasmania over a five-year period. Some of the more significant projects commenced this year through the Plan include Dover boat ramp upgrade, Weymouth sea ramp breakwater repairs, Burns Bay boat ramp approach and apron upgrade and the extension to the landing stage at Apex Point boat ramp. Small Boating Fund projects approved and completed in 2021-22 included an upgrade of navigation lights on inland lakes, an upgrade to the access of Swan Bay (Great Lake) boat ramp, an upgrade to the jetty and boat ramp at Yellow Sandbanks (Dolphin Sands), installation of a navigation aid on a small reef off Conningham Beach (Snug) and Kingston boat ramp breakwater repairs. Unfortunately, contractor availability and building supply issues have contributed to delays in the delivery of some of these projects.

MAST manages a large number of marine facilities and navigation aids and conducts a three-yearly structural audit to ensure these are maintained adequately and replacements can be planned. The most recent audit was conducted in April 2022. Through this process, a revaluation of facilities was also

completed in accordance with accounting standards, the outcome of which is reflected in the financial statements.

Funds received under the State Government's Public Building Maintenance Fund have been used to undertake fender installation, pile repairs, ladder replacement, navigation piles and the replacement of all safety signage across the State. Work also commenced on an upgrade to the Cape Barren Island jetty and repairs to the Binalong Bay breakwater were finalised. Grant appropriation was also used to commence construction on the replacement of the Cygnet Jetty.

With funding provided by Government, MAST continued to deliver 2018 election commitments. Many of these commitments were funded over a four-year period with the majority now completed or nearing completion. As part of the 2021 election commitment, MAST received a \$5 million grant for improvements to the Bridport foreshore. Detailed environmental and engineering reports have commenced with project works to be undertaken over the coming years.

Effective waterways management is achieved through collaboration with key government agencies, Tasports, aquaculture companies, yacht clubs and organisations such as Rowing Tasmania and Jet Ski Tas. MAST continued to monitor both the Marion Narrows and approaches to the Denison Canal and managed the contract for dredging to retain access to the Port of St Helens. Approval processes commenced to undertake dredging works in Triabunna and Denison Canal to improve navigation.

Ensuring a results-driven, resilient and progressive organisation continues to be a

strategic priority. The ongoing internal audit program tests the adequacy and effectiveness of MAST's systems of management, internal control and the management of financial and operational risk. The Risk and Audit Committee undertook a major review of risk in June 2021 with the Board approving a new register in August 2021. This register is reviewed on a six-monthly basis. In November 2021, the Strategic Plan for 2022-2025 was adopted by the MAST Board. This Plan focuses on the Board's strategic priorities consistent with the longer-term vision to make Tasmania's waterways safe and enjoyable for all users. The Plan identifies a series of focus areas to be progressed to achieve these priorities with an associated work plan developed annually. Work also commenced on a Workforce Plan to consider future workforce changes, succession planning and knowledge transfer.

Ongoing improvements to MAST's business systems have provided enhanced levels of system redundancy, data security, productivity functionality and reporting capability. A new system integrating landline and mobile telephony services, videoconferencing, messaging and calendar scheduling, together with file sharing was implemented during 2021-22. A major upgrade to the electronic catalogue of business records was also completed. The implementation of MAST's digital strategy continued including data validation for email and mobile phone numbers on entry into the database and the introduction of e-billing.

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

Rod Sweetnam - Chair
Lia Morris – Chief Executive

Our Organisation



Who we are

Marine and Safety Tasmania is a Statutory Authority that was established on 30 July 1997. MAST is managed by a Board appointed by the Minister for Infrastructure and Transport, 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 for ensuring that the business and affairs of the Authority are managed and conducted in a manner that is in accordance with sound commercial practice.

Our role

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

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

MAST has jurisdiction in and over:

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

Our values and behaviours

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

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

Governance

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

MAST Board

In accordance with Section 13 of the *Marine and Safety Authority Act 1997*, the MAST Board is responsible to the Minister for:

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

The Board oversees a robust internal audit program and risk management framework and examines procurement processes for all goods and services over \$250,000 to ensure the process is fair and equitable prior to a contract being awarded.

The Chief Executive has overall responsibility for the performance and management of MAST and is accountable to the Board of MAST. MAST's management team provides leadership and manages human, physical and financial resources to achieve our strategic priorities.



Our Performance



In November 2021, the Strategic Plan for 2022-2025 was adopted by the MAST Board.

This Plan focuses on the Board's strategic priorities consistent with the longer-term vision to make Tasmania's waterways safe and enjoyable for all users:

1. Ensuring the safety of all vessels in Tasmanian waters;
2. Providing and managing the marine infrastructure that delivers safer access to waterways for all users;
3. Supporting key agencies on matters relating to the maritime environment;

4. Engaging with key stakeholders, recreational boaters and the community to achieve strategic goals;
5. Ensuring a results-driven, resilient, environmentally conscious and progressive organisation.

The Plan identifies a series of focus areas to be progressed to achieve these priorities.

A work plan is developed annually and the key achievements for each of the five focus areas for 2021-22 are detailed below.



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

Deliver the School Education Program

MAST continued the collaborative relationship with the Department of Education (DoE) through the Swimming and Water Safety Program (SWSP), building knowledge and understanding of boating safety in grades 3, 4 and 5.

To further improve this education program, all resources have been reviewed to align with the Australian Curriculum, Health and Physical Education outcome for years 3 to 6.

MAST also produced a reader for Kinder to year 2 pupils- *My Boat is a Safe Boat*.

Resources aligning with the year 9 and 10 Australian Curriculum have been developed to target teenagers to better understand the importance of being safe when in and around boats. This unit of work encourages critical and creative thinking, assessing risk, making safe decisions and behaving in ways that protect the safety of themselves and others.

The educational resources developed for teachers to use in the classroom are available on MAST's website and include safety videos, activity books and follow-up material for classroom use.

The School Education Program is recognised by MAST as being fundamental to further reducing the long-term recreational boating fatality trend. MAST provides trained education officers to present the program in schools, including the display of safety equipment and a demonstration on how to wear a life jacket correctly.

During 2021-22 MAST visited 69 schools across the State, educating over 8,400

students. In addition, another 7,000 students were involved with the in-water boating safety training through the grades 3, 4 and 5 Swimming and Water Safety program.

Deliver Safety Awareness and Education in the Community

Beyond the public awareness campaigns, detailed under strategic priority 4, boat ramp checks are conducted to engage stakeholders on the importance of safety gear and its accessibility, trip planning and general boating information. These checks also provide MAST with valuable feedback. Boat ramp checks were conducted across the State, targeting times of peak usage, and results were recorded. Ramp check data is used to produce reports such as safety equipment compliance, assessment of vessel condition and trips by area of operation. The data is analysed to identify any emerging trends in compliance or behaviour that can then be addressed through future enforcement activities or safety/educational campaigns.

The important relationship that exists between MAST and retailers through the BoatSafe partnership plays a vital role in boating safety education. All BoatSafe Partners receive training from MAST officers. This initiative, therefore, gives the public confidence when seeking boating and paddling advice and provides a conduit for MAST to further educate the public on emerging safety issues. The network of BoatSafe Partners has grown to 50 statewide.

MAST has partnered with Deckee on a free mobile app (iOS and Android) to help boaters have better and safer experiences on the water. The app offers a great way to explore waterways safely and plan a trip on the water,

check the weather, identify anchorages, public moorings, boat ramps and more. It also provides access to MAST safety information, links to boat registration and licencing, trip preparation checklists and navigational rules. Reminders and expiry dates for boat licences, boat registration and safety equipment (such as lifejackets, flares, emergency beacons and fire extinguishers) can also be set by the user.

During 2021-22 we continued to work collaboratively with Rowing Tasmania to improve the safety of all rowers. As the peak body, Rowing Tasmania plays a critical role in delivering safety education for rowers.

Eleven additional YouTube safety clips have been produced this year and are available on the MAST website. These are major educational tools and useful resources for schools, clubs, licence providers and the general public.

MAST has been a member of the Australian and New Zealand Safe Boating Education Group (ANZSBEG) for over 24 years. ANZSBEG identifies national recreational boating issues, addresses them through coordinated public education strategies and provides a forum for the exchange of ideas and knowledge to reduce incidents and fatalities in the Australian recreational fleet. Projects and initiatives for 2021-22 included education on the revised Australian Builders Plate and the review of national core competencies for a recreational boat licence.

MAST is also a member of the Australian Recreational Boating Safety Committee (ARBSC). This Committee aims to improve recreational boating safety, reduce injuries and deaths and promote uniform approaches to the regulation of recreational vessels. Issues currently being addressed by ARBSC include the investigation into a national Hull Identification Number for recreational boats, a national approach to derelict/end-of-life vessels, the development of a standard for Electronic Visual Distress Signals and

investigating possible parameters around novel craft.

The Marine Division of Tasmania Police plays an essential role in safety awareness and education together with MAST-authorized officers within Inland Fisheries, Parks and Wildlife Service and Surf Life Saving Tasmania. The provision of valuable infringement notice data by Tasmania Police allows MAST to identify where further education is required.

Safety Review

A safety review was conducted by MAST in September 2021 presenting:

- a summary of safety initiatives introduced over the past 24 years;
- emerging safety issues to be addressed (such as novel craft) and
- a safety plan for 2021-25.

The safety plan has been integrated into the strategic work plan and communications plan.

Effective management of waterways

MAST continued the mooring audit program in 2021-22 that focuses on the location, identification and condition of moorings. These audits also provide an opportunity to assess the condition of the vessel on the mooring.

During the year MAST conducted regular inspections of marine farm leases to ensure equipment was contained within the lease area and there was no floating debris. Fish farm boundary markers are also inspected to ensure they are positioned correctly and maintained.

Navigable access to the Port of St Helens was maintained through a contract for regular dredging adjacent to Pelican Point to retain an agreed depth. Monitoring of both the Marion Narrows and approaches to the Denison Canal

for depth continued and information was provided to boaters via MAST's website.

In conjunction with the Parks and Wildlife Service, investigations commenced on improving the access to the Port of Triabunna.

MAST continued to work collaboratively with Tasports to ensure Tasmania's working ports are safe for all users, including a focus on the interaction between recreational boats and vessels under pilotage.

Update Legislation

MAST worked with Rowing Tasmania to amend the *Marine and Safety (General) Regulations 2013* to refine the provisions mandating the wearing of life jackets in rowing sculls. The amendments became effective on 1 January 2022 and require:

- a life jacket to be worn, unless a coach or safety boat is within 500 metres of a crew. This amendment increased the permissible distance between the coach or safety boat and a rowing shell from 200 to 500 metres;
- the number of spare life jackets to be carried in a coach boat or safety boat is reduced to four, above what is required by the occupants in the coach or safety boat; and
- no life jackets to be worn during a Rowing Tasmania sanctioned event, provided a safety management plan has been assessed by MAST.

The above amendments ensure practicality without compromising safety.

MAST completed a review of the *Marine and Safety (Limits of Operational Areas of Vessels) By-laws 2013*. Through this review process, MAST considered the expansion of the aquaculture industry into areas that previously had limited commercial traffic. The outcomes of the review will be included in the remake of these by-laws.

A remake of the *Marine and Safety (Motor Boats and Licences By-laws 2013)* commenced. New provisions are proposed relating to unsafe vessels, together with an option to carry Electronic Visual Distress Signals (EVDS) in lieu of pyrotechnic flares, provided a GPS-enabled EPIRB and a VHF radio are carried in sheltered waters and two rocket flares are carried in coastal/open waters. New provisions are also proposed to address recent Coronial recommendations including increasing the observer's age whilst towing from 10 to 14 years of age and introducing a 5-knot zone for the entirety of the Prosser River.

Work also commenced on the remake of the *Marine and Safety (Radio) Regulations 2012*.

Australian Standards

MAST has consistently advocated for amendments to be made to the Australian Standard for Life Jackets (AS 4758) to:

- mark inflatable life jackets as manual or automatic;
- provide a mechanism that requires two manual activations to loosen the CO2 cylinder;
- mandate a consistent service period for all manufacturers;
- ensure the provision of a crotch strap, and
- change the in-water testing of jackets to incorporate clothes and not just bathers.

These amendments were supported by the Australian Recreational Boating Safety Committee (ARBSC), representing all jurisdictions. Standards Australia approved the amendments and published the revised standard. All life jacket manufacturers must comply with the revised standard from 2023.

MAST is represented on a committee formed by Standards Australia to review particular standards. This committee completed a review of AS1799 – Small Craft Design Standard.

Digital Strategy for Safety Messaging

MAST stakeholders are increasingly using digital and online media platforms for information. As a result, a digital strategy for safety messaging was completed this year. This strategy commits MAST to investigate and trial additional media platforms to increase the reach of its safety messaging.

Incident Reporting

Incidents reported to MAST during 2021-22 totalled 29. Of these, three involved commercial vessels under 35 metres in length, four involved commercial vessels in excess of 35 metres and 22 related to recreational vessels. Five out of the 22 recreational incidents related to rowing sculls. Unfortunately, there were seven fatalities recorded in the 2021-22 reporting period, all of which are being investigated by the Coroner.

To streamline the reporting of incidents, an online incident report is now available and MAST has been working to raise awareness of the need to report.

Port Services Regulatory Review

To ensure that the regulatory framework for maritime safety supports marine service providers to meet contemporary standards, a regulatory review is being undertaken by the Department of State Growth of the maritime safety and port services framework. The review is particularly examining the framework for maritime safety functions which is currently shared by Marine and Safety Tasmania, TasPorts and the Environmental Protection Authority.

MAST is supportive of the review, noting the current arrangements, which reflect historic ports and operational structures, do not provide adequate scope to allow the regulator (MAST) and service providers to respond to changing market conditions and needs.



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

Marine Infrastructure and Safety Plan

The Marine Infrastructure and Safety Plan 2021-25 sets the parameters and guidelines for the delivery of new and updated recreational boating facilities and services in Tasmania over a five-year period. This Plan allows MAST to focus on projects and commence what can be sometimes a lengthy approval process to ensure infrastructure upgrades are “shovel” ready when the funding is available. The plan also enables MAST to allocate funds to specific safety initiatives to make boating safer and more enjoyable for all. The total spend on infrastructure and safety initiatives through the funding is \$1.6 million per annum - \$1.3 million for projects under the Plan and a further \$300 000 committed to the Small Boating Fund where the boating public can make an application for projects up to \$75 000 throughout the year.

Infrastructure projects which commenced in 2021-22 under the Plan included Dover boat ramp upgrade, Weymouth sea ramp breakwater repairs, Burns Bay boat ramp approach and apron upgrade, and the extension to the landing stage at Apex Point boat ramp.

Small Boating Fund projects approved and completed in 2021-22 included an upgrade of navigation lights on inland lakes, an upgrade to the access of Swan Bay (Great Lake) boat ramp, an upgrade to the jetty and boat ramp at Yellow Sandbanks (Dolphin Sands), installation of a navigation aid on a small reef

off Coningham Beach (Snug) and Kingston boat ramp breakwater repairs.

Climate change, accessibility and the use of environmentally friendly materials are considered during the design phase. MAST also works constructively with local councils providing support in the development of marine infrastructure asset management plans.

The provision of these recreational boating facilities funded from the annual recreational boating registration fees and triennial licence fees provide well-designed facilities that meet engineering standards and user expectations and at the same time deliver an improved safety outcome.

MAST-owned marine infrastructure

MAST manages 65 marine facilities and 331 Aids to Navigation (AtoN) through Grant appropriation.

A three-yearly structural audit regime of MAST’s marine facilities ensures these facilities are maintained adequately and provides residual lifespans so facility replacements can be planned. The most recent audit was conducted in December 2021. Through this process, a revaluation of facilities was also completed in accordance with accounting standards. The revaluations are addressed in Note 6.2 in the financial statements.

Maintenance of MAST-owned marine infrastructure is identified and prioritised in accordance with the structural audit findings as well as the three-monthly audits conducted

by MAST which identify more recent damage and urgent items that may impact safety. During 2021-22, MAST spent \$1.154 million on remedial maintenance of its facilities and \$767,369 on the replacement of Cygnet Jetty. This is in addition to the prior year's expenditure, making the work-in-progress value of the jetty \$862,123 at year-end.

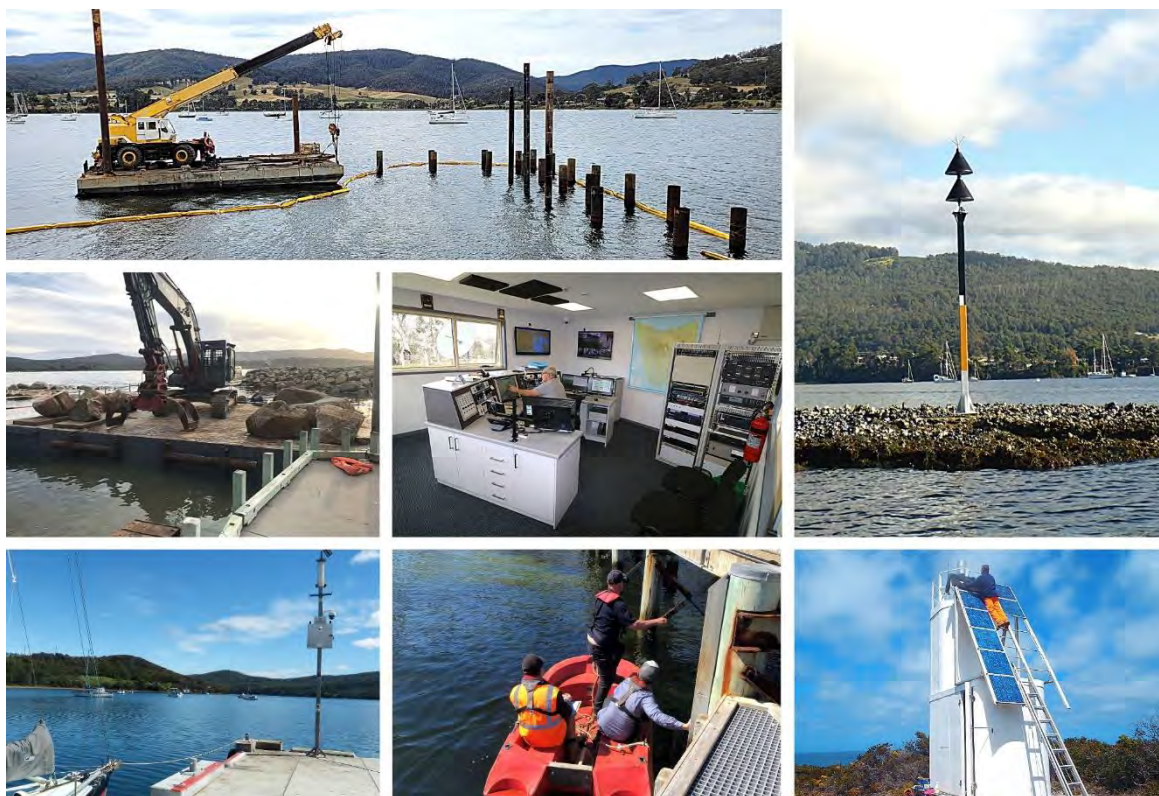
Funds received under the State Government's Public Building Maintenance Fund have been used to undertake fender installation, pile repairs, ladder replacement, navigation piles, and the replacement of all safety signage across the State. Work also commenced on an upgrade to the Cape Barren Island Jetty and repairs to the Binalong Bay breakwater were finalised.

Monitoring of some of the highly utilised facilities with CCTV (Dunalley Jetty, Sullivans Cove pontoon, Dover and Nubeena Jetty) has assisted MAST in managing usage under the provisions of the *Marine and Safety (Jetties) By-laws 2017*. As a result, the CCTV network has been expanded to include Margate, Kettering and Port Arthur jetties.

The 331 MAST-owned AtoNs are maintained by Australian Maritime Systems under contract. \$341,166 was spent during 2021-22 on the maintenance and replacement of navigation aids. Works included preventative maintenance and remedial tasks, as well as breakdowns from outages.

Maintain and enhance the VHF radio coverage

- In 2021-22, preventative maintenance checks were undertaken at Moaners Tier, Cape Tourville, Bluff Hill Point, Three Hummock Island, Maria Island, South Sister, Cape Sorell, Elliott Range and Mt Horror.
- MAST continued to provide resources to Tas Maritime Radio and its team of dedicated volunteers who provide their time and expertise in the development, maintenance and operation of this valuable marine communications network throughout the State, enhancing boating safety.



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

MAST works with a number of agencies to deliver positive outcomes for the marine environment. MAST has scoped potential mutual work and engaged those agencies where roles and responsibilities require clarification.

Management of Derelict Vessels

Like all other jurisdictions, Tasmania has derelict vessels scattered across the State. MAST has continued to proactively manage these vessels through mooring audits to prevent adverse environmental outcomes. The condition of the vessel is assessed during an audit and owners subsequently requested to remove the vessel from the water or make the required repairs. Infringement notices are issued if the owner fails to comply with the request. The moorings by-laws require the permit holder to provide ownership details for the primary vessel on the mooring, even if it does not require registration. This ensures MAST can identify an owner of a derelict vessel.

With an ageing recreational and commercial fleet in Tasmania, work has also progressed on the implementation of strategies to further improve the management of derelict vessels. This includes working across jurisdictions through the Australian Recreational Boating Safety Committee and the provision of targeted communications with owners of vessels older than 15 years advising them to check the structural integrity of their vessels. An education campaign has also targeted the sale of second-hand vessels.

Marine Oil Pollution

MAST assists the Environment Protection Authority (EPA) through participation in the State Marine Pollution Committee. This year MAST staff undertook further marine

pollution response training provided by AMSA.

MAST has a collaborative relationship with the EPA and Tasports to mitigate the adverse impacts resulting from sunken or grounded vessels. This was exemplified when the *MV Goliath* sunk two tugs in the Port of Devonport in January 2022. MAST worked constructively with EPA and Tasports, providing staff to drive response vessels and issuing the requisite Notices to Mariners and Notices to Remove.

Work continued with Tasports, EPA, Tourism Tasmania and Parks and Wildlife on the management of navigational safety and the marine environment where commercial shipping activities occur outside defined port areas.

Marine Farming

Given a primary function of MAST under the *Marine and Safety Authority Act 1997* is to ensure the safe operation of all vessels (both recreational and commercial), MAST has continued to work with the Department of Natural Resources and Environment Tasmania (DNRE) to implement Government's zero tolerance policy for marine debris.

MAST has three officers authorised by DNRE to monitor and respond to breaches where identifiable marine farm equipment is found outside marine farm lease areas and floating in the water. No infringement notices were issued this year by these authorised officers.

MAST Cruising Moorings

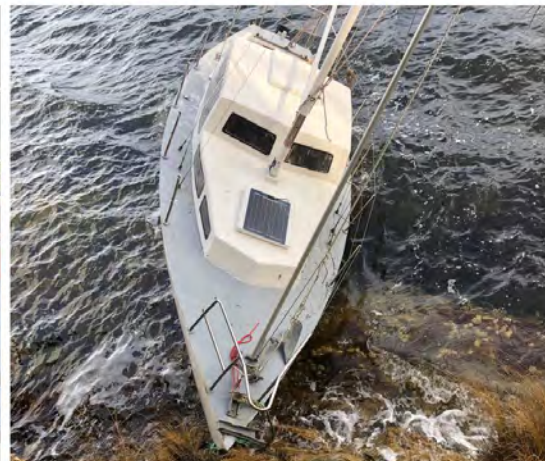
MAST has installed and maintains 26 public cruising moorings in the south and east of the State and around King and Flinders Islands. Some of these moorings are located in sensitive areas where it is preferable for

boaters to use a mooring rather than anchoring to protect the marine environment.

Port Services Regulatory Review

Through the Port Services Regulatory Review, managed by the Department of State Growth,

consideration is being given to how the regulatory model may be improved to support the future delivery of port services including the delivery of oil and chemical spill pollution management and response capability. MAST is working with the Department, Tasports and EPA on this review.



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

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

The implementation of MAST's Digital Strategy for Safety Messaging and Communications Plan guides engagement with key stakeholders.

The MAST safety campaign – Be Boatwise – There are NO second chances – has been running since December 2018. Key messages for the 2021/22 summer were:

- the importance of wearing a life jacket
- safe use of personal watercraft and paddle craft
- exercising the right judgement as a skipper
- shared waterways – the importance of considering other users

Television and radio advertising play important roles in the public awareness campaign. The total cumulative audience figures for this year's television campaign was 480,330 across 1,777 advertisements, with radio providing over 1,706 advertisements statewide. This year, ABC Mornings with Leon Compton devoted an entire show to the MAST safety campaign.

A Winter Safety Campaign was launched on 14 June 2022 with a focus on being prepared, not being complacent and making good decisions. This campaign is predominantly via social media.

As part of any safety campaign, MAST proactively engages with the media to discuss safety and other relevant matters including live radio interviews, TV interviews, opinion pieces and regular advertising.

Improvements to the MAST website are ongoing to ensure stakeholders are readily engaged. The website now allows information to be provided in different languages. With the website having over 141,200 visits per year, it is an important tool to engage stakeholders on safety information. Over 70 boating safety videos are contained on the website, including 11 uploaded in 2021-22. These videos are also available on YouTube.

MAST's Facebook site allows quick and efficient distribution of safety information, including Notices to Mariners, updates on infrastructure upgrades and key safety messages. During the year, MAST posted on Facebook 609 times. Engagement via Facebook continues to see growth with 14,000 followers.

The biannual Boatwise publication informs licence holders and boat owners on important issues. With distribution in excess of 55,000, Boatwise is a vital method in conveying safety messages and other significant boating news including infrastructure upgrades. It continues to be a major educational tool and demands high interest from our stakeholders.

The biannual Commercial Vessel Newsletter informs owners and operators of domestic commercial vessels of upgrades to facilities and Aids to Navigation together with waterways management issues.

MAST e-newsletters produced on a monthly basis with over 7,500 subscribers are a great way of engaging stakeholders between the distribution of *Boatwise*. The e-newsletters specifically for MAST BoatSafe Partners are sent on a bi-monthly basis.

Notice to Mariners is the primary means for disseminating information concerning aids to navigation, hazards to navigation, and other items of marine information of interest to mariners. In 2021-22, MAST issued 433 Notices to Mariners for various reasons including advice on prohibited areas for the finish of the Sydney to Hobart Yacht Race, closure of boat ramps, floating hazards, aid to navigation outages and mooring works on marine farm leases. Notices are issued via email to over 1,850 subscribers, posted on MAST's Facebook page and advertised in the daily papers (where required) to ensure mariners are aware of issues that may affect safe navigation.

As part of MAST's digital strategy, subscribers for the electronic version of *Boatwise*, e-newsletters and Notice to Mariners have significantly increased.

Direct contact with stakeholders provides MAST with valuable feedback on important safety issues and what the public thinks about MAST's service delivery, messaging and boating infrastructure upgrades around the State. During the year, MAST attended dealer boat shows, spoke at fishing club meetings, attended schools and undertook on-water checks and checks at boat ramps across the State. Unfortunately, some events that MAST usually attends were cancelled or downgraded due to COVID-19.

MAST conducts regular surveys of its stakeholders. The next survey is scheduled for late 2022. Surveys provide an opportunity to obtain feedback on whether MAST is delivering effective communications and contemporary business systems that cater to the stakeholders' needs.

MAST continues to engage with a variety of other key stakeholders including Tasports, Tasmania Police, yacht and boating clubs, PWC clubs, Rowing Tasmania and affiliated rowing clubs, BoatSafe Partners, Surf Life Saving Tasmania, Accredited Training Providers, Tas Maritime Radio, inland angling clubs, Inland Fisheries Service and Parks and Wildlife Service.



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

Sound financial management

MAST Financial Statements are prepared in accordance with Australian Accounting Standards (AAS) and Interpretations issued by the Australian Accounting Standards Board (AASB). The Tasmanian Audit Office conducted the 2021-22 audit after subcontracting this out to private enterprise over the previous five years.

MAST's internal audit program includes testing the adequacy and effectiveness of MAST's systems of management, internal control and the management of financial and operational risk. In 2021-22 the Board reviewed and considered internal audit reports, including reports on payroll and governance and board. The Board ensures that where deficiencies in internal controls or procedures occur, that appropriate and timely action is taken by management.

The pandemic continues to have a negative impact on contractor and product availability. This has resulted in the increased cost and delay of some projects. These delays have contributed to the amount of uncontracted yet committed funds detailed in Note 10.4 in the financial statements.

Comprehensive Corporate Governance

The Board is appointed by the Minister and responsible for:

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

manner that is in accordance with sound commercial practice.

Risk Management

Risk management is integral to the delivery of services and infrastructure provided by MAST.

The Risk and Audit Committee undertook a major review of risk in June 2021 and the Board approved a new register in August 2021. This register is reviewed on a six-monthly basis.

BDO Audit (Tas) was originally appointed in November 2018 to provide internal audit and risk management services for a period of three years from 1 January 2019. This contract has subsequently been extended for a further three years. Internal audit activity is directed to areas of heightened risk identified in the MAST Risk Register. These audits enable MAST to test and refine the adequacy of its controls to manage risks.

Asset Management

MAST owns and manages 65 individual marine facilities and 331 aids to navigation across the State, all listed in a Strategic Asset Management Plan.

A structural audit of marine facilities is undertaken by an engineering consultancy on a three-yearly basis and the Asset Management Plan is updated accordingly. The most recent audit was conducted in April 2022.

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

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

MAST contracts out the maintenance of aids to navigation. The contract is currently held by Australian Maritime Services.

MAST has a policy of revaluing its marine infrastructure with sufficient regularity to ensure that the carrying amount of an asset does not differ materially from its fair value at the reporting date. The revaluation of MAST-owned marine facilities (excluding aids to navigation) was conducted in April 2022 as part of the triennial structural audit. This revaluation resulted in a net increase in the value of marine facilities due to estimated replacement costs. Replacement costs have increased due to material and labour costs in the current economic environment.

Policies and Procedures

MAST's policies and procedures are reviewed on a regular basis to ensure compliance with work, health and safety laws, and Treasurer's Instructions.

Digital Transformation Strategy

During 2021-22 the implementation of the Digital Transformation Strategy continued including data validation for email and mobile phone numbers on entry into the database and the introduction of e-billing.

An online registration form catering to participating marine dealers was developed to streamline the registration process. This form will allow dealers to register a vessel on behalf of a client and the system will issue a registration number. This will be available in 2022-23.

Work has commenced on the implementation of a MAST client portal geared to services and

transactions that are most commonly undertaken by MAST's clients such as recreational boat registration, recreational licences and moorings.

Business systems that support current and future needs

With over 66,000 clients MAST's financial systems, operational databases and records management systems are fundamental. Ongoing improvements to MAST's business systems have provided improved levels of system redundancy, data security and productivity.

A new system integrating landline and mobile telephony services, videoconferencing, messaging and calendar scheduling, together with file sharing was implemented during 2021-22. A major upgrade to the electronic catalogue of business records was also completed.

Enhancements were made to the mooring, and facilities databases to further improve functionality to meet operational needs and improve reporting capability. A work health and safety checklist was developed to be completed on-site via a mobile web app. Work also commenced on the production of infringement notices from the database.

Workforce Culture Protected and Developed

Professional, knowledgeable and flexible staff is fundamental to MAST delivering outcomes in accordance with its strategic objectives. This is consistently demonstrated by the volume of work completed by a small but dedicated team. As of 30 June 2022, MAST had 16 full-time equivalents (FTEs) compared to 14.86 in 2020-21.

Work commenced on a Workforce Plan to consider future workforce changes, succession planning and knowledge transfer.

Supporting Information



The MAST Board

Membership of the Board during the 2021-22 Financial Year



Rod Sweetnam - Chair

Appointed 3 March 2021

Current term expires 3 March 2024

Rod has extensive experience in corporate governance over more than 20 years including as Commissioner and then Independent Chair of the State Fire Commission and as a Director of the Parks and Leisure Australia National Board. Over his career he has held Director and senior management roles with the City of Launceston covering areas such as civil construction and maintenance works, parks and recreation, and the construction and management of major public facilities. He is a Graduate of the Australian Institute of Company Directors. Rod is a volunteer fire fighter and keen fly fisherman.



Hughie Lewis

Appointed 1 October 2014

Reappointed 1 October 2017

Reappointed 2 October 2019

Current term expires 1 October 2022

Hughie has extensive experience in recreational boating. He has been the Managing Director of Lewis Marine for the past 36 years and previous Board member of the Bellerive Yacht Club for 13 years. Hughie owns a number of recreational boats and used to water ski at a State level.



Rodney Treloggen

Appointed 1 October 2017

Reappointed 2 October 2020

Current term expires 2 October 2023

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



Carolyn Pillans

Appointed 1 January 2021

Current term expires 1 January 2024

Carolyn is a qualified Chartered Secretary and a skilled non-executive director with broad experience in the water, energy, aviation, banking and HR industries. She has extensive governance experience including as non-executive director of Lifeline Tasmania Inc and Business and Employment Southeast Tasmania Inc, and Chair of Sorell Council's Audit Panel. She has also served in various Committee Member roles with the Tasmanian Jet Sport Boating Club (jetskitas). Carolyn is the Principal Consultant with CTP Consulting specialising in governance and management consultation. Carolyn is a Fellow of the Governance Institute of Australia and a Graduate of the Australian Institute of Company Directors. She is also an enthusiastic jet skier.



Lia Morris

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

Attendance at Board Meetings during 2021-22

| | 13 August | 24 September | 26 November | 17 December | 25 February | 16 March | 13 April | 20 May |
|------------------|--------------|-----------------|----------------|----------------|----------------|-------------|-------------|-----------|
| Rod Sweetnam | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ |
| Hughie Lewis | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ |
| Rodney Treloggen | | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ |
| Carolyn Pillans | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ |
| Lia Morris | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ |

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

Employment terms and conditions of the MAST leadership team are contained in individual contracts. The 2021-22 financial statements detail the remuneration of key management personnel.

Legislative Compliance

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

Right to Information Act 2009

The Right to Information Act 2009 (RTI Act) provides for greater access to information held by government bodies. MAST has a legal duty to respond to requests for information in accordance with this Act.

The RTI Act:

- authorises and encourages disclosure of information without the need for formal request or applications
- gives members of the public an enforceable right to information
- provides that access to information is restricted only in the limited circumstances defined in the Act.

During 2021-22 there were four applications for assessed disclosure under the RTI Act. A full statistical return is provided to the Department of Justice, which publishes a comprehensive annual report on the operation of the RTI Act. This report is available from the Department of Justice website.

Integrity Commission Act 2009

The Integrity Commission is an independent body established on 1 October 2010 by the Integrity Commission Act 2009 (the Act).

The three primary objectives of the Integrity Commission are to:

- improve the standard of conduct, propriety and ethics in public authorities in Tasmania;
- enhance public confidence that misconduct by public officers will be appropriately investigated and dealt with;
- enhance the quality of, and commitment to, ethical conduct by adopting a strong, educative, preventative and advisory role.

MAST is committed to upholding the aims and objectives of the Act.

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

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

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

Public Interest Disclosures Act 2002

The purpose of the *Public Interest Disclosures Act 2002* (the Act) is to encourage and facilitate the making of disclosures about the improper conduct of public officers or public bodies.

The Act provides protection to persons who make disclosures in accordance with the Act and establishes a system by which the matters disclosed can be investigated and action to rectify any deficiencies can be taken.

MAST is committed to the aims and objectives of the Act. It has zero tolerance for improper conduct by its employees, officers or members, or the taking of detrimental action against those who come forward to disclose such conduct.

Procedures for reporting disclosures 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 2021-22

| | |
|--|-----|
| 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 |

Work Health and Safety Act 2012

MAST's Work Health and Safety system is based on the requirements set out within the Act and includes the policy, guidelines, vessel safety management plans and procedures.

MAST's Work Health and Safety Committee is established under the *Work Health and Safety Act 2012*. The Committee provides a forum for communication and consultation between employees and management on health and safety issues.

The primary function of MAST's Work Health and Safety Committee is to provide a way for workers and management to meet regularly to discuss, develop and monitor health and safety programs and resolve any health, safety and welfare issues. The Committee makes recommendations to the Responsible Office (Chief Executive Officer) relating to the health and safety of all MAST staff and visitors (including contractors and members of the public) who enter all MAST premises and while undertaking prescribed fieldwork activities. Membership comprises representatives from each area of MAST.

Gifts, Benefits and Hospitality

MAST maintains a register to record gifts declared or given by our staff. No gifts were recorded in 2021-22.

Procurement

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

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

Summary of Participation by Tasmanian Businesses 2021-22 (for contracts/procurement processes with a value of \$50,000 or more)

| | |
|---|----------------|
| Total number of contracts awarded | 11 |
| Total number of contracts awarded to Tasmanian businesses | 9 |
| Value of contracts awarded | \$2,984,029.04 |
| Value of contracts awarded to Tasmanian businesses | \$1,792,175.96 |
| Total number of procurement processes run | 7 |

| | |
|---|----|
| Total number of submissions (bids) received | 16 |
| Total number of submissions (bids) received by Tasmanian businesses | 13 |

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

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

| Name of Contract | Location of Contractor | Description of Contract | Period of Contract | Total Value of Contract |
|---------------------------------------|---------------------------|--|--------------------|-------------------------|
| Leale Fishing | St Helens | Dredging of navigation channel at Pelican Point, Georges Bay | 52 weeks | \$216,050.00 |
| AJR Construct | Spreyton | East and West Ulverstone Training Walls – Erosion Repairs | 6 weeks | \$74,477.93 |
| Tas Marine Construction | Hobart | Cape Barren Island jetty – Remediation and Upgrade | 12 weeks | \$228,887.00 |
| Tas Marine Construction | Hobart | Cygnnet Jetty Replacement | 52 weeks | \$824,998.00 |
| Subcon | Perth (Western Australia) | Artificial Reefs – Fabrication and Installation | 52 weeks | \$900,000.00 |
| Australian Maritime Systems | Brisbane | Aids to Navigation | 52 weeks | \$291,853.00 |
| Hunter Diving and Marine Construction | Hobart | Bicheno Boat Ramp – Refurbish and Extend Jetties | 52 weeks | \$231,159.00 |
| Black Cap Construction | Hobart | Dover Boat Ramp Access Area Upgrade | 52 weeks | \$148,814.03 |
| Hunter Diving and Marine Construction | Hobart | Dolphin Sands (Yellow Sandbanks) Boat Ramp Upgrade | 52 weeks | \$73,800.00 |

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

Consultancy Contracts with a value of \$50,000 or more

| Name of Consultant | Location of Consultant | Description of Consultancy | Period of Consultancy | Total Value of Contract |
|--------------------|------------------------|--------------------------------|-----------------------|-------------------------|
| Burbury Consulting | Hobart | Bridport Port Technical Review | 52 weeks | \$83,960.00 |

During 2021-22 there were no disaggregated contracts and no contract extensions.

Three contracts were awarded by MAST as a result of a direct sourcing process during 2021-22.

Directly Sourced Projects

| Name of Supplier | Description of Contract | Reason for Approval | Total Value of Contract |
|------------------|-------------------------|---------------------|-------------------------|
|------------------|-------------------------|---------------------|-------------------------|

| | | | |
|--------------------|--|---|--------------|
| Gradco | Prosser River Training Wall remedial works | 1. Urgency of works 2. Work is of a specialised nature 3. Additional goods/services from the original supplier 4. Absence of competition | \$115,000.00 |
| BridgePro | Binalong Bay Breakwater repairs | 1. Absence of competition for technical reasons 2. Urgency of works 3. Work is of a specialised nature | \$130,000.00 |
| Burbury Consulting | Bridport Port Technical Review | Consultants wrote the Bridport Master Plan and had the background site survey information and knowledge | \$83,960.00 |

Grants

Grant Deeds signed in 2021-22 are reported below and are meeting their intended objectives.

| Grant | Paid 2021-22 | Purpose and Intended Outcome |
|------------------------------|--------------|---|
| George Town Council | \$300,000.00 | Weymouth Breakwater Repairs |
| West Tamar Council | \$160,000.00 | Gravelly Beach Pontoon |
| Surf Life Saving Tasmania | \$120,000.00 | Election Commitment - To deliver stronger safety arrangements through increasing funding to Tasmania's Volunteer Rescue Units to ensure ongoing response coverage |
| Surf Life Saving Tasmania | \$150,000.00 | Election commitment - To provide capital funding for marine rescue vehicles, trailers and vessels |
| Devonport City Council | \$24,000.00 | Election commitment - To provide lighting at the Victoria Parade pontoon |
| Burnie City Council | \$130,000.00 | Election commitment – Fishing Platform |
| Glamorgan/Spring Bay Council | \$7,000.00 | Repairs to Yellow Sandbanks jetty |
| Inland Fisheries Service | \$12,915.00 | Upgrade to Swan Bay boat ramp |

Financial Statements



Financial Report

for the year ended 30 June 2022



Marine and Safety Authority

ABN 65 826 980 806

MAST

MARINE and SAFETY TASMANIA
making boating better

Statement of Comprehensive Income

for the year ended 30 June 2022

| | Note | 2022 Budget \$'000 | 2022 Actual \$'000 | 2021 Actual \$'000 |
|---|------|--------------------------|--------------------------|--------------------------|
| Income from continuing operations | | | | |
| Commercial vessels | 3.2 | 253 | 263 | 129 |
| Recreational boating | 3.3 | 4 022 | 4 017 | 5 070 |
| Moorings | | 437 | 408 | 430 |
| State Government grants | 3.1 | 8 672 | 8 672 | 3 433 |
| Interest | 3.4 | 24 | 55 | 21 |
| Other income | | 200 | 215 | 283 |
| Total revenue from continuing operations | | 13 608 | 13 630 | 9 366 |
| Net gain/(loss) on non-financial assets | 5 | (764) | (3) | (16) |
| Total income from continuing operations | | 12 844 | 13 627 | 9 350 |
| Expenses from continuing operations | | | | |
| Employee benefits | 4.1 | 2 009 | 1 993 | 1 899 |
| Supplies and consumables | 4.2 | 948 | 850 | 726 |
| Facilities maintenance | 4.3 | 1 369 | 1 154 | 1 120 |
| Marine infrastructure and safety plan | 4.4 | 1 907 | 1 621 | 873 |
| Election commitments | 4.5 | 6 640 | 850 | 926 |
| Depreciation charges | 4.6 | 1 393 | 1 420 | 1 392 |
| Other expenses | 4.7 | 232 | 179 | 235 |
| Total expenses from continuing operations | | 14 498 | 8 067 | 7 171 |
| Net result from continuing operations | | (1 654) | 5 560 | 2 179 |
| Other comprehensive income | | | | |
| Items that will not be reclassified subsequently to net result in subsequent periods | | | | |
| Changes in asset revaluation reserve | 9 | - | 4 973 | 370 |
| Total other comprehensive income | | - | 4 973 | 370 |
| Comprehensive result | | (1 654) | 10 533 | 2 549 |

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 2022

| | Note | 2022 Budget \$'000 | 2022 Actual \$'000 | 2021 Actual \$'000 |
|----------------------------------|------|--------------------------|--------------------------|--------------------------|
| Assets | | | | |
| <i>Financial assets</i> | | | | |
| Cash & deposits | 10.1 | 5 014 | 15 244 | 9 109 |
| Receivables | 6.1 | 80 | 114 | 79 |
| <i>Non-financial assets</i> | | | | |
| Property, plant & infrastructure | 6.2 | 30 279 | 36 699 | 31 725 |
| Right-of-use assets | 6.3 | 121 | 119 | 239 |
| Other assets | 6.4 | 48 | 66 | 67 |
| Total assets | | 35 542 | 52 243 | 41 219 |
| Liabilities | | | | |
| Payables | 7.1 | 212 | 796 | 219 |
| Lease liabilities | 7.2 | 156 | 139 | 279 |
| Contract liabilities | 7.3 | - | - | - |
| Employee benefits | 7.4 | 592 | 695 | 642 |
| Other liabilities | 7.5 | 36 | 42 | 42 |
| Total liabilities | | 996 | 1 672 | 1 182 |
| Net assets | | 34 546 | 50 570 | 40 037 |
| Equity | | | | |
| Contributed capital | | 9 939 | 9 939 | 9 939 |
| Reserves | 9 | 21 258 | 26 231 | 21 258 |
| Accumulated funds | | 3 349 | 14 400 | 8 840 |
| Total equity | | 34 546 | 50 570 | 40 037 |

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 2022

| | Note | 2022 Budget \$'000 | 2022 Actual \$'000 | 2021 Actual \$'000 |
|--|------|--------------------------|--------------------------|--------------------------|
| Cash flows from operating activities | | | | |
| <i>Cash inflows</i> | | | | |
| State Government grants | | 8 672 | 8 672 | 3 433 |
| Sales of goods and services | | 4 707 | 4 755 | 5 867 |
| GST receipts | | 640 | 480 | 439 |
| Interest received | | 24 | 45 | 21 |
| Other cash receipts | | 205 | 215 | 281 |
| Total cash inflows | | 14 248 | 14 167 | 10 041 |
| <i>Cash outflows</i> | | | | |
| Employee benefits | | (2 009) | (1 941) | (1 834) |
| GST payments | | (581) | (551) | (472) |
| Interest payments | | (10) | (10) | (16) |
| Supplies and consumables | | (1 169) | (833) | (1 040) |
| Facilities maintenance | | (1 462) | (787) | (1 123) |
| Marine infrastructure and safety plan | | (1 600) | (1 445) | (873) |
| Election Commitments | | (6 640) | (850) | (926) |
| Repayment of grant funds | | - | - | (190) |
| Other cash payments | | (215) | (168) | (217) |
| Total cash outflows | | (13 686) | (6 585) | (6 691) |
| Net cash from/(used by) operating activities | 10.2 | 562 | 7 582 | 3 350 |
| Cash flows from investing activities | | | | |
| Payments for non-financial assets | | (720) | (1 302) | (161) |
| Net cash from/(used by) investing activities | | (720) | (1 302) | (161) |
| Cash flows from financing activities | | | | |
| Repayment of lease liabilities (ex interest) | | (131) | (145) | (133) |
| Net cash from/(used by) financing activities | | (133) | (145) | (133) |
| Net increase/(decrease) in cash and cash equivalents held | | (289) | 6 135 | 3 056 |
| Cash and cash equivalents held at the beginning of the reporting period | | 5 303 | 9 109 | 6 053 |
| Cash and cash equivalents held at the end of the reporting period | 10.1 | 5 014 | 15 244 | 9 109 |

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 2022

| | Contributed Equity \$'000 | Accumulated Funds \$'000 | Reserves \$'000 | Total Equity \$'000 |
|----------------------------------|---------------------------------|--------------------------------|--------------------|---------------------------|
| Balance as at 1 July 2021 | 9 939 | 8 840 | 21 258 | 40 037 |
| Comprehensive result | - | 5 560 | 4 973 | 10 533 |
| Balance at 30 June 2022 | 9 939 | 14 400 | 26 231 | 50 570 |

| | Contributed Equity \$'000 | Accumulated Funds \$'000 | Reserves \$'000 | Total Equity \$'000 |
|----------------------------------|---------------------------------|--------------------------------|--------------------|---------------------------|
| Balance as at 1 July 2020 | 9 939 | 6 661 | 20 888 | 37 488 |
| Comprehensive result | - | 2 179 | 370 | 2 549 |
| Balance at 30 June 2021 | 9 939 | 8 840 | 21 258 | 40 037 |

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 2022

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

Budget information refers to original estimates as disclosed in the 2021-22 Budget Papers and is not subject to audit.

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

1.1 Statement of Comprehensive Income

| | Note | Budget \$'000 | Actual \$'000 | Variance \$'000 | Variance % |
|---------------------------------------|------|------------------|------------------|--------------------|---------------|
| Moorings | (a) | 437 | 408 | (29) | (7) |
| Interest | (b) | 24 | 55 | 31 | 129 |
| Supplies and consumables | (c) | 948 | 850 | 98 | (10) |
| Facilities maintenance | (d) | 1 369 | 1 154 | (215) | (16) |
| Marine infrastructure and safety plan | (e) | 1 907 | 1 621 | (286) | (15) |
| Election commitments | (f) | 6 640 | 850 | (5 790) | (87) |
| Depreciation charges | (g) | 1 393 | 1 420 | 27 | 2 |
| Other expenses | (h) | 232 | 179 | (53) | (23) |

Notes to Statement of Comprehensive Income variances.

- (a) The variance is due to the timing of receipt of payments for mooring renewals and budgeted payments.
- (b) Cash & deposits higher than expected resulting in higher-than-expected interest revenue.
- (c) A number of items comprising this line item less than budget including use of consultants less than budget and an overall reduction in vehicle fleet operational costs.
- (d) Facilities maintenance costs were less than budget due to continuing delays caused by contractor availability. This line item also includes maintenance works carried out under the Public Building Maintenance Fund which was fully expended during the year.
- (e) The amount expended under the Marine infrastructure and safety plan was less than expected due to a number of factors including planning delays and contractor availability. The delayed projects have been reprogrammed for completion in 2022-23.
- (f) The budget assumed the \$5.0 million grant received for Bridport Foreshore project would be expended in 2021-22. It is now expected that project works will be undertaken in future periods. Contributing to the variance is the transfer of costs relating the establishment of artificial reefs to capital works-in-progress. Costs for this project were originally budgeted to be expensed through the Statement of Comprehensive Income.
- (g) Variance due to increased depreciation costs resulting from the revaluation of infrastructure and review of residual asset life.
- (h) Variance due to a reduction in FBT costs as well as budgeted legal costs not required during 2021-22.

1.2 Statement of Financial Position

| | Note | Budget \$'000 | Actual \$'000 | Variance \$'000 | Variance % |
|---------------------------------|------|------------------|------------------|--------------------|---------------|
| Cash & deposits | (a) | 5 014 | 15 244 | 10 230 | 204 |
| Receivables | (b) | 80 | 114 | 34 | 43 |
| Property plant & infrastructure | (c) | 30 279 | 36 699 | 6 420 | 21 |
| Other assets | (d) | 48 | 66 | 18 | 38 |
| Payables | (e) | 212 | 796 | 584 | 275 |
| Employee benefits | (f) | 592 | 695 | 103 | 17 |
| Reserves | (g) | 21 258 | 26 231 | 4 973 | 23 |
| Accumulated funds | (h) | 3 349 | 14 400 | 11 051 | 330 |

Notes to Statement of Financial Position variances.

- (a) Cash variance due to the difference in timing between original project completion estimates and actual.
- (b) Variance due to higher than anticipated tax asset receivables.
- (c) Variance to budget is mainly due to the higher-than-expected revaluation increment for marine infrastructure as well as the transfer of the Binalong Bay Breakwater to Break O'Day Council not proceeding as expected. In addition, the costs attributable to the establishment of two artificial reefs were recognised as capital works-in-progress.
- (d) Project materials held in store not allocated to projects as expected during the year.
- (e) The payables variance is mainly due to timing of receipt of trade creditors invoices at year end compared to the budgeted balance.
- (f) Employee benefits higher than anticipated due to staff leave profile differing from budget expectations.
- (g) The budget did not include the revaluation increment attributable to the revaluation of marine infrastructure undertaken during the year.
- (h) Variance in accumulated funds is due to the higher-than-expected surplus achieved compared to budget as a result of the variances described in this note.

1.3 Statement of Cash Flows

| | Note | Budget \$'000 | Actual \$'000 | Variance \$'000 | Variance % |
|---------------------------------------|------|------------------|------------------|--------------------|---------------|
| Sales of goods and services | (a) | 4 707 | 4 755 | 48 | 1 |
| GST receipts/payments (net) | (b) | 640 | 480 | (160) | (25) |
| Interest received | (c) | 24 | 45 | 21 | 88 |
| Employee benefits | (d) | (2 009) | (1 941) | 68 | (3) |
| Supplies and consumables | (e) | (1 169) | (833) | 336 | (29) |
| Facilities maintenance | (f) | (1 462) | (787) | 675 | (46) |
| Marine infrastructure and safety plan | (g) | (1 600) | (1 445) | 155 | (10) |
| Election Commitments | (h) | (6 640) | (850) | 5 790 | (87) |
| Other cash payments | (i) | (215) | (168) | 47 | (22) |
| Payments for non-financial assets | (j) | (720) | (1 302) | (582) | 81 |

Notes to Statement of Cash Flows variances

- (a) Variance mainly due to non-budget receipt of contributions from external bodies towards projects to be completed under the Marine Infrastructure and Safety Plan.
- (b) Variance reflects timing differences of the receipt of GST refunds over the end of financial years.
- (c) Variance higher than budget due to the higher than anticipated cash balance resulting in higher-than-expected interest received.
- (d) Cash payments relating to employee benefits less than budget due to accrual adjustments at year end.
- (e) A number of items comprising this line item less than budget including use of consultants less than budget and an overall reduction in vehicle fleet operational costs.
- (f) Facilities maintenance costs were less than budget due to continuing delays caused by contractor availability. This line item also includes maintenance works carried out under the Public Building Maintenance Fund which was fully expended during the year.
- (g) The amount expended under the Marine Infrastructure and Safety Plan was less than expected due to a number of factors including planning delays and contractor availability. The delayed projects have been reprogrammed for completion in 2022-23.
- (h) The budget assumed the \$5.0 million grant received for Bridport would be expended in 2021-22. It is now expected that project works will be undertaken in future periods. Contributing to the variance is the transfer of costs relating the establishment of artificial reefs to capital works-in-progress. Costs for this project were originally budgeted to be expensed through the Statement of Comprehensive Income.
- (i) Variance due to a reduction in FBT costs as well as budgeted legal costs not required during 2021-22.
- (j) Variance due to the costs attributable to the establishment of two artificial reefs were recognised as capital works-in-progress.

Note 2: Underlying Net result

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

| | 2022 Budget \$'000 | 2022 Actual \$'000 | 2021 Actual \$'000 |
|---|--------------------------|--------------------------|--------------------------|
| Net result from continuing operations | 1 654 | 5 560 | 2 179 |
| Less impact of Non-operational capital funding | | | |
| State Government Grants | 300 | 5 420 | 350 |
| Underlying Net result from continuing operations | 1 354 | 140 | 1 829 |

Note 3: Revenue

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 revenue, where there is a sufficiently specific performance obligation attached, is recognised when the Authority satisfies the performance obligation and transfers the promised goods or services. The Grant is recognised as revenue over time as expenditure against the project subject to the Grant is incurred.

Grants revenue without a sufficiently specific performance obligation are recognised when the Authority gains control of the asset (typically Cash).

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| Grants with sufficiently specific performance obligations | | |
| Fish aggregation devices | - | 72 |
| Total | - | 72 |
| Grants without sufficiently specific performance obligations | | |
| Marine Facilities – preventative maintenance | 1 312 | 1 282 |
| Election commitments | 6 640 | 1 460 |
| Cygnets jetty replacement | 300 | 350 |
| Public building maintenance fund | 420 | 269 |
| Total | 8 672 | 3 361 |
| Total Grants | 8 672 | 3 433 |

3.2 Commercial vessel revenue

An Annual Infrastructure Administration Fee is charged to commercial vessel operators to recover costs associated with the provision and

management of State-owned marine infrastructure and the management of State waterways.

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

3.3 Recreational boating and mooring revenue

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

The Authority has applied the recognition exemption permitted by AASB 15 that allows the revenue from short term and low value licences to be recognised at the point in time the licence is issued.

3.4 Interest

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

Note 4: Expenses

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

4.1 Employee benefits

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

(a) Employee expenses

| | 2022 \$'000 | 2021 \$'000 |
|--------------------|----------------|----------------|
| Wages and salaries | 1 585 | 1 480 |
| Annual leave | 139 | 124 |
| Long service leave | 31 | 77 |
| Superannuation | 180 | 164 |
| Board fees | 58 | 54 |
| Total | 1 993 | 1 899 |

(b) Remuneration of key management personnel

| 2022 | Short-term benefits | | Long Term Benefits | | Total |
|------|---------------------|----------------|--------------------|---------------------------------------|--------|
| | Salary | Other Benefits | Super-annuation | Other Benefits and Long Service Leave | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |

Key management personnel

| | | | | | |
|---|------------|-----------|-----------|-----------|------------|
| Rodney Sweetnam, Chair | 17 | - | 2 | - | 19 |
| Hughie Lewis, Director | 12 | - | 1 | - | 13 |
| Carolyn Pillans, Director | 12 | - | 1 | - | 13 |
| Rodney Treloggen, Director | 12 | - | 1 | - | 13 |
| Lia Morris, Chief Executive | 215 | 23 | 21 | - | 259 |
| William Batt, Chief Operating Officer | 159 | 21 | 16 | 8 | 204 |
| Peter Hopkins, General Manager – Recreational Boating Safety & Facilities | 151 | 27 | 15 | 3 | 196 |
| Toby Greenlees, Manager – Waterways Management | 151 | - | 15 | 8 | 174 |
| Total | 729 | 71 | 72 | 19 | 891 |

| 2021 | Short-term benefits | | Long Term Benefits | | Total |
|------|---------------------|----------------|--------------------|---------------------------------------|--------|
| | Salary | Other Benefits | Super-annuation | Other Benefits and Long Service Leave | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |

Key management personnel

| | | | | | |
|---|------------|-----------|-----------|-----------|------------|
| Susan Smith, Chair (To 2 March 2021) | 11 | - | 1 | - | 12 |
| Rodney Sweetnam, Chair (From 3 March 2021) | 5 | - | 1 | - | 6 |
| Hughie Lewis, Director | 11 | - | 1 | - | 12 |
| Mark Nikolai, Director (To 31 December 2020) | 5 | - | 1 | - | 6 |
| Carolyn Pillans, Director (From 1 January 2021) | 5 | - | 1 | - | 6 |
| Rodney Treloggen, Director | 11 | - | 1 | - | 12 |
| Lia Morris, Chief Executive | 210 | 26 | 20 | 10 | 266 |
| William Batt, Chief Operating Officer | 157 | 22 | 15 | (2) | 192 |
| Peter Hopkins, General Manager – Recreational Boating Safety & Facilities | 148 | 26 | 14 | 4 | 192 |
| Toby Greenlees, Manager – Waterways Management | 147 | 1 | 14 | 5 | 167 |
| Total | 710 | 75 | 69 | 17 | 862 |

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

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

Acting Arrangements

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

(c) Related party transactions

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

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

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

Prior to Mr Lewis's appointment to the MAST Board in 2014, the Authority entered into an agreement with the H & J Property Unit Trust, of which Mr Lewis is a principal, for the use of a boat storage facility.

During 2017 the Authority re-negotiated a 5-year lease agreement with lease rental payments based on market rates as determined by an independent valuer.

4.2 Supplies and consumables

| | 2022 | 2021 |
|---------------------------|------------|------------|
| | \$'000 | \$'000 |
| Advertising and promotion | 51 | 46 |
| Property services | 36 | 39 |
| Travel and transport | 93 | 80 |
| Information technology | 228 | 164 |
| Communications | 135 | 139 |
| Insurance | 46 | 45 |
| Consultants | 75 | 32 |
| Other operating expenses | 186 | 181 |
| Total | 850 | 726 |

4.3 Facilities maintenance

| | 2022 \$'000 | 2021 \$'000 |
|-------------------------------|----------------|----------------|
| Maintenance - Navigation aids | 315 | 306 |
| Dredging – St Helens | 177 | 213 |
| Maintenance – Jetties | 184 | 296 |
| Public Building Maintenance | 340 | 187 |
| Maintenance - Breakwaters | 69 | 43 |
| Other | 15 | 31 |
| Maintenance – Radio equipment | 54 | 44 |
| Total | 1 154 | 1 120 |

4.4 Marine infrastructure and safety plan

| | | |
|---------------------------------------|--------------|------------|
| Infrastructure fund | 958 | 314 |
| Small boating fund | 242 | 190 |
| Boating education and safety services | 421 | 369 |
| Total | 1 621 | 873 |

The marine infrastructure and safety plan is a long-standing funding program that provides new and updated community boating infrastructure as well as the provision of education and safety services. The program is funded from revenue received from annual boat registration fees and triennial licence fees.

4.5 Election commitments

| | | |
|----------------------------------|------------|------------|
| Improve jetty access | 314 | 187 |
| Volunteer marine rescue funding | 270 | 270 |
| Jetty Replacements – Break O’Day | 204 | 66 |
| Bridport Foreshore | 34 | - |
| Online marketing portal | 25 | 150 |
| Coles Bay Breakwater | 2 | 24 |
| Fish Aggregation Devices | 1 | 53 |
| Artificial reefs | - | 66 |
| Scamander River | - | 110 |
| Total | 850 | 926 |

Budget initiatives relating to boating and fishing infrastructure and related services were announced by Government in 2018 and 2021 to be delivered progressively over a number of years. The Authority has continued to deliver infrastructure and services in 2021-22 with a number of major projects completed or nearing completion.

Work will continue in future periods to fully deliver Government commitments.

4.6 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 |
| Right-of-use assets | 2-10 years |

| Depreciation | | |
|---------------------|--------------|--------------|
| | 2022 | 2021 |
| | \$'000 | \$'000 |
| Navigation aids | 123 | 118 |
| Marine facilities | 1 059 | 1 044 |
| Plant & equipment | 114 | 110 |
| Right-of-use assets | 124 | 120 |
| Total | 1 420 | 1 392 |

4.7 Other expenses

| | | |
|-------------------------------|------------|------------|
| Employee on-costs | 1 | 108 |
| Bank fees | 43 | 59 |
| Audit fees – internal audit | 30 | 35 |
| Interest on lease liabilities | 10 | 16 |
| Audit fees – financial audit | 17 | 17 |
| Other | 78 | - |
| Total | 179 | 235 |

Note 5: Net gain/(loss) on 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 | (3) | (16) |
| Net gain/(loss) on disposal of Marine facilities | - | - |
| Total net gain/(loss) in non-financial assets | (3) | (16) |

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 initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Receivables are held with the objective to collect the contractual cash flows and are subsequently measured at amortised cost using the effective interest method. Any subsequent changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process. An allowance for expected credit losses is recognised for all debt financial assets not held at fair value through profit and loss. The expected credit loss is based on the difference

between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

For trade receivables, a simplified approach in calculating expected credit losses is applied, with a loss allowance based on lifetime expected credit losses recognised at each reporting date. The Authority has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable

| | 2022 \$'000 | 2021 \$'000 |
|--------------------------------|----------------|----------------|
| Receivables | 9 | 2 |
| Less: | | |
| Expected credit loss | (1) | (1) |
| | 8 | 1 |
| Other receivables | 106 | 78 |
| | 114 | 79 |
| Settled within 12 months | 114 | 79 |
| Settled in more than 12 months | - | - |
| | 114 | 79 |

6.2 Property, plant & 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 \$5 000. Assets valued at less than \$5 000 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

| | 2022 | 2021 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Navigation aids | | |
| At fair value | 2 548 | 2 539 |
| Less accumulated depreciation | (1 596) | (1 487) |
| Total | 952 | 1 052 |
| Marine facilities | | |
| At fair value | 58 150 | 49 862 |
| Less accumulated depreciation | (24 009) | (19 636) |
| Total | 34 141 | 30 226 |
| Plant and equipment | | |
| At cost | 1 419 | 1 354 |
| Less accumulated depreciation | (1 159) | (1 044) |
| Total | 260 | 310 |
| Work in progress (at cost) | 1 346 | 137 |
| Total property, plant & infrastructure | 36 699 | 31 725 |

Valuations

Marine facilities, comprising jetties, wharves, launching ramps, breakwaters and training walls were valued in April 2022 by Burbury Consulting. Navigation Aids were revalued at 31 March 2021 by Australian Maritime Systems Ltd.

Assets subject to revaluation are valued at their Current Replacement Cost. The current replacement cost is the amount that would be required to acquire or construct a substitute asset of comparable utility, adjusted for obsolescence. The Authority assesses obsolescence at the end of each reporting period by an evaluation of conditions and events specific to the Authority that may be indicative of obsolescence. No assets have been recognised as obsolete in respect of Property, Plant and Infrastructure assets for the reporting period.

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

(b) Reconciliation of movements and level 3 fair value

Reconciliations of the carrying amounts of each class of Property, Plant 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.

| 2022 | Navigation Aids Level 3 \$'000 | Marine Facilities Level 3 \$'000 | Plant & Equipment \$'000 | Work in Progress \$'000 | Total \$'000 |
|--|---|---|--------------------------------|-------------------------------|-----------------|
| Carrying amount at 1 July | 1 052 | 30 226 | 310 | 137 | 31 725 |
| Additions | 26 | - | 25 | 1 251 | 1 302 |
| Transfers from work in progress | - | - | 39 | (39) | - |
| Transfers from work in progress to profit & loss | - | - | - | (3) | (3) |
| Disposals | (3) | - | - | - | (3) |
| Revaluation increments/(decrements) | - | 4 973 | - | - | 4 973 |
| Depreciation expense | (123) | (1 058) | (114) | - | (1 295) |
| Carrying amount at 30 June | 952 | 34 141 | 260 | 1 346 | 36 699 |

| 2021 | Navigation Aids Level 3 \$'000 | Marine Facilities Level 3 \$'000 | Plant & Equipment \$'000 | Work in Progress \$'000 | Total \$'000 |
|--|---|---|--------------------------------|-------------------------------|-----------------|
| Carrying amount at 1 July | 768 | 31 214 | 310 | 195 | 32 487 |
| Additions | 48 | 39 | 50 | 27 | 164 |
| Transfers from work in progress | - | 17 | 60 | (77) | - |
| Transfers from work in progress to profit & loss | - | - | - | (8) | (8) |
| Disposals | (16) | - | - | - | (16) |
| Revaluation increments/(decrements) | 370 | - | - | - | 370 |
| Depreciation expense | (118) | (1 044) | (110) | - | (1 272) |
| Carrying amount at 30 June | 1 052 | 30 226 | 310 | 137 | 31 725 |

6.3 Right-of-use assets

AASB 16 requires the Authority to recognise a right-of-use asset, where it has control of the underlying asset over the lease term. A right-of-use asset is measured at the present value of initial lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The Authority has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases (less than 12-months), and leases for which the underlying asset is of low-value. Substantive substitution rights relate primarily to office accommodation. A right-of-use asset is considered low-value when it is expected to cost less than \$10 000.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the assets useful life or the term of the lease. Where the Authority obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the Authority will exercise a purchase option, the Authority depreciates the right-of-use asset over its useful life.

| 2022 | Leasehold property \$'000 | Plant and Equipment \$'000 | Total \$'000 |
|----------------------------------|------------------------------|-------------------------------|-----------------|
| Carrying value at 1 July | 191 | 48 | 239 |
| Additions | - | - | - |
| Disposals / derecognition | - | - | - |
| Depreciation and amortisation | (99) | (25) | (124) |
| Other movements | 4 | - | 4 |
| Carrying value at 30 June | 96 | 23 | 119 |

| 2021 | Leasehold property \$'000 | Plant and Equipment \$'000 | Total \$'000 |
|----------------------------------|------------------------------|-------------------------------|-----------------|
| Carrying value at 1 July | 283 | 62 | 345 |
| Additions | - | 9 | 9 |
| Disposals / derecognition | - | - | - |
| Depreciation and amortisation | (97) | (23) | (120) |
| Other movements | 5 | - | 5 |
| Carrying value at 30 June | 191 | 48 | 239 |

6.4 Other assets

| | 2022 \$'000 | 2021 \$'000 |
|---------------------------------|----------------|----------------|
| Prepayments | 42 | 43 |
| Flexmat & Pontoon stock | 24 | 24 |
| | 66 | 67 |
| Utilised within 12 months | 66 | 67 |
| Utilised in more than 12 months | - | - |
| | 66 | 67 |

Note 7: Liabilities

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

7.1 Payables

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

| | | |
|--------------------------------|------------|------------|
| Trade creditors | 669 | 102 |
| Accrued expenses | 127 | 117 |
| | 796 | 219 |
| Settled within 12 months | 796 | 219 |
| Settled in more than 12 months | - | - |
| | 796 | 219 |

Settlement is usually made within 30 days.

7.2 Lease Liabilities

A lease liability is measured at the present value of the lease payments that are not paid at that date. The discount rate used to calculate the present value of the lease liability is the rate implicit in the lease. Where the implicit rate is not known and cannot be determined the Tascorp indicative lending rate including the relevant administration margin is used.

The Authority has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases (less than 12-months), rental arrangements for which the Authority has substantive substitution rights over the assets and leases for which the underlying asset is of low-value. Substantive substitution rights relate primarily to office accommodation. An asset is considered low-value when it is expected to cost less than \$10 000.

The Authority has entered into the following leasing arrangements:

| Class of right-of-use asset | Details of leasing arrangements |
|--|--|
| Property Lease | Property leases exist for the Hobart office accommodation and a storage facility at Cambridge. Leases are non-cancellable with seven and five-year terms respectively. The property leases each contain renewal options of 3 years. Currently there is no certainty the options will be exercised with a review to be conducted prior the respective lease expiry dates. |
| Information Technology Equipment Lease | IT equipment is leased on four-year terms. Rent is payable quarterly in arrears. An option exists to renew the leases at the end of the term or purchase the equipment at fair market value. |

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| Expected to settle within 12 months | | |
| Lease liabilities | 128 | 136 |
| Expected to settle in more than 12 months | | |
| Lease liabilities | 11 | 143 |
| Total | 139 | 279 |

The following amounts are recognised in the Statement of Comprehensive Income

| | | |
|--|-----------|-----------|
| Interest on lease liabilities included in note 4.7 | 10 | 16 |
| Lease expenses included in note 4.2: | | |
| Lease of low-value assets | 2 | 2 |
| Net expenses from leasing activities | 12 | 18 |

7.3 Contract Liabilities

A Contract Liability relates to the Authority's obligation to transfer goods or services to a customer for which the Authority has received consideration.

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| Contract liabilities | | |
| Opening balance | - | 262 |
| Initial adoption of AASB15 | - | - |
| Grant funding instalments received as per Deed arrangements | - | - |
| Revenue from performance obligations met | - | (72) |
| Transfer of unsatisfied performance obligations to Grantor | - | (190) |
| Balance at 30 June 2022 | - | - |

In May 2019 the Authority entered into an agreement with the Department of Primary Industries, Parks, Water and Environment to procure and install four Fish Aggregation Devices at suitable locations around the State's coastline. The total amount of the Grant was \$450,000 to be paid progressively over a four-year period.

Agreed works under the provision of the Deed were completed during 2020-21 at a cost significantly less than expected. As a result, the Deed was terminated by mutual agreement between parties, with \$190,000 of unused funds returned to the Grantor and payment of the remaining \$150,000 grant instalment due in 2021-22 not required.

7.4 Employee Benefit Liabilities

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

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

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

| | 2022 \$'000 | 2021 \$'000 |
|--------------------------------|----------------|----------------|
| Accrued salaries | 64 | 42 |
| Annual leave | 178 | 156 |
| Long service leave | 453 | 444 |
| Total | 695 | 642 |
| Settled within 12 months | 657 | 590 |
| Settled in more than 12 months | 38 | 52 |
| Total | 695 | 642 |

7.5 Other liabilities

| | | |
|--------------------------------|-----------|-----------|
| Employee benefits – on-costs | 42 | 42 |
| Total | 42 | 42 |
| Settled within 12 months | 40 | 39 |
| Settled in more than 12 months | 2 | 3 |
| Total | 42 | 42 |

7.6 Superannuation

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

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

Note 8: Commitments and Contingencies

8.1 Schedule of commitments

Commitments represent those contractual arrangements entered into by the Authority that are not reflected in the Statement of Financial Position.

Leases are recognised as right-of-use assets and lease liabilities in the Statement of Financial Position excluding short term leases and leases for which the underlying asset is of low value, which are recognised as an expense in the Statement of Comprehensive Income.

| | 2022 \$'000 | 2021 \$'000 |
|-------------------------------------|----------------|----------------|
| By type | | |
| <i>Lease Commitments</i> | | |
| Low value operating leases | 1 | 3 |
| <i>Total Lease commitments</i> | 1 | 3 |
| <i>Other commitments</i> | | |
| Navigation aid maintenance contract | 825 | 292 |
| Marine facilities | 1 364 | 204 |
| Election Commitments | 605 | - |
| Vehicle rental agreements | 58 | 38 |
| Recreational Boating Fund Program | 119 | 13 |
| IT Services | 142 | 34 |
| <i>Total other commitments</i> | 3 113 | 581 |
| Total | 3 114 | 584 |
| By maturity | | |
| <i>Lease commitments</i> | | |
| One year or less | 41 | 22 |
| From one to five years | 17 | 19 |

| | 2022 \$'000 | 2021 \$'000 |
|--------------------------------|----------------|----------------|
| More than five years | - | - |
| Total lease commitments | 58 | 41 |
| <i>Other commitments</i> | | |
| One year or less | 2 285 | 538 |
| From one to five years | 496 | 5 |
| More than five years | 275 | - |
| Total other commitments | 3 056 | 543 |
| Total | 3 114 | 584 |

Lease Commitments

The Authority holds an office equipment lease that is considered low-value under provisions of Treasurers Instruction FC-19 where lease payments are recognised as expense on a straight-line basis over the term of the lease.

Other commitments

A three-year extension to the 5-year contract for the maintenance of State-owned Navigation Aids that commenced in 2017-18 was negotiated in 2021-22. A total of \$825,000 is expected to be spent under the contract for planned and preventative maintenance over the extension period.

Motor vehicles operated by the Authority are owned and managed by Treasury. The Authority makes a monthly payment to Treasury via LeasePlan for use of the vehicles.

As there is no lease contract between Treasury and the Authority for the purposes of AASB 16, the Authority does not recognise a lease liability and right-of-use asset for motor vehicles and costs are recognised as an expense as incurred.

Vehicles are held by the Authority over a standard thirty-six month or 60,000km period.

There were no contingent assets or liabilities at year end.

Note 9: Reserves

| 2022 | Navigation Aids \$'000 | Marine Facilities \$'000 | Total \$'000 |
|-------------------------------------|------------------------------|--------------------------------|-----------------|
| Asset revaluation reserve | | | |
| Balance at 1 July 2021 | 1 779 | 19 479 | 21 258 |
| Revaluation increments/(decrements) | - | 4 973 | 4 973 |
| Balance at 30 June 2022 | 1 779 | 24 452 | 26 231 |

| 2021 | Navigation Aids \$'000 | Marine Facilities \$'000 | Total \$'000 |
|-------------------------------------|------------------------------|--------------------------------|-----------------|
| Asset revaluation reserve | | | |
| Balance at 1 July 2020 | 1 409 | 19 479 | 20 888 |
| Revaluation increments/(decrements) | 370 | - | 370 |
| Balance at 30 June 2021 | 1 779 | 19 479 | 21 258 |

(a) Nature and purpose of reserves

Asset Revaluation Reserve

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

Note 10: Cash Flow Reconciliation

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

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

10.1 Cash and deposits

| | 2022 \$'000 | 2021 \$'000 |
|--------------------------------|----------------|----------------|
| Investment account – Westpac | 123 | 271 |
| Tascorp cash index fund | 15 121 | 8 838 |
| Total cash and deposits | 15 244 | 9 109 |

10.2 Reconciliation of net result to net cash from operating activities

| | | |
|---|--------------|--------------|
| Net result from continuing operations | 5 560 | 2 179 |
| Depreciation | 1 420 | 1 392 |
| (Gain) loss from sale of non-financial assets | 3 | 16 |
| Transfer of discontinued work-in-progress to P&L | 3 | 5 |
| (Increase) decrease in trade receivables | 4 | 151 |
| (Increase) decrease in prepayments | - | 4 |
| (Increase) decrease in tax assets | (38) | 1 |
| Increase (decrease) in payables | 576 | (194) |
| Increase (decrease) in contract liability | - | (262) |
| Increase (decrease) in other Liabilities | 1 | 5 |
| Increase (decrease) in employee benefits | 52 | 65 |
| Increase (decrease) in tax liabilities | 1 | (12) |
| Net cash from (used by) operating activities | 7 582 | 3 350 |

10.3 Reconciliation of liabilities arising from financing activities

| 2022 | Lease Liabilities \$'000 |
|------------------------------------|--------------------------------|
| Balance as at 1 July 2021 | 279 |
| New leases | - |
| Other movements | 4 |
| Changes from financing cash flows: | |
| Cash payments | (144) |
| Balance at 30 June 2022 | 139 |

| 2021 | Lease Liabilities \$'000 |
|------------------------------------|--------------------------------|
| Balance as at 1 July 2020 | 398 |
| New leases | 9 |
| Other movements | 5 |
| Changes from financing cash flows: | |
| Cash payments | (133) |
| Balance at 30 June 2021 | 279 |

10.4 Uncontracted committed expenditure

The Authority has committed in its forward estimates to deliver the Bridport foreshore infrastructure upgrades as part of the 2021 election commitment funding program. The Authority has also committed to continue the funding towards community projects under the 2018 election commitment program as well as the marine infrastructure and safety plan, in addition to the ongoing marine facility maintenance program.

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| By project | | |
| Bridport foreshore | 5 490 | - |
| Flinders Island ramps | 132 | - |
| Recreational fishing – improve jetty access | 205 | 421 |
| Recreational fishing – Jetty replacement Break O'Day | 292 | 132 |
| Infrastructure and safety plan | 3 592 | 2 350 |
| Facilities maintenance | 1 454 | 1 644 |
| Coles Bay breakwater | 479 | 482 |
| Scamander River | - | 121 |
| Volunteer Marine Rescue Funding | - | 297 |
| Fish aggregation devices | - | 453 |
| Artificial reefs | - | 1 027 |
| Total | 11 644 | 6 927 |
| By maturity | | |
| One year or less | 6 264 | 6 927 |
| From one to five years | 5 380 | - |
| More than five years | - | - |
| Total | 11 644 | 6 927 |

The uncontracted committed expenditure is in addition to the amounts shown in Note 8 - *Commitments and Contingencies* and is funded from grant revenue received from Government as well as licence and registration revenue to be received in future periods.

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

Note 11: Financial Instruments

(a) Risk management policies

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

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

The Board 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, 48% of debtors were in excess of 30 days. | Normal credit terms are 30 days. |
| Cash and deposits | The Authority aims to maintain a positive cash balances equal to or greater than its liabilities. This target was met as at 30 th June 2022. | Cash means notes, coins and any deposits held at call with a bank or financial institution. |

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

There has been no change to credit risk policy since the previous reporting period. Collectability of receivables is reviewed at balance date and an allowance for expected credit loss is made when collection of a debt is judged to be doubtful. The Authority has no major customers and thus the credit risk is low. The following tables analyse financial assets that are past due but not impaired.

Receivables age analysis – expected credit loss

The simplified approach to measuring expected credit losses is applied, which uses a lifetime expected loss allowance for all trade receivables. The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June are as follows:

| Expected credit loss analysis of receivables as at 30 June 2022 | | | | |
|---|--------------|------------------|------------------|--------|
| | Not past due | Past due 30 days | Past due 60 days | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Total gross carrying amount (A) | 113 | - | 1 | 114 |
| Expected credit loss rate (B) | - | - | 0.5% | |
| Expected credit loss (A x B) | - | - | 0.5 | 0.5 |

| Expected credit loss analysis of receivables as at 30 June 2021 | | | | |
|---|--------------|------------------|------------------|--------|
| | Not past due | Past due 30 days | Past due 60 days | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Total gross carrying amount (A) | 78 | - | 1 | 79 |
| Expected credit loss rate (B) | 0.5% | - | 0.5% | |
| Expected credit loss (A x B) | 0.5 | - | 0.5 | 1 |

(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 2022 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:

| 2022 | Maturity analysis for financial liabilities | | | | | | | Carrying amount |
|------------------------------|---|----------|----------|----------|----------|-------------------|--------------------|-----------------|
| | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years | More than 5 Years | Undiscounted total | |
| Financial liabilities | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Payables | 796 | - | - | - | - | - | 796 | 796 |
| Total | 796 | - | - | - | - | - | 796 | 796 |

| 2021 | 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 | 219 | - | - | - | - | - | 219 | 219 |
| Total | 219 | - | - | - | - | - | 219 | 219 |

(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:

| | 2022 \$'000 | 2021 \$'000 |
|----------------------------------|----------------|----------------|
| Variable rate instruments | | |
| Financial assets | 15 244 | 9 109 |
| Total | 15 244 | 9 109 |

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 2022 | | | | |
| Financial asset – 1% | 152 | (152) | 152 | (152) |
| Net sensitivity | 152 | (152) | 152 | (152) |
| 30 June 2021 | | | | |
| Financial asset – 1% | 91 | (91) | 91 | (91) |
| Net sensitivity | 91 | (91) | 91 | (91) |

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2021.

Categories of financial assets and liabilities

| | | |
|---|---------------|--------------|
| Financial assets | | |
| Cash and cash equivalents | 15 244 | 9 109 |
| Loans and receivables | 114 | 79 |
| Total | 15 358 | 9 188 |
| Financial Liabilities | | |
| Financial liabilities at amortised cost | 796 | 219 |
| Total | 796 | 219 |

Derecognition of Financial Assets

The Authority has not transferred any financial assets.

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

| | Carrying Amount 2022 \$'000 | Net Fair Value 2022 \$'000 | Carrying Amount 2021 \$'000 | Net Fair Value 2021 \$'000 |
|------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| Financial assets | | | | |
| Cash at bank | 15 244 | 15 244 | 9 109 | 9 109 |
| Receivables | 114 | 114 | 79 | 79 |
| Total financial assets | 15 358 | 15 358 | 9 188 | 9 188 |
| Financial liabilities | | | | |
| Payables | 796 | 796 | 219 | 219 |
| Contract Liabilities | - | - | - | - |
| Total financial liabilities | 796 | 796 | 219 | 219 |

Note 12: Events Occurring after Balance Date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while there has been a financial impact on the Authority up to 30 June 2022, it is not practicable to estimate the potential negative impact after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Authorities operations, the results of those operations, or the Authorities state of affairs in future financial years

Note 13: Other Significant Accounting Policies and Judgements

13.1 Objectives and funding

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

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

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

The Authority is a Tasmanian Government not-for-profit entity that is largely self-funding with income derived from recreational boat registrations and licence fees. These activities are largely fee for service. Income is also received from the operators of commercial vessels as a contribution to the administration and management of marine infrastructure.

An annual grant is received through DSG and used for the maintenance of government owned marine infrastructure where the management of the infrastructure has been vested in the Authority.

Additional funding from Government through DSG is also received for specific infrastructure replacement or maintenance projects.

13.2 Basis of accounting

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

- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board;
- *Marine and Safety Authority Act 1997*; and
- The Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016*.

The Financial Statements were signed by the Board on 12 August 2022.

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

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

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

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

13.3 Functional and presentation currency

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

13.4 Changes in accounting policies

(a) Impact of new and revised Accounting Standards

No new standards have been adopted in current year that are relevant to the operations of the Authority.

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

No new standards have been issued by the AASB that are relevant to the operations of the Authority that are yet to be applied.

(c) Voluntary changes in accounting policy

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

(d) Impact of COVID-19 on Financial Reporting for 2021-22

The Authority has undertaken an assessment of the ongoing impact of Covid-19 on the financial statements for the 30 June 2022 year end.

The number of new licences and registrations processed during the year compared to prior years has returned to the long-term trend after 2-years of better than average numbers.

The one-off assistance provided to the commercial vessel sector through waiving the Commercial Vessel Infrastructure Administration Fee ceased on 30 June 2021. Fees for 2021-22 were billed normally during with the provision of payment options for operators experiencing financial hardship due to the impact of Covid on operations.

During the year, the Authority received additional grant funding under the Public Building Maintenance Fund which was directed to the maintenance of publicly owned marine infrastructure. The revenue was off-set by commensurate expenditure under the fund. Programmed works under the fund were completed with the available funds fully expended.

Covid-19 has continued to impact negatively on infrastructure upgrades and maintenance programs as well as new construction projects where significant increases in material and contractor costs continue to be experienced.

13.5 Comparative figures

Where amounts have been reclassified within the Financial Statements, the comparative statements have been restated.

Costs relating to projects funded through grants received under governments election commitment program that were previously categorised as supplies and consumables are now classified as a separate line item in the Statement of Comprehensive Income and Statement of Cashflows.

13.6 Rounding

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. As a consequence, rounded figures may not add to totals. Amounts less than \$500 are rounded to zero and are indicated by the symbol “-”.

13.7 Taxation

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

13.8 Goods and services tax

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

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

13.9 Critical Accounting Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Authority based on known information. This consideration extends to the nature of the services offered, customers, supply chain, staffing and geographic regions in which the Authority operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Authority unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Estimation of useful lives of assets

The Authority determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the

useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets

The Authority assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Authority and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 7.4, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 14: Auditor's Remuneration

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

| | 2022 | 2021 |
|-------------------------|---------------|---------------|
| | \$ | \$ |
| Fees for Audit | 17 260 | 16 760 |
| Fees for other services | - | - |
| | 17 260 | 16 760 |

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 2021-22 financial year and the financial position as at 30 June 2022 of the Authority; and
- (ii) subject to the Treasurer's Instructions; issued under provisions of the *Financial Management Act 2016* complying with Australian Accounting Standards and Interpretations.

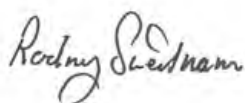
(b) There are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due.

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 2021-22 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 2021-22 financial year present fairly.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors



Rod Sweetnam
Non-Executive Director and Chair

12 August 2022



Lia Morris
Chief Executive

12 August 2022

Independent Auditor's Report
To the Members of Parliament
Marine and Safety Authority
Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Marine and Safety Authority (the Authority), which comprises the statement of financial position as at 30 June 2022 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the directors.

In my opinion, the accompanying financial statements:

- (a) present fairly, in all material respects, the Authority's financial position as at 30 June 2022 and its financial performance and its cash flows for the year then ended
- (b) are in accordance with the *Marine and Safety Authority Act 1997*, the *Financial Management Act 2016* and Australian Accounting Standards.

Basis for Opinion

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

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

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

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

| Why this matter is considered to be one of the most significant matters in the audit | Audit procedures to address the matter included |
|--|---|
| Revaluation of Jetties and Boat Ramps <i>Refer to note 6.2</i> | |
| <p>The Authority's Property, plant and infrastructure, totalling \$36.70 million at 30 June 2022, includes Marine facility assets, (jetties, wharves, launching ramps, breakwaters and training walls) recognised at fair value of \$34.14 million.</p> <p>During the year the Marine facility assets, which are classified as specialist assets, were revalued by an external expert at 31 March 2022. The valuation of these assets was based on a current replacement cost approach, which considers the cost to construct assets with similar utility.</p> <p>The calculation of fair value is judgemental and highly dependent on a range of assumptions and estimates.</p> | <ul style="list-style-type: none"> • Evaluated the appropriateness of the valuation methodology applied to determine fair values. • Assessed the scope, expertise and independence of experts engaged to assist in the valuation. • Critically assessed assumptions and other key inputs into the valuation model. • Evaluated management's assessment of the valuation report provided by the independent expert, including the completeness of the assets in the report. • Evaluated the adequacy of relevant disclosures in the financial statements, including those regarding key assumptions used. |

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, and the financial reporting requirements of Section 42 (1) of the *Financial Management Act 2016*. This responsibility includes such internal control as determined necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority is to

be dissolved by an Act of Parliament, or the directors intends to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

From the matters communicated with the directors, I determine those matters that were of most significance in the audit of the financial statements of the current period and are

therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in black ink, appearing to read 'J Tongs', with a stylized flourish at the end.

Jeff Tongs
Assistant Auditor-General
Delegate of the Auditor-General
Tasmanian Audit Office

15 August 2022
Hobart



Marine and Safety Tasmania

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