



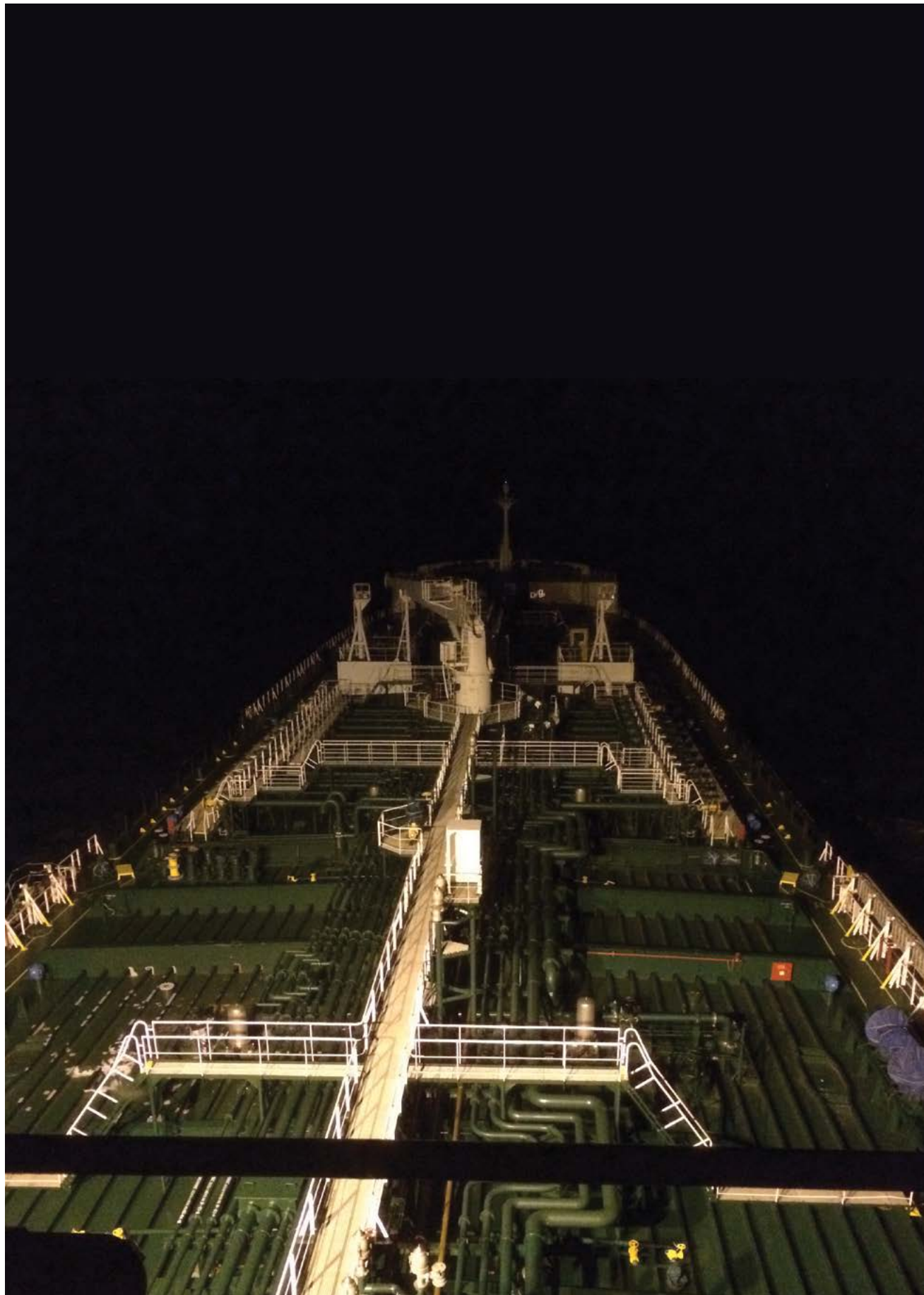
Australian Government

Australian Maritime Safety Authority

ANNUAL REPORT

2015-16





PURPOSE

VISION

Safe and clean seas, saving lives

MISSION

Ensuring safe vessel operations, combatting marine pollution, and rescuing people in distress

VALUES

- Professional – we act with integrity and are pragmatic in our approach.
- Collaborative – we value and respect others and work together to achieve our objectives.
- Dedicated – we are committed to AMSA's mission and responsive to the needs of our customers and stakeholders.
- Accountable – we take responsibility for our decisions and actions.



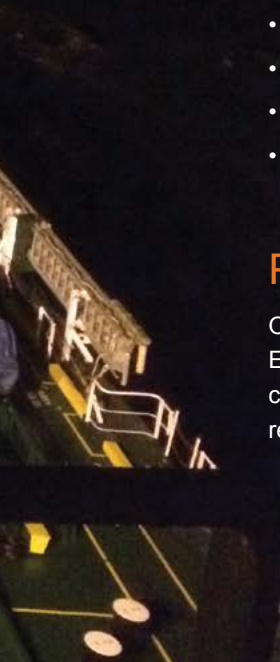
ROLE

The Australian Maritime Safety Authority is a statutory authority established under the *Australian Maritime Safety Authority Act 1990* (AMSA Act), with the primary role to:

- promote maritime safety and protection of the marine environment
- prevent and combat ship-sourced pollution in the marine environment
- provide infrastructure to support safe navigation in Australian waters
- provide a national search and rescue service to the maritime and aviation sectors
- provide, on request, services to the maritime industry on a commercial basis
- provide, on request, services of a maritime nature on a commercial basis to the Commonwealth and/or states and territories.

PLAN ON A PAGE

Our Plan on a Page (page vi) describes our strategic challenges, goals and responses. Everything we do, as described in this annual report, is in response to these strategic challenges and in pursuit of these goals. Alignment between the activities described in this report and our strategic challenges is provided on each chapter's cover page.



There are

27,000

domestic commercial vessels in Australia



There are

66,000

domestic seafarers in Australia

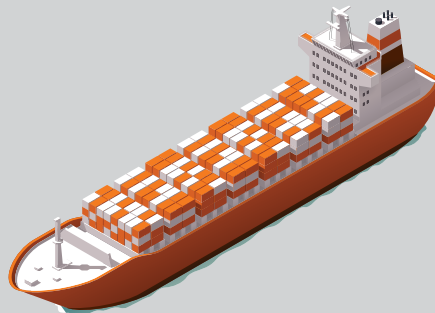


99%

of Australia's international trade by volume and

74%

of trade by value is transported by ship



Australia is the

LARGEST

island nation in the world
The Australian coastline spans

60,000 kilometres




Around

400

delegates attended our SPILLCON 2016 conference




1,990,000 

AMSA website visitors
in 2015-16

38,900 

Facebook followers
as at 30 June 2016

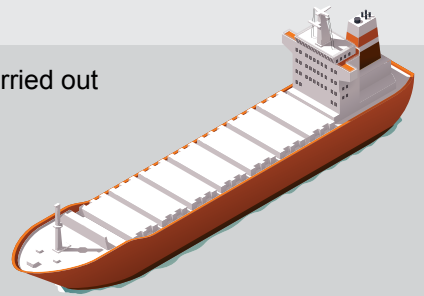
23,650 

Twitter followers
as at 30 June 2016

AMSA's marine surveyors carried out

9500

ship inspections
in 2015-16



445,000

emergency distress beacons
are registered with AMSA
as at 30 June 2016

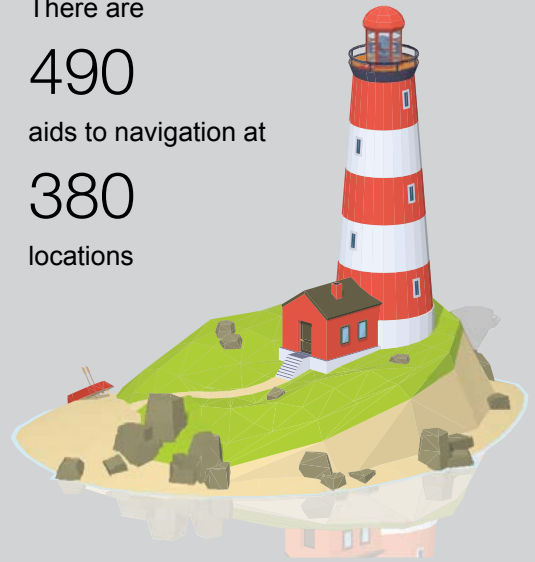
There are

490

aids to navigation at

380

locations



AMSA coordinated the rescue of

207

people across

7370

incidents in 2015-16



OVER 400

commodities are shipped in and out
of Australia using more than

1000 shipping routes



The Great Barrier Reef World Heritage Area covers more than

348,000

square kilometres and includes

2900

coral reefs and

900

islands



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PLAN ON A PAGE

STRATEGIC CHALLENGE 1

ADDRESSING GROWTH AND COMPLEXITY IN OUR OPERATING ENVIRONMENT

- Ensure safe shipping in Australian waters
- Minimise emissions and discharges from ships in the marine environment
- Respond efficiently and effectively to maritime casualties and marine pollution incidents
- Save lives by coordinating search and rescue

SC1

STRATEGIC CHALLENGE 2

PREPARING FOR THE FUTURE

- Deregulate and streamline without impacting safety
- Develop a contemporary regulatory and compliance model
- Implement a modernised regulatory scheme for international trading and foreign vessels
- Develop a predictive, integrated intervention capability to assure vessel safety
- Promote a maritime safety culture that leads to positive behavioural change

SC2

STRATEGIC CHALLENGE 3

ENSURING A COMPETENT AND FAIRLY TREATED MARITIME WORKFORCE

- Have an active and competent maritime workforce
- Reduce unnecessary barriers enabling increased pathways for participation within the maritime industry
- Ensure compliance with international standards for training certification and watchkeeping
- Ensure decent working and living conditions for seafarers on board ships

SC3

STRATEGIC CHALLENGE 4

INFLUENCING INTERNATIONAL ARRANGEMENTS

- Make sure international standards reflect Australian expectations and international standards are reflected nationally
- Improve and promote maritime safety and environmental protection in our region
- Have a strong regional voice in international fora
- Make sure regional approaches align with International Maritime Organization priorities

SC4

STRATEGIC CHALLENGE 5

ENGAGING WITH THE COMMUNITY

- Have an informed and engaged community on maritime issues, search and rescue issues, and AMSA's role
- Be respected and trusted

SC5

STRATEGIC CHALLENGE 6

ENSURING A VIBRANT AND PROGRESSIVE ORGANISATION

- Have a professional, flexible and engaged workforce that is change ready
- Use technology to improve the services we deliver to do business anytime, anywhere
- Maintain a level of funding that will sustain our service delivery into the future
- Have effective and efficient processes and systems
- Maintain a flexible pool of external and internal capability and resources

SC6



Our activities



TRANSMITTAL LETTER



Australian Government
Australian Maritime Safety Authority

CHAIRMAN

The Hon Darren Chester MP
Minister for Infrastructure and Transport
Parliament House
CANBERRA ACT 2600

Dear Minister,

On behalf of the Australian Maritime Safety Authority (AMSA), I present to you the Annual Report for the reporting year 1 July 2015 to 30 June 2016.

The report provides a detailed description of AMSA's operations during the year as well as financial statements and the Auditor-General's report on those financial statements. This report has been prepared in accordance with the requirements set out in the *Public Governance, Performance and Accountability Act 2013*, the *Public Governance, Performance and Accountability Rule 2014*, and in accordance with the *Australian Maritime Safety Authority Act 1990*.

The report is made in accordance with a resolution on 20 September 2016 of the Directors who are responsible, under section 46(1) of the *Public Governance, Performance and Accountability Act 2013* for its preparation and content.

Yours sincerely

Stuart Richey AM

20 September 2016

82 Northbourne Avenue, Braddon ACT 2612
GPO Box 2181, Canberra ACT 2601



www.amsa.gov.au

REPORTING REQUIREMENTS AND RESPONSIBLE MINISTER

The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) requires that corporate Commonwealth entities prepare an annual report in accordance with the relevant rule.

The AMSA Annual Report 2015-16 is presented in accordance with the Public Governance, Performance and Accountability Rule 2014 and the *Australian Maritime Safety Authority Act 1990* (AMSA Act).

The report is to be presented to the responsible minister by 15 October and requires the minister to table the report in both Houses of the Parliament as soon as practicable after receiving it.

AMSA reports to the Australian Parliament and Government through the Minister for Infrastructure and Transport, the Hon. Darren Chester MP.

Under the PGPA and AMSA Acts, the directors of AMSA (the members of the Board) are responsible for this annual report.

This report provides a review of activities undertaken in 2015-16, using the reporting arrangements set out in the Portfolio Budget Statements 2015-16 and the AMSA Corporate Plan 2015-19.



ANNUAL PERFORMANCE STATEMENTS

The Public Governance, Performance and Accountability (PGPA) Rule section 16F requires corporate Commonwealth entities to provide annual performance statements as part of their annual report. The annual performance statements describe how the entity performed against the non-financial performance measures set out in the relevant Corporate Plan (2015-19) and Portfolio Budget Statements, and for the reporting period (2015-16), including a summary of progress for the key projects listed in the Corporate Plan.

The 2015-16 annual performance statements of the Australian Maritime Safety Authority, as required under paragraph 39(1)(a)(b) of the PGPA Act and the AMSA Act, are at Appendix 2.



1

CHAIRMAN'S
REVIEW

CHAIRMAN'S REVIEW

In 2015-16 we continued to progress many initiatives across our areas of operation: vessel and seafarer safety, search and rescue, marine environment protection, and navigation safety. This report contains detailed information on these initiatives, a few of which I would like to highlight.

In preparation for our transition to full service delivery for the National System for Domestic Commercial Vessel Safety (National System), this year we began developing capability for the delivery of new regulatory services and cost arrangements. This involved extensive consultation with industry and service delivery partners.



We have increased face-to-face interaction with industry through a network of liaison officers in each state and territory who meet with stakeholders at the waterfront. To improve the safety culture of this industry, we conducted a series of safety management system workshops around the country.

We continued to work with industry and maritime agencies to progressively review existing commercial vessel standards. Our reform work centred on simplification of the National Standards for Commercial Vessels, which set out the standards governing commercial vessel design, operation, crewing and safety requirements.

This year we maintained our strong international presence through representation at various bodies, technical cooperation programs and in memoranda of understanding. In November 2015, Australia was re-elected to the International Maritime Organization Council (IMO) at the IMO's 29th Assembly meeting, continuing our 40-plus year Council membership.

We extended a recent AMSA initiative in improving international standards to reduce the risk of liquefaction of bulk cargoes, by seeking IMO agreement to new moisture minimisation requirements for bauxite and nickel ore. We also undertook consultations with industry and other stakeholders leading up to the introduction of Verified Gross Mass requirements for shipping containers, which came into effect on 1 July 2016.

We have continued working to create an industry safety culture through leading the revision of the Guidelines on Fatigue at the IMO, and our management of Australia's Human Element, Training and Watchkeeping Advisory Group.

On the search and rescue front, we worked with Maritime New Zealand on the implementation of the Medium-altitude Earth Orbit Search and Rescue (MEOSAR) Capability. The communication network from the Australian MEOSAR satellite ground station was completed in June 2016 and will be ready for operation by early 2017. We also continued preparations for the transition of our dedicated airborne search and rescue service. In August we commenced a staged transition to a new service provider, Cobham SAR Services Pty Ltd. Cobham will operate four specially-modified Bombardier Challenger jets to sustain our capability to undertake visual and electronic searches for people in distress.

In 2015 our marine environment officers assisted Maritime Safety Queensland with an oil spill in the vicinity of Cape Upstart. In May 2016 we hosted around 400 domestic and international delegates at Spillcon 2016, the international oil spill conference for the Asia-Pacific region. We also engaged with our government partners and industry through the annual National Plan for Maritime Environmental Emergencies (National Plan) exercise. This exercise is a key component of National Plan capability and provides an opportunity for participants to practise the skills they will use in real incidents.

We continued our work in regards to vessel traffic services (VTS), authorising ten new VTSs and developing new policies focused on compliance and enforcement and VTS operators. To further refine our under keel clearance management system in the Torres Strait, we are investigating a number of potential recommendations. While our navigation safety systems are world-class, it is important we continue to improve them to manage future challenges.

As Chairman of AMSA, I am proud of our achievements to date and, together with the Board and Executive, am committed to ensuring we are well placed to respond to future challenges.

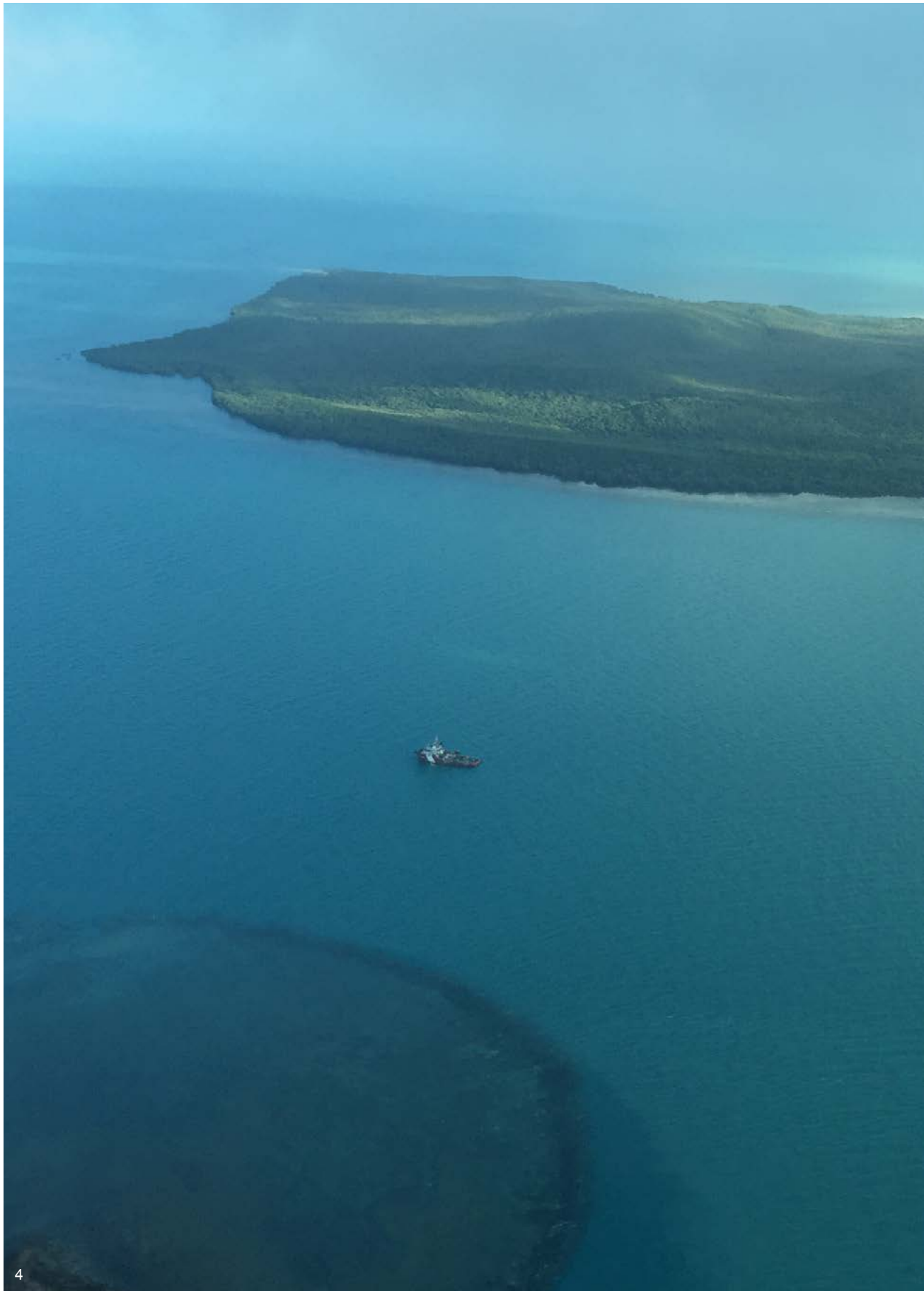
I acknowledge the contributions of my fellow Board members. I would also like to thank Andrew Wilson, our departmental Board member who retired in March after ten and a half years of Board service.

I wish to recognise the exemplary leadership provided by AMSA's Chief Executive Officer Mick Kinley and the AMSA executive.

To Minister Darren Chester, his staff, and the Department of Infrastructure and Regional Development, I pass on our thanks for their continued support.

Finally, on behalf of the Board, I wish to thank the staff of AMSA. It is a particularly busy and challenging time as we prepare to take over full service delivery for the National System. However, we are confident that our people are capable of meeting this challenge and continuing to provide a high level of service to our stakeholders.

Stuart Richey AM
20 September 2016



An aerial photograph of a coastline with a large white circle overlay. The circle contains the number '2' and the text 'ORGANISATION PROFILE'. The background shows a blue sea, a sandy beach, and green hills under a blue sky with light clouds.

2

ORGANISATION
PROFILE

ENABLING LEGISLATION

AMSA is the national agency responsible for maritime safety, protection of the marine environment, and maritime and aviation search and rescue.

We are a statutory authority established under the *Australian Maritime Safety Authority Act 1990* (AMSA Act) and as a Corporate Commonwealth Entity we are also subject to the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

A list of our enabling legislation in the areas of vessel operations, registration, marine pollution and levies collection is available on our website.

BOARD AND COMMITTEES

AMSA's Board, as the Accountable Authority, discharges its duties under the AMSA and PGPA Acts.

As the accountable authority the Board's duties are to:

- govern the Commonwealth entity
- establish and maintain systems relating to risk and control
- encourage cooperation with others
- keep responsible minister and finance minister informed.

The Board continues to:

- provide significant strategic oversight of AMSA's business, on behalf of the responsible minister, by determining the overall manner in which various functions should be performed. In doing so, the Board expresses its understanding of the expectations of the minister within the context of:
 - strategy setting and approval
 - risk management
 - communication and relationship management across the organisation
 - reviewing and evaluating the performance of the Chief Executive Officer and senior management
- take responsibility for AMSA's resources with the financial oversight of AMSA's budget and financial outlook, financial statements, compliance reports and balance sheets; and approving major expenditure
- execute good governance by ensuring compliance with the PGPA Act, the AMSA Act, and operational legislation with corporate governance implications, while promoting careful, diligent, transparent and ethical conduct throughout the organisation.

The Board is appointed by the Minister for Infrastructure and Transport. Current Board members have experience in industry, financial and government institutions. All members work on a part-time basis, with the exception of the Chief Executive Officer.

Board members participate in presentations, workshops and discussions to deepen their knowledge in directors' roles and Board practices. In 2015-16 the Board members:

- received presentations on:
 - Mitigating the Risks – Maritime Environmental Emergencies Prevention, Preparedness and Response
 - AMSA's Work Health Safety Management System
 - National System Transition Program – Blueprint
 - National System Target Operating Model 2017
- participated in the Australian Institute of Company Directors (AICD) Governance Analysis Tool™ survey—a review designed to facilitate the improvement of corporate governance and ensure contemporary thinking in sound governance and standards of accepted good practice
- participated in a Board strategy workshop facilitated by AICD
- participated in a reception for the AMSA Advisory Committee (our key stakeholder group) in Sydney
- participated in stakeholder receptions in Hobart, Geelong and Geraldton engaging with representatives from local industries involving shipping, ports, search and rescue, marine environment and maritime education, concentrating on discussions around the National System for Domestic Commercial Vessel Safety
- toured the Marine National Facility and the new state-of-the-art marine research vessel, the RV *Investigator*; the Port Phillip Sea Pilot organisation at Queenscliff Pilot Station; the Fisheries Management and Science Fisheries Victoria; Geraldton Latitude Gallery for a presentation on the harvest of pearls; Ms Erica Starling's aquaculture fish farm in the Geraldton Harbour; Geraldton Port Authority, and Geraldton Fishing Co-operative.

Appendix 3 lists Board members, their qualifications and experience, and attendance at Board meetings.

Board Audit Committee

The Board Audit Committee assists the Board in fulfilling its financial and performance reporting, risk and internal controls oversight in accordance with the requirements of enabling legislation. The committee provides independent advice and assurance to the AMSA Board and is independent from management. The present committee comprises of three people: two Board members and one external member. All members have the appropriate qualifications, knowledge, skills and experience to assist the committee to perform its functions as listed in Division 3, PGPA Rule 2014. The Chair of the committee and members are appointed by the Board. Other Board members may attend committee meetings as observers.

The Board Audit Committee conducted five meetings in 2015-16 and reported directly to the Board after each meeting. During the year, the committee continued to focus on maintaining a sound financial system, performance reporting, systems of risk oversight and management and systems of internal control for the entity.

Remuneration Committee

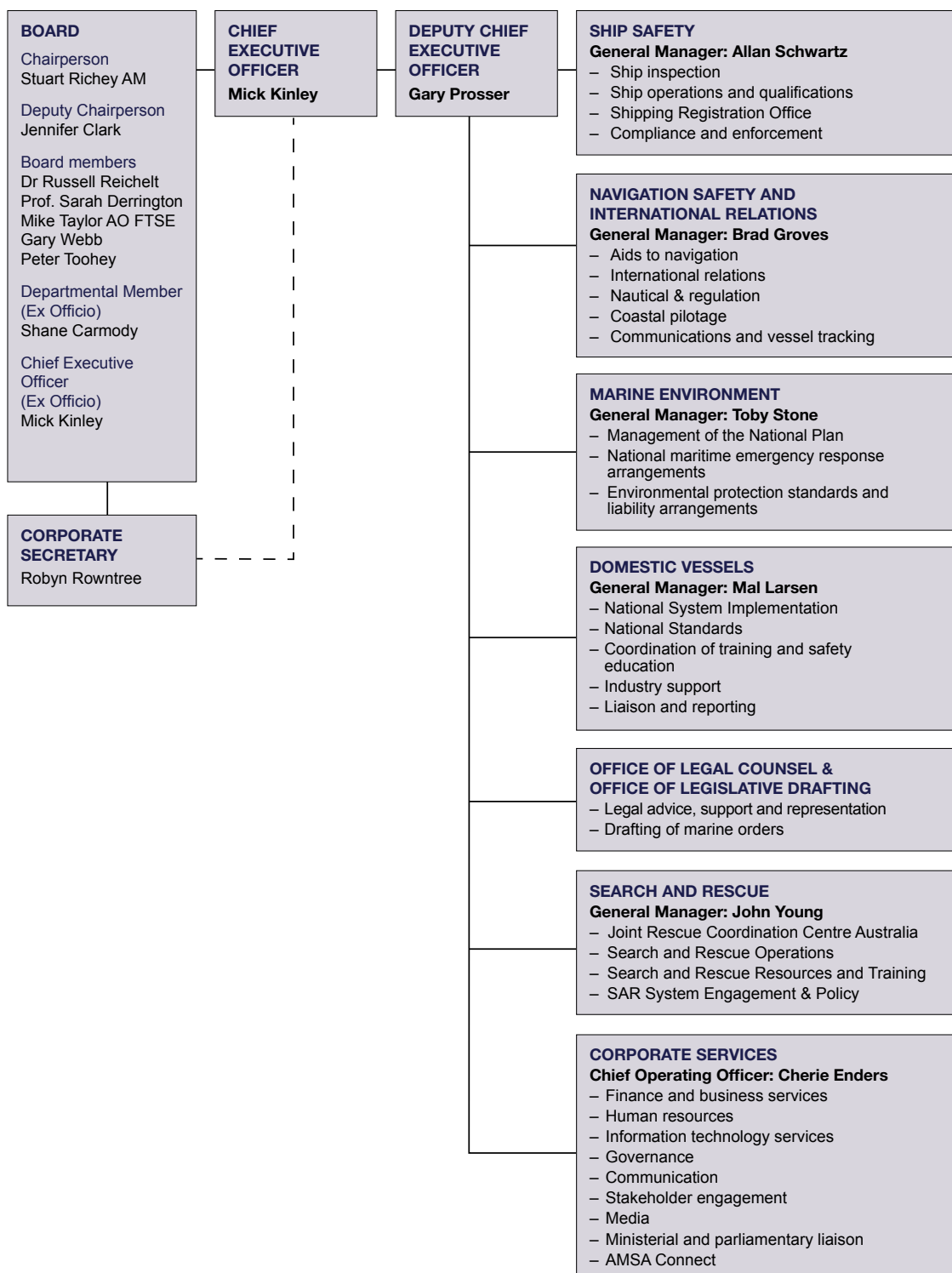
The Remuneration Committee assists the Board in considering senior executive remuneration matters and issues arising from the Remuneration Tribunal. The committee reports its findings, decisions and recommendations to the Board. The Remuneration Committee conducted two meetings and one discussion in 2015-16.

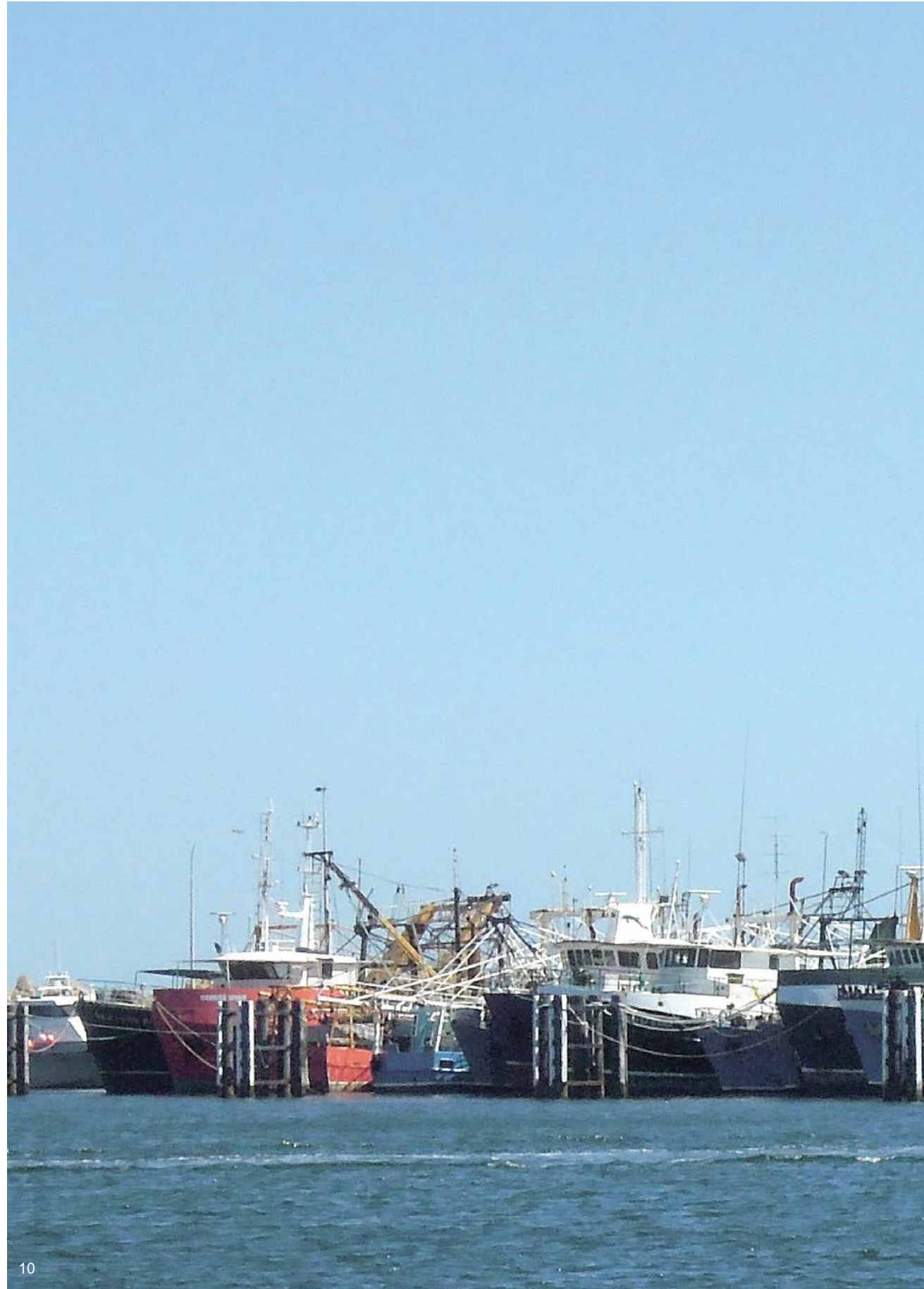
STRUCTURE

Our organisational structure (as at 30 June 2016) is shown on the following page.

A map showing our national presence is below:

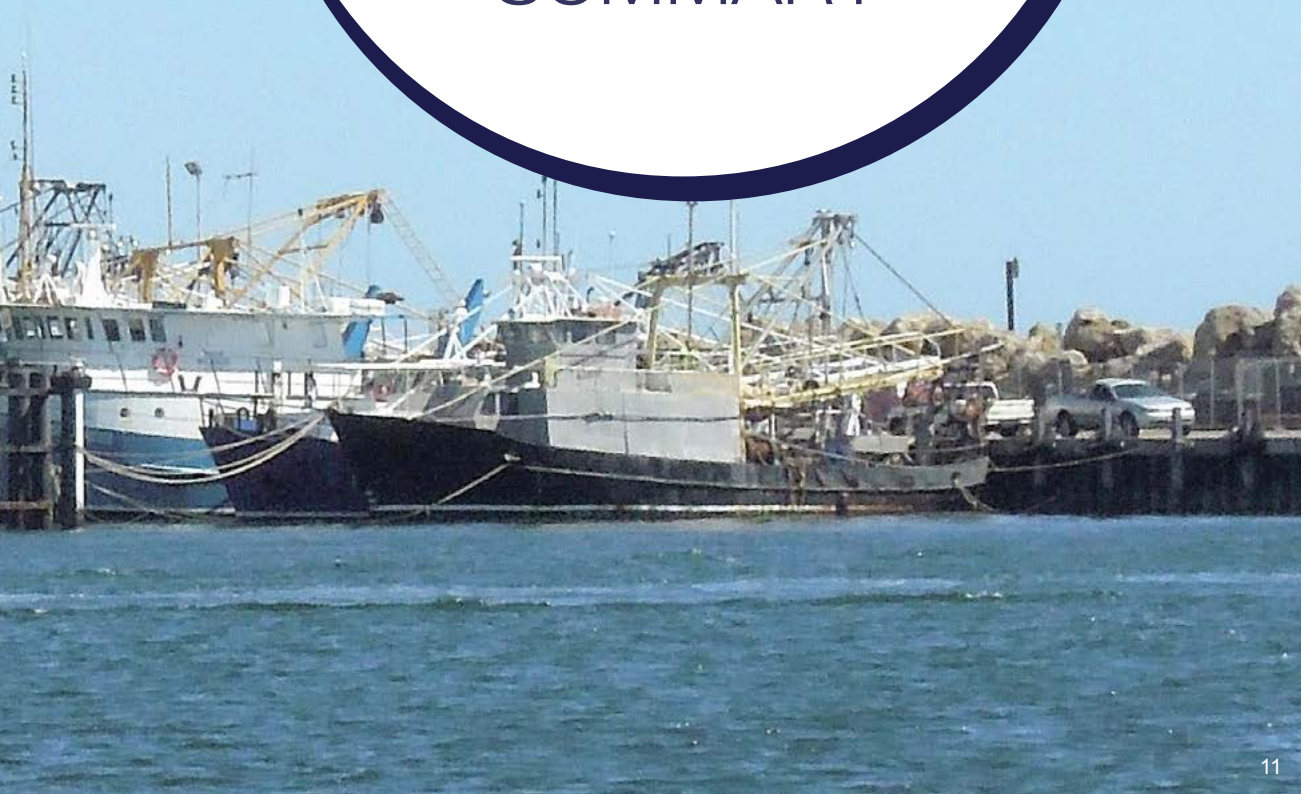






3

FINANCIAL SUMMARY



FINANCIAL SUMMARY

Financial overview

We recorded an operating loss of \$2.3 million in 2015-16. This was better than our forecast primarily due to the settlement of a pollution incident claim relating to the grounding of the *Shen Neng 1* on Douglas Shoal, in the Great Barrier Reef Marine Park. We have strategies in place which are being formulated in future budgets to return us into surplus.

Our financial result for 2015-16 was influenced by the following significant activities.

A continued focus for us this year was the transition to full service delivery for the National System for Domestic Commercial Vessel Safety (National System) (p.35). We will be assuming full responsibility for service delivery and funding from 1 July 2017. Therefore our work to prepare for this has resulted in an increase in activity and staffing levels, as well as costs associated with the National System's new IT system.

We commenced an organisational restructuring initiative aimed at delivering greater efficiencies through functional realignment and the removal of duplicated functions. This is due for completion in 2016-17.

The transition of our dedicated airborne search and rescue aircraft from our existing provider to our new service provider began this year (p.40). This involves development of the deployment program for aircraft, mission equipment, and crew. The final transition to the new service provider will occur in 2016-17.

We received lower than expected levy revenue due to continued slowing growth in shipping activity. However, we implemented savings strategies to mitigate this and achieved an operating result better than our forecast projections.

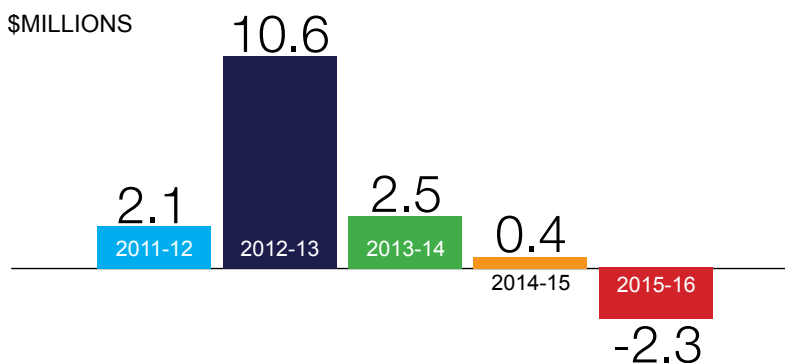


Figure 1: Operating result over financial years 2011-12 to 2015-16

Financial outcome

We achieved an operating loss of \$2.3 million in 2015-16, compared with a \$0.4 million surplus in 2014-15. The decrease in surplus of \$2.7 million relates to decreased revenue of \$0.3 million and increased expenditure of \$2.4 million.

Revenue

Our total revenue in 2015-16 decreased by \$0.3 million (less than one per cent) from 2014-15. This was mainly due to a one-off funding increase in 2014-15 for the Malaysia Airlines MH370 incident and reduced revenue from government-funded projects. This was substantially offset by the settlement of a pollution incident claim relating to the grounding of the *Shen Neng 1* on Douglas Shoal, in the Great Barrier Reef Marine Park.

In 2015-16, 57 per cent of our revenue was derived from levies and 30 per cent from government funding. The remainder came from rendering of services and other sources.

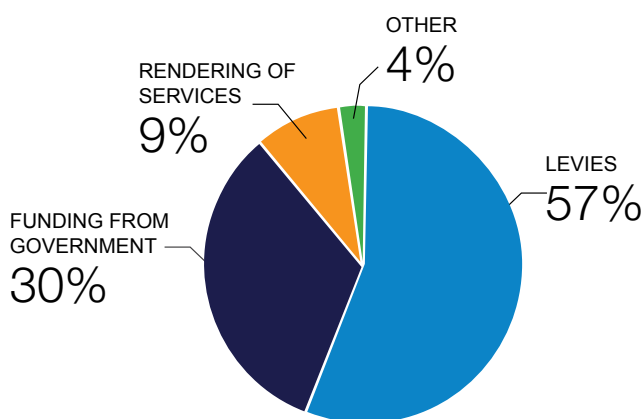


Figure 2: Revenue for 2015-16

Revenue has remained steady with that from 2014-15, predominantly due to a decrease in government funding, offset by an increase in other revenue from a pollution incident settlement.

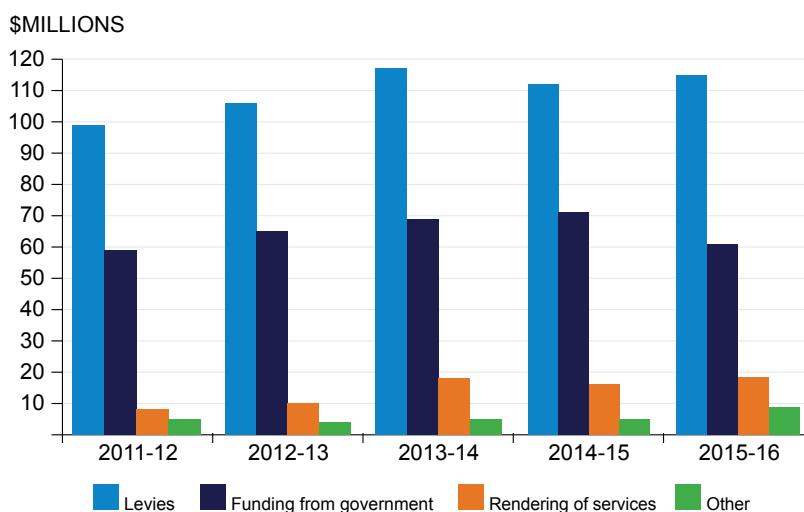


Figure 3: Change in revenue from 2011-12 to 2015-16

Expenses

Our total expenditure in 2015-16 increased by \$2.4 million compared to 2014-15.

The main drivers of our increased expenditure were one-off significant expenses for:

- business restructuring
- removal of lead paint at various aids to navigation sites
- the clean-up of the Cape Upstart marine pollution incident (p.50).

Employee costs also increased—driven by increased staffing needs to manage the implementation of the National System. Our expenses were offset by planned savings strategies.

In 2015-16, 61 per cent of our expenditure went to suppliers, 31 per cent to employee benefits, seven per cent to depreciation, and one per cent to other expenses.

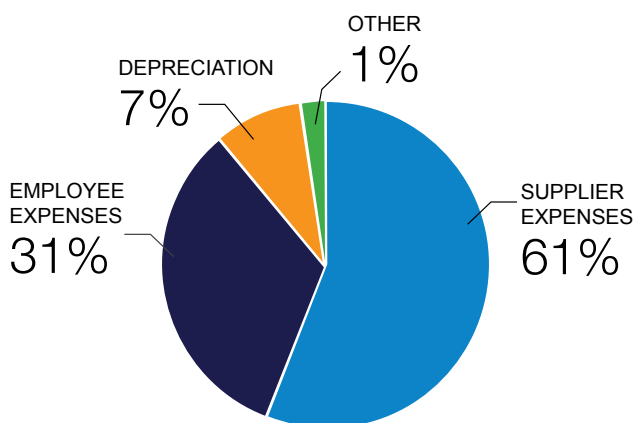


Figure 4: Expenditure for 2015-16

Areas of expenditure, in percentage terms, remain broadly in line with that of last financial year except for other revenue which decreased due to a reduction in government-funded projects.

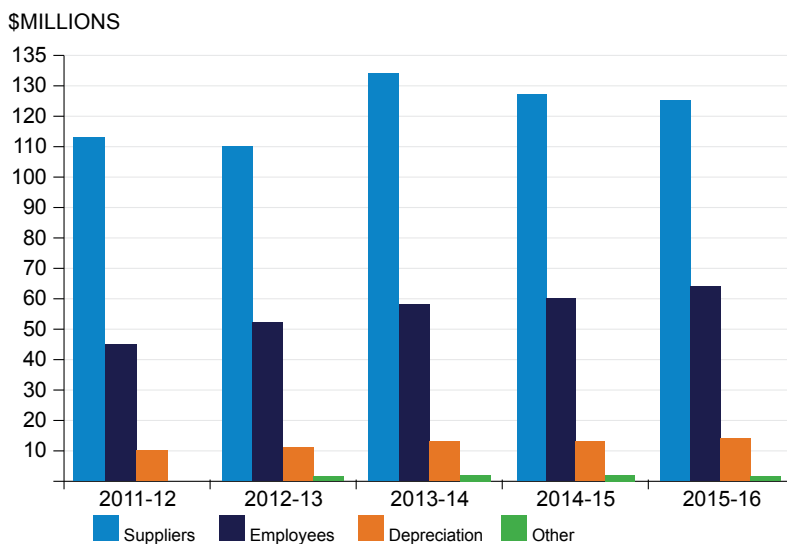


Figure 5: Change in expenditure from 2011-12 to 2015-16







4

OUR
GOVERNANCE

SC6

OUR GOVERNANCE

Our main governance practices

The PGPA and AMSA Acts are the foundation of our governance practices.

Accountable Authority

Under the PGPA Act the AMSA Board is our Accountable Authority. The Board discharges its governance obligations through its involvement in AMSA's planning, performance reporting and risk management activities (detailed below).

The Board provides clear direction on the operational application of relevant legislation by issuing Accountable Authority Instructions which must be followed by all AMSA staff.

More information on the Board, its committees and meetings can be found on page 6 and on our website.

Arrangements

Governance arrangements must be fit for purpose. It is up to our Board to determine the precise nature of our governance arrangements and structures. The Australian National Audit Office (ANAO) maintains that arrangements must facilitate effective strategic planning, risk management and performance monitoring¹.

We have integrated planning, budgeting and performance reporting - informed by risk (figure 6).

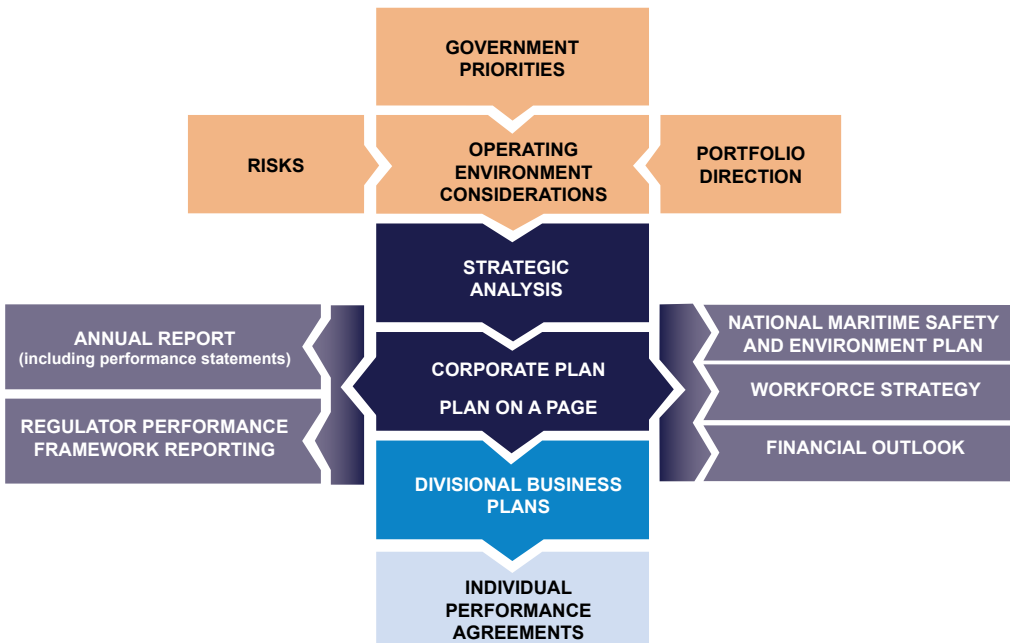


Figure 6: Risk informed integrated planning, budgeting and performance reporting

Planning

We use a four-phase annual planning cycle (figure 7). During phase one, strategic analysis, we assess our operating environment using a structured 'STEEPLED' approach which looks at social, technological, economic, environment, political, legal, ethical, and demographic factors. This helps us to identify new, or validate current strategic challenges, strategic risks and goals; and informs phases two to four where we determine our specific responses, resourcing, and how we will measure our performance.

Our planning culminates in the annual publication of our:

- corporate plan for the next four years, inclusive of our 'plan on a page' and non-financial performance measures
- Budget/Portfolio Budget Statements, which set out our resourcing arrangements and performance measures over the same four year period.

The AMSA Board oversees this process, and is directly involved at key junctures.



Figure 7: Our four-phase annual planning cycle

Risk management

Our core business is primarily one of risk management. As such, we have a mature risk culture. Our risk management framework and associated controls are aligned with better practice methodologies, and are consistent with the international standard on risk management (AS/NZS ISO 31000) and the Commonwealth Risk Management Policy 2014.

Risk management is embedded in our planning using a 'top down-bottom up' approach. Our executive formally reviews risks twice a year as part of their strategic (August) and operational (January) planning workshops. Divisions undertake two risk workshops annually as precursors to the executive workshops. Project and lower level business risks can be escalated at any time to divisional and executive level, and subsequently captured in divisional or strategic risk registers for ongoing monitoring and review as appropriate.

A review of our strategic risks is a standing agenda item for every Board Audit Committee meeting, and strategic risks are incorporated into briefings provided to the Board.

Our strategic risks can be found in our current corporate plan on our website.

Indemnities and insurance premiums

We provide insurance cover to Board members and other officers in line with the PGPA Act. We are required by the Australian Government to use Comcover for our insurance needs. Comcover's relevant insurance policy covers legal liability (including legal costs) for our Board members and employees (directors and officers liability). The premium paid for this insurance for 2015-16 was \$35,455 (GST exclusive). We indemnify our staff from liability when acting in good faith (without recklessness or gross negligence) in the course of their employment with AMSA.

Performance reporting

Our non-financial performance measures are detailed in both our corporate plan and Portfolio Budget Statements. They include several measures that meet our performance reporting obligations under the Regulator Performance Framework².

We produce quarterly internal reports on our non-financial performance. These reports mirror the requirements of the annual statement of performance, and are presented at the next Board Audit Committee meeting following the end of the respective quarter.

²The Commonwealth Regulator Performance Framework encourages regulators to undertake their functions with the minimum impact necessary to achieve regulatory objectives and to effect positive ongoing and lasting cultural change. The framework consists of six outcomes-based key performance indicators: 1. reducing regulatory burden; 2. effective communications; 3. risk-based and proportionate approaches; 4. efficient and coordinated monitoring; 5. transparency; 6. continuous improvement.

Financial performance is reported separately through monthly internal financial reports to management, and to every Board meeting. Our performance reporting culminates in the publication of our annual report, inclusive of the financial statements and annual performance statements, and our Regulator Performance Framework externally-validated self-assessment report.

We have several other mechanisms that assist our Board and management to monitor performance in a wider context:

- the Board Audit Committee annual rolling work program requires management to regularly provide evidence of performance against the mandatory elements of the PGPA Act and other relevant legislation
- our internal audit program, informed by risk and directed by the Board Audit Committee, has audits focused on compliance performance, and on our performance delivering operational outputs and outcomes
- our management system audit program, a crucial part of maintaining ISO certification³, monitors our performance against the requirements of the relevant standards captured in our documented management system.

Related entity transactions

Accountable authority decision process - procurements and grants

During the reporting period there have been no instances where procurement or grant decisions requiring AMSA Board consideration or approval have involved other related entities where a member of AMSA's Accountable Authority (i.e. Board) holds a similar position.

Any related entity procurements were operational in nature and authorised by management in accordance with Commonwealth Procurement Rules and relevant delegations, and therefore clearly separated from the Board decision making processes.

Standard protocol at every AMSA Board meeting requires Directors disclose material personal interests that relate to the affairs of AMSA to each other. The disclosure must:

- (a) include details of the nature and extent of the interest and how the interest relates to the affairs of AMSA
- (b) be made at a Board meeting as soon as practicable after the Board member becomes aware of the interest (or as soon as practicable after a change in the interest occurs)
- (c) be recorded in the minutes of that meeting.

If a matter in which a Board member has an interest is being considered at a Board meeting, (subject to limited exceptions) the member must not be present while the matter is being considered at the meeting; or vote on the matter.

³Our management system incorporates certification to three quality standards: AS/NZ AS/NZS ISO 9001: 2008 Quality Management Systems; AS/NZS 4801: 2001 Occupational Safety and Health Management Systems; and AS/NZS ISO 14001: 2004 Environmental Management Systems.

Public interest disclosure

Under Section 76 of the *Public Interest Disclosure Act 2013* (PID Act) agencies are required to report on the operation of public information disclosure in their organisation. There were no reportable PID Act disclosures in 2015-16.

Disability report

We are committed to ensuring that our policies and procedures comply with the *Disability Discrimination Act 1992* (Cth). We encourage our employees to voluntarily disclose information about their disability status. When a disclosure is made, we provide modifications to the workplace as required. We are implementing various initiatives to reduce barriers to workplace participation. One initiative is ensuring our e-learning and web-based employee information is accessible to those with disabilities.

Statement of significant non-compliance issues

AMSA management acknowledges their responsibility for ensuring compliance with the provisions of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and requirements related to finance law.

We have complied with the provisions and requirements of the:

- *Public Governance, Performance and Accountability Act 2013*
- Public Governance, Performance and Accountability Rule 2014
- Appropriation Acts
- other instruments defined as finance law including relevant ministerial directions.

We did not have any significant non-compliance issues with finance law during the reporting period.

Where immaterial non-compliances were identified, they were managed in accordance with our policies and procedures, including analysis to detect and rectify any breakdowns of internal controls.

Advertising and market research

Section 311A of the *Commonwealth Electoral Act 1918* requires certain reporting on advertising and market research by Commonwealth agencies, including those covered by the *Public Governance, Performance and Accountability Act 2013*. In 2015-16 we did not make any advertising or market research payments in excess of \$10,000.

Judicial decisions and reviews by outside bodies

Judicial decisions / decisions of administrative bodies

In 2015-16 we were party to matters before the Administrative Appeals Tribunal, the Federal Court of Australia and the Queensland Planning and Environment Court. None of these matters resulted in findings that have had, or may have, a significant effect on our operations. We also assisted coronial inquiries held in Victoria, Queensland and the Northern Territory. We are considering recommendations made by Coroners about safety matters and will respond in due course.

Reports (Auditor-General, Parliament or Ombudsman)

We were not the subject of any reports made by the Auditor-General, a Parliamentary Committee, the Commonwealth Ombudsman, or the office of the Australian Information Commissioner in 2015-16.

Ministerial directions, and government policy orders

Under sections eight and nine of the AMSA Act, the minister may give us written direction with respect to the performance of our functions. No ministerial directions within the meaning of these sections were issued by the minister during the year.

Work health, safety and environment

Work health, safety and environment management is an important component of our compliance and workplace health, and is central to our commitment to the requirements of the *Work Health and Safety Act 2011* and the *Environment Protection and Biodiversity Conservation Act 1999*. These principles are maintained through the national and international accreditations we hold and represent a commitment to a healthy, safe and environmentally-responsible approach in all of our actions, policies and procedures.

Day-to-day health and safety issues are addressed by managers with assistance and advice (if required) from our Health Safety and Environmental Committee, which comprises 12 health and safety representatives, four management representatives and two technical advisers. Health and safety representatives are elected by our employees and represent designated work groups throughout the organisation. The committee met four times in 2015-16.

We have a strong commitment to preventing work health and safety incidents within the organisation. During 2015-16, 55 incidents were reported – 10 of which did not require any medical or first aid treatment. A total of 33 incidents related to contractors engaged by AMSA.

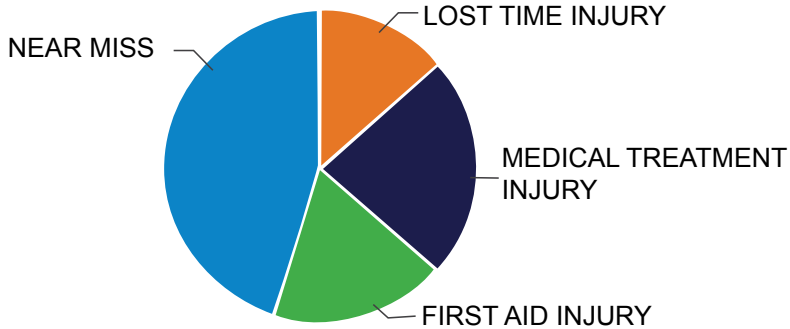


Figure 8: Health and safety incident statistics for 2015-16

	2015-16	2014-15	2013-14	2012-13
Total incidents	55	33	18	24
Total days lost to injury (days)	330	180	21	0
Number of lost time incidents	3	1	2	9
Number of workers' compensation claims	2	1	3	1
Number of notifiable Comcare incidents	0	1	0	0

Table 1: Time lost to injury

Health and safety incidents that result in an injury are categorised according to the cause of the injury. The most common cause of injury during the year was body stressing.

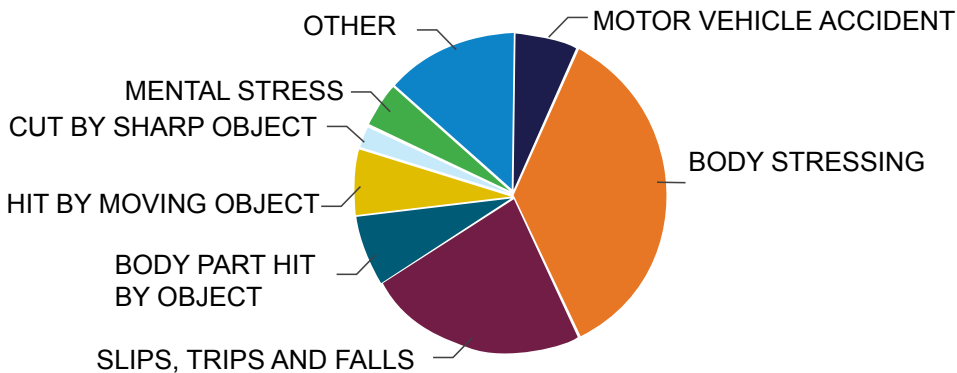


Figure 9: Health and safety incident categories 2015-16

Workers' compensation premium

Our workers' compensation premium has increased from \$236,470 in 2014-15 to \$273,274 in 2015-16. Our premium rate of 0.48 per cent continues to remain below the overall scheme premium rate of 1.85 per cent.

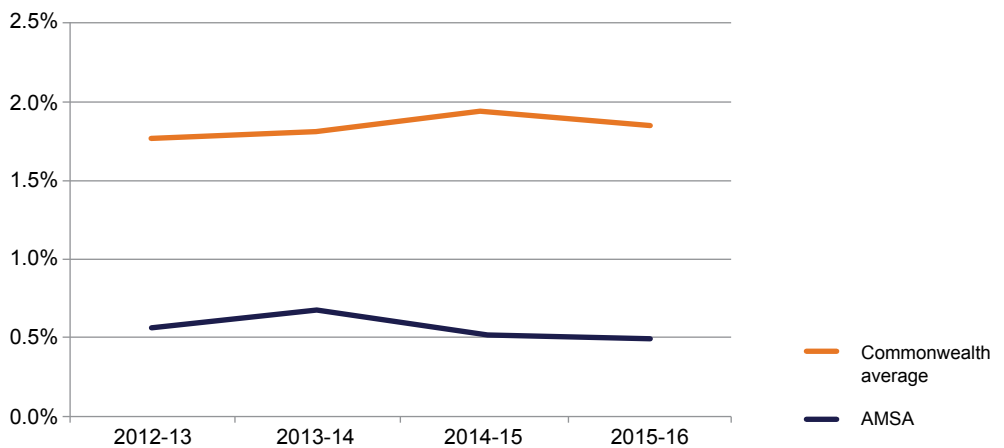


Figure 10: Our workers' compensation premiums compared to the Commonwealth average

Health and wellbeing initiatives

In 2015-16, we encouraged staff to develop and maintain a fit and healthy lifestyle through AMSA's Healthy Lifestyle Program. This program includes:

- \$300 reimbursement for membership to any fitness centre
- corporate membership benefits to MBF health insurance
- participating in World Health Day and RUOK? Day
- providing mental health seminars and information sessions.

Our free vaccination program against H1N1 influenza and seasonal influenza was taken up by 147 employees, an increase from 133 employees in 2014-15.

In 2015-16 we introduced Mental Health and Wellbeing Awareness workshops for employees. This is the third part of the Mental and Health and Wellbeing workshop series, which were initially provided to our Executive and supervisors. The purpose of these workshops was to build the capability and confidence of our employees by improving their understanding of mental illness and how to approach and refer a colleague for help. There were three workshops held in 2015-16.

Environmental performance

We actively promote the requirements of an internationally-recognised Environmental Management System (ISO 14001). Part of this process involves reviewing our activities annually to identify any potential risks those activities may pose to the environment. When identifying and evaluating environmental impacts of AMSA's activities, we also evaluate the requirements of relevant environmental legislation, including the *Environment Protection and Biodiversity Conservation Act 1999*. Some actions we have undertaken to minimise our impact on the environment include:

- replacing diesel fuelled generators from Aids to Navigation sites with solar panels
- conducting an energy audit to identify sources of energy use and prioritise opportunities for energy savings.

Our head-office is also fitted with a range of environmentally sound equipment and systems, including:

- a 50,000 litre rain water tank, which is used in all toilets and air-conditioning systems
- sensor lighting controls which detect levels of natural light and automatically adjust electric lighting
- multifunction devices which replace the need for separate printers, photocopiers and fax machines
- water-saving bathroom devices
- energy efficient appliances.

We also continue to collect data from a range of sources to help monitor the impact our activities may be having on the environment. This includes our consumption of water, electricity and carbon emissions from flying and our fleet vehicles. The electricity usage in our Canberra office decreased by two per cent from 2014-15 to 2015-16.

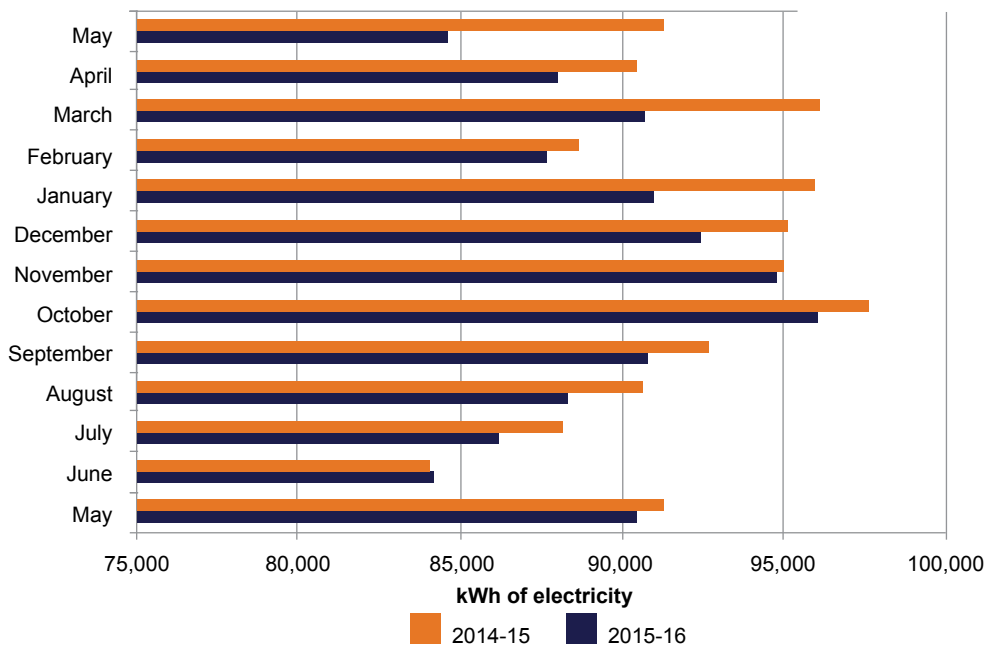


Figure 11: Our electricity usage by Kilowatt hours (kWh)





5

VESSEL AND SEAFARER SAFETY

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VESSEL AND SEAFARER SAFETY

We are responsible for ensuring the safety of Australian and foreign-flagged ships in Australian ports, and the seafarers on board, as well as domestic commercial vessels and their seafarers.

Seafarer certification

In 2015-16 we combined our international and domestic qualifications sections into a single unit as part of our transition to full service delivery for the National System for Domestic Commercial Vessel Safety (page 35).

International seafarer certification

We issued 5995 certificates during the year, including 1467 certificates of competency for Deck and Engineering. A total of 647 oral examinations were conducted, with a pass rate of 67.5 per cent.

New international seafarer certificates

This year we commenced the transition to plastic cards for all seafarers' certificates, a process which will be completed by October 2016. This was part of a review of processes for the issue of seafarers' certificates, resulting in efficiency improvements and compliance with the *International Convention on Standards of Training, Certification and Watchkeeping for Seafarers*, which allowed reductions in the charges for some of these certificates.

Since introduction of the card certificates in 2012, there has been general acceptance from industry and individuals. The cards are very durable and hard wearing and fit conveniently into a person's wallet.

The plastic cards contain numerous security features, including:

- micro-writing
- text, photograph, and signatures printed using the dye-sublimation method
- security features identified using ultra violet light
- a unique world patented hologram that covers the certificate's surface.



Domestic seafarer certification

In the lead up to our transition to full service delivery for the National System, we are working with industry to reduce the costs associated with unnecessary red tape and to improve the way services are provided.

Together with other regulators including: the Australian Skills Quality Authority, Victorian Registration & Qualification Authority, Training Accreditation Council of Western Australia, and Australian Industry Standards (AIS), we are developing a model to reduce regulatory burden and duplication of effort.

In May this year we, with the above regulators, conducted a seafarer qualifications information road show in capital cities where we described our model to manage and issue near coastal qualifications. This model was well received by industry and we are in the process of developing systems and processes to deliver certification services to seafarers.

The key features and advantages of our model include:

- seafarers present their application to a large number of appointed Australia Post outlets
- simplified task books for all certificate types
- one Australia-wide process and fee structure
- registered training organisations conduct final assessments for low complexity certificates such as Deck hands, Coxswains 1 and 2, Master < 24, Master Inland Waters, and Marine Engine Driver 2 and 3; we conduct final assessments for the rest of the certificates
- we process all applications and issue a credit card style certificate.

Compliance and enforcement

In 2015-16 we continued to build our capability and capacity in compliance and enforcement, and combined resources across our business to form a single unit responsible for the implementation of our compliance and enforcement policy and its various protocols. It was seen that combining the units would ensure the guiding principle of consistency could be applied across the suite of legislation we administer.

The operating model we developed will ensure that we will be able to fulfill our function as the National Regulator for Domestic Commercial Vessel Safety when we take over responsibility for service delivery from 1 July 2017, as well as our existing functions outside of the domestic fleet.

Domestic

We implemented a compliance and enforcement capability for a single operating model under the National System that will provide the platform for the compliance and enforcement function when we assume full responsibility for service delivery.

Figure 12:
National Law
Compliance and
Enforcement
notices issued in
2015-16

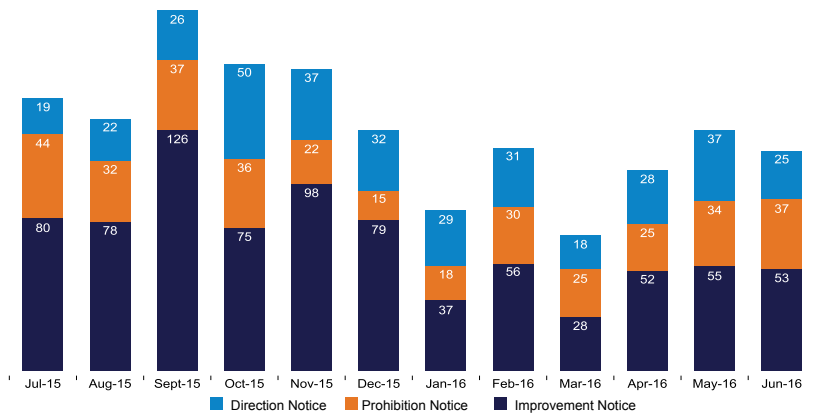
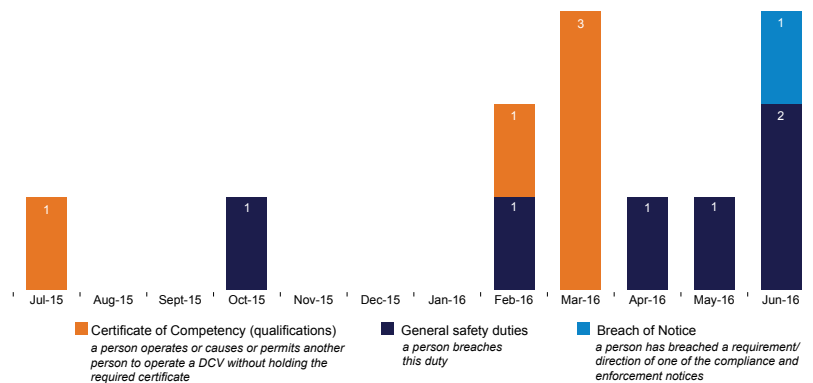


Figure 13:
National Law
Infringement
notices issued in
2015-16



International

We have continued to ban ships which repeatedly arrive at Australian ports with serious structural or operational deficiencies. The ship *Noah Satu* was banned from Australian ports for three months in September 2015 and then detained once more in January 2016, resulting in the ship being banned again, this time for 12 months.

Under the *Protection of the Sea (Prevention of Pollution from Ships) Act 1983* ships can be prosecuted for polluting Australian waters. In 2015-16, one such prosecution was completed.

Date of prosecution	Vessel	Flag State	Incident	Fine
20 July 2015	<i>ANL Kardinia</i>	Hong Kong	Disposal of food waste into the sea in the Great Barrier Reef Marine Park, February 2015	Owner \$4000 Master \$300 Convictions recorded

International shipping

Industry trends

With bulk carriers representing around 67 per cent of the foreign ships visiting Australia each year, the easing of demand for the major export commodities has been reflected by reduced growth in activity, with port arrivals increasing by 1.3 per cent, to 27,533 arrivals by 5662 ships during the year. The trend of recent years towards larger ships continued, with average carrying capacity per port visit increasing by 2.5 per cent, while fleet turnover maintained the average age of these foreign-flagged ships at 8.4 years. Shipping activity also varied geographically, with the main iron ore and coal export ports experiencing modest growth in port arrivals, while activity declined at the main capital city general cargo ports.

Ship and cargo safety

The safety oversight of ships and cargoes resulted in 9501 inspections of some 20 different types, with the port State control (PSC) inspection program for foreign ships covering 62 per cent of the visiting fleet, with 3817 initial PSC inspections, finding 2.3 deficiencies per inspection on average, with 248 ships being detained, a rate of 6.5 per cent. We also conducted 2715 follow-up inspections to clear outstanding deficiencies from previous PSC inspections conducted either in Australia or by other countries in the Asia-Pacific region.

We have extended a recent AMSA initiative in improving international standards to reduce the risk of liquefaction of bulk cargoes, by seeking International Maritime Organization (IMO) agreement to new moisture minimisation requirements for bauxite and nickel ore. We undertook consultations with industry and other stakeholders leading up to the introduction of Verified Gross Mass requirements for shipping containers, which came into effect on 1 July 2016.

Ship operations

Revision of the International Maritime Organization - Guidelines on Fatigue

AMSA, on behalf of the Australian Government, is leading the revision of the Guidelines on Fatigue at the International Maritime Organization (IMO). The draft revised modules in the Guidelines on Fatigue are based on contemporary approaches in the area of fatigue risk management. At the third session of the IMO Sub-Committee on Human Element, Training and Watchkeeping (HTW) it was agreed that our submission on the proposed revised guidelines be used as the base document. We are coordinating the correspondence group established to manage the revision.

Human Element, Training and Watchkeeping Advisory Group

The purpose of our Human Element, Training and Watchkeeping Advisory Group (HTW-AG) is to provide a forum for Australian maritime industry stakeholders (shipowners, operators and seafarers) to discuss issues of common interest and concern in relation to outcomes on the human element and training from the IMO HTW Sub-Committee. The group was formed in 2014 and meets twice a year. In December 2015 and May 2016 we held advisory group meetings which focused on fatigue management.

Maritime Safety Awareness bulletin

We publish bi-annual maritime safety awareness bulletins. The aim of the bulletins is to identify trends in accident occurrence, raise awareness of safety and human factors concerns and provide safety advice and recommendations relating to the topic under focus. In 2015-16 we published bulletins focusing on working at heights, mooring safety, and electrical safety. All issues of this publication are available for download from our website.

Ergoship 2016 – Shaping shipping for people

AMSA and the Australian Maritime College jointly hosted Ergoship 2016, a maritime human factors conference with the theme 'Shaping shipping for people'. The conference was held on 6-7 April 2016 in Melbourne.

The aim of Ergoship 2016 was to provide a national and international forum for the dissemination and exchange of applied scientific knowledge in the field of human factors within a maritime context. The program included a variety of high-calibre national and international speakers who presented on a range of human factors topics including safety culture, fatigue risk management, seafarer health and wellbeing, and designing maritime systems for user needs.

The conference was well attended by more than 100 local and international delegates including seafarers, ship owners/operators, researchers, regulators, training institutions, welfare service providers and classification societies.

Domestic commercial vessels

Transition to full service delivery

We will assume responsibility for direct service delivery and funding of the National System for Domestic Commercial Vessel Safety (National System) by 1 July 2017.

In 2015-16, we began developing capability for the delivery of new regulatory activities and cost arrangements. This involved consultation with industry and current and future service delivery partners.

Our objective is for the transition of services to AMSA to be well-organised and allow time to establish appropriate service delivery and funding arrangements.

Regulatory and policy

In 2015-16 we continued to work with industry and maritime agencies to progressively review existing commercial vessel standards. Our reform work centred on simplification of the National Standards for Commercial Vessels, which set out the standards governing commercial vessel design, operation, crewing and safety requirements. We reviewed and simplified arrangements for operational safety and low risk operations. Arrangements were developed to implement more robust crewing arrangements for volunteer marine rescue (VMR or 'Scheme R' vessels), fire service and emergency service vessels.

Surveyor accreditation

Accredited surveyors verify, on our behalf, that vessels are constructed and maintained in accordance with the required technical standards for the issue of vessel certification and to ensure safe vessel operations. The delivery of survey services is an essential function within the National System and lays the foundation to support and enable us to meet our regulatory obligations. We accredited over 200 surveyors in 2015-16.

Safety education

We delivered around 100 workshops to industry on safety management in major centres and remote communities with almost 1700 industry participants, assisting industry to comply with safety obligations.

Industry liaison

In 2015-16 our domestic vessel liaison team:

- maintained relationships and fostered new relationships with regulatory partners to promote consistency
- built and maintained communication with industry and sought out industry champions to promote key safety messages
- sought regulatory change that allows industry to better manage their own operations and risk
- delivered free safety management system (SMS) workshops in both major centres and remote communities with almost 1700 industry participants, with follow-up SMS verification being rolled out
- communicated our role and approach at the regional level
- provided a key point of contact in each jurisdiction for national law issues and offered individual support to help deliver a culture of safety.







AMSA



6

SEARCH AND
RESCUE

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SC5

SEARCH AND RESCUE

Under the *Australian Maritime Safety Authority Act 1990*, we have a statutory duty to provide a national search and rescue (SAR) service. In 2015-16, we coordinated a total of 436 searches, which resulted in the rescue of 207 people across 7370 incidents, representing 98.6 per cent of lives saved.

A detailed look at a sample of our 2015-16 search and rescue incidents can be found on our website.

Search and rescue aircraft replacement

In 2015-16, we continued preparations for the transition of our dedicated airborne search and rescue service. The current service provider, AeroRescue Pty Ltd, handed over responsibility for the first base in Perth on 8 August 2016. AeroRescue has operated specially-modified Dornier 328 aircraft in this role for us since 2005 and the final aircraft is expected to remain in service until February 2017.

From August 2016, we commenced a staged transition to a new service provider, Cobham SAR Services Pty Ltd. Cobham will operate four specially-modified Bombardier Challenger (604) jets from three bases: Perth, Cairns and Essendon. The fourth aircraft is designated a maintenance spare and will be capable of deployment to any base to maintain the service, and may be used in training.

The Challenger jets will sustain our capability to undertake visual and electronic searches for people in distress. Like the existing Dornier aircraft, the Challenger jets will also be capable of delivering a full range of survival equipment through an inflight operable door.

The aircraft will be on call 24/7, with an expected time to launch a response of 30 minutes by day, and 60 minutes at night. The Challenger also has an eight-hour endurance without refuelling, which is equivalent to a non-stop range of over 3000 nautical miles.



The first jet arrived in Adelaide in late December 2015 to be fitted for search and rescue purposes at Cobham's hangar.

The Challenger's crew of five will be trained to use its full suite of equipment which includes the latest generation direction-finding equipment, radar, infra-red, and video anomaly sensors. The latter is a new capability for AMSA and will allow the aircraft's mission management system to analyse the images captured through high definition video cameras and alert the crew to potential targets such as people in the water and life rafts. Other sensors can then be used to further analyse the area, or the crew can look through specially-modified observation windows and use visual search technique to confirm the sighting.

National Search and Rescue Council

The 39th National Search and Rescue (NATSAR) Council annual meeting was held in Brisbane in October 2015. The council is comprised of members from AMSA, the Australian Defence Force, and the eight state, territory and federal police services. Observers from the New Zealand SAR Council, New Zealand Police and the Australian National Volunteer Marine SAR Committee also attended the meeting.

The council reviewed its achievements from the previous year, noting the significant work to develop an operational coordination procedure for land SAR incidents implemented on 1 July 2016. Key strategic priorities that were identified for the next two years included an update to the Inter Government Agreement, which facilitates the collaborative arrangement between the council members that enables Australia's SAR system to effectively respond to those in distress.

The council members also reviewed search and rescue operations within their respective jurisdictions and shared discussion on SAR capabilities, training and qualifications, emerging technologies and future developments. This resulted in improved information sharing and the ability to take a more collaborative approach to strengthen the search and rescue system in both Australia and New Zealand.

Search and Rescue Award

Each year, the NATSAR Council recognises an outstanding contribution to search and rescue. In 2015 the award was given to a NSW Marine Rescue lifeboat crew from Port Stephens in recognition of their bravery, selflessness and seamanship in the following incident.



On 21 April, Skipper Michael Smith and his crew - Rob Johnson, Richard Pizzuto, Barney Pinney, Laurie Nolan, Barbara Cole, Peter Merlino and Paul Sullivan - responded to a Mayday call from a yacht, *Reef Dragon*. The rescue crew battled category two cyclonic winds and three to four metre swell to reach the stricken yacht located in Fame Cove. The two people on board the *Reef Dragon* reported the yacht was dragging its mooring towards nearby rocks and was beginning to break up, and they were preparing to abandon the vessel in dangerous weather conditions. On arrival at Fame Cove, the Volunteer Marine Rescue (VMR) crew launched its inflatable y-boat with two crew members on board, completing a successful rescue just before the yacht was lost.

Medium-altitude Earth Orbit Search and Rescue system

In 2015-16 we worked with Maritime New Zealand (MNZ) on the implementation of the Medium-altitude Earth Orbit Search and Rescue (MEOSAR) capability. The new capability will deliver a faster and more accurate detection of distress beacon signals as well as allowing AMSA and MNZ's satellite tracking ground stations to provide overlapping coverage of the Australian and New Zealand Search and Rescue regions. The project is progressing well and both MEOSAR satellite tracking ground stations are now built.

The new Australian Mission Control Centre has successfully processed data from the New Zealand MEOSAR satellite tracking ground station and sent the data to the New Zealand Rescue Coordination Centre to supplement the existing Geostationary Earth Orbit Search and Rescue (GEOSAR) distress beacon data.

The communication network from the Australian MEOSAR satellite ground station was completed in June 2016 and will be ready for operation in Australia by early 2017.

The International Cospas-Sarsat Programme (a satellite-based search and rescue distress alert detection and information distribution system) has formally declared that MEOSAR will enter into its first international phase in mid-2016.

Beacon registration system upgrade

A major upgrade to the 406 MHz distress beacon registration system was released in September 2015.

The system delivers an improved customer interface that works on all major computing, mobile phone and tablet devices. Where beacon registration is mandatory, users will now also be able to provide proof of registration using several mechanisms such as SMS and email.

The successful release of this upgrade was the culmination of almost two and a half years work in design, planning, development and implementation by the project team. This included a media campaign coordinated in advance of the release to ensure users were engaged and well informed of the new system, and a partnership with the state and territory maritime agencies for their work with recreational boaters.

The beacon registration system to date has over 309,000 online accounts, with approximately 445,000 beacons and an average growth of 60,000 beacons per annum. Despite the steady increase in beacon registration, the team has experienced:

- 78 per cent of all new beacons registered via the beacons website, which is an increase of 16 per cent
- 69 per cent decrease in total volume of beacon-related emails
- 39 per cent decrease in the total volume of beacon-related phone enquiries.

The higher level of online activity demonstrates that the updated online registration system is achieving its key objectives of providing a mobile friendly and easier means of registering a beacon and ensuring that registration details are up to date.

Torres Strait Marine Safety Program

We are continuing our work in the Torres Strait and Northern Peninsula Area through the Torres Strait Marine Safety Program (TSMSP) and Torres Strait Maritime Pathways Project (TSMPP).

Established in 2006, the TSMSP is a partnership with Maritime Safety Queensland (MSQ), Torres Strait Regional Authority (TSRA), Queensland Police Service and National Maritime Safety Authority of Papua New Guinea. The program delivers a number of safety initiatives in an effort to improve and promote boating safety in the Torres Strait region; reduce the number of SAR operations in the area; increase the survivability of people lost at sea; and support development of the near coastal maritime industry.

One of the newest initiatives of the program is the school-based Maritime Safety Education workshops. These workshops aim to enhance maritime safety and the survivability of children who may become involved in a marine incident in the Torres Strait. The program provides contemporary marine safety education and resources such as lifejackets to educators, school children and parents.

Since July 2014, the marine safety workshops have been delivered at 23 school campuses distributing approximately 2500 properly fitting lifejackets and a marine safety equipment educational kit for ongoing maritime safety education and broader curriculum support.



We also continue to deliver maritime safety outcomes to residents of the Papua New Guinea treaty villages (adjacent to the Torres Strait), who regularly make open water voyages to visit Australian treaty villages, through the provision of 1050 lifejackets since the commencement of the program.



The Torres Strait Maritime Pathways Project (TSMPP) aims to provide Aboriginal and Torres Strait Islanders with maritime and maritime-related vocational career pathways. These pathways are designed to lead into careers through diverse and higher level qualifications, and literal pathways into maritime employment within or beyond the Torres Strait. The project opens career pathways in fishing, tourism, coastal trading and offshore shipping by assisting Indigenous people to acquire relevant nationally-recognised qualifications and experiences to be used in maritime industry including creating new businesses.

Since 2013, 95 per cent of the participants completed training and achieved nationally-accredited qualifications with 85 per cent in maritime-related employment. As of June 2016, a number of TSMPP participants are now employing at least two Indigenous staff members each in their local communities.



Torres Strait Islander and Aboriginal participants, predominantly from the commercial fishing sector, undertaking the Certificate III in Fishing Operations training program at the Australian Maritime College in Launceston

The reliance on seaborne transport over long distances across open-ocean in small open boats was resulting in very high occurrences of SAR incidents in the Torres Strait. The Torres Strait Marine Safety Program began after it was identified that Torres Strait Islanders had a one in 12 chance of being involved in a marine incident. This statistic was compared to Queenslanders in general having a one in 3300 chance of being involved in a marine incident. Today Torres Strait Islanders have a far lesser chance of being involved in a marine incident.

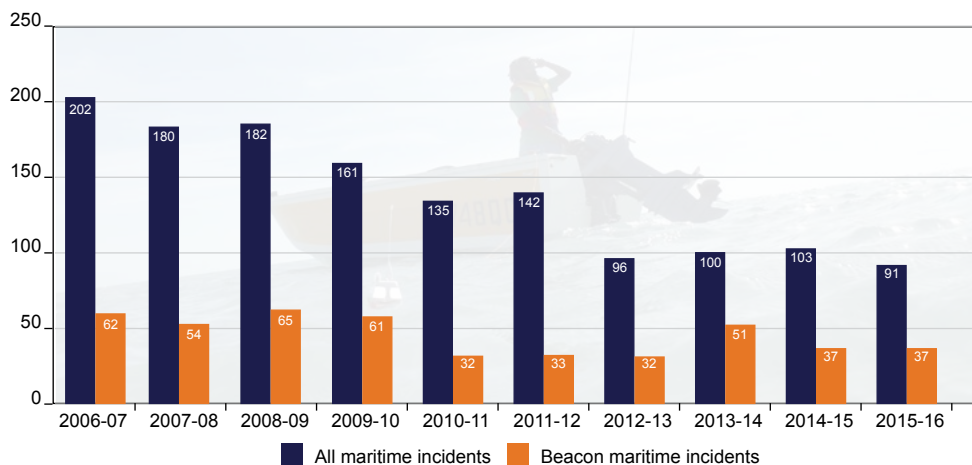


Figure 14: Torres Strait incidents 2006-07 to 2015-16



7

MARINE
ENVIRONMENT

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SC5

MARINE ENVIRONMENT

Australia is party to a number of international agreements which establish obligations to protect and preserve the marine environment and which AMSA implements in Australian waters. The AMSA-managed National Plan for Maritime Environmental Emergencies (National Plan) is one of the ways Australia meets its obligations.

The National Plan for Maritime Environmental Emergencies

The National Plan sets out the cooperative arrangements between governments and industry to respond to shipping casualties and maritime pollution incidents. We manage the plan, working with Commonwealth, state, and Northern Territory governments, as well as industry and emergency services.

Exercise Nautical Twilight

The National Plan is exercised on an annual basis. The exercise is a key component of National Plan capability and is useful in allowing National Plan partners the opportunity to train, practise, and reinforce their skills, training and application of procedures in a safe environment.

The 2016 exercise is being hosted by New South Wales. The exercise comprises two phases, with the first phase dealing with a chemical incident occurring on board a container vessel at sea and a subsequent request from the vessel's master for a place of refuge in the Port of Newcastle. The second phase will consider the community impacts and cost recovery implications of a chemical spill in the Port of Newcastle.

The aim of phase one is to practice the deployment of the newly-developed Hazardous and Noxious Substance (HNS) response capability and to practice the application of National Maritime Places of Refuge Risk Assessment Guidance.

Phase one was held in the Port of Newcastle on 7 June with AMSA, Port of Newcastle, Transport for New South Wales and Fire & Rescue New South Wales personnel forming a Maritime Casualty Control Unit to manage the potential maritime casualty and to assess an appropriate place of refuge. The at-sea deployment of the AMSA/Fire & Rescue New South Wales HNS team, scheduled to be conducted off shore of Port Macquarie, was postponed due to the low pressure system that impacted much of the Australian east coast from 5-6 June. The HNS team was simulated by exercise managers in Newcastle allowing the strategic component of the exercise to be conducted as scheduled. The operational component will be re-scheduled.

Phase two of the exercise was held in Newcastle in August 2016.

An exercise report covering the entirety of the exercise will be published after the completion of phase two.

National Maritime Places of Refuge Risk Assessment Guidance

In 2015-16 we finalised a revised National Maritime Places of Refuge Risk Assessment Guidance. The guidance (available on our website) details the process for dealing with vessels in distress or in need of assistance that request a place of refuge. Now infamous incidents, such as the *Prestige* tanker oil spill off Spain and the *Maritime Maisie* chemical tanker blaze in East Asia, demonstrate the consequences of not carefully considering requests for a place of refuge.

The guidance provides for a nationally-consistent approach, and is designed to ensure that there is adequate and timely consultation between relevant stakeholders. It also addresses information needs, risk assessment, liability issues, and transfer of responsibility between jurisdictions. The guidance notes the role of AMSA Search and Rescue, Australia's 'Maritime Assistance Service' for the purposes of IMO Resolutions A.949(23) and A.950(23), and the overriding powers of the Maritime Emergency Response Coordinator (MERCOCOM) in regard to maritime incidents.

The guidance builds on the existing good working relationships between the Australian Government and state/Northern Territory maritime response agencies. Following extensive consultation with states/NT and industry and port representatives, the guidance was endorsed by the National Plan Strategic Coordination Committee on 12 November 2015.

Spillcon 2016

Spillcon 2016, the international oil spill conference for the Asia-Pacific region, was held from 2-6 May 2016 in Perth, Western Australia. The conference attracted just under 400 domestic and international attendees who joined the presentation sessions, exhibition, on-water display and networking functions over the week-long event.

The Spillcon exhibition was incredibly popular as it was a chance to view the latest products, technologies and services in oil spill management.

The conference program was made up of 12 sessions based on oil spill cause and prevention, preparedness, environmental and community impacts, response management and recovery.

Notable highlights were the keynote speakers Air Chief Marshal Sir Angus Houston AK, AFC (Retd) on 'Leading across boundaries', Former Assistant Secretary to President Obama for Intergovernmental Affairs at the Department of Homeland Security, Juliette Kayyem on 'Crisis leadership in extreme events' and social media expert Trefor Munn-Venn on 'Using social media to communicate in disaster'.



Cape Upstart marine pollution incident

On 17 July 2015 AMSA Search and Rescue contacted our Marine Environment Pollution Response (MEPR) Duty Officer regarding the report of a possible oil spill approximately 30 nautical miles from Cape Upstart, Queensland.

A fisherman had traversed through what he thought was an oil slick early on the morning of 16 July and then traversed through it again on his return back to shore that evening. Maritime Safety Queensland (MSQ) was informed of the spill the following morning and relevant agencies were notified. MSQ sent personnel down to speak to the fisherman and to visually assess the vessel, as there was residue on its hull. MSQ advised that there was a high probability that the substance covering the vessel's hull was oil and a sample was taken for further analysis and investigation. The MEPR Duty Officer requested further clarification on the location and size of the slick and advised our resources were available if needed.

MSQ worked with Great Barrier Reef Marine Park Authority (GBRMPA) officers in Townville to manage the incident and further investigate the source of the spill. A helicopter was sent to the area by MSQ and a sheen was identified and the location verified. Queensland Water Police was then tasked to head out to the location and take samples of the oil.

MSQ requested AMSA assistance for Oil Spill Trajectory Modelling and the use of the Dornier aircraft to do a visual search of the area the next morning.

A request was also put forward to us for a historical surface picture (SURPIC). The SURPIC used the Automatic Vessel Identification System (AIS) to identify all vessels that were in the vicinity of the spill in the 24 hours prior to the incident being reported. A number of vessels were identified as having been in the area at the time of the spill. Our surveyors from several different locations undertook oil sampling from these vessels as they came into port.

The National Plan stockpile in Townsville was placed on 'lean forward' alert and the contractor remained on standby in the event the equipment was required to be deployed.

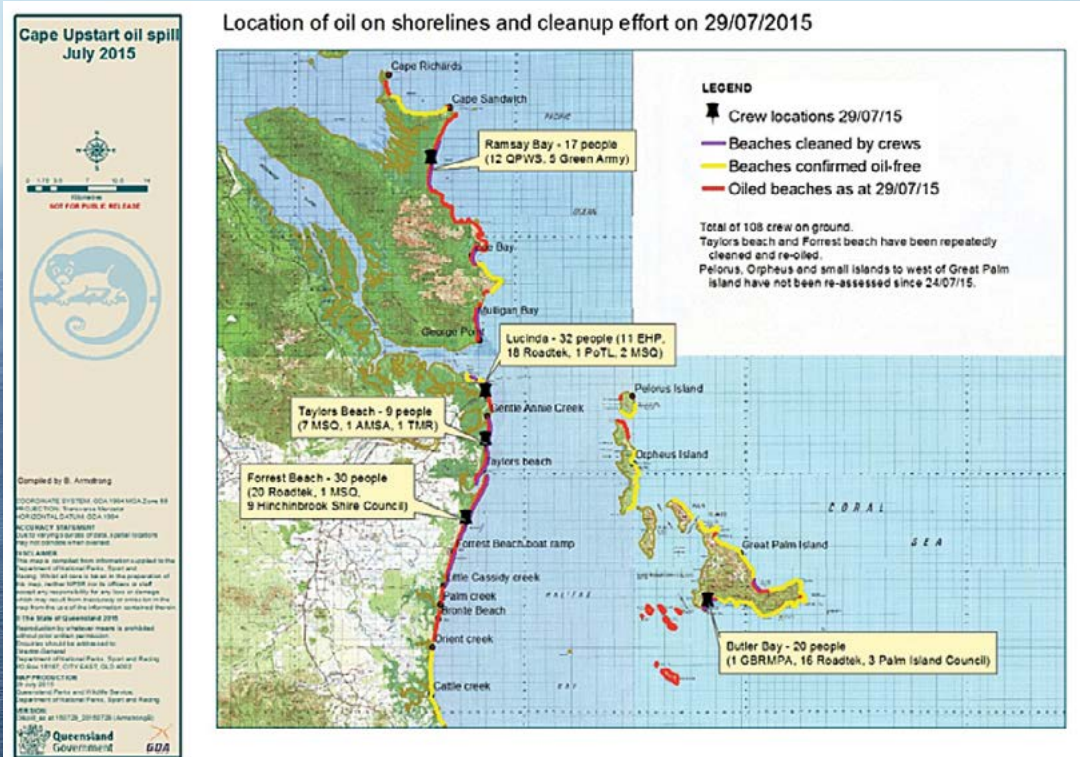
On 18 July our Dornier aircraft undertook line scans using UV detection, which failed to pick up any sign of the oil slick. As there were no further sightings of the oil, incident control moved into standby mode to wait and see if oil hit the beaches as predicted by spill trajectory modelling. We participated in the daily teleconferences between MSQ, GBRMPA and Queensland Government authorities to maintain a situational awareness.



On 23 July MSQ received a report of oil patties in the water near Fantome Island. This was the first of many sightings along several beaches (see map). An Incident Control Centre in Townsville was stood up and a multiagency activation was initiated.

On 26 July two of our officers were deployed to Townsville to assist with the incident, taking on the roles of adviser to the Incident Management team and shoreline assessment in Ingham. An additional officer was deployed to Ingham on 28 July to assist MSQ with shoreline clean-up operations.

On Friday 31 July our personnel were stood down, as the incident wound down and moved into 'monitor and watch' status. MSQ personnel continued to clean beaches and offshore islands in the following weeks.



Working with other regulators

Under the *Commonwealth Biosecurity Act 2016*, the Department of Agriculture and Water Resources regulates ballast water management around Australia. The legislation has been drafted to move Australian legislation towards consistency with the *International Convention for the Control and Management of Ships' Ballast Water and Sediments 2004* (BWM Convention) when it comes into force. We worked with the department in the lead up to the legislation taking effect.

We have provided information on ballast water requirements to ship owners and operators during our annual workshops on port State control, and identified opportunities for sharing intelligence and compliance information to enhance the effectiveness of ship inspections.

We have continued working with states and territories to drive a consistent approach to protecting the marine environment from the impacts of shipping and, in particular, the MARPOL Convention (*International Convention for the Prevention of Pollution From Ships*), which states and the Northern Territory implement to varying degrees.





8

NAVIGATION SAFETY

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NAVIGATION SAFETY

We deliver a range of services, providing vessels the ability to navigate safely around Australia's coastline and to and from its ports, including:

- a network of 490 visual and electronic aids to navigation
- ship routeing systems
- ship reporting systems
- vessel traffic services
- Torres Strait under keel clearance management system
- pilotage system.

Shipping management

Vessel traffic services

As a signatory to the *International Convention for the Safety of Life at Sea 1974* (SOLAS) Australia has undertaken to establish vessel traffic services (VTS) where the volume of traffic or the degree of risk justifies such services.

SOLAS is implemented in Australia by the *Navigation Act 2012*, which establishes AMSA as the competent authority for VTS in Australia and allows regulations to be made in relation to VTS. Marine Order 64 sets out the arrangements for us to regulate for VTS authorities, including authorisation, certification and auditing, as well as the accreditation of VTS training organisations.

In 2015-16 ten new vessel traffic services were authorised: Dampier, Brisbane, Gladstone, Hay Point, Mackay, Abbot Point, Townsville, Cairns, Weipa and the Great Barrier Reef and Torres Strait (REEFVTS).

To meet Australia's international obligations for VTS, and ensure a national approach to VTS, we released two key policy documents:

- VTS Compliance and Enforcement Framework—released in March 2016.
The framework sets out arrangements for:
 - complying with Australia's international obligations under SOLAS, i.e. establishing a policy with respect to violations of VTS regulatory requirements and ensuring that this policy is consistent with Commonwealth law
 - dealing with violations of VTS regulatory requirements in accordance with Commonwealth law and the AMSA Compliance and Enforcement Policy.
- Guidance on the qualifications and training of Vessel Traffic Service Operators—released in June 2016. The guidance focuses on when a person should be considered capable of carrying out the duties of an operator.

Both policy documents were developed through a series of workshops conducted in association with the Australian VTS Working Group—a consultative group to facilitate communication and information sharing between VTS authorities and key stakeholders.



Under keel clearance management

Our under keel clearance management (UKCM) system has become a key contributor to the safe navigation of commercial shipping through Torres Strait.

We are investigating a number of potential recommendations to ensure the ongoing refinement of the UKCM system and its continued acceptance as an effective tool by licenced coastal pilots, ships' masters and owners, including:

- deploying a recording tide gauge at Varzin Passage to further increase the data fidelity of present tidal predictions in this remote location
- pursuing enhanced marine pilot training through a rebuild and rebranding of the current UKCM e-learning environment
- positioning relevant UKCM output 'products' as potential input into navigational, Marine Spatial Planning (MSP) and e-navigation systems through formally endorsed International Hydrographic Organisation sponsored project teams
- exploring, by using historical UKCM system transit information, the existing '10 per cent of draught' under keel clearance rule to assess the potential to use an even 1.0 metre under keel clearance rule for all vessel draughts of up to 12.2 metres
- investigating other contributory technology and system enhancements.

If implemented, these recommendations will enhance the positioning and, importantly, help to future-proof the use of the UKCM system. They will also contribute to further improving the safety of commercial navigation in Torres Strait.

We continue to provide an effective UKCM-based safety management service, through thorough data assessment, close cooperation with supporting agencies and effective stakeholder liaison, engagement, training and management. This service is ably supported by a renewed maintenance contract valid until July 2019.

Aids to navigation management

Aids to navigation network

We manage a network of approximately 490 visual and electronic aids to navigation at 400 sites around the Australian coastline to assist mariners in making safe and efficient passages. The network is made up of traditional lighthouses, beacons, buoys, radar transponders, differential global positioning systems (DGPS), Automatic Identification System (AIS) stations, and meteorological and oceanographic sensors.

Booby Island Lighthouse repainting project

As part of this year's aids to navigation maintenance program we conducted a full repaint and repair of the Booby Island lighthouse in Queensland.

Constructed in 1890, the lighthouse is located on an isolated, uninhabited rock island to the west of Thursday Island in the Arafura Sea (see map below).

The Booby Island light is a Category 1 aid to navigation and the lighthouse also hosts an Automatic Identification System (AIS) base station. It is a very important aid for vessels approaching the western entrance to the navigationally complex Prince of Wales Channel. The Booby Island lightstation was manned from 1890 until the mid-1990s before conversion to automatic operation.

The lighthouse is historically significant as it is a relatively rare and intact nineteenth century timber-framed and ironclad lighthouse. It is part of the historical development of lighthouse types designed and developed in Queensland by the Queensland colonial government particularly for the environment and range of resources available. It was the last in a series of thirteen lighthouses of this distinctive type built between 1873 and 1890, and one of only six of these still in operation.

The coating system of the entire lighthouse structure had reached its end of life, failing in numerous areas leading to corrosion of the iron plates and flaking of the paint internally. The existing coating system had high levels of lead and was in a condition where it was no longer maintainable and required a complete repaint, both internal and external. Assorted structural repairs were also required. The works were undertaken by McElligotts Pty Ltd, a specialised protective coating contractor at an approximate cost of \$1.5 million following an open tender process.



Booby Island lighthouse refurbishment process





9

WORKING WITH OUR COMMUNITY

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SC4

SC5

WORKING WITH OUR COMMUNITY

Domestic engagement

In 2015-16, our engagement activities targeted the diverse range of domestic commercial vessel (DCV) stakeholders that come under the National System for Domestic Commercial Vessel Safety (National System).

Our domestic engagement is heavily focused on being accessible to industry, offering information in plain English and collaborating with industry to identify areas of the regulations that can be improved. The challenge for us is to ensure the information provided to these stakeholders is accurate, timely and available through a variety of channels. With these objectives in mind, engagement activities target different parts of the extremely varied and geographically dispersed domestic vessel industry in the following ways.

AMSA Connect

AMSA Connect (AMSA's contact centre) commenced in June 2015, with the objective of centralising our major customer-service functions.

During the past year AMSA Connect has evolved to deliver phone and email services for the AMSA switchboard, National System, ship safety certifications and beacon registration enquiries.

Over the past 12 months AMSA Connect:

- answered over 28,000 enquiries
- answered 85 per cent of calls within 30 seconds
- had its call quality rated at 93 per cent
- had a customer satisfaction rating of 90.5 per cent.

AMSA liaison officers

We have increased face-to-face interaction with industry through a network of liaison officers in each state and territory.

Our liaison officers provide a crucial link with industry and supplement our web presence, information on regulatory matters, events and consultations. They have a deep knowledge of the maritime industry in their regions and work closely with industry bodies, state services, organisations and individual seafarers to provide information, support and promote safety. They also provide feedback from industry to help us improve our services.

Safety workshops

To improve safety awareness and the safety culture in the DCV industry, we conducted risk and safety management workshops on how to develop, implement and maintain an effective safety management system. In 2015-16, we held around 100 workshops across the country with a total of around 1700 attendees.

Engagement tools

Over the last year our *Working Boats* magazine has evolved to offer a wider range of information about Australia's DCV industry and how it reflects the regulatory and cultural standards set by AMSA.

In addition to the monthly Domestic Vessels e-newsletter, we launched a new publication targeting Accredited Marine Surveyors, *Survey Matters*. *Survey Matters* is an important means of keeping AMSA-accredited marine surveyors updated on the latest regulatory changes, issues and trends and is disseminated bi-monthly.

In early 2016 we published (online and in hard copy) the first five of a suite of fact sheets which explain regulatory requirements in plain English about the National System, general safety duties, safety management systems, the Certificate of Operation, and boat sharing.

During 2015-16 social media became a more strategic engagement tool. Planned social media campaigns are now implemented to support broader communication and engagement strategies on specific topics.

Advisory committees

Maritime Agencies Forum

The Maritime Agencies Forum (MAF) consists of the marine safety agencies which are currently our delegates under the National System and plays an important role in the system's strategic oversight. In 2015-16 we consulted with MAF regarding the preparation of systems and functions to deliver regulatory services from 1 July 2017.



AMSA Advisory Committee

Our principal consultative body with the maritime sector is the AMSA Advisory Committee, comprised of industry leaders from the shipping, offshore and fishing industries, the Australian Marine Conservation Society, the largest maritime trade union, the Royal Australian Navy, and other relevant Australian Government agencies. The committee met twice during 2015–16.

Domestic Commercial Vessel Industry Advisory Committee

The Domestic Commercial Vessel Industry Advisory Committee leads our consultation with this important sector. This committee meets bi-annually (or as required) to provide a consultation forum for AMSA and members of Australia's DCV industry, in particular Class 1 (passenger, carrying more than 12 passengers) and Class 2 (non-passenger carrying up to 12 passengers) vessel operators and boat builders.

During the past 12 months we have consulted with members of the committee regarding vessel safety and operational matters, upcoming regulatory activities and proposals. In turn, the members have provided advice and feedback to us about regulatory proposals, relevant issues affecting industry, and assisted us to communicate with the DCV industry.

Fishing Industry Advisory Committee

The Fishing Industry Advisory Committee (FIAC) meets bi-annually (or as required) to provide a consultation forum between us and members of Australia's commercial fishing industry about vessel safety and operational matters. During the past 12 months we have consulted with members of FIAC regarding vessel safety and operational matters, upcoming regulatory activities and proposals. In turn, the members have provided advice and feedback to us about regulatory proposals, relevant issues affecting industry and assisted us to communicate with the fishing industry.

Tangaroa Blue

To enhance cooperation and information-sharing on marine debris, we signed a Memorandum of Understanding with Tangaroa Blue in May 2016.

Tangaroa Blue is an Australian-registered charity that coordinates the Australian Marine Debris Initiative (AMDI), a network of community groups and government agencies focused on reducing the amount of marine debris. While the majority of marine debris comes from land-based sources, preventing waste discharge from ships is a key focus for us in environmental protection.

We will continue to work with Tangaroa Blue, sharing publications and data on shipping traffic, relevant outcomes of IMO and accessing the Australian Marine Debris Database to inform our implementation of the *International Convention for the Prevention of Pollution From Ships* (MARPOL).

International engagement

Australia implements best practice standards for international shipping and marine environment protection. Australia has an interest in ensuring that the ships visiting our ports and transiting our waters are seaworthy, have competent crews, and are able to safely navigate through our sensitive marine areas. It is therefore important that Australia continues to exercise influence over the standard of ships of our trading partners, of major flag states, and of ships transiting our own or neighbouring waters.

International Maritime Organization

The International Maritime Organization (IMO) is the United Nations agency with responsibility for setting and maintaining international ship safety standards. It develops and maintains a comprehensive regulatory framework for shipping and its remit includes safety, environmental concerns, legal matters, technical cooperation, maritime security, and the efficiency of shipping. Australia plays a key role at IMO as a founding member and elected representative on the 40-member IMO governing Council for more than 45 years.

Australia was re-elected to the IMO Council at the IMO's 29th Assembly meeting in November 2015. Another noteworthy component of Australia's engagement with the IMO is the involvement of AMSA's General Manager of Navigation Safety and International Relations as the elected Chairman of the IMO's Maritime Safety Committee from the beginning of 2016.

Australia maintains permanent representation to the IMO in London through the Hon. Alexander Downer AC, Australian High Commissioner to the United Kingdom. Mr Downer is supported by one of AMSA's staff as the Alternate Permanent Representative to the IMO.

Our work at the IMO

In addition to being re-elected to IMO Council, some examples of our achievements at the IMO in 2015-16 are:

- approval of Australia's proposal to develop safety requirements for the carriage of liquefied hydrogen in bulk
- agreement to establish two new Traffic Separation Schemes off south-west Western Australia
- establishing correspondence groups to examine the safe carriage of bauxite and coal and liquefied hydrogen in bulk as cargoes
- leading intersessional work to develop draft guidance on the use of Electronic Record Books under MARPOL.

IMO Award for Exceptional Bravery at Sea

Each year the IMO holds an award ceremony for Exceptional Bravery at Sea. The ceremony honours those who display outstanding courage while attempting to save life at sea or to prevent damage to the marine environment.

Australia nominated the Master and crew of the MV *Lars Maersk*, a 267-metre Danish-flagged vessel which responded to AMSA's request to assist with the rescue of a lone Australian sailor aboard the *Enya II* on 4 September 2014. The *Enya II* called for assistance after experiencing a significant fuel leak and damage to the main sail and boom. During the course of the rescue, the yachtsman went overboard in treacherous sea conditions and total darkness. The Master and crew of the *Lars Maersk* worked for over three hours to retrieve him from the water.

Able Seaman Somera from the Philippines risked his own life by going down the gangway alone and in total darkness to retrieve the yachtsman from the water, shielding him from the elements with his own body while helping him aboard.

Following assessment by a special panel at the IMO, Able Seaman Mr Vicente Somera was chosen to receive a Certificate of Commendation for his role in this rescue.

International Association of Marine Aids to Navigation and Lighthouse Authorities

The International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA) is a non-profit international technical association which brings together marine aids to navigation authorities, manufacturers, consultants and scientific and training institutes from across the globe to exchange and compare experiences to improve and harmonise aids to navigation services world-wide.

AMSA is one of the 22 National Members elected to the Council of the IALA. Our specialists are represented at all four IALA technical committees, as well as IALA's Legal Advisory Panel. Our officers are the current Vice Chairs of two technical committees – the Aids to Navigation Engineering and Sustainability Committee and the Vessel Traffic Services Committee.

During the year our legal officers provided assistance to IALA with reviewing the organisation's secretariat functions and their proposed move to an International Intergovernmental Organisation.

International Civil Aviation Organization

We continued to work closely with the Department of Infrastructure and Regional Development and other Australian Government aviation agencies to fulfil Australia's obligations as a signatory to the *Convention on International Civil Aviation* and as a Council member of the International Civil Aviation Organization (ICAO). This involves the provision of an aeronautical search and rescue (SAR) service, aeronautical SAR expertise and advice, and assistance in progressing ICAO's major initiatives.

Australia has been a member of ICAO's governing Council since its formation in 1947 and is involved in more than 60 ICAO committees, panels and study groups dealing with a broad cross-section of aviation matters, including being a member of the ICAO Air Navigation Commission.

Our key achievements at ICAO in 2015-16 are detailed below.

Initiative	Summary
Asia/Pacific SAR Task Force	<p>We continued our leadership towards improved measures for regional search and rescue services in the region through chairing this task force. Since its establishment in 2012, the task force has contributed significantly to raising the profile of SAR issues within the region, including the development of a regional SAR plan to assist with improving regional capability.</p> <p>The task force has evolved into the Asia/Pacific SAR Working Group and while no longer chairing we continue to play an active role in its activities. The group reports to the ICAO Asia/Pacific Air Navigation Planning and Implementation Group and an Air Traffic Management Sub-Group, in which we also participate as a member of the Australian delegation.</p>
ICAO/IMO Joint Working Group on Harmonization of Aeronautical and Maritime SAR	<p>We maintained our status as one of eight Aeronautical SAR Members of this joint working group. This group assists ICAO and IMO in developing provisions regarding new SAR techniques and procedures where both aeronautical and maritime interests are involved, including the International Aeronautical and Maritime Search and Rescue Manual.</p>
Staff secondment	<p>At the beginning of 2015, a jointly funded initiative by the Department of Infrastructure and Regional Development and AMSA saw the secondment of an AMSA SAR technical expert to ICAO Headquarters in Canada for two years.</p> <p>The secondment was welcomed by ICAO, which now provides the global aeronautical SAR community with a fulltime expert dedicated to addressing worldwide SAR system issues based on key recommendations following the search for Malaysia Airlines flight MH370.</p>

Regional engagement

Asia-Pacific Region

Papua New Guinea

Under the provisions of the Australia-PNG Memorandum of Understanding (MOU) on Transport Cooperation, in 2015 we completed two assessments of the PNG National Maritime Safety Authority's (NMSA) ability to fulfil its statutory duties relating to search and rescue, ship and navigation safety, marine pollution prevention and response, and PNG's maritime legislation framework.

Recommendations from the two reports highlighted a number of opportunities for improvement. Discussions are now underway with the NMSA on where we may be able to provide further capacity building assistance in 2016-17. Two key areas currently being considered include:

- ensuring that PNG's domestic maritime legislation adequately reflects the requirements of relevant international conventions
- improving PNG's ability to deliver an effective port State control regime.

We also provided assistance to PNG with the development of a submission to the IMO to establish a Particularly Sensitive Sea Area (PSSA) in the Milne Bay Province of PNG. An information paper was presented to the 69th session of the IMO's Marine Environment Protection Committee (MEPC).

Indonesia

We continued to provide support and assistance to Indonesia through the Indonesia Transport Safety Assistance Package (ITSAP). ITSAP is a partnership program between the Australian Government and the Government of Indonesia and delivered under a Memorandum of Understanding between Australia and Indonesia on Cooperation in the Transport Sector. AMSA is responsible for two programs under ITSAP – search and rescue and ship safety.

Search and rescue

The search and rescue (SAR) elements of the package are delivered in partnership with Indonesia's national SAR agency (BASARNAS). Mutual staff exchanges, technical assistance and improvements to operational capabilities occurred under the search and rescue element of the program. A joint SARMAP drift modelling system was delivered during the year, which now provides Indonesia with the capability to effectively predict drift patterns of objects in the water. With our assistance, Indonesia established a Joint Rescue Coordination Centre (command centre) bringing together maritime, aviation and urban search and rescue in February 2016.

Vessel safety

Ship safety elements of ITSAP are delivered in partnership with Indonesia's Directorate General of Sea Transportation (DGST). Our work in ensuring the effective implementation of, and compliance with, Indonesia's Non Convention Vessel Standards has been a major milestone and is ongoing. During the year we assisted Indonesia with establishing an IALA-approved Vessel Traffic Services training facility. IALA has agreed to host a workshop in Indonesia on VTS communications in February 2017. We also provided assistance to the DGST with the development of a management system for marine pilotage.

APHoMSA

Australia is the Secretariat for the Asia-Pacific Heads of Maritime Safety Agencies forum (APHoMSA). The 17th session of APHoMSA was held in Queenstown, New Zealand from 14-17 March 2016. This session was attended by 55 delegates who represented 20 of APHoMSA's 23 members, as well as observers from the International Hydrographic Organization (IHO), IMO, IALA, the Pacific Community, and the Secretariat of the Pacific Regional Environment Programme (SPREP).

This year the forum enjoyed increased participation from women and Pacific Island members, thanks to generous funding received under the IMO's Integrated Technical Cooperation Program. A record 35 papers were considered by members and observers, generating wide-ranging discussion. Members agreed to add a number of items including fishing vessel safety, the importance of hydrography and reducing marine debris to the 2016 APHoMSA Work Plan, and to establish three intersessional correspondence groups to develop a regional approach on domestic vessel safety, implementation of IMO conventions and safe carriage of cargo.

Pacific Island engagement

We work closely with the Secretariat of the Pacific Community (SPC) and the South Pacific Regional Environment Programme (SPREP) to maximise the ability of small island neighbouring states to ensure ships visiting ports and transiting South Pacific waters are seaworthy, have competent crews, and are able to safely navigate through sensitive marine areas. As well as an active program of information exchange, we participated in meetings such as:

- a joint IMO/SPREP Pacific Regional Workshop on Particularly Sensitive Sea Areas, held in Fiji in July 2015
- the 26th SPREP meeting and 13th Conference of Parties on the Noumea Convention, held in Samoa in September 2015.

In May 2016 the Regional Reception Facilities Plan for Small Island Developing States in the Pacific Region entered into force. The plan aims to reduce marine pollution in the Pacific region by enabling SPREP Member States to improve compliance with the requirements of MARPOL. We provided assistance by conducting waste reception facility assessments in Apia, Suva, Port Moresby, Noumea and Papeete as part of the plan's development.

Indian Ocean Region

Search and Rescue Capability Partnership Program

As part of the Australian Government's Partnerships for Development (GPDF) program, we were granted \$2.6 million over three years to work with the Governments of Sri Lanka, Maldives and Mauritius to strengthen their search and rescue (SAR) services to enable more effective response to maritime and aviation distress situations in each of their SAR areas. The benefits also extend to enhancing overall SAR capability in the three SAR regions which adjoin the Australian Search and Rescue Region in the remote north-west of the Indian Ocean.

The program, titled the Search and Rescue Capability Partnership Program (SCPP), commenced in January 2015 and has seen us conclude 'SAR Capability Assessments' of each country's SAR system, the visit to AMSA's Joint Rescue Coordination Centre in Canberra of two senior SAR officers from each partner country, and the development of three-year implementation plans.

The program will continue to deliver a range of capacity building activities in each country, including SAR exercises, foundation training courses and implementation of a communication system (e-broadcast) to provide countries with the ability to communicate with ships transiting through their area.

The program is scheduled to continue until June 2018.

Port State control

In December 2015 we concluded a three-year capacity building program with the Indian Ocean Memorandum of Understanding (MOU) on Port State Control (PSC) to improve the application of PSC procedures in the region. The Indian Ocean region is vitally important to Australia and, as more ships transit the area accommodating increased trade in goods and services, improving ship safety is imperative to the environmental sustainability of the region.

The final two activities of the program were held during 2015-16:

- an IMO Expert Mission on the Human Elements for PSC (Maritime Labour Convention 2006), held in India from 30 November to 5 December 2015
- an Expert Mission on the application of PSC Conventions, held in Oman from 6 to 17 December 2015.

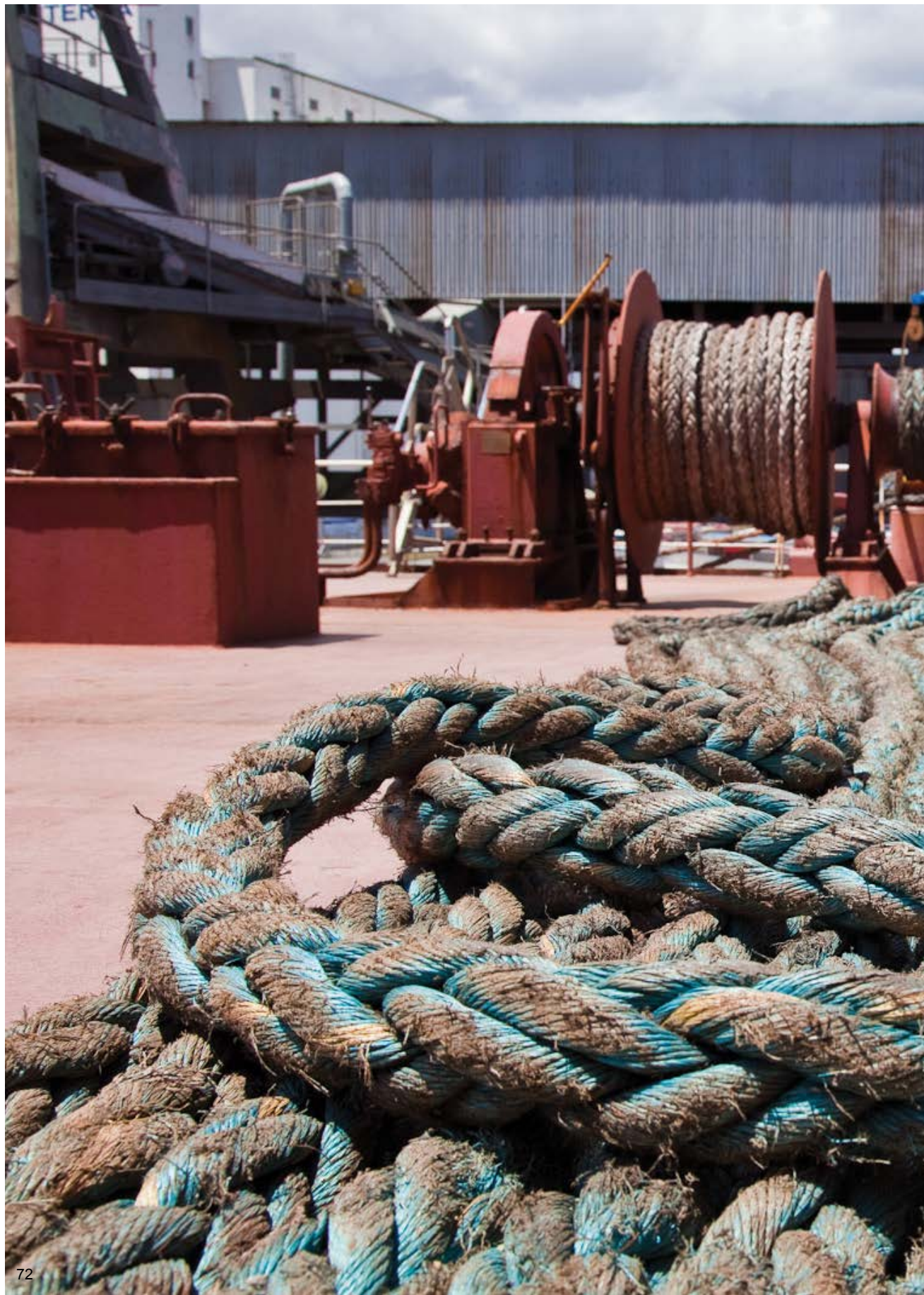
Major trading partners

We have a strong program of bilateral engagement with a number of Australia's major trading partners, including China, Republic of Korea and Japan in recognition that they are important for Australia in terms of a regional network of port State control and ensuring the quality of ships which most regularly come to and from Australia. We constantly discuss issues of mutual interest with major trading partners, with our neighbours and other regional countries of significance to Australia's maritime safety interests.

Maritime Professional Development Program

Our Maritime Professional Development Program ran for three weeks from 19 October to 6 November 2015. The purpose of the program is to share operational practices and policy approaches with participants from counterpart agencies in the Asia-Pacific and Indian Ocean regions.

Eight participants from Papua New Guinea, New Zealand, Korea and Oman attended the 2015 program. The program offered two formal training streams – Port State Control and Marine Environment Protection and Pollution Response.





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APPENDICES

APPENDIX 1 FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Minister for Infrastructure and Transport

I have audited the accompanying annual financial statements of the Australian Maritime Safety Authority for the year ended 30 June 2016, which comprise:

- Statement by the Directors, Chief Executive Officer and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes comprising an Overview and other explanatory information.

Opinion

In my opinion, the financial statements of the Australian Maritime Safety Authority:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Australian Maritime Safety Authority as at 30 June 2016 and its financial performance and cash flows for the year then ended.

Accountable Authority's Responsibility for the Financial Statements

The Directors of the Australian Maritime Safety Authority are responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act and are also responsible for such internal control as they determine is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Accountable Authority of the entity, as well as evaluating the overall presentation of the financial statements.

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

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Australian National Audit Office



Sean Benfield
Audit Principal
Delegate of the Auditor-General

Canberra
20 September 2016

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**AUSTRALIAN MARITIME SAFETY AUTHORITY
STATEMENT BY THE DIRECTORS, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2016 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the directors.



Stuart Richey AM
Chairman of the Board
Australian Maritime Safety Authority

20 September 2016



Michael Kinney
Chief Executive Officer
Australian Maritime Safety Authority

20 September 2016



Attilio Martiniello
Chief Financial Officer
Australian Maritime Safety Authority

20 September 2016

AUSTRALIAN MARITIME SAFETY AUTHORITY
Statement of Comprehensive Income
for the period ended 30 June 2016

		2016	2015
	Notes	\$'000	\$'000
NET COST OF SERVICES			
EXPENSES			
Employee benefits	1A	63,797	59,625
Suppliers	1B	125,317	126,776
Depreciation and amortisation	1C	14,150	13,367
Finance costs	1D	270	67
Write-down and impairment of assets	1E	667	384
Losses from asset sales	1F	350	1,780
Total expenses		204,441	201,999
OWN-SOURCE INCOME			
Own-Source Revenue			
Sale of goods and rendering of services	2A	16,801	16,342
Fees and fines	2B	42	76
Interest	2C	2,089	2,092
Rental income	2D	1,137	833
Other revenue	2E	5,231	560
Total own-source revenue		25,300	19,903
Gains			
Reversals of previous asset write-downs and impairments	2F	-	2
Foreign exchange	2G	1	2
Total gains		1	4
Total own-source income		25,301	19,907
Net cost of services		179,140	182,092
Revenue from Government	2H	176,808	182,449
Surplus / (Deficit) attributable to the Australian Government		(2,332)	357
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus		(1,009)	13,029
Total other comprehensive income / (loss)		(1,009)	13,029
Total comprehensive income / (loss) attributable to the Australian Government		(3,341)	13,386

The above statement should be read in conjunction with the accompanying notes.

AUSTRALIAN MARITIME SAFETY AUTHORITY
Statement of Financial Position
as at 30 June 2016

	Notes	2016 \$'000	2015 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	4A	71,032	54,909
Trade and other receivables	4B	13,806	9,294
Other investments	4C	-	15,000
Total financial assets		84,838	79,203
Non-Financial Assets			
Land and buildings	5A,C	16,835	21,940
Property, plant and equipment	5B,C	124,672	126,357
Intangibles	5D,E	12,293	10,409
Inventories	5F	4,417	5,169
Other non-financial assets	5G	6,314	6,668
Total non-financial assets		164,531	170,543
Total Assets		249,369	249,746
LIABILITIES			
Payables			
Suppliers	6A	32,585	34,769
Other payables	6B	2,521	2,871
Total payables		35,106	37,640
Interest Bearing Liabilities			
Finance leases	7	841	81
Total interest bearing liabilities		841	81
Provisions			
Employee provisions	8A	18,905	17,212
Other provisions	8B	8,462	5,417
Total provisions		27,367	22,629
Total Liabilities		63,314	60,350
Net Assets		186,055	189,396
EQUITY			
Contributed equity		37,986	37,986
Reserves		115,156	116,014
Retained surplus		32,913	35,396
Total equity		186,055	189,396

The above statement should be read in conjunction with the accompanying notes.

AUSTRALIAN MARITIME SAFETY AUTHORITY
Statement of Changes in Equity
for the period ended 30 June 2016

	Retained earnings		Asset revaluation surplus		General reserve		Pollution reserve		Contributed equity / capital		Total equity	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	
Opening balance												
Balance carried forward from previous period	35,396	35,261	104,130	91,101	1,500	1,500	10,384	10,162	37,986	37,986	189,396	176,010
Adjusted opening balance	35,396	35,261	104,130	91,101	1,500	1,500	10,384	10,162	37,986	37,986	189,396	176,010
Comprehensive income												
Non financial asset revaluation increment / (decrement)	-	-	(1,173)	11,371	-	-	-	-	-	-	(1,173)	11,371
Provision for restoration assessment	-	-	164	1,658	-	-	-	-	-	-	164	1,658
Surplus / (Deficit) for the period	(2,332)	357	-	-	-	-	-	-	-	-	(2,332)	357
Total comprehensive income	(2,332)	357	(1,009)	13,029	-	-	-	-	-	-	(3,341)	13,386
Transfers between equity components												
Increase to pollution reserve	(151)	(222)	-	-	-	-	151	222	-	-	-	-
Closing balance as at 30 June 2016	32,913	35,396	103,121	104,130	1,500	1,500	10,535	10,384	37,986	37,986	186,055	189,396

The above statement should be read in conjunction with the accompanying notes.

AUSTRALIAN MARITIME SAFETY AUTHORITY
Cash Flow Statement
for the period ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000
OPERATING ACTIVITIES			
Cash received			
Receipts from Government		176,966	181,129
Sale of goods and rendering of services		18,431	15,829
Interest		1,983	2,256
Net GST received		11,766	13,116
Other		1,717	1,259
Total cash received		<u>210,863</u>	<u>213,589</u>
Cash used			
Employees		63,084	59,730
Suppliers		135,420	146,546
Total cash used		<u>198,484</u>	<u>206,276</u>
Net cash from operating activities	9	<u>12,379</u>	<u>7,313</u>
INVESTING ACTIVITIES			
Cash received			
Investments		15,000	-
Total cash received		<u>15,000</u>	<u>-</u>
Cash used			
Purchase of property, plant and equipment		10,861	13,651
Investments		-	15,000
Total cash used		<u>10,861</u>	<u>28,651</u>
Net cash from Investing activities		<u>4,139</u>	<u>(28,651)</u>
FINANCING ACTIVITIES			
Cash used			
Repayment of borrowings		338	379
Finance lease interest		57	16
Total cash used		<u>395</u>	<u>395</u>
Net cash from financing activities		<u>(395)</u>	<u>(395)</u>
Net Increase / (decrease) in cash held		<u>16,123</u>	<u>(21,733)</u>
Cash and cash equivalents at the beginning of the reporting period		54,909	76,642
Cash and cash equivalents at the end of the reporting period	4A	<u>71,032</u>	<u>54,909</u>

The above statement should be read in conjunction with the accompanying notes.

AUSTRALIAN MARITIME SAFETY AUTHORITY

Overview

Objective of the Australian Maritime Safety Authority

The Australian Maritime Safety Authority (AMSA) is an Australian Government controlled, not for profit, entity. The objective of AMSA is to:

- promote maritime safety and protection of the marine environment
- prevent and combat ship-sourced pollution in the marine environment
- provide infrastructure to support safety of navigation in Australian waters
- provide a national search and rescue service to the maritime and aviation sectors
- provide, on request, services to the maritime industry on a commercial basis
- provide, on request, services of a maritime nature on a commercial basis to the Commonwealth and/or states and territories.

AMSA's vision is *safe and clean seas, saving lives.*

AMSA's Outcome Statement is to *minimise the risk of shipping incidents and pollution in Australian waters through ship safety and environment protection regulation and services and maximise people saved from maritime and aviation incidents through search and rescue coordination.*

The continued existence of AMSA in its present form and with its present programs is dependent on Government policy and on continuing funding by Parliament for AMSA's administration and programs.

The Basis of Preparation

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The financial statements have been prepared in accordance with:

- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR) for reporting periods ending on or after 1 July 2015; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

The accounting policies are consistent with the previous year except where otherwise disclosed.

New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No new standards, revised standards, interpretations or amending standards that were issued by the Australian Accounting Standards Board prior to the signing of the statement by the Chairman, Chief Executive Officer and Chief Financial Officer are applicable to the current reporting period.

No accounting standard has been adopted earlier than the application date as stated in the standard.

AUSTRALIAN MARITIME SAFETY AUTHORITY

Overview (Cont'd)

Future Australian Accounting Standard Requirements

AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities (effective 1 July 2016)

The amendment extends the scope of AASB 124 *Related Party Disclosures* to not-for-profit sector entities, but provides relief for transactions between related entities controlled by the same government. The amendment will require disclosure of significant transactions with other Australian Government entities, the extent of collectively significant transactions with other Australian Government entities and any transactions with key management personnel.

AASB 9 Financial Instruments (effective 1 January 2018)

The new standard includes changes to the measurement, recognition and classification of financial instruments and new requirements for the impairment of financial assets. The new standard may impact on the measurement, classification and impairment of loans and receivables reported by the AMSA.

AASB 15 Revenue from Contracts with Customers (effective 1 January 2018)

The new standard will replace AASB 118 *Revenue* and AASB 111 *Construction Contracts* along with existing revenue recognition Interpretations. The new standard requires revenue to be recognised as performance obligations are satisfied and will also apply to contracts of not-for-profit entities that are exchange transactions.

AASB 16 Leases (effective 1 January 2019)

The new standard requires that most leases be recognised as lease liabilities and right-of-use assets on the Statement of Financial Position. The new standard will have a material impact on the recognition of the AMSA's operating leases for properties and motor vehicles.

Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, AMSA has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- estimates relating to "certain on cost factors" applied in calculating long service leave entitlements, Note 8A: Employee Provisions
- estimates relating to asbestos and lead paint removal, Note 8B: Other Provisions
- any liabilities in relation to pollution incident costs, see below

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period unless noted.

Transactions with the Government as Owner

In 2015-16, AMSA had no transactions with the Government as owner (2014-15: nil).

Pollution incident costs

Under *Australia's National Plan for Maritime Environmental Emergencies*, AMSA is responsible for reimbursing the direct clean up costs arising from an oil pollution incident that cannot be recovered from the polluter. AMSA makes these reimbursements on the basis of polluter (or potential polluter) pays, either from the Pollution Reserve or by adjusting the Protection of the Sea Levy accordingly to recover any reimbursements made or due to be made.

Where AMSA has such a reimbursement obligation, AMSA determines an estimate of that obligation in accordance with Australian Accounting Standard AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* by determining a range of possible outcomes from which a sufficiently reliable estimate of the obligation can be made.

In determining an estimate of the obligation AMSA considers reliable available information, advice from independent experts, experience with similar incidents and AMSA's reasonable expectation of the probability of occurrence.

Pollution Reserve

AMSA has established a Pollution Reserve to enable it to fund responses to pollution incidents while claims are being settled and as a contingency in the event that future pollution claims exceed the limited liability of any ship owner.

AMSA has also established an unsecured commercial line of credit of \$40 million, bringing AMSA's total pollution response financial capability to \$50 million.

Overview (Cont'd)

Insurance

AMSA has insured for risks through the Government insurable risk fund, Comcover. Workers compensation is insured through Comcare.

AMSA Levy Collection

The Marine Navigation Levy, the Marine Navigation (Regulatory Functions) Levy and the Protection of the Sea Levy are collected on behalf of the Government by the Department of Immigration and Border Protection and designated AMSA staff. Collected levies are transferred to the Department of Infrastructure and Regional Development for deposit to the Official Public Account.

AMSA collected \$115,470,809 of levies (gross collection) on behalf of the Government during 2015-16 (2014-15: \$113,078,014).

Taxation / Competitive Neutrality

AMSA is exempt from all forms of taxation except Fringe Benefits Tax (FBT), Goods and Services Tax (GST) and Customs Duties. Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office, and for receivables and payables.

AMSA applies competitive neutrality principles when determining cost recovery charges.

Events After the Reporting Period

On the 19th September 2016, AMSA reached a settlement agreement with the owners of the *Shen Neng 1* for \$4.300 million for full and final settlement of AMSA's claim for pollution clean-up costs associated with the grounding of *Shen Neng 1* on Douglas Shoal, in the Great Barrier Reef Marine Park. This is reflected in the financial statements.

Notes to and forming part of the financial statements

Note 1: Expenses

	2016	2015
	\$'000	\$'000
Note 1A: Employee Benefits		
Wages and salaries	43,983	42,719
Superannuation		
Defined contribution plans	4,422	5,379
Defined benefit plans	4,560	3,413
Leave and other entitlements	7,971	6,489
Separation and redundancies	2,126	874
Other employee benefits - Fringe Benefits Tax	735	751
Total employee benefits	63,797	59,625

Accounting policy

Accounting policies for employee related expenses is contained in Note 8A: Employee provisions.

Note 1B: Suppliers**Goods and services supplied or rendered**

Travel and transport	5,131	6,564
Material and services	94,741	92,262
Communications	5,486	7,037
Administration	5,672	6,165
Total goods and services supplied or rendered	111,030	112,028

Goods supplied in connection with

Related entities	3,030	2,523
External parties	94,837	95,702
Total goods supplied	97,867	98,225

Services rendered in connection with

External parties	13,163	13,803
Total services rendered	13,163	13,803
Total goods and services supplied or rendered	111,030	112,028

Other suppliers

Operating lease rentals - external parties		
Minimum lease payments	14,025	14,486
Workers compensation expenses	262	262
Total other suppliers	14,287	14,748
Total supplier	125,317	126,776

Notes to and forming part of the financial statements

Note 1: Expenses (Cont'd)

Lease commitments

AMSA leases property for office accommodation, sites on which infrastructure assets are located and storage of equipment and inventory, specific search and rescue assets and motor vehicles. AMSA's lease payments are subject to a variety of arrangements, including fixed percentage increases, movements in the Consumer Price Index and adjustments of rentals to current market levels. Some occupancy leases include renewal clauses.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2016 \$'000	2015 \$'000
Within 1 year	11,115	12,982
Between 1 to 5 years	28,629	40,004
More than 5 years	20,408	27,325
Total operating lease commitments	<u>60,152</u>	<u>80,311</u>

Leasing commitments are GST inclusive where relevant.

Accounting Policy

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Note 1C: Depreciation and Amortisation

Depreciation

Buildings	678	492
Property, plant and equipment	10,588	11,383
Total depreciation	<u>11,266</u>	<u>11,875</u>

Amortisation

Assets held under finance leases	296	115
Intangibles		
Computer software	2,588	1,377
Total amortisation	<u>2,884</u>	<u>1,492</u>
Total depreciation and amortisation	<u>14,150</u>	<u>13,367</u>

Notes to and forming part of the financial statements

Note 1: Expenses (Cont'd)

	2016	2015
	\$'000	\$'000
Note 1D: Finance Costs		
Finance leases	57	16
Unwinding of discount	213	51
Total finance costs	270	67

Accounting Policy

All borrowing costs are expensed as incurred.

Note 1E: Write-Down and Impairment of Assets

Asset write-downs and impairments from:		
Write-down of inventory	548	367
Impairment of receivables	-	17
Other - bad debt write off	9	-
Total write-down and impairment of assets	557	384

Note 1F: Losses from Asset Sales

Land and buildings		
Proceeds from sale	-	(400)
Carrying value of assets sold	-	673
Selling expense	-	14
Property, plant and equipment		
Carrying value of assets disposed	345	1,493
Intangibles:		
Carrying value of assets disposed	5	-
Total losses from asset sales	350	1,780

Accounting policy

Gains or losses from disposal of assets are recognised when control of the asset has passed to the buyer.

Notes to and forming part of the financial statements

Note 2: Own-Source Income

	2016	2015
	\$'000	\$'000
OWN-SOURCE REVENUE		
Note 2A: Sale of Goods and Rendering of Services		
Sale of goods in connection with		
External parties	93	127
Total sale of goods	<u>93</u>	<u>127</u>
Rendering of services in connection with		
Related entities	542	2,262
External parties	16,166	13,953
Total rendering of services	<u>16,708</u>	<u>16,215</u>
Total sale of goods and rendering of services	<u>16,801</u>	<u>16,342</u>

Accounting Policy

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer
- AMSA retains no managerial involvement or effective control over the goods
- the revenue and transaction costs incurred can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to AMSA.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured
- the probable economic benefits associated with the transaction will flow to AMSA.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Note 2B: Fees and Fines

Fines	42	76
Total fees and fines	<u>42</u>	<u>76</u>

Note 2C: Interest

Deposits	2,089	2,092
Total interest	<u>2,089</u>	<u>2,092</u>

Accounting Policy

Interest revenue is recognised using the effective interest method.

Notes to and forming part of the financial statements

Note 2: Own-Source Income

	2016	2015
	\$'000	\$'000
Note 2D: Rental Income		
Operating lease:		
Sublease - related entities	690	478
Sublease - external parties	447	355
Total rental income	1,137	833

Subleasing rental income commitments

AMSA in its capacity as lessor subleases office space and car parking as well as subleasing space at various aids to navigations and storage sites around Australia. All sub leases are subject to a variety of arrangements, including fixed percentage increases, movements in the Consumer Price Index and adjustments of subleases to current market levels. Some subleases include renewal clauses.

Commitments for sublease rental income receivables are as follows:

Within 1 year	475	881
Between 1 to 5 years	597	898
Total sublease rental income commitments	1,072	1,779

Sub Leasing commitments are GST inclusive where relevant.

Note 2E: Other Revenue

Insurance recoveries and settlements	5,231	560
Total other revenue	5,231	560

GAINS**Note 2F: Reversals of Previous Asset Write-Downs and Impairments**

Asset revaluation increment		
Reversal of impairment for receivables recovered	-	2
Total reversals of previous asset write-downs and impairments	-	2

Note 2G: Foreign Exchange Gain

Non-speculative	1	2
Total foreign exchange gains	1	2

REVENUE FROM GOVERNMENT**Note 2H: Revenue from Government**

Department of Infrastructure and Regional Development		
Corporate Commonwealth Entity payment item	176,808	182,449
Total revenue from Government	176,808	182,449

Represented by:

Levy revenue: *Australian Maritime Safety Act 1990, s48*

Marine Navigation Levy	32,745	32,314
Marine Navigation (Regulatory Functions) Levy	49,195	48,349
Protection of the Sea Levy	32,723	31,268
Services provided on behalf of the Government	58,850	65,284
Other	3,495	5,234
	176,808	182,449

Accounting Policy

Funding received or receivable from non-corporate Commonwealth entities (appropriated to the Department of Infrastructure and Regional Development as a corporate Commonwealth entity payment item for payment to AMSA) is recognised as revenue from government by AMSA unless the funding is in the nature of an equity injection or a loan.

Notes to and forming part of the financial statements

Note 3: Fair Value Measurement

The following tables provide an analysis of assets and liabilities that are measured at fair value.

The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Note 3A: Fair Value Measurements, Valuation Techniques and Inputs Used

	Fair value measurements			For Levels 2 and 3 fair value measurements		Range (weighted average)
	Notes	2016 \$'000	2015 Category \$'000	Valuation Technique(s)	Inputs Used	
Non-financial assets						
Land	5A	3,045	3,480	2	Market approach	
Land	5A	305	280	3	Market approach	
Buildings - WMP	5A	-	4,147	2	Current Cost	Adjusted market transactions (20.0%) - 20.0%
Buildings	5A	5,077	4,789	2	Market Approach	Current acquisition prices
Buildings	5A	887	767	3	Market Approach	Adjusted market transactions NA
Buildings	5A	7,541	8,457	3	Depreciated replacement cost (DRC)	Adjusted market transactions (10.0%) - 10.0%
Leasehold improvement -WMP	5B	276	-	2	Current Cost	Replacement cost - New - price per square metre, Consumed economic benefit / Obsolescence of asset (2.5%) per annum
Leasehold improvement	5B	6,662	9,226	3	Depreciated replacement cost (DRC)	Current acquisition prices
Property, plant & equipment -WIP	5B	4,980	7,055	2	Current Cost	Replacement cost - New (price per square metre), Consumed economic benefit / Obsolescence of asset (7.7%) per annum
Property, plant & equipment	5B	9,111	3,760	2	Market approach	Adjusted market transactions NA
Property, plant & equipment	5B	945	531	3	Market approach	Adjusted market transactions (20.0%) - 10.0%
Property, plant & equipment	5B	102,498	106,774	3	Depreciated replacement cost (DRC)	Replacement cost - New, Consumed economic benefit / Obsolescence of asset (2.9%) per annum
Total non-financial assets		141,507	146,297			
Total fair value measurements of assets in the statement of financial position		141,507	146,297			
Non-financial liabilities						
Provision for restoration:		3,165	3,322	3	Depreciated replacement cost (DRC)	Current make good costs. Physical depreciation and obsolescence. New- NA, 0.5% - 5.0% (2.8%) per annum
Total fair value measurements of liabilities in the statement of financial position		3,165	3,322			

Fair value measurements - Highest and Best Use

AMSA's assets are held for operational purposes and not held for the purposes of deriving a profit.

The current use of all controlled assets is considered their highest and best use.

1. AMSA did not measure any non-financial assets at fair value on a non-recurring basis as at 30 June 2016.

2. There has been a change to the valuation techniques for Work In Progress (WIP) assets in the property, plant and equipment class and leasehold improvement class from: carried at historical cost to fair value.

Notes to and forming part of the financial statements

Note 3: Fair Value Measurement (Cont'd)

Note 3A: Fair Value Measurements, Valuation Techniques and Inputs Used (Cont'd)

Sensitivity of the fair value measurement to changes in unobservable inputs for category level 3

Land - Market approach

The significant unobservable inputs used in the fair value measurement of AMSA's land asset class relate to the adopted price per square metre. A significant increase (decrease) in market transactions would result in a significantly higher (lower) fair value measurement.

Building - Market approach

The significant unobservable inputs used in the fair value measurement of AMSA's building asset class relate to the adopted price per square metre. A significant increase (decrease) in market transactions would result in a significantly higher (lower) fair value measurement.

Building - Depreciated replacement cost (DRC)

A significant increase (decrease) in this consumed economic benefit / obsolescence of the asset would result in a significantly higher (lower) fair value measurement.

Leasehold improvement - Depreciated replacement cost (DRC)

A significant increase (decrease) in this consumed economic benefit / obsolescence of the asset would result in a significantly higher (lower) fair value measurement.

Property, plant and equipment - Market approach

A significant increase (decrease) in market transactions may result in a significantly higher (lower) fair value measurement.

Property, plant and equipment - Depreciated replacement cost (DRC)

A significant increase (decrease) in this consumed economic benefit / obsolescence of the asset would result in a significantly higher (lower) fair value measurement.

Provision for restoration - Depreciated replacement cost (DRC)

A significant increase (decrease) in this consumed economic benefit / obsolescence of the asset would result in a significantly higher (lower) fair value measurement.

Notes to and forming part of the financial statements

Note 3: Fair Value Measurement (Cont'd)

Note 3A: Fair Value Measurements, Valuation Techniques and Inputs Used (Cont'd)

Recurring and non-recurring Level 3 fair value measurements - valuation processes

AMSA tests the procedures of the valuation model as an asset materiality review at least once every 12 months (with a formal revaluation undertaken once every three years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation. AMSA engaged Australian Valuation Solutions (AVS) to undertake a full revaluation and confirms that the models developed comply with AASB 13 *Fair Value Measurement*.

Significant Level 3 inputs utilised by AMSA are derived and evaluated as follows:

Land & buildings - Adjusted market transactions

AMSA controls assets situated in remote locations where property markets experience few transactions. Reference has been made to available sales evidence together with other relevant information related to local economic, property zoning and property market conditions. AVS has utilised significant professional judgement in determining the fair value measurements.

Leasehold improvements, Buildings, Property, plant and equipment - Physical depreciation and obsolescence

Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the Depreciated Replacement Cost approach. Under the Depreciated Replacement Cost approach the estimated cost to replace the asset is calculated and then adjusted to take into account physical depreciation and obsolescence. Physical depreciation and obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the asset under consideration. For all Leasehold Improvement assets, the consumed economic benefit / asset obsolescence deduction is determined based on the term of the associated lease.

Property, plant and equipment - Adjusted market transactions

AMSA controls assets with limited markets. Reference has been made to prices and other relevant information generated by market transactions involving broadly comparable plant and equipment assets. AVS has utilised significant professional judgement in determining the fair value measurements.

The weighted average is determined by assessing the fair value measurement as a proportion of the total fair value for the class against the total useful life of each asset.

Notes to and forming part of the financial statements

Note 3: Fair Value Measurement (Cont'd)**Note 3B: Reconciliation for Recurring Level 3 Fair****Recurring Level 3 fair value measurements - reconciliation for assets**

	Non-financial assets											
	Buildings		Buildings		Land		Leasehold improvements		Property, plant & equipment		Property, plant & equipment	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July	9,225	5,540	280	-	8,226	9,180	107,306	103,115	125,037	117,835		
Total gains / (losses) recognised in net cost of services ¹	(529)	(519)	25	-	(1,897)	(2,150)	(8,543)	(9,319)	(10,944)	(11,988)		
Total gains / (losses) recognised in other comprehensive income	(416)	3,383	-	55	158	(282)	(1,675)	10,645	(1,933)	13,801		
Purchases	128	821	-	225	375	1,211	5,355	2,443	8,858	4,700		
Transfers between classes	-	-	-	-	-	267	-	(267)	-	-		
Transfers into Level 3 ²	-	-	-	-	-	-	-	734	-	734		
Transfers out of Level 3 ²	-	-	-	-	-	-	-	(45)	-	(45)		
Total as at 30 June	8,408	9,225	305	280	6,862	8,226	103,443	107,306	119,018	125,037		
Changes in unrealised gains / (losses) recognised in net cost of services ³	-	-	-	-	-	-	-	-	-	-		

1. These gains / (losses) are presented in the statement of comprehensive income under depreciation and amortisation, loss of asset sales and change in asset revaluation surplus.

2. The transfers into Level 3 hierarchy during the year were due to assets that are no longer valued using a market approach (with a DRC approach adopted due to a lack of reliable market evidence).

3. There are no Level 3 unrealised gains / (losses) presented in the statement of comprehensive income this year.

Notes to and forming part of the financial statements

Note 3: Fair Value Measurement (Cont'd)

Note 3B: Reconciliation for Recurring Level 3 Fair Value Measurements (Cont'd)

Recurring Level 3 fair value measurements - reconciliation for liabilities

	<u>Non-financial liabilities</u>	
	Provision for restoration 2016 \$'000	Provision for restoration 2015 \$'000
	As at 1 July	3,322
Total gains / (losses) recognised in net cost of services ¹	7	10
Total gains / (losses) recognised in other comprehensive income ¹	(164)	(1,658)
Total as at 30 June	3,165	3,322
Changes in unrealised gains / (losses) recognised in net cost of services ²	-	-

1. These gains / (losses) are presented in the statement of comprehensive income under finance costs and change in asset revaluation surplus.

2. There are no Level 3 unrealised gains / (losses) presented in the statement of comprehensive income this year.

Accounting Policy

AMSA deems transfers between levels of the fair value hierarchy to have occurred at the end of the reporting period.

Notes to and forming part of the financial statements

Note 4: Financial Assets

	2016	2015
	\$'000	\$'000
Note 4A: Cash and Cash Equivalents		
Cash on hand	4,532	11,909
On deposits	66,500	43,000
Total cash and cash equivalents	<u>71,032</u>	<u>54,909</u>

Accounting Policy

Cash and cash equivalents include cash on hand and demand deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

Note 4B: Trade and Other Receivables

Good and services receivables in connection with		
Related entities	3	4
External parties	1,321	562
Total receivables for goods and services	<u>1,324</u>	<u>566</u>
Department of Infrastructure and Regional Development:		
Receivables	2,809	3,238
Total receivable from Department of Infrastructure and Regional Development	<u>2,809</u>	<u>3,238</u>
Other receivables:		
GST receivable from the Australian Taxation Office	3,985	4,113
Interest	372	265
Operating lease rentals - related entities	32	-
Other receivables - related entities	162	-
Other receivables - external entities	5,122	1,129
Total other receivables	<u>9,673</u>	<u>5,507</u>
Total trade and other receivables (gross)	<u>13,806</u>	<u>9,311</u>
Less impairment allowance		
Goods and services	-	(17)
Total impairment allowance	<u>-</u>	<u>(17)</u>
Total trade and other receivables (net)	<u>13,806</u>	<u>9,294</u>
Trade and other receivables (net) expected to be recovered		
No more than 12 months	13,806	9,294
Total trade and other receivables (net)	<u>13,806</u>	<u>9,294</u>

Accounting Policy**Loans and Receivables**

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Notes to and forming part of the financial statements

Note 4: Financial Assets (Cont'd)

	2016 \$'000	2015 \$'000
Trade and other receivables (gross) aged as follows		
Not overdue	13,310	8,663
Overdue by:		
0 to 30 days	119	367
31 to 60 days	226	243
61 to 90 days	38	18
More than 90 days	113	20
Total trade and other receivables (gross)	<u>13,806</u>	<u>9,311</u>
Impairment allowance aged as follows		
Overdue by:		
More than 90 days	-	17
Total impairment allowance	<u>-</u>	<u>17</u>

Credit terms for goods and services were within 30 days (2015: 30 days).

Reconciliation of the Impairment Allowance

	Goods and services	
	2016 \$'000	2015 \$'000
Opening balance	17	2
Amounts written off	(17)	17
Amounts recovered and reversed	-	(2)
Closing balance	<u>-</u>	<u>17</u>

Accounting Policy

Financial assets are assessed for impairment at the end of each reporting period.

	2016 \$'000	2015 \$'000
Note 4C: Other Investments		
Deposits ¹	-	15,000
Total other investments	<u>-</u>	<u>15,000</u>
Total other investments are expected to be recovered in:		
No more than 12 months	-	15,000
Total other investments	<u>-</u>	<u>15,000</u>

1. Term deposits greater than three months.

Notes to and forming part of the financial statements

Note 5: Non-Financial Assets

	2016	2015
	\$'000	\$'000
Note 5A: Land and Buildings		
Land		
Fair value	3,350	3,770
Total land	3,350	3,770
Buildings on freehold land		
Work in progress	-	4,147
Valuation	13,485	14,023
Total buildings on freehold land	13,485	18,170
Total land and buildings	16,835	21,940

No indicators of impairment were found for land and buildings.

No land or buildings are expected to be sold or disposed of within the next 12 months.

Note 5B: Property, Plant and Equipment

Leasehold improvements		
Work in progress	276	-
Valuation	6,862	8,226
Total leasehold improvements	7,138	8,226
Other property, plant and equipment		
Work in progress	4,980	7,066
Valuation	112,554	111,065
Total other property, plant and equipment	117,534	118,131
Total property, plant and equipment	124,672	126,357

There was nil reversal of impairment losses to property, plant and equipment this year (2015: \$0).

No property, plant and equipment are expected to be sold or disposed of within the next 12 months.

Revaluations of non-financial assets

An independent valuer (Australian Valuation Solutions) has revalued the net book values of the asset classes owned by AMSA as at 30 June 2016 for financial reporting purposes.

Revaluation decrement of \$420,001 for land (2015: decrement of \$395,522), decrement of \$998,693 for buildings on freehold land (2015: increment of \$2,435,545) and an increment of \$245,766 for property, plant and equipment (2015: increment of \$9,330,890) were booked to the asset revaluation reserve by asset class and included in the equity section of the Statement of Financial Position.

	2016	2015
	\$'000	\$'000
Contractual commitments for the acquisition of property, plant and equipment		
AMSA's capital commitments for land and buildings, property, plant and equipment are predominately for the purchase of aids to navigation and infrastructure needs.		
Land and buildings	1,619	592
Property, plant and equipments	1,664	2,085
Total contractual commitments for the acquisition of property, plant and equipment	3,283	2,677
Commitments are GST inclusive where relevant.		

Notes to and forming part of the financial statements

Note 5: Non-Financial Assets (Cont'd)

Note 5C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment 2016

	Land	Buildings	Total land and buildings	Other property, plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015					
Gross book value	3,770	18,170	21,940	126,357	148,297
Net book value 1 July 2015	3,770	18,170	21,940	126,357	148,297
Additions					
By purchase	-	313	313	7,738	8,051
Revaluations recognised in other comprehensive income	(420)	(999)	(1,419)	246	(1,173)
Depreciation / amortisation expense	-	(678)	(678)	(10,804)	(11,562)
Other movement - reclassification	-	(3,321)	(3,321)	1,560	(1,761)
Disposals					
Other	-	-	-	(345)	(345)
Net book value 30 June 2016	3,350	13,485	16,835	124,672	141,507
Net book value as of 30 June 2016 represented by:					
Gross book value	3,350	13,485	16,835	124,672	141,507
Net book value 30 June 2016	3,350	13,485	16,835	124,672	141,507

Note 5C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment 2015

	Land	Buildings	Total land and buildings	Other property, plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2014					
Gross book value	4,360	12,447	16,807	146,812	163,619
Accumulated depreciation / amortisation and impairment	-	(951)	(951)	(23,061)	(24,012)
Net book value 1 July 2014	4,360	11,496	15,856	123,751	139,607
Additions					
By purchase	225	4,984	5,209	6,266	11,475
Revaluations recognised in other comprehensive income	(395)	2,435	2,040	9,331	11,371
Depreciation / amortisation expense	-	(492)	(492)	(11,498)	(11,990)
Disposals					
Other	(420)	(253)	(673)	(1,493)	(2,166)
Net book value 30 June 2015	3,770	18,170	21,940	126,357	148,297
Net book value as of 30 June 2015 represented by:					
Gross book value	3,770	18,170	21,940	126,357	148,297
Net book value 30 June 2015	3,770	18,170	21,940	126,357	148,297

Notes to and forming part of the financial statements

Note 5: Non-Financial Assets (Cont'd)

Accounting Policy

Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$3,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in land, buildings, furniture and fittings and aids to navigation taken up by AMSA where there exists an obligation to make good at the end of any lease term. These costs are included in the value of AMSA's assets with a corresponding provision for the 'make good' recognised.

Revaluations

Fair values for each class of asset are determined as shown below:

Following initial recognition at cost, property plant and equipment are carried at latest valuation less subsequent depreciation and impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the operating result. Revaluation decrements for a class of assets are recognised directly in the operating result except to the extent that they reversed a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Australian Valuation Solutions (AVS) has provided a comprehensive review and valuation of all stated assets with representative sample inspections undertaken for each asset class as at 30 June 2016 for financial reporting purposes. This valuation was performed in accordance with all aspects of the relevant accounting, insurance and valuation framework, which includes (but is not limited to) the FRR (Part 3, Section 17), AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*. The fair value of assets was measured by the three approaches recognised by AASB 13 including the market comparison approach, the cost approach and the income capitalisation approach. These approaches are consistent with generally accepted valuation methodologies utilised by the valuation profession.

Notes to and forming part of the financial statements

Note 5: Non-Financial Assets (Cont'd)

Accounting Policy

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each type of depreciable asset are based on the following useful lives:

Reportable Asset types	2016	2015
Buildings on freehold land	20 to 40 years	20 to 40 years
Property, Plant and Equipment is made up of the following:		
- Furniture and Fittings (includes leasehold improvements)*	2 to 10 years	2 to 10 years
- Office and Computer Equipment	3 to 16 years	3 to 16 years
- Plant and Equipment	3 to 30 years	3 to 30 years
- Aids to Navigation	3 to 40 years	3 to 40 years
- Vessels and Amphibians	10 to 20 years	10 to 20 years
- Vehicles	5 to 8 years	5 to 8 years

* Leasehold improvements are depreciated over the life of the lease.

Impairment

All assets were assessed for impairment at 30 June 2016. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Heritage assets

Heritage assets held by AMSA are not brought to account. While a small number of these items are on display in AMSA's offices they are not considered to be held for public exhibition, education or research, nor are they used in the operational activities of AMSA. The economic benefit from the use of the items that would result if AMSA were deprived of these items is not material.

Certain aids to navigation assets (such as heritage lighthouses) are primarily held as operational assets rather than being held for cultural, environmental or historical significance value and are therefore accounted for in accordance with AASB 116 *Property, Plant and Equipment*. Other aids to navigation assets under finance leases are accounted for under AASB 117 *Leases*.

Capital Works Under Construction

Capital works under construction are recognised at fair value and disclosed as 'Work In Progress' and capitalised when completed and ready for use.

Notes to and forming part of the financial statements

Note 5: Non-Financial Assets (Cont'd)

	2016	2015
	\$'000	\$'000
Note 5D: Intangibles		
Computer software		
Internally developed - in progress	5,783	3,883
Internally developed - in use	10,135	8,537
Purchased - in progress	93	-
Purchased - in use	3,450	3,116
Total computer software (gross)	19,461	15,536
Accumulated amortisation	(7,168)	(5,127)
Total intangibles	12,293	10,409

No indicators of impairment were found for intangible assets.

No intangibles are expected to be disposed of in the next 12 months.

Contractual commitments for the acquisition of intangible assets

AMSA's capital commitment for intangibles is for software systems redevelopment.

Significant contractual commitments	193	759
Total contractual commitments for the acquisition of intangible assets	193	759

Commitments are GST inclusive where relevant.

Note 5E: Reconciliation of the Opening and Closing Balances of Intangibles

	Computer software	
	2016	2015
	\$'000	\$'000
As at 1 July		
Gross book value	15,536	11,180
Accumulated depreciation / amortisation and impairment	(5,127)	(3,742)
Net book value as at 1 July	10,409	7,438
Additions		
By purchase or internally developed	2,716	4,348
Other movements - re-classification	1,761	-
Amortisation	(2,588)	(1,377)
Disposals		
Other	(5)	-
Net book value as at 30 June	12,293	10,409
Net book value as at 30 June represented by:		
Gross book value	19,461	15,536
Accumulated depreciation / amortisation and impairment	(7,168)	(5,127)
Net book value as at 30 June	12,293	10,409

Accounting Policy

AMSA's intangibles comprise purchased or internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of AMSA's software is 5 to 15 years (2014-15: 5 to 15 years).

All software assets were assessed for indications of impairment as at 30 June 2016.

Notes to and forming part of the financial statements

Note 5: Non-Financial Assets (Cont'd)

	2016	2015
	\$'000	\$'000
Note 5F: Inventories		
Inventories held for distribution	4,417	5,169
Total Inventories	<u>4,417</u>	<u>5,169</u>

\$504,612 of inventory held for distribution was recognised as an expense in 2016 (2015: \$594,881)

No items of inventory were recognised at fair value less cost to sell.

Accounting Policy

AMSA's inventory is largely for its own consumption or distribution at nil cost. While AMSA does not ordinarily hold inventory for sale, if sales are made they represent the distribution of inventory at a nominal value.

Inventory is valued at cost, adjusted for any loss of service potential. Inventory acquired at no cost or at nominal consideration are initially measured at current replacement cost at the date of acquisition.

Note 5G: Other Non-Financial Assets

Prepayments	6,314	6,668
Total other non-financial assets	<u>6,314</u>	<u>6,668</u>
Total other non-financial assets - are expected to be recovered in:		
No more than 12 months	2,800	2,266
More than 12 months	3,514	4,402
Total other non-financial assets	<u>6,314</u>	<u>6,668</u>

Notes to and forming part of the financial statements

Note 6: Payables

	2016 \$'000	2015 \$'000
Note 6A: Suppliers		
Trade creditors and accruals	23,000	24,795
Operating lease rentals	9,585	9,974
Total supplier payables	32,585	34,769
Supplier payables expected to be settled in no more than 12 months		
Related entities	210	209
External parties	23,448	25,011
Total	23,658	25,220
Supplier payables expected to be settled in more than 12 months		
External parties	8,927	9,549
Total	8,927	9,549
Total supplier payables	32,585	34,769
Settlement was usually made within 30 days.		
Note 6B: Other Payables		
Salaries and wages	688	2,180
Superannuation	24	311
Separation and redundancies	1,695	353
Prepayments received / unearned income	113	26
Other	1	1
Total other payables	2,521	2,871
Other payables are expected to be settled		
No more than 12 months	2,521	2,871
Total other payables	2,521	2,871

Notes to and forming part of the financial statements

Note 7: Interest Bearing Liabilities

	2016 \$'000	2015 \$'000
Finance leases	841	81
Total finance leases	841	81
Lease expected to be settled		
Within one year		
Minimum lease payments	395	82
Deduct: future finance charges	(38)	(1)
In one to five years:		
Minimum lease payments	502	-
Deduct: future finance charges	(18)	-
Total finance leases	841	81

A finance lease exists in relation to aids to navigation assets from Australian Maritime Services Ltd. The lease is non-cancellable and is for a fixed term of 10 years (ending June 2024). The interest rate implicit in the lease is 5.59%.

There are no contingent rentals.

Accounting Policy

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Notes to and forming part of the financial statements

Note 8: Provisions

	2016	2015
	\$'000	\$'000
Note 8A: Employee Provisions		
Leave	18,905	17,212
Total employee provisions	18,905	17,212
Employee provisions expected to be settled		
No more than 12 months	5,724	5,085
More than 12 months	13,181	12,127
Total employee provisions	18,905	17,212

Accounting Policy**Employee Benefits**

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and 'termination benefits' due within twelve months of the end of the reporting period are measured at their nominal amounts.

Leave

The liability for employee benefits includes provision for annual leave, professional leave, surveyors leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of AMSA is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will apply at the time the leave is taken, including AMSA's employer superannuation contribution rates, to the extent that the leave is likely to be taken during service rather than paid out on termination.

AMSA used the shorthand method in accordance with the FRR (as per the Commonwealth Entities Financial Statements Guide) to calculate the long service leave liability.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. AMSA recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those affected employees that it will carry out the terminations.

Superannuation

The majority of AMSA staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS Accumulation Plan (PSSap). Other schemes staff belong to are the Australian Government Employees Superannuation Trust (AGEST) and self managed super funds.

The CSS and PSS are defined benefit schemes for the Australian Government. All other schemes are defined contribution schemes.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

AMSA makes employer contributions to the employee superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government of the superannuation entitlements of AMSA's employees. AMSA accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June 2016 represents outstanding contributions for the final fortnight of the year.

Notes to and forming part of the financial statements

Note 8: Provisions (Cont'd)

	2016	2015
	\$'000	\$'000
Note 8B: Other Provisions		
Provision for restoration	3,165	3,322
Provision for asbestos (hazardous materials) removal	1,488	2,063
Provision for lead paint (hazardous materials) removal	3,749	-
Provision for onerous lease	-	32
Provision for business unit restructuring	60	-
Total other provisions	8,462	5,417

	Other provisions						Total
	Restoration	Lead paint	Asbestos	Onerous lease	Business unit restructuring		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Carrying amount 1 July 2015	3,322	-	2,063	32	-	-	5,417
Additional provisions made	-	3,749	84	-	60	-	3,893
Amounts used	-	-	(15)	(32)	-	-	(47)
Amounts reversed	(164)	-	(850)	-	-	-	(1,014)
Unwinding of discount or change in discount rate	7	-	206	-	-	-	213
Closing balance 30 June 2016	3,165	3,749	1,488	-	60	-	8,462

	2016	2015
	\$'000	\$'000
Other provisions expected to be settled		
No more than 12 months	1,009	82
More than 12 months	7,453	5,335
Total other provisions	8,462	5,417

Provision for restoration

AMSA has an obligation contained in leases or legislation for the making good to six property leases and 160 aids to navigation sites. AMSA has therefore made a provision to reflect the present value of this obligation.

Notes to and forming part of the financial statements

Note 9: Cash Flow Reconciliation

	2016 \$'000	2015 \$'000
Reconciliation of cash and cash equivalents as per Statement of financial position to Cash flow statement		
Cash and cash equivalents as per		
Cash flow statement	71,032	54,909
Statement of financial position	<u>71,032</u>	<u>54,909</u>
Difference	<u>-</u>	<u>-</u>
Reconciliation of net cost of services to net cash from operating activities		
Net cost of services	(179,140)	(182,092)
Revenue from Government	176,808	182,449
Adjustment for non-cash items		
Depreciation and amortisation	14,150	13,367
Loss on disposal of assets	350	1,780
Finance costs	270	67
Movements in assets / liabilities		
(Increase) in net receivables	(4,512)	(1,230)
(Increase) / Decrease in inventories	752	(228)
(Increase) / Decrease in other non financial assets	354	(2,228)
Increase in employee provisions	1,693	301
(Decrease) / Increase in supplier payables*	2,004	(4,887)
(Decrease) / Increase in other payables	<u>(350)</u>	<u>14</u>
Net cash from operating activities	<u>12,379</u>	<u>7,313</u>

* This change is net of any non-financial asset accruals.

Notes to and forming part of the financial statements

Note 10: Contingent Liabilities and Assets

Contingent assets	Claims for damages or costs		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Balance from previous period	8,872	13,875	8,872	13,875
New contingent assets recognised	1,403	551	1,403	551
Re-measurement	(33)	(4,515)	(33)	(4,515)
Assets realised	(4,682)	(1,039)	(4,682)	(1,039)
Rights expired	(3,802)	-	(3,802)	-
Total contingent assets	1,758	8,872	1,758	8,872

Contingent liabilities	Claims for damages or costs		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Balance from previous period	518	5,018	518	5,018
Re-measurement	-	(4,500)	-	(4,500)
Obligations expired	(18)	-	(18)	-
Total contingent liabilities	500	518	500	518

Net contingent assets	1,258	8,354	1,258	8,354
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Quantifiable Contingencies

The quantifiable contingencies include pollution incidents of \$500,000 (2015: \$518,000).

The contingent assets include insurance claims for cyclone damage to a number of aids to navigation of \$1,732,019 (2015: \$490,000) and pollution incidents of \$26,435 (2015: \$8,382,000).

Unquantifiable Contingencies

In the normal course of operation, AMSA is responsible for the provision of funds necessary to meet the clean up costs arising from ship sourced marine pollution, and in all circumstances is responsible for making appropriate efforts to recover costs of any such incidents.

In accordance with the accounting policy on pollution incident costs, where quantifying a reasonable estimate of the cost to remediate ship sourced marine pollution has not been possible, no amount has been included.

Significant Remote Contingencies

AMSA had no significant remote contingencies.

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

Notes to and forming part of the financial statements

Note 11: Senior Management Personnel Remuneration

	2016	2015
	\$	\$
Short-term employee benefits		
Salary	3,104,514	3,098,119
Car parking - inclusive of FBT	45,723	44,818
Other expenses - inclusive of FBT where applicable	71,838	74,120
Total short-term employee benefits	<u>3,222,075</u>	<u>3,217,057</u>
Post-employment benefits		
Superannuation	477,473	457,059
Total post-employment benefits	<u>477,473</u>	<u>457,059</u>
Other long-term employee benefits		
Annual leave accrued	259,041	214,720
Long-service leave	140,791	113,534
Total other long-term employee benefits	<u>399,832</u>	<u>328,254</u>
Termination benefits	<u>232,348</u>	-
Total senior executive remuneration expenses	<u>4,331,728</u>	<u>4,002,370</u>

Notes:

- The total number of senior management personnel that is included in the above table is 17 (2015:19). The figures vary between financial years due to individuals commencing with or leaving AMSA during the financial year.
- The figures above do not include two directors as they do not receive payments from AMSA.
- This note was prepared on an accrual basis.
- Directors are also included in this note and in the comparatives.

Note 12: Related Party Disclosures

No loans, grants or other transactions have been made to any related parties.

Note 13: Remuneration of Auditors

	2016	2015
	\$'000	\$'000
Financial statement audit services were provided to AMSA by the Australian National Audit Office (ANAO)	98	95
Total	<u>98</u>	<u>95</u>

No other services were provided by the ANAO.

Notes to and forming part of the financial statements

Note 14: Financial Instruments

	Notes	2016 \$'000	2015 \$'000
Note 14A: Categories of Financial Instruments			
Financial assets			
Receivables			
Cash and cash equivalents	4A	71,032	54,909
Receivables for goods and services	4B	1,324	549
Other receivables	4B	5,656	1,394
Other investments	4C	-	15,000
Total receivables		78,012	71,852
Total financial assets		78,012	71,852
Financial liabilities			
Financial liabilities measured at amortised cost			
Finance leases	7	841	81
Trade creditors	6A	23,000	24,795
Total financial liabilities measured at amortised cost		23,841	24,876
Total financial liabilities		23,841	24,876
Note 14B: Net Gains or Losses on Financial Assets			
Receivables			
Exchange gains	2G	1	2
Interest revenue	2C	2,089	2,092
Net gain on receivables		2,090	2,094
Net gain on financial assets		2,090	2,094

The net income from financial assets not at fair value through profit and loss was \$2,089,920 (2015: \$2,094,221).

Note 14C: Net Gains or Losses on Financial Liabilities

Financial liabilities measured at amortised cost			
Interest expense	1D	57	16
Net loss on financial liabilities measured at amortised cost		57	16
Net loss on financial liabilities		57	16

The total interest expense from financial liabilities not at fair value through profit and loss was \$57,306 (2015: \$16,083).

Note 14D: Fair Value of Financial Instruments

	Carrying amount 2016 \$'000	Fair value 2016 \$'000	Carrying amount 2015 \$'000	Fair value 2015 \$'000
Financial assets				
Cash and cash equivalents	71,032	71,032	54,909	54,909
Receivables for goods and services	1,324	1,324	549	549
Other receivables	5,656	5,656	1,394	1,394
Other investments	-	-	15,000	15,000
Total	78,012	78,012	71,852	71,852
Financial liabilities				
Finance leases	841	841	81	81
Trade creditors	23,000	23,000	24,795	24,795
Total	23,841	23,841	24,876	24,876

Notes to and forming part of the financial statements

Note 14: Financial Instruments (Cont'd)

Accounting Policy

Financial Assets

AMSA classifies its financial assets in the following categories:

- held-to-maturity investments
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis.

Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that AMSA has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

Financial assets held at amortised cost - if there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or 'other financial liabilities'. Financial liabilities are recognised and derecognised upon 'trade date'.

Other Financial Liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Notes to and forming part of the financial statements

Note 14: Financial Instruments (Cont'd)

Note 14E: Credit Risk

AMSA is exposed to minimal credit risk as the majority of receivables are for appropriations or amounts owed by the Australian Tax Office in the form of a Goods and Services Tax refund.

The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade, other receivables and interest 2016: \$6,980,000 (2015: \$1,960,000). AMSA has assessed the risk of the default on payment and has allocated \$0 in 2016 (2015: \$16,727) to an impairment allowance account.

In addition, AMSA had policies and procedures that guided employees on debt recovery techniques that were to be applied. AMSA held no collateral to mitigate against credit risk.

The following table illustrates AMSA's gross exposure to credit risk, excluding any collateral or credit enhancements

	2016	2015
	\$'000	\$'000
Financial assets		
Cash and cash equivalents	71,032	54,909
Receivables for goods and services	1,324	549
Other receivables	5,656	1,394
Other investments	-	15,000
Total	78,012	71,852
Financial liabilities		
Finance leases	841	81
Trade creditors	23,000	24,795
Total	23,841	24,876

Credit quality of financial instruments not past due or individually determined as impaired

	Not past due nor impaired	Not past due nor impaired	Past due or impaired	Past due or impaired
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	71,032	54,909	-	-
Receivables for goods and services	828	(99)	496	648
Other receivables	5,656	1,394	-	-
Other investments	-	15,000	-	-
Total	77,516	71,204	496	648

Ageing of financial assets that were past due but not impaired for 2016

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables for goods and services	119	226	38	113	496
Total	119	226	38	113	496

Ageing of financial assets that were past due but not impaired for 2015

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables for goods and services	367	243	18	3	631
Total	367	243	18	3	631

Notes to and forming part of the financial statements

Note 14: Financial Instruments (Cont'd)**Note 14F: Liquidity Risk**

AMSA's financial liabilities are trade creditors and finance leases. The exposure to liquidity risk is based on the notion that AMSA will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to the entity and internal policies and procedures put in place to ensure that there are appropriate resources to meet its financial obligations.

Maturities for non-derivative financial liabilities 2016

	On demand \$'000	Within 1 year \$'000	1 to 5 years \$'000	> 5 years \$'000	Total \$'000
Finance lease liabilities	-	357	484	-	841
Trade creditors	-	23,000	-	-	23,000
Total	-	23,357	484	-	23,841

Maturities for non-derivative financial liabilities 2015

	On demand \$'000	Within 1 year \$'000	1 to 5 years \$'000	> 5 years \$'000	Total \$'000
Finance lease liabilities	-	81	-	-	81
Trade creditors	-	24,795	-	-	24,795
Total	-	24,876	-	-	24,876

AMSA has no derivative financial liabilities in either the current and prior years.

Note 14G: Market Risk**Foreign currency risk**

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. AMSA is exposed to foreign exchange currency risk primarily through undertaking certain transactions denominated in foreign currency.

AMSA is exposed to foreign currency denominated in Papua New Guinea (PNG)\$3,112 Kina (2015: \$3,112 Kina), Western Samoa Tala \$0 WST (2015: \$6,000 WST) and United States Dollar \$0 USD (2015: \$5,700 USD).

The effect on profit and equity as at the reporting date from a 10.5% (2015: 10.9%) favourable / unfavourable change in Australian dollars against foreign currency holdings with all other variables held constant is \$138.92 (2015: \$1,252.12).

The method used to arrive at the possible currency risk of 10.5% was based on both statistical and non-statistical analysis. The statistical analysis has been based on main currencies' movement for the last five years. This information is then revised and adjusted for reasonableness under the current economic circumstances.

Interest rate risk

To ensure sufficient liquidity to meet AMSA's working capital requirements, AMSA's short term investments are set with certain parameters, namely Standard & Poors rating of A-1+ and/or Moody's P-1 for authorised deposit-taking institutions (ADIs).

Notes to and forming part of the financial statements

Note 15: Financial Assets Reconciliation

	Notes	2016 \$'000	2015 \$'000
Note 15: Financial Assets			
Total financial assets as per Statement of financial position		84,838	79,203
Less: Non-financial instrument components			
Receivable from Department of Infrastructure and Regional Development	4B	2,809	3,238
Operating lease rentals - related entities	4B	32	-
GST receivable from the Australian Taxation Office	4B	3,985	4,113
Total non-financial instrument components		6,826	7,351
Total financial assets as per financial instruments note	14A	78,012	71,852

Note 16: Reporting of Outcomes

Note 16: Net Cost of Outcome Delivery

AMSA has only one outcome as disclosed in the Overview.

	Outcome 1		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Expenses	204,441	201,999	204,441	201,999
Own-source income	25,301	19,907	25,301	19,907
Net cost of outcome delivery	179,140	182,092	179,140	182,092

Net costs shown include intra-government costs that are eliminated in calculating the actual budget outcome.

Notes to and forming part of the financial statements

Note 17: Regulatory Charging Summary

	2016 \$'000	2015 \$'000
Amounts applied		
Payments from Department of Infrastructure and Regional Development	115,094	110,611
Own source revenue	<u>4,627</u>	<u>3,637</u>
Total amounts applied	<u>119,721</u>	<u>114,248</u>
Expenses		
Cost recovered activities*	<u>120,956</u>	<u>120,383</u>
Total expenses	<u>120,956</u>	<u>120,383</u>
Revenue		
Payments from Department of Infrastructure and Regional Development	114,663	111,931
Own source revenue	<u>4,616</u>	<u>3,658</u>
Total revenue	<u>119,279</u>	<u>115,589</u>
Receivables		
Not overdue	2,943	3,336
Overdue by:		
0 to 30 days	19	42
31 to 60 days	25	30
61 to 90 days	15	19
More than 90 days	<u>16</u>	<u>19</u>
Total receivables	<u>3,018</u>	<u>3,445</u>
Amounts written off		
Departmental	<u>1</u>	<u>-</u>
Total amounts written off	<u>1</u>	<u>-</u>

*** Cost recovered activities:**

1. Environmental protection - preventing and combating ship-sourced pollution in the marine environment.
2. Navigation infrastructure - provision of aids to navigation.
3. Ship and seafarer safety - safety regulation through the ship and cargo inspection program, developing and maintaining legislative instruments and operational standards, including international liaison.
4. Marine services, ship registration and issuing a range of seagoing qualifications.

Documentation (Cost recovery implementation Statement) for the above activities is available on the AMSA website.

Notes to and forming part of the financial statements

Note 18: Budgetary Reports and Explanations of Major Variances

The following tables provide a comparison of the original budget as presented in the 2015-16 Portfolio Budget Statements (PBS) to the 2015-16 final outcome as presented in accordance with Australian Accounting Standards for AMSA. The Budget is not audited.

Note 18A: Departmental Budgetary Reports

AUSTRALIAN MARITIME SAFETY AUTHORITY Statement of Comprehensive Income for the period ended 30 June 2016

	Actual	Budget estimate	
		Original ¹	Variance ²
	2016	2016	2016
	\$'000	\$'000	\$'000
NET COST OF SERVICES			
EXPENSES			
Employee benefits	63,797	58,249	5,548
Suppliers	125,317	132,671	(7,354)
Depreciation and amortisation	14,150	13,629	521
Finance costs	270	-	270
Write-down and impairment of assets	557	-	557
Losses from asset sales	350	-	350
Total expenses	204,441	204,549	(108)
LESS:			
OWN-SOURCE INCOME			
Own-Source Revenue			
Sale of goods and rendering of services	16,801	18,690	(1,889)
Fees and fines	42	-	42
Interest	2,089	1,600	489
Rental income	1,137	964	173
Other revenue	5,231	-	5,231
Total own-source revenue	25,300	21,254	4,046
Gains			
Foreign exchange	1	-	1
Total gains	1	-	1
Total own-source income	25,301	21,254	4,047
Net cost of services	179,140	183,295	(4,155)
Revenue from Government	176,808	178,707	(1,899)
Surplus / (Deficit) attributable to the Australian Government	(2,332)	(4,588)	2,256
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation reserves	(1,009)	-	(1,009)
Total other comprehensive income / (loss)	(1,009)	-	(1,009)
Total comprehensive income / (loss) attributable to the Australian Government	(3,341)	(4,588)	1,247

1. AMSA's original budgeted financial statement that was first presented to parliament in respect of the reporting period 2015-16 Portfolio Budget Statements (PBS).

2. Explanations of major variances are provided further below between the actual and original budgeted amounts for 2016.

Notes to and forming part of the financial statements

Note 18: Budgetary Reports and Explanations of Major Variances (Cont'd)

AUSTRALIAN MARITIME SAFETY AUTHORITY
Statement of Financial Position
as at 30 June 2016

	Actual	Budget estimate	
	2016 \$'000	Original ¹ 2016 \$'000	Variance ² 2016 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	71,032	52,849	18,183
Trade and other receivables	13,806	9,297	4,509
Total financial assets	84,838	62,146	22,692
Non-Financial Assets			
Land and buildings	16,835	20,334	(3,499)
Property, plant and equipment	124,672	119,780	4,892
Intangibles	12,293	17,542	(5,249)
Inventories	4,417	5,869	(1,452)
Other non-financial assets	6,314	7,056	(742)
Total non-financial assets	164,531	170,581	(6,050)
Total Assets	249,369	232,727	16,642
LIABILITIES			
Payables			
Suppliers	32,585	36,900	(4,315)
Other payables	2,521	2,710	(189)
Total payables	35,106	39,610	(4,504)
Interest Bearing Liabilities			
Finance leases	841	-	841
Total interest bearing liabilities	841	-	841
Provisions			
Employee provisions	18,905	16,790	2,115
Other provisions	8,462	4,905	3,557
Total provisions	27,367	21,695	5,672
Total Liabilities	63,314	61,305	2,009
Net Assets	186,055	171,422	14,633
EQUITY			
Contributed equity	37,986	37,986	-
Reserves	115,156	102,763	12,393
Retained surplus	32,913	30,673	2,240
Total equity	186,055	171,422	14,633

1. AMSA's original budgeted financial statement that was first presented to parliament in respect of the reporting period 2015-16 Portfolio Budget Statements (PBS).
2. Explanations of major variances are provided further below between the actual and original budgeted amounts for 2016.

Notes to and forming part of the financial statements

Note 18: Budgetary Reports and Explanations of Major Variances (Cont'd)

AUSTRALIAN MARITIME SAFETY AUTHORITY
Statement of Changes in Equity
for the period ended 30 June 2016

	Retained earnings		Asset revaluation reserves		General reserve		Pollution reserve		Contributed equity/capital		Total equity	
	Actual	Budget estimate	Actual	Budget estimate	Actual	Budget estimate	Actual	Budget estimate	Actual	Budget estimate	Actual	Budget estimate
	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	35,396	35,261	135	104,130	91,101	13,028	1,500	1,500	37,988	37,988	189,395	176,010
Balance carried forward from previous period	35,396	35,261	135	104,130	91,101	13,028	1,500	1,500	37,988	37,988	189,395	176,010
Adjusted opening balance												
Comprehensive income												
Non financial asset revaluation increment / (decrement)	-	-	(1,173)	-	(1,173)	-	-	-	-	-	(1,173)	-
Provision for restoration assessment	(2,332)	(4,588)	164	-	164	-	-	-	-	-	164	164
Surplus / (Deficit) for the period	(2,332)	(4,588)	2,255	-	-	-	-	-	-	-	(2,332)	(4,588)
Total comprehensive income	(2,332)	(4,588)	2,255	(1,009)	-	(1,009)	-	-	-	-	(3,341)	(4,588)
Transfers between equity components	(151)	-	-	-	-	-	-	-	-	-	-	-
Increase to pollution reserve							151	-	151	-	-	-
Closing balance as at 30 June 2016	32,513	30,673	2,240	103,121	91,101	12,020	1,500	1,500	37,986	37,986	186,055	171,422
							379	379	37,986	37,986	186,055	171,422
												14,653

1. AMSA's original budgeted financial statement that was first presented to parliament in respect of the reporting period 2015-18 Portfolio Budget Statements (PBS).

2. Explanations of major variances are provided further below between the actual and original budgeted amounts for 2016.

Notes to and forming part of the financial statements

Note 18: Budgetary Reports and Explanations of Major Variances (Cont'd)
AUSTRALIAN MARITIME SAFETY AUTHORITY
Cash Flow Statement
for the period ended 30 June 2016

	Actual 2016 \$'000	Budget estimate	
		Original ¹ 2016 \$'000	Variance ² 2016 \$'000
OPERATING ACTIVITIES			
Cash received			
Receipts from Government	176,966	179,453	(2,487)
Sale of goods and rendering of services	18,431	19,654	(1,223)
Interest	1,983	1,758	225
Net GST received	11,766	12,772	(1,006)
Other	1,717	(37)	1,754
Total cash received	210,863	213,600	(2,737)
Cash used			
Employees	63,064	57,036	6,028
Suppliers	135,420	145,322	(9,902)
Total cash used	198,484	202,358	(3,874)
Net cash from operating activities	12,379	11,242	1,137
INVESTING ACTIVITIES			
Cash received			
Investments	15,000	-	15,000
Total cash received	15,000	-	15,000
Cash used			
Purchase of property, plant and equipment	10,861	19,484	(8,623)
Total cash used	10,861	19,484	(8,623)
Net cash used by investing activities	4,139	(19,484)	23,623
FINANCING ACTIVITIES			
Cash used			
Repayment of borrowings	338	-	338
Finance lease interest	57	-	57
Total cash used	395	-	395
Net cash from financing activities	(395)	-	(395)
Net increase / (decrease) in cash held	16,123	(8,242)	24,365
Cash and cash equivalents at the beginning of the reporting period	54,909	61,091	(6,182)
Cash and cash equivalents at the end of the reporting period	71,032	52,849	18,183

1. AMSA's original budgeted financial statement that was first presented to parliament in respect of the reporting period 2015-16 Portfolio Budget Statements (PBS).

2. Explanations of major variances are provided further below between the actual and original budgeted amounts for 2015.

Notes to and forming part of the financial statements

Note 18: Budgetary Reports and Explanations of Major Variances (Cont'd)

Note 18B: Departmental Major Budget Variances for 2016

Explanations of major variances	Affected line items (and statement)
<p><u>Suppliers Paid</u> Supplier expenses decreased by \$7,354 million, payables decreased by \$4,504 million and the cash used for suppliers decreased by \$9,902 million. This is a result of budget reallocation of \$4,210 million from the supplier budget to staff costs relating to the National System together with an underspend of \$3,154 million for travel, communication and overhead costs. This is a result of delayed projects, reduced costs for demand driven activities and saving initiatives.</p>	Supplier expenses (Statement of Comprehensive Income), Supplier payable (Statement of Financial Position and Operating cash used - suppliers (Cash flow Statement)
<p><u>Losses from asset sales and inventory impairment</u> Losses from write down of pollution dispersant inventory of \$0.557 million which has reached its useful life. Losses from asset sales of \$0,350 million relates to write off of aids to navigation assets due to cyclone damage.</p>	Losses asset sales and impairment write down (Statement of Comprehensive Income).
<p><u>Employees</u> Employee expenses increased by \$5,548 million, cash used increased by \$6,028 million and provision increased by \$2,115 million. The contributing factors are realignment of \$4,210 million from the suppliers budget for the National System, restructuring costs, increase in staff numbers and impact on leave balances due to Department Finance parameter adjustments.</p>	Employee expenses (Statement of Comprehensive Income), Employee provision (Statement of Financial Position and Operating cash used - employees (Cash flow Statement).
<p><u>Depreciation</u> Increased from the reassessment of the useful life for two assets affected by the planned upgrade of the National System technology solution.</p>	Losses asset sales and Impairment write down (Statement of Comprehensive Income).
<p><u>Revenue from Government</u> A decrease of \$1,899 million is due to a reduction in levy revenue from less than expected shipping activity offset by increase in other income from related agencies for external programs. In addition receipt of additional search and rescue community obligation funding to offset prior year shortfall provided additional revenue.</p>	Revenue from Government (Statement of Comprehensive Income) and cash received (Cash Flow Statement)
<p><u>Own source Income</u> An increase of \$4,047 million is mainly attributable to a pollution incident settlement.</p>	Own source Income (Statement of Comprehensive Income)
<p><u>Financial assets including cash balance</u> Increase of \$22,692 million is mainly attributable to capital and supplier cash spend less than budget.</p>	Financial assets (Statement of Financial Position) and Operating cash received and cash used - property, plant and equipment (Cash flow Statement)
<p><u>Non Financial assets</u> Non financial assets decreased by \$6,050 million mainly attributable to underspend in planned capital spend, increase in depreciation from reassessment of useful life and decrease in asset values from the revaluation of assets.</p>	Financial assets (Statement of Financial Position) and Operating cash received and cash used - property, plant and equipment (Cash flow Statement)
<p><u>Other Provisions</u> Other provisions increased by \$3,557 million mainly attributable to increases in the provision for the removal of hazardous materials.</p>	Financial assets (Statement of Financial Position) and Operating cash received and cash used - property, plant and equipment (Cash flow Statement)
<p><u>Equity change</u> The difference in the equity of \$14,633 million is attributable to closing equity balance as at 30 June 2015 being higher by \$13,386 million compared to estimated value in the original budget and a lesser loss than anticipated (\$2,256 million) offset by decrease from asset revaluation (\$1,009 million).</p>	Changes in asset revaluation (Operating Statement), Equity change (Equity Statement).

APPENDIX 2

NON-FINANCIAL PERFORMANCE

Reading the AMSA 2015-16 performance statement

The annual performance statement reports on the performance measures and major projects detailed in the AMSA 2015-19 Corporate Plan. Essentially, the annual performance statement is the 'bookend' to the corporate plan.

Performance is reported by strategic challenge (SC) and by functional area (i.e. ship safety) - as they appear in the corporate plan. Our performance results (less projects) are reported using the table format below.

PERFORMANCE CRITERION		RESULTS		ANALYSIS
Measure	Target	Annual (cumulative or average)	Status	Analysis

PERFORMANCE CRITERION

Details the measures, and the targets for the year.

RESULTS

Details our annual result for the measure. The results can be an average or cumulative total, depending on the nature of the measure.

For the performance tables, the status is a summary 'traffic light' of the overall result:

- Target met or exceeded
- Minor negative variance to target
- Major negative variance to target

For projects and programs, the 'traffic lights' indicate:

- On track
- Minor issues, but recoverable
- Major issues, management intervention required
- Complete

ANALYSIS

Provides any additional commentary on the result (if required). If there is more commentary on the result in the body the AMSA 2015-16 Annual Report, the page number is provided for cross-reference.

	METHOD	CRITERION SOURCE			
Annual Report (page)	Quantitative and/or Qualitative	Corporate Plan (page)	PBS (page)	RPF	RPF KPI

METHOD

Describes the method used to generate the result - quantitative count, and/or qualitative assessment, and where the information drawn from, i.e. (system data).

CRITERION SOURCE

Details:

- * the page number in the AMSA 2015-19 Corporate Plan where you can find the measure.
- * the page number in the 2014-15 Portfolio Budget Statement (Infrastructure and Regional Development) where you can find the measure.
- * whether the measure is one AMSA is using to respond to the Regulator Performance Framework (RPF)
- * and if yes to the RPF, which RPF key performance indicator (KPI) the measure relates to (1-6). The RPF KPIs are:
 - KPI 1: Regulators do not unnecessarily impede the efficient operations of regulated entities.
 - KPI 2: Communication with regulated entities is clear, targeted and efficient.
 - KPI 3: Actions undertaken by regulators are proportionate to the regulatory risk being managed.
 - KPI 4: Compliance and monitoring approaches are streamlined and coordinated.
 - KPI 5: Regulators are open and transparent in the dealings with regulated entities.
 - KPI 6: Regulators actively contribute to the continuous improvement of regulatory frameworks.

APPENDIX 2

NON-FINANCIAL PERFORMANCE

As the accountable authority of the Australian Maritime Safety Authority (AMSA), the Board presents AMSA's 2015-16 annual performance statement, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In the opinion of the Board, based on advice from AMSA management and the Board Audit Committee, the annual performance statement accurately reflects AMSA's performance and complies with subsection 39(2) of the PGPA Act.



Stuart Richey AM
20 September 2016

STRATEGIC CHALLENGE 1: ADDRESSING GROWTH AND COMPLEXITY IN OUR OPERATING ENVIRONMENT

SHIP AND VESSEL SAFETY

PERFORMANCE CRITERION		RESULTS		ANALYSIS	
Measure	Target	Annual (cumulative or average)	Status	Analysis	
1	The inspection rate of risk assessed eligible foreign-flagged ships under the port State control (PSC) program meets the following targets:				
	priority one ships	80%	97%	●	Target exceeded
	priority two ships	60%	88%	●	Target exceeded
	priority three ships	40%	74%	●	Target exceeded
	priority four ships	20%	52%	●	Target exceeded
2	The annual number of port and flag State control (FSC) ship inspections meets the following targets:				
	all inspections	7900	9501	●	Target exceeded
	PSC inspections	3000	3817	●	Target exceeded
	FSC inspections	60	86	●	Target exceeded
3	The marine aids to navigation network's availability complies with the targets set out in the International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA) guidelines	100%	99.97%	●	<p>The various categories of AtoN met or exceeded targets during 2015-16 with the following exceptions (<i>note: performance is calculated on a three-year rolling average</i>):</p> <ul style="list-style-type: none"> Automatic Identification System (AIS) was slightly under target due to the impact of outages in February 2015 from Tropical Cyclone Marcia, and an extended outage of the satellite communications link at Swain Reefs. Differential Global Positioning System (DGPS) was marginally below target due to stations being turned off ahead of approaching tropical cyclones Marcia and Olwyn in early 2015 and a significant equipment failure at Crib Point (VIC) in June 2016.

We measure our performance against the strategies, objectives and deliverables set out in the Portfolio Budget Statements 2015-16 (PBS) and Corporate Plan 2015-2019 (CP). These can also be found on our Plan on a Page (page vi). These documents are available on our website (amsa.gov.au).

This appendix details our performance targets, and results against those targets, separated by strategic challenge.

	Annual Report (page)	METHOD Quantitative and/or Qualitative	CRITERION SOURCE			
			Corporate Plan (page)	PBS (page)	RPF	RPF KPI
	33					
		Quantitative (system data)	14	95	Yes	3,4
		Quantitative (system data)	14	95	Yes	3,5
		Quantitative (system data)	14	95	Yes	3,6
		Quantitative (system data)	14	95	Yes	3,7
	33	Quantitative (system data)	14	95	Yes	1
	33	Quantitative (system data)	14	95	Yes	1
		Quantitative (system data)	14	95	Yes	1
		Quantitative (system data)	14	95	No	N/A

LEGEND

- Target met or exceeded
- Minor negative variance to target
- Major negative variance to target

Continued next page

STRATEGIC CHALLENGE 1:
ADDRESSING GROWTH AND COMPLEXITY IN OUR OPERATING ENVIRONMENT

SHIP AND VESSEL SAFETY (Cont.)

PERFORMANCE CRITERION		RESULTS			ANALYSIS
Measure	Target	Annual (cumulative or average)	Status	Analysis	
4	Regulatory measures introduced internationally are given effect in Marine Orders within specified timeframes	100%	100%	●	<p>During the year external stakeholder consultation was undertaken for several Marine Orders including:</p> <ul style="list-style-type: none"> • <i>MO28 (Operations standards and procedures) 2015</i>. Two submissions were received. The Marine Order commenced on 1 January 2016. • <i>MO58 (Safe management of vessels) 2015</i> and consequential amendment to <i>MO31 (Vessel surveys and certification) 2015</i>. Four submissions were received. The Marine Order commenced on 1 January 2016. • <i>MO63 (Vessel reporting systems) 2015</i>. Three submissions were received. The Marine Order commenced on 1 January 2016. • <i>MO74 (Masters and deck officers – yachts) 2015</i>. One submission was received. The Marine Order commenced on 1 January 2016. • <i>MO52 (Yachts and training vessels) 2015</i>. Four submissions were received. The Marine Order commenced on 1 March 2016. • <i>MO42 (Carriage, stowage and securing of cargoes and containers) 2016</i>. Ten submissions were received. The Marine Order commenced on 1 July 2016. • <i>MO75 (Seafarer certification amendment) 2016</i>. Two submissions were received. The Order made amendments to Marine Orders 70, 71 and 73 on 10 June 2016. • <i>MO21 (Safety and emergency arrangements) 2016</i>. Two submissions were received. The Marine Order commenced on 1 July 2016. • <i>MO27 (Safety of navigation and radio equipment) 2016</i>. No submissions were received during the formal consultation period. Additional consultation with specific stakeholders undertaken following concerns raised. Ten submissions were received. The Marine Order commenced on 1 July 2016. • <i>MO25 (Equipment – lifesaving) 2015</i> -consequential amendments related to Marine Order 21. The amendment commenced on 1 July 2016.

	Annual Report (page)	METHOD	CRITERION SOURCE			
		Quantitative and/or Qualitative	Corporate Plan (page)	PBS (page)	RPF	RPF KPI
		Quantitative (system data)	14	95	Yes	2

LEGEND

- Target met or exceeded
- Minor negative variance to target
- Major negative variance to target

STRATEGIC CHALLENGE 1:
ADDRESSING GROWTH AND COMPLEXITY IN OUR OPERATING ENVIRONMENT

SHIP AND VESSEL SAFETY (cont.)

PERFORMANCE CRITERION		RESULTS		ANALYSIS	
Measure	Target	Annual (cumulative or average)	Status	Analysis	
5	Improvement in the standard of foreign-flagged ships and Australian-flagged ships (under the Navigation Act 2012) operating in Australian waters is demonstrated through the:				
	average number of deficiencies per inspection compared to a rolling 10-year average	< 3.25	2.30	●	
	average number of Maritime Labour Convention (MLC) deficiencies per inspection compared to a rolling 10-year average	< 0.5	0.31	●	There is not yet a 10 year rolling average - the MLC has only been in force a little over two years.
	onshore complaints made under Article 22 of the Maritime Labour Convention investigated within specified timeframes	100%	98%	●	<p>Quarter one: 38 reported complaints investigated in accordance with guidelines.</p> <p>Quarter two: 31 complaints were received. One complaint was unable to be investigated due to the vessel's departure. An alert was placed in our Shipsys database to follow up when the vessel returned to Australia.</p> <p>Quarter three: 34 complaints were received. All were investigated in accordance with the MLC.</p> <p>Quarter four: There were 29 complaints, but only 27 of these could be investigated before the ships in question sailed. Alerts have been raised against these ships to ensure that the complaints are followed up on their next visit to Australia.</p>
	percentage of ships detained as a proportion of all PSC inspections	< 7.5%	6.5%	●	
	proportion of serious incidents to total port arrivals	< 0.5	0.008	●	Very low level of severity 1 or 2 incidents outside of death by natural causes.
	the age of ships coming to Australia relative to the age of ships in the worldwide fleet	< 9.0	8.40	●	The end of the boom in new buildings of ships is leading to an increase in average age.
	extent to which inspections of high risk ships are within targeted timeframes	100%	100%	●	87.3% of inspections of priority 1 ships were conducted within 2 port arrivals of them becoming eligible for inspection.

	Annual Report (page)	METHOD	CRITERION SOURCE			
		Quantitative and/or Qualitative	Corporate Plan (page)	PBS (page)	RPF	RPF KPI
	33	Quantitative	14	95	No	N/A
		Quantitative	14	95	No	N/A
		Quantitative (system data)	14	95	No	N/A
	33	Quantitative (system data)	14	95	Yes	1
		Quantitative (system data)	14	95	No	N/A
		Quantitative (system data)	14	95	No	N/A
		Quantitative (system data)	14	95	Yes	3

LEGEND

- Target met or exceeded
- Minor negative variance to target
- Major negative variance to target

STRATEGIC CHALLENGE 1:
ADDRESSING GROWTH AND COMPLEXITY IN OUR OPERATING ENVIRONMENT

ENVIRONMENT PROTECTION

PERFORMANCE CRITERION		RESULTS			ANALYSIS
Measure	Target	Annual (cumulative or average)	Status	Analysis	
1	Maritime environmental response capability is available to respond to a pollution incident	100%	100%	●	The emergency towage vessel (ETV) <i>Coral Knight</i> encountered mechanical issues in March (Quarter Three). The vessel was able to provide pollution response capability (deployment of the first strike boom, skimmer, and dispersant spray system) at all times. Limited emergency towage capability was available while the mechanical issues were resolved.
2	There is a reduction over time in the ratio of reports to AMSA under the Protection of the Sea <i>(Prevention of Pollution) of serious pollution incidents compared to the total number of ship port visits to Australia. Target is significant pollution incidents <0.7 per cent.</i>	<0.7 %	0.0%	●	No significant incidents were reported.
3	All regulatory measures introduced internationally or domestically are given effect within specified timeframes	100%	100%	●	All regulatory measures for the Protection of the Sea legislation have been implemented within specified timeframes.


	Annual Report (page)	METHOD	CRITERION SOURCE			
		Quantitative and/or Qualitative	Corporate Plan (page)	PBS (page)	RPF	RPF KPI
		Quantitative (system data) and Qualitative (management review)	15	96	No	N/A
		Quantitative (system data)	15	99	No	N/A
		Qualitative (management review)	15	99	Yes	2

LEGEND

- Target met or exceeded
- Minor negative variance to target
- Major negative variance to target

STRATEGIC CHALLENGE 1:
ADDRESSING GROWTH AND COMPLEXITY IN OUR OPERATING ENVIRONMENT

REGULATORY

PERFORMANCE CRITERION		RESULTS			ANALYSIS
Measure	Target	Annual (cumulative or average)	Status	Analysis	
1	Biannual stakeholder engagement survey	100%	N/A	N/A	<i>N/A: the biannual stakeholder engagement survey is due to take place in quarter one of the 2016-17 financial year.</i>
2	Customer Satisfaction				
	AMSA Connect Customer Service (includes National System)	90%	90.50%		Customer satisfaction scores have consistently rated at 90%+ where standard industry benchmarks are in the range 70 – 75%.

	Annual Report (page)	METHOD	CRITERION SOURCE			
		Quantitative and/or Qualitative	Corporate Plan (page)	PBS (page)	RPF	RPF KPI
		Quantitative (system data) and Qualitative (feedback narrative)	15	N/A	Yes	1, 2, 3, 4, 5, 6
	60	Quantitative (system data)	15	N/A	Yes	1, 2, 3, 4, 5, 6

LEGEND

- Target met or exceeded
- Minor negative variance to target
- Major negative variance to target

STRATEGIC CHALLENGE 1:
ADDRESSING GROWTH AND COMPLEXITY IN OUR OPERATING ENVIRONMENT

SEARCH AND RESCUE (SAR)

PERFORMANCE CRITERION		RESULTS			ANALYSIS
Measure	Target	Annual (cumulative or average)	Status	Analysis	
1	Maximise percentage of saved lives as a proportion of lives at risk (a person is defined as being at risk if the person has a chance of surviving the initial maritime or aviation incident)	100%	98.60%	●	<p>We rescued a total of 207 lives in 2015-16. Our intention is to save all lives at risk during distress incidents. In practice, the circumstances surrounding individual incidents affect the possibility of success of the search and rescue (SAR) response - and as a result achieving 100% is not expected.</p> <p>Circumstances such as a severe medical conditions requiring specialist/specific medical treatment which cannot be provided by a SAR response or a person overboard in the offshore environment, in poor weather conditions without safety equipment or locating device that is not immediately recovered by the vessel thus making the chance of survival negligible.</p>
2	Provision of capacity to conduct search and rescue operations				
	incidents (annual)	8500	7370	●	We conducted 7372 incidents in FY 2015-16, which is within the capacity provisioned.
	searches (annual)	740	436	●	We conducted 436 searches in 2015-16, which is within the capacity provisioned.
3	Availability of distress and safety communications services	100%	99.98%	●	Minor technical outages had a negligible impact on availability.
4	Median time (minutes) for the Joint Rescue Coordination Centre (JRCC) to initiate a response	30	27	●	The median time of 27 minutes for JRCC to coordinate an initial response is within the target for the year.
5	For incidents that AMSA has SAR coordination responsibility, the median time (minutes) for an asset to be on-scene is:				
	day	150	90	●	The median time for an AMSA-coordinated rescue where the first asset was on scene in 90 minutes between 7am - 7pm AEST is within the target for the year.
	night	180	109	●	The median time for an AMSA coordinated rescue where the first asset was on scene in 109 minutes between 7pm - 7am AEST is within the target for the year.

	Annual Report (page)	METHOD	CRITERION SOURCE			
		Quantitative and/or Qualitative	Corporate Plan (page)	PBS (page)	RPF	RPF KPI
	40	Quantitative (system data)	15	99	No	N/A
	40	Quantitative (system data)	15	98	No	N/A
	40	Quantitative (system data)	15	98	No	N/A
		Quantitative (system data)	15	98	No	N/A
		Quantitative (system data)	15	98	No	N/A
		Quantitative (system data)	14	98	No	N/A
		Quantitative (system data)	14	98	No	N/A

LEGEND

- Target met or exceeded
- Minor negative variance to target
- Major negative variance to target

STRATEGIC CHALLENGE 1:
ADDRESSING GROWTH AND COMPLEXITY IN OUR OPERATING ENVIRONMENT

PROJECTS

Project Name	Description	Status
NAVIS Vessel Registration, Survey and Inspection System	Implement a replacement system for ship registration, ship risk profiling, and recording of inspection, safety compliance and incident records	●
Establishing IMO-adopted ships' routing measures in the South-West Coral Sea	Creation of new and enhanced routing measures around Australia	●
Medium-altitude Earth Orbit Search and Rescue (MEOSAR) Satellite capability for Australia and New Zealand	In collaboration with New Zealand, deliver the MEOSAR satellite capability which will secure and enhance AMSA's ability to detect distress beacons into the future	●






	Summary
	The Vessel Registration System is in production and the remaining deliverables of the inspection module have been incorporated into and are being delivered by the National System Transition Program.
	In 2015 the International Maritime Organization (IMO) adopted two new two-way routes and an associated Area to be Avoided (ATBA) in the Coral Sea. These measures came into effect on 1 January 2016. The routing systems serve as protective measures for the Great Barrier Reef and the Torres Strait Particularly Sensitive Sea Area in the Coral Sea. The ships' routing systems are recommended for use by all ships.
	Medium-altitude Earth Orbit Search and Rescue (MEOSAR) satellite tracking ground stations are built. The communication network from the Australian MEOSAR satellite ground station was completed in June 2016 and will be ready for operation in Australia by early 2017.

LEGEND

- On track
- Minor issues, but recoverable
- Major issues, management intervention required
- Complete

STRATEGIC CHALLENGE 2:
PREPARING FOR THE FUTURE

PROJECTS

Project Name	Description	Status
National Service Delivery and Funding Program (now known as National System Transition Program)	Implement a range of changes to deliver benefits to industry, including reduced administration burden and costs, without reducing safety outcomes	
Deregulation Agenda Program	Identify ways to reduce the regulatory burden to industry and the community	
National Maritime Safety and Environment Plan	Develop and implement a comprehensive and cohesive plan for preventative and response measures for shipping around Australia's coast, including new and enhanced routeing measures where appropriate	
Integrated Operations (now known as Joint Operations)	Integrated Operations (now known as Joint Operations)	
Australian Vessel Monitoring and Advisory Service (AVMAS) Program	Integrate existing data and new tracking and monitoring capability to reduce the risk of shipping incidents around the Australian coast	

	Summary
	<p>2016 has seen the development of the National System Target Operating Model, and a supporting Service Delivery and Resourcing Plan. Individual transition and communication plans have been developed in consultation with each jurisdiction, and are being implemented to support transition of services to the Commonwealth. A risk analysis framework has also been developed to underpin compliance, and to provide assurance in relation to automation of targeted certification services. Delays have been experienced due to pending policy decisions and finalisation of IT requirements, both of which should be resolved when contracted vendors are on board.</p>
	<p>We completed regulatory changes that will result in total estimated annual regulatory savings of \$346,770. Additional regulatory change proposals have been identified, some of which are being progressed, that are expected to result in further reduction of regulatory burden on industry and the community.</p>
	<p>The draft plan, which is currently under internal review, profiles and forecasts shipping activity around Australia's coastline over the next 10 years, including ongoing and emerging challenges and proposed policy responses. The AMSA Advisory Committee and other Australian Government agencies will be given an opportunity to review the draft plan prior to submission to the office of the Minister for Infrastructure and Transport before the end of 2016.</p>
	<p>We provide operational response services in the areas of: search and rescue, medical evacuation, marine pollution, and ship safety. Joint Operations is an initiative aimed at identifying efficiencies in the use of our operational response resources, including centralised coordination of 24/7 response operations.</p> <p>Over the last year we have been scoping possible inclusions and identifying potential business benefits. This work has already led to the establishment of a more proactive approach to monitoring and mitigation of risks, and improved operational readiness. Joint Operations will be a central pillar in ensuring a robust response capability for the Australian community.</p>
	<p>This program is focused on the development of an Auto Alerts decision support capability focused on monitoring and compliance. Application has been identified in the area of levy management through an Australian ports vessel arrival alert system that will draw data from the Automatic Identification System to alert us, and other approved entities, of vessel arrivals. In addition, a Drift Detection system is currently being trialled and if successful will facilitate early warning of vessels that may be drifting in areas of concern.</p> <p>Phase One of the Vessel Traffic Service (VTS) Exchange project is evaluating the viability of information exchange between us and port authorities relating to vessel deficiencies and vessels that have been detained, to promote efficiencies and safety within port environments. An integrated information capability was released in March 2016 which draws data from a range of internal and external sources, including the Bureau of Meteorology, to provide a more comprehensive graphical display to better support monitoring and response.</p> <p>Feedback from initial users and key stakeholders will be used to further develop these systems, refine functionality and expand the range of information available.</p>

LEGEND

- On track
- Minor issues, but recoverable
- Major issues, management intervention required
- Complete

STRATEGIC CHALLENGE 3:
ENSURING A COMPETENT AND FAIRLY TREATED MARITIME WORKFORCE

REGULATORY

PERFORMANCE CRITERION		RESULTS			ANALYSIS
Measure	Target	Annual (cumulative or average)	Status	Analysis	
1	Average number of Maritime Labour Convention (MLC) deficiencies per inspection compared to a rolling 10-year average	≤0.5	0.3	●	There is not yet a 10 year rolling average - the MLC has only been in force a little over two years.
2	Onshore complaints made under Article 22 of the Maritime Labour Convention investigated within specified timeframes	100%	98%	●	<p>Quarter One: 38 reported complaints were investigated in accordance with guidelines.</p> <p>Quarter Two: 31 complaints were received. One complaint was unable to be investigated due to the vessel's departure. An alert was placed in our Shipsys database to follow up when the vessel returned to Australia.</p> <p>Quarter Three: 34 complaints were received, and all were investigated in accordance with the MLC</p> <p>Quarter Four: There were 29 complaints, but only 27 of these could be investigated before the ships in question sailed. Alerts have been raised against these ships to ensure that the complaints are followed up on their next visit to Australia.</p>
3	Achievement of the objectives detailed in the Australian Seafarer's Welfare Council (ASWC) Strategic Plan for which AMSA is responsible	100%	100%	●	<p>Objectives of the ASWC are being achieved. AMSA strengthened international networks with participation at the second meeting of the Special Tripartite Committee of the MLC.</p> <p>Ongoing support was provided to the Brisbane & Gladstone Port Welfare Committees (PWC) and to a group interested in forming a PWC in Newcastle.</p> <p>Seafarer welfare issues were promoted to a domestic and international audience at Ergoship 2016, and the Ergoship organising committee delivered \$500.00 donations to four seafarer welfare organisations in Victoria in support of the services they provide to seafarers.</p>



	Annual Report (page)	METHOD	CRITERION SOURCE			
		Quantitative and/or Qualitative	Corporate Plan (page)	PBS (page)	RPF	RPF KPI
		Quantitative (system data)	21	97	No	N/A
		Quantitative (system data)	21	97	No	N/A
		Qualitative (management review)	21	N/A	No	N/A

LEGEND

- Target met or exceeded
- Minor negative variance to target
- Major negative variance to target

STRATEGIC CHALLENGE 3:
ENSURING A COMPETENT AND FAIRLY TREATED MARITIME WORKFORCE

PROJECTS

Project Name	Description	Status
Certification & Pilotage System (CPS 2) Project	The project aims to make the way we issue certificates more effective and efficient, ultimately improving service delivery to seafarers.	
Torres Strait Maritime Pathways Project (TSMPP)	Delivered in partnership with Torres Strait Regional Authority and Maritime Safety Queensland, the project aims to provide Aboriginal and Torres Strait Islanders with maritime and maritime-related vocational career pathways. These pathways are designed to lead into careers through diverse and higher level qualifications, and literal pathways into maritime employment within or beyond the Torres Strait.	

	Summary
	CPS 2 went into production in August 2015, and has realised efficiencies in processing of seafarers' certificates. A decision was taken late in 2015-16 to expand the application to include the issue of near-coastal seafarers' certificates under the National System initiative. This phase of work is due to be completed in 2016-17.
	Since 2013 95% of 210 TSMPP participants completed maritime training and achieved nationally-accredited qualifications, and 85% of that group are now in maritime-related employment. As of June 2016, a number of TSMPP participant organisations are employing at least two Indigenous staff members in local communities. The project also delivered a number of safety initiatives to improve and promote maritime safety in the region.

LEGEND

- On track
- Minor issues, but recoverable
- Major issues, management intervention required
- Complete

STRATEGIC CHALLENGE 4: INFLUENCING INTERNATIONAL ARRANGEMENTS

INTERNATIONAL

PERFORMANCE CRITERION		RESULTS			ANALYSIS
Measure	Target	Annual (cumulative or average)	Status	Analysis	
1	Maintain Australia's position on the International Maritime Organization (IMO) Council (election every two years)	Position maintained	Yes	●	<p>Australia was successful in gaining re-election to the IMO Council in Category C during the 29th session of IMO Assembly. The Council Elections took place on 27 November 2015 by secret ballot of more than 150 IMO Member States. Australia received the most number of votes ever, gaining 132 votes of support and achieving fourth place out of 23 countries who had nominated in the same category.</p> <p>Australia's re-election to Council ensures that our interests will continue to be represented at the highest levels of international maritime policy making. Australia is one of the few countries to have been represented on the IMO Council for more than 45 years.</p>
2	Maintain Australia's position on the International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA) Council (every four years)	Position maintained	Yes	●	<p>Australia remains on the IALA Council. Elections will be undertaken in 2018.</p>

	Annual Report (page)	METHOD Quantitative and/or Qualitative	CRITERION SOURCE			
			Corporate Plan (page)	PBS (page)	RPF	RPF KPI
	63	Quantitative (IMO Council election outcomes)	29	N/A	No	N/A
	64	Quantitative (IALA Council election outcomes)	29	N/A	No	N/A

LEGEND

- Target met or exceeded
- Minor negative variance to target
- Major negative variance to target

STRATEGIC CHALLENGE 5: ENGAGING WITH THE COMMUNITY

ENGAGING

PERFORMANCE CRITERION		RESULTS			ANALYSIS
Measure	Target	Annual (cumulative or average)	Status	Analysis	
1	Undertake biannual stakeholder engagement survey	Survey completed	N/A	N/A	N/A: the biannual stakeholder engagement survey is due to take place in quarter one of the 2016-17 financial year.
2	Customer Satisfaction				
	Domestic vessel e-news read rate	30%	39%	●	AMSA now has the ability to track the read-rate of our Domestic Commercial Vessel e-news: April – 35% May – 36% June – 36% <i>(Note: target revised from 50% to 30% in quarter two to reflect government e-read benchmark - average government e-news read-rate is 22%)</i>
	Domestic vessel safety management system industry workshops	75%	90%	●	From 168 attendees, over 80% rated the workshops as good or excellent. Satisfaction rates improved during the year from 83% to over 90% in the last quarter. <i>(Note: no results collected in quarter two)</i>
	AMSA Connect Customer Service satisfaction	90%	90.5%	●	<i>Customer satisfaction scores have consistently rated at 90%+ where standard industry benchmarks are in the range 70 – 75%</i>

	Annual Report (page)	METHOD	PBS (page)	RPF	RPF KPI
		Quantitative and/or Qualitative			
		Quantitative (system data) and Qualitative (feedback narrative)	N/A	Yes	1, 2, 3, 4, 5, 6
	61	Quantitative (system data)	N/A	Yes	1, 2, 3, 4, 5, 6
	60	Quantitative and Qualitative (evaluation feedback forms)	N/A	Yes	1, 2, 3, 4, 5, 6
	60	Quantitative and Qualitative (evaluation feedback system data and comments)	N/A	Yes	1, 2, 3, 4, 5, 6

LEGEND

- Target met or exceeded
- Minor negative variance to target
- Major negative variance to target

STRATEGIC CHALLENGE 5: ENGAGING WITH THE COMMUNITY

PROJECTS

Project Name	Description	Status
Beacons Online II upgrade project	Improve the online emergency beacon registration process to encourage web-based self-registration and deliver efficiencies.	●
AMSA Contact Centre Improvement Program	Establish a consolidated AMSA contact centre to improve the overall customer/stakeholder interaction experience and to deliver efficiencies.	●

	Summary
	<p>The Beacons Online II project was fully implemented on 15 September 2015 and was delivered on time and on budget. New technologies to support independent web delivery i.e. smart phones, PCs, a range of browsers, SMS etc., has improved system usability, functionality and integration with the beacons and Australian Maritime Mobile Safety Identity information pages. The improvements have met or exceeded expectations:</p> <ul style="list-style-type: none"> • online registration has increased from 62% to 78% • phone calls per beacon have dropped by 36% • emails per beacon have dropped by 69% • project costs will be recovered in two and half years <p>This is a significant step in the Digital Transition goal to deliver better service and improved safety outcomes through online services.</p>
	<p>AMSA Connect, the consolidated contact centre, has been successfully established with all enquiries in relation to the National System, seafarer qualifications, beacons and general customer enquiries being handled by a team of multi-skilled customer service staff. With a solid foundation and fully scalable team, the AMSA Contact Centre is now well placed to support any increased demands associated with delivery of the National System Transition Program.</p>

LEGEND

- On track
- Minor issues, but recoverable
- Major issues, management intervention required
- Complete

STRATEGIC CHALLENGE 6: ENSURING A PROGRESSIVE AND VIBRANT ORGANISATION

ORGANISATION

PERFORMANCE CRITERION		RESULTS			ANALYSIS
Measure	Target	Annual (cumulative or average)	Status	Analysis	
1	Unqualified financial statements	100%	100%	●	In September 2015 we received unqualified financial statements for the 2014-15 financial year.
2	Maintain financial viability	100%	100%	●	We are operating within our approved operating budget. We have sufficient cash reserves to meet our commitments as and when they fall due.
3	Compliance with statutory, financial and business requirements maintained	100%	100%	●	Well maintained. High level of compliance, verified by systems of control.
4	Maintain certification to ISO9001, ISO14001 and AS/NZS4801	100%	100%	●	Certification maintained, no major-non conformances.
5	Maintain accreditation as a Registered Training Organisation (RTO)	100%	100%	●	The RTO continues to maintain its registration.
6	Staff turnover rate shows a declining trend to previous years and is less than that of comparable public sector agencies	10-15%	14%	●	Staff turnover is 14% as at 30 June 2016, and has been largely influenced by AMSA-initiated terminations. <i>Note that our turnover rate (resignations only) remains relatively low at 7% for the same period - less than the public sector average of 7.5%.</i>
7	Biennial staff engagement survey indicates strong staff satisfaction and engagement relative to public sector averages	100%	N/A	N/A	<i>The staff survey is not scheduled to occur until quarter two in the 2016-17 financial year.</i>


	Annual Report (page)	METHOD	CRITERION SOURCE			
		Quantitative and/or Qualitative	Corporate Plan (page)	PBS (page)	RPF	RPF KPI
		Quantitative (system data)	37	N/A	No	N/A
	12	Quantitative (system data)	37	N/A	No	N/A
	18	Qualitative (governance body oversight, external audit and management review)	37	N/A	No	N/A
	21	Qualitative (governance body oversight, external audit and management review)	37	N/A	No	N/A
		Qualitative (management review)	37	N/A	No	N/A
		Quantitative (system data) and Qualitative (management review)	37	N/A	No	N/A
		Quantitative (system data) and Qualitative (external body and management review)	37	N/A	No	N/A

LEGEND

- Target met or exceeded
- Minor negative variance to target
- Major negative variance to target





STRATEGIC CHALLENGE 6: ENSURING A VIBRANT AND PROGRESSIVE ORGANISATION

PROJECTS

Project Name	Description	Status
Digital Transformation Program (now known as Digital Transition Program)	Implement changes to our operational environment to harness the opportunities offered by digital business and deliver better services to stakeholders and improved safety outcomes	

	Summary
	<p>During 2015-16 a range of initiatives were successfully delivered as part of Phase One of the Digital Transition Program. This includes:</p> <ul style="list-style-type: none"> • technology upgrades • development of an e-learning module focused on promoting improvement of records management • conduct of a records and assets audit in preparation for transition to a digital process • archiving and/or destruction of business records • completion of governance, risk and compliance requirements • development of a framework to ensure data quality, support data sharing and minimise risk around maintenance of data • freedom of Information consideration • exemptions to NAA Digital Mandate • data Schema, Metadata and Taxonomy (Phase One) • records sentencing for 2015-2016 • records at Risk (Phase One) - development of a framework to ensure data quality, support data sharing and minimise risk around maintenance of data.

LEGEND

-  On track
-  Minor issues, but recoverable
-  Major issues, management intervention required
-  Complete

APPENDIX 3

AMSA BOARD MEMBERS



Mr Stuart Richey AM (Chair)

Tasmanian commercial fisherman Mr Stuart Richey AM was appointed Chair of the Australian Maritime Safety Authority (AMSA) Board on 21 November 2014 for a period of five years. Since July 2013, Mr Richey has been serving as a Member and since April 2014 as Deputy Chair on the Australian Maritime Safety Authority Board, bringing to the table his strong leadership style and his years of experience in marine policy and planning.

Between 1992 and 2001, Mr Richey served as foundation member and Deputy Chair on the Board of the Australian Fisheries Management Authority and from 2003 to 2012 was Deputy Chair of the Fisheries Research and Development Corporation.

As Managing Director of Richey Fishing Company and Richey Services, Mr Richey's business includes salmon, scallop, squid and marine charter operations.

Mr Richey was made a Member of the Order of Australia in 2005, for service to the commercial fishing industry, particularly the promotion of sustainable utilisation of Australian Government managed fisheries resources and the development of new national marine polices and safety legislation. Mr Richey is a Fellow of the Australian Institute of Company Directors.



Ms Jennifer Clark (Deputy Chair)

Ms Jennifer Clark was appointed Deputy Chair of the Australian Maritime Safety Authority (AMSA) Board on 10 February 2015 for a period of five years. Ms Clark was appointed to the AMSA Board on 8 May 2012 and was appointed Chair of the AMSA Board Audit Committee in February 2014.

Ms Clark is currently a Non-Executive Director on the Board of the Australian Payments Clearing Association Limited (APCA) and is a member of APCA's Audit Compliance and Risk Management Committee. She is Chair of the Audit and Risk Committees of the Australian Bureau of Statistics; the Australian Sports Anti-Doping Authority; the Australian Commission on Safety and Quality in Health Care; and Chair of the Department of Defence Capability Acquisition and Sustainment Risk Advisory Committee. Ms Clark is also an independent member of the Audit and Risk Committees for the Australian Taxation Office; the Attorney-General's Department; Austrade; the Department of Defence; and the Department of Finance.

Ms Clark has an extensive background in business, finance and governance through a career as a Non-Executive Director since 1991 and as an Investment Banker for over 20 years. Her banking experience included financing and providing advice to companies across a broad range of industries and for major infrastructure projects, and advisory roles to the Commonwealth Government. Ms Clark is a Fellow of the Australian Institute of Company Directors and has been a Board member of a number of companies and Commonwealth Government agencies over the past 21 years.



Mr Mick Kinley (Chief Executive Officer)

Mr Michael (Mick) Kinley became the Chief Executive Officer for the Australian Maritime Safety Authority (AMSA) on 27 August 2014. Mick was previously the Deputy Chief Executive Officer and held that position from October 2008.

Mick joined the Australian Maritime Safety Authority in Cairns, as a Marine Surveyor in 1994. Since that time he has gained experience across all of AMSA's business but most particularly maritime safety and casualty response.

Prior to joining AMSA, Mick had an extensive career with BHP having commenced as an engineer cadet with BHP Transport. He sailed with the BHP fleet before undertaking various shore-based roles including fleet safety instructor and project engineer.

Mick holds an Australian Chief Engineer Class 1 Certificate, a Bachelor of Applied Science, a Bachelor of Engineering and a Graduate Diploma in Legal Studies.



Dr Russell Reichelt

Dr Russell Reichelt is currently Chairman and Chief Executive of the Great Barrier Reef Marine Park Authority and a non-executive director of the Great Barrier Reef Foundation Limited. Dr Reichelt was appointed to the Australian Maritime Safety Authority (AMSA) Board from 7 August 2007 and reappointed for a period of three years from 30 July 2013.

Previously, Dr Reichelt has served as the Chief Executive Officer of the Australian Institute of Marine Science and as Chairman of Australia's Fisheries Research and Development Corporation and Seafood Services Australia Ltd. Other past roles include Chairman of the National Oceans Advisory Group, and Chief Executive of CRC Reef Research Centre Ltd and Reef and Rainforest Research Centre Ltd.

Dr Reichelt has a PhD in Marine Science (tropical ecology) from the University of Queensland, and is a Fellow of the Australian Academy of Technological Sciences and Engineering, the Institute of Marine Engineering Science and Technology (UK) and the Australian Institute of Company Directors.



Professor Sarah Derrington

Professor Sarah Derrington was appointed to the Australian Maritime Safety Authority (AMSA) Board on 8 May 2012 and was reappointed for a two year period on 17 June 2015. Professor Derrington is currently Dean of Law at the University of Queensland.

Professor Derrington commenced her legal career in litigation sections of Freehills in Canberra and then Minter Ellison in Brisbane before pursuing an academic career at the University of Queensland (UQ). Professor Derrington was Professor of Admiralty Law /Director Marine and Shipping Law Unit at the University of Queensland and has been a visiting Professor in maritime law at the University of Nottingham, The University of Nantes and the University of Aix-Marseilles and more recently was in full time practice as a Barrister-at-Law specialising in general commercial litigation, maritime, aviation and transport law, insurance law, bankruptcy and insolvency.

Professor Derrington is the Vice Chairman of the Australian Maritime and Transport Arbitration Commission; Chairman of Risk and Finance sub-committee Somerville House School Council; Director of the Australian Maritime College Board; and the Australian National Maritime Museum; Member of the Admiralty Rules Committee for the Commonwealth of Australia; Anglican Diocese of Brisbane Legal Committee and St Paul's Anglican School.

Professor Derrington has a Bachelor of Arts in French and German (UQ); Bachelor of Laws with Honours (UQ); Master of Laws (UQ) and Doctor of Philosophy (UQ) in the field of marine insurance law. Professor Derrington is a member of the Chartered Institute of Arbitrators; Member of the Australian Institute of Company Directors; Fellow of the Nautical Institute and Supporting Member of the London Maritime Arbitrators' Association.



Mr Michael Taylor AO FTSE

Mr Mike Taylor was appointed to the Australian Maritime Safety Authority (AMSA) Board on 10 September 2014 for a three year term. Mr Taylor is currently the Chair of Food Safety Victoria; and the Victorian Agricultural Advisory Council; Mr Taylor is a Director for Crawford Fund for International Agricultural Research; Principal of Foursight Associates and fellow of the Centre for Strategy and Governance.

Mr Taylor was formerly the Secretary to Australia's Department of Infrastructure, Transport and Regional Services – Australia (2004-09), and Secretary, Department of Agriculture, Fisheries & Forestry – Australia (2000-04). Prior to that, he was responsible for the leadership and management of three Departments for the Government of Victoria (1992-2000) (Agriculture, Energy and Minerals, and Natural Resources and Environment), and was Chairman of Murray Darling Basin Authority (2009-11).

Mr Taylor holds a Bachelor of Agricultural Science from the University of Melbourne and a Diploma of Agricultural Economics from the University of New England. Mr Taylor is a Fellow of the Academy of Technological Sciences and Engineering and the Institute of Public Administration of Australia.



Mr Gary Webb

Mr Gary Webb was appointed to the Australian Maritime Safety Authority (AMSA) Board on 17 June 2015 for a three year term. Mr Webb is currently Chairperson, Lifeline Hunter & Central Coast; Director, Hunter TAFE Foundation Limited and Non-Executive Director, Hunter Research Foundation. He is Principal of Gary Webb Ports, Maritime & Logistics and provided strategic advice to Morgan Stanley, representing the NSW Treasury, to maximise the value of the long-term lease of the Port of Newcastle for the NSW Government.

Mr Webb was formerly the Chief Executive Officer and Director of Newcastle Port Corporation (2004-2013) and worked in maritime operations for Newcastle Port Corporation since 1989. Mr Webb previously served as Chairman, Ports Australia; Chairman, Newcastle Seafarers Centre Limited and Director, Hunter Valley Coal Chain Coordinator Limited.

Mr Webb holds a Graduate Diploma in Business Administration (Executive); Graduate Diploma in Education (TAFE) and Bachelor of Surveying (Honours). Mr Webb is a Fellow of the Australian Institute of Company Directors. Mr Webb was awarded the City of Newcastle Australia Day Citizen of the Year in 2008 and the Inaugural Outstanding Service Award, NSW Board of Surveying and Spatial Information 2007.



Mr Peter Toohey

Mr Peter Toohey was appointed to the Australian Maritime Safety Authority (AMSA) Board on 17 June 2015 for a three year term. Mr Toohey is currently Chief Engineer, Brisbane Tugs with Svitzer Australia.

Mr Toohey is the Secretary for the Queensland branch of the Australian Institute of Marine and Power engineers. He has participated in eighteen salvages with United Salvage and Svitzer Salvage as Salvage engineer since 1991 until 2015. He began his career with Howard Smith Industries as an apprentice Fitter and Turner and Marine Engineer student in 1974 and became a seagoing marine engineer in 1978 working in all positions from 7th to Chief Engineer on tankers and bulk carriers with Howard Smith Shipping.

Mr Toohey is currently a Board member of the Australian Institute of Marine and Power Engineers Federal Executive and Queensland Council of Unions Executive.

Mr Toohey holds the AMSA Certificate of Competency, Engineer Class 1 (Motor), Marine Engineering Higher certificate from Sydney Technical College and Craftsman's certificate Fitter and Turner.



Mr Shane Carmody

Mr Shane Carmody is Deputy Secretary, Department of Infrastructure and Regional Development, a position he has held since April 2016. Mr Carmody's responsibilities include the Office of Transport Security, Aviation and Airports, Local Government and Territories and the Western Sydney Unit. Mr Carmody attended his first AMSA Board meeting as an ex officio member in May 2016.

Mr Carmody has extensive experience at senior levels in the Australian Public Service. His roles have included Deputy Secretary/Chief Operating Officer (COO) at the Department of Veterans' Affairs (DVA), Deputy Secretary Intelligence and Security and Deputy Secretary Strategy in the Department of Defence, Deputy CEO of the Civil Aviation Safety Authority (CASA), and Deputy President of the Repatriation Commission. He has significant policy, regulatory and business management experience.

Mr Carmody joined the APS in 1989 after a 15 year career as an Army Officer, where he served in various Australian and overseas locations.

Mr Carmody studied Bahasa Indonesia at Gadjah Mada University in Yogyakarta, Indonesia. He has a BA from the University of Queensland, an MBA from Monash University and is a graduate of the Australian Institute of Company Directors.



Mr Andrew Wilson

Mr Andrew Wilson was the Deputy Secretary of the Department of Infrastructure and Regional Development and the departmental representative on the AMSA Board from August 2005 until March 2016, at which time he retired from the Public Service.

Mr Wilson had held a variety of positions within the Australian Public Service over his 30-year career, spending the past 29 years within the Department of Infrastructure and Transport. His career highlights involve the establishment of the Office of the Coordinator General, oversight of the Aviation White Paper, oversight of the stronger shipping for a stronger economy reform of the Australian Coastal Shipping Industry, participation in the Phase II Airport sales process and the reform of the provision of services to the Indian Ocean Territories.

Mr Wilson has a Bachelor of Commerce degree from Deakin University.

BOARD MEETINGS

AMSA Board attendance

Member	Attendance at meetings and teleconferences	Terms of office
Mr Stuart Richey AM (Chair)	6/6	Appointed member from 1 July 2013 Appointed Deputy Chair from 15 April 2014 Appointed Chair from 21 November 2014 to 20 Nov 2019
Ms Jennifer Clark (Deputy Chair)	6/6	Appointed member from 8 May 2012 Appointed Deputy Chair from 10 February 2015 to 9 Feb 2020
Mr Mick Kinley (Chief Executive Officer)	6/6	Member ex-officio from 26 August 2014 to 25 August 2019
Dr. Russel Reichelt	6/6	Appointed member from 7 August 2007 to 9 August 2016
Mr Mike Taylor AO	6/6	Appointed member from 10 September 2014 to 9 September 2017
Prof. Sarah Derrington	6/6	Appointed member from 8 May 2012 to 7 May 2015 Re-appointed from 17 June 2015 to 16 June 2017
Mr Peter Toohey	6/6	Appointed member from 17 June 2015 to 16 June 2018
Mr Gary Webb	6/6	Appointed member from 17 June 2015 to 16 June 2018
Mr Andrew Wilson	4/4	Member ex-officio from 1 August 2005 to March 2016
Mr Shane Carmody	2/2	Member ex-officio from May 2016

Board Audit Committee meetings

Board Audit Committee attendance

Member	Attendance at meetings
Ms Jennifer Clark	5/5
Dr Russell Reichelt	4/5
Mr David Lawler	5/5

Remuneration Committee meetings

Member	Attendance at meetings
Mr Stuart Richey AM (Chair)	2/2
Dr Russell Reichelt	2/2
Prof. Sarah Derrington	2/2

Board meetings included:

- 214th – 12/13 August 2015
- 215th – 23/24 September 2015
- 216th – 17 December 2015
- 217th – 3 March 2016
- 218th – 11/12 May 2016
- 219th – 29/30 June 2016

Board Audit Committee meetings included:

- 126th – 27 August 2015
- 127th – 15 September 2015
- 128th – 9 December 2015
- 129th – 13 April 2016
- 130th – 1 June 2016

Remuneration Committee meetings included:

- 21st – 23 September 2015
- 22nd – 29 June 2016

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REFERENCES

ACRONYMS AND ABBREVIATIONS

Acronym/ abbreviation	Meaning
AASB	Australian Accounting Standards Board
AIS	Automatic Identification System
AMSA	Australian Maritime Safety Authority
AMSA Act	<i>Australian Maritime Safety Act 1990</i>
ANAO	Australian National Audit Office
APHoMSA	Asia-Pacific Heads of Maritime Safety Agencies forum
APM	Associated Protective Measure
BASARNAS	Indonesian search and rescue authority
IALA	International Association of Marine Aids to Navigation and Lighthouse Authorities
ICAO	International Civil Aviation Organization
ILO	International Labour Organization
IMO	International Maritime Organization
ITSAP	Indonesian Transport Safety Assistance Package
MARPOL	<i>International Convention for the Prevention of Pollution From Ships</i>
MEOSAR	Medium-altitude Earth Orbiting Search and Rescue system
MOU	memorandum of understanding
MSQ	Maritime Safety Queensland
National Law	<i>Marine Safety (Domestic Commercial Vessel) National Law Act 2012</i>
National Plan	National Plan for Maritime Environmental Emergencies

Acronym/ abbreviation	Meaning
National System	National System for Domestic Commercial Vessel Safety
NATSAR Council	National Search and Rescue Council
NSCV	National Standard for Commercial Vessels
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PID Act	<i>Public Interest Disclosure Act 2013</i>
PSC	port State control
PSSA	Particularly Sensitive Sea Area
RTO	Registered Training Organisation
SAR	search and rescue
SOLAS	<i>International Convention for the Safety of Life at Sea</i>
SPREP	South Pacific Regional Environment Program
STCW	<i>International Convention on Standards of Training, Certification and Watchkeeping</i>
TSMPP	Torres Strait Maritime Pathways Project
TSMSP	Torres Strait Marine Safety Program
UKCM	under keel clearance management
VTS	vessel traffic services

COMPLIANCE INDEX

The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) (section 46) requires that corporate Commonwealth entities prepare an annual report in accordance with subdivision B, sections 17BA to 17BF of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule). Consequently the annual report compliance index is presented below.

Summary of requirements	Legislative reference <i>Public Governance, Performance and Accountability Act 2013</i>	Page No./ comment
Timeframe for tabling in Parliament	46(2)(a)	ix
Compliance with requirements prescribed by the rules	46(3)	Compliance index 164-165
Inclusion of Annual Performance Statements	39(1)(b)	Appendix 2
Inclusion of Annual Financial Statements	43(4)	Appendix 1

Summary of requirements	Legislative reference Sections 17BB to BF of the Public Governance, Performance and Accountability Rule 2014	Page No./ comment
Approval of annual report by accountable authority	17BB	Letter of Transmittal viii
Parliamentary standards of presentation	17BC	Complies
Plain English and clear design	17BD	Complies
Enabling legislation	17BE(a)(b)	6
Responsible Minister	17BE(c)	ix
Ministerial directions and government policy orders	17BE(d)(e)(f)	23
Annual Performance Statements	17BE(g)	Appendix 2
Significant non-compliance issues with finance law	17BE(h)(i)	22
Information about accountable authority	17BE(j)	6, 7, Appendix 3
Organisational structure and location	17BE(k)(l)	8, 9
Statement on governance	17BE(m)	18-22
Related entity transactions	17BE(n)(o)	21
Significant activities and changes affecting the authority	17BE(p)	No significant activities or change to report on
Judicial decisions and reviews by outside bodies	17BE(q)(r)	23
Obtaining information from subsidiaries	17BE(s)	Nil to report
Indemnities and insurance premiums	17BE(t)	20
Index of annual report requirements	17BE(u)	Compliance Index 164-165
Disclosure requirements for government business enterprises	17BF	N/A AMSA is not a GBE

Requirements	Other legislative references	Page No.
Other legislation		
• Commonwealth Disability Strategy	<i>Disability Discrimination Act 1992</i>	22
• Advertising and Market Research	<i>Commonwealth Electoral Act 1918</i> (section 311A)	22
• Work Health and Safety Report	<i>Work Health and Safety Act 2011</i>	23-24
• Ecologically sustainable development	<i>Environment Protection and Biodiversity Conservation Act 1999</i> (section 516A)	23, 26
• Public Interest Disclosure	<i>Public Interest Disclosure Act 2013</i>	22

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Website: www.amsa.gov.au/contact-us

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