



Australian Government
Australian Maritime Safety Authority

Annual Report 2017–18



Our purpose

Purpose

As Australia’s national maritime regulatory body, we promote the safety and protection of our marine environment and combat ship-sourced pollution. We provide the infrastructure for safety of navigation in Australian waters, and maintain a national search and rescue service for the maritime and aviation sectors.

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 the Australian Maritime Safety Authority’s (AMSA’s) mission and responsive to the needs of our customers and stakeholders

Accountable: we take responsibility for our decisions and actions.

Role

AMSA 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 of a maritime nature on a commercial basis to the Commonwealth and/or states and territories.

Plan on a Page

An abridged version of AMSA’s Plan on a Page is detailed on page III. AMSA’s Corporate Plan, available on our website (amsa.gov.au), contains the full version.

Everything AMSA does—as described in this annual report—is in response to AMSA’s strategic challenges.



Plan on a Page

Strategic challenge 1: Managing risks to safety and the environment

- Ensuring regulated vessels are operated safely and meet standards
- Preventing pollution from shipping
- Supporting safe navigation
- Contributing to and implementing international conventions
- Ensuring seafarer competency and welfare

Strategic challenge 2: Building the National System for Domestic Commercial Vessel Safety

- Designing—operating model, workforce, transition
- Building the service delivery framework
- Building the regulatory framework
- Supporting the system—information technology and funding arrangements

Strategic challenge 3: Delivering incident intervention and response

- Pre-emptively intervening to assure vessel safety
- Saving lives daily through search and rescue
- Delivering an effective maritime incident response capability
- Delivering an effective marine pollution response capability

Strategic challenge 4: Ensuring a vibrant and progressive organisation

- Workforce engagement, development and safety
- Good governance
- Sound financial management
- Reliable and responsive information technology

Strategic enabler: Collaborating with our community

- Working with international organisations and other nations
- Working with partner organisations
- Developing stakeholder relationships
- Community education
- Indigenous safety programs

The big picture



During 2017–18, there were

no serious pollution incidents

in Australian waters

Since the Torres Strait Marine Safety Program began in 2006, there has been

a 72% decrease

in maritime search and rescue incidents in the Torres Strait.



Wearing a lifejacket

greatly increases

your chances of survival.

The Challenger can fly up to

988km/hr

which is equivalent to the speed of a commercial jet airliner.



In 2017, there were

28,502

ship arrivals by

5873

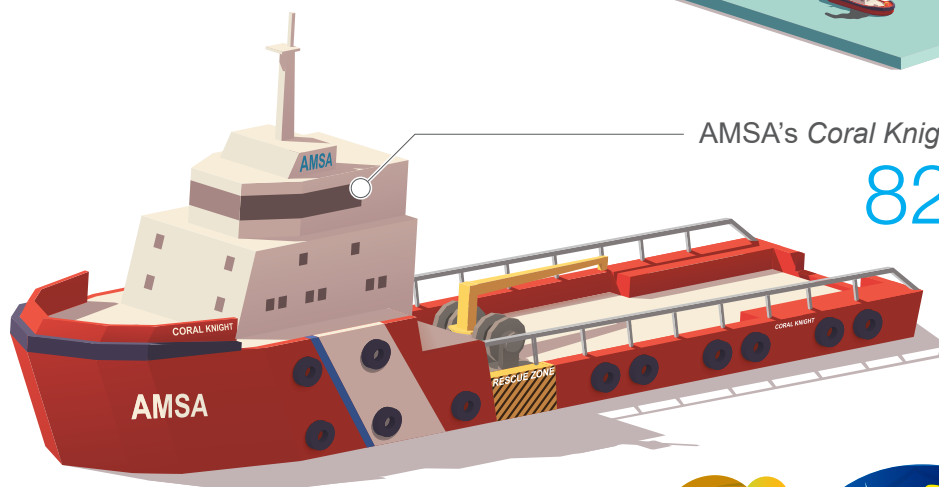
foreign-flagged ships



Of these arrivals, only

0.3%

had an incident.



AMSA's *Coral Knight* has a bollard pull of

82 tonnes

for effective emergency towage.

The Great Barrier Reef, Torres Strait and Coral Sea Particularly Sensitive Sea Areas (PSSAs) cover more than

968,000

square kilometres.

PSSA

designation recognises the ecological, economic, and cultural importance of an area and ensures protective measures are implemented to manage risks associated with shipping.



AMSA has approximately

41.6 kilometres of oil spill boom

which could surround an area the size of Lord Howe Island.



In this year's report

Our purpose	II
• Mission, Vision, Values, Role & Plan on a Page	II
Plan on a Page	III
The big picture	IV
Transmittal letter	1
Reporting requirements and responsible minister	2
Chairman's foreword	3
Financial summary	5
Chapter 1—Annual performance statements	9
• Purpose	11
• Reading the AMSA 2017–18 annual performance statements	11
• Statement by the accountable authority	14
• Snapshot summary	15
Chapter 2—Case studies: Safe seas	17
• Keeping the lights on	19
• AMSA research into safety culture and its influence on safety behaviour on international commercial vessels in Australian waters	20
• Dynamic separation of cargoes	21
• A national system for maritime vessel safety	23
Chapter 3—Case studies: Clean seas	25
• Testing the National Plan for Maritime Environmental Emergencies	27
• Babcock winch training: <i>Coral Knight</i> and Babcock Mission Critical Services Australasia	30
• 2020 Sulphur Cap	31
• Addressing ship-sourced garbage	32
Chapter 4—Case studies: Saving lives	33
• Milestone for Challenger search and rescue jets	35
• Fisherman rescued in the Gulf of Carpentaria	36
• Yacht crew rescued in Bass Strait	36
• Bulk carrier rescues fishermen from life raft off Western Australia	37
• Aircraft engine failure near Kalgoorlie, Western Australia	37
• Injured cross country skier, Kosciusko National Park	37
• Distress beacon activation, Moreton National Park, Nowra, New South Wales	37
• Medium-altitude Earth Orbit Search and Rescue satellites (MEOSAR)	38
Chapter 5—Case studies: Collaborating with our community	39
• Authorities team up for search and rescue training exercise off Perth	41
• Hazardous and noxious substance reconnaissance capability training	42
• Improving boating safety in the Torres Strait	43
• Getting ready for the national system	43
• Navigation Safety Symposium 2018	46
• International collaboration	47
Chapter 6—Detailed performance measures	49
• Strategic Challenge 1: Managing risks to safety and the environment	51
- Focus Area 1.1 – Ensuring regulated vessels are operating safely and meeting standards	51
- Focus Area 1.2 – Preventing pollution from shipping	55
- Focus Area 1.3 – Supporting safe navigation	55
- Focus Area 1.4 – Contributing to and implementing international conventions	56
- Focus Area 1.5 – Ensuring seafarer competency and welfare	57
- Regulatory performance	58
- Capability projects	60

	1	
	2	
	3	
• Strategic Challenge 2: Building the National System for Domestic Commercial Vessel Safety	61	4
- Focus Area 2.2 – Building the service delivery framework	61	5
- Focus Area 2.3 – Building the regulatory framework	61	6
- Capability projects	61	6
• Strategic Challenge 3: Delivering incident intervention and response	62	7
- Focus Area 3.2 – Saving lives daily through search and rescue	62	8
- Focus Area 3.4 – Delivering an effective marine pollution response capability	64	8
- Capability projects	64	9
• Strategic Challenge 4: Ensuring a vibrant and progressive organisation	65	In this year's report
- Focus Area 4.1 – Workforce engagement, development and safety	65	
- Focus Area 4.2 – Good governance	66	
- Focus Area 4.3 – Sound financial management	67	
- Capability project	67	
• Strategic enabler: Engaging with our community	68	
- Focus E1 – Working with international organisations and other nations	68	
- Focus E2 – Working with partner organisations, developing stakeholder relationships, community education, Indigenous groups	68	
- Capability project	68	
Chapter 7—Governance	69	
• Organisational profile	71	
- Enabling legislation	71	
- Significant activities and changes affecting the operations or structure of the entity	72	
- Structure and location	73	
• Main governance practices	75	
• Board and committees	77	
• Board Audit Committee	78	
• Remuneration Committee	78	
• Risk management	79	
• Fraud control	79	
• Indemnities and insurance premiums	80	
• Performance reporting	80	
• Related entity transactions	81	
• Public interest disclosure	81	
• Disability report	81	
• Statement of significant non-compliance issues	81	
• Advertising and market research	82	
• Judicial decisions and reviews by outside bodies	82	
• Reports (Auditor-General, Parliament or Ombudsman)	82	
• Ministerial decisions and government policy orders	82	
• Work health safety and environment	83	
Chapter 8—Appendices	87	
• Appendix 1: Financial statements	89	
• Appendix 2: Information about the accountable authority and AMSA Board members	115	
Chapter 9—References	123	
• Acronyms and abbreviations	125	
• Compliance index	127	
• Index	129	
• Annual report contact	131	
• Copyright	132	

Transmittal letter



Australian Government
Australian Maritime Safety Authority

CHAIRMAN

The Hon Michael McCormack MP
Deputy Prime Minister
Minister for Infrastructure, Transport and Regional Development
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 2017 to 30 June 2018.

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 19 September 2018 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

19 September 2018

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 2017–18 is presented in accordance with the Public Governance, Performance and Accountability (PGPA) Rule 2014 and the *Australian Maritime Safety Authority Act 1990* (AMSA Act).

The PGPA Rule requires that the report is presented to the responsible minister by 15 October and for the minister to table the report in both Houses of the Parliament by 31 October.

AMSA reports to the Australian Parliament and Government through the Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development, the Hon Michael McCormack 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 2017–18, using the reporting arrangements set out in the Portfolio Budget Statements 2017–18 and the AMSA Corporate Plan 2017–21.



Chairman's foreword

The pace of change has continued for AMSA in 2017–18. The importance of strong relationships, sound preparation and planning, and persistently seeking opportunities to collaborate, cooperate and influence are at the core of our achievements this year.

Over the year we tested and put into place the systems and processes which will support full service delivery under the national system for domestic commercial vessels. We worked closely with our state and territory counterparts to ensure smooth transition of services—and made sure the Australian community knew how and where to do business with us on 1 July 2018.

New systems will enhance the customer experience and enable digital submission of information. Secure access to systems for marine surveyors and marine safety inspectors will enable them to submit information directly and an integrated customer relationship tool will provide a single view of the interactions we have with our clients—making it easier and faster to manage enquiries from the community.

With AMSA preparing to be the single point of contact for domestic commercial vessel services, we rebuilt the AMSA website to deliver fast and secure online services. Launched in December 2017, amsa.gov.au allows people to interact and transact with us online—at a time which suits them.

We also stepped up our recruitment and training efforts to support the national system and released the Strategic Workforce Plan 2018–21 which outlines how our organisation will continue to recruit the right people Australia-wide.

We have approved over 30 registered training organisations to conduct final assessments for low complexity near-coastal seafarer certification, and accredited more than 250 marine surveyors.

Simultaneously we continued to focus on our response capability and preparedness, guiding and influencing standards and contributing to emerging global themes.

We continued to test and refine our strategic and operational preparedness for maritime emergencies, contributing personnel and assets to national and regional exercises with other government and response agencies.

A major oil spill exercise in the Torres Strait not only assessed our readiness to handle a real incident, it also offered essential operational training for our people and the opportunity to hear from traditional owners on local maritime matters.

Our investment in search and rescue capability continued to save lives this year. In their first year of operation our Challenger jets flew more than 120 search and rescue missions and contributed to the rescue of 270 people—only made possible by the expertise and dedication of the people involved—the AMSA Response Centre team, flight crews and maritime and aviation search and rescue personnel around the country.

In a substantial boost to the nation's international influence, Australia was elected to Category B of the International Maritime Organization's governing Council last year—a remarkable result because Category B had never before been successfully contested. Category B will further the potential for AMSA, as Australia's representative at the IMO, to influence international maritime standards.

An AMSA-hosted navigation symposium attracted people from across the industry to hear about advances in technology and insights into the human factors of safe navigation. Our research into ship-board culture and its influence on safety behaviour on international vessels is attracting interest from around the world.

At home, maintenance completed on the Cape Leveque lighthouse and commencement of work at Cape Moreton, mean these historic aids to navigation continue to light the way for ships at sea into the future.

Reducing ship-sourced garbage is advancing on a number of fronts with a pilot program completed in two Australian ports to identify obstacles to recycling garbage from international ships. We also worked with the shipping industry to survey awareness and understanding of international pollution regulation, as well as commissioning analysis of marine debris data to measure the effectiveness of current policies and to identify opportunities for improvement.

As Chairman, I am pleased with our performance this year and, together with the Board and Executive, I am confident that we are doing what is required for the challenges ahead.

I acknowledge the contributions of my fellow Board members over the year and the dedication and leadership provided by AMSA's Chief Executive Officer Mick Kinley and the AMSA executive team.

To Deputy Prime Minister McCormack and his staff, and the Department of Infrastructure, Regional Development and Cities, I pass on our thanks for their support.

Finally, on behalf of the Board, I wish to thank the staff of AMSA. The people of AMSA are its greatest asset and their dedication makes our mission achievable – ensuring safe vessel operations, combatting marine pollution, and rescuing people in distress.

Stuart Richey AM
Chairman

19 September 2018



Financial summary

AMSA recorded an operating surplus of \$8.4 million for the 2017–18 financial year compared to \$11.6 million in 2016–17. This net decrease in surplus of \$3.2 million is due to an overall increase in operating expenses of \$8.0 million, partially offset by an increase in revenue of \$4.8 million.

Figure 1 provides the net movements in revenue and operating expenses for the 2017–18 financial year in comparison to 2016–17. It shows the cumulative and sequential effect for each of the movements in revenue and expense accounts.

AMSA’s revenue and operating expenses from 2013–14 to 2018–19 are shown in Figure 2. Revenue has steadily increased year-on-year from 2014–15 to 2017–18, largely driven by the growth in levy revenue.

The 2013–14 revenue includes temporary increase of Protection of the Sea Levy to fund shortfalls in pollution incident clean-up operations.

During this period, operating expenses have remained relatively stable, despite increases in wage and price indexation. This indicates an efficient use of resources in the provision and delivery of services.

The exception is the marginal decrease in operating expenses in 2016–17 due to delayed transition to a new provider for the dedicated airborne search and rescue aircraft.

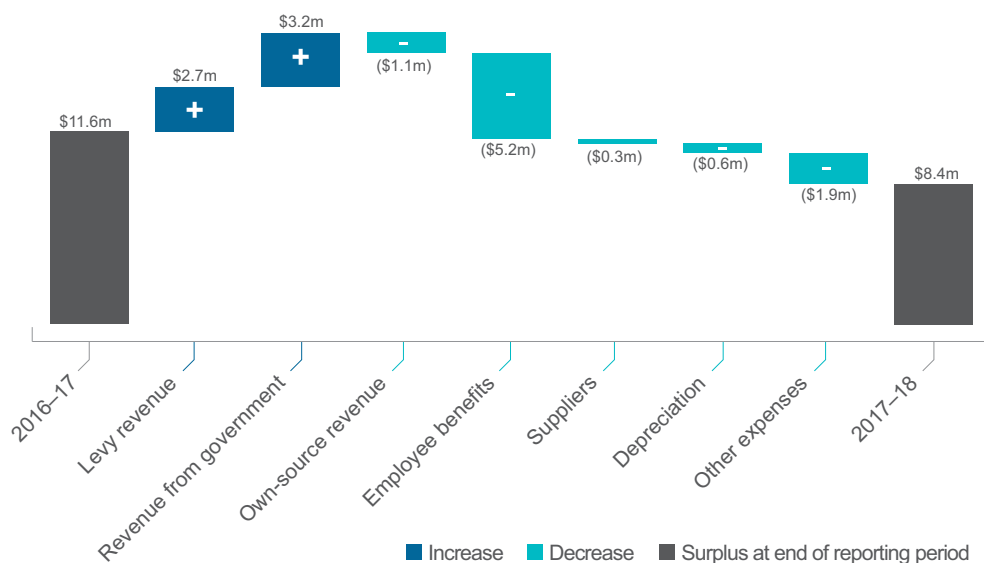


Figure 1: Waterfall diagram of movements for 2017–18

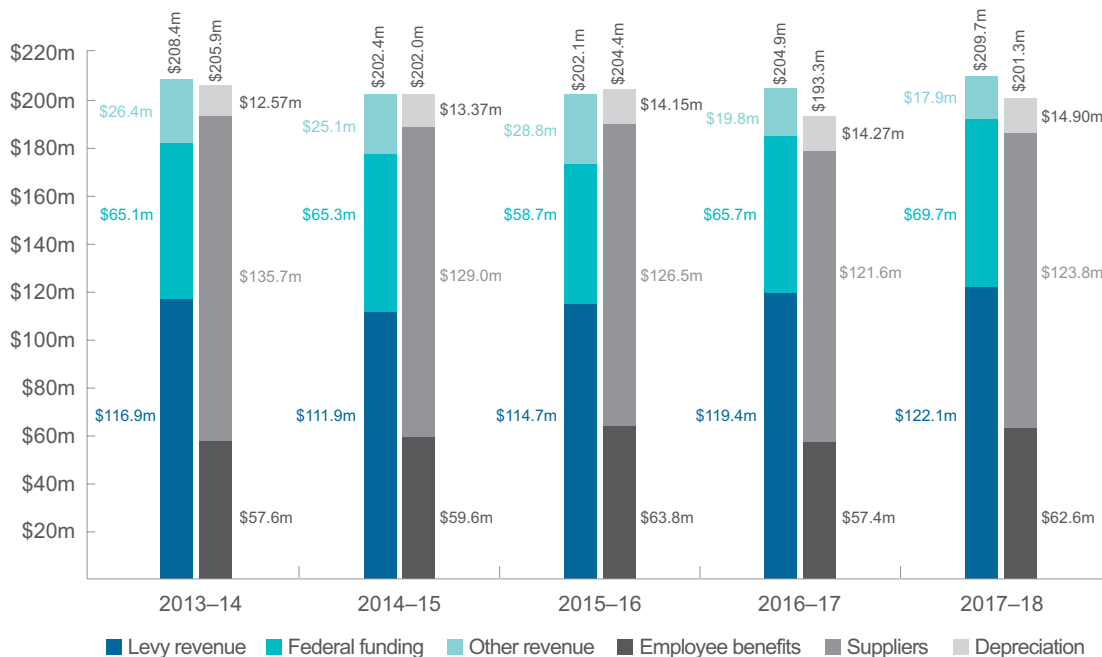


Figure 2: Revenue and operating expenses from 2013-14 to 2017-18

Comprehensive income

Revenue

Revenue for 2017-18 is \$209.7 million, an increase of \$4.8 million, compared with 2016-17 (\$204.9 million). This increase is predominately associated with an increase in funding for search and rescue coordination (\$4.0 million) and a rise in levy revenue driven by annual activity growth (\$2.7 million), partially offset by a decrease in payments received from jurisdictions in relation to interim funding for the National System for Domestic Commercial Vessels (\$1.1 million).

For the 2017-18 financial year, approximately 58.2% of revenue (\$122.1 million) is derived from levies (2016-17: 58.3%) and 33.2% (\$69.7 million) from the Australian government (appropriations) (2016-17: 32.1%).

The remainder of revenue, being 8.6% (\$17.9 million), is derived from the sale of goods, rendering of services, interest received, and other revenues (2016-17: 9.6%).

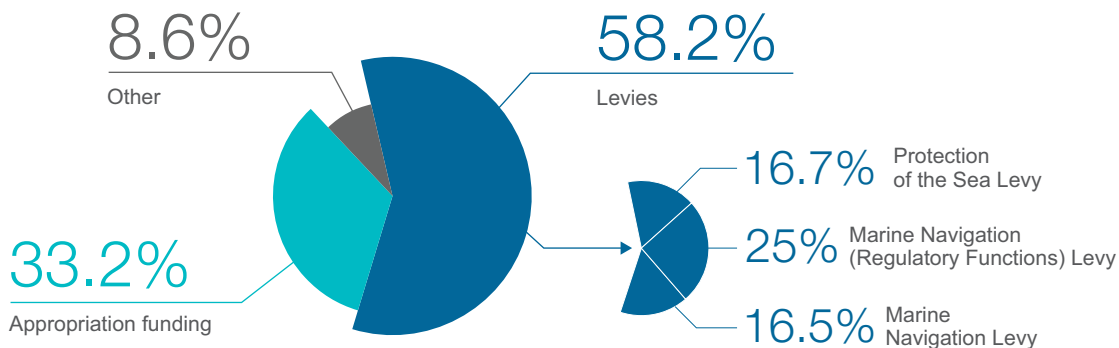


Figure 3: Source of revenue for 2017-18

Levy revenue volumes

As shown in Figure 4, total net tonnage for levy revenue has been steadily rising, from 273.9 million tonnes in 2013–14 to 311.3 million tonnes in 2017–18.

Over this same period, the quantity of vessels (ie number of ships), being charged levies has remained relatively stable (within a range, from a low of 9,965 vessels in 2015–16 to a high of 10,289 vessels in 2017–18).

The majority of AMSA's levy revenue is derived from bulk cargo vessels, as illustrated in Figure 5. This type of vessel generated approximately 80.8% of net tonnage volumes in 2017–18 (2016–17: 81.4%).

The driver for the consistent increase in net tonnage, and consequent levy revenue, is larger vessels visiting Australian ports. This is reflected in the average net tonnage per vessel increasing from 27,305 tonnes in 2013–14 to 30,260 tonnes in 2017–18.

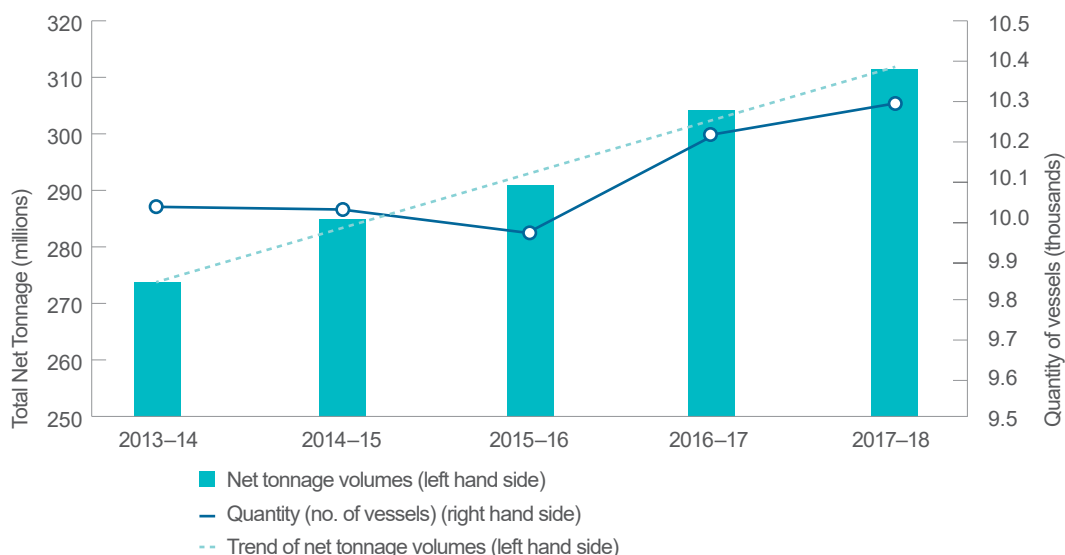


Figure 4: Total net tonnage for levy revenue

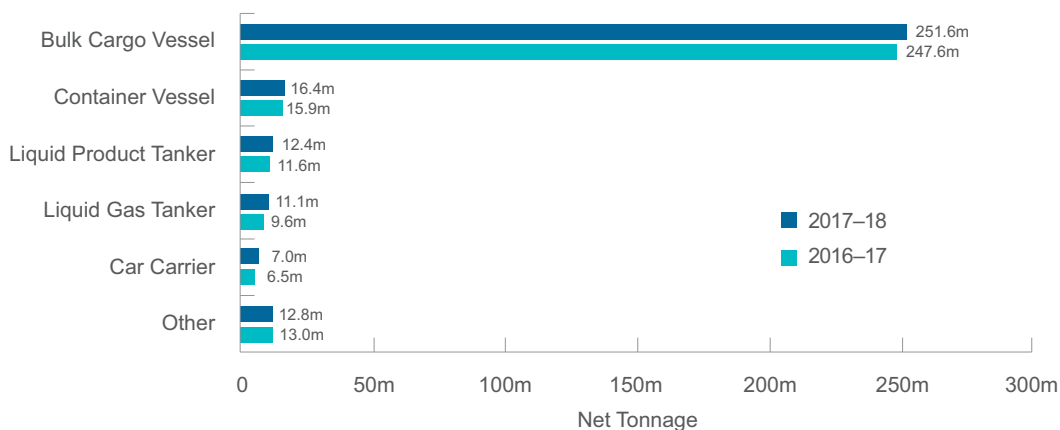


Figure 5: Total net tonnage revenue by vessel type

Operating expenses

As shown in Figure 6, operating expenses for 2017–18 are \$201.3 million, compared with \$193.3 million for 2016–17, an increase of \$8.0 million.

Employee benefits increased by \$5.2 million mainly due to an increase in the number of staff for the National System for Domestic Commercial Vessels.

Suppliers rose by a modest \$0.3 million, with an increase in payments for the dedicated airborne search and rescue services, largely offset by a reduction in the one-off movement in provision for asbestos and lead paint removal recognised in the previous year.

Other expenses increased by \$1.9 million, predominately due to write-downs of computer applications software and pollution dispersant inventory.

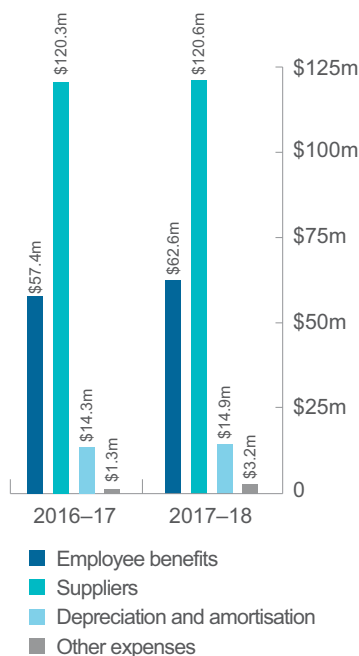


Figure 6: Operating expenses

Cash Position

AMSA's cash position (cash and cash equivalents) as at 30 June 2018 is \$65.6 million.

The movement in cash flow is represented by net cash generated from operating activities of \$29.3 million (2016–17: \$40.6 million), offset by cash used for the purchase of property, plant and equipment and intangibles of \$20.8 million (2016–17: \$18.7 million), and cash set aside for investments of \$35.0 million.

The investment of \$35.0 million represents reserve funds set aside for potential environmental incidents and emergencies.

A comprehensive asset management plan is being refined to identify capital funding requirements for the next 10 years in line with AMSA's strategic goals and objectives.

Financial Outlook

AMSA has budgeted for an operating surplus of \$3.5 million in 2018–19, with continuing minor surpluses projected in each of the forward year estimates. The budget and estimates incorporate full funding and expenses for the National System for Domestic Commercial Vessels, for which AMSA took full responsibility effective 1 July 2018.

AMSA's cash position, including investments, is expected to be steady in the budget and forward estimates. This will continue to fund the pollution response reserve, AMSA's asset replacement program is in line with the asset management plan and future net payables and provisions.

Annual performance statements



Chapter

1



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 AMSA performed against the non-financial performance measures set out in the relevant Corporate Plan (2017–21) and Portfolio Budget Statements for the reporting period (2017–18), including a summary of progress for the key projects listed in the Corporate Plan. These documents are available on our website (amsa.gov.au). Essentially, the annual performance statements are the ‘bookend’ to AMSA’s Corporate Plan.

The 2017–18 annual performance statements of AMSA, as required under paragraph 39(1) (a)(b) of the PGPA Act and the AMSA Act, are presented in tables by strategic challenge and by focus area (ie 1.1: ensuring regulated vessels are operating safely and meeting standards) as they appear in the 2017–21 Corporate Plan.

Purpose

AMSA’s purpose, vision and mission are described on page II. All performance criteria are attributed and aligned to the key elements of our vision—*safe and clean seas, saving lives*—and with our strategic enabler, collaborating with our community. The rationale statements for each measure establish the linkage between the detailed measure and AMSA’s purpose.

Reading the AMSA 2017–18 annual performance statements

The annual performance statements are introduced by a summary snapshot of AMSA’s detailed results.

AMSA has a rich and detailed performance story, evidenced by the number and breadth of non-financial measures detailed in our annual performance statements. To bring these detailed measures to life and show how the agency delivers its vision—*safe and clean seas, saving lives*—the snapshot is followed by a selection of qualitative case studies. The case studies are cross-referenced to the relevant detailed measure.

Detailed performance measures are presented in table format:

x.x.x	Performance criterion	Target	Results		
			2015–16	2016–17	2017–18
Name of measure here					
Rationale:					
Analysis of performance:					
Case study: p.x		Source: 2017–21 Corporate Plan: p.x 2017–18 PBS: p.x		RPF KPI:	
Footnote:					

Performance criterion

Details the measure number (X.X.X), name, the rationale underpinning the measure, and the target for the year.

Results

Details the annual result for the measure. The results can be an average or cumulative total, depending on the nature of the measure. For comparative purposes, last year's results are also provided.





The 'traffic light' indicates:

Target met or exceeded

Minor negative variance to target

Major negative variance to target

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

-  Green: On track
-  Amber: Minor issues, but recoverable
-  Red: Major issues, management intervention required
-  Blue: Complete

Analysis of performance

Provides the contextual commentary on the result. If the result is 'green', then this section may be omitted.

Case study

If there is a case study related to this measure, the page number is provided for cross-reference.

Source

Details:

- The page number in the AMSA 2017–21 Corporate Plan where you can find the measure.
- The page number in the 2017–18 Portfolio Budget Statement (Infrastructure, Regional Development and Cities) where you can find the measure.

Regulator Performance Framework (RPF)

As a regulator AMSA is subject to the Commonwealth RPF. The RPF 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 RPF framework consists of six outcomes-based key performance indicators (KPI):

- 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.

If relevant, this column indicates which RPF key performance indicator (KPI) the measure relates to.

More information on the RPF can be found at: www.cuttingredtape.gov.au/resources/rpf.

Previous AMSA RPF reporting can be found on our website (www.amsa.gov.au).

Footnote

Details any significant updates or changes made during the year, or signals changes for the upcoming year.

Statement by the accountable authority

As the accountable authority of AMSA, the Board presents AMSA's 2017–18 annual performance statements, as required under paragraph 39(1)(a) of the PGPA Act. In the opinion of the Board, based on advice from AMSA management and the Board Audit Committee, the annual performance statements accurately reflect AMSA's performance and comply with subsection 39(2) of the PGPA Act.



Stuart Richey AM
Chairman

19 September 2018

Snapshot summary

On 1 July 2018 AMSA assumed responsibility for full service delivery as Australia's maritime safety regulator for domestic commercial vessels—beginning an new era of operation for AMSA.

Understandably, the year leading up to 1 July was one of significantly increased tempo as AMSA prepared for the transition of domestic commercial vessels from state and territory arrangements, while at the same time striving to maintain its high outputs and standards across existing services and functions.

Competing demands sometimes meant that trade-offs had to be made, evidenced by a small number of ambers in our operational non-financial performance results—see snapshot table below. In the spirit of modern regulation, these decisions were always based on an assessment of comparative risk, and with a clear understanding amongst all staff of the high expectations the Australian public and the international seafaring community place on AMSA.

Overall, and considering the tempo over the reporting period, we are proud of our results and the contribution they make to our vision of 'safe and clean seas, saving lives'.

Target met or exceeded		Minor negative variance to target	Major negative variance to target
Summary			Page
1.1.1	The inspection rate of risk assessed eligible foreign-flagged ships under the port State control (PSC) program met targets for:		51
	▪ Priority one ships		51
	▪ Priority two ships		51
	▪ Priority three ships		51
	▪ Priority four ships		51
1.1.2	Extent to which inspections of high risk ships are within targeted timeframes		52
1.1.3	The annual number of ship inspections met targets for:		52
	▪ All inspections		52
	▪ Port State Control inspections		52
	▪ Flag State Control inspections		52
1.1.4	Improvement in the standard of foreign-flagged ships and Australian-flagged ships (under the <i>Navigation Act 2012</i>) operating in Australian waters is demonstrated through the:		53
1.1.4.1	Average number of deficiencies per inspection compared to a rolling 10-year average		53
1.1.4.2	Percentage of ships detained as a proportion of all PSC inspections		53
1.1.4.3	Proportion of serious incidents to total port arrivals		53
1.1.4.4	The age of ships coming to Australia relative to the age of ships in the worldwide fleet		53
1.1.5	Improvement in the standard of domestic commercial vessels demonstrated through:		54
1.1.5.1	Fatalities as a percentage of the total size of the domestic commercial vessel fleet workforce		54
1.1.5.2	Serious incidents as a percentage of the total number of vessels in the domestic commercial vessel fleet		54
1.2.1	There is a reduction over time in the ratio of reports to AMSA under the <i>Protection of the Sea (Prevention of Pollution from Ships) Act 1983</i> of serious pollution incidents compared to the total number of ship port visits to Australia.		55

1.3.1	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.	55
1.4.1	All regulatory measures introduced internationally are given effect within specified timeframes	56
1.5.1	Improvement in the standard of foreign-flagged ships and Australian-flagged ships (under the <i>Navigation Act 2012</i>) operating in Australian waters is demonstrated through the:	57
1.5.1.1	Average number of Maritime Labour Convention deficiencies per inspection compared to a rolling 10-year average	57
1.5.1.2	Onshore complaints made under Article 22 of the Maritime Labour Convention investigated within specified timeframes	57
1.5.2	Achievement of the objectives detailed in the Australian Seafarer's Welfare Council Strategic Plan for which AMSA is responsible	57
R	Monitor overall regulatory performance through:	58
R.1	Regular formal and informal feedback through:	58
R.1.1	National system customer service	58
R.1.2	Regulator Performance Framework Survey	58
R.1.3	Email campaigns from AMSA	58
2.1	Assume responsibility for (National System for Domestic Commercial Vessel Safety) service delivery by July 2018	61
3.2.1	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)	62
3.2.2	Provision of capacity to conduct search and rescue (SAR) operations	62
3.2.3	Median time (minutes) for the Rescue Coordination Centre to initiate a response	63
3.2.4	For incidents that AMSA has SAR coordination responsibility, the median time (minutes) for an asset to be on-scene (day and night)	63
3.4.1	Maritime environmental response capability is available to respond to a pollution incident	64
4.1.1	Staff turnover rate falls within the 10–15% range and is less than that of comparable public sector agencies	65
4.1.2	Biennial staff engagement survey indicates strong staff satisfaction and engagement relative to public sector averages	65
4.1.3	Maintain a lost time injury frequency rate (LTIFR) that is less than comparable public sector agencies	65
4.2.1	Maintain compliance with statutory, financial and business requirements	66
4.2.2	Maintain certification to ISO9001, ISO14001 and AS/NZS4801	66
4.3.1	Unqualified financial statements	67
4.3.2	Maintain financial viability	67
E1.1	Satisfactory progress of issues either sponsored directly or supported by Australia at the International Maritime Organization	68
E1.2	Satisfactory influence of technical standards of interest to Australia at the IALA	68

Case studies:

Safe seas



Chapter

2



Keeping the lights on

AMSA maintains a network of aids to navigation (AtoNs) to guide mariners. Included in this network are a number of historical lighthouses which must be maintained. In the 2017–18 financial year, there were two capital projects undertaken to ensure that our historic lighthouses continue to light the way for ships at sea.

Strategic challenges addressed:

- SC1: Managing risks to safety and the environment

Strategic goals addressed:

- SG1.1: Ensure safe shipping in Australian waters

Strategic risks addressed:

- SR2: Failure as a regulator—regulatory scheme or compliance and enforcement arrangements fail to prevent an incident with major or significant consequences

Measure:

- 1.3.1 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) guidance.

Cape Moreton lighthouse

Cape Moreton is the site of the oldest and only stone tower lighthouse in Queensland. Built in 1857, the iconic red and white banded lighthouse was built to service Brisbane, which had been a difficult port to approach because of the dangerous sandbar in Amity Passage, between Moreton Island and Stradbroke Island.

The sandstone block tower stands at 23 metres after its height was extended in 1928, and has several unique features including the original intact masonry and internal cast iron staircases, and two distinctive red bands which were painted on the outside of the tower in 1942.

During 2017–18, AMSA contracted Mager Constructions Ltd to remove the lead contamination and paint from inside the property.

Cape Leveque lighthouse maintenance works

Constructed in 1911, the Cape Leveque lighthouse is situated approximately 100 nautical miles north of Broome, Western Australia. The approximately 13 metre tall lighthouse is fabricated of cast iron panels with internal flanges that are bolted together.

In 2015, we identified that the protective coating was at the end-of-life and beyond the point where it could be successfully over-painted.

The failure of the paint, internally and externally, was causing damage to the iron panels and structural components.

There was also a significant level of lead in the paint which required specialist removal. A capital project, undertaken by Mager Constructions Ltd, was developed to remove the existing paint and re-apply, and was completed this financial year.



Cape Leveque lighthouse after the 2017–18 paint project

AMSA research into safety culture and its influence on safety behaviour on international commercial vessels in Australian waters

Strategic challenges addressed:

- SC1: Managing risks to safety and the environment
- Enabler: Collaborating with our community

Strategic goals addressed:

- SG1.1: Ensure safe shipping in Australian waters
- SG1.8: Promote a maritime safety culture that leads to positive behavioural change
- EG.6: Improve and promote maritime safety and protection in our region

Strategic risks addressed:

- SR2: Failure as a regulator—regulatory scheme or compliance and enforcement arrangements fail to prevent an incident with major or significant consequences

Measure:

- 1.5.2 Achievement of the objectives detailed in the Australian Seafarer's Welfare Council (ASWC) Strategic Plan for which AMSA is responsible.

In 2014, AMSA initiated a systematic assessment to investigate safety culture and its influence on safety behaviour on international commercial vessels in Australian waters.

This formed part of a three-year Australian Linkage Council collaborative research agreement aiming to assess the determinants of safety culture in international shipping.

Researchers from the University of Queensland (UQ), the University of Western Australia (UWA) and AMSA undertook the study.

As part of this research, 1026 international seafarers from 23 nationalities were surveyed between 2014 and 2017 in ports around Australia. Seafarers were asked about the safety culture on their ships, work demands, fatigue, mental health and well-being, organisational priorities and safety behaviour.

In general, the findings of the study support anecdotal safety concerns in this area and provides recommendations for safety interventions at an organisational level.

AMSA is using the findings of this study to support the work we do in ensuring a proactive approach to the safety and welfare of seafarers.

The full report can be found on our website.

The safety culture research study identified non-optimal work conditions are likely to lead to a less mature safety culture. In addition safety leadership, and especially the way leaders reflect and communicate safety goals, represents another type of work resource that might play an important role in health and safety outcomes. The behaviours of direct supervisors were identified as one of the key aspects of a mature safety culture.

One significant finding from the safety culture research is that well-being and mental health were better when seafarers perceived that their organisations prioritised their safety and welfare over operational costs and performance.

Prioritising safety and welfare over costs and performance was also related to a more developed safety culture, and lower levels of fatigue and sleep problems. In effect, aspects such as operational uncertainty and especially a company's priority on costs translate into negative outcomes for seafarers' well-being and safety compliance.

AMSA's focus on ensuring companies place priorities on the safety and welfare of the crew is evident in the work we do to support this. Below are two recent examples.

continues on p.21

In February 2018, the Liberian chemical tanker *Tintomara* was inspected in Gladstone following complaints by several crew members. The ship was not in compliance with the Maritime Labour Convention, in that the crew was not provided with decent living and working conditions and a safe and secure workplace.

Objective evidence indicated that a large number of crew were in a severe dispute with the master and the chief officer. As a result of the inspection, AMSA detained the vessel until the identified deficiencies were rectified. The work and living conditions and lack of safety leadership on board *Tintomara* were not conducive of a good safety culture.

In March 2018, as a result of a complaint, the Liberian container vessel MSC *Kia Ora* was inspected and found not to be in compliance with the Maritime Labour Convention.

Crew were not being paid their wages, and other serious deficiencies were observed in relation to the shipboard critical operations and equipment (including the vessel's auxiliary systems and fire-fighting systems), including failure to implement an effective Safety Management System. This is an example of cost being given priority over safety and well-being of the crew, and the resultant poor safety culture.

As a result of this, and previous AMSA inspections, the vessel's managing company was issued a Direction prohibiting MSC *Kia Ora* from operating in Australian waters for a period of three months.

Dynamic separation of cargoes

Strategic challenges addressed:

- SC1: Managing risks to safety and the environment
- Enabler: Collaborating with our community

Strategic goals addressed:

- SG1.1: Ensure safe shipping in Australian waters
- EG.6 Improve and promote maritime safety and protection in our region

Strategic risks addressed:

- SR2: Failure as a regulator—regulatory scheme or compliance and enforcement arrangements fail to prevent an incident with major or significant consequences

Measure:

- E.1.1 Satisfactory progress of issues either sponsored directly or supported by Australia at the IMO.

In January 2015, a Bahamas-flagged bulk carrier—the *Bulk Jupiter*—sank off the coast of Vietnam with a cargo of 46,000 tonnes of bauxite and a crew of 19. There was only one survivor, and the incident was thought to have been the result of classic cargo liquefaction.

Australian and international shippers of bauxite formed a group called the Global Bauxite Working Group (GBWG) to carry out research in the liquefaction of bauxite cargoes. The research confirmed that cargo liquefaction could occur in bauxite and recommended measures in the International Maritime Solid Bulk Cargoes (IMSBC) Code to mitigate the risk.

The research also observed a different phenomenon related to moisture content that could also cause ship instability. This new phenomenon was dubbed 'dynamic separation' and it is now believed this was likely to be the cause of the tragic loss of the *Bulk Jupiter*.

What is dynamic separation?

Dynamic separation occurs during a voyage where the moisture in the cargo migrates to the surface of a hold as the cargo compacts due to vibration and vessel movement, and a slurry of water and fine particles collects on the top of the cargo.

Modelling shows that over time, the sloshing motion of the slurry can cause the cargo to collect on one side of the hold, affecting the ship's weight distribution and stability. The result in more extreme circumstances is the ship progressively listing to one side.

As this list increases, so does the action of the free surface water, potentially undermining the surface of the cargo, resulting in a shift and capsize.

AMSA coordinated submissions to the International Maritime Organization (IMO) proposing amendments to the Code recommended for bauxite, and led discussions to further investigate dynamic separation.

The IMO agreed to include the amendments in the next edition of the Code and IMO guidance encourages the early adoption of the amendments.

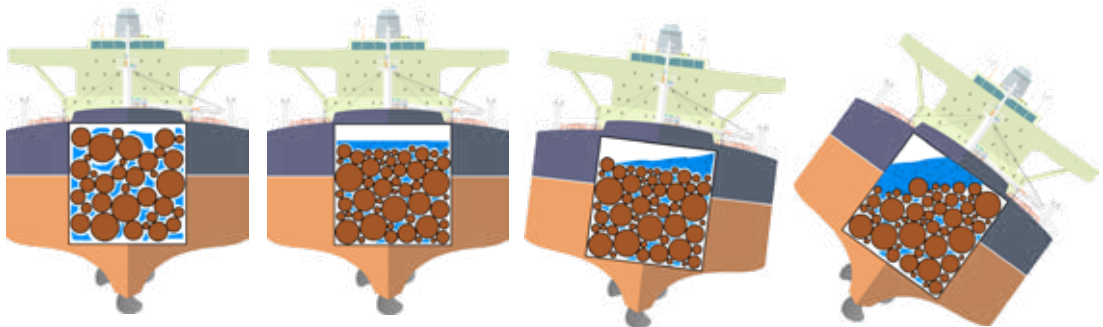


Figure 7: Dynamic separation

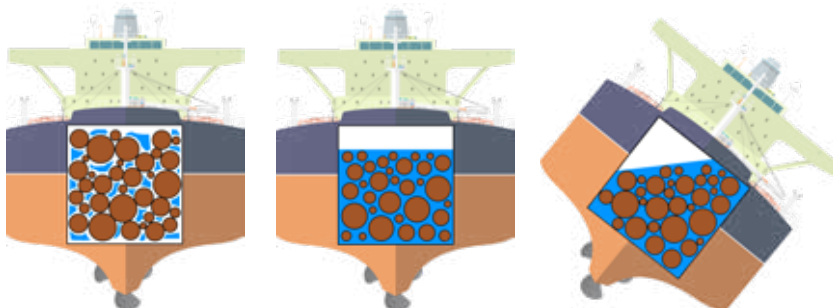


Figure 8: Liquefaction

What is liquefaction?

Liquefaction is a phenomenon in which a soil-like material is abruptly transformed from a solid dry state to an almost fluid state.

Many common bulk cargoes, such as iron ore fines, nickel ore and various mineral concentrates, are examples of materials that may liquefy.

If liquefaction occurs on board a vessel, the stability will be reduced due to the free surface effect and cargo shift, possibly resulting in capsizing of the vessel.

The ship structure may also be damaged due to increased cargo pressures.

A national system for maritime vessel safety

Strategic challenges addressed:

- SC2: Building the National System for Domestic Commercial Vessel Safety
- Enabler: Collaborating with our community

Strategic goals addressed:

- SG2.1: 1 Promote continuous improvement in marine safety and public confidence in the safety of marine operators
- SG2.2: Facilitate the development of an industry culture to ensure the effective identification and management of safety risks
- SG2.3: Reduce regulatory burden without compromising safety
- EG.5: Informed and engaged community on maritime issues, search and rescue, and our role
- EG.6: Effective engagement with communities to promote maritime safety.

Strategic risks addressed:

- SR1: Failure to deliver a national system—that is financially sustainable and delivers the aims and objectives required by the government
- SR2: Failure as regulator—regulatory scheme or compliance and enforcement arrangements fail to prevent an incident with major or significant consequences
- SR7: Failure to listen and effectively engage with stakeholders

Measure:

- 1.1.5.1: Fatalities as a percentage of the total size of domestic commercial fleet workforce.
- 1.1.5.2: Serious incidents as a percentage of the total number of vessels in the domestic commercial fleet.

The National System for Domestic Commercial Vessel Safety (National System) has been in place since 2013, with services delivered by states and territory marine safety agencies.

On 1 July 2018, these services transitioned to AMSA.

A nationally administered and delivered system presents real and sustainable benefits for industry and the Australian economy.

With around 27,000 vessels and 66,500 seafarers carrying out operations in Australia, having one national system will allow every vessel owner, operator and seafarer, wherever they operate, to do so under one set of safety standards and experience a consistent level of service.

During 2017–18, AMSA in collaboration with its partner agencies, has focused on bringing domestic commercial vessel services together, including a range of core services and activities to promote safety culture.

The philosophy of the National System is to seek a balance between managing safety and regulating in a way that reduces red tape and lets business operate sustainably.

Operators will be encouraged to take responsibility for safety outcomes through implementation of effective safety management systems, safe operations and appropriately trained crew.

Benefits of the national system

Unified operations

- consistency across Australian waters with the removal of jurisdictional boundaries and simplified legal requirements
- consistent safety standards for the vessel, vessel operations and crew.

Streamlined processes

- simplified survey requirements reducing the regulatory and financial burden for some operations
- standardised certification for crew qualifications.

Consistent costs

- one set of fees applied consistently across Australia.

Compliance focused on collaboration and education

- with an emphasis on high-risk, lower compliance sectors
- national standards for commercial vessels allowing for greater compliance flexibility without compromising safety.

Access to services

- a centralised service delivery model with one point of contact for commercial vessel services
- multiple ways to interact and transact—online, via the phone and in person
- a single view of the operators business—regardless of where they operate.

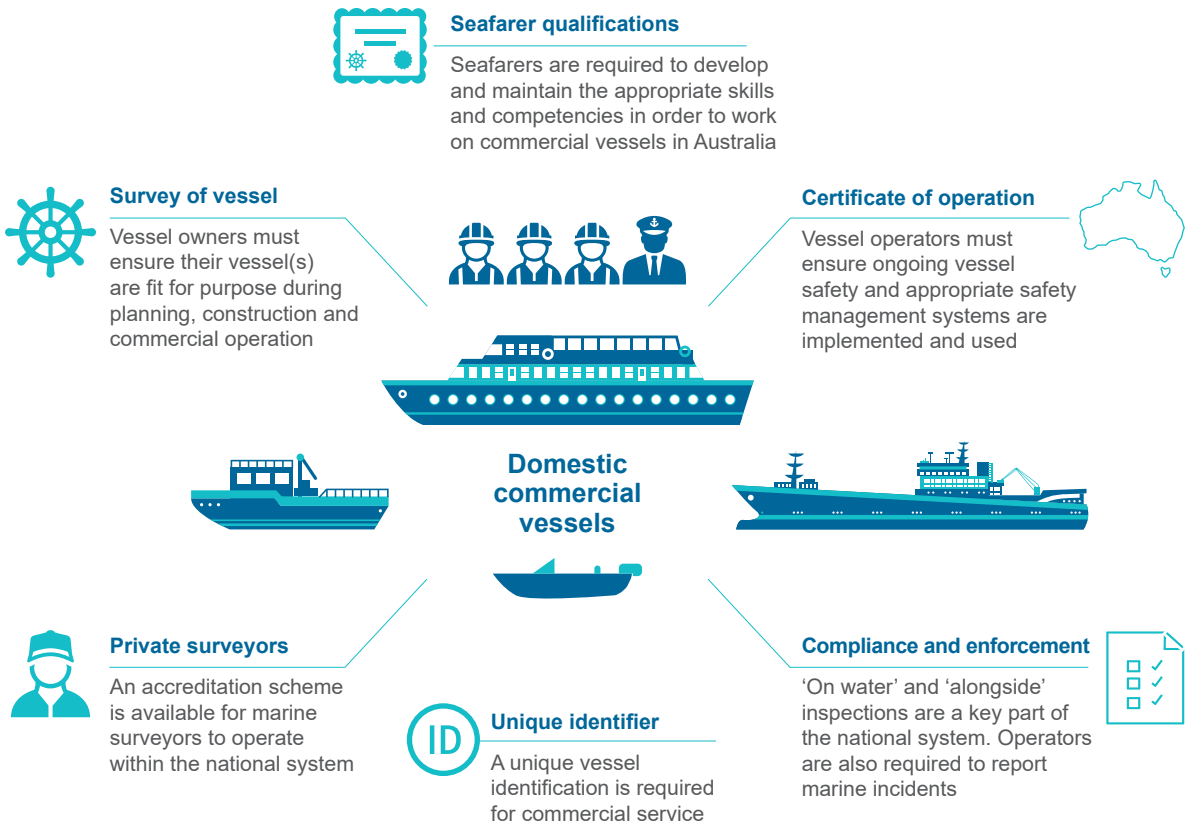


Figure 9: Features of the national system

Case studies:

Clean seas



Chapter

3



Testing the National Plan for Maritime Environmental Emergencies

The National Plan for Maritime Environmental Emergencies ('the National Plan') sets out national arrangements, policies and principles for responding to maritime emergencies and is exercised annually. These exercises represent a major contribution to strategic and operational preparedness for maritime emergency response throughout Australia.

Strategic challenges addressed:

- SC3: Providing incident preparedness and response

Strategic goals addressed:

- SG3.2: Respond efficiently and effectively to maritime casualties and marine pollution incidents

Strategic risks addressed:

- SR3: Failure as a response organisation – search and rescue or maritime environmental emergency response arrangements are inadequate

Measure:

- 3.2.1 Maximise percentage of lives saved as a proportion of lives at risk
- 3.4.1 Maritime environmental response capability is available to respond to a pollution incident

Exercise Constant Bearing

Exercise Constant Bearing was held in Adelaide at Keswick Barracks over three days between 5 and 7 December 2017. The aim of the exercise was evaluating the response to a simulated oil spill in South Australian state waters impacting the coastline.

The objectives of Exercise Constant Bearing were to:

- strengthen participant's understanding of the consequences of a major oil spill
- enable South Australian response agencies to respond to and recover from a significant maritime environmental emergency
- use National Plan arrangements to guide interaction between national and regional participants
- enable engagement between the incident management team, industry representatives and state emergency management arrangements.

The exercise enhanced the skills and knowledge of South Australian personnel, national response team members and industry attendees. It encouraged maritime emergency managers to think strategically about incident consequences and recovery management.

The exercise steering committee, having reviewed the insights of the exercise evaluation team, has made recommendations regarding whole-of-government's response and recovery and the National Plan's guidance and supporting documentation.

Emergency towing exercise: *Coral Knight* and MV RTM *Twarra*

As part of our work to ensure clean seas, AMSA must be able to respond quickly to prevent major pollution events, for example by towing casualty vessels out of danger. Our emergency towage vessel, *Coral Knight*, patrols the northern Great Barrier Reef and the Torres Strait and is always on standby with a competent crew to respond to maritime emergencies like oil spills from ships and search and rescue operation.

Twice a year, AMSA conducts exercises to allow the crew of the *Coral Knight*—as well as supporting vessels—to undertake towage operations of large vessels in simulated emergency situations. The latest of these operations was undertaken off Cairns on Sunday, 6 May 2018.

The crew practised emergency towing of a bulk carrier with support from the master and crew of MV RTM *Twarra* who took part in the exercise.

The objectives of emergency towing exercises include:

- ensuring the *Coral Knight* is capable of towing a drifting casualty vessel without propulsion, steerage and power but manned with essential staff in accordance with safe manning certificate
- ensuring that *Coral Knight* personnel are familiar with the rigging and deployment of towing equipment and operations
- increasing familiarity with the towing equipment on board the *Coral Knight* and ensure its suitability and capability for undertaking towing operations
- allowing both *Coral Knight* Masters to undertake a live towing exercise (including undertaking operations where tow is not going as planned).



MV RTM *Twarra*

Team Leader training: Thursday Island

Under the National Plan, the National Response Team (NRT) provides support to the Australian state and territory governments in the event of a major oil pollution incident.

From 12–20 May 2018, 20 team leaders from AMSA, the Australian Marine Oil Spill Centre (AMOSOC) and Maritime New Zealand travelled to Thursday Island for this year's annual training. The training focused on both off- and on-shore operations with the aim of exercising, evaluating and enhancing the preparation and response arrangements for vessel- and land-based maritime environmental emergencies. Being prepared is essential for an effective response to pollution or potential pollution from ships in the unique and complex ecosystem of the Torres Strait.

Importantly, the exercise provided oil spill responders with an opportunity to exchange knowledge with local communities and traditional owners. At the end of the week, the Thursday Island local community were invited to an open day providing an opportunity for those attending to learn more about what happens in the event of an oil spill, the equipment used, and how we protect the marine environment. Locals were given a closer look at some of the equipment used during an oil spill clean-up, enjoyed a barbeque and educational activities for the children.

Complex Emergencies workshop

Held in May 2018, the Complex Maritime Emergencies Workshop explored how Australia could deliver an effective response to a complex maritime emergency. More than 70 participants from 40 agencies, considered a scenario involving the capsizing of a large cruise ship in the waters outside Port Phillip Bay, Victoria.

The aim of the workshop was to:

- identify the relationships between various government and private sector agencies that will manage a response and recovery operation
- define an effective national framework or methodology which can be applied to manage such events.

The workshop was attended by senior managers and technical experts from across emergency management sectors, ports and maritime companies and commonwealth agencies. The outcomes will be used to inform the development of a national framework for managing large scale maritime emergencies.



National Plan team leader training exercise to respond to oil spills, May 2018

Babcock winch training: *Coral Knight* and Babcock Mission Critical Services Australasia

Strategic challenges addressed:

- SC3: Providing incident preparedness and response.

Strategic goals addressed:

- SG3.2: Respond efficiently and effectively to maritime casualties and marine pollution incidents.

Strategic risks addressed:

- SR3: Failure as a response organisation—search and rescue or maritime environmental emergency response arrangements are inadequate.

Measure:

- 3.2.1 Maximise percentage of lives saved as a proportion of lives at risk
- 3.2.3 Median time (minutes) for the Rescue Coordination Centre to initiate a response
- 3.2.4 For incidents that AMSA has SAR coordination responsibility, the median time (minutes) for an asset to be on scene.

The crew from the *Coral Knight* participated in helicopter winch training with Babcock Mission Critical Services Australasia in the Torres Strait on Sunday, 10 December 2017 and again on Saturday, 27 April 2018. Babcock Mission Critical Services Australasia delivers mission-critical helicopter support for a range of services across both public and private sectors including emergency medical and search and rescue operations.

The exercise provided the crew of the *Coral Knight* with valuable training opportunities involving helicopters, including communications, ship positioning and deck operations.

The aim of the activity is to complete operator proficiency checks for the crew—an annual assessment for the Rescue Crewman Officer (Swimmer) and the Air Crewman Officer (Winch Operator).

Similar proficiency checks need to be completed every 6 or 12 months depending on the person's role.



Winch training from a helicopter

Firefighting training: the *Coral Knight's* FiFi system

Crew of the *Coral Knight* tested the operation of the vessel's firefighting (or FiFi) system near Three Isles located off Cooktown in Queensland on Sunday, 8 April 2018.

Testing and confirming the *Coral Knight's* capabilities is essential to effective operations when it is most needed.

System testing included:

- the operation of the vessel's FiFi system
- use and testing of FiFi hoses
- inspection and maintenance of equipment
- a fire drill

Manoeuvring of the vessel's heading was also practiced in conjunction with operation of the FiFi System—resulting in a spectacular water display.



Coral Knight using its FiFi system

2020 Sulphur Cap

Strategic challenges addressed:

- SC1: Managing risks to safety and the environment.

Strategic goals addressed:

- SG1.2: Minimise emissions and discharges from ships in the marine environment.

Strategic risks addressed:

- SR2: Failure as a regulator.

Measure:

- 1.1.4 Improvement in the standard of foreign-flagged ships (under the *Navigation Act 2012*) operating in Australian waters.

From 1 January 2020 all ships and vessels will be required to use fuel oil with a maximum 0.5 per cent sulphur content, or use an equivalent means of compliance, such as an exhaust gas 'scrubber'. With a significant reduction on the current 3.5 per cent sulphur content, this new limit aims to reduce the impacts of sulphur oxide (SO_x) emissions on the environment and human health.

In April 2018 the IMO agreed a ban on the use, and carriage for use, of fuel with a sulphur content exceeding 0.5 per cent m/m, unless the vessel has a scrubber system. The ban is scheduled to come into effect on 1 March 2020 and will enhance global consistency and compliance with the new sulphur limit.

Since 2016, the focus of the IMO and AMSA on this issue has been preparing for any transitional, technical, safety and verification challenges, as well as developing any required stakeholder guidance and regulatory amendments.

AMSA has worked closely with industry, convening several stakeholder roundtable meetings in 2017–18, in conjunction with Maritime Industry Australia Limited (MIAL), to understand industry views and ideas for guidance and regulatory measures. This focus on transition and implementation will continue to 2020 and beyond.

Addressing ship-sourced garbage

Strategic challenges addressed:

- SC1: Managing risks to safety and the environment.

Strategic goals addressed:

- SG1.2: Minimise emissions and discharges from ships in the marine environment.

Strategic risks addressed:

- SR2: Failure as a regulator.

Measure:

- 1.1.4 Improvement in the standard of foreign-flagged ships (under the *Navigation Act 2012*) operating in Australian waters.
- 1.2.1. Reduction over time in the ratio of reports to AMSA under the *Protection of the Sea (Prevention of Pollution for Ships) Act 1983* of serious pollution incidents compared to the total number of ship port visits to Australia.

In 2018, AMSA commenced a pilot project in two Australian ports—Brisbane and Hay Point—to facilitate garbage recycling services for ships arriving on international voyages.

The aim of the project is to identify obstacles to recycling garbage generated on-board these ships, and to develop solutions—working in collaboration with the ports, waste service providers, local government and the Department of Agriculture and Water Resources.

If adequate waste reception facilities are not provided for international ships or services are too expensive, there is a risk that illegal discharge of waste into the sea may occur. As well as polluting the marine environment this creates an uncontrolled biosecurity risk.

This project also aims to reduce the amount of waste being sent to landfill in Australia. It is hoped that solutions identified in this pilot project will be transferable to other ports.

AMSA has also undertaken a survey to better understand the maritime community's awareness and understanding of the International Convention for the Prevention of Pollution from Ships (MARPOL) Annex V regulations as well as any problems experienced managing garbage on board and/or discharging to port reception facilities.

Distributed with assistance from Shipping Australia Ltd (SAL) and MIAL, the survey responses will help develop an informed view of the effectiveness of MARPOL Annex V and associated guidelines.

Concurrently, AMSA has commissioned an analysis of ship-related marine debris data collected by the non-government organisation Tangaroa Blue over a number of years and stored in the Australian Marine Debris Database.

The data analysis will compare the quantity, source and distribution of ship-sourced marine debris pre and post-commencement of MARPOL Annex V regulations in 2013, which effectively prohibited all garbage disposal at sea.

Case studies:

Saving lives



Chapter

4



National search and rescue activity

AMSA is the Chair of the National Search and Rescue Council which is responsible for the operational procedures and guidance for search and rescues involving AMSA, state and territory police, the RAAF, emergency services, and volunteers.

Strategic challenges addressed:

- SC3: Providing incident preparedness and response.

Strategic goals addressed:

- SG3.1: Prevent incidents occurring through a predictive, integrated intervention capability
- SG3.2: Save lives by coordinating aeronautical and maritime search and rescue
- SG3.3: Respond efficiently and effectively to maritime casualties and marine pollution incidents

Strategic risks addressed:

- SR3: Failure as a response organisation—search and rescue or maritime environmental emergency response arrangements are inadequate.

Measures:

- 3.2.1 Maximise percentage of lives saved as a proportion of lives at risk
- 3.2.3 Median time (minutes) for the Rescue Coordination Centre to initiate a response
- 3.2.4 For incidents that AMSA has search and rescue (SAR) coordination responsibility, the median time (minutes) for an asset to be on scene.

Milestone for Challenger search and rescue jets

December 2017 marked a year since the first dedicated Challenger 604 search and rescue jet entered into service with AMSA.

Parachuting communication equipment to an injured motorcyclist on the remote Gunbarrel Highway and locating two sailors adrift on a disabled yacht in wild weather 400 kilometres off Sydney are just a few highlights from a busy first year in service.

The Challengers have flown more than 120 search and rescue missions and travelled thousands of kilometres to assist people in distress since 16 December 2016.

Across these missions, 270 people were rescued, 49 of whom were in imminent danger.

A significant investment in the safety of Australians, the Challengers are already paying dividends for the community.

With a range of more than 5700 kilometres, an endurance of eight hours in the air, and a top speed of 988 kilometres per hour, the jets can reach almost every corner of Australia's 53 million square kilometre search and rescue region in just a few short hours.

The Challengers are fitted with a suite of technology including infra-red and electro-optical cameras, and visual anomaly detection systems which complement visual searching of the crew and enhance the fleet's overall search and rescue capability.

Impressive satellite broadband communications allow real-time collaboration with our search and rescue officers in the AMSA Response Centre in Canberra.

In addition to delivering life-saving equipment and supplies to people in distress, the Challengers also provide support to other search and rescue crews, both maritime and aviation, who render assistance on scene.

Fisherman rescued in the Gulf of Carpentaria

After detecting a registered distress beacon at 1:20 am on Saturday, 26 August 2017, AMSA launched a search and rescue operation for a fisherman in the Gulf of Carpentaria.

We tasked one of our dedicated Challenger search and rescue jets to the area, which located the man's upturned boat at 6:45 am about 75 kilometres northwest of Karumba.

Queensland Police Service, Burketown and Karumba Volunteer Marine Rescue, a Queensland Government rescue helicopter from Cairns, and three additional fixed-wing aircraft were also used in the search.

The rescue helicopter located the fisherman and a volunteer marine rescue vessel retrieved him alive from the water at about 2:00 pm.

Yacht crew rescued in Bass Strait

Six crew members were rescued from their racing yacht *Hollywood Boulevard* on Sunday, 14 January 2018 about 150 kilometres east of Flinders Island in the Bass Strait.

Crew activated their distress beacon at 8:45 am on Sunday after their rudder sustained damage and the vessel began taking on water.

Our Challenger jet from Melbourne located the yacht pitching in rough seas.

Two rescue helicopters from Ambulance Victoria winched the crew members to safety by 1:30 pm while a merchant vessel, *Trans Future Seven*, provided cover from the elements. Victoria Police and Marine Rescue New South Wales also provided assistance during the rescue.



The racing yacht *Hollywood Boulevard*, January 2018



AMSA's Challenger jet, one year milestone, November 2017

Bulk carrier rescues fishermen from life raft off Western Australia

AMSA detected a distress beacon registered to fishing vessel *Conquistador* at about 2:20 am on Monday, 5 February 2018 approximately 40 kilometres west of Lake Macleod in Western Australia after their vessel caught fire.

Our Challenger jet from Perth and a nearby merchant vessel, bulk carrier *Ikan Senyur*, were diverted to the area.

Fremantle Water Police also tasked the Carnarvon Volunteer Sea Rescue to assist.

The Challenger jet located a life raft from the *Conquistador* at 4:50 am.

At 5:10 am the *Ikan Senyur* launched a rescue boat to recover the two people on board the life raft and both men were brought on board the vessel for medical assessment.

Aircraft engine failure near Kalgoorlie, Western Australia

AMSA launched a search and rescue operation following the pilot's broadcasted MAYDAY call and the activation of the aircraft's emergency locator transmitter.

A fixed-wing aircraft was tasked from Kalgoorlie to track the beacon signal, a Rescue 652 helicopter from Bunbury as the rescue platform and requested police, fire and ambulance assistance.

The fixed-wing aircraft located the Cessna 172 aircraft and guided emergency services to the scene.

The Cessna had suffered an engine failure while operating near Burra Rock to the south west of Kalgoorlie, Western Australia and crashed in low scrubby terrain.

Both occupants were uninjured.

Injured cross country skier, Kosciusko National Park

On the evening of Sunday, 10 September 2017, AMSA launched a search and rescue operation after our search and rescue satellite system (SARSAT system) detected a signal from a registered personal locator beacon (PLB) in the Kosciusko National Park.

Details registered for the beacon indicated the owner was a cross country skier with an insulin dependent diabetic condition.

We tasked the Canberra-based NSW Ambulance rescue helicopter, along with support from a NSW Police ground team.

The rescue teams subsequently located a person with a serious cruciate ligament injury.

The patient was winched to safety and transferred to Canberra Hospital for treatment.

Distress Beacon activation, Moreton National Park, Nowra New South Wales

AMSA launched a search and rescue operation after a registered distress beacon was detected in the Moreton National Park, west of Nowra on the afternoon of Wednesday 27 September 2017.

Checks with the registered emergency contacts informed us that the distress beacon was being carried by a party of two bushwalkers undertaking a 5- to 6-day walk of Ettrema Gorge.

We transferred the rescue coordination to New South Wales Police and at their request, we sourced a local air asset for initial response.

Rescue helicopter Chop26 from Nowra was tasked and successfully located the walking party. A New South Wales Ambulance paramedic was winched into the area.

Advice from the two walkers was that they had become fatigued and were concerned about their ability to safely exit the gorge before nightfall. The walkers and their equipment were extracted by winch and flown to the Naval Air Station Nowra.

Medium-altitude Earth Orbit Search and Rescue satellites (MEOSAR)

At 4:00 pm Perth time on 11 October 2017, AMSA received notification that a distress beacon had activated near Jurien Bay in Western Australia.

The beacon was detected by the MEOSAR system, a new component in the international Cospas-Sarsat distress beacon detection system. AMSA built a MEOSAR satellite tracking station in Western Australia in 2015 and has been using the MEOSAR data operationally since August 2016.

As the beacon was registered on the Australian beacon registry, within minutes an emergency contact was phoned and it was determined that three persons were engaged in fishing activities.

AMSA immediately commenced coordinating a response to the distress message from the MEOSAR system. AMSA tasked the Western Australian Department of Fire and Emergency Services RAC Rescue helicopter from Jandakot.

The Western Australian Water Police coordination centre was advised of the incident and tasked to coordinate local rescue assets, including the Jurien Bay Volunteer Marine Rescue Group (VMR) and local police.

AMSA also diverted a nearby Royal Australian Air Force (RAAF) aircraft, which arrived on scene at 4:53 pm and sighted three people wearing life jackets, clinging to the hull of an upturned boat.

The RAC Rescue helicopter winched two survivors from the water while the VMR crew pulled the third person to safety at about 6:00 pm.

The new MEOSAR system provided an 85 minute time advantage in this rescue compared with the previous beacon detection system.

The rescue also demonstrated the collaborative nature of search and rescue in Australia with multiple SAR organisations working together.



The Australian MEOSAR satellite tracking station near Mingenew, Western Australia.

Case studies:

Collaborating with our community



Chapter

5



Authorities team up for search and rescue training exercise off Perth

Strategic challenges addressed:

- SC3: Providing incident preparedness and response
- SE: Collaborating with our community.

Strategic goals addressed:

- SG3.2: Save lives by coordinating aeronautical and maritime search and rescue
- EG.2: Improve and promote maritime safety and environmental protection in our region
- EG.5: Informed and engaged community on maritime issues, search and rescue, and our role
- EG.6 Effective engagement with communities to promote maritime safety.

Strategic risks addressed:

- SR3: Failure as a response organisation—search and rescue or maritime environmental emergency response arrangements are inadequate.

Measures:

- 3.2.1 Maximise percentage of lives saved as a proportion of lives at risk
- 3.2.3 Median time (minutes) for the Rescue Coordination Centre to initiate a response
- 3.2.4 For incidents that AMSA has SAR coordination responsibility, the median time (minutes) for an asset to be on scene.

A major search and rescue training exercise took place off Rottnest Island in Western Australia on 11 April 2018 involving both state and federal authorities.

Search and rescue crews from AMSA, Western Australia Police Force (WA Police) and Western Australia Department of Fire and Emergency Services (WA DFES) teamed up for the exercise which simulated an aviation incident at sea.

The scenario involved a simulated light plane which had been forced to ditch into the water just before 8:00 am about 7 kilometres northwest of Rottnest Island.

Four mannequins were dropped into the water along with a life raft and an active distress beacon to replicate survivors signalling for help.

AMSA's Challenger jet from Perth tracked the beacon and provided top-cover while the four mannequins were winched to safety by two rescue helicopters. Two of these mannequins were then transferred by helicopter onto the Fremantle Volunteer Sea Rescue vessel and WA Police vessel *Cygnets*.

The Whitfords Volunteer Sea Rescue vessel was also tasked with retrieving a mannequin from the water, while the Two Rocks Volunteer Marine Rescue vessel *Sea Guardian II* monitored the exercise from close by.

The successful exercise is a great example of the regular training activities that take place between state and federal search and rescue authorities—Australia's search and rescue system embodies the best of collaboration for a greater good, and it has become a model for search and rescue systems globally.



Search and rescue training exercise at Rottnest Island, April 2018

Hazardous and noxious substance reconnaissance capability training

Strategic challenges addressed:

- SC3: Providing incident preparedness and response
- SE: Collaborating with our community.

Strategic goals addressed:

- SG3.2: Save lives by coordinating aeronautical and maritime search and rescue
- EG.2: Improve and promote maritime safety and environmental protection in our region
- EG.5: Informed and engaged community on maritime issues, search and rescue, and our role
- EG.6 Effective engagement with communities to promote maritime safety.

Strategic risks addressed:

- SR3: Failure as a response organisation—search and rescue or maritime environmental emergency response arrangements are inadequate.

Measures:

- 1.2.1. Reduction over time in the ratio of reports to AMSA under the *Protection of the Sea (Prevention of Pollution for Ships) Act 1983* of serious pollution incidents compared to the total number of ship port visits to Australia.
- 3.2.1 Maximise percentage of lives saved as a proportion of lives at risk

AMSA and representatives from Fire and Rescue NSW, the Melbourne Metropolitan Fire Brigade and Maritime New Zealand, attended the *Searoad Mersey II* in Devonport as part of the latest training for hazardous and noxious substance reconnaissance capability during April 2018.

The program trains members of HAZMAT units in how to operate aboard a ship at sea. If a ship has an incident involving a dangerous substance AMSA and HAZMAT officers can be deployed to investigate without needing to bring the ship into port or near populated areas.



AMSA and HAZMAT officers undertaking hazardous and noxious substance capability training, April 2018

Improving boating safety in the Torres Strait

Strategic challenges addressed:

- SC1: Managing risks to safety and the environment
- SE: Collaborating with our community.

Strategic goals addressed:

- SG1.8: Promote a maritime safety culture that leads to positive behavioural change
- EG.2: Improve and promote maritime safety and environmental protection in our region
- EG.5: Informed and engaged community on maritime issues, search and rescue, and our role
- EG.6 Effective engagement with communities to promote maritime safety.

Strategic risks addressed:

- SR3: Failure as a response organisation—search and rescue or maritime environmental emergency response arrangements are inadequate.

Measures:

- 3.2.1 Maximise percentage of lives saved as a proportion of lives at risk.

Since 2006, AMSA has partnered with Maritime Safety Queensland, Torres Strait Regional Authority, Queensland Police Service and the National Maritime Safety Authority of Papua New Guinea to deliver the Torres Strait Marine Safety Program.

The program aims to improve and promote boating safety in the Torres Strait region; reduce the number of search and rescue operations in the area; increase the survivability of persons lost at sea; and support development of the near coastal maritime industry in the region.

Through collaboration, sharing expertise, combining resources and effectively engaging the Torres Strait community, a range of maritime safety education and training sub-projects have contributed to creating and maintaining a safety culture in the region.

AMSA's efforts with program partners have resulted in the lowest number of maritime search and rescue incidents since it began—down from 202 in 2006–07 to 56 in 2017–18, a 72 per cent decrease.

Getting ready for the national system

AMSA has been working in collaboration with the states and the Northern Territory to allow a smooth transition of service delivery of the national system to AMSA on 1 July 2018.

Preparation for delivery of services under Australia's first truly national maritime system for domestic commercial vessel safety services commenced in earnest this year.

We worked closely with state and territory marine safety agencies to devise a smooth transition for our regulated community—commercial vessel owners, operators and crew—which enabled them to continue to meet their maritime safety obligations while getting on with their every-day business.

Strategic challenges addressed:

- SC1: Managing risks to safety and the environment
- SE: Collaborating with our community.

Strategic goals addressed:

- SG2.1: Prepare to assume responsibility for service delivery as National Regulator by July 2018
- SG2.2: Promote continuous improvement in marine safety
- SG2.3: Promote public confidence in the safety of marine operators
- SG2.4: Ensure the effective identification and management of safety risks
- EG.2: Improve and promote maritime safety and environmental protection in our region
- EG.3: developing stakeholder relationships
- EG.6 Effective engagement with communities to promote maritime safety.

Strategic risks addressed:

- SR3: Failure as a response organisation—search and rescue or maritime environmental emergency response arrangements are inadequate.

Measures:

- 2.1 Assume responsibility for (national system) service delivery by July 2018.

Communicating

An integrated information and education campaign 'One system to navigate' launched in January 2018 to raise awareness about how and where to access services—and how the changes might be different from the current experience.

The focus of the campaign was to inform operators and seafarers on how to contact, interact and transact with us from July 2018 and to provide certainty about where to access the services they need, when they need them.

With a diverse and geographically dispersed maritime community there was no one-size-fits-all way of reaching the domestic commercial vessel industries. Our strategy was to engage people through the channels they most often use in their day-to-day business interactions and through both formal and informal industry networks.

Information was distributed through a mix of broad and targeted channels to give people the opportunity to engage in the way, and at a time, they prefer—supported with consistent timely messages and a variety of easy to understand information on our website.

Particular focus was given to growing and developing our digital communities to complement AMSA's strategy for online delivery of all services—with workarounds for those who do not have access to the internet.

Communications efforts were underpinned by a customer centric business approach to delivery of national system services, including:

- a trained and agile workforce to provide guidance and assistance from our central customer service centre 'AMSA Connect' and in person at one of our 19 regional offices
- face-to-face and direct engagement activities with key industry stakeholders and advisory groups throughout 2017–18
- a newly designed website with easy to understand content and ready access to self-help tools and resources
- direct mail for certificate services with clear and timely calls to action via our state and territory delegates and other service delivery partners.
- tailored information for people to understand 'what has changed' and 'when' in each state and territory.

The effectiveness of this information and education campaign will be evaluated and the findings used to inform both future communication activity and business process improvement.



Website redesign

During 2017–18, AMSA progressed implementation of its digital strategy and roadmap with a major redevelopment of its website, amsa.gov.au. Identified as a key focus area—the modernisation of our customer-facing website enables faster, easier and more reliable access to online services and information about maritime safety requirements, standards and response information.

To ensure we built a website for the people who would use it, we sought feedback from a range of stakeholders—from small fishing operators in the Northern Territory, to larger more sophisticated businesses, as well as government agencies and our own staff.

The new site also makes ‘how to’ content easier to find and automatically resizes to fit any mobile device. Improved search functionality, together with a form finder and pages for specific audiences—such as commercial fisher, seafarer and coastal pilot—help customers find the information they want quickly and easily.

Since launching in December 2017, we have continued to test and invite feedback on both navigation and content with our customers—we are using this information to regularly improve the user experience and to increase our understanding of how people use the website.

For domestic and international operators and crew, the new design and functionality reflects

our commitment to a customer-centric approach to make it easier for customers to get on with their work or business and to quickly find the information they need to meet their safety obligations.

The website redesign was part of our readiness to deliver services under the National System for Domestic Commercial Vessel Safety and is the central platform for online interaction and transaction with our regulated community and stakeholders.

Over the six months January to June 2018, we focused on creating plain-English guidance content for our new domestic customers—around 27,000 vessel owners/operators and 66,500 crew—so they can interact and transact with us from day one.

The front page of the website features links to the most commonly used content and the ‘Find a service’ page means that people can find the service closest to them anywhere in the country—including directions on how to get there. Although the fastest way to access services is always amsa.gov.au or AMSA Connect 1800 627 484.

AMSA.gov.au is our primary channel and the single source of truth for maritime safety information, guidance and standards. We will continue to improve the website based on our customers’ feedback to ensure it remains relevant, timely and appropriate for the people who use it.



Navigation Safety Symposium 2018

Strategic challenges addressed:

- SC1: Managing risks to safety and the environment
- SE: Collaborating with our community.

Strategic goals addressed:

- SG1.1: Ensure safe shipping in Australian waters
- EG.5: Informed and engaged community on maritime issues, search and rescue and our role
- EG.6: Effective engagement with communities to promote maritime safety
- EG.7: To be respected and trusted
- EG.9 Create opportunities for people to provide relevant feedback to AMSA
- EG.10: Increase safety knowledge and practices amongst people that work with commercial vessels.

Strategic risks addressed:

- SR2: Failure as a regulator.

Measures:

- R.2 Regular formal and informal feedback.

Technology is driving changes to the way people and organisations operate in the maritime sector. Advances such as e-navigation and real time vessel tracking systems are streamlining the way maritime authorities and shipboard teams gather and exchange information—presenting both opportunities and challenges for safety and performance outcomes.

The search for productivity gains by industry will test the boundaries of established practices and challenge both the regulator and business to assess and manage safety and environmental risks.

Greater automation of bridges, an increasing presence of autonomous vessels and advances in propulsion systems and fuels are just some of the factors which will test our ability to identify and manage new safety risks presented by emerging technology.

In May 2018, AMSA hosted 'NAV18', a navigation safety symposium focused on engaging stakeholders and sharing information across the sector on advances in navigation systems, aids to navigation and insights to the human element, which is a key factor in safe navigation.

The symposium covered a range of areas including discussion on the challenges for regulating an environmental experience significant technological change, and the need to facilitate the introduction of these technologies in a coherent and considered way.



The Navigation Safety Symposium underway in May 2018

International collaboration

Australia is a founding member of the IMO, and is one of the few countries to maintain representation on the IMO Council for over 40 years. Working with international organisations like the IMO is important as part of a global effort to improve maritime safety.

Strategic challenges addressed:

- SC1: Managing risks to safety and the environment
- SE: Collaborating with our community.

Strategic goals addressed:

- SG1.9: Influencing the standards of international conventions
- EG.1 International standards reflect Australian expectations and international standards are reflected nationally
- EG.3 Have a strong regional voice in international fora
- EG.4 Regional approaches align with agreed international priorities.

Strategic risks addressed:

- SR2: Failure as a regulator.

Measures:

- E1.1 Satisfactory progress of issues either sponsored directly or supported by Australia at the IMO
- E1.2 Satisfactory influence of technical standards of interest to Australia at IALA.

Progress on Australian priorities

AMSA is the lead agency for Australia's engagement in the IMO, and seeks to shape international maritime standards and obligations to best accommodate Australia's national interests.

In December 2017, Australia was elected to Category B of the IMO's governing Council—the first country, together with the United Arab Emirates, to move up from Category C to B. Australia secured 143 of 160 available votes.

The result—which was by no means easily achievable—ensures Australia's broad maritime interests continue to be represented at the highest level of international maritime policy making.

Australia's influence at the IMO contributed to the adoption in April 2018 of the strategy on reduction of greenhouse gas (GHG) emissions from ships that was in line with our national interests.

In what was hailed as a historic moment for the industry, the strategy set a carbon intensity reduction of 40 per cent by 2030 and 70 per cent by 2050 (compared to 2008 levels).

It also has total emissions peaking as soon as possible and reducing by at least 50 per cent by 2050 (again compared to 2008 levels).



IMO headquarters, London

The strategy was a carefully negotiated outcome which considered factors such as economic growth relying on international trade, the needs of small-island developing states and least developed countries and the urgent need to take action on climate change whilst balancing national trade and economic interests.

With the adoption of the initial strategy, Australia's focus in the IMO will now turn to implementation of the strategy and, in particular, the assessment of candidate measures and the impacts on states, including how impacts should be assessed and addressed. A final strategy is scheduled to be agreed in 2023.

Another example of Australia's interests in the IMO is the carriage of bulk cargoes including iron ore, coal and bauxite. This reflects the significant safety, economic and environmental considerations of moving these commodities by ship.

For instance, Australia recently had a significant role in the adoption by the IMO of improved testing for the dynamic separation of bauxite, to be included in the revised International Maritime Dangerous Goods (IMDG) code (see case study on page 21).

Progress on Australian priorities at IALA

In May 2018, Australia was elected to the governing Council of IALA. IALA brings together marine aids to navigation authorities, manufacturers, consultants and scientific and training institutes from all parts of the world and offers them the opportunity to exchange and compare their experiences and achievements.

Australia led the finalisation of a revised chapter on e-navigation for the IALA Aids to Navigation Manual (NAVGUIDE). Australia also contributed to the finalisation of an IALA Guideline on the retransmission of Satellite Based Augmentation System (SBAS) corrections using MF-Radio beacons and AIS base stations.

Australia contributed to significant progress across a range of Vessel Traffic Service (VTS) initiatives, including the VTS audit methodology, communications and the portrayal of VTS data. Australia also contributed to the guidelines for setting and measuring VTS objectives, VTS VHF voice communications and VTS information exchanges with external systems.



The Australian delegation at the International Maritime Organization with the then Australian High Commissioner to London, the Honourable Alexander Downer (centre) in December 2017.

Annual performance statements:

Detailed performance measures



Chapter

6



Strategic Challenge 1:

Managing risks to safety and the environment

Focus area 1.1 – Ensuring regulated vessels are operating safely and meeting standards

1.1.1	Performance criterion	Target	Results		
			15–16	16–17	17–18
	The inspection rate of risk assessed eligible foreign-flagged ships under the port State control (PSC) program meets the following targets:				
	Priority one ships (P1)	80%	97%	93%	91%
	Priority two ships (P2)	60%	88%	80%	69%
	Priority three ships (P3)	40%	74%	57%	38%
	Priority four ships (P4)	20%	52%	36%	19%
<p>Rationale: Using the risk profile (P1=high, P4=low) of individual ships as a basis, our inspection regime—as a preventative measure—ensures we concentrate our resources on those ships that pose the greatest threat to safety and the environment.</p>					
<p>Analysis of performance: During the period of intense training and preparations for national system service delivery, less emphasis was placed on the lower risk category vessels. Nevertheless, the year end results for P3 and P4 were only 1.8% and 0.8% under respective targets.</p>					
Case study: N/A		Source: 2017–18 Corporate Plan: p.21		RPF KPI: 3,4	

1.1.2	Performance criterion	Target	Results		
			15–16	16–17	17–18
	Extent to which inspections of high risk ships are within targeted timeframes	100%	100%	100%	99%
<p>Rationale: All eligible ships (P1–P4) are targeted for inspection every six months. Timely inspections of high-risk ships, including passenger vessels, within this timeframe improves safety by identifying and rectifying faults (operator responsibility), and encouraging owners to operate vessels safely.</p>					
<p>Analysis of performance: Due to the simultaneous arrival of another passenger vessel that was assessed as a higher risk, resources were not available to inspect <i>AMSTERDAM</i>. As a consequence, the vessel was not inspected within the required six month period. The vessel was subsequently inspected in February 2018 with no deficiencies found.</p>					
Case study: N/A		Source: 2017–18 Corporate Plan: p.21		RPF KPI: 3	

1.1.3	Performance criterion	Target	Results		
			15–16	16–17	17–18
	The annual number of port and flag State control (FSC) ship inspections meets the following targets:				
	• All inspections	7900	9501	9403	7368
	• PSC inspections	3000	3817	3608	2989
	• FSC inspections	60	86	74	71
<p>Rationale: By establishing representative samples by ship inspection type, we can monitor the quality of ships in Australian waters with some certainty, and determine whether trends are emerging that may pose a risk to safety and the environment.</p>					
<p>Analysis of performance: Preparations for National System saw less emphasis placed on inspecting lower risk ships—see 1.1.1—resulting in a minor negative variance to all inspection and PSC inspection targets.</p>					
Case study: N/A		Source: 2017–18 Corporate Plan: p.21		RPF KPI: 1	
<p>Footnote: Primary target is based on risk group. The overall 7900 target has been withdrawn for future reporting.</p>					

1.1.4	Performance criterion	Target	Results		
			15–16	16–17	17–18
	Improvement in the standard of foreign-flagged ships and Australian-flagged ships (under the <i>Navigation Act 2012</i>) operating in Australian waters is demonstrated through the:				
	1.1.4.1 Average number of deficiencies per inspection compared to a rolling 10-year average	<3.25	2.3	2.4	2.2
	1.1.4.2 Percentage of ships detained as a proportion of all PSC inspections	<7.5%	6.5%	5.5%	6.5%
	1.1.4.3 Proportion of serious incidents to total port arrivals	<0.5%	0.008%	0.3%	0.3%
	1.1.4.4 The age of ships coming to Australia relative to the age of ships in the worldwide fleet	less than or equal to the average of the worldwide fleet	8.4	9.6	10
<p>Rationales:</p> <p>Overall: monitoring trends on vessel standards allows us to gauge the effectiveness of our inspection and regulatory regime, identify emerging trends, and determine whether action needs to be taken.</p> <p>1.1.4.1 Indicates whether the standard of ships operating in Australian waters is improving/worsening.</p> <p>1.1.4.2 Indicates the quality of the foreign flag ship fleet visiting Australia.</p> <p>1.1.4.3 Indicates whether safety in the shipping industry is improving/worsening.</p> <p>1.1.4.4 Indicates: (1) the overall quality of the foreign flag ship fleet visiting Australia. (2) increasing/decreasing risk of the foreign flag fleet coming to Australia, for example younger vessels = lower risk, older = higher risk (lead indicator), (3) how successful we have been influencing ship owner/operators not to send older/higher risk ships to Australia (lag indicator).</p>					
Case studies: p.31, 32		Source: 2017–18 Corporate Plan: p.22 2017–18 PBS: p.85 (1.1.4.3)		RPF KPI: 1.1.4.2: 1	
<p>Footnote:</p> <p>1.1.4.3: Historic typographical error corrected to include percentage (%) sign.</p> <p>1.1.4.4: The target for 2017–18 was changed from <9 years to “less than or equal to the average of the world wide fleet” in recognition that AMSA’s ability to influence the factors contributing to this measure is limited, and that there is shared attribution. The average age of ships in the worldwide fleet is 22.5 years.</p>					

1.1.5	Performance criterion	Target	Results		
			15–16	16–17	17–18
	Improvement in the standard of commercial domestic vessels is demonstrated through:				
	1.1.5.1 Fatalities as a percentage of the total size of the domestic commercial vessel fleet workforce	0%	Not reported	Not reported	0.01% (9 fatalities)
	1.1.5.2 Serious incidents as a percentage of the total number of vessels in the domestic commercial fleet	0%	Not reported	Not reported	0.06% (90 incidents)
Rationales:					
1.1.5.1 Indicates whether domestic vessel safety is improving or worsening, and prompts further investigation/action.					
1.1.5.2 Indicates whether domestic vessel safety is improving or worsening, and prompts further investigation/action.					
Analysis of performance:					
1.1.5.1: Calculations made on the assumption of 27,000 vessels and 66,500 seafarers. There were nine fatalities during the year.					
1.1.5.2: Calculations made on 90 incidents reported. Serious incidents include: vessel lost, major vessel damage, person overboard, capsizing, sinking, vessel lost, fire, explosion, serious injury.					
Case study: p.23		Source: 2017–18 Corporate Plan: p.22		RPF KPI: N/A	
Footnote:					
1.1.5.1 Measure for 2017–18 was updated to include a proportionate comparative component. For example, if the number of seafarers working in the domestic commercial fleet doubles, then the raw number of fatalities may increase—so the percentage of fatalities against the total number is a better indicator.					
1.1.5.2 Introduced as a new measure for 2017–18. Includes a proportionate, comparative component—same rationale as 1.1.5.1 above.					
General: measures appeared as 1.1.6 in 2016–17 annual performance statements. Previous 1.1.5 measure now at 1.4.1.					

Focus Area 1.2 – Preventing pollution from shipping

1.2.1	Performance criterion	Target	Results		
			15–16	16–17	17–18
	There is a reduction over time in the ratio of reports to AMSA under the <i>Protection of the Sea (Prevention of Pollution from Ships) Act 1983</i> of serious pollution incidents compared to the total number of ship port visits to Australia.	<0.7%	0.0%	0.0%	0.0%
<p>Rationale: Demonstrates whether industry and vessel safety is improving, and AMSA's success in combatting marine pollution to achieve clean seas.</p>					
<p>Case study: p.42</p>		<p>Source: 2017–18 Corporate Plan: p.22 2017–18 PBS: p.85</p>		<p>RPF KPI: N/A</p>	
<p>Footnote: A serious pollution incident is one that discharges more than 50,000 litres of pollutant into the marine environment.</p>					

Focus Area 1.3 – Supporting safe navigation

1.3.1	Performance criterion	Target	Results		
			15–16	16–17	17–18
	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%	99.90%	99.96%
<p>Rationale: A high rate of reliability and availability across our aids to navigation (AtoN) network has a direct, positive relationship with vessels operating safely. It also measures the extent to which the AtoNs contractor is meeting KPIs.</p>					
<p>Analysis of performance: All AtoN's met targets during 2017–18 with the following exceptions (note performance is calculated on a three year rolling average):</p> <ul style="list-style-type: none"> Differential Global Positioning Systems (DGPS) were slightly below target due to stations being turned off ahead of approaching tropical cyclone Debbie in March 2017 and a significant equipment failure at Crib Point (Victoria) in June 2016. Automatic Identification Systems (AIS) were slightly below target due to the impact of outages from tropical cyclone Debbie in March 2017 and an extended outage of the satellite communications link at Swain Reefs in February 2018. Met-ocean sensors were slightly below target largely due to an extended outage of Gannet Passage wave rider buoy and Goods Island communications links. 					
<p>Case study: p.19</p>		<p>Source: 2017–18 Corporate Plan: p.23</p>		<p>RPF KPI: N/A</p>	

Focus Area 1.4 – Contributing to and implementing international conventions

1.4.1	Performance criterion	Target	Results		
			15–16	16–17	17–18
	All regulatory measures introduced internationally are given effect within specified timeframes	100%	100%	85%	71%
<p>Rationale: A current, up-to-date regulatory framework influences the way ships are operated, and promotes safe shipping.</p>					
<p>Analysis of performance:</p> <p>The following were given effect with specified IMO timeframes:</p> <ul style="list-style-type: none"> • Marine Order 41: Carriage of dangerous goods • Marine Order 76: Health-medical fitness • Marine Order 95: Marine pollution prevention—garbage • Marine Order 97: Marine pollution prevention—air pollution • Marine Orders Amendment Order 2017 • Marine Orders (Navigation Act) Administrative Amendment Order 2017 <p>IMO mandatory changes related to 'Marine Order 96: marine pollution—sewage' were not given effect within the timeframe specified by the IMO (1 January 2017) due to delays to amendments to the enabling legislation—the <i>Protection of the Sea (Prevention of Pollution from Ships) Act 1983</i>. Changes to Marine Order 96 came into effect on 1 April 2018.</p>					
Case study: N/A		Source: 2017–18 Corporate Plan: p.23		RPF KPI: N/A	

Focus Area 1.5 – Ensuring seafarer competency and welfare

1.5.1	Performance criterion	Target	Results		
			15–16	16–17	17–18
	Improvement in the standard of foreign-flagged ships and Australian-flagged ships (under the <i>Navigation Act 2012</i>) operating in Australian waters is demonstrated through the:				
	1.5.1.1 Average number of Maritime Labour Convention deficiencies per inspection compared to 10 year average	<0.5	0.31	0.31	0.31
	1.5.1.2 Onshore complaints made under Article 22 of the Maritime Labour Convention investigated within specified timeframes	100%	98%	98%	100%
<p>Rationales:</p> <p>1.5.1.1 Indicates whether seafarer working and living conditions are improving or worsening, and prompts further investigation/action.</p> <p>1.5.1.2 Timely investigation and resolution of complaints improves seafarer working and living conditions immediately, and sends a clear message to vessel owners/operators that poor treatment will not be tolerated.</p>					
Case study: N/A		Source: 2017–18 Corporate Plan: p.23		RPF KPI: N/A	

1.5.2	Performance criterion	Target	Results		
			15–16	16–17	17–18
	Achievement of the objectives detailed in the Australian Seafarer’s Welfare Council (ASWC) Strategic Plan for which AMSA is responsible	100%	100%	100%	100%
<p>Rationale: Achievement of the goals positively impacts seafarer working and living conditions.</p>					
Case study: p.20		Source: 2017–18 Corporate Plan: p.23		RPF KPI: N/A	

Regulatory performance

R	Performance criterion	Target	Results		
			15–16	16–17	17–18
	Monitor overall regulatory performance through:				
	R.1: Regular formal and informal feedback through:				
	R.1.1: National system customer service	75%	90.5%	90%	90.5%
	R.1.2: Regulator Performance Framework Survey				
	Q2 AMSA helps vessel owners and seafarers safely operate or work on a vessel without getting in the way	No target	Not reported	3.95 out of 6	3.54 out of 6
	Q3 Communications I get from AMSA are clear and useful	No target	Not reported	3.74 out of 6	3.67 out of 6
	Q4 Given the risks involved in what I do, the level of regulation is about right	No target	Not reported	3.69 out of 6	3.25 out of 6
	Q5 AMSA's compliance and monitoring arrangements are well organised and efficient	No target	Not reported	3.55 out of 6	3.15 out of 6
	Q6 AMSA explains its decisions well	No target	Not reported	3.52 out of 6	3.22 out of 6
	Q7 AMSA is always trying to improve maritime regulations to create a safer and more efficient industry.	No target	Not reported	3.90 out of 6	3.46 out of 6
	R.1.3: Email campaign read rate	30%	39%	34%	34%
Rationale:					
R.1 Measures the effectiveness of how AMSA currently engages with stakeholders and how the organisation is perceived. An understanding of how stakeholders perceive and engage with AMSA is important to inform how AMSA could improve current stakeholder engagement strategies.					
R.1.1 Indicates the level of customer satisfaction with the service delivered by our call centre, and whether their issue was resolved satisfactorily. Helps us to improve our services, and identify potential issues which may prompt further investigation/action.					
R.1.2 Online survey provides customers the opportunity to rate our performance as a regulator on a scale of 1-6 (1=strongly disagree, 2=agree, 3=somewhat disagree, 4=somewhat agree, 5=agree, 6=strongly agree).					
R.1.3 Indicates how successful our domestic vessel communication effort has been, including safety awareness—and may prompt further investigation/action.					

Regulatory performance continues on the next page.

Regulatory performance (continued)

Analysis of performance:

R.1.1: Satisfaction levels remained high across the year. There was a one per cent decrease in the last quarter, attributed to a lack of clarity for customers in relation to the change in service delivery for the national system. During the last quarter, a higher proportion of callers could not have their enquiry or issue resolved by AMSA Connect as that responsibility still resided with their state or territory authority.

R.1.2: The annual scores for all six RPF KPIs sit in the ‘somewhat disagree’ (3) to ‘somewhat agree’ (4) range, delivering a minor drop across all six KPIs compared to last year, and a relatively neutral overall result.

The majority of RPF survey participants (54% /n=38) identify with the domestic commercial vessel fleet. Management believes that the recently completed transition which saw AMSA assume full responsibility for service delivery of the national system in July 2018 may have influenced some survey responses. Continued industry uncertainty about how services would be delivered under national system arrangements and the financial impacts are likely factors contributing to the slight drop.

R.1.3: Email communication campaigns doubled in the lead up to national system transition and with announcements on fees, levies and the consultation on the draft levy bills. Read rates remained steady at 34.4 per cent. The average government e-news read-rate is 22 per cent.

Case study:
p.46

Source:
2017–18 Corporate Plan: p.24

RPF KPI: 1,2,3,4,5,6

Footnote:





R.1.1/R.1.2/R.1.3 Since the development of our 2016–20 Corporate Plan AMSA has implemented several initiatives to capture formal feedback on our regulatory performance, including the national system customer service measure, Regulator Performance Framework reporting, and the domestic vessel e-news rate. These provide depth to the original gross measure: R.2 Regular formal and informal feedback.

R1.2. 1. Targets were not set for these measures as the survey had not been running for 12 months, which meant baseline data was not available. Targets have been set for 2018-19, see page 28 of the AMSA 2018–19 Corporate Plan. A consolidated target across the six RPF KPIs of ‘average greater than or equal to 3’ has been set for 2018–19.

Capability projects

- [Reference 2017–18 Corporate Plan: p.20](#)

Capability Projects Legend

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

Project: Integrated operations

Status: 

Description: Exploring ways to leverage our strengths through better integration of search and rescue, maritime casualty and incident response.

Summary: Integrated operations is an initiative aimed at identifying efficiencies in the use of AMSA operational response resourcing and centralising coordination of 24/7 operations. The project has successfully delivered enhanced organisational domain awareness and operational intelligence briefings. We have also further integrated out-of-hours incident triaging and Level 1 incident management and notifications through the AMSA Response Centre (ARC). The next phase of delivery (early 2019) includes expansion of incident triage processes and receipt and initial assessment of vessel incident reporting through the ARC. Other development activities being progressed include geo-fencing, drift detection and analysis and further enhancements to maritime risk detection and assessment.

Project: Looking ahead—AMSA's operating environment 2017–2027

Status: 

Description: Outlines the key ongoing and emerging maritime challenges over the next 10 years and implications for the maritime community. Develop policy responses to address identified future challenges.

Summary: Looking Ahead—AMSA's Operating Environment 2017–2027 has been approved by the Deputy Prime Minister and Minister for Infrastructure and Transport, and published on our website. The forward looking guide aims to assist all areas of AMSA when making long-term plans in response to the identified challenges. Our annual corporate plan is aligned to the near and mid-term challenges contained within.

Project: Seafarer certification services

Status: 

Description: Deliver a 'one-stop-shop' capability for international and domestic seafarer certification.

Summary: This project is complete and the services are part of our ongoing operations. Seafarers holding or applying for either a domestic or international certificate of competency can now lodge and pay for their applications and complete their proof of identity checks at one of 115 Australia Post outlets around the country.

Strategic Challenge 2: Building the National System for Domestic Commercial Vessel Safety

Focus Area 2.2 – Building the service delivery framework

Focus Area 2.3 – Building the regulatory framework

2.1	Performance criterion	Target	Results		
			15–16	16–17	17–18
	Assume responsibility for service delivery by July 2018	100%			100%
Rationale: This is a pivotal milestone for AMSA as the national regulator for domestic commercial vessels.					
Analysis of performance: AMSA assumed responsibility as the national regulator for domestic commercial vessels on 1 July 2018.					
Case study: p.43		Source: 2017–18 Corporate Plan: p.31		RPF KPI: N/A	
Footnote: In November 2016, the Transport and Infrastructure Council determined that AMSA should continue to progress towards assuming responsibility for these arrangements, but extend the timeframe to allow jurisdictions and industry to better consult and prepare for these significant changes. The target was revised to 1 July 2018.					

Capability Projects Legend

- ✔ On track
- ! Minor issues, but recoverable
- C Complete
- ✘ Major issues, management intervention required

Capability projects

- [Reference 2017–18 Corporate Plan: p.31](#)

National system transition (NST) program

Status: C

Description: Ensuring that systems and processes are developed to allow for the smooth transition of regulatory responsibility for domestic commercial vessels from the states and territories to AMSA.

Summary: Full service delivery of the national system commenced on 1 July 2018. For owners, operators and crew of domestic commercial vessels this means a single set of safety rules and service delivery standards around the country.

Additional office locations have been set up around the country and our website has been updated to enable customers to lodge and pay for applications, and easily access safety and regulatory information.

Focus now moves to continued improvement in how AMSA is delivering services to the domestic commercial vessel industry.

Strategic Challenge 3:

Delivering incident intervention and response

Focus Area 3.2 – Saving lives daily through search and rescue

3.2.1	Performance criterion	Target	Results		
			15–16	16–17	17–18
	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%	98.6%	99%	94.8%
Rationale: Measures the effectiveness of AMSA's ability to save lives.					
Analysis of performance: We rescued a total of 128 lives in 2017–18. 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.					
The result for 2017–18 reflects a 4.2% variation from the previous year. This is due to the reduction in the number of incidents this period in comparison to the last, which places an increased level of significance on any lives lost.					
*Circumstances such as severe medical conditions requiring specialist medical attention, or a person overboard in the offshore environment without safety equipment, locating device and/or in poor weather conditions who is not immediately recovered, significantly reduce timeframes for survivability.					
Case studies: p.27, 30, 35, 41, 42, 43		Source: 2017–18 Corporate Plan: p.44 2017–18 PBS: 86		RPF KPI: N/A	

3.2.2	Performance criterion	Target	Results		
			15–16	16–17	17–18
	Provision of capacity to conduct search and rescue operations				
	• incidents (annual)	8500	7370	7595	7983
	• searches (annual)	740	436	412	401
Rationale: Indicates the effectiveness of resourcing search and rescue capability, which underpins saving lives.					
Case study: N/A		Source: 2017–18 Corporate Plan: p.44		RPF KPI: N/A	
Footnote: AMSA has the capacity to respond to up to 8500 incidents and 740 searches every year. Results less than these targets are positive as they indicate that AMSA is maintaining sufficient capacity, and may also indicate improving behaviour across those users we support through search and rescue, eg recreational boating.					

3.2.3 Performance criterion	Target	Results		
		15–16	16–17	17–18
Median time (minutes) for the Rescue Coordination Centre to initiate a response	30	27	26	24
<p>Rationale: Demonstrates that the rescue coordination centre is tasking search and rescue assets responding to an incident in a timely, effective and appropriate manner to save lives.</p>				
<p>Case studies: p.30, 35, 41</p>	<p>Source: 2017–18 Corporate Plan: p.44</p>	<p>RPF KPI: N/A</p>		
<p>Footnote: Previous 2016–17 measure 3.2.3—availability of distress and safety communication services—was removed as result of a rationalisation of measures. Measures numbering was updated accordingly, i.e. 3.2.4 is now 3.2.3.</p>				

3.2.4 Performance criterion	Target	Results		
		15–16	16–17	17–18
For incidents that AMSA has SAR coordination responsibility, the median time (minutes) for an asset to be on scene is:				
• Day (7 am – 7 pm AEST)	150	90	103	110
• Night (7 pm – 7 am AEST)	180	109	135	141
<p>Rationale: Demonstrates that assets are in the right place on time. Also reflects performance against international onscene response time standards</p>				
<p>Analysis of performance: The full implementation of AMSA's new Challenger search aircraft in 2017 has resulted in a significant increase in AMSA's ability to undertake long range search and rescue activities. Prior to the implementation of the Challenger aircraft these activities were undertaken by the Australian Defence Force and these long range events (which increases the time for the asset to be on-scene) were not included as part of AMSA's statistical reporting.</p>				
<p>Case studies: p.30, 35, 41</p>	<p>Source: 2017–18 Corporate Plan: p.44</p>	<p>RPF KPI: N/A</p>		





Focus Area 3.4 – Delivering an effective marine pollution response capability

3.4.1	Performance criterion	Target	Results		
			15–16	16–17	17–18
	Maritime environmental response capability is available to respond to a pollution incident	100%	100%	99%	100%
Rationale: Demonstrates that environmental response assets are available to be tasked and deployed in a timely, effective and appropriate manner to combat marine pollution.					
Case study: p.27		Source: 2017–18 Corporate Plan: p.44		RPF KPI: N/A	
Footnote: Pollution response resources include: equipment and dispersant stockpiles; fixed wing aerial dispersant capability; response personnel for maritime casualty response, pollution response and HNS reconnaissance; and emergency towage level 1 and 2 capabilities.					

Capability projects

- **Reference 2017–18 Corporate Plan: p.43**

Capability Projects Legend

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

Project: Integrated operations

See Strategic Challenge 1, page 60

Project: Looking ahead—AMSA's operating environment 2017–2027

See Strategic Challenge 1, page 60

Strategic Challenge 4: Ensuring a vibrant and progressive organisation

Focus Area 4.1 – Workforce engagement, development and safety

4.1.1	Performance criterion	Target	Results		
			15–16	16–17	17–18
	Staff turnover rate falls within the 10–15% range and is less than that of comparable public sector agencies	10–15%	14%	17.3%	11.4%
<p>Rationale: Keeping turnover within acceptable ranges is important. Excessive turnover negatively impacts business continuity, the workforces' ability to deliver business outcomes, and increases costs.</p>					
Case study: N/A		Source: 2017–18 Corporate Plan: p.51		RPF KPI: N/A	

4.1.2	Performance criterion	Target	Results		
			15–16	16–17	17–18
	Biennial staff engagement survey indicates strong staff satisfaction and engagement relative to public sector averages	100%	N/A	Partially achieved	Partially achieved
<p>Rationale: Effective leadership, culture and appropriate levels of staff engagement contributes to the achievement of business outcomes.</p>					
<p>Analysis of performance: 2017–18 survey shows employee engagement levels at 52%. This is lower than results from previous years, but remains well above public sector benchmarks.</p>					
Case study: N/A		Source: 2017–18 Corporate Plan: p.51		RPF KPI: N/A	

4.1.3	Performance criterion	Target	Results		
			15–16	16–17	17–18
	Maintain a lost time injury frequency rate (LTIFR) that is less than comparable public sector agencies	Achieved	Not reported	Not reported	Achieved
<p>Rationale: High rates of LTIFR negatively impact on work outputs, and signal that there may be systemic issues that require investigation/action.</p>					
<p>Analysis of performance: LTIFR of 5.08 is lower than comparable industry agencies.</p>					
Case study: N/A		Source: 2017–18 Corporate Plan: p.51		RPF KPI: N/A	

Focus Area 4.2 – Good governance

4.2.1	Performance criterion	Target	Results		
			15–16	16–17	17–18
	Maintain compliance with statutory, financial and business requirements	Achieved	Achieved	Achieved	Achieved
<p>Rationale: Demonstrates sound governance arrangements are in place, including systems of internal control. Maintenance of these functions are a key enabler to AMSA delivering its operational mission.</p>					
Case study: N/A		Source: 2017–18 Corporate Plan: p.51		RPF KPI: N/A	

4.2.2	Performance criterion	Target	Results		
			15–16	16–17	17–18
	Maintain certification to ISO9001, ISO14001 and AS/NZS4801	Achieved	Achieved	Achieved	Achieved
<p>Rationale: Demonstrates the documented management system—which captures how AMSA does business—complies with rigorous international standards, assessed by a certified independent 3rd party. Maintenance of this system is a key enabler to AMSA delivering its operational mission.</p>					
Case study: N/A		Source: 2017–18 Corporate Plan: p.51		RPF KPI: N/A	

Focus Area 4.3 – Sound financial management

4.3.1	Performance criterion	Target	Results		
			15–16	16–17	17–18
	Unqualified financial statements	Achieved	Achieved	Achieved	Achieved
Rationale: Demonstrates sound financial management practices are in place to maintain AMSA's financial sustainability, necessary to support AMSA's operations.					
Case study: N/A		Source: 2017–18 Corporate Plan: p.52		RPF KPI: N/A	

4.3.2	Performance criterion	Target	Results		
			15–16	16–17	17–18
	Maintain financial viability	Achieved	Achieved	Achieved	Achieved
Rationale: Financial health is a key enabler to AMSA delivering its operational outcomes.					
Case study: N/A		Source: 2017–18 Corporate Plan: p.52		RPF KPI: N/A	

Capability Projects Legend

- ✔ On track
- ! Minor issues, but recoverable
- C Complete
- ✘ Major issues, management intervention required

Capability Project

- [Reference 2017–18 Corporate Plan: p.51](#)

Project: Workforce planning

Status: C

Description: The program will deliver the AMSA Workforce Plan 2018–2021 that will set out the strategic and operational priorities for our workforce. The plan will outline how we develop new skills and capabilities, including how we build on the strengths of our existing culture to successfully deliver our role as the national regulator.

Summary: AMSA's Strategic Workforce Plan 2018–21 and Operational Workforce Plan (which lays out how we will achieve the high level strategies) have been approved. Implementation of the plan forms part of our ongoing business function.

Note: the name of the plan was changed (from 2017–20 to 2018–21) to better reflect the implementation window.

Strategic Enabler:

Engaging with our community

Focus E1 – Working with international organisations and other nations

E.1.1	Performance criterion	Target	Results		
			15–16	16–17	17–18
	Satisfactory progress of issues either sponsored directly or supported by Australia at the IMO	Achieved	Achieved	Achieved	Achieved
Rationale: Influencing issues and decisions at international fora to reflect Australia and regional interests is a key outcome of our international engagement strategy.					
Case studies: p.21, 47		Source: 2017–18 Corporate Plan: p.60		RPF KPI: N/A	

E.1.2	Performance criterion	Target	Results		
			15–16	16–17	17–18
	Satisfactory influence of technical standards of interest to Australia at IALA	Achieved	Achieved	Achieved	Achieved
Rationale: Influencing issues and decisions at international fora to reflect Australia and regional interests is a key outcome of our international engagement strategy.					
Case study: p.47		Source: 2017–18 Corporate Plan: p.60		RPF KPI: N/A	





Focus E2 – Working with partner organisations, developing stakeholder relationships, community education, Indigenous groups

See Regulatory measures on page 58.

Capability project

- **Reference 2017–18 Corporate Plan: p.60**

Capability Projects Legend

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

Project: Website redesign

Status: 

Description: This project will deliver a new AMSA website designed to make it easier to find information and to do business with us online.

Summary: AMSA's new website was launched in December 2017.

Governance



Chapter

7



Organisational profile

Enabling legislation

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

AMSA is a statutory authority established under the AMSA Act, and as a Corporate Commonwealth Entity it is subject to the PGPA Act.

A list of enabling legislation for AMSA in the areas of vessel operations, registration, marine pollution and levies collection is available on the agency’s website.

Workforce planning

During 2017–18 the AMSA Workforce Strategy 2018–21 was developed. The plan development involved consultation with management across the business, to understand from a practical perspective, the workforce planning themes they see as being key to ensuring AMSA’s people are prepared for the future.

The plan is designed to act as a road-map for executive and senior managers who will take an active role in developing, guiding and supporting staff. The five key workforce planning themes that will underpin staff development to 2020–21 (and beyond) are outlined in the figure below.



Figure 10: Key workforce planning themes

Significant activities and changes affecting the operations or structure of the entity during the period

Structural/organisational change

During 2017–18 AMSA continued to refine the organisational structure to ensure the agency was prepared to assume full service delivery for the national system. AMSA's refined structure maintains the three operational divisions, Standards, Operations and Response, supported by Corporate Services, but saw movements of a number of sections and positions to better address the needs of stakeholders and promote collaboration across the organisation.

National system

On 1 July 2018 AMSA assumed responsibility for full service delivery of the national system. Following a major organisational restructure in 2016–17, AMSA invested significant time and resources over the 2017–18 year preparing for the national system including: finalising the service delivery model; building technology systems to meet customer and business needs; and finalising cost recovery arrangements.

Information Technology Services

In preparation for AMSA assuming its expanded regulatory role Information Technology Services have implemented a number of enterprise solutions to meet customer, industry and AMSA business expectations.

These solutions focus on supporting and enhancing the customer experience through enabling digital submission of applications and

payments; secure digital access to information for marine surveyors and marine safety inspectors; reducing the manual data entry burden on business through the integration of information collection via online forms and payments, card and paper certificate printing and distribution; and enhancing our customer service using our integrated information systems.

Although these enterprise solutions have been implemented primarily to support the national system, they will form the basis of our core enterprise systems in the future.

Recruitment

AMSA undertook a number of recruitment campaigns in 2017–18 to engage new employees around Australia for roles which are critical to delivering AMSA's functions.

In preparation for AMSA assuming full service delivery for the national system, successful campaigns were undertaken to appoint Marine Inspectors, Customer Service Officers, and additional Port Marine Surveyors. These positions play an important role interacting with AMSA's stakeholders and providing information and guidance to industry.

AMSA also undertook recruitment actions to fill key leadership and technical positions, as well as a range of corporate and technical support roles.

Recruitment in regional locations was increased and this is consistent with the objectives of the Strategic Workforce Plan 2018–21. In particular, this ensures the right people are in the right locations, to deliver services to our customers and stakeholders.

Structure and location

Pictured on these pages is AMSA's organisational structure (as at 30 June 2018) and a map showing the agency's national presence:

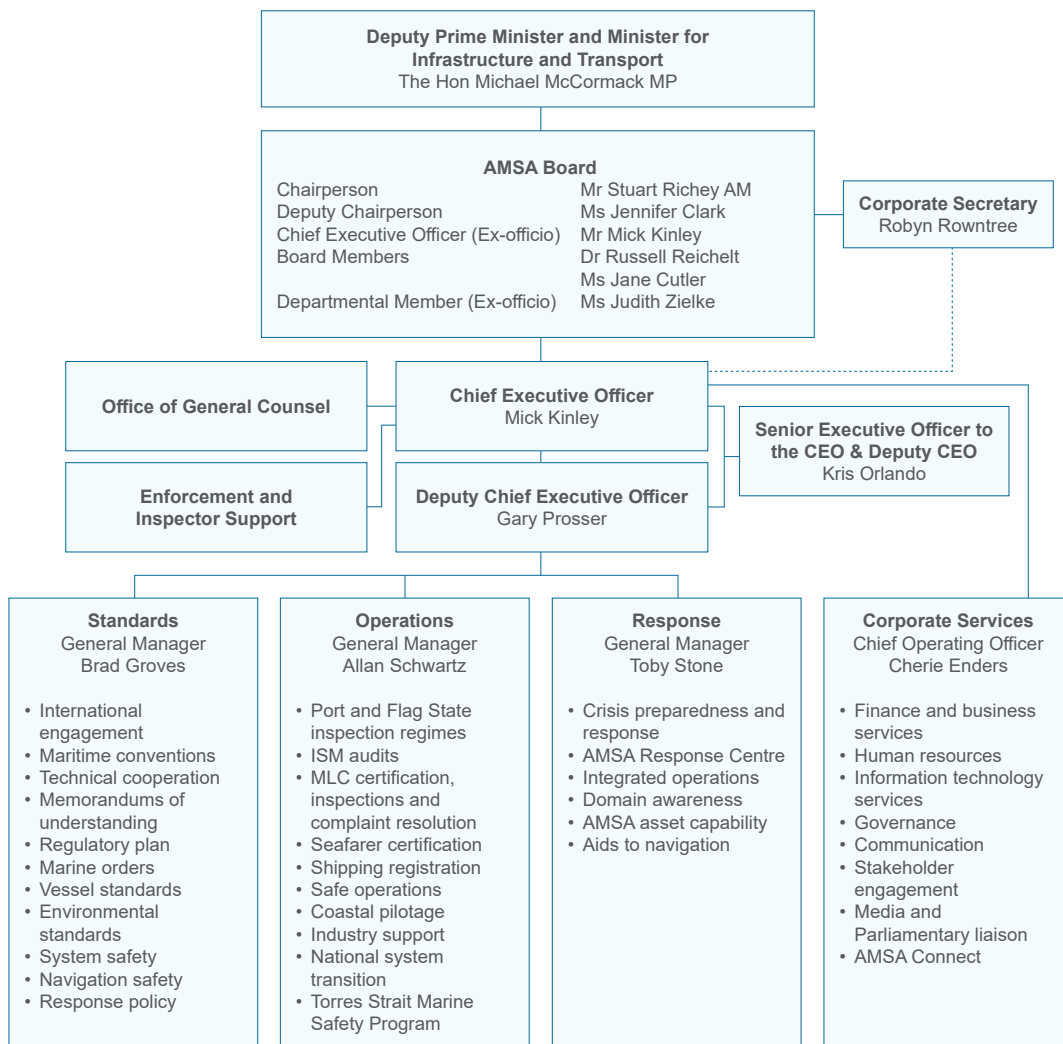


Figure 11: Organisational structure (as at 30 June 2018)

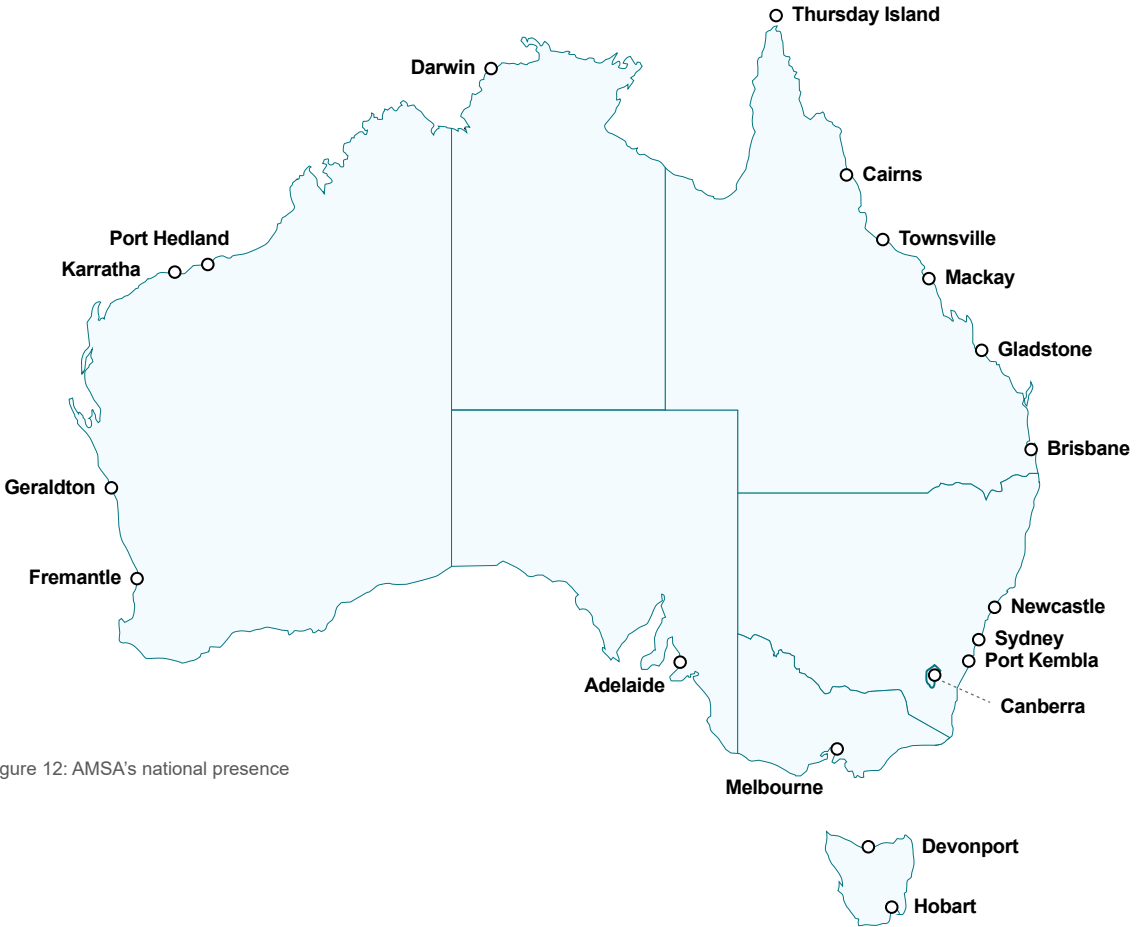


Figure 12: AMSA's national presence

Governance

Main governance practices

The PGPA Act and the AMSA Act are the foundation of AMSA's governance practices.

Accountable Authority

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

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 in this chapter and on our website.

Arrangements

Governance arrangements must be fit for purpose. It is up to the Board to determine the precise nature of AMSA's governance arrangements and structures. Over the past year there have been some high profile governance issues including several highlighted by the Banking Royal Commission which have been noted by the AMSA Board.

The Australian Institute of Company Directors maintain that 'good governance is at the heart of any successful business. It is essential for a company or organisation to achieve its objectives and drive improvement, as well as maintain legal and ethical standing in the eyes of shareholders, regulators and the wider community.

Governance is not simply a concern for large companies, but for any business or organisation of any shape or size. Governance is especially

important in the public sector because you're dealing with the public's money'.¹

AMSA has integrated planning, budgeting and performance reporting—informed by risk (figure 13).

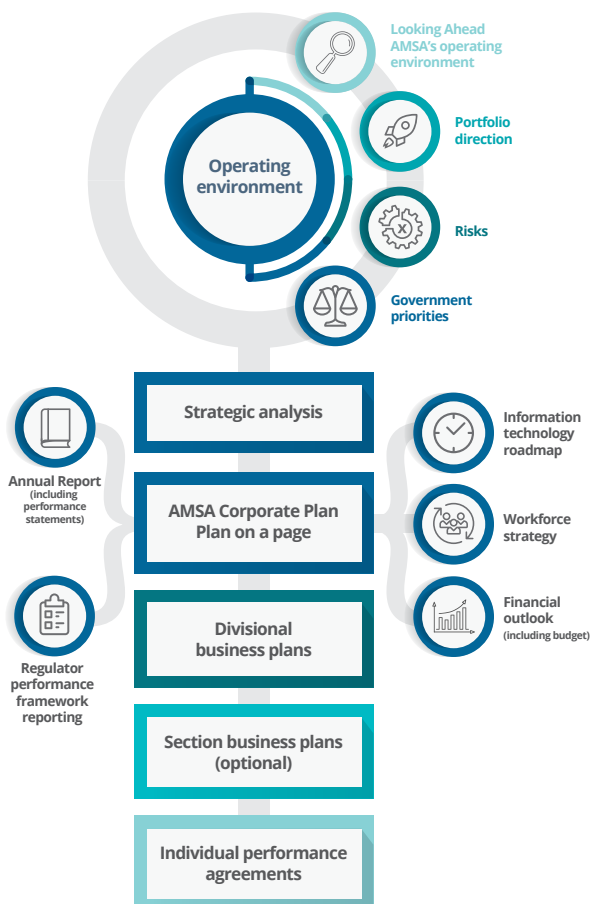


Figure 13: Integrated planning, budgeting and reporting

¹ B2B magazine, July 2018

Planning

There is a four-phase annual planning cycle at AMSA. During phase one, strategic analysis, the operating environment is assessed using a structured 'STEEPLED' approach, which looks at social, technological, economic, environment, political, legal, ethical, and demographic factors.

This helps to identify new, or validate current strategic challenges, strategic risks and goals; and informs phases two to four, in which specific responses, resourcing, and performance measures are determined.

Planning culminates in the annual publication of AMSA's:

- Corporate plan for the next four years, inclusive of the 'plan on a page' and non-financial performance measures.
- Budget/Portfolio Budget Statements (PBS), which set out 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 14: Planning cycle

Board and Committees

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 the responsible minister and finance minister informed.

The Board continues to:

- provide significant strategic oversight of AMSA's business, on behalf of the responsible Minister for Infrastructure and Transport, by determining the overall manner in which various functions should be performed. In doing so, the Board addresses the expectations of the minister within the context of:
 - strategy setting and approval
 - embedding effective risk management
 - communication and stakeholder relationship
 - 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, its financial statements and reporting, compliance; and approving major expenditure
- execute good governance by ensuring compliance with the PGPA Act, the PGPA Rule, 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.

In addition to formal Board meetings, Board members participate in presentations, workshops and site visits. Again this year the Board highlighted the importance of industry engagement with meetings in Melbourne, Cairns, Townsville and Karratha which involved stakeholders from both the international shipping and domestic commercial vessel communities.

The year has deepened the Board's first-hand knowledge of the maritime industry, particularly in relation to domestic vessels.

Appendix 2 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 responsibilities in relation to 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 have attended Committee meetings as observers.

The Board Audit Committee conducted five meetings in 2017–18 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 AMSA's system of internal control.

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 one meeting and one discussion in 2017–18.

Risk management

AMSA has a well-established and mature risk management culture. Risk management is central to our purpose.

The increasing volume of vessel traffic and offshore activities has the potential to increase the likelihood of incidents and consequential environmental damage and/or regulatory challenges.

The operation of the National System for Domestic Commercial Vessels represents a step change for us in terms of stakeholder numbers and the breadth of our regulatory function—and with that change comes risk. We must ensure that we have adequate controls in place to manage existing and emerging risks; but at the same time be mindful of minimising the regulatory burden we place on others, being cost effective, and delivering practical solutions for controlling risks.

Our risk management policy, framework and guidelines are aligned with better practice methodologies and are consistent with the international standard of risk management (ISO 31000: 2018) and the Commonwealth Risk Management Policy 2014.

Further, we constantly revalidate our risk management practices to ensure they support our obligations under the PGPA Act.

During the year we conducted two formal reviews of AMSA's strategic risks; two formal reviews of each division's risks; and a myriad of operational/project risk assessments in support of AMSA's business.

A review of strategic risks is a standing agenda item for every Board Audit Committee meeting,

and strategic risks are incorporated into papers and briefings provided to the Board.

The stability of our overall organisational risk profile is an indicator of the effectiveness of our risk program. While new risks emerged during the year and others were retired, the risks faced by AMSA during the year remained at an acceptable level.

Our risk management program helps us to proactively manage our risks, reduce our exposure to financial and reputational harm, and optimise resource use.

AMSA's strategic risks can be found in the current corporate plan available on our website.

Fraud control

AMSA's Fraud and Anti-Corruption Control Plan 2017–19, which includes a fraud risk assessment, was approved by the Board in May 2017.

We participated in the annual fraud survey conducted by the Attorney-General's Department, which reports fraud data to the Australian Institute of Criminology. There were no cases of fraud detected in AMSA during the reporting period.

All new AMSA employees are provided with fraud awareness training during their induction. A mandatory online training fraud awareness refresher training module was also provided to staff during the year.

AMSA also maintains an independent confidential reporting hotline service. No allegations of fraud were reported via the hotline in 2017–18.

AMSA complies with the Commonwealth Fraud Control Guidelines (2011) and is satisfied that fraud control and anti-corruption measures are effective.

Indemnities and insurance premiums

Insurance cover is provided to Board members and other officers in line with the PGPA Act. AMSA is required by the Australian Government to use Comcover for insurance coverage. Comcover’s relevant insurance policy covers legal liability (including legal costs) for Board members and employees (directors and officers liability). Staff are indemnified from liability when acting in good faith (without recklessness or gross negligence) while employed by AMSA.

Performance reporting

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

AMSA produces quarterly internal reports on its 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.

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

Several other mechanisms assist the 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
- AMSA’s 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
- AMSA’s management system audit program, a crucial part of maintaining ISO certification, monitors performance against the requirements of the relevant standards captured in the documented management system.

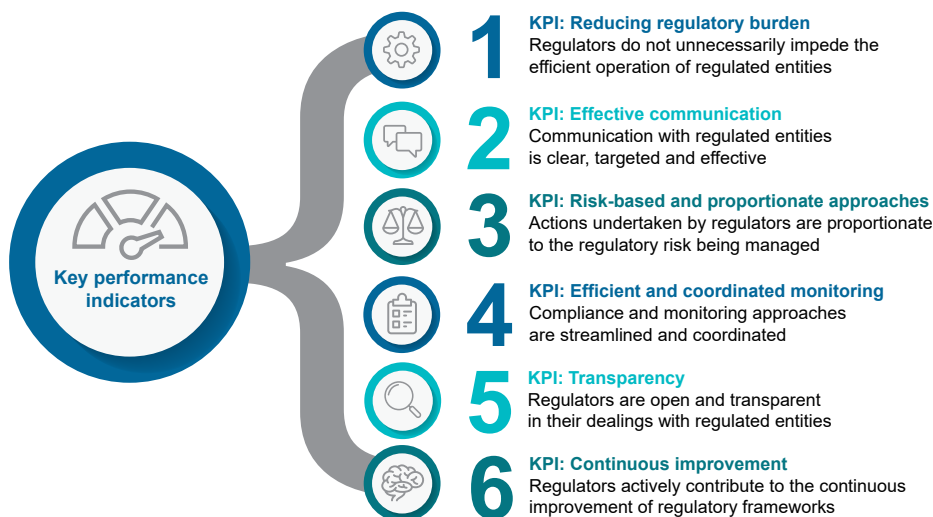


Figure 15: Key performance indicators

² The 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.

Related entity transactions

During the reporting period there was:

- Three transactions (aggregate value of \$68,437) where a procurement and/or payment was made to a related entity where a member of AMSA's Accountable Authority (i.e. Board) holds a similar position.
- one transaction (valued at \$200,000) where AMSA received payment from a related entity where a member of AMSA's Accountable Authority (i.e. Board) holds a similar position.

Any related entity procurements and payments 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.

When a procurement requires Board approval, the standard protocol at every AMSA Board meeting requires Directors disclose material personal interests that relate to the affairs of AMSA.

The disclosure must:

- include details of the nature and extent of the interest and how the interest relates to the affairs of AMSA
- 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)
- be recorded in the minutes of that meeting.

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 interest disclosure in their organisation. There were no reportable PID Act disclosures in the reporting period.

Disability report

AMSA is committed to ensuring that policies and procedures comply with the *Disability Discrimination Act 1992* (Cth). Employees are encouraged to voluntarily disclose information about their disability status.

When a disclosure is made, modifications are made to the workplace as required. Various initiatives are being implemented to reduce barriers to workplace participation.

One initiative is ensuring e-learning and web-based employee information is accessible to those with disabilities.

Statement of significant non-compliance issues

AMSA management acknowledges its responsibility for ensuring compliance with the provisions of the PGPA Act and requirements related to finance law.

AMSA has complied with the provisions and requirements of the:

- PGPA Act
- PGPA Rule
- Appropriation Acts
- other instruments defined as finance law including relevant ministerial directions.

There were no significant non-compliance issues with finance law during the reporting period.

Where immaterial non-compliances were identified, they were managed in accordance with AMSA's 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 PGPA Act. In 2017–18, the following advertising or market research payments were made:

Media advertising organisations

- Ontime publications
Purpose: Advertising and promotion
Expenditure: \$6500
- Paragon Media Pty Ltd
Purpose: Advertising and promotion
Expenditure: \$1760
- Cre8ive Australasia Pty Ltd
Purpose: Creative design services for the transition of national system services
Expenditure: \$77,082
- Dentsu x Australia Pty Ltd
Purpose: Media advertising for the transition of national system services campaign
Expenditure: \$248,621

Market research

- Orima Research
Purpose: Biennial stakeholder survey
Expenditure: \$76,795

Judicial decisions and reviews by outside bodies

In 2017–18 AMSA was party to matters before the Federal Court of Australia and Supreme Court of Western Australia.

These matters did not result in findings that have had a significant effect on operations. Notwithstanding, AMSA is carefully considering the findings and will look for opportunities for improvement.

AMSA also assisted coronial inquiries held in the Northern Territory and Western Australia, and is addressing recommendations made by Coroners about safety issues within its remit, as appropriate.

Reports (Auditor-General, Parliament or Ombudsman)

AMSA was 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 during 2017–18.

Ministerial decisions, and government policy orders

Under section eight of the AMSA Act, the minister may give AMSA written direction with respect to the performance of our functions.

There were no written directions from the responsible Minister during 2017–18.

Work health, safety and environment

Work health, safety and environment management is an important component of compliance and workplace health, and is central to AMSA's 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 AMSA holds, which represent its commitment to a healthy, safe and environmentally-responsible approach in all of actions, policies and procedures.

Day-to-day health and safety issues are addressed by managers with assistance and advice (if required) from AMSA's Health Safety and Environmental Committee, which comprises 18 health and safety representatives, four management representatives and four technical advisers.

AMSA has a strong commitment to employee consultation on health, safety and environmental matters. This is reflected in the composition of a Health and Safety Committee that facilitates regular consultation, with health and safety representatives elected by employees to represent designated work groups throughout the organisation. The committee met four times in 2017–18.

AMSA has a strong commitment to preventing work health and safety incidents occurring, understanding the importance of preventative measures and applying timely and appropriate corrective actions when incidents or hazards do arise.

During 2017–18, 36 incidents were reported—eight of which did not require any medical or first aid treatment. A total of 21 incidents related to contractors engaged by AMSA.

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.

Time lost to injury	2014–15	2015–16	2016–17	2017–18
Size of workforce	374	382	377	407
Total incidents	33	55	39	36
Total incidents (AMSA employees)	16	22	24	16
Total days lost to injury	180	330	5	70
Number of lost time incidents	1	3	2	3
Number of workers compensation claims	1	2	0	0
Number of notifiable Comcare incidents	1	0	1	0

Table: Time lost to injury

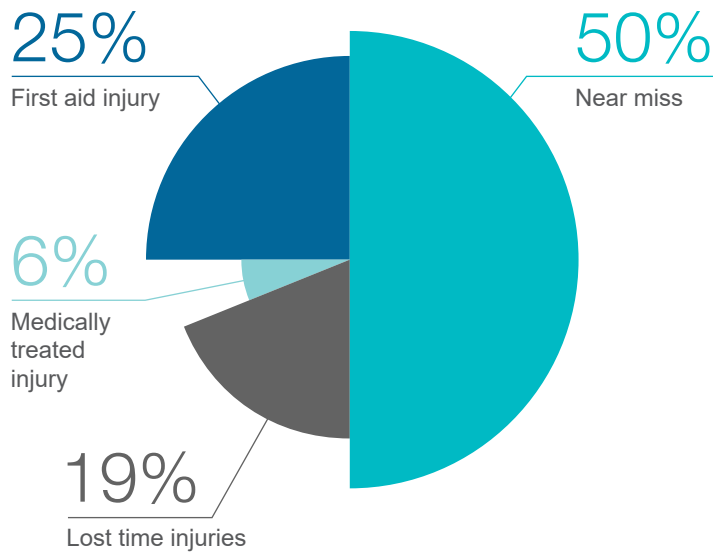


Figure 16: Health and safety incident statistics involving AMSA employees for 2017–18

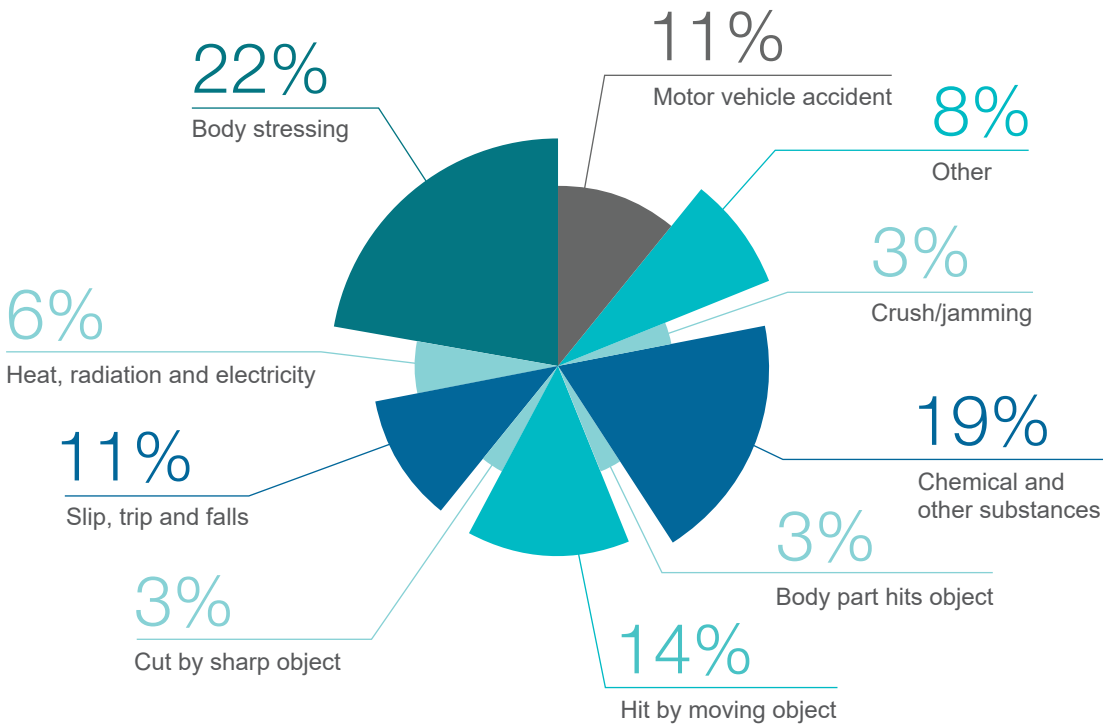


Figure 17: Health and safety incident categories for 2017–18

Workers compensation premium

AMSA's workers' compensation premium has decreased from \$268,845 in 2016–17 to \$237,162 in 2017–18. The premium rate of 0.40 per cent continues to remain below the overall scheme premium rate of 1.23 per cent, which indicates AMSA's strong performance in comparison to other agencies with respect to workers compensation (see Figure 18 below).

Health and well-being initiatives

In 2017–18, staff were encouraged to develop and maintain a fit and healthy lifestyle through AMSA's Healthy Lifestyle Program. This program includes:

Mental Health Month: which involved AMSA releasing education videos on the different ways to maintain good mental health. Topics included fueling and hydrating your body and mind, restful sleep, work/life balance and developing resilience and hardiness.

Flu Vaccination program: which provided free H1N1 influenza and seasonal influenza vaccinations. This program was taken up by 176 employees, which is an increase from 167 employees in 2016–17.

Health assessment program: which was offered to all AMSA employees with the aim of assessing employee's coronary and diabetic risk. 160 employees received the free health assessment, which included a 45 minute private consultation.

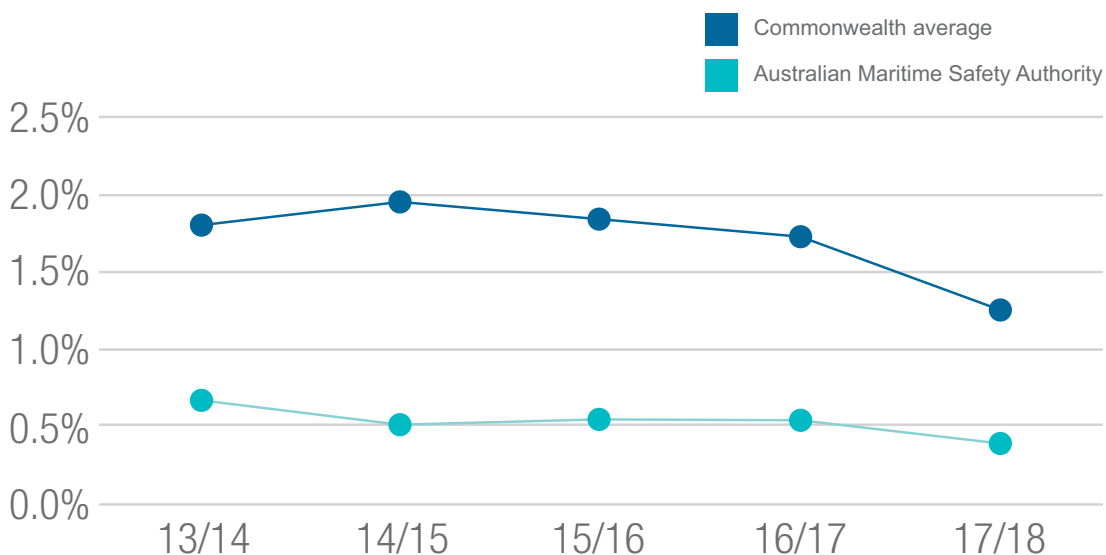


Figure 18: Workers' compensation premium

Environmental performance

AMSA actively promotes the requirements of an internationally-recognised Environmental Management System (ISO 14001). Part of this process involves reviewing activities annually to identify any potential risks those activities may pose to the environment. In order to identify and evaluate environmental impacts of AMSA's activities, we also evaluate the requirements of relevant environmental legislation, including the *Environment Protection and Biodiversity Conservation Act 1999*.

AMSA's head office was recently accredited with a 4.5 NABERS rating. NABERS is a national rating system that measures the environmental performance of Australian buildings. AMSA's 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 and photocopiers
- water-saving bathroom devices, and
- energy-efficient appliances.

Data continued to be collected 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 has decreased by 9 per cent from 2016–17 to 2017–18 .

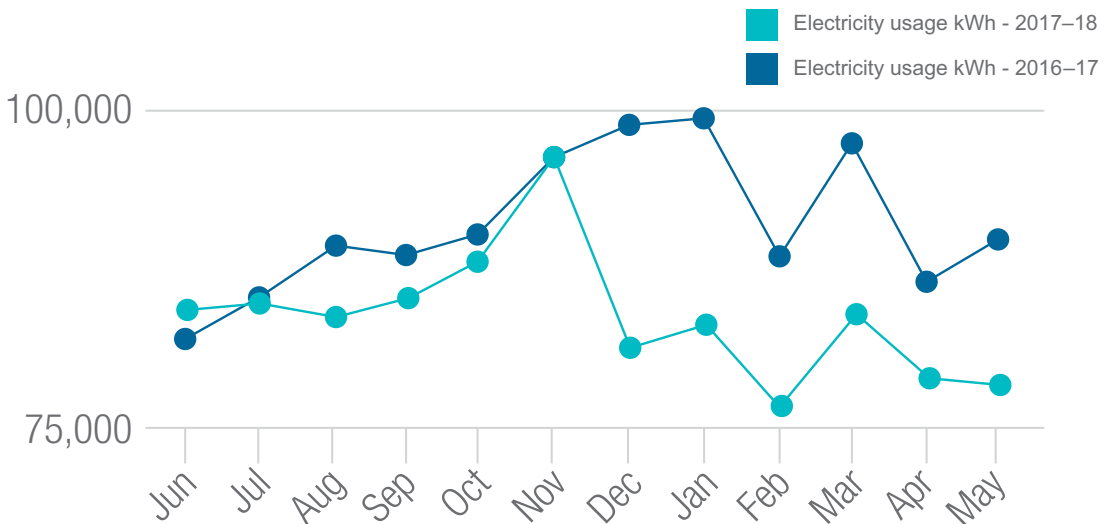


Figure 19: Electricity usage by kilowatt hours (kWh)

Appendices



Chapter

8



Appendix 1: Financial statements



INDEPENDENT AUDITOR'S REPORT

To the Minister for Infrastructure, Transport and Regional Development

Opinion

In my opinion, the financial statements of the Australian Maritime Safety Authority for the year ended 30 June 2018:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements 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 2018 and its financial performance and cash flows for the year then ended.

The financial statements of the Australian Maritime Safety Authority, which I have audited, comprise the following statements as at 30 June 2018 and for the year then ended:

- 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 to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Australian Maritime Safety Authority in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's Responsibility for the Financial Statements

As the Accountable Authority of the Australian Maritime Safety Authority the Directors 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 – Reduced Disclosure Requirements and the rules made under that Act. The Directors 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.

In preparing the financial statements, the Directors are responsible for assessing the Australian Maritime Safety Authority's ability to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Directors are also responsible for disclosing matters related to going concern as applicable and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Australian National Audit Office



Josephine Bushell
Signing Officer
Delegate of the Auditor-General
Canberra
19 September 2018

Australian Maritime Safety Authority

Contents

Statement by the Directors, Chief Executive Officer and Chief Financial Officer

Financial Statements

Statement of Comprehensive Income
Statement of Financial Position
Statement of Changes in Equity
Cash Flow Statement

Budget Variances

Overview

Notes to the Financial Statements

1. Financial Performance

Note 1.1: Expenses
Note 1.2: Own-Source Income

2. Financial Position

Note 2.1: Financial Assets
Note 2.2: Non-Financial Assets
Note 2.3: Payables
Note 2.4: Interest Bearing Liabilities
Note 2.5: Other Provisions

3. Funding

Note 3.1: Regulatory Charging Summary

4. People and Relationships

Note 4.1: Employee Benefits
Note 4.2: Key Management Personnel Remuneration
Note 4.3: Related Party Disclosures

5. Managing Uncertainties

Note 5.1: Contingent Assets and Liabilities
Note 5.2: Financial Instruments

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 2018 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 Australian Maritime Safety 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

19 September 2018



Michael Kinley
Chief Executive Officer

19 September 2018



Satish Kumar
Chief Financial Officer

19 September 2018

Australian Maritime Safety Authority
Statement of Comprehensive Income
for the period ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000	Original Budget 2018 \$'000
NET COST OF SERVICES				
EXPENSES				
Employee benefits	4.1A	62,641	57,444	63,692
Suppliers	1.1A	120,553	120,252	145,135
Depreciation and amortisation	2.2A	14,900	14,288	14,780
Finance costs		563	187	-
Write-down and impairment of assets		2,528	1,156	-
Losses from asset sales		140	-	-
Total expenses		201,325	193,307	223,607
OWN-SOURCE INCOME				
Own-Source Revenue				
Sale of goods and rendering of services	1.2A	12,978	14,215	14,924
Fees and fines		108	88	-
Interest		2,331	1,895	1,000
Rental income		681	1,191	-
Insurance recoveries and settlements		237	74	-
Total own-source revenue		16,335	17,463	15,924
Total own-source income		16,335	17,463	15,924
Net cost of services		184,990	175,844	207,683
Revenue from Government	1.2B	193,398	187,451	193,005
Surplus / (Deficit) on continuing operations		8,408	11,607	(14,678)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus		(2,203)	(3,243)	-
Total other comprehensive income / (loss)		(2,203)	(3,243)	-
Total comprehensive income / (loss)		6,205	8,364	(14,678)

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

Please refer to the budget variances note for explanations of major variances between budgeted and actual amounts.

Australian Maritime Safety Authority
Statement of Financial Position
as at 30 June 2018

	Notes	2018 \$'000	2017 \$'000	Original Budget 2018 \$'000
ASSETS				
Financial Assets				
Cash and cash equivalents		65,649	92,504	58,207
Investments		35,000	-	-
Trade and other receivables	2.1A	7,690	7,944	9,270
Total financial assets		108,339	100,448	67,477
Non-Financial Assets				
Land	2.2A	2,950	3,020	6,760
Buildings	2.2A	11,955	12,702	13,002
Plant and equipment	2.2A	121,705	122,678	121,069
Computer software	2.2A	24,095	19,101	26,500
Inventories	2.2B	3,726	3,574	5,489
Prepayments		4,427	5,243	6,870
Total non-financial assets		168,858	168,318	179,690
Total assets		277,197	266,766	247,167
LIABILITIES				
Payables				
Suppliers	2.3A	34,833	32,666	37,290
Other payables	2.3B	1,139	1,082	1,332
Total payables		35,972	33,748	38,622
Interest Bearing Liabilities				
Finance leases	2.4A	976	699	80
Total interest bearing liabilities		976	699	80
Provisions				
Employee provisions	4.1B	18,895	17,157	18,936
Other provisions	2.5A	20,730	20,743	7,005
Total provisions		39,625	37,900	25,941
Total liabilities		76,573	72,347	64,643
Net assets		200,624	194,419	182,524
EQUITY				
Contributed equity		37,986	37,986	37,986
Reserves		97,675	112,042	115,156
Retained surplus		64,963	44,391	29,382
Total equity		200,624	194,419	182,524

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

Please refer to the budget variances note for explanations of major variances between budgeted and actual amounts.

Australian Maritime Safety Authority
Statement of Changes in Equity
as at 30 June 2018

	Notes	2018 \$'000	2017 \$'000	Original Budget 2018 \$'000
CONTRIBUTED EQUITY				
Opening balance		37,986	37,986	37,986
Closing balance as at 30 June		<u>37,986</u>	<u>37,986</u>	<u>37,986</u>
RETAINED EARNINGS				
Opening balance		44,391	32,913	44,060
Comprehensive income				
Surplus / (Deficit) for the period		8,408	11,607	(14,678)
Total comprehensive income		<u>8,408</u>	<u>11,607</u>	<u>(14,678)</u>
Transfers between equity components		12,164	(129)	-
Closing balance as at 30 June		<u>64,963</u>	<u>44,391</u>	<u>29,382</u>
ASSET REVALUATION RESERVE				
Opening balance		99,878	103,121	103,121
Comprehensive income				
Non financial asset revaluation increment / (decrement)		(1,727)	(968)	-
Provision for restoration assessment		(476)	(2,275)	-
Total comprehensive income		<u>(2,203)</u>	<u>(3,243)</u>	<u>-</u>
Closing balance as at 30 June		<u>97,675</u>	<u>99,878</u>	<u>103,121</u>
POLLUTION RESERVE				
Opening balance		10,664	10,535	10,535
Transfers between equity components		(10,664)	129	-
Closing balance as at 30 June		<u>-</u>	<u>10,664</u>	<u>10,535</u>
GENERAL RESERVE				
Opening balance		1,500	1,500	1,500
Transfers between equity components		(1,500)	-	-
Closing balance as at 30 June		<u>-</u>	<u>1,500</u>	<u>1,500</u>
TOTAL EQUITY				
Opening balance		194,419	186,055	197,202
Comprehensive income				
Surplus / (Deficit) for the period		8,408	11,607	(14,678)
Other comprehensive income		(2,203)	(3,243)	-
Total comprehensive income		<u>6,205</u>	<u>8,364</u>	<u>(14,678)</u>
Closing balance as at 30 June		<u>200,624</u>	<u>194,419</u>	<u>182,524</u>

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

Please refer to the budget variances note for explanations of major variances between budgeted and actual amounts.

Australian Maritime Safety Authority
Cash Flow Statement
for the period ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000	Original Budget 2018 \$'000
OPERATING ACTIVITIES				
Cash received				
Receipts from Government		193,508	187,301	192,655
Sale of goods and rendering of services		13,864	20,897	29,314
Interest		2,331	1,861	1,100
Net GST received		13,147	11,480	-
Other		1,026	852	-
Total cash received		223,876	222,391	223,069
Cash used				
Employees		60,745	60,479	61,536
Suppliers		133,861	121,300	154,825
Total cash used		194,606	181,779	216,361
Net cash from operating activities		29,270	40,612	6,708
INVESTING ACTIVITIES				
Cash received				
Proceeds from sale of property, plant, equipment and intangibles		46	-	-
Total cash received		46	-	-
Cash used				
Investments		35,000	-	-
Purchase of property, plant, equipment and intangibles		20,776	18,745	18,328
Total cash used		55,776	18,745	18,328
Net cash from investing activities		(55,730)	(18,745)	(18,328)
FINANCING ACTIVITIES				
Cash used				
Repayment of borrowings		135	357	-
Finance lease interest		260	38	1
Total cash used		395	395	1
Net cash from financing activities		(395)	(395)	(1)
Net increase / (decrease) in cash held		(26,855)	21,472	(11,621)
Cash and cash equivalents at the beginning of the reporting period		92,504	71,032	69,828
Cash and cash equivalents at the end of the reporting period		65,649	92,504	58,207

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

Please refer to the budget variances note for explanations of major variances between budgeted and actual amounts.

Australian Maritime Safety Authority

Budget Variances

The following high level commentary of major variances between budgeted information for the Australian Maritime Safety Authority (AMSA) published in the Infrastructure, Regional Development and Cities 2017-18 Portfolio Budget Statements (PBS) and the 2017-18 final outcome are presented in accordance with Australian Accounting Standards.

Major variances are those deemed relevant to the analysis of AMSA's performance and are not necessarily focused on numerical differences between budget and actual amounts.

Affected line item	Variance to budget \$'000	Explanation of variance
Statement of Comprehensive Income		
Suppliers	(24,582)	This relates to lower expenditure for dedicated airborne search and rescue capability, emergency towage capability, lower than expected demand driven activities and efficiencies achieved in the implementation of the National System for Domestic Commercial Vessels.
Write-down and impairment of assets	2,528	This relates to the write-down of computer software under development and the write-down of pollution dispersant inventory to its net realisable value.
Statement of Financial Position		
Cash and cash equivalents	7,442	This relates to the improvement in the opening cash position from the previous year and the impact of the operating surplus for the year. This is partially offset through the long-term investment of surplus cash which is separately disclosed as 'Investments'.
Investments	35,000	This relates to the long-term investment of surplus cash which is separately disclosed as 'Investments'.
Non-financial assets	(10,832)	This is due to the impact of revaluation decrements in the current and prior years, combined with the write-down of computer software under development, the write-down of inventory to net realisable value and the consumption of prepaid expenses during the year.
Other provisions	13,725	This relates to an increase in the provision for lead paint and asbestos removal from aid to navigation sites which was identified through testing undertaken by AMSA, and an increase in the provision for restoration of aids to navigation sites resulting from a review undertaken by AMSA's valuer.
Statement of Changes in Equity		
Reserves	(17,481)	This relates to the transfer of the pollution and general reserves back to retained earnings and the impact of revaluation decrements on property, plant and equipment based on the review undertaken by AMSA's valuer.
Retained surplus	35,581	This relates to the better than expected operating result for the year and the transfer of the pollution and general reserves back to retained earnings.
Cash Flow Statement		
Sale of goods and rendering of services	(15,450)	This primarily relates to the difference in classification of net GST receipts, which are disclosed separately in the financial statements but included in this item in the budget. The residual variance is consistent with the lower sale of goods and rendering of services revenue.
Suppliers	(20,964)	This relates to the delayed delivery of service contracts, lower than expected demand driven activities and efficiency initiatives.

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; and
- 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 2017; and
- Australian Accounting Standards and Interpretations - Reduced Disclosure Requirements 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 accounting standards

All new, revised and amending standards or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on AMSA's financial statements.

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

Australian Maritime Safety Authority

Overview (Continued)

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 4.1B: Employee Provisions
- estimates relating to asbestos and lead paint removal, Note 2.5A: 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.

Pollution incident costs

Under Australia's National Plan for Maritime Environmental Emergencies, AMSA is responsible for reimbursement of the direct clean-up costs arising from an oil pollution incident that cannot be recovered from the polluter. AMSA makes these reimbursements to agencies that have incurred costs in relation to responding to ship-sourced pollution incidents. These payments are made from either reserve funds 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.

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 AMSA and transferred to the Department of Infrastructure, Regional Development and Cities for deposit to the Official Public Account.

Taxation and 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.

Notes to and forming part of the financial statements

Financial Performance

This section analyses the financial performance of AMSA for the financial year ended 2018.

Note 1.1: Expenses

	2018 \$'000	2017 \$'000
Note 1.1A: Suppliers		
Goods and services supplied or rendered		
Travel and transport	5,454	3,946
Material and services	95,230	93,976
Communications	5,083	5,769
Administration	4,830	4,166
Total goods and services supplied or rendered	110,597	107,857
Goods supplied	99,386	95,493
Services rendered	11,211	12,364
Total goods and services supplied or rendered	110,597	107,857
Other suppliers		
Operating lease rentals	9,705	12,069
Workers compensation expenses	251	326
Total other suppliers	9,956	12,395
Total suppliers	120,553	120,252

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:

Within 1 year	9,089	8,406
Between 1 to 5 years	31,751	34,034
More than 5 years	8,686	8,264
Total operating lease commitments	49,526	50,704

Lease 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.

Notes to and forming part of the financial statements

Note 1.2: Own-Source Income

	2018	2017
	\$'000	\$'000

OWN-SOURCE REVENUE**Note 1.2A: Sale of Goods and Rendering of Services**

Sale of goods	99	75
Rendering of services	12,879	14,140
Total sale of goods and rendering of services	12,978	14,215

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.

GAINS**Note 1.2B Revenue from Government****Department of Infrastructure, Regional Development and Cities**

Corporate Commonwealth entity payment item

Levy revenue: *Australian Maritime Safety Act 1990 section 48*

Marine Navigation Levy	34,651	34,091
Marine Navigation (Regulatory Functions) Levy	52,488	51,211
Protection of the Sea Levy	34,931	34,068
Services provided on behalf of the Government	69,717	65,716
Other	1,611	2,365

Total revenue from Government

193,398	187,451
----------------	----------------

Accounting Policy

Funding received or receivable from non-corporate Commonwealth entities (appropriated to the Department of Infrastructure, Regional Development and Cities 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

Financial Position

This section analyses AMSA's assets used to conduct its operations and the operating liabilities incurred as a result.

Note 2.1: Financial Assets

	2018 \$'000	2017 \$'000
Note 2.1A: Trade and Other Receivables		
Good and services receivables	386	597
Department of Infrastructure, Regional Development and Cities receivables	2,373	2,483
Other receivables		
GST receivable from the Australian Taxation Office	4,187	4,112
Interest	341	310
Other	503	442
Total trade and other receivables (gross)	7,790	7,944
Less impairment allowance for goods and services	(100)	-
Total trade and other receivables (net)	7,690	7,944

Trade and other receivables (gross) aged as follows

Not overdue	7,613	7,689
Overdue by:		
Less than 30 days	65	98
31 to 60 days	13	29
61 to 90 days	13	21
More than 90 days	86	107
Total trade and other receivables (gross)	7,790	7,944

Impairment allowance aged as follows

More than 90 days	100	-
Total impairment allowance	100	-

Credit terms for goods and services were within 30 days (2017: 30 days).

Reconciliation of the impairment allowance

	Goods and services	
	2018 \$'000	2017 \$'000
Opening balance	-	-
Increase / (decrease) recognised in net cost of services	100	-
Closing balance	100	-

Accounting Policy

Receivables

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

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

Notes to and forming part of the financial statements

Note 2.2: Non-Financial Assets**Note 2.2A: Reconciliation of the Opening and Closing Balances of Property, Plant, Equipment and Intangibles**

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Computer software ¹ \$'000	Total \$'000
As at 1 July 2017					
Gross book value	3,020	12,702	122,678	27,670	166,070
Accumulated depreciation, amortisation and impairment	-	-	-	(8,569)	(8,569)
Total 1 July 2017	3,020	12,702	122,678	19,101	157,501
Additions					
By purchase	-	454	12,578	74	13,106
Internally developed	-	-	-	8,788	8,788
Revaluations recognised in other comprehensive income	(70)	(430)	(1,227)	-	(1,727)
Impairments recognised in net cost of services	-	-	-	(885)	(885)
Depreciation / amortisation expense	-	(771)	(11,947)	(2,182)	(14,900)
Disposals	-	-	(377)	-	(377)
Write-downs	-	-	-	(801)	(801)
Total 30 June 2018	2,950	11,955	121,705	24,095	160,705
Total represented by:					
Gross book value	2,950	11,955	121,705	35,731	172,341
Accumulated depreciation, amortisation and impairment	-	-	-	(11,636)	(11,636)
Total 30 June 2018	2,950	11,955	121,705	24,095	160,705

1. The carrying amount of computer software, which is held at cost, included \$362,000 (2017: \$818,000) purchased software and \$23,733,000 (2017: \$18,283,000) internally generated software.

No indicators of impairment were found for property, plant and equipment. Indicators of impairment were found for computer software, resulting in an impairment loss of \$885,000 (2017: \$Nil).

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

Revaluations of non-financial assets

An independent valuer has revalued the net book values of the property, plant and equipment owned by AMSA as at 30 June 2018 for financial reporting purposes.

Revaluation decrement of \$70,000 for land (2017: decrement of \$330,000), decrement of \$430,000 for buildings on freehold land (2017: decrement of \$136,000) and an decrement of \$1,227,000 for property, plant and equipment (2017: decrement of \$502,000) were recognised in the asset revaluation reserve by asset class and included in the equity section of the statement of financial position.

Contractual commitments for the acquisition of property, plant, equipment and intangibles are as follows:

	2018 \$'000	2017 \$'000
Buildings	-	37
Plant and equipment	1,249	359
Computer software	6,880	3,863
Total contractual commitments for the acquisition of property, plant, equipment and intangibles	8,129	4,259

Commitments are GST inclusive where relevant.

AMSA's capital commitments are predominantly for the purchase of aids to navigation, infrastructure requirements and the development of software systems.

Notes to and forming part of the financial statements

Note 2.2: Non-Financial Assets (Continued)**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.

Property, Plant and EquipmentAsset 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

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 frequency 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.

A desktop review and valuation of all stated assets was undertaken as at 30 June 2018 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 approaches recognised by AASB 13 including the market approach, the current replacement cost approach, with inputs used including adjusted market transactions, current acquisition prices, replacement costs, consumed economic benefits and the obsolescence of the asset. These approaches are consistent with generally accepted valuation methodologies utilised by the valuation profession.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to AMSA, 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.

Notes to and forming part of the financial statements

Note 2.2: Non-Financial Assets (Continued)**Accounting Policy**

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

Asset type	2018	2017 ²
Buildings on freehold land	10 to 40 years	20 to 40 years
Property, plant and equipment is made up of the following:		
- Furniture and fittings (includes leasehold improvements) ¹	2 to 20 years	2 to 20 years
- Office and computer equipment	3 to 10 years	3 to 16 years
- Plant and equipment	3 to 25 years	3 to 25 years
- Aids to navigation	3 to 70 years	3 to 70 years
- Vessels and amphibians	25 to 40 years	20 to 40 years
- Vehicles	Nil	5 to 8 years

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

2. The 2017 useful lives for furniture and fittings, plant and equipment, aids to navigation and vessels and amphibians have been restated in the 2017-18 financial statements to better reflect their actual useful lives.

Impairment

All assets were assessed for impairment at 30 June 2018. 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.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its current replacement cost.

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*.

Intangibles

AMSA's intangibles comprise purchased and 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 3 to 15 years (2017: 3 to 20 years).

All software assets were assessed for indications of impairment as at 30 June 2018.

Notes to and forming part of the financial statements

Note 2.2: Non-Financial Assets (Continued)

	2018 \$'000	2017 \$'000
Note 2.2B: Inventories		
Inventories held for distribution	3,726	3,574
Total inventories	3,726	3,574

\$140,000 of inventory held for distribution was recognised as an expense in 2018 (2017: \$359,000).

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 is initially measured at current replacement cost at the date of acquisition.

Note 2.3: Payables

	2018 \$'000	2017 \$'000
Note 2.3A: Suppliers		
Trade creditors and accruals	26,474	23,704
Operating lease rentals	8,359	8,962
Total supplier payables	34,833	32,666

Settlement was usually made within 30 days.

Note 2.3B: Other Payables

Salaries and wages	900	761
Superannuation	71	44
Prepayments received / unearned income	14	115
Other	154	162
Total other payables	1,139	1,082

Notes to and forming part of the financial statements

Note 2.4: Interest Bearing Liabilities

	2018 \$'000	2017 \$'000
Note 2.4A: Leases		
Finance leases	976	699
Total leases	976	699
Leases expected to be settled		
Within 1 year	302	365
Between 1 to 5 years	674	334
Total finance leases	976	699

A finance lease exists in relation to aids to navigation assets. 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%.

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.

Note 2.5: Other Provisions**Note 2.5A: Other Provisions**

	Other provisions			
	Restoration \$'000	Lead paint \$'000	Asbestos \$'000	Total \$'000
Carrying amount 1 July 2017	5,501	12,681	2,561	20,743
Additional provisions	1,033	431	197	1,661
Amounts used	(26)	(1,335)	(156)	(1,517)
Amounts reversed	(9)	(303)	(125)	(437)
Other movements	144	106	30	280
Closing balance	6,643	11,580	2,507	20,730

Provision for restoration

AMSA has an obligation contained in leases or legislation for the making good to 14 property leases and 178 aids to navigation sites. AMSA has therefore made a provision to reflect the present value of this obligation.

Provision for lead paint and asbestos removal

AMSA has a constructive obligation to undertake treatment and removal work in relation to lead paint and asbestos contaminants located at various 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

Funding

This section identifies AMSA's funding structure.

Note 3.1: Regulatory Charging Summary

	2018 \$'000	2017 \$'000
Amounts applied		
Payments from Department of Infrastructure, Regional Development and Cities	122,180	119,698
Own source revenue	4,077	4,821
Total amounts applied	126,257	124,519
Expenses		
Regulatory charging activities	112,428	120,858
Total expenses	112,428	120,858
External revenue		
Payments from Department of Infrastructure, Regional Development and Cities	122,070	119,370
Own source revenue	4,077	4,881
Total external revenue	126,147	124,251
Total amounts written off	4	1

Regulatory charging activities

1. Navigation infrastructure - supporting the national network of integrated aids to navigation and traffic management measures in Australian waters to ensure safe, efficient, and effective coastal navigation for the commercial shipping industry.
2. Environmental marine protection - resources the National Plan for Marine Environmental Emergencies and preparedness to combat pollution by ensuring adequate capability to respond to incidents through: training of personnel in response techniques; acquisition, maintenance, and stockpiling of relevant equipment and supplies at key sites around Australia; and provision of emergency towage capability.
3. Seafarer and ship safety - conducting a range of maritime safety and regulatory activities on international and domestic commercial shipping operations, consisting of: compliance inspections and audits undertaken on a risk based approach; port and flag State control inspections; marine surveys; cargo and handling inspections; marine qualification duties; accreditations and audits of registered training organisations; promotion of a culture of safety in the maritime industry; development of Australia's maritime regulations and standards; and participation in international and regional maritime forums.
4. Marine services and ship registration - range of activities comprising: seafarer and coastal pilot qualifications, including approvals, issuing permits, authorisations, certifications, and licensing for domestic and international recognised marine qualifications; inspections and surveys requested by ship owners (or agents); shipping registration of Australian flagged vessels, including ensuring ships are maintained and crewed to a suitable standard; and other activities, such as determinations and exemptions.

Documentation (Cost Recovery Implementation Statement) for the above activities is available on the AMSA website.

Notes to and forming part of the financial statements

People and Relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

Note 4.1: Employee Benefits

	2018 \$'000	2017 \$'000
Note 4.1A: Employee Expenses		
Wages and salaries	45,842	42,983
Superannuation		
Defined contribution plans	5,095	4,625
Defined benefit plans	3,302	3,247
Leave and other entitlements	7,351	4,979
Separation and redundancies	440	805
Other employee benefits - Fringe Benefits Tax	611	805
Total employee expenses	62,641	57,444
Note 4.1B: Employee Provisions		
Leave	18,895	17,157
Total employee provisions	18,895	17,157

Accounting PolicyEmployee 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 Financial Reporting Rule (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 AustralianSuper 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 represents outstanding contributions.

Notes to and forming part of the financial statements

Note 4.2: Key Management Personnel Remuneration

	2018 \$'000	2017 \$'000
Short-term employee benefits	2,290	2,308
Post-employment benefits	353	354
Other long-term employee benefits	215	207
Termination benefits	-	492
Total key management personnel remuneration expenses	2,858	3,361

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of AMSA, directly or indirectly. AMSA has determined the key management personnel to be its Portfolio Minister, members of the AMSA Board and AMSA Executive.

The total number of key management personnel included in the table above is 13 (2017: 14). The figure does not include our Minister and two AMSA Board members as they do not receive payments from AMSA.

Note 4.3: Related Party Disclosures**Related party relationships**

AMSA is an Australian Government controlled entity. Related parties are key management personnel, including the Portfolio Minister, members of the AMSA Board, AMSA Executive, and other Australian Government entities.

Transactions with related parties

Given consideration to relationships with related parties, and transactions entered during the reporting period by AMSA, it has been determined that there are no related party transactions to be separately disclosed.

Notes to and forming part of the financial statements

Managing Uncertainties

This section analyses how AMSA manages financial risks within its operating environment.

Note 5.1: Contingent Assets and Liabilities

	2018 \$'000	2017 \$'000
		<u>Claims for damages or costs</u>
Contingent assets		
Balance from previous period	3,664	1,758
New contingent assets recognised	844	1,977
Re-measurement	(417)	(8)
Assets realised	(195)	(63)
Total contingent assets	<u>3,896</u>	<u>3,664</u>
Contingent liabilities		
Balance from previous period	500	500
Obligations expired	(500)	-
Total contingent assets	<u>-</u>	<u>500</u>
Net contingent assets	<u>3,896</u>	<u>3,164</u>

Quantifiable contingencies

The contingent assets include insurance claims for cyclone damage to a number of aids to navigation of \$2,443,000 (2017: \$1,818,000) and pollution incidents of \$1,454,000 (2017: \$1,846,000). The estimate is based on the expected settlements for these claims.

The contingent liabilities include pollution incidents of \$Nil (2017: \$500,000).

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.

In the role of national regulator for Domestic Commercial Vessel Safety (National System), AMSA provided indemnity to one of its delegates in the delivery of the National System services. There were no claims made during the year.

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 5.2: Financial Instruments

	Notes	2018 \$'000	2017 \$'000
Note 5.2A: Categories of Financial Instruments			
Financial assets			
Receivables			
Cash and cash equivalents		65,649	92,504
Receivables for goods and services	2.1A	286	597
Other receivables	2.1A	844	752
Total receivables		66,779	93,853
Held-to-maturity investments			
Investments		35,000	-
Total held-to-maturity investments		35,000	-
Total financial assets		101,779	93,853
Financial liabilities measured at amortised cost			
Trade creditors	2.3A	26,474	23,704
Finance leases	2.4A	976	699
Total financial liabilities measured at amortised cost		27,450	24,403
Note 5.2B: Net Gains or Losses on Financial Assets			
Receivables			
Interest revenue		1,330	-
Impairment loss		(100)	-
Net gain on receivables		1,230	-
Held-to-maturity			
Interest revenue		1,001	1,895
Net gain on held-to-maturity		1,001	1,895
Net gain on financial assets		2,231	1,895

The total interest income from financial assets not at fair value through profit and loss was \$2,331,000 (2017: \$1,895,000).

Note 5.2C: Net Gains or Losses on Financial Liabilities

Financial liabilities measured at amortised cost			
Interest expense		260	38
Net loss on financial liabilities measured at amortised cost		260	38

The total interest expense from financial liabilities not at fair value through profit and loss was \$260,000 (2017: \$38,000).

Notes to and forming part of the financial statements

Note 5.2: Financial Instruments (Continued)

Accounting Policy

Financial assets

AMSA classifies its financial assets as held-to-maturity investments and 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 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. The carrying amount is reduced by way of an allowance account and the loss is recognised in the statement of comprehensive income.

Fair value

The net fair value of the financial assets approximates their carrying value.

Financial liabilities

Financial liabilities are classified as '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).

1

2

3

4

5

6

7

8

9

Appendix 1: Financial statements

Appendix 2: Information about the accountable authority

AMSA Board members



Mr Stuart Richey AM (Chair)

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

Mr Richey is Chair of the Torres Strait Prawn Management Advisory Committee; Southern Shark Industry Alliance Inc. and CommFish NSW (Department of Primary Industries). Between 1992 and 2001, Mr Richey served as a 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. Prior to being appointed to the AMSA Board Mr Richey served on the Marine and Safety Tasmania (MAST) Board.

As Managing Director of Richey Fishing Company and Richey Services, Mr Richey's business includes salmon, scallop, squid and marine charter operations. He was made a Member of the Order of Australia in 2005, for service to the commercial fishing industry, particularly the promotion of sustainable use of Australian Government managed fisheries resources and the development of new national marine policies 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 a Board Member of the Australian Payments Network Limited (formerly APCA) and is a member of its Audit Risk and Finance Committee and Chair of the Policy Experts Group. 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 the Department of Human Services; and is Chair of the Department of Defence Capability Acquisition and Sustainment Group Risk Advisory Committee. Ms Clark is Deputy Chair of the Audit and Risk Committees for the Department of Finance; Attorney-General's Department; and the Parliamentary Budget Office. Ms Clark also holds the position of independent member of the Audit and Risk Committees for Austrade; and the Department of Defence.

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. During her banking career, Ms Clark provided advice to the Commonwealth Government and was also responsible for funding major infrastructure projects and arranging finance for a large number of Australian companies. 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 26 years.



Mr Mick Kinley (Chief Executive Officer)

Mr Michael (Mick) Kinley became AMSA's Chief Executive Officer on 27 August 2014. Mick was previously the Deputy Chief Executive Officer and held that position from October 2008.

Mick joined AMSA 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 AMSA Board from 7 August 2007 reappointed in 2013 and November 2016.

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 (Policy) 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 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.





Ms Jane Cutler

Ms Jane Cutler was appointed to the AMSA Board on 10 September 2017 for a period of three years. Ms Cutler is currently an advisor to the World Bank ZRF2030 Initiative in Australia, a Councillor for the WA Division Australian Institute of Company Directors and a Director, WestCycle, and is an Advisory Board Member of Flicq. Asia-Pacific Pty Ltd.

Ms Cutler has thirty years of board level and senior executive experience across the public, commercial and not for profit sectors with particular experience in the resources, oil and gas, financial services, maritime, environment and technology industries. She has actively served on a diverse range of board subcommittee's contributing both as a member and Chair including audit and risk, finance, investment, selection, diversity and events committee responsibilities. Most recently, Ms Cutler was Chief Executive Officer of the National Offshore Petroleum Safety and Environment Management Authority, Perth.

Ms Cutler has a Bachelor of Chemical and Materials Engineering (HONS), a Master of Environmental Studies and a Master of Business Administration and is a Fellow of the Australian Institute of Company Directors and the Institute of Chemical Engineers.



Ms Judith Zielke PSM (ex-officio)

Ms Judith Zielke PSM was appointed to the AMSA Board in an ex-officio capacity on 2 March 2018. Ms Zielke holds the position of Deputy Secretary responsible for Regional and Territories in the Department of Infrastructure, Regional Development and Cities.

Ms Zielke has had a diverse public sector career encompassing a range of policy advice and implementation positions in the Australian Government in areas of Trade, Attorney-General's, Industry and Innovation, and most recently Infrastructure. Across various roles, Ms Zielke has been involved in a range of international engagement activities including trade and customs policy, technical infrastructure, and innovation and infrastructure policy and programs.

Ms Zielke is a Member of the Board of the Australian New Car Assessment Program (ANCAP) and the Board of the Queensland Reconstruction Authority (QRA). She was also previously a Member of the Board of the National Association of Testing Authorities (NATA) and the Board of the Joint Accreditation System of Australia and New Zealand (JAS-ANZ).



Mr Mike Taylor AO FTSE

Mr Mike Taylor was appointed to the AMSA Board on 10 September 2014 for a three-year term. Mr Taylor's term expired on the 10 September 2017. Mr Taylor is currently the Chair of Dairy 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 (2004–09), and Secretary, Department of Agriculture, Fisheries & Forestry (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.



Justice Sarah Derrington

Justice Sarah Derrington was appointed to the AMSA Board on 8 May 2012, reappointed in 2015 and again in 2017 for a further three year term. Justice Derrington retired from the AMSA Board on 31 December 2017 to take up a position as the President of the Australian Law Reform Commission and judge of the Federal Court of Australia.

Justice 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). Justice 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. Justice Derrington has practiced full time as a Barrister-at-Law specialising in general commercial litigation, maritime, aviation and transport law, insurance law, bankruptcy and insolvency and more recently was the Dean of Law at the University of Queensland.

Justice Derrington is a Director on the Boards of the Australian Maritime College and the Australian National Maritime Museum; Member of the Admiralty Rules Committee for the Commonwealth of Australia; member Anglican Diocese of Brisbane Legal Committee and is a Titular member of the Comité Maritime International.

Justice 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. Justice 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 Gary Webb

Mr Gary Webb was appointed to the AMSA Board on 17 June 2015 for a three year term. Mr Webb’s term expired on the 16 June 2018.

Mr Webb is currently Director, Hunter TAFE Foundation Limited. 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; Chairman, Lifeline Hunter Central Coast, Director of Lifeline Direct Ltd.; 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.



Mr Peter Toohey

Mr Peter Toohey was appointed to the AMSA Board on 17 June 2015 for a three year term. Mr Toohey’s term expired on the 16 June 2018.

Mr Toohey is currently Chief Engineer, Brisbane Tugs with Svitzer Australia. He 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.

Board and committees

Member	Attendance at meetings and teleconferences	Term 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 November 2019
Ms Jennifer Clark (Deputy Chair)	6/6	Appointed member from 8 May 2012 Appointed Deputy Chair from 10 Feb 2015 to 9 February 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 reappointed from 11 November 2016 for a period of 3 years
Mr Mike Taylor AO	1/1	Appointment ceased 10 September 2017
Justice Sarah Derrington	3/3	Appointed member from 8 May 2012 for 3 years; reappointed from 17 June to 16 June 2017; reappointed 17 June 2017 for a period of 3 years. Appointment ceased 31 December 2017
Mr Peter Toohey	5/5	Appointed member from 17 June 2015 to 16 June 2018
Mr Gary Webb	5/5	Appointed member from 17 June 2015 to 16 June 2018
Ms Jane Cutler	4/5	Appointed member from 9 September 2017 to 10 September 2020
Ms Judith Zielke Portfolio Department Representative	2/3	Member ex-officio from 2 March 2018

Board Audit Committee meetings

Member	Attendance at meetings
Ms Jennifer Clark	5/5
Dr Russel Reichelt	5/5
Mr Dave Lawler	4/5

Remuneration Committee meetings

Member	Attendance at meetings
Mr Stuart Richey	1/1
Dr Russel Reichelt	1/1
Justice Sarah Derrington	1/1

Board meetings:

- 226 – 16 August 2017
- 227 – 21 September 2017
- 228 – 19 December 2017
- 229 – 7 March 2018
- 230 – 9 May 2018
- 231 – 26 June 2018

Board Audit Committee meetings:

- 136 – 30 August 2017
- 137 – 13 September 2017
- 138 – 12 December 2017
- 139 – 21 March 2018
- 140 – 23 May 2018

Board Remuneration Committee meetings:

- 21 September 2017



Cape Byron lighthouse, Byron Bay

References



Chapter

9



Acronyms and abbreviations

Acronym/abbreviation	Meaning
AASB	Australian Accounting Standards Board
AIS	Automatic Identification System
AMOSC	Australian Marine Oil Spill Centre
AMSA	Australian Maritime Safety Authority
AMSA Act	<i>Australian Maritime Safety Authority Act 1990</i>
ANAO	Australian National Audit Office
ARC	AMSA Response Centre
ASWC	Australian Seafarer's Welfare Council
AtoN	Aid(s) to navigation
CCC	Sub-Committee on Carriage of Cargoes and Containers
DFAT	Department of Foreign Affairs and Trade
DGPS	Differential Global Positioning System
e-navigation	Electronic navigation
EPIRB	Emergency position indicating radio beacon
FiFi	Firefighting
FSC	Flag State control
GBWG	Global bauxite working group
GHG	Greenhouse gases
GPS	Global Positioning System
IALA	International Association of Marine Aids to Navigation and Lighthouse Authorities
IMDG	International Maritime Dangerous Goods
IMO	International Maritime Organization
IMSBC	International Maritime Solid Bulk Cargoes
JAS-ANZ	Joint Accreditation System of Australia and New Zealand
KPI	Key performance indicator
LTIFR	Lost time injury frequency rate
MARPOL	International Convention for the Prevention of Pollution from Ships
MAST	Marine and Safety Tasmania
MEOSAR	Medium-altitude Earth Orbiting Search and Rescue satellites

Acronym/abbreviation	Meaning
MIAL	Maritime Industry Australia Limited
MOU	Memorandum of understanding
MSC	Maritime Safety Committee (IMO)
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
National system	National System for Domestic Commercial Vessel Safety
NSCV	National Standard for Commercial Vessels
NRT	National Response Team
NST	National system transition
PBS	Portfolio budget statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PID Act	<i>Public Interest Disclosure Act 2013</i>
PLB	Personal locator beacon
PSC	Port State control
RAAF	Royal Australian Air Force
RPF	Regulator Performance Framework
SAL	Shipping Australia Ltd
SAR	Search and rescue
SARSAT	Search and rescue satellite
SBAS	Satellite-Based Augmentation System
SOx	Suphur oxide
UQ	University of Queensland
UWA	University of Western Australia
VMR	Volunteer marine rescue
VTS	Vessel traffic service
WA DFES	Western Australia Department of Fire and Emergency 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)	2
Compliance with requirements prescribed by the rules	46(3)	2
Inclusion of annual performance statements	39(1)(b)	9-68
Inclusion of annual financial statements	43(4)	87

Summary of requirements	Legislative reference <i>Sections 17BB to BF of the Public Governance, Performance and Accountability Rule 2014</i>	Page No./ comment
Approval of annual report by accountable authority	17BB	1
Parliamentary standards of presentation	17BC	Complies
Plain English and clear design	17BD	Complies
Enabling legislation	17BE(a)	71
Functions and purpose	17BE(b)	II-III
Responsible Minister	17BE(c)	2
Ministerial directions and government policy orders	17BE(d)(e)(f)	82
Annual performance statements	17BE(g)	9-68
Significant non-compliance issues with finance law	17BE(h)(i)	81
Information about accountable authority	17BE(j)	77-78 Appendix 2
Organisational structure and location	17BE(k)(l)	73-74
Statement on governance	17BE(m)	75
Related entity transactions	17BE(n)(o)	81

Significant activities and changes affecting the authority	17BE(p)	72
Judicial decisions and reviews by outside bodies	17BE(q)(r)	82
Obtaining information from subsidiaries	17BE(s)	Nil
Indemnities and insurance premiums	17BE(t)	80
Index of annual report requirements	17BE(u)	127
Disclosure requirements for government business enterprises	17BF	N/A

Requirements	Other legislative references	Page No.
Other legislation		
• Commonwealth Disability Strategy	<i>Disability Discrimination Act 1992</i>	81
• Advertising and Market Research	<i>Commonwealth Electoral Act 1918</i> (section 311A)	82
• Work Health and Safety Report	<i>Work Health and Safety Act 2011</i>	83
• Ecologically sustainable development	<i>Environment Protection and Biodiversity Conservation Act 1999</i> (section 516A)	86
• Public Interest Disclosure	<i>Public Interest Disclosure Act 2013</i>	81

Index

A

Accountable authority 14, 75, 77, 81, 89–90 115, 127
 Advertising and market research 82
 AMSA Connect 44, 45, 59
Australian Maritime Safety Authority Act 1990 (AMSA Act) II, 2, 11, 71, 75, 77, 82

B

Board attendance 120, 121
 Board members 77, 115–121
 Board and committees 120, 121
 Board Audit Committee 78
 Board Audit Committee meetings 121

C

Chairman's foreword 3
 Challenger IV, 3, 35–37, 63
Commonwealth Electoral Act 1918 82
Coral Knight V, 28, 30–31

D

Disability Discrimination Act 1992 81
 Disability report 81
 Dynamic Separation 21–22, 48

E

Enabling legislation 56, 71
 E-navigation 46, 48
 Ensuring a vibrant and progressive organisation III, 65–67
 Environmental performance 86
Environment Protection and Biodiversity Conservation Act 1999 83, 86
 Emergency Towage Vessel V, 28, 64

F

Financial statements 89–113
 Financial summary 5–8
 Fraud control 79

H

Health and well-being initiatives 85

I

IALA 19, 48, 55, 68
 IMO 22, 31, 47–48, 56, 68
 IMSBC 21
 incident intervention and response III, 62–64
 Indemnities and insurance premiums 80

J

Judicial decisions and reviews by outside bodies 82

	1
	2
	3
M	4
Main governance practices	75–76
Medium-altitude Earth Orbiting Search and Rescue system (MEOSAR)	38
Ministerial decisions, and government policy orders	82
N	6
National Plan	27, 29
National System for Domestic Commercial Vessel Safety	III, 23–24, 43–44, 61, 72
National system transition program	61
P	7
Performance reporting	80
<i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act)	2, 11, 14, 71, 75, 79–82, 127
<i>Public Interest Disclosure Act 2013</i>	81
R	8
Regulator Performance Framework	13, 58–59, 80
Related entity transactions	81
Remuneration Committee	78
Remuneration Committee meetings	121
Reporting requirements and responsible minister	2
Risk management	79
S	9
Safety behaviour	20–21
SBAS	48
Search and rescue	IV, 3, 33–38, 41, 43, 60, 62–63
Significant activities and changes affecting the operations or structure of the entity	72
Snapshot summary	15–16
Statement of significant non-compliance issues	81
Strategic challenges	III, 17–47, 51–68
Structure and location	73
Sulphur cap	31
T	
Transmittal letter	1
V	
VTS	48
W	
Workers' compensation premium	85
<i>Work Health and Safety Act 2011</i>	83–85
Working with international organisations and other nations	III, 47–48, 68

Annual report contact

General enquiries and comments about this report can be directed to:

Telephone: (02) 6279 5000

An electronic copy of this report with additional information detailing the activities of the Australian Maritime Safety Authority is available at amsa.gov.au.

AMSA's main offices

Canberra

82 Northbourne Avenue
Braddon ACT 2612

GPO Box 2181
Canberra City ACT 2601

Telephone: (02) 6279 5000
Facsimile: (02) 6279 5950

Brisbane

Level 9, 410 Ann Street
Brisbane QLD 4000

PO Box 10790
Adelaide Street
Brisbane QLD 4000

Telephone: (02) 3001 6800
Facsimile: (02) 3001 6801

Fremantle

Level 3, 3 Cantonment Street
Fremantle WA 6959

PO Box 1332
Fremantle WA 6959

Telephone: (08) 9430 2100
Facsimile: (08) 9430 2121

Melbourne

Level 3, 655 Collins Street
Docklands VIC 3008

PO Box 16001
Collins Street West
Melbourne VIC 8007

Telephone: (03) 8612 6000
Facsimile: (03) 8612 6004

Sydney

Level 5, 260 Elizabeth Street
Sydney NSW 2010

PO Box K976
Haymarket NSW 1240

Telephone: (02) 8918 1300
Facsimile: (02) 8918 1390

Compliments and complaints

To make a complaint, offer a compliment, or ask questions relating to any AMSA decision, procedure, policy or service, members of the public may contact:

- Telephone: (02) 6279 5000
- Website: amsa.gov.au and click on 'Contact us'

Copyright

The Australian Maritime Safety Authority encourages the dissemination and exchange of information provided in this publication.

Except as otherwise specified, all material presented in this publication is provided under Creative Commons Attribution 4.0 International licence. This excludes:

- the Commonwealth Coat of Arms
- this department's logo
- content supplied by third parties.

The Creative Commons Attribution 4.0 International Licence is a standard form licence agreement that allows you to copy, distribute, transmit and adapt this publication provided that you attribute the work. The details of the version 4.0 of the licence are available on the Creative Commons website, as is the full legal code for that licence.

Attribution

AMSA's preference is that you attribute this publication (and any material sourced from it) using the following wording: Source: Australian Maritime Safety Authority Annual Report 2017–18.

More information

For inquiries regarding copyright including requests to use material in a way that is beyond the scope of the terms of use that apply to it, please contact us.

ISSN 1039-0626

Copy/design/typeset: Australian Maritime Safety Authority



NATIONAL MARITIME SYSTEM



One set of rules



One point of contact



One set of fees



One system to navigate.



Visit **AMSA.GOV.AU**



Call **AMSA CONNECT**
1800 627 484