



Australian Government
Australian Maritime Safety Authority

Annual Report 2016–17



Our purpose

Vision

Safe and clean seas, saving lives.

Mission

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

Values

Professional: we act with integrity and are pragmatic in our approach

Collaborative: we value and respect others and work together to achieve our objectives

Dedicated: we are committed to 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 to the maritime industry on a commercial basis
- provide, on request, services of a maritime nature on a commercial basis to the Commonwealth and/or states and territories.

Plan on a Page

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: Engaging 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

There are

27,000

domestic commercial vessels in Australia



More than

500,000

emergency distress beacons are registered with AMSA



There are

66,000

domestic seafarers in Australia

largest

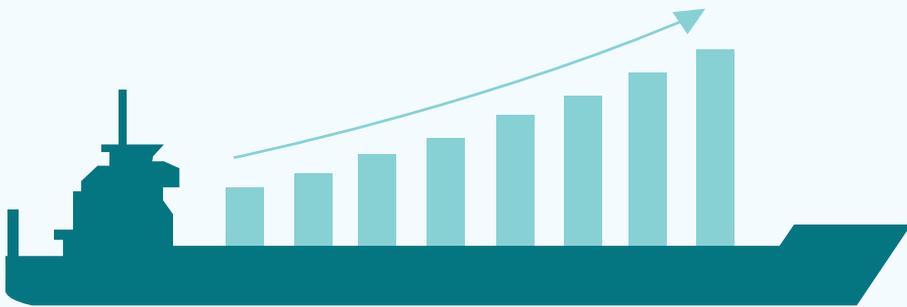
island nation in the world



The Australian coastline spans

60,000

kilometres



75% of the world's largest bulk carriers come to Australia each year, and these ships are getting bigger

99% of Australia's trade in goods by volume and

74% of trade in goods by value is transported by ship



2,516,257

AMSA website visitors



43,211

Facebook followers



23,648

Twitter followers



There are
490

AMSA managed
aids to
navigation at

380
locations

The Great Barrier Reef
World Heritage Area covers more than

348,000

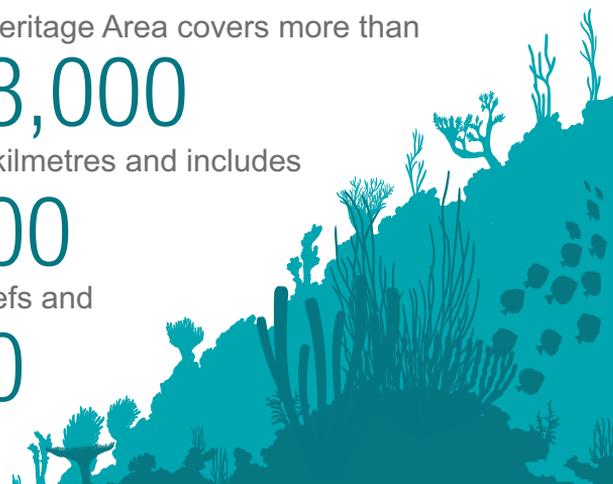
square kilometres and includes

2900

coral reefs and

900

islands



A flight range of

3086

nautical miles (5715 kilometres) means that
the AMSA Challenger search and rescue aircraft
are well positioned to respond to distress calls
from any of their three bases



The Challenger
can fly up to **M0.8/490** knots true airspeed, equivalent to
the speed of a commercial jet airliner

Over 400

commodities are shipped in and out
of Australia using more than

1000

shipping routes



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Transmittal letter



Australian Government
Australian Maritime Safety Authority

CHAIRMAN

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

Dear Minister,

On behalf of the Australian Maritime Safety Authority (AMSA), I present to you the Annual Report for the reporting year 1 July 2016 to 30 June 2017.

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 21 September 2017 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

21 September 2017

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



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 2016–17 is presented in accordance with the Public Governance, Performance and Accountability Rule 2014 and the *Australian Maritime Safety Authority Act 1990* (AMSA Act).

The report is to be presented to the responsible minister by 15 October 2017 and requires the minister to table the report in both Houses of the Parliament as soon as practicable after receiving it. It is the government's preferred policy that the reports be tabled by 31 October.

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

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

This report provides a review of activities undertaken in 2016–17, using the reporting arrangements set out in the Portfolio Budget Statements 2016–17 and the AMSA Corporate Plan 2016–20.



Chairman's foreword

In what was another busy year for AMSA, we continued to build new organisational capability while remaining focused on our core responsibilities in the maritime sector—and to the Australian community more broadly.

Over 2016–17 AMSA continued to prepare to take on full service delivery of the national system for domestic commercial vessels. A November 2016 decision from Australian governments to defer commencement of full service delivery until 1 July 2018 provided an opportunity to enhance our original approach.

With the benefit of additional time, in the second half of the year we moved to further modernise our online services—focusing on the customer experience and streamlining our internal business systems and processes. While this work will be of particular value in delivering the national system it will also support our ability to progress ongoing improvements in our other core areas of responsibility.

We undertook a workforce planning exercise to ensure a whole of AMSA approach to building capability and capacity and we restructured our divisions to minimise duplication and increase collaboration across domestic and international areas of responsibility.

In readiness for national system delivery we strengthened our liaison officer network in ports around the country, and invested in our client contact centre teams—our aim is to ensure we can offer high quality and responsive services to our domestic customers on 1 July 2018.

To further support our regulated community, this year we also embarked on a project to modernise our website to make it easier for people to find relevant and timely information when they need it. As we take on Australia-wide responsibility for the national system for domestic vessels it will be essential for people to be able to access online services and support—from anywhere in the country or on the water.

In a challenging economic climate for international shipping the work of our port marine surveyors underpins Australia's approach to safe and clean seas. With many shipping companies feeling financial pressure, there is a risk that both poor safety standards and deteriorating crew conditions may creep into the global fleet. AMSA's ship inspection program is a core tool in Australia's defence against these global strains—in the past year our surveyors have conducted more than 9500 inspections.

At the international level, we continued to influence the evolution of international maritime standards and obligations to protect Australia's interests in a range of areas, including better practice management of fatigue, safe carriage of goods and the welfare of seafarers.

Training exercises such as pollution spill clean ups, continued to show their value when a fishing boat carrying 10,000 litres of diesel went aground in June 2017. The combination of a trained crew on AMSA's *Coral Knight* working with the national response team saw the spill contained with minimal environmental impact.



Partnering with Australian states and territories, AMSA has continued to promote safe boating by raising awareness of the benefits of beacon registration, and worked with maritime safety agencies in the Torres Strait to deliver education and training to remote communities—early results show rescue incident numbers have fallen.

On the search and rescue front, 2016 saw the transition to our new dedicated search and rescue aircraft. The first of four specially modified Bombardier Challenger 604 jets was launched in Cairns in December 2016. Operated under contract by Cobham SAR Services Pty Ltd these new jets will be a vital tool in AMSA's mission to provide search and rescue services to the Australian community over the next 12 years.

In February 2017 the last of our Dornier 328 aircraft was taken out of service for AMSA as the 12 year contract with AeroRescue came to an end. The Dorniers flew over 3.3 million search and rescue kilometres, and they flew a total of 2510 missions. On behalf of both AMSA and the Australian community I thank the crews for their dedication and professionalism.

AMSA continued to contribute to improving regional and global search and rescue outcomes in its work with Maritime New Zealand through the implementation of the Medium-altitude Earth Orbit Search and Rescue—or MEOSAR—capability. The communication network from the Australian MEOSAR satellite ground station was completed in June 2016 and officially switched on for search and rescue operations in August 2016.

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

I acknowledge the contributions of my fellow Board members over the year and welcome the reappointment of Dr Russell Reichelt and Professor Sarah Derrington for a further three year terms.

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

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

Finally, on behalf of the Board, I wish to thank the staff of AMSA. While preparation to take over full service delivery for the national system is complex, I am confident the people of AMSA are more than capable of meeting this challenge and continuing to provide a high level of service to our stakeholders and customers.

Stuart Richey AM
21 September 2017

Financial summary

AMSA recorded an operating surplus of \$11.6 million in 2016-17. This was significantly better than the budget projection due to significant savings in expenditure from delays in several key service contracts and projects together with demand driven activities which came in lower than expectations.

AMSA's financial result for 2016-17 was also influenced by the following significant activities.

During 2016-17, the commencement date for AMSA to assume full responsibility for the delivery of regulatory services for the National System for Domestic Commercial Vessel Safety (national system), was delayed by one year to 1 July 2018. This decision also delayed the implementation of national system cost recovery arrangements, and AMSA has continued to incur costs associated with preparing for the transition. The unfunded costs relating to the national system continue to be met from AMSA reserves.

Contract delays were experienced in the transition of our dedicated airborne search and rescue aircraft by the new service provider. However, all bases are now fully operational and providing improved range and capability of service through the new Challenger aircraft.

AMSA also underwent an organisational restructure to support the foundations for more flexible and responsive delivery of regulatory services.

The Medium-altitude Earth Orbit Search and Rescue (MEOSAR) system was also commissioned, replacing the older Low-altitude Earth Orbit Search and Rescue (LEOSAR) system. The MEOSAR system uses world-class technology providing more accurate and timely data from distress beacons and this substantially improves our ability in response by narrowing the search zone.

AMSA significantly increased our provision for the treatment and removal of lead paint and asbestos contaminants located at various aids to navigation sites after further sites were identified as being contaminated.

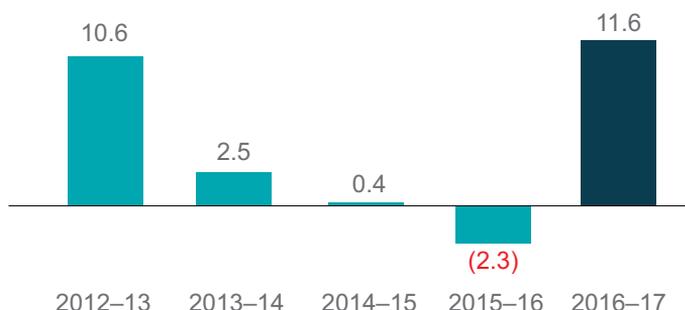
Financial outcome

An operating surplus of \$11.6 million was achieved in 2016–17, compared with a \$2.3 million loss in 2015–16. The improved position of \$13.9 million relates to increased revenue of \$2.8 million and decreased expenditure of \$11.1 million.

Our revenue increase was mainly due to increased levies driven by annual activity growth.

The decreases in expenditure were primarily driven by savings arising from the delay in commencement of the Dedicated Airborne Search and Rescue Capability contract, reduced capability under the terms of the Level 1 Emergency Towage Vessel contract and KPI savings across other major service contracts. This was offset by increases to the various provisions for the remediation of aids to navigation sites.

Figure 1: Operating result over financial years 2012–13 to 2016–17 (\$millions)

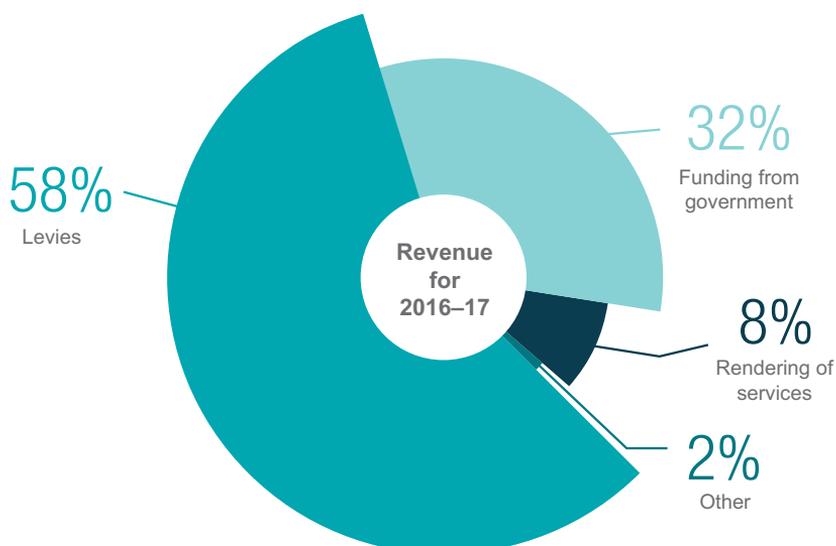


Revenue

Total revenue increased by \$2.8 million in 2016–17 primarily due to increased levies driven by annual activity growth and increased funding to cover the new Dedicated Airborne Search and Rescue Capability.

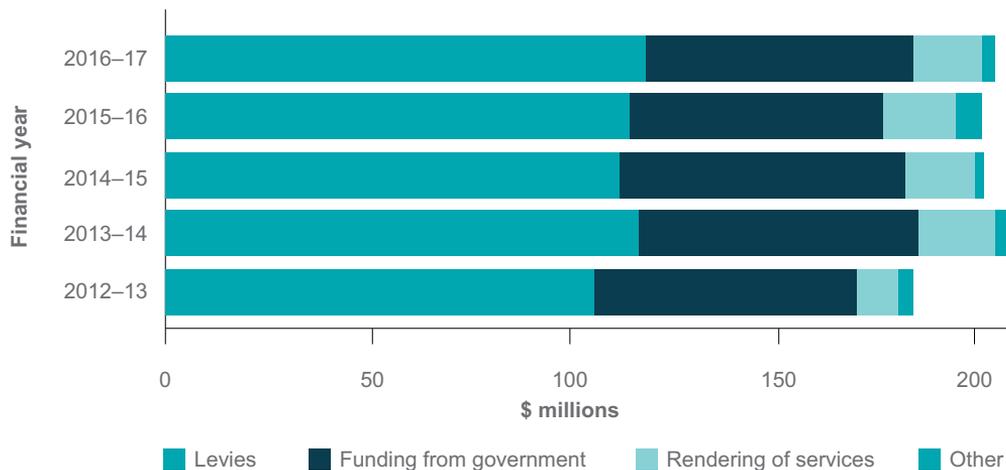
In 2016–17, 58 per cent of AMSA’s revenue was derived from levies and 32 per cent from government funding. The remainder was generated from rendering of services and other sources.

Figure 2: Revenue for 2016–17



Revenue has increased by one per cent overall from last financial year. The main revenue source contributing to this increase was AMSA levies and funding from government.

Figure 3: Change in revenue from 2012–13 to 2016–17

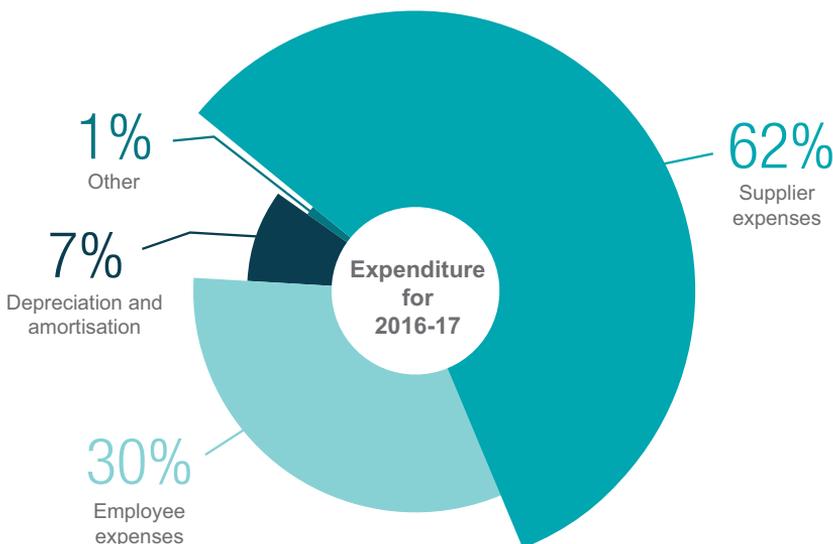


Expenses

Total expenditure in 2016–17 decreased by \$11.13 million compared to 2015–16. This was primarily due to due to the savings in major service contracts. Reduced expenditure across a range of demand driven activities also contributed to lower expenditure. Offset, by increases in provisions.

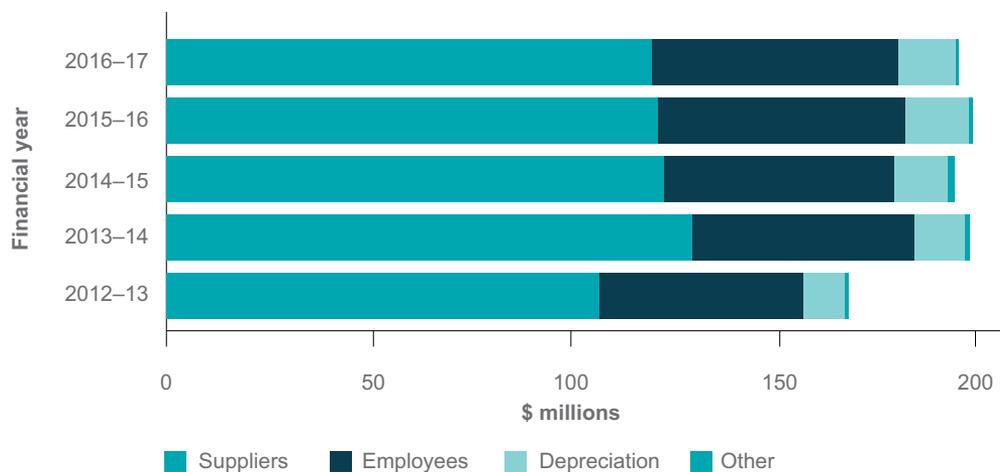
In 2016–17, 62 per cent of expenditure went to suppliers, 30 per cent on employee benefits, seven per cent on depreciation, and one per cent on other expenses.

Figure 4: Expenditure for 2016–17



Areas of expenditure, in percentage terms, remain broadly in line with that of last financial year except for suppliers which has decreased due to contract savings and lower demand driven activities.

Figure 5: Change in expenditure from 2012–13 to 2016–17



Further details of AMSA's financial position can be found in Appendix 1: Financial statements.

Annual performance statements





Annual performance statements

The Public Governance, Performance and Accountability (PGPA) Rule 2014 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 (2016–20) and Portfolio Budget Statements for the reporting period (2016–17), including a summary of progress for the key projects listed in the corporate plan. These documents are available on AMSA's website (amsa.gov.au). Essentially, the annual performance statements are the 'bookend' to the corporate plan.

The 2016–17 annual performance statements of AMSA, as required under the PGPA Act sections 39(1)(a) and (b), and 46 (1) and the AMSA Act section 9C, are presented in tables by strategic challenge and focus area (ie ensuring regulated vessels are operating safely and meeting standards) using a numbered system—as they appear in the 2016–20 Corporate Plan.

Purpose

AMSA's purpose is described in its vision and mission—see page II.

With the exception of organisational performance information under strategic challenge four (ensuring a vibrant and progressive organisation), all other performance criteria are directly attributed and aligned to the key elements of our vision 'safe and clean seas, saving lives' and the supporting focus areas. The rationale statements for each measure establish the link between the detailed measure and AMSA's purpose.

AMSA's plan-on-a-page on page III illustrates these relationships.

Reading the AMSA 2016–17 annual performance statements

Snapshot

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

Case studies

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

Detailed measures

Our detailed performance measures are presented in table format:

x.x.x	Performance criterion	Target	Results	
			2016–17	2015–16
Name of measure				
Rationale:				
Analysis of performance:				
Case study: p.x		Source: 2016–20 Corporate Plan: p.x 2016–17 PBS: p.x		RPF KPI: N/A
Footnote:				

Performance criteria

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

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

AMSA practises exception based reporting, so contextual commentary is usually only provided if the result is a variation on the target, i.e. not 'green'.

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 2016–20 Corporate Plan where you can find the measure.
- The page number in the 2016–17 Portfolio Budget Statement (Infrastructure and Regional Development) where you can find the measure.

Regulator Performance Framework

As a regulator, AMSA is subject to the Commonwealth Regulator Performance Framework (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

If applicable, the 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 the Australian Maritime Safety Authority (AMSA), the Board presents AMSA's 2016–17 annual performance statements, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In the opinion of the Board, based on advice from AMSA management and the Board Audit Committee, the annual performance statements accurately reflect AMSA's performance and comply with subsection 39(2) of the PGPA Act.

A handwritten signature in black ink, appearing to read 'Stuart Richey', with a large, stylized flourish at the end.

Stuart Richey AM

21 September 2017

Snapshot summary

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
	The annual number of ship inspections met targets for:	52
1.1.3	▪ All inspections	52
	▪ Port State Control inspections	52
	▪ Flag State Control inspections	52
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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	Regulatory measures introduced internationally are given effect in marine orders within specified timeframes	54
1.1.6	Improvement in the standard of domestic commercial vessels demonstrated through:	54
1.1.6.1	Decreasing number of fatalities	54
1.1.6.2	Number of domestic seafarers attending education and training activities	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.	54
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.	54
1.4.1	All regulatory measures introduced internationally are given effect within specified timeframes (linked to 1.1.5 above)	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 (MLC) deficiencies per inspection compared to a rolling 10-year average	57
1.5.1.2	Onshore complaints made under Article 22 of the MLC 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	Bi-annual stakeholder engagement survey	58
R.2	Regular formal and informal feedback	58
2.1	Assume responsibility for (National System for Domestic Commercial Vessel Safety) service delivery by July 2017	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	Availability of distress and safety communications services	63
3.2.4	Median time (minutes) for the rescue coordination centre to initiate a response	63
3.2.5	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 shows a declining trend to previous years 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 accreditation as a Registered Training Organisation	66
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 International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA)	68
E	Monitor communication and engagement through:	58
E2.1	Biannual stakeholder engagement survey (see R.1)	58
E2.2	Regular formal and informal feedback (see R.2)	58

Case studies:

Safe seas





Five Star Fujian – August 2016

- **Strategic challenge 1: Managing risks to safety and the environment**
- **Focus area 1.1: Ensuring vessels are operating safely and meeting standards**
- **Focus area 1.5: Ensuring seafarer welfare and competency**
- **Measures: 1.1.1 and 1.5.1 (see detailed measures at pages 51 to 68)**

The bulk coal carrier *Five Star Fujian* was detained for more than two months at anchor off Gladstone due a dispute over wages, conditions and fuel which eventually led to the vessel running extremely low on food.

To resolve the issue, AMSA negotiated with the owner, operator, flag State and other required parties, while the local Gladstone surveyors were in daily contact with the master ensuring the safety of the crew on board. The response also involved local welfare agencies, the International Transport Workers' Federation (ITF) and the Gladstone Port Welfare Committee. The ITF and Mission to Seafarers worked together to secure funding to provide food for the vessel while the local port and AMSA organised transportation of the food to the vessel via pilot transfer helicopter and a charter vessel.

In the end, with all authorities working together, AMSA achieved a positive outcome. The charterer wanted their cargo so they paid for the fuel and the outstanding wages owed and with the provisions supplied, the vessel was released from detention and cleared to sail.

This is an example of an unfortunate situation, but demonstrates the effectiveness of the measures that have been built upon since the introduction of the *Maritime Labour Convention 2006* (MLC), which sets the minimum working and living conditions for all seafarers globally. By enforcing our right to detain a vessel we were able to ensure the seafarers received the wages they were owed, the vessel had the appropriate provisions and a safe working environment for the vessel's return voyage.

National System for Domestic Commercial Vessel Safety

- **Strategic challenge 2: Building the National System for Domestic Commercial Vessel Safety**
- **Focus area 2.1: Designing – operating model, workforce and transition**
- **Measure: 2.1**

From 1 July 2018 AMSA will serve an additional 66,000 seafarers and regulate a further 27,000 vessels under the national system. AMSA was set to assume responsibility for service delivery by July 2017, however 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 1 July 2018 to allow jurisdictions and industry to better consult and prepare for these significant changes. The program did not lose momentum, retaining most of the original milestone dates. The delay in 'go live' has afforded an opportunity to enhance the work under a number of projects within the program, most notably the information technology (IT) build.

A broader AMSA transition program is underway including changes to our IT, property, business systems and processes.

There are currently 13 projects under the National System Transition Program:

- IT
- data quality
- operational transition and contingencies
- vessel safety
- compliance
- jurisdictional records
- forms and reporting
- service delivery and training
- industry engagement
- finance
- operational integration
- AMSA Connect (contact centre)
- seafarer certification.

All projects are responsible for different aspects of the transition and will enable AMSA to assume service delivery with no gap to industry.

Activities completed for the year include:

- the National System Target Operating Model
- a jurisdiction records memoranda of understanding (MOU)
- state transition plans.

Levy consultations were held around Australia and an economic review exploring the industry's ability to meet system costs was completed. The evolving nature of the program also saw the service delivery and resourcing project and the assurance projects closed, while the service delivery and training project and operational integration project were established to ready AMSA's workforce to undertake service delivery tasks.

Post cyclone repairs

- **Strategic challenge 1: Managing risks to safety and the environment**
- **Focus area 1.3: Supporting safe navigation**
- **Measure: 1.3.1**

In March 2017 'Cyclone Debbie', a Category 4 tropical cyclone, hit the Whitsundays. The asset capability team monitored the track of the cyclone which passed close to a number of critical aids to navigation (AtoN). AtoNs around Hydrographers passage and the Whitsunday islands were subjected to the severe weather event.

The operational status of the AtoN was unclear and a number of measures were employed to confirm the extent of the damage and operational status of these. AMSA's new Challenger aircraft was deployed to undertake a reconnaissance mission, tasked to fly over and photograph nominated AtoN, in particular critical AtoN assets, such as power supply equipment (solar panels etc.) and navigation aids (lights and radar beacons). The detailed information provided from this mission enabled the asset capability team to visually confirm any damage to critical components and make rapid decisions around responding, including establishing temporary AtoN to two destroyed structures.

With the AtoN having been restored to operational status quickly, the focus is now on rebuilding the destroyed structures.



My Boat application goes live in 2016

- **Strategic challenge 1: Managing risks to safety and the environment**
- **Strategic challenge 2: Building the National System for Domestic Commercial Vessel Safety**
- **Strategic enabler: Engaging with our community**
- **Focus area 2.1: Designing – operating model, workforce and transition**
- **Focus area 2.2: Building the service delivery framework**
- **Focus area 2.4: Supporting the system – information technology and funding arrangements**
- **Measure: 2.1**

With the commencement of the national system in 2013, AMSA embarked on a journey of change with its stakeholders. The old state system was rolled up and a new, more modern approach was implemented.

My Boat is a part of AMSA's modern approach to service delivery, designed around the idea that standards should be accessible to anyone and that you shouldn't need a degree to navigate them.

An application of this kind was not feasible under the state-based regulatory framework. Development costs across each state along with differing interpretations of the requirements made it impractical.

Now, as result of the formation of the single national regulator and the government's Digital Transformation Policy, AMSA has seized the opportunity to provide this free to use application to industry. This application demonstrates AMSA's commitment to simpler, more accessible standards, and customer-centric digital services.

The application was developed in-house by the Vessel Safety Unit in conjunction with Information Technology Services and is accessible to stakeholders on their tablet, phone or desktop device.

The application asks users to input vessel details and uses these to compute their specific requirements from the standards, such as the type of equipment or navigation lights they require to conduct different operations.

It's believed to be the first online application of its kind in the maritime industry, and was inspired by other online government services, such as myTax.

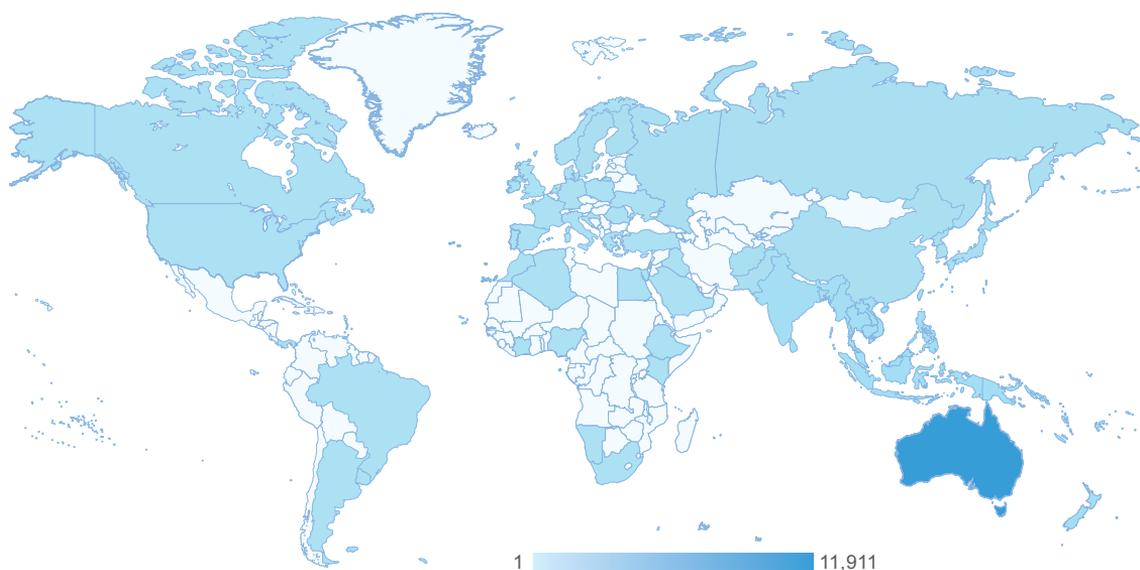
The application positions AMSA for future service delivery and, by providing users online self-service, allows the organisation to dedicate technical staff where they are most beneficial.

AMSA will face the challenge in the future of delivering an acceptable level of service to a large geographically and socioeconomically diverse customer base. My Boat allows AMSA to deliver high level online technical assistance to all customers, regardless of location or access to AMSA offices, and assists the organisation to manage workload, reducing customer phone and email enquiries.

My Boat Version 1.0 has been available for public use since August 2016 and has received 47,261 page views since launch (as of 1 August 2017).

My Boat also delivers accessibility of the National Standards to a global audience. The highest overseas user access has been from the United States, from which the application has 144 users, followed by the UK at 132 and New Zealand at 74 users.

Figure 6: Distribution of users by county during the same time period (source Google Analytics 03/07/2017).



Version 1.0 of the application was largely designed to help users understand the equipment requirements of the National Law, and provided outputs from:

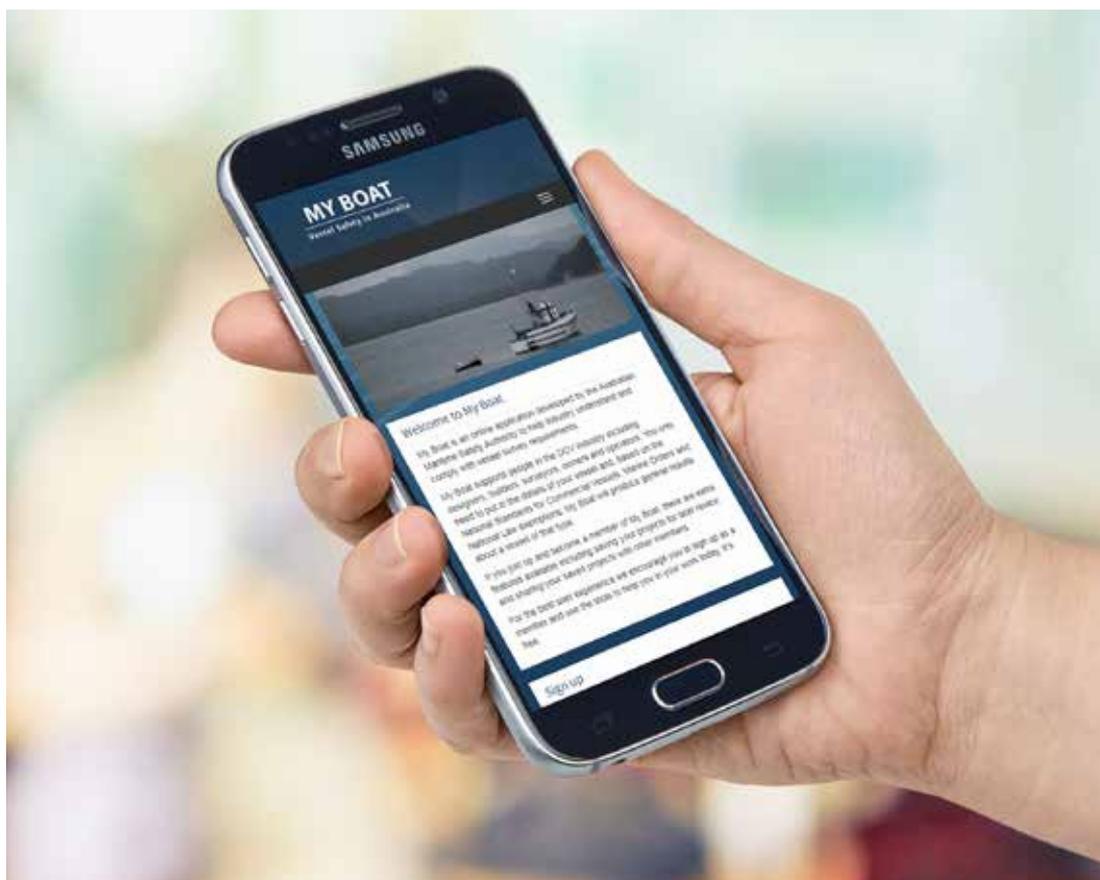
- parts of the machinery section (NSCV Part C Subsection 5A)
- bilge pump requirements
- simple shaft calculations
- safety equipment (NSCV Part C Subsection 7A)
- communication equipment (NSCV Part C Subsection 7B)
- navigation equipment (NSCV Part C Subsection 7C)
- fast craft (NSCV Part Subsections F1A, F1B and F1C)
- navigation lights (International Regulations for Preventing Collisions at Sea 1972)
- Class C restricted operations (Exemption 40).

Following the success of this release, AMSA is now looking to expand the application's coverage with the release of a new version.

Version 2.0, aims at expanding the content delivered through the application, to provide guidance covering:

- leisure craft (NSCV Part F Section 2)
- non Survey vessels (NSCV Part G)
- anchoring (NSCV Part C Subsection 7D)
- fire safety (NSCV Part C Section 4)
- accommodation, arrangement and personal safety (NSCV Part C Section 1)
- intact stability (NSCV Part C Subsection 6A)
- damaged stability (NSCV Part C Subsection 6B).

Version 2.0 of the application is more useful to a larger range of industries, helping AMSA position itself to address the strategic challenges of building the National System for Domestic Commercial Vessel Safety, and managing risks to safety and the environment, while also acting as an example of the organisation's progressive culture.



Torres Strait Marine Safety Program - BoatSafe project

- **Strategic challenge 1: Managing risks to safety and the environment**
- **Strategic enabler: Engaging with our community**
- **Focus area 1.5: Ensuring seafarer welfare and competency**
- **Focus area E.5: Indigenous safety programs**
- **Measures: 1.1.6, 3.2.1**

Since 2006 AMSA has partnered with Maritime Safety Queensland (MSQ), Torres Strait Regional Authority (TSRA), Queensland Police Service (QPS) and the National Maritime Safety Authority of Papua New Guinea to deliver the highly successful Torres Strait Marine Safety Program (TSMSP) which aims to improve and promote boating safety in the Torres Strait; 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.

This year the TSMSP focused on a new trial initiative, providing BoatSafe training to the outer islands and communities. BoatSafe training is a one day course that provides maritime safety education and enables the issue of a Recreational Marine Drivers Licence in Queensland.

Between February and July 2017, AMSA's Indigenous Engagement Team delivered BoatSafe training at five outer island communities in the Torres Strait, with 97 participants. BoatSafe training was also delivered at Mornington Island, with 35 participants, in support of the QPS Mornington Island Marine Safety Initiative.

Following the success of this trial program, the TSRA has provided additional funding to AMSA and MSQ to deliver BoatSafe training at the remaining 11 communities, with several hundred further participants expected to receive this training throughout 2017–18.

AMSA's effort with TSMSP partners to assist in creating and maintaining a safety culture in the region, including this BoatSafe initiative, has resulted in the lowest number of maritime search and rescue incidents since the program began in 2006.



Regulator performance framework – external assessment

- Strategic challenge 1: Managing risks to safety and the environment
- Focus area: Regulatory performance
- Focus area 1.5: Ensuring seafarer welfare and competency
- Measures: 1.1.1, R



Excellent

Demonstrates essential elements of better practice, and exceeds expectations in some areas. Leading practitioner.

**“The central question is – are you (AMSA) facilitating trade or impeding it?
My view is that you are facilitating it (trade)”** *Melwyn Noronha, Shipping Australia*

As a modern regulator, AMSA is always looking for opportunities improve as it positions itself for the future.

Under the Commonwealth’s Regulator Performance Framework (RPF), regulators must annually assess their performance against the framework. The self-assessment process is complemented by an external review program of selected regulators.

AMSA’s port State control (PSC) related assessments were included on the 2016–17 schedule of external reviews. AMSA was the first Australian Government entity subject to an external review.

The overall result of the external review was very positive. The review panel assessed AMSA’s PSC performance as excellent against the RPF requirements. The panel acknowledged that PSC is a mature, well developed regulatory function; and noted that AMSA’s PSC arrangements are considered an international exemplar, citing several examples of best practice in the report.

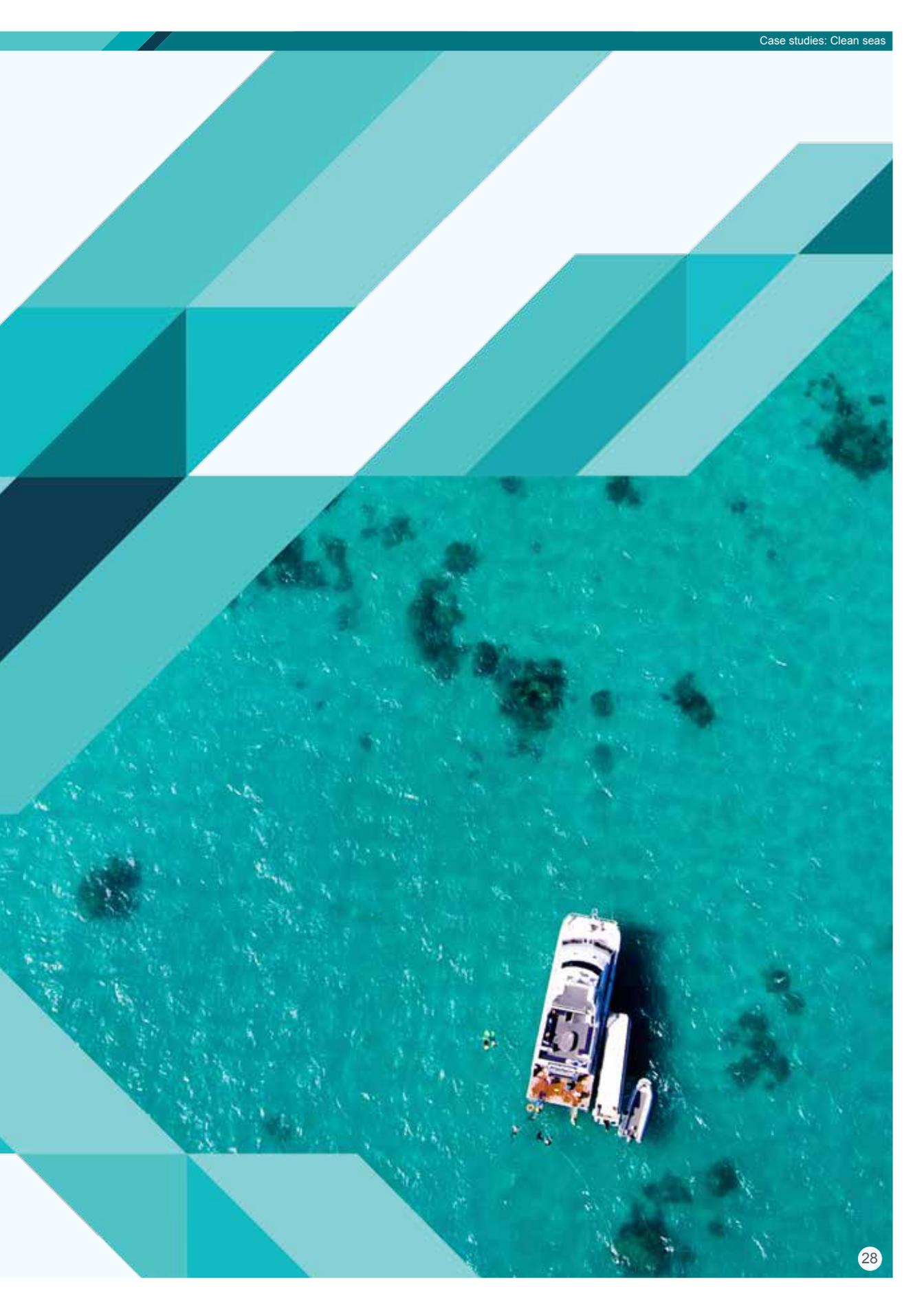
The panel also identified several opportunities for improvement - all of which AMSA was aware of prior to the review, agrees with, and is actively pursuing.

AMSA’s RPF self-assessment and external review reports can be found on our website (amsa.gov.au).

Case studies:

Clean seas





Training for a major oil spill on the Great Barrier Reef

- **Strategic challenge 3: Delivering incident intervention and response**
- **Focus area 3.4: Delivering an effective marine pollution response capability**
- **Measure: 3.4.1**

Protecting Australia's unique marine environments, and by extension the livelihoods of thousands of Australians, from maritime pollution is an imperative for all commercial operators. For AMSA, it's a primary function. Under the National Plan for Maritime Environmental Emergencies, AMSA takes a leading role in responding to pollution or potential pollution of the seas.

Being prepared is essential to effective response, and AMSA hosted a training exercise in Cairns in May 2017 which simulated a major oil spill at sea.

The exercise took place on AMSA's emergency towage and first response vessel, the *Coral Knight*, and included representatives from state and territory maritime safety agencies, port authorities and environmental protection agencies. These representatives form the National Response Team, which is responsible for responding to maritime environmental emergencies.

During the exercise, nautical charts were marked with a fake oil spill and teams were tasked with launching a clean-up operation including surface skimming, rolling out booms and performing manoeuvres with the *Coral Knight* and its workboat to contain the spill.

Despite the inclement weather conditions and other operational challenges, the National Response Team successfully completed its mission to contain and recover the spill.

'This type of experience on a vessel like this—working with the crew—is invaluable,' AMSA Senior Advisor for Crisis Preparedness and Response, Andrew Griffiths, said.

'They've got a feel for a real work environment and the complexities associated with working in a team.'

The National Response Team conducts oil spill recovery exercises in different environments around Australia every year.

Responding to FV *Miss Macleay* aground on Cape Flattery

- **Strategic challenge 3: Delivering incident intervention and response**
- **Focus area 1.2: Preventing pollution from shipping**
- **Focus area 3.3: Delivering an effective incident response capability**
- **Measures: 1.2.1, 3.4.1**

Just weeks after the *Coral Knight* hosted an oil spill training exercise with the National Response Team, the vessel responded to a live incident 120 nautical miles north-west of its home port in Cairns.

At 7am on Saturday 17 June the *Coral Knight* received a request from Cairns Vessel Traffic Service (VTS) to assist the prawn trawler *Miss Macleay*, which was taking on water near Cape Flattery.

Cairns VTS had earlier advised the trawler's two-man crew to put her aground on Connie's Beach to avoid her sinking with both men and 10,000 litres of diesel on board. After grounding the trawler, the men swam to a nearby fishing boat.

At the time of the incident, the *Coral Knight* had been servicing a navigation aid on Palfrey Island about 17 nautical miles northeast of Cape Flattery. She was on scene within two hours and was placed under the operational command of the Cairns Harbourmaster.

A work boat was deployed to the trawler, which was listing to starboard with severe water inundation. The crew of the *Miss Macleay* had been rescued by another fishing vessel, and the *Miss Macleay* was leaking a small amount of fuel into the water, and was quickly identified as a risk to the environment.

Aided by a tender from the Cape Flattery Silica Mine, *Coral Knight* crew secured a Hi-Sprint Boom around the trawler and blocked her fuel breathers to prevent more fuel from escaping.

Coral Knight Captain Andrew Profke said the oil spill response training which took place in May proved to be valuable not only for the National Response Team, but also for the crew of the vessel.

Thanks to the quick response, the spill was contained and there were no reported shoreline impacts. *Miss Macleay* was re-floated and taken back to shore by salvors in the following days.

Responding to MT *Asphalt Seminole* adrift near Cape Banks

- **Strategic challenge 3: Delivering incident intervention and response**
- **Focus area 3.1: Pre-emptively intervening to assure vessel safety**
- **Focus area 3.3: Delivering an effective incident response capability**
- **Measure: 3.4.1**

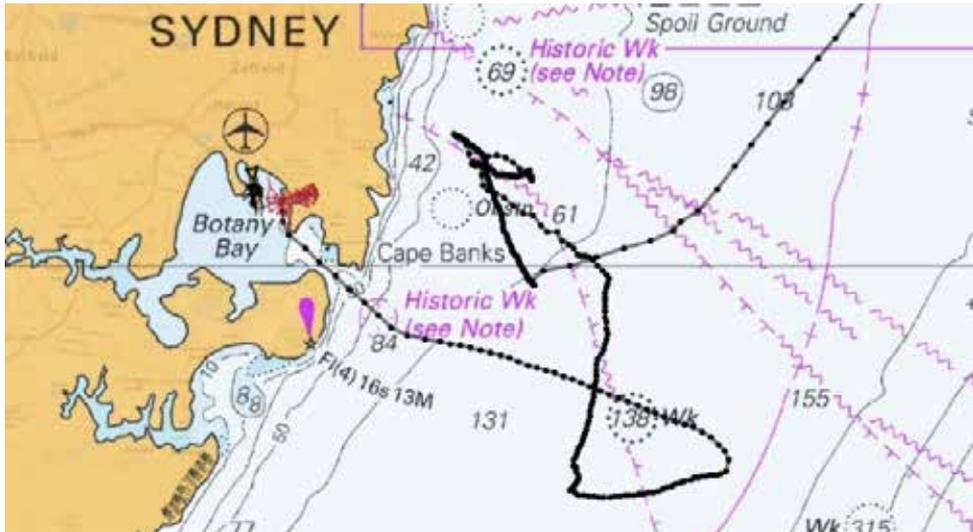
AMSA plans and prepares for incidents and is ready to respond 24 hours a day, 365 days a year. Intervening early to prevent maritime casualty incidents from escalating helps the authority to prevent pollution of the sea or harm to the marine environment. Under the National Plan for Maritime Environmental Emergencies AMSA works with stakeholders including shipmasters, shipowners, salvors and state and port authorities, and can deploy its contracted emergency towage capabilities in support of prevention activities.

Early in the morning on 11 March 2017, the MT *Asphalt Seminole* (a Marshal Island flagged tanker) reported that following a main engine failure it was drifting approximately five nautical miles east of Cape Banks, New South Wales. AMSA received notification of the incident and commenced maritime casualty response activities which included briefing its Maritime Emergency Response Commander and coordinating the governmental response.

AMSA worked with the ship master, owners, agent and commercial salvors to deploy two Svitzer tugs from Port Botany to assist the vessel. A tow connection was secured by mid-afternoon, arresting the vessel's drift less than two nautical miles east of Maroubra Bay. The tugs were able to move the casualty vessel offshore and a salvage team was deployed to the vessel to oversee the towage operation overnight.

Additional towage capability was required and AMSA's Level 2 Emergency Towage Vessel (ETV), the tug *Mayfield*, was deployed from Newcastle to act as the primary towage vessel for transit and berthing operations. Overnight the casualty vessel was towed into Port Botany and safely moored in Port Botany in the early morning of 12 March 2017.

The response was successful in preventing the casualty incident escalating to a grounding with potential release of pollution to the sea and shoreline. The coordinated approach of all parties including harbourmaster, deputy harbourmaster, Vessel Traffic Services for the Port of Botany, AMSA, Ardent Global, Svitzer Australia, and the operators, agent, master and crew of the MT *Asphalt Seminole* ensured a safe and successful outcome.



Case studies:
**Saving
lives**





- **Strategic challenge 3: Delivering incident intervention and response**
- **Focus area 3.2: Save lives daily through search and rescue**
- **Measure: 3.2.1, 3.2.2, 3.2.3, 3.2.5**

Survivors recovered from Curtis Island helicopter crash

In March 2017 two survivors were recovered from a helicopter crash on Curtis Island in Queensland following an overnight search and rescue operation coordinated by AMSA.

The pilot and passenger of a privately-owned Bell Jet Ranger 206 helicopter were transferred to Rockhampton for medical treatment after sustaining serious injuries in the crash in the shallows of Keppel Creek.

Luggage belonging to the pilot and passenger washed ashore some distance from the crash site and was discovered by a member of the public, who alerted Gladstone Police.

Gladstone Police tasked the Royal Automobile Club of Queensland (RACQ) Capricorn Rescue Helicopter to search the area and more luggage was located with identifying information.

Aided by trip details from the pilot's family and commercial tracking data for the helicopter, AMSA re-tasked the RACQ Capricorn Rescue Helicopter to the Keppel Creek area on the north-east of Curtis Island, where the helicopter crew located the wreckage and both survivors.

The two men had left Caboolture, about 40 kilometres north of Brisbane, on a fishing trip to Curtis Island.

Two sailors rescued from yacht 210 nautical miles from Sydney

In March 2017 a joint operation between AMSA and NSW Police rescued two people from a yacht in distress with a broken rudder, which was affected by high winds and heavy swell about 210 nautical miles east-north-east of Sydney.

Two crew, an Irish and French national, were on board the 40-foot yacht that was travelling from New Zealand to Australia and activated its Emergency Position Indicating Radio Beacon (EPIRB).

Rescue 660, one of AMSA's dedicated search and rescue Challenger 604 jets, was tasked to drop additional communications equipment to the yacht. The equipment was dropped successfully by Rescue 660, however the equipment was unable to be recovered by the yacht due to the treacherous conditions. Rescue 660 remained on scene to relay communications from the yacht to AMSA.

AMSA issued a broadcast to shipping in the area requesting assistance which was answered by the container ship ANL *Elanora*.

AMSA also requested NSW Police assistance and the NSW Police *Nemesis* vessel was launched, with seven officers from the Marine Area Command aboard.

In six-metre swells and gale-force southerly winds, the *Nemesis* reached the yacht and transferred the man and the woman successfully to the *Nemesis* with the assistance of the ANL *Elanora*.

Medium-altitude Earth Orbit Search and Rescue system

The Medium-altitude Earth Orbit Search and Rescue (MEOSAR) system for emergency distress beacon detection started operational use in August 2016 to support search and rescue response in Australia.

The new technology improves search and rescue response times for distress beacon owners in emergency situations. One example of this occurred on the evening of 28 February 2017.

At 6.51 pm (AEDT) AMSA received a MEOSAR detection of a distress beacon off the coast of Port Fairy in Victoria. As the beacon was correctly registered, within three minutes of being detected AMSA called and spoke to the emergency contact, learning that the beacon belonged to a man fishing on his own in an eight-metre boat.

The MEOSAR system generated a location for the beacon and, because the beacon had Global Positioning System functionality, AMSA was able to confirm the location of the beacon within a minute of the first detection.

AMSA tasked a Victorian Air Ambulance rescue helicopter that arrived in the area at 8.18 pm and located the sole vessel occupant clinging to his upturned vessel. The man was winched to safety and transported to Warrnambool.

In comparison, the existing Low-altitude Earth Orbit Search and Rescue detection system detected the beacon at 7.47 pm. The MEOSAR system provided a 56 minute advantage which permitted the rescue to be completed by helicopter before nightfall. Without the MEOSAR data, as this rescue helicopter is unable to conduct a winch operation at night, a rescue vessel from Port Fairy would have been required to proceed to the location, adding considerable time to the rescue operation.



Super yacht rescue operation

In October 2016 AMSA responded to a vessel in distress off the coast of Port Macquarie.

AMSA Search and Rescue detected emergency beacons registered to the 37-metre super yacht *Masteka 2* with six people on board about 260 kilometres east of Port Macquarie.

AMSA established satellite communications with the crew, who reported that the vessel was taking on water and had lost steering.

The cruise ships *Pacific Pearl* and *Carnival Spirit* responded to AMSA's call for assistance.

The *Carnival Spirit* diverted to the area and evacuated two crew members from the *Masteka 2* using its fast rescue boat.

The remaining crew members elected to stay with the vessel to attempt repairs.

AMSA tasked its Brisbane-based Dornier search and rescue aircraft to the area, where it dropped two dewatering pumps to assist with repair.

Carnival Spirit remained on scene to monitor the vessel and provide further assistance if needed.

Australia's new dedicated search and rescue aircraft

Cobham SAR Services Pty Ltd was awarded a 12-year contract to provide aircraft and crew for the dedicated 24-hour airborne search and rescue capability.

The new service delivers four aircraft at three bases in Cairns, Perth and Essendon.

The first of the four Bombardier Challenger CL-604 jets was officially accepted into service in Cairns in December 2016 and the fourth (ancillary) aircraft entered into service mid year. Each of the long range aircraft has a crew of five, of which two are pilots trained in low level operations and airborne stores delivery.

The aircraft will use new technology and equipment to ensure there is a rapid response capability to rescue people in distress at sea or on land and operate to Australia's external territories, such as Norfolk Island. The aircraft have a direct link to Australia's Joint Rescue Coordination Centre in Canberra.





Case studies:

Engaging with our community





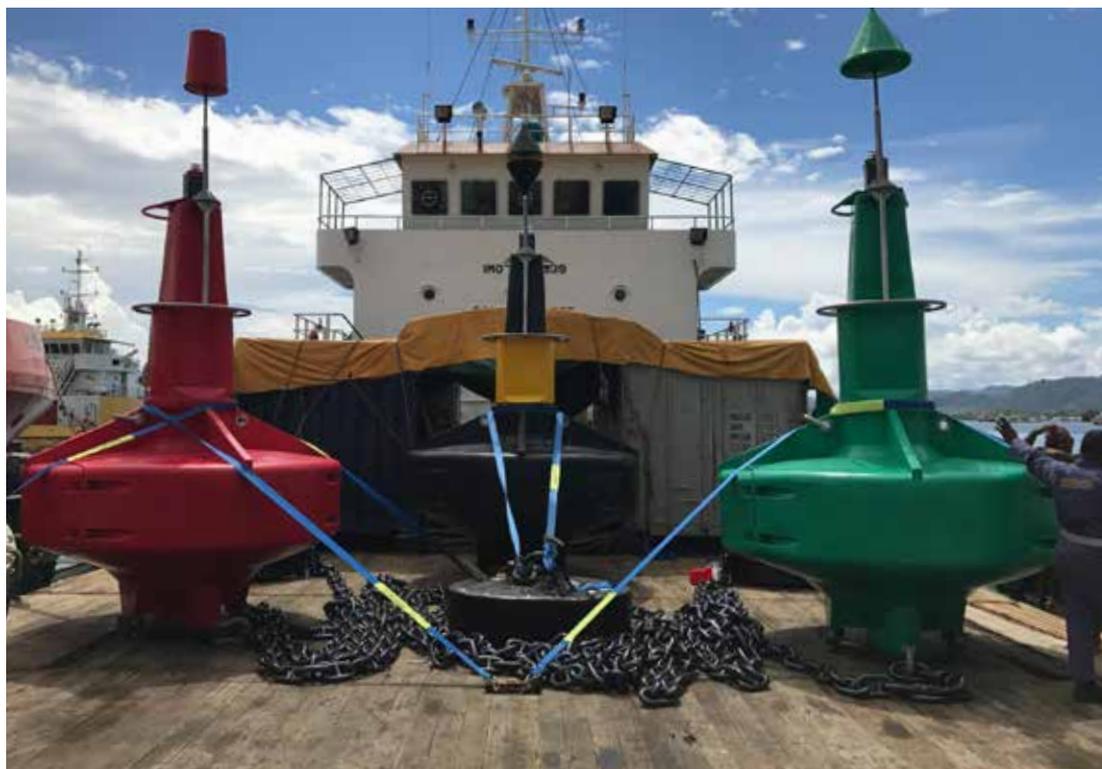
Technical cooperation: assistance to Fiji

- **Strategic enabler: Engaging with our community**
- **Focus area: Regulatory performance**
- **Focus area E1: Working with international organisations and other nations**
- **Measures: E1.1, E1.2**

In February 2016, Fiji suffered the devastating effects of Tropical Cyclone Winston. The cyclone caused significant damage to the infrastructure of Fiji, including to a number of maritime aids to navigation and lighthouse sites. Through Australia's broader government assistance to Fiji, AMSA worked closely with the Maritime Safety Authority of Fiji (MSAF) to install new navigation buoys and assess the damage to lighthouses in Fiji's network.

Two new low-maintenance polyethylene buoys with self-contained LED lights were installed in the waters of Levuka Passage. A third buoy may be installed following a detailed bathymetric survey to be conducted by the Fiji Hydrographic Service to identify a suitable location. In December 2016, AMSA also carried out engineering assessments at eight lighthouse sites, some of which are of historical significance.

AMSA is working closely with MSAF to prepare detailed condition reports for each site to progress planning for their future repair. The new buoys and engineering assessments will significantly contribute to the safety of those travelling by sea and to protecting Fiji's pristine marine environment.



AMSA Connect

- **Strategic challenge 1: Managing risks to safety and the environment**
- **Strategic enabler: Engaging with our community**
- **Focus area: Regulatory performance**
- **Focus area E3: Developing stakeholder relationships**
- **Measure: R.2**

AMSA's contact centre, AMSA Connect, commenced operations in June 2015. Since then AMSA has continued to build the capability and capacity for the expected increase in demand once full service delivery of the national system is implemented from 1 July 2018.

AMSA Connect provides a single point of entry for all enquiries and contributes to a consistent customer experience, giving AMSA greater visibility of the type and number of enquiries on specific topics, and enabling it to respond to emerging themes from its regulated community.

Over the past 12 months the number of calls coming through AMSA Connect has grown significantly—a positive sign that the service is operating as intended and that its regulated community is becoming more comfortable with a centralised approach to customer enquiries.

Reporting period	Enquiries answered	Calls answered within 30 seconds	Call quality rating	Customer satisfaction rating
2015-16	> 28,000	85 %	93 %	90.5 %
2016-17	> 135,000	75 %	90 %	90 %

Of the 135,000 enquiries answered this year, 106,000 were resolved within the centre without having to direct customers to other staff. We expect enquiries to continue to grow to around 250,000 in 2018–19.

The central focus in 2016–17 was establishing the infrastructure to support future demand. AMSA completed construction of a new fit for purpose contact centre and commenced procurement for a new telephone system. With this infrastructure in place, AMSA is in a good position to grow the capacity of its contact centre in response to the expected growth in enquiries, and to better support the needs of the business and its regulated community.

AMSA invested in training and recruitment of new operators this year—from 6.1 to 9.75 full-time-equivalents (that is 14 operators). A purpose designed induction and training package means AMSA can now support growth in both full and part-time roles, aiding national system implementation and allowing for a greater focus on the customer across the board.

Over 2016–17 AMSA agreed on escalation processes and developed documentation to support a customer relationship management system to be introduced over 2017–18. A customer relationship management system will allow AMSA to track and manage enquiries from when they come in through to completion—improving the customer experience, and making it easier to manage workflow.

AMSA Connect currently operates from 8 am – 5 pm AEST Monday to Friday. In the lead up to national system transition, operating hours will be expanded to 8 am – 8 pm AEST Monday to Friday, to reflect a standard business day across Australia, ensuring customers around the country can contact AMSA during business hours.

Website redesign

- **Strategic challenge 1: Managing risks to safety and the environment**
- **Strategic challenge 4: Ensuring a vibrant and progressive organisation**
- **Strategic enabler: Engaging with our community**
- **Focus area: Regulatory performance**
- **Focus area E3: Developing stakeholder relationships**
- **Measure: R.2**

In 2016–17 AMSA committed to a digital roadmap plan to transform its online service offering and update its approach to core and legacy business systems and processes. Driven primarily by the need for domestic customers to transact with AMSA online, development of a new website commenced, including a review and refresh of all online content.

From February to April 2017, face-to-face interviews were held with a broad range of businesses around the country, including fishing operations, ferry owners and operators, individual seafarers, registered training organisations and naval architects. People interviewed told AMSA:

- information was hard to find and not packaged in a logical manner for their purposes
- the language was too legalistic and/or technical and difficult for many users to understand
- they wanted to be able to use the website and transact with AMSA using their mobile devices.

Based on this feedback, the new website is being designed with a mobile-friendly and user-focused design, to provide users with clearer pathways to access the information they need. Significant effort is focused on creating 'how to' content in plain English, to help people find information and meet maritime safety obligations.

When complete, AMSA's website will be its primary service delivery channel, offering customers the standard of online service expected of a modern Australian Government regulator.

The new website is expected to go live in late 2017.

Working with international organisations and other nations

- **Strategic enabler: Engaging with our community**
- **Focus area: Regulatory performance**
- **Focus area E1: Working with international organisations and other nations**
- **Measures: E1.1, E1.2**

Progress on Australian priorities at the International Maritime Organization

AMSA's approach at the International Maritime Organization (IMO) is shaped by the need to influence international maritime standards and obligations to reflect Australia's national interests. AMSA's engagement at the IMO is consistent with Australia's international policy objectives both in the United Nations system and more broadly. The authority continues to work with the Department of Foreign Affairs and Trade (DFAT) and affected policy portfolios to ensure that Australia's engagement at the IMO reflects both Australia's maritime interests and wider strategic and economic interests.

AMSA implements Australia's obligations through a comprehensive framework of regulatory, consultative and administrative arrangements.

It represents Australia's interests at a number of IMO fora, including:

- Assembly (A)
- Council (C)
- Maritime Safety Committee (MSC)
- Marine Environment Protection Committee (MEPC)
- Sub-Committee on Carriage of Cargoes and Containers (CCC)
- Sub-Committee on Human Element, Training and Watchkeeping (HTW)
- Sub-Committee on Implementation of IMO Instruments (III)
- Sub-Committee on Navigation, Communications and Search and Rescue (NCSR)
- Sub-Committee on Pollution Prevention and Response (PPR)
- Sub-Committee on Ship Design and Construction (SDC)
- Sub-Committee on Ship Systems and Equipment (SSE)
- Technical Co-operation Committee (TCC).

More information can be found at the IMO website (www.imo.org).

AMSA's key achievements at the IMO for 2016–17 are detailed overleaf.

AMSA's key achievements at the IMO for 2016–17:

Initiative	Summary
Roadmap for developing a comprehensive IMO strategy on the reduction of greenhouse gas (GHG) emissions	Australia played a role in the IMO's approval of a roadmap to develop a comprehensive IMO strategy on the reduction of GHG emissions from ships. The roadmap lists activities, including further IMO GHG studies and significant intersessional work, and captures the ongoing three-step approach to ship energy efficiency improvements. The roadmap foresees an initial GHG reduction strategy to be adopted in 2018, and the adoption of a revised strategy in 2023.
Corrosivity of solid bulk cargoes	The IMO accepted an Australian proposal to carry out research and tests, relating to the efficacy of the current tests that establish the corrosivity of solid bulk cargoes.
Revision of Guidelines on Fatigue	The IMO acknowledged Australia's leadership in the Correspondence Group on the Revision of Guideline on Fatigue. Some progress was made on the revision of the guidelines on fatigue and this work is expected to be completed in 2018.
Coal transport requirements	Australia's work on the bulk carriage of coal concluded with the adoption of particle size distribution criteria and a new test for liquefaction for inclusion in the amendments to the International Maritime Solid Bulk Cargoes (IMSBC) Code.
Sulphur cap requirement	Australia was active in pursuing a sulphur cap implementation date of 2020 (0.50% mass/mass in fuel oil) for all ships, which was agreed during the 70th session of MEPC.
Safe carriage of bauxite	Australia was successful in establishing a Correspondence Group on the Safe Carriage of Bauxite and for the establishment of a global industry group.
Safe carriage of liquefied hydrogen	Australia and Japan gained endorsement of recommendations on the safe carriage of liquefied hydrogen in bulk.
Ballast Water Management Convention	Australia deposited the Ballast Water Management Convention with the IMO in June 2017. The convention will come into force in Australia on 8 September 2017.
Committee appointment	Australia was re-elected Chair of the Maritime Safety Committee (MSC) for 2018. The MSC is the IMO's senior technical body on safety related matters.
International correspondence group coordination	The IMO uses correspondence groups to progress matters out of session. Australia was appointed as the coordinator on three correspondence groups during 2016–17: <ul style="list-style-type: none"> • industrial personnel • onboard lifting appliances and winches • the formal correspondence group on the draft IMO Guideline on fatigue.

Progress on Australian priorities at the International Association of Marine Aids to Navigation and Lighthouse Authorities

Australia is one of 21 National Member Authorities elected to the Council of the International Association of Marine Aids to Navigation and Lighthouse Authorities (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.

We represent Australia's interests at IALA via participation in the following meetings:

- Council
- Aids to Navigation Requirements and Management (ARM)
- Aids to navigation Engineering and Sustainability (ENG)
- e-Navigation (e-Nav)
- Vessel Traffic Services (VTS)
- Joint VTS and e-Navigation Working Group.

Our key achievements at the IALA for 2016–17 are detailed below.

Initiative	Summary
Draft Convention to move IALA to an Intergovernmental Organisation (IGO)	As a Council Member, Australia has participated in discussions relating to the draft text. Australia views IALA's move to an IGO as a positive step which would confirm its status as a respected, government endorsed organisation in the international maritime industry.
Committee appointments	AMSA officers were appointed Vice Chair of the following committees: <ul style="list-style-type: none"> • Aids to Navigation Engineering and Sustainability Committee • Vessel Traffic Services Committee.
IALA NAVGUIDE review	AMSA led the review of the e-navigation chapter in the 'IALA NAVGUIDE'. This document is IALA's flagship publication and is used by AtoN authorities, service providers and training institutes globally.
e-navigation roadmap development	AMSA led the work to finalise IALA's e-navigation roadmap, providing a strategic direction for e-navigation for 2016 and beyond.
Testing emerging e-navigation technologies	AMSA made significant contributions to progressing testing of emerging e-navigation technologies, to help confirm adequate functionality, usability, areas to enhance, weaknesses and socio-technical impacts of these technologies.
Developing the IALA Guideline on Satellite-Based Augmentation Systems (SBAS)	AMSA contributed to the development of an IALA Guideline on Satellite-Based Augmentation Systems (SBAS). An SBAS uses space-based and ground-based infrastructure to improve the accuracy, integrity and availability of basic global navigation signals, such as those currently provided by the Global Positioning System (GPS). Australia has commenced trials of SBAS.

Initiative	Summary
e-Navigation Underway Asia Pacific Conference	Australia supported the inaugural e-Navigation Underway Asia Pacific Conference by chairing and participating in a number of sessions. The theme of the conference was 'Implementing e-Navigation in the Asia Pacific Region'.
Guideline on maritime casualty reporting and recording	AMSA contributed to the preparation of a guideline on maritime casualty reporting and recording, including near miss situations where related to vessel traffic services. The Council approved this guideline at its meeting in December 2016.
Guideline on VTS communications	AMSA contributed to the development of a guideline on VTS communications, including language and phraseology. This guideline is intended to enhance the consistency of VTS communications to assist VTS training organisations and VTS authorities globally.
IALA recommendation on the standards for training and certification of VTS personnel	AMSA contributed to the revision of the IALA recommendation (V-103) on the standards for training and certification of VTS personnel. With input from the Australian VTS Working Group, AMSA submitted an input paper on the revised guideline for the committee's consideration. The council approved the revised recommendation in June 2017.

E-navigation

E-navigation is an IMO-led global initiative aiming to provide information in electronic formats to a ship's bridge team, and streamline the way maritime authorities, agencies and other stakeholders gather and exchange information.

E-navigation will integrate new and existing bridge technologies and equipment and provide global maritime data services to enhance the safety and efficiency of shipping.



Annual performance statements:

Detailed performance measures





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	
			2016-17	2015-16
	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%	93%	97%
	• Priority two ships (P2)	60%	80%	88%
	• Priority three ships (P3)	40%	57%	74%
	• Priority four ships (P4)	20%	36%	52%
<p>Rationale: Using the risk profile (P1=high, P4=low) of individual ships as a basis, AMSA's inspection regime—as a preventative measure—ensures it concentrates its resources on those ships that pose the greatest threat to safety and the environment.</p>				
<p>Analysis of performance: Overall: All targets were met for each priority group. Inspection rate percentages for lower risk P3 and P4 groups were noticeably down from 2015-16 due to new work associated with the implementation of the National System for Domestic Commercial Vessel Safety. Nevertheless, inspection rate targets for all priority groups were met – and exceeded.</p>				
<p>Case study: p.19</p>		<p>Source: 2016-20 Corporate Plan: p.19 2016-17 PBS: p.90</p>		<p>RPF KPI: 3,4</p>



1.1.2	Performance criterion	Target	Results	
			2016–17	2015–16
	Extent to which inspections of high risk ships are within targeted timeframes	100%	100%	100%
Rationale: Ships are targeted for inspection every six months. Timely inspections of high-risk ships, including passenger vessels, within this timeframe improves safety.				
	Case study: p.19	Source: 2016–20 Corporate Plan: p.19 2016–17 PBS: p.90	RPF KPI: 3	

1.1.3	Performance criterion	Target	Results	
			2016–17	2015–16
	The annual number of port and flag State control (FSC) ship inspections meets the following targets:			
	• All inspections	7900	9403	9501
	• PSC inspections	3000	3608	3817
	• FSC inspections	60	74	86
Rationale: By establishing representative samples by ship inspection type, AMSA can monitor the quality of ships in Australian waters with greater certainty, and determine whether trends are emerging that may pose a risk to safety and the environment.				
	Case study: p.19	Source: 2016–20 Corporate Plan: p.19 2016–17 PBS: p.91	RPF KPI: 1	

1.1.4	Performance criterion	Target	Results 2016–17 2015–16	
	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	2.4	2.3
	1.1.4.2 Percentage of ships detained as a proportion of all PSC inspections	<7.5%	5.5%	6.5%
	1.1.4.3 Proportion of serious incidents to total port arrivals	<0.5	0.3	0.008
	1.1.4.4. The age of ships coming to Australia relative to the age of ships in the worldwide fleet	<9.0	9.6	8.4
Rationales:				
<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 <i>foreign</i> 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 AMSA has been influencing ship owner/operators not to send older/higher risk ships to Australia (lag indicator).</p>				
Analysis of performance:				
<p>1.1.4.4: The average age of the worldwide fleet is 25.9 years with a standard deviation of 17.7 years. This has increased from 22.6 years five years ago. The measure is: 'The age of ships coming to Australia relative to the age of ships in the worldwide fleet'. Both 9 and 9.6 are within one standard deviation. AMSA's ability to influence the factors contributing to this measure is limited and so the measure and target have been revised for 2017–18 planning in recognition of shared attribution.</p>				
Case study: p.19		Source: 2016–20 Corporate Plan: p.19 2016–17 PBS: p.91		RPF KPI: 1.1.4.2: 1
Footnote:				
<p>1.1.4.4: Target for 2017–18 has been changed 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 there is shared attribution.</p>				

1.1.5	Performance criterion	Target	Results	
			2016–17	2015–16
	Regulatory measures introduced internationally are given effect in marine orders within specified timeframes	100%	100%	100%
Rationale: Ensuring that AMSA reflects relevant domestic requirements and standards through the development and amendment of marine orders.				
Case study: N/A		Source: 2016–20 Corporate Plan: p.20 2016–17 PBS: p.91	RPF KPI: 2	

1.1.6	Performance criterion	Target	Results	
			2016–17	2015–16
	Improvement in the standard of domestic commercial vessels is demonstrated through:			
	1.1.6.1 Decreasing number of fatalities (see analysis of performance)			Not reported
	1.1.6.2 Number of domestic seafarers attending education and training activities		2935	Not reported
Rationales:				
1.1.6.1 Indicates whether domestic vessel safety is improving or worsening, and prompts further investigation/action.				
1.1.6.2 Improvements in the level of training of seafarers and quality of vessels which they operate saves lives.				
Analysis of performance:				
1.1.6.1: As this is the first year of AMSA reporting against this measure, there is no data available to indicate a increasing or decreasing trend. There is wide disparity in safety culture and attitudes towards regulation across the domestic vessel industry. Tragically, this is evidenced by 13 domestic vessel-related fatalities over the year. As AMSA assumes full responsibility for the service delivery of the National System for Domestic Commercial Vessel Safety, its aim will be to reduce the number of fatalities over time. AMSA is working closely with partner agencies and authoritative bodies to investigate these incidences. In the process it identifies and actions any required safety campaigns or areas for improvement in the relevant standards.				
Case study: p.20		Source: 2016–20 Corporate Plan: p.19 2016–17 PBS: N/A	RPF KPI: N/A	
Footnote:				
1.1.6.1 Measure for 2017–18 has been updated to include a proportionate component. Measure is now: 'Fatalities as a percentage of the total size of domestic commercial vessel fleet workforce'.				
1.1.6.2 Measure has been deleted for 2017–18.				

Focus Area 1.2 Preventing pollution from shipping

1.2.1	Performance criterion	Target	Results	
			2016–17	2015–16
	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%
Rationale: The rate of pollution per arrival is a measure of AMSA's success in combatting marine pollution.				
Case studies: p.29, 30, 31		Source: 2016–20 Corporate Plan: p.20 2016–17 PBS: p.91	RPF KPI: N/A	

Focus Area 1.3 Supporting safe navigation

1.3.1	Performance criterion	Target	Results	
			2016–17	2015–16
	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%	99.9%	99.97%
Rationale: A high rate of reliability and availability across our aids to navigation network has a direct, positive relationship with vessels operating safely. It also measures the extent to which the AtoNs contractor is meeting KPIs.				
Analysis of performance: The majority of categories of AtoN met or exceeded availability targets during the reporting period with the following exceptions (note performance is calculated on a three-year rolling average): DGPS was slightly below target due to stations being turned off ahead of approaching tropical cyclones Debbie in March 2017, and Marcia and Olwyn in early 2015, and a significant equipment failure at Cribb Point (VIC) in June 2016. Automatic Identification System (AIS) was slightly below target due to the impact of outages from tropical cyclones Debbie in March 2017, Marcia in February 2015 and an extended outage of the satellite communications link at Swains Reef in February 2015. Met-ocean sensors were slightly below target largely due to an extended outage of Gannet Passage waver rider buoy as a result of a suspected ship strike in 2015.				
Case studies: p.21, 25		Source: 2016–20 Corporate Plan: p.20 2016–17 PBS: p.91	RPF KPI: N/A	
Footnote: The target of 100% relates to compliance with IALA availability guidelines. IALA has three aid categories based on their navigational significance. Each category has different availability targets: Cat 1. Primary navigational significance: 99.8%. Cat 2: significant: at least 99%. Cat 3. Less significant than 1 and 2: 97%. While there were isolated incidences where AMSA assets did not meet these targets (see analysis), overall AMSA met the IALA guidelines for the aids to navigation network.				

Focus Area 1.4 Contributing to and implementing international conventions

1.4.1	Performance criterion	Target	Results	
			2016–17	2015–16
	All regulatory measures introduced internationally are given effect within specified timeframes (linked to 1.1.5)	100%	85%	100%
<p>Rationale: A current, up-to-date regulatory framework influences the way ships are operated, and promotes safe shipping.</p>				
<p>Analysis of performance: The amendment of two marine order reviews related to the implementation of the environmental protection measure of the IMO Polar Code, fell outside the specified timeframes:</p> <ul style="list-style-type: none"> • Marine Order 91 (Marine pollution prevention – oil) Amendment • Marine Order 96 (Marine pollution prevention – sewage) Amendment. <p>To implement the environmental protection measures of the IMO Polar Code, implemented internationally on 1 January 2017, the <i>Protection of the Sea (Prevention of Pollution from Ships) Act 1983</i> (the Act), required amendment. The amendment of the Act occurred in May 2017. The delay in amending these two orders does not present a risk for the polar environment as the single regulated Australian vessel (<i>Aurora Australis</i>) operating in Antarctic polar waters currently meets the new sewage discharge requirements.</p>				
	Case study: p.44	Source: 2016–20 Corporate Plan: p.20 2016–17 PBS: p.91	RPF KPI: N/A	

Focus Area 1.5 Ensuring seafarer competency and welfare

1.5.1	Performance criterion	Target	Results	
			2016-17	2015-16
	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:			
	1.1.5.1 Average number of Maritime Labour Convention deficiencies per inspection compared to 10-year average	<0.5	0.31	0.31
	1.1.5.2 Onshore complaints made under Article 22 of the Maritime Labour Convention investigated within specified timeframes	100%	98%	98%
<p>Rationales:</p> <p>1.1.5.1 Indicates whether seafarer working and living conditions are improving or worsening, and prompts further investigation/action.</p> <p>1.1.5.2. 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>				
<p>Analysis of performance:</p> <p>1.1.5.2: 14 of the 136 complaints in the year were unable to be investigated. This was due to either the ships departing before AMSA could attend or the remote location of the vessels. Information on these and all other inspections is shared with other international regulators for follow up and alerts are put in Shipsys.</p>				
Case study: p.19		Source: 2016-20 Corporate Plan: p.20 2016-17 PBS: p.91		RPF KPI: N/A

1.5.2	Performance criterion	Target	Results	
			2016-17	2015-16
	Achievement of the objectives detailed in the Australian Seafarer's Welfare Council (ASWC) Strategic Plan for which AMSA is responsible	100%	100%	100%
<p>Rationale: Achievement of the goals positively impacts seafarer working and living conditions.</p>				
<p>Analysis of performance: Objectives of the ASWC continue to be achieved by implementing the 2014 amendments and maintaining current information on the ASWC website. AMSA maintains its leadership role through the organisation and attendance of quarterly ASWC meetings and providing ongoing secretarial support.</p>				
Case study: N/A		Source: 2016-20 Corporate Plan: p.20 2016-17 PBS: N/A		RPF KPI: N/A

Regulatory performance

R	Performance criterion	Target	Results	
			2016–17	2015–16
	Monitor overall regulatory performance through:			
R.1	Biannual stakeholder engagement	100%	N/A	N/A
R.2	Regular formal and informal feedback through:			
R.2.1:	National System Customer Service	75%	90%	90.5%
R.2.2:	Regulator Performance Framework Survey			Not reported
	Q2 AMSA helps vessel owners and seafarers safely operate or work on a vessel without getting in the way	No target	3.95 out of 6	Not reported
	Q3 Communications I get from AMSA are clear and useful	No target	3.74 out of 6	Not reported
	Q4 Given the risks involved in what I do, the level of regulation is about right	No target	3.69 out of 6	Not reported
	Q5 AMSA's compliance and monitoring arrangements are well organised and efficient	No target	3.55 out of 6	Not reported
	Q6 AMSA explains its decisions well	No target	3.52 out of 6	Not reported
	Q7 AMSA is always trying to improve maritime regulations to create a safer and more efficient industry.	No target	3.90 out of 6	Not reported
R2.3:	Domestic vessel e-news	30%	34%	39%

Rationale:

R.1 & 2. 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.2.1 Indicates the level of customer satisfaction with the service delivered by our call centre, and whether customer concerns were resolved satisfactorily. This helps AMSA to improve services, and identify potential issues which may prompt further investigation/action.

R.2.2 Online survey provides customers the opportunity to rate AMSA's performance as a regulator on a scale of 1-6.

R.2.3 Indicates how successful domestic vessel communication effort has been, including safety awareness—and may prompt further investigation/action.

Regulatory performance (continued)

Analysis of performance:

R.1: Procurement of the stakeholder survey commenced in February 2017 and was to be completed by the 30 June 2017. The project has been delayed due to a lower than anticipated response rate from stakeholders which required the survey period to be extended. All fieldwork has now been completed with the final report expected in August 2017 (Q1 2017–18).

R.2.2: This result reflects a stable period in National System Transition (NST) activities. There has been a decrease in marine qualifications revalidation enquiries as the majority of applications had been received and processed resulting in immediate customer resolution. Beacon registrations have also seen an expected decline during the seasonal change.

R.2.2: The RPF survey is scored on a six point scale, with 1 indicating 'strongly disagree' and 6 'strongly agree' with the relevant statement. The annual scores for all six RPF KPIs sit in the 'somewhat disagree' (3) to 'somewhat agree' (4) range, delivering a relatively neutral overall result. This result is broadly consistent with the trial RPF survey results described in AMSA's 2015-16 RPF Self-Assessment Report available at amsa.gov.au, and slightly worse than the AMSA Executive Self-Assessment described in the same report.

The majority (61%) of RPF survey participants identify with the domestic commercial vessel fleet. Management believes that the transition currently underway which sees AMSA assume full responsibility for service delivery of the National System for domestic commercial safety by July 2018 may have influenced some survey responses, notably levy consultation activities.

AMSA has no historical basis or benchmark for comparison, but considers a neutral overall result 'AMBER' given transitional considerations as AMSA works towards full service of the national system.

R.2.3: AMSA has the ability to track the read-rate of our domestic commercial vessel e-news. Overall the yearly result is positive at an average read rate of 34%—higher than the average government e-news read-rate at 22%.

Case studies:
p.20, 22, 26, 42
R.2.2: p.26

Source:
2016–20 Corporate Plan: p.20
2016–17 PBS: N/A

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

Footnote:

R.2.1/R.2.2/R.2.3 Since the development of its 2016–20 Corporate Plan, AMSA has implemented several initiatives to capture formal feedback on 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.

Capability Projects

- **Reference 2016–20 Corporate Plan: p.18**

Capability Projects Legend

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

Project: Looking ahead: AMSA's operating environment 2017-2027

Status: 

Previously known as National Maritime Safety Environment Plan

Description: Outline 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: Following review by the AMSA Board and AMSA Advisory Committee in August 2017, the plan will be submitted to the Minister for Infrastructure and Transport prior to public release.

Project: Australian Vessel Monitoring Service Program

Status: 

Description: Integrate existing data and new tracking and monitoring capability to reduce the risk of shipping incidents around the Australian coast.

Summary: The AVMAS program has delivered vessel tracking, monitoring, alerting and information exchange capabilities. Deliverables include: extending the Automatic Identification System (AIS) to small vessels, AIS data exchange between vessels, transfer of information to Vessel Traffic Services and the development of an integrated maritime domain awareness tool (DAIS).

Project: Seafarer Certification Services

Status: 

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

Summary: Memoranda of understanding (MOUs) and agreements are in place with the Australian Skills Quality Authority (ASQA), the WA Training Accreditation Council (TAC), the Victorian Registration and Qualifications Authority (VRQA) and several individual Registered Training Organisations (RTOs) to promote a rationalised and consistent approach to seafarer certification. RTO roadshows were conducted to facilitate consultations on the proposed certification service delivery model and the maritime training package.

RTOs now have an opportunity to enter a MOU with AMSA. The MOU will allow them to offer additional services to their students, notably collating and sending student certification applications directly to AMSA for assessment. This project will transition to business as usual during 2017–18.

Project: Torres Strait Maritime Pathways

Status: 

Description: Delivered in partnership with Torres Strait Regional Authority and Maritime Safety Queensland, the project aims to provide Aboriginal and Torres Strait Islanders with maritime and maritime-related vocational career pathways. These pathways are designed to lead into careers through diverse and higher level qualifications, and literal pathways into maritime employment within or beyond the Torres Strait.

Summary: Project is closed, and AMSA's support of related activity in the region has been subsumed into ongoing operations.

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 2016–17	Results 2015–16
	Assume responsibility for service delivery by July 2017	100%		100%
<p>Rationale: This is a pivotal milestone for AMSA as the national regulator for domestic commercial vessels.</p>				
<p>Analysis of performance: Overall program reporting is AMBER due to the complexity of the IT solution and the need to finalise scope to determine build detail. The interdependent nature between projects within the program and decisions outside the control of AMSA also contribute to the amber rating.</p>				
<p>Case studies: p.20, 22, 42, 43</p>		<p>Source: 2016–20 Corporate Plan: p.26 2016–17 PBS: N/A</p>		<p>RPF KPI: N/A</p>
<p>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 time frame to 1 July 2018 to allow jurisdictions and industry to better consult and prepare for these significant changes. The revised target is now 1 July 2018—reflected in the AMSA 2017–18 Corporate Plan.</p>				

Capability Projects Legend

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

Capability Projects

- [Reference 2016–20 Corporate Plan: p.26](#)

National System Transition (NST) Program *Formerly National System and Funding Program*

Status:

Description: Implement a range of changes to deliver benefits to industry, including reduced administration burden and costs, without reducing safety outcomes.

Summary: The National System Target Operating Model has been finalised and a contract signed for delivery of the IT build, and the Customer Relationship Management system is being readied for implementation in early 2018.

A jurisdiction records memorandum of understanding has been signed with six states, and state transition and training plans have been endorsed by the NST Program Steering Committee.

Levy consultations have been held around Australia and an economic review was completed.

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 2016–17 2015–16	
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%	99%	98.6%
Rationale: Measures the effectiveness of AMSA's ability to save lives.			
Analysis of performance: AMSA rescued a total of 159 lives in 2016–17. 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. Circumstances such as severe medical conditions requiring specialist/specific medical treatment which cannot be provided by a SAR response or a person overboard in the offshore environment, in poor weather conditions without safety equipment or locating device that is not immediately recovered by the vessel thus making the chance of survival negligible.			
Case studies: p.35, 37	Source: 2016–20 Corporate Plan: p.33 2016–17 PBS: 93	RPF KPI: N/A	

3.2.2 Performance criterion	Target	Results 2016–17 2015–16	
Provision of capacity to conduct search and rescue operations			
• incidents (annual)	8500	7595	7370
• searches (annual)	740	412	436
Rationale: Indicates the effectiveness of resourcing search and rescue capability, which underpins saving lives.			
Analysis of performance: Incidents: AMSA conducted 7595 incidents in 2016–17 which is within the capacity provisioned. Searches: AMSA conducted 412 searches in 2016–17 which is within the capacity provisioned.			
Case study: p.35, 37	Source: 2016–20 Corporate Plan: p.33 2016–17 PBS: p.93	RPF KPI: N/A	

3.2.3 Performance criterion	Target	Results	
		2016-17	2015-16
Availability of distress and safety communications services	100%	99.86%	99.98%
Rationale: A high rate of availability across our distress and safety communications services has a direct, positive relationship with our ability to save lives.			
Analysis of performance: Minor short-term outages reduced availability below 100%. System redundancies ensured service levels maintained.			
Case study: p.36	Source: 2016-20 Corporate Plan: p.33 2016-17 PBS: 93	RPF KPI: N/A	

3.2.4 Performance criterion	Target	Results	
		2016-17	2015-16
Median time (minutes) for the rescue coordination centre to initiate a response	30	26	27
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.			
Case studies: p.35, 37	Source: 2016-20 Corporate Plan: p.33 2016-17 PBS: 93	RPF KPI: N/A	

3.2.5 Performance criterion	Target	Results	
		2016-17	2015-16
For incidents that AMSA has SAR coordination responsibility, the median time (minutes) for an asset to be on scene is:			
• Day	150	103	90
• Night	180	135	109
Rationale: Demonstrates that assets are in the right place on time. Also reflects performance against international onscene response time standards			
Analysis of performance: This indicator is only in its second year of operation and while AMSA is pleased to be well within the target, it is monitoring whether the increase this year is a trend. The KPI measures the median time for an asset (aircraft and surface vessels) to be on scene after tasking and with a large geographic area of responsibility this will always remain a challenge. Now AMSA's longer range dedicated SAR aircraft are in service it expects to be able to reach further than previously and the faster speed of the Challenger is already proving to be of considerable advantage. However many tasks require assets that are not within AMSA's direct control and it relies on its state and commercial partners' continued support.			
Case studies: p.35, 37	Source: 2016-20 Corporate Plan: p.33 2016-17 PBS: p.93	RPF KPI: N/A	

Focus Area 3.4: Delivering an effective marine pollution response capability

3.4.1	Performance criterion	Target	Results	
			2016–17	2015–16
	Maritime environmental response capability is available to respond to a pollution incident	100%	99%	100%
<p>Rationale: Demonstrates that environmental response assets are available to be tasked and deployed in a timely, effective and appropriate manner to combat marine pollution.</p>				
<p>Analysis of performance: Pollution response resources including: equipment and dispersant stockpiles; fixed wing aerial dispersant capability; response personnel for maritime casualty response, pollution response and HNS reconnaissance; and the emergency towage capabilities level 1 and 2 were available throughout the year.</p> <p>The Emergency Towage Vessel (ETV 1) <i>Coral Knight</i> was unavailable for seven days (1-7 June) during the period of change of vessel ownership and resultant re-registration.</p>				
<p>Case studies: p.29, 30, 31</p>		<p>Source: 2016–20 Corporate Plan: p.33 2016–17 PBS: 93</p>		<p>RPF KPI: N/A</p>

Capability Projects Legend

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

Capability Projects

- [Reference 2016–20 Corporate Plan: p.32](#)

Project: Medium-altitude Earth Orbit Search and Rescue Satellite

Status: !

Description: In collaboration with New Zealand, deliver the MEOSAR satellite capability which will secure and enhance AMSA's ability to detect distress beacons into the future

Summary: AMSA has been using MEOSAR data since August 2016, in parallel with the existing Low-altitude Earth Orbit Search and Rescue system, to support rescue efforts. MEOSAR will be fully commissioned by the end of 2017 when the system will be integrated into the Cospas-Sarsat system for international use.

Project: National Maritime Safety Environment Plan

See Strategic Challenge 1, page 60

Project: Australian Vessel Monitoring Service Program

See Strategic Challenge 1, page 60

Project: Integrated Operations

Previously Joint Operations

Status: ✔

Description: Explore ways to leverage AMSA's strengths through better integration of search and rescue, maritime casualty and incident response functions. Joint Operations will be a central pillar in ensuring a robust response capability for the Australian community.

Summary: Integrated Operations is an initiative aimed at identifying efficiencies in the use of AMSA operational response resources and centralising coordination of 24/7 response operations. A process is currently underway to develop and scope projects related to: geo-fencing, drift detection and analysis, and maritime risk detection and assessment.

Strategic Challenge 4:

Ensuring a vibrant and progressive organisation

4.1.1	Performance criterion	Target	Results	
			2016-17	2015-16
	Staff turnover rate shows a declining trend to previous years and is less than that of comparable public sector agencies	100% *see footnote	17.3%	14%
<p>Rationale: Keeping turnover within acceptable ranges is important. Excessive turnover negatively impacts business continuity, the workforce's ability to deliver business outcomes, and increases costs.</p>				
<p>Analysis of performance: Year to date annualised turnover is 17.3%. Our target of 10-15% was not met due to the effects of the organisation restructure, with increased separations expected of any organisation going through change.</p>				
Case study: N/A		Source: 2016-20 Corporate Plan: p.45 2016-17 PBS: N/A	RPF KPI: N/A	
<p>Footnote: This measure has been reviewed and updated for 2017-18. It now reads: 'Staff turnover rate falls within the 10-15% range and is less than that of comparable public sector agencies'. The target is 10-15%.</p> <p>The 100% target in the 2016-20 Corporate Plan referred to 100% achievement of the stated measure (declining trend and comparable).</p>				

Focus Area 4.1: Workforce engagement, development and safety

4.1.2	Performance criterion	Target	Results	
			2016-17	2015-16
	Biennial staff engagement survey indicates strong staff satisfaction and engagement relative to public sector averages	100%	N/A	N/A
<p>Rationale: Effective leadership, culture and appropriate levels of staff engagement contributes to the achievement of business outcomes.</p>				
<p>Analysis of performance: Survey was held over due to AMSA being in an organisation restructure. The survey will be conducted in quarter one of 2017-18.</p> <p>In June 2017 a 'health check survey' was distributed to staff and while not strictly measuring engagement, it has provided some indication of organisation health in relation to the impact of leadership across AMSA.</p>				
Case study: N/A		Source: 2016-20 Corporate Plan: p.45 2015-16 PBS: N/A	RPF KPI: N/A	

4.1.3	Performance criterion	Target	Results 2016–17 2015–16	
	Maintain accreditation as a Registered Training Organisation (RTO)	100%	100%	100%
Rationale: Demonstrates that sound training arrangements are in place. Training underpins staff capability development.				
Analysis of performance: The RTO continues to maintain its registration. AMSA will be undergoing a renewal of the RTO's registration in quarter one (Q1) of the 2017–18 financial year.				
Case study: N/A		Source: 2016–20 Corporate Plan: p.45 2016–17 PBS: N/A		RPF KPI: N/A
Footnote: This measure has been deleted for 2017–18, replaced by a measure looking at lost time frequency injury rates.				

Focus Area 4.2: Good governance

4.2.1	Performance criterion	Target	Results 2016–17 2015–16	
	Maintain compliance with statutory, financial and business requirements	100%	100%	100%
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.				
Analysis of performance: Well maintained, no significant/reportable compliance breaches identified. Statutory, financial and business responsibilities comply with legislation and business rules and guidelines.				
Case study: N/A		Source: 2016–20 Corporate Plan: p.45 2016–17 PBS: N/A		RPF KPI: N/A

4.2.2	Performance criterion	Target	Results 2016–17 2015–16	
	Maintain certification to ISO9001, ISO14001 and AS/NZS4801	100%	100%	100%
Rationale: Demonstrates the documented management system—which captures how AMSA does business—complies with rigorous international standards, assessed by a certified independent third party. Maintenance of this system is a key enabler to AMSA delivering its operational mission.				
Analysis of performance: Maintained certification and transitioned to the latest 2015 standards, confirmed by annual surveillance audit in May 2017.				
Case study: N/A		Source: 2016–20 Corporate Plan: p.45 2016–17 PBS: N/A		RPF KPI: N/A

Focus Area 4.3: Sound financial management

4.3.1 Performance criterion	Target	Results	
		2016-17	2015-16
Unqualified financial statements	100%	100%	100%
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: 2016-20 Corporate Plan: p.45 2016-17 PBS: N/A	RPF KPI: N/A	

4.3.2 Performance criterion	Target	Results	
		2016-17	2015-16
Maintain financial viability	100%	100%	100%
Rationale: Financial health is a key enabler to AMSA delivering its operational outcomes.			
Analysis of performance: AMSA is operating within its overall approved operating budget although variations to the spread of the budget across the year has changed. There are sufficient cash reserves to meet commitments as and when they fall due.			
Case study: N/A	Source: 2016-20 Corporate Plan: p.45 2016-17 PBS: N/A	RPF KPI: N/A	

Capability Projects Legend

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

Capability Project

- [Reference 2016-20 Corporate Plan: p.44](#)

Project: Digital Transition Program

Status: C

Description: Implement changes to AMSA's operational environment to harness the opportunities offered by digital business. This will support better service delivery to stakeholders, and improve information quality, discovery and security.

Summary: During 2016-17 6610 paper files were processed for records sentencing and all data within AMSA's application stack was analysed and mapped. This work informs and supports management of the enterprise data model, application lifecycle, ownership, custodians and licence agreements.

An enterprise level metadata and taxonomy framework, and information custodianship framework and policy, have been developed.

Strategic Enabler:

Engaging with our community

Focus E1: Working with international organisations and other nations

E.1.1 Performance criterion		Target	Results	
			2016–17	2015–16
Satisfactorily progress of issues either sponsored directly or supported by Australia at the IMO		100%	100%	100%
Rationale: Influencing issues and decisions at international fora to reflect Australia and regional interests is a key outcome of AMSA's international engagement strategy.				
Case studies: p.41, 44	Source: 2016–20 Corporate Plan: p.53 2016–17 PBS: N/A		RPF KPI: N/A	
Footnote: AMSA is seeking support for Australia's IMO Council candidacy for the 2018–19 biennium.				

E.1.2 Performance criterion		Target	Results	
			2016–17	2015–16
Satisfactory influence of technical standards of interest to Australia at the IALA		100%	100%	100%
Rationale: Influencing issues and decisions at international fora to reflect Australia and regional interests is a key outcome of AMSA's international engagement strategy.				
Case study: p.44	Source: 2016–20 Corporate Plan: p.53 2016–17 PBS: N/A		RPF KPI: N/A	

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

See Regulatory measures on page 58.

Governance





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 *Australian Maritime Safety Authority Act 1990* (AMSA Act), and as a Corporate Commonwealth Entity it is subject to the *Public Governance, Performance and Accountability Act 2013* (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.

Significant activities and changes affecting the authority

Organisational restructure

During 2016–17 AMSA underwent a period of internal restructure and organisational change, designed to help the agency prepare to assume full service delivery for the national system. Changes to AMSA's structure were made to functionally align its workforce, adopt a more collaborative approach, reduce duplication of effort and take a whole of organisation approach to managing stakeholder relationships.

AMSA's new structure includes three operational divisions, Standards, Operations and Response, which are all supported by Corporate Services.

The National System for Domestic Commercial Vessel Safety commenced operation on 1 July 2013 with AMSA providing the regulatory framework and states and Northern Territory agencies delivering the regulatory services. The Transport and Infrastructure Council agreed that AMSA would assume service delivery from the states from 1 July 2018. The program of work to prepare for this has continued during 2016–17. The program consists of projects to build processes and systems to deliver the Certificates of Survey, Operation and Competency that provide the legal permissions to operate domestic commercial vessels as well as a contemporary inspection and compliance regime for the industry. Further detail is provided on page 20.

Workforce planning

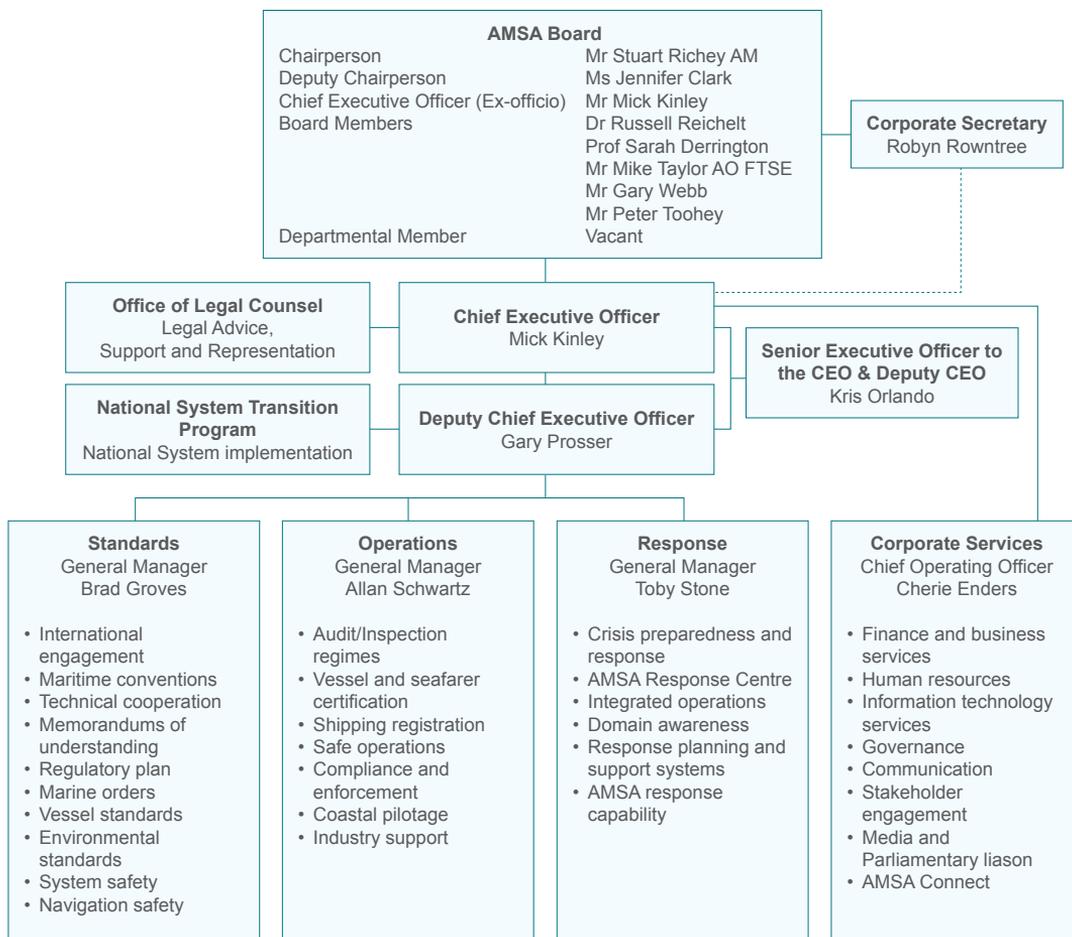
During 2016–17 the AMSA Workforce Plan 2017 to 2020 was substantially developed. The development of the plan involved consultation with management across the business to understand, from a practical perspective, the workforce planning themes they see as being key to ensuring AMSA's people are prepared for the future. The plan is designed to be 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 (and beyond) are outlined in the diagram adjacent.



Structure and location

Pictured on these pages is AMSA’s organisational structure (as at 30 June 2017) and a map showing the agency’s national presence.





Main governance practices

The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *Australian Maritime Safety Authority Act 1990* (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 below, at Appendix 2, and on AMSA's website.

Arrangements

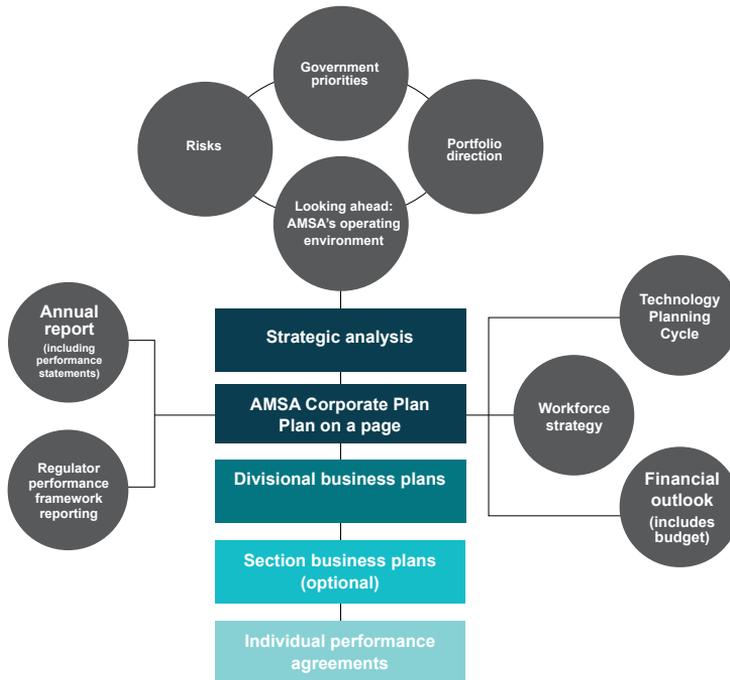
Governance arrangements must be fit for purpose. It is up to the Board to determine the precise nature of AMSA's governance arrangements and structures.

The Australian Institute of Company Directors (AICD) maintains that governance affects an organisation's performance, its appetite for risk and ability to innovate. They believe 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. The AICD notes that governance is especially important in the public sector because you are dealing with the public's money (from AICD article 'Why good governance is important in the public sector', 26 July 2017)

AMSA has integrated planning, budgeting and performance reporting—informed by risk (figure 7).

Figure 7: Integrated planning, budgeting and reporting



Planning

There is a four-phase annual planning cycle at AMSA (figure 8). 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.

Figure 8: Planning cycle



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
- 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.

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 responsible minister and finance minister informed.

The Board continues to:

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

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

Board members participate in presentations, workshops and discussions to deepen their knowledge in directors' roles and board practices. In 2016–17 the Board members:

- received presentations and participated in discussions on:
 - AMSA's Strategic Technology Roadmap 2016–20
 - AMSA's non-financial performance measurement and reporting for 2016–17
 - the risks AMSA surveyors take in the field and the steps and training taken to mitigate these risks
- participated in a reception for the AMSA Advisory Committee (AMSA's key stakeholder group) in Melbourne
- participated in stakeholder receptions in Darwin, Fremantle, Mooloolaba engaging with representatives from local industries involved in shipping, ports, search and rescue, marine environment and maritime education, concentrating on discussions around the National System for Domestic Commercial Vessels
- toured Fishermen's Wharf and Duckpond Darwin; Border Force Capability Division Darwin; HMAS Coonawarra; Darwin Ports Corporation; the National Stockpiles, Melbourne; and Austral Fisheries, Perth.

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 financial and performance reporting, risk and internal controls oversight in accordance with the requirements of enabling legislation. The committee provides independent advice and assurance to the AMSA Board and is independent from management.

The present committee comprises of three people: two board members and one external member. All members have the appropriate qualifications, knowledge, skills and experience to assist the committee to perform its functions as listed in Division 3, PGPA Rule 2014. The Chair of the committee and members are appointed by the Board. Other Board members may attend committee meetings as observers.

The Board Audit Committee conducted five meetings in 2016–17 and reported directly to the Board after each meeting. During the year, the committee continued to focus on maintaining a sound financial system, performance reporting, systems of risk oversight and management and systems of internal control for the entity.

Remuneration Committee

The Remuneration Committee assists the Board in considering senior executive remuneration matters and issues arising from the Remuneration Tribunal. The committee reports its findings, decisions and recommendations to the Board. The Remuneration Committee conducted one meeting and two out of session email discussions in 2016–17.

Risk management

AMSA has a mature risk management culture which permeates all levels of the organisation.

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

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

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

AMSA's strategic risks can be found in the current corporate plan located under Publications on its website (amsa.gov.au).

Fraud control

AMSA's Fraud Control and Anti-Corruption Plan, which includes a Fraud Risk Assessment, was approved by the Board in June 2017.

AMSA participates in the annual fraud survey conducted by the Australian Institute of Criminology, reporting to the Attorney-General's department. There were no detectable frauds within the reporting period.

Fraud control and anti-corruption awareness and training is provided as part of induction training, and through a mandatory e-learning module.

AMSA complies with the Commonwealth Fraud Control Guideline (2011) and is satisfied that adequate fraud controls 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 needs. 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) in the course of their employment with 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 Framework¹.

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 its 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 3, monitors performance against the requirements of the relevant standards captured in the documented management system.

¹ 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. The framework consists of six outcomes-based key performance indicators: 1. reducing regulatory burden; 2. effective communications; 3. risk-based and proportionate approaches; 4. efficient and coordinated monitoring; 5. transparency; 6. continuous improvement.

Related entity transactions

During the reporting period there was one transaction (valued at \$27,473) where procurement or grant decisions requiring AMSA Board consideration or approval have involved other related entities where a member of AMSA's Accountable Authority (i.e. Board) holds a similar position.

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

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 to each other. The disclosure must:

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

Public interest disclosure

Under Section 76 of the *Public Interest Disclosure Act 2013* (PID Act) agencies are required to report on the operation of public information disclosure in their organisation. There were no reportable PID Act disclosures in 2016–17.

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

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

The authority has complied with the provisions and requirements of the:

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

The authority did not identify any significant non-compliances with finance law during the reporting period.

Where immaterial non-compliances were identified, they were managed in accordance with AMSA's policies and procedures, the detection of trends in internal controls and rectification of any breakdowns of internal controls.

Advertising and market research

Section 311A of the *Commonwealth Electoral Act 1918* requires certain reporting on advertising and market research by Commonwealth agencies, including those covered by the *Public Governance, Performance and Accountability Act 2013*. In 2016–17, no advertising or market research payments were made in excess of \$13,000.

Judicial decisions and reviews by outside bodies

Judicial decisions / decisions of administrative bodies

In 2016–17 AMSA was party to matters before the Administrative Appeals Tribunal and the Federal Court of 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 Queensland and Western Australia. The agency is awaiting findings in these matters, or continuing to address earlier recommendations made by coroners about safety issues within its remit.

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 in 2016–17.

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. During 2016–17 the minister requested AMSA make directions under s 246 of the *Navigation Act 2012* to give effect to a fuel sulphur content limit for cruise ships of 0.1 per cent while at berth in Sydney Harbour or permit an alternative measure that achieves an equivalent outcome.

Work health safety and environment

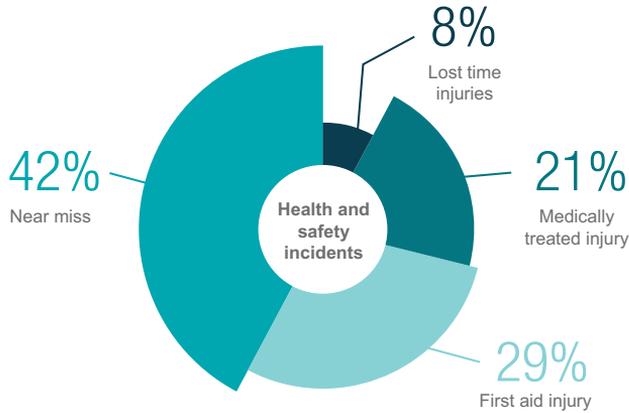
Work health, safety and environment management is an important component of compliance and workplace health, and is central to AMSA's commitment to the requirements of the *Work Health and Safety Act 2011* and the *Environment Protection and Biodiversity Conservation Act 1999*. These principles are maintained 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 12 health and safety representatives, four management representatives and two technical advisers.

AMSA has a strong commitment to 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 2016–17.

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 2016–17, 39 incidents were reported—10 of which did not require any medical or first aid treatment. A total of 15 incidents related to contractors engaged by AMSA.

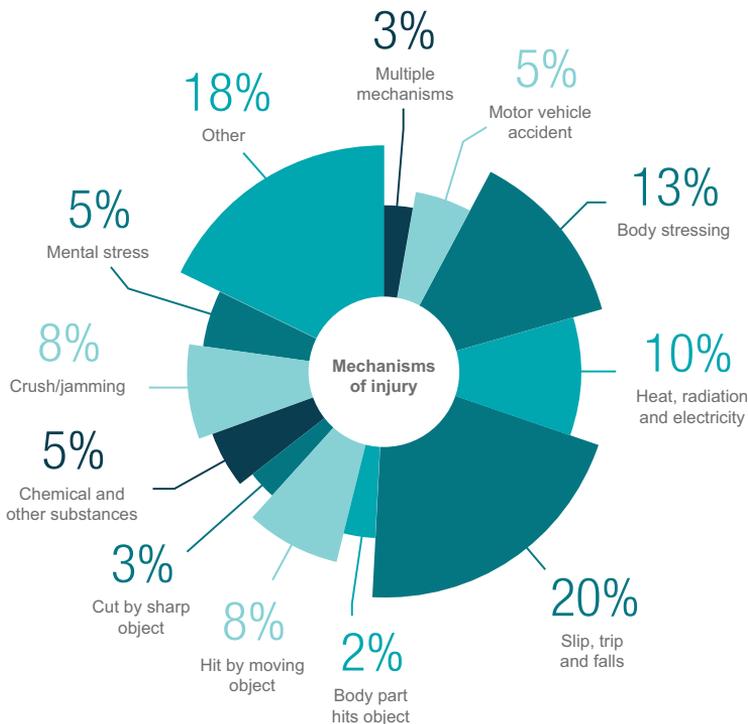
Figure 9: Health and safety incident statistics for 2016–17



Time lost to injury	2016–17	2015–16	2014–15	2013–14
Total incidents	39	55	33	18
Total days lost to injury (days)	5	330	180	21
Number of lost time incidents	2	3	1	2
Number of workers compensation claims	0	2	1	3
Number of notifiable Comcare incidents	1	0	1	0

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 slip, trip and falls.

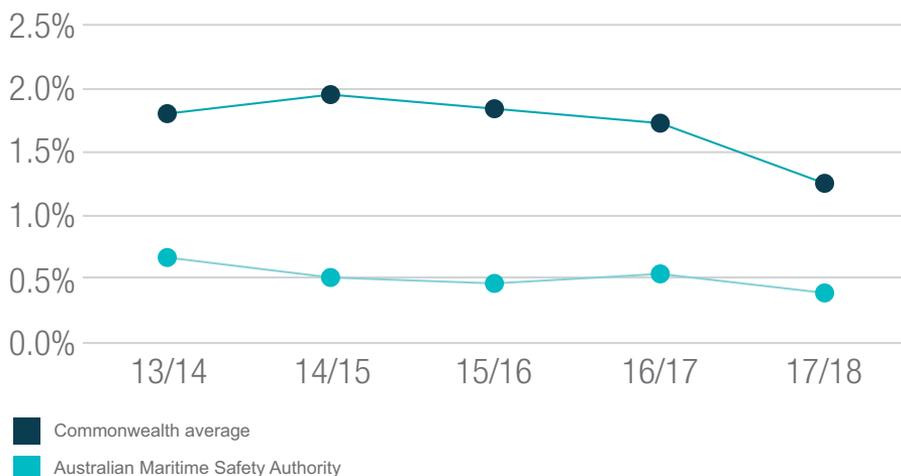
Figure 10: Health and safety incident categories 2016–17



Workers' compensation premium

AMSA's workers' compensation premium has decreased from \$273,274 in 2015–16 to \$268,845 in 2016–17. The premium rate of 0.53 per cent continues to remain below the overall scheme premium rate of 1.72 per cent, which indicates AMSA's strong performance in comparison to other agencies with respect to workers compensation.

Figure 11: Workers' compensation premium



Health and wellbeing initiatives

In 2016–17, staff were encouraged to develop and maintain a fit and healthy lifestyle through AMSA's Healthy Lifestyle Program. This program includes:

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

A free vaccination program against H1N1 influenza and seasonal influenza was taken up by 163 employees, an increase from 147 employees in 2015–16.

In 2016–17 Sustainable High Performance information sessions were introduced to AMSA's executive and management team. The purpose of these workshops is to outline how to increase personal resilience, brain performance and energy with the aim of improving work/life balance and subsequent workplace productivity. There were four management workshops held in 2016–17 and an online webinar was offered to AMSA's employees located in the regions.

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* are evaluated. Some actions undertaken to minimise AMSA’s impact on the environment include:

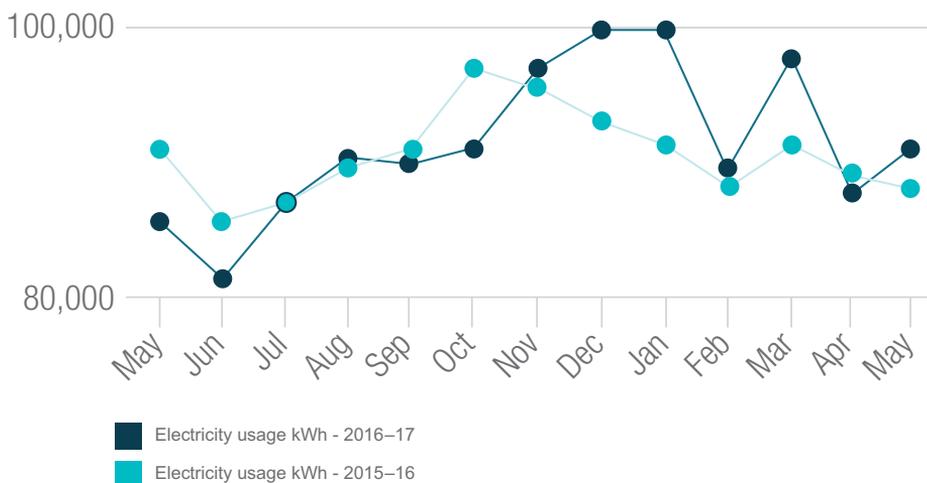
- a new Safety and Environment Award that recognises those who take steps to improve the environment or reduce AMSA’s environmental impact.
- a follow-me printing program trial
- a new and easy to use teleconferencing system.

AMSA’s head-office is also fitted with a range of environmentally conscious 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
- energy efficient appliances.

Data continues 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 slightly increased by 0.50 per cent from 2015–16 to 2016–17.

Figure 12: Electricity usage by kilowatt hours (kWh)



Appendices





Appendix 1: Financial statements



INDEPENDENT AUDITOR'S REPORT

To the Minister for Infrastructure and Transport

Opinion

In my opinion, the financial statements of the Australian Maritime Safety Authority for the year ended 30 June 2017:

- (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 2017 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 2017 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 and forming part of the financial statements comprising 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* to the extent that they are not in conflict with the *Auditor-General Act 1997* (the Code). 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 skepticism 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



Muhammad Qureshi
Acting Executive Director
Delegate of the Auditor-General
Canberra
21 September 2017

Australian Maritime Safety Authority

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Australian Maritime Safety Authority**STATEMENT BY THE DIRECTORS, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2017 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

21 September 2017



Michael Kinley
Chief Executive Officer

21 September 2017



Attilio Martiniello
Chief Financial Officer

21 September 2017

Australian Maritime Safety Authority
Statement of Comprehensive Income
for the period ended 30 June 2017

		2017	2016	Original Budget 2017
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
EXPENSES				
Employee benefits	4.1A	57,444	63,797	60,366
Suppliers	1.1A	120,252	125,317	139,657
Depreciation and amortisation	2.2A	14,268	14,150	15,090
Finance costs		187	270	-
Write-down and impairment of assets		1,156	557	-
Losses from asset sales		-	350	-
Total expenses		193,307	204,441	215,113
OWN-SOURCE INCOME				
Own-Source Revenue				
Sale of goods and rendering of services	1.2A	14,215	16,801	26,341
Fees and fines		88	42	-
Interest		1,895	2,089	1,400
Rental income		1,191	1,137	-
Insurance recoveries and settlements		74	5,231	-
Total own-source revenue		17,463	25,300	27,741
Gains				
Foreign exchange		-	1	-
Total gains		-	1	-
Total own-source income		17,463	25,301	27,741
Net cost of services		175,844	179,140	187,372
Revenue from Government	1.2B	187,451	176,808	186,068
Surplus / (Deficit) on continuing operations		11,607	(2,332)	(1,304)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus		(3,243)	(1,009)	-
Total other comprehensive income / (loss)		(3,243)	(1,009)	-
Total comprehensive income / (loss)		8,364	(3,341)	(1,304)

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 2017

	Notes	2017 \$'000	2016 \$'000	Original Budget 2017 \$'000
ASSETS				
Financial Assets				
Cash and cash equivalents		92,504	71,032	53,187
Trade and other receivables	2.1A	7,944	13,806	7,580
Total financial assets		100,448	84,838	60,767
Non-Financial Assets				
Land	2.2A	3,020	3,350	3,770
Buildings	2.2A	12,702	13,485	17,710
Plant and equipment	2.2A	122,678	124,672	124,742
Computer software	2.2A	19,101	12,293	22,702
Inventories	2.2B	3,574	4,417	6,875
Prepayments		5,243	6,314	6,230
Total non-financial assets		166,318	164,531	182,029
Total assets		266,766	249,369	242,796
LIABILITIES				
Payables				
Suppliers	2.3A	32,666	32,585	36,800
Other payables	2.3B	1,082	2,521	1,572
Total payables		33,748	35,106	38,372
Interest Bearing Liabilities				
Finance leases	2.4A	699	841	79
Total interest bearing liabilities		699	841	79
Provisions				
Employee provisions	4.1B	17,157	18,905	17,160
Other provisions	2.5A	20,743	8,462	6,120
Total provisions		37,900	27,367	23,280
Total liabilities		72,347	63,314	61,731
Net assets		194,419	186,055	181,065
EQUITY				
Contributed equity		37,986	37,986	37,986
Reserves		112,042	115,156	116,014
Retained surplus		44,391	32,913	27,065
Total equity		194,419	186,055	181,065

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 2017

	Notes	2017 \$'000	2016 \$'000	Original Budget 2017 \$'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		32,913	35,396	28,369
Comprehensive income				
Surplus / (Deficit) for the period		11,607	(2,332)	(1,304)
Total comprehensive income		<u>11,607</u>	<u>(2,332)</u>	<u>(1,304)</u>
Transfers between equity components		<u>(129)</u>	<u>(151)</u>	<u>-</u>
Closing balance as at 30 June		<u>44,391</u>	<u>32,913</u>	<u>27,065</u>
ASSET REVALUATION RESERVE				
Opening balance		103,121	104,130	104,130
Comprehensive income				
Non financial asset revaluation increment / (decrement)		(968)	(1,173)	-
Provision for restoration assessment		<u>(2,275)</u>	<u>164</u>	<u>-</u>
Total comprehensive income		<u>(3,243)</u>	<u>(1,009)</u>	<u>-</u>
Closing balance as at 30 June		<u>99,878</u>	<u>103,121</u>	<u>104,130</u>
POLLUTION RESERVE				
Opening balance		10,535	10,384	10,384
Transfers between equity components		<u>129</u>	<u>151</u>	<u>-</u>
Closing balance as at 30 June		<u>10,664</u>	<u>10,535</u>	<u>10,384</u>
GENERAL RESERVE				
Opening balance		1,500	1,500	1,500
Closing balance as at 30 June		<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
TOTAL EQUITY				
Opening balance		186,055	189,396	182,369
Comprehensive income				
Surplus / (Deficit) for the period		11,607	(2,332)	(1,304)
Other comprehensive income		<u>(3,243)</u>	<u>(1,009)</u>	<u>-</u>
Total comprehensive income		<u>8,364</u>	<u>(3,341)</u>	<u>(1,304)</u>
Closing balance as at 30 June		<u>194,419</u>	<u>186,055</u>	<u>181,065</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 2017

	Notes	2017 \$'000	2016 \$'000	Original Budget 2017 \$'000
OPERATING ACTIVITIES				
Cash received				
Receipts from Government		187,301	176,966	185,740
Sale of goods and rendering of services		20,897	18,431	37,132
Interest		1,861	1,983	1,485
Net GST received		11,480	11,766	-
Other		852	1,717	-
Total cash received		222,391	210,863	224,357
Cash used				
Employees		60,479	63,064	60,356
Suppliers		121,300	135,420	151,210
Total cash used		181,779	198,484	211,566
Net cash from operating activities		40,612	12,379	12,791
INVESTING ACTIVITIES				
Cash received				
Investments		-	15,000	-
Total cash received		-	15,000	-
Cash used				
Purchase of property, plant, equipment and intangibles		18,745	10,861	23,841
Total cash used		18,745	10,861	23,841
Net cash from investing activities		(18,745)	4,139	(23,841)
FINANCING ACTIVITIES				
Cash used				
Repayment of borrowings		357	338	-
Finance lease interest		38	57	2
Total cash used		395	395	2
Net cash from financing activities		(395)	(395)	(2)
Net increase / (decrease) in cash held		21,472	16,123	(11,052)
Cash and cash equivalents at the beginning of the reporting period		71,032	54,909	64,239
Cash and cash equivalents at the end of the reporting period		92,504	71,032	53,187

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 and Regional Development 2016-17 Portfolio Budget Statements (PBS) and the 2016-17 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		
Employee benefits	(2,922)	This relates to lower employee numbers during the year as a result of the delay in the commencement of service delivery under the National System until 1 July 2018, and a decrease in the prescribed contribution rates for defined benefit superannuation schemes.
Suppliers	(19,405)	This relates to the delayed delivery of service contracts, lower than expected demand driven activities and efficiency initiatives.
Write-down and impairment of assets	1,156	This is due to the write-down of pollution dispersant inventory which had reached the end of its useful life, the write-down of obsolete search and rescue equipment and the write-down of computer software.
Sale of goods and rendering of services	(12,126)	This is mainly due to the early settlement of pollution incidents in 2015-16 which were initially expected to be settled in 2016-17.
Statement of Financial Position		
Cash and cash equivalents	39,317	This relates to the improvement in the opening cash position from the previous year, combined with the operating surplus and lower capital expenditure for the current year.
Non-financial assets	(15,711)	This is due to lower capital expenditure, including the deferral of software development for the National System as a result of the delay in the commencement of service delivery until 1 July 2018, and a decrease in inventory levels as a result of the write-down and impairment of inventories.
Other provisions	14,623	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		
Retained surplus	17,326	This is due to an improved operating result in 2015-16 combined with the operating surplus for this financial year.
Cash Flow Statement		
Sale of goods and rendering of services	(16,235)	This is due to a decrease in the settlement of pollution incidents this year.
Suppliers	(29,910)	This relates to the delayed delivery of service contracts, lower than expected demand driven activities and efficiency initiatives.
Purchase of property, plant, equipment and intangibles	(5,096)	This is due to the deferral of software development for the National System as a result of the delay in the commencement of service delivery until 1 July 2018.

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 2016; 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.

As a not-for-profit public sector entity, AMSA has applied AASB 124 Related Party Disclosures for the reporting period commencing 1 July 2016. AMSA has disclosed, where applicable, significant related party transactions with other Australian Government entities and key management personnel.

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 the Pollution Reserve or by adjusting the Protection of the Sea Levy accordingly to recover any reimbursements made or due to be made.

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

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

Pollution reserve

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

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

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 and Regional Development 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 2017.

Note 1.1: Expenses

	2017 \$'000	2016 \$'000
Note 1.1A: Suppliers		
Goods and services supplied or rendered		
Travel and transport	3,946	5,131
Material and services	93,976	94,741
Communications	5,769	5,486
Administration	4,166	5,672
Total goods and services supplied or rendered	107,857	111,030
Goods supplied	95,493	97,867
Services rendered	12,364	13,163
Total goods and services supplied or rendered	107,857	111,030
Other suppliers		
Operating lease rentals	12,069	14,025
Workers compensation expenses	326	262
Total other suppliers	12,395	14,287
Total suppliers	120,252	125,317

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	8,406	11,115
Between 1 to 5 years	34,034	28,629
More than 5 years	8,264	20,408
Total operating lease commitments	50,704	60,152

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

	2017 \$'000	2016 \$'000
OWN-SOURCE REVENUE		
Note 1.2A: Sale of Goods and Rendering of Services		
Sale of goods	75	93
Rendering of services	14,140	16,708
Total sale of goods and rendering of services	14,215	16,801

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 and Regional Development**

Corporate Commonwealth entity payment item

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

Marine Navigation Levy	34,091	32,745
Marine Navigation (Regulatory Functions) Levy	51,211	49,195
Protection of the Sea Levy	34,068	32,723
Services provided on behalf of the Government	65,716	58,650
Other	2,365	3,495

Total revenue from Government

187,451	176,808
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Accounting Policy

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

Notes to and forming part of the financial statements

Financial Position

This section analyses AMSA's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

Note 2.1: Financial Assets

	2017 \$'000	2016 \$'000
Note 2.1A: Trade and Other Receivables		
Good and services receivables	597	1,324
Department of Infrastructure and Regional Development receivables	2,483	2,809
Other receivables		
GST receivable from the Australian Taxation Office	4,112	3,985
Interest	310	372
Operating lease rentals	-	32
Other	442	5,284
Total trade and other receivables (gross)	7,944	13,806
Total trade and other receivables (net)	7,944	13,806
No impairment loss was recognised in 2017 (2016: Nil).		
Trade and other receivables (gross) aged as follows		
Not overdue	7,689	13,310
Overdue by:		
Less than 30 days	98	119
31 to 60 days	29	226
61 to 90 days	21	38
More than 90 days	107	113
Total trade and other receivables (gross)	7,944	13,806

Credit terms for goods and services were within 30 days (2016: 30 days).

Reconciliation of the impairment allowance

	Goods and services	
	2017 \$'000	2016 \$'000
Opening balance	-	17
Amounts written off	-	(17)
Closing balance	-	-

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 2016					
Gross book value	3,350	13,485	124,672	19,461	160,968
Accumulated depreciation, amortisation and impairment	-	-	-	(7,168)	(7,168)
Total 1 July 2016	3,350	13,485	124,672	12,293	153,800
Additions					
By purchase	-	83	10,146	20	10,249
Internally developed	-	-	-	9,053	9,053
Revaluations recognised in other comprehensive income	(330)	(136)	(502)	-	(968)
Depreciation / amortisation expense	-	(730)	(11,554)	(1,984)	(14,268)
Write-downs	-	-	(84)	(281)	(365)
Total 30 June 2017	3,020	12,702	122,678	19,101	157,501
Total represented by:					
Gross book value	3,020	12,702	122,678	27,670	166,070
Accumulated depreciation, amortisation and impairment	-	-	-	(8,569)	(8,569)
Total 30 June 2017	3,020	12,702	122,678	19,101	157,501

1. The carrying amount of computer software, which is held at cost, included \$818,000 (2016: \$1,869,000) purchased software and \$18,283,000 (2016: \$10,424,000) internally generated software.

No indicators of impairment were found for intangible assets.

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 (Australian Valuation Solutions) has revalued the net book values of the property, plant and equipment owned by AMSA as at 30 June 2017 for financial reporting purposes.

Revaluation decrement of \$330,000 for land (2016: decrement of \$420,000), decrement of \$136,000 for buildings on freehold land (2016: decrement of \$999,000) and an decrement of \$502,000 for property, plant and equipment (2016: increment of \$246,000) 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:

	2017 \$'000	2016 \$'000
Buildings	37	1,619
Plant and equipment	359	1,664
Computer software	3,863	193
Total contractual commitments for the acquisition of property, plant, equipment and intangibles	4,259	3,476

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 regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

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

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

Australian Valuation Solutions (AVS) has provided a desktop review and valuation of all stated assets as at 30 June 2017 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	2017	2016
Buildings on freehold land	20 to 40 years	20 to 40 years
Property, plant and equipment is made up of the following:		
- Furniture and fittings (includes leasehold improvements)*	2 to 10 years	2 to 10 years
- Office and computer Equipment	3 to 16 years	3 to 16 years
- Plant and equipment	3 to 30 years	3 to 30 years
- Aids to navigation	3 to 40 years	3 to 40 years
- Vessels and amphibians	10 to 20 years	10 to 20 years
- Vehicles	5 to 8 years	5 to 8 years

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

Impairment

All assets were assessed for impairment at 30 June 2017. 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 20 years (2015-16: 5 to 15 years).

All software assets were assessed for indications of impairment as at 30 June 2017.

Notes to and forming part of the financial statements

Note 2.2: Non-Financial Assets (Continued)

	2017 \$'000	2016 \$'000
Note 2.2B: Inventories		
Inventories held for distribution	3,574	4,417
Total inventories	3,574	4,417

\$359,000 of inventory held for distribution was recognised as an expense in 2017 (2016: \$505,000).

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

	2017 \$'000	2016 \$'000
Note 2.3A: Suppliers		
Trade creditors and accruals	23,704	23,000
Operating lease rentals	8,962	9,585
Total supplier payables	32,666	32,585

Settlement was usually made within 30 days.

Note 2.3B: Other Payables

Salaries and wages	761	688
Superannuation	44	24
Separation and redundancies	-	1,695
Prepayments received / unearned income	115	113
Other	162	1
Total other payables	1,082	2,521

Notes to and forming part of the financial statements

Note 2.4: Interest Bearing Liabilities

	2017 \$'000	2016 \$'000
Note 2.4A: Leases		
Finance leases	699	841
Total leases	699	841
Lease expected to be settled		
Within 1 year	365	357
Between 1 to 5 years:	334	484
Total finance leases	699	841

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

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				Total \$'000
	Restoration \$'000	Lead paint \$'000	Asbestos \$'000	Business unit restructuring \$'000	
Carrying amount 1 July 2016	3,165	3,749	1,488	60	8,462
Additional provisions	764	9,086	1,042	-	10,892
Amounts used	-	(106)	(10)	(60)	(176)
Amounts reversed	(68)	(44)	(58)	-	(170)
Other movements	1,640	(4)	99	-	1,735
Closing balance	5,501	12,681	2,561	-	20,743

Provision for restoration

AMSA has an obligation contained in leases or legislation for the making good to five property leases and 179 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

	2017 \$'000	2016 \$'000
Amounts applied		
Payments from Department of Infrastructure and Regional Development	119,698	115,094
Own source revenue	4,821	4,627
Total amounts applied	<u>124,519</u>	<u>119,721</u>
Expenses		
Cost recovered activities*	120,858	120,956
Total expenses	<u>120,858</u>	<u>120,956</u>
Revenue		
Payments from Department of Infrastructure and Regional Development	119,370	114,663
Own source revenue	4,881	4,616
Total revenue	<u>124,251</u>	<u>119,279</u>
Total amounts written off	<u>1</u>	<u>1</u>

*** Cost recovered activities:**

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

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

Notes to and forming part of the financial statements

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

	2017 \$'000	2016 \$'000
Note 4.1A: Employee Expenses		
Wages and salaries	42,983	43,983
Superannuation		
Defined contribution plans	4,625	4,422
Defined benefit plans	3,247	4,560
Leave and other entitlements	4,979	7,971
Separation and redundancies	805	2,126
Other employee benefits - Fringe Benefits Tax	805	735
Total employee expenses	57,444	63,797
Note 4.1B: Employee Provisions		
Leave	17,157	18,905
Total employee provisions	17,157	18,905

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

	2017 \$'000	2016 \$'000
Short-term employee benefits	2,308	3,222
Post-employment benefits	354	478
Other long-term employee benefits	207	400
Termination benefits	492	232
Total key management personnel remuneration expenses	3,361	4,332

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 our Minister, members of the AMSA Board and AMSA Executive.

The total number of key management personnel included in the table above is 14 (2016: 17). The figures do not include our Minister and two Board members as they do not receive payments from AMSA. The figures vary between financial years due to key management personnel commencing or leaving AMSA during the financial year and a restructure of the organisation during 2016-17.

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

AMSA is an Australian Government controlled entity. Related parties are key management personnel, including our 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

	2017 \$'000	2016 \$'000
	<u>Claims for damages or costs</u>	
Contingent assets		
Balance from previous period	1,758	8,872
New contingent assets recognised	1,977	1,403
Re-measurement	(8)	(33)
Assets realised	(63)	(4,682)
Rights expired	-	(3,802)
Total contingent assets	<u>3,664</u>	<u>1,758</u>
Contingent liabilities		
Balance from previous period	500	518
Obligations expired	-	(18)
Total contingent assets	<u>500</u>	<u>500</u>
Net contingent assets	<u>3,164</u>	<u>1,258</u>

Quantifiable contingencies

The contingent assets include insurance claims for cyclone damage to a number of aids to navigation of \$1,818,000 (2016: \$1,732,000) and pollution incidents of \$1,846,000 (2016: \$26,000). The estimate is based on the expected insurance settlements for these claims.

The contingent liabilities include pollution incidents of \$500,000 (2016: \$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	2017 \$'000	2016 \$'000
Note 5.2A: Categories of Financial Instruments			
Financial assets			
Receivables			
Cash and cash equivalents		92,504	71,032
Receivables for goods and services	2.1A	597	1,324
Other receivables	2.1A	752	5,656
Total receivables		93,853	78,012
Financial liabilities			
Financial liabilities measured at amortised cost			
Trade creditors	2.3A	23,704	23,000
Finance leases	2.4A	699	841
Total financial liabilities measured at amortised cost		24,403	23,841
Note 5.2B: Net Gains or Losses on Financial Assets			
Receivables			
Foreign exchange gains		-	1
Interest revenue		1,895	2,089
Net gain on receivables		1,895	2,090

The net income from financial assets not at fair value through profit and loss was \$1,895,000 (2016: \$2,090,000).

Note 5.2C: Net Gains or Losses on Financial Liabilities

Financial liabilities measured at amortised cost			
Interest expense		38	57
Net loss on financial liabilities measured at amortised cost		38	57

The total interest expense from financial liabilities not at fair value through profit and loss was \$38,000 (2016: \$57,000).

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).

Appendix 2: Information about the accountable authority

AMSA Board members



Mr Stuart Richey AM (Chair)

Tasmanian commercial fisherman 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 on the Australian Maritime Safety Authority Board, bringing to the table his strong leadership style and his years of experience in marine policy and planning.

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

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

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



Ms Jennifer Clark (Deputy Chair)

Ms Jennifer Clark was appointed Deputy Chair of the 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 non-executive Director of the Australian Payments Network Limited (formerly APCA) and is a member of its Audit Risk and Finance Committee. She is Chair of the Audit and Risk Committees of the Australian Bureau of Statistics; the Australian Sports Anti-Doping Authority; the Australian Commission on Safety and Quality in Health Care; and Chair of the Department of Defence Capability Acquisition and Sustainment Risk Advisory Committee. Ms Clark is also the Deputy Chair of the Department of Finance Audit Committee and an independent member of the Audit and Risk Committees for the Australian Taxation Office; the Attorney-General's Department; 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. Her banking experience included financing and providing advice to companies across a broad range of industries and for major infrastructure projects, and advisory roles to the Commonwealth Government. Ms Clark is a Fellow of the Australian Institute of Company Directors and has been a Board Member of a number of companies and Commonwealth Government agencies over the past 26 years.



Mr Mick Kinley (Chief Executive Officer)

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

Mr Kinley 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, Mr Kinley 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.

Mr Kinley 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.



Professor Sarah Derrington

Professor 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. Professor Derrington is currently Dean of Law at the University of Queensland.

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

Professor Derrington is a Director of the Boards of the Australian Maritime College and the Australian National Maritime Museum; Member of the Admiralty Rules Committee for the Commonwealth of Australia; and is a Titular member of the Comité Maritime International.

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



Mr Michael Taylor AO FTSE

Mr Mike Taylor was appointed to the AMSA Board on 10 September 2014 for a three-year term. 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 – Australia (2004-09), and Secretary, Department of Agriculture, Fisheries & Forestry – Australia (2000-04). Prior to that, he was responsible for the leadership and management of three departments for the Government of Victoria (1992-2000) (Agriculture, Energy and Minerals, and Natural Resources and Environment), and was Chairman of Murray Darling Basin Authority (2009-11).

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



Mr Gary Webb

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

Mr Webb was formerly the Chief Executive Officer and Director of Newcastle Port Corporation (2004–2013) and worked in maritime operations for Newcastle Port Corporation since 1989. Mr Webb previously served as Chairman, Ports Australia; Chairman, Newcastle Seafarers Centre Limited; Chairman, Lifeline Hunter Central Coast 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 is currently Chief Engineer, Brisbane Tugs with Svitzer Australia.

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

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

Mr Toohey holds the AMSA Certificate of Competency, Engineer Class 1 (Motor), Marine Engineering Higher certificate from Sydney Technical College and Craftsman's certificate Fitter and Turner. Mr Toohey is a Graduate of the Australian Institute of Company Directors course.



Mr Shane Carmody

Mr Shane Carmody was appointed to the AMSA Board in May 2016 in his role as Deputy Secretary, Department of Infrastructure and Regional Development with responsibilities that included Office of Transport Security, Aviation and Airports, Local Government and Territories and the Western Sydney Airport project. Mr Carmody's period of service on the AMSA Board ended in October 2016, and he is now CEO and Director of Aviation Safety at the Civil Aviation Safety Authority—appointed in June 2017.

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

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

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



Board and committees

AMSA Board attendance

Member	Attendance at meetings and teleconferences	Terms of office
Mr Stuart Richey AM (Chair)	6/6	Appointed member from 1 July 2013 Appointed Deputy Chair from 15 April 2014 Appointed Chair from 21 November 2014 to 20 Nov 2019
Ms Jennifer Clark (Deputy Chair)	6/6	Appointed member from 8 May 2012 Appointed Deputy Chair from 10 Feb 2015 to 9 Feb 2020
Mr Mick Kinley (Chief Executive Officer)	6/6	Member ex-officio from 26 August 2014 to 25 August 2019
Dr. Russel Reichelt	6/6	Appointed member from 7 August 2007 to 9 August 2016; reappointed from 11 November 2016 for a period of 3 years
Mr Mike Taylor AO	6/6	Appointed member from 10 September 2014 to 9 September 2017
Prof. Sarah Derrington	5/6	Appointed member from 8 May 2012 for 3 years; reappointed from 17 June 2015 to 17 June 2017; reappointed 17 June 2017 for a period of 3 years
Mr Peter Toohey	6/6	Appointed member from 17 June 2015 to 16 June 2018
Mr Gary Webb	6/6	Appointed member from 17 June 2015 to 16 June 2018
Mr Shane Carmody	2/2	Member ex-officio from May 2016 to October 2016
Portfolio Department Representative	0/4	

Board Audit Committee meetings

Board Audit Committee attendance

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

Remuneration Committee meetings

Member	Attendance at meetings
Mr Stuart Richey AM (Chair)	1/1
Dr Russell Reichelt	1/1
Prof. Sarah Derrington	1/1

Board meetings included:

220th - 11 August 2016
 221st – 20 September 2016
 222nd – 20 December 2016
 223rd – 8 March 2017
 224th – 17 May 2017
 225th – 27 June 2017

Board Audit Committee meetings included:

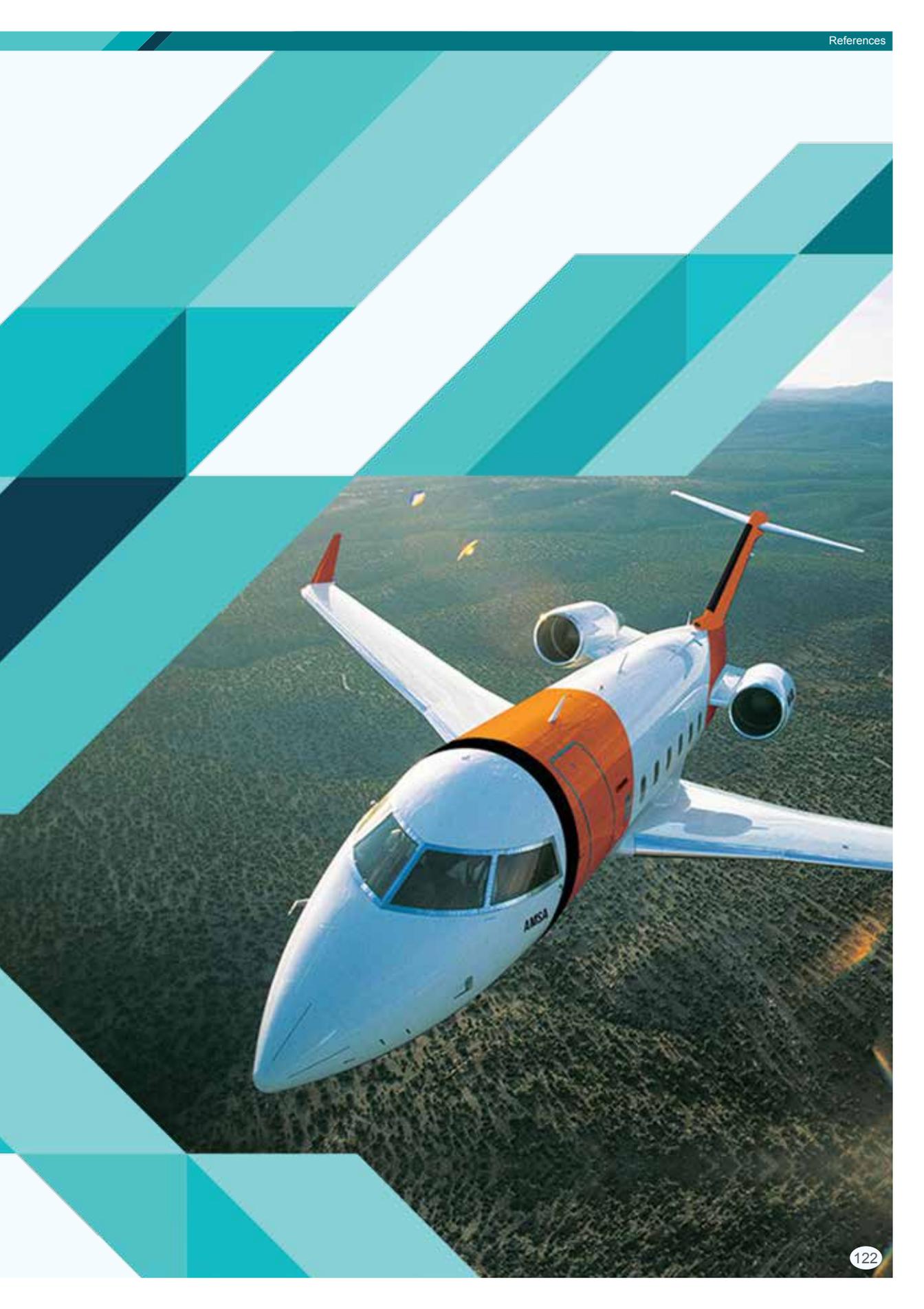
131st – 31 August 2016
 132nd – 14 September 2016
 133rd – 30 November 2016
 134th – 29 March 2017
 135th – 9 June 2017

Remuneration Committee meetings included:

23rd – 20 September 2016

References





Acronyms and abbreviations

Acronym/abbreviation	Meaning
AASB	Australian Accounting Standards Board
AIS	Automatic Identification System
AMSA	Australian Maritime Safety Authority
AMSA Act	<i>Australian Maritime Safety Act 1990</i>
ANAO	Australian National Audit Office
ARM	Aids to Navigation Requirements and Management
ASQA	Australian Skills Quality Authority
AtoN	aid(s) to navigation
CCC	Sub-Committee on Carriage of Cargoes and Containers
DFAT	Department of Foreign Affairs and Trade
e-navigation	Electronic navigation
ENG	Aids to navigation Engineering and Sustainability
GHG	Greenhouse gases
GPS	Global Positioning System
HTW	Sub-Committee on Human Element, Training and Watchkeeping
IALA	International Association of Marine Aids to Navigation and Lighthouse Authorities
IGO	Intergovernmental Organisation
III	Sub-Committee on Implementation of IMO Instruments
IMO	International Maritime Organization
IMSBC	Maritime Solid Bulk Cargoes
ITF	International Transport Workers' Federation
MEOSAR	Medium-altitude Earth Orbiting Search and Rescue system
MEPC	Marine Environment Protection Committee
MOU	memorandum of understanding
MSAF	Maritime Safety Authority of Fiji
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

Acronym/abbreviation	Meaning
national system	National System for Domestic Commercial Vessel Safety
NSCV	National Standard for Commercial Vessels
NST	National System Transition
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PID Act	<i>Public Interest Disclosure Act 2013</i>
PPR	Sub-Committee on Pollution Prevention and Response
PSC	port State control
QPS	Queensland Police Service
RACQ	Royal Automobile Club of Queensland
RTO	Registered Training Organisation
SAR	search and rescue
SBAS	Satellite-Based Augmentation Systems
SDC	Sub-Committee on Ship Design and Construction
SSE	Sub-Committee on Ship Systems and Equipment
TAC	WA Training Accreditation Council
TCC	Technical Co-operation Committee
TSMSP	Torres Strait Marine Safety Program
TSRA	Torres Strait Regional Authority
VRQA	Victorian Registration and Qualifications Authority
VTS	vessel traffic service/s

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)	Compliance index 125-126
Inclusion of annual performance statements	39(1)(b)	9-68
Inclusion of annual financial statements	43(4)	Appendix 1

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	Letter of Transmittal 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-V
Responsible Minister	17BE(c)	2
Ministerial directions and government policy orders	17BE(d)(e)(f)	81
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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)	80
Significant activities and changes affecting the authority	17BE(p)	71
Judicial decisions and reviews by outside bodies	17BE(q)(r)	81
Obtaining information from subsidiaries	17BE(s)	Nil to report
Indemnities and insurance premiums	17BE(t)	79
Index of annual report requirements	17BE(u)	Compliance index 125-126
Disclosure requirements for government business enterprises	17BF	N/A AMSA is not a GBE

Requirements	Other legislative references	Page No.
Other legislation		
• Commonwealth Disability Strategy	<i>Disability Discrimination Act 1992</i>	80
• Advertising and Market Research	<i>Commonwealth Electoral Act 1918</i> (section 311A)	80
• Work Health and Safety Report	<i>Work Health and Safety Act 2011</i>	81-83
• Ecologically sustainable development	<i>Environment Protection and Biodiversity Conservation Act 1999</i> (section 516A)	84
• Public Interest Disclosure	<i>Public Interest Disclosure Act 2013</i>	80

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