Australian Maritime Safety Authority

Entity resources and planned performance

Australian Maritime Safety Authority

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# Australian Maritime Safety Authority

Section 1: Entity overview and resources

1.1 Strategic direction statement

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

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

AMSA regularly assesses its operating environment, challenges, goals, and risks to identify key priorities for coming years.

In 2022-23, AMSA will continue to focus on the strategic priorities that reflect AMSA’s statutory responsibilities. AMSA’s objective are consistent with the whole of government regulatory reform agenda and forms the basis for the program objectives and outputs detailed in the following sections.

1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to AMSA for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by departmental (for AMSA’s operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the ‘Budgeted expenses by Outcome 1’ tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Australian Maritime Safety Authority resource statement — Budget estimates for 2022-23 as at Budget October 2022

|  |  |  |
| --- | --- | --- |
|   | 2021-22 Estimated actual$'000 | 2022-23 Estimate$'000 |
| **Opening balance/cash reserves at 1 July** | **28,175** | **33,200** |
| **Funds from Government** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Outcome 1 | 87,804 | 92,893 |
| Total annual appropriations | 87,804 | 92,893 |
| Special appropriations |  |  |
| *Australian Maritime Safety Authority Act 1990 (b)* | 135,641 | 134,642 |
| Total special appropriations | 135,641 | 134,642 |
| Amounts received from related entities (c) |  |  |
| Department of Infrastructure, Transport, Regional Development, Communications and the Arts | 3,433 | - |
| Department of Climate Change, Energy, the Environment and Water | 45 | - |
| Total amounts received from related entities | 3,478 | - |
| **Total funds from Government** | **226,923** | **227,535** |
| **Funds from other sources** |  |  |
| Interest | 476 | 468 |
| Sale of goods and services | 12,281 | 9,611 |
| Other | 21,798 | 3,351 |
| **Total funds from other sources** | **34,555** | **13,430** |
| **Total net resourcing for AMSA** | **289,653** | **274,165** |

|  |  |  |
| --- | --- | --- |
|   | 2021-22 | 2022-23 |
| **Average staffing level (number)** | 425 | 448 |

Prepared on a resourcing (that is, appropriations available) basis.

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

1. Appropriation Bill (No. 1) 2022-23, Supply Bill (No. 3) 2022-23 and Supply Act (No. 1) 2022-23.
2. Levies collected under *Marine Navigation Levy Collection Act 1989*, *Marine Navigation (Regulatory Functions) Levy Collection Act 1991*, and *Protection of the Sea (Shipping Levy) Collection Act 1981* are paid to the Consolidated Revenue Fund and appropriated under section 48 of the *Australian Maritime Safety Authority Act 1990*.
3. Funding provided by a government entity that is not specified within the annual appropriation bills as a payment to the corporate Commonwealth entity.

AMSA is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (a non-corporate Commonwealth entity), which are then paid to AMSA and are considered 'departmental' for all purposes.

1.3 Budget measures

There are no measures relating to AMSA for the 2022-23 October Budget.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

|  |
| --- |
| **Note:**Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance measures described in Portfolio Budget Statements will be read with broader information provided in an entity’s corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity’s planned and actual performance.The most recent Corporate Plan for AMSA can be found at:https://www.amsa.gov.au/about/corporate-publications/corporate-plan-2022-23The most recent annual performance statement can be found at:https://www.amsa.gov.au/about/corporate-publications |

AMSA contributes to one Outcome and one Program, which is divided into two Sub‑programs:

* + - * **Sub-program 1: Seafarer and ship safety and environmental protection** aims to achieve the first part of AMSA’s Outcome: Minimise the risk of shipping incidents and pollution in Australian waters through ship safety and environment protection regulation and services.
* **Sub-program 2: Search and rescue** aims to achieve the second part of AMSA’s Outcome: Maximising the number of people saved from maritime and aviation incidents through search and rescue coordination.

2.1 Budgeted expenses and performance for Outcome 1

|  |
| --- |
| Outcome 1: 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 |

#### Linked programs

|  |
| --- |
| **Attorney General’s Department**  |
| **Programs*** Program 1.1 – Attorney-General's Department Operating Expenses – Legal Services and Families
* Program 1.2 – Attorney-General’s Department Operating Expenses—National Security, Integrity and International Program
 |
| **Contribution to Outcome 1 made by linked programs**The Attorney General’s Department provides high quality legal policy advice to the Australian Government and its entities in relation to national security and criminal justice, protecting and promoting the rule of law and ensuring an effective and efficient Commonwealth criminal justice system, and building a safe and secure Australia.AMSA engages with the Attorney General’s Department to obtain expert legal advice and assistance when needed. This advice ensures that AMSA operates within its regulatory remit, and that ongoing operation of AMSA’s aids to navigation network is considered within the Commonwealth’s response to native title claims. |
| **Civil Aviation Safety Authority (CASA)** |
| **Program*** Program 1.1:
	+ Part 1: Maintain and enhance a fair, effective, and efficient aviation safety regulation system
	+ Part 2: Collaborative engagement with the aviation industry and wider community to promote and support aviation
 |
| **Contribution to Outcome 1 made by linked program**CASA is responsible for regulating the aviation industry. The regulation of industry ensures that aircraft tasked by AMSA are meeting regulatory requirements, which supports operational risk management for responses, and accordingly the corporate risk that AMSA may be exposed to. AMSA is responsible for delivering Australia’s commitment to International Civil Aviation Authority’s (ICAO) Annex 12 (Search and Rescue), and works with CASA and other aviation agencies to ensure a co-ordinated approach. |

|  |
| --- |
| **Department of Department of Climate Change, Energy, the Environment and Water (DCCEEW)** |
| **Program*** Program 2.6: Management of Hazardous Wastes, Substances and Pollutants
 |
| **Contribution to Outcome 1 made by linked program**DCCEEW works with AMSA to determine the feasibility of recycling clean and segregated waste from international ships at Australian ports and to develop a nationally consistent framework to support this activity in the longer term*.* This action is identified in the National Waste Action Plan and supports Australia’s National Waste Plan to reduce landfill and increase the circular economy. Additionally, activity is undertaken to support the International Maritime Organizations Action Plan to Address Marine Plastic Litter from Ships that identifies the need to improve the effectiveness of port reception facilities in reducing marine plastic litter through the provision of recycling facilities. |
| **Department of Defence**  |
| **Program*** Program 2.14: Defence Intelligence
 |
| **Contribution to Outcome 1 made by linked program**AMSA provides advice and direction on the provision of nautical charts and publications to best support maritime safety. |
| **Department of Foreign Affairs and Trade (DFAT)**  |
| **Programs*** Program 1.1: Foreign Affairs and Trade Operations
* Program 2.1: Consular Services
 |
| **Contribution to Outcome 1 made by linked program**DFAT provides funding support to AMSA for delivery of bilateral capacity building programs with Indonesia and Papua New Guinea, along with individual projects across the Indo-Pacific region.DFAT also supports Australia’s re-election campaign to the International Maritime Organization (IMO) Council every two years. Using DFAT funding, this year AMSA contributed AU$200,000 to the IMO’s Integrated Technical Cooperation Committee to support development of Small Island Developing States and Least Developed Countries, seafarer welfare and women in maritime initiatives. A further AU$50,000 was also donated to the World Maritime University (WMU) Annual Fund to support the work of the organisation. |

|  |
| --- |
| **Great Barrier Reef Marine Park Authority (GBRMPA)** |
| **Programs*** Program 1.1 – Great Barrier Reef Marine Park Authority
 |
| **Contribution to Outcome 1 made by linked program**GBRMPA is the regulator responsible for the management of the Great Barrier Reef Marine Park. AMSA supports the ongoing management of the Great Barrier Reef (GBR) through providing services to enable safer shipping within the reef, such as: aids to navigation, GBR Vessel Traffic Services, emergency response arrangements to minimise maritime pollution incidents (including delivery of a dedicated emergency towage vessel) and regulation of shipping for safety and environmental performance.GBRMPA supports AMSA emergency response functions through provision of resources and subject matter expertise. |
| **Department of Home Affairs** |
| **Outcomes** (a)* Outcome 2: Support a prosperous and united Australia through effective coordination and delivery of immigration and social cohesion policies and programs
* Outcome 3: Advance a prosperous and secure Australia through trade and travel facilitation and modernisation, and effective customs, immigration, maritime and enforcement activities across the border continuum
 |
| **Contribution to Outcome 1 made by Outcomes**Home Affairs is responsible for immigration and border policy, and has responsibilities across emergency management, critical infrastructure protection, and transport security. The Home Affairs portfolio structure enhances AMSA’s ability to mobilise and share across AMSA’s aids to navigation responsibilities for maritime safety (critical infrastructure) and operational responses (emergency management and transport security). Home Affairs provides the national coordination mechanisms through which AMSA can respond, delivering a synchronised effect across the whole of government.AMSA supports Home Affairs through the provision of data such as vessel locations (automatic identification system) and occasional use of AMSA response assets under a Memorandum of Understanding. Through leading Australia’s engagement at the International Maritime Organisation, AMSA also supports Home Affair’s maritime security role. |

|  |
| --- |
| **National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA)** |
| **Programs*** Program 1 – Regulatory oversight of Safety Cases, Well Operations Management Plans and Environment Plans coupled with effective monitoring, investigation and enforcement.
 |
| **Contribution to Outcome 1 made by linked program**NOPSEMA are responsible for promoting and enforcing the effective management of risks to the workforce, the environment and the structural integrity of facilities, wells and well-related equipment of the Australian offshore petroleum and greenhouse gas storage industries through regulatory oversight.AMSA manages the National Plan for Maritime Environmental Emergencies. Arrangements within the National Plan and AMSA response resources support the response to offshore petroleum oil spill incidents. NOPSEMA regulates the duty holder’s compliance with implementing their oil pollution emergency plan (OPEP). |

1. AMSA and Home Affairs agreed that the relationship was best described at an Outcome level.

##### **Budgeted expenses for Outcome 1**

The following tables shows how much AMSA intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

**Table 2.1.1: Budgeted expenses for Outcome 1**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021-22 Estimated actual$'000 | 2022-23Budget$'000 | 2023-24 Forward estimate$'000 | 2024-25 Forward estimate$'000 | 2025-26Forward estimate$'000 |
| **Program 1.1: Seafarer and ship safety, maritime environment protection, and search and rescue** |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 87,804 | 92,893 | 83,724 | 85,242 | 86,297 |
| Payment from related entities | 3,478 | - | - | - | - |
| Special appropriations |  |  |  |  |  |
| *Australian Maritime Safety Authority Act 1990* | 134,216 | 136,059 | 154,055 | 157,161 | 160,325 |
| Expenses not requiring appropriation in the Budget year (a) | (14,939) | (397) | (420) | (1,008) | (6,944) |
| Revenues from other independent sources  | 21,470 | 13,271 | 12,676 | 12,828 | 13,106 |
| **Total expenses for Program 1.1** | **232,029** | **241,826** | **250,035** | **254,223** | **252,784** |
| **Outcome 1 totals by resource type** |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 87,804 | 92,893 | 83,724 | 85,242 | 86,297 |
| Payment from related entities | 3,478 | - | - | - | - |
| Special appropriations | 134,216 | 136,059 | 154,055 | 157,161 | 160,325 |
| Expenses not requiring appropriation in the Budget year (a) | (14,939) | (397) | (420) | (1,008) | (6,944) |
| Revenues from other independent sources  | 21,470 | 13,271 | 12,676 | 12,828 | 13,106 |
| **Total expenses for Outcome 1** | **232,029** | **241,826** | **250,035** | **254,223** | **252,784** |

|  |  |  |
| --- | --- | --- |
|   | 2021-22 | 2022-23 |
| **Average staffing level (number)** | 425 | 448 |

Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

1. Expenses not requiring appropriation in the Budget year are made up of the operating result.

**Table 2.1.2: Program components of Outcome 1**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021-22 Estimated actual$'000 | 2022-23Budget$'000 | 2023-24 Forward estimate$'000 | 2024-25 Forward estimate$'000 | 2025-26Forward estimate$'000 |
| **Sub-program 1.1.1: Seafarer and ship safety and environment** |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services (*Appropriation Bill No. 1*) | 16,523 | 18,567 | 4,941 | 4,811 | 4,578 |
| Payment from related entities | 3,433 | - | - | - | - |
| Special appropriations |  |  |  |  |  |
| *Special appropriation Australian Maritime Safety Authority Act 1990* | 134,216 | 136,059 | 154,055 | 157,161 | 160,325 |
| Expenses not requiring appropriation in the Budget year (a) | (14,939 | (397) | (420) | (1,008) | (6,944) |
| Revenues from other independent sources  | 21,322 | 13,123 | 12,421 | 12,524 | 12,715 |
| **Total sub-program 1.1.1 expenses** | **160,555** | **167,352** | **170,997** | **173,488** | **170,674** |
| **Sub-program 1.1.2: Search and rescue** |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 71,281 | 74,326 | 78,783 | 80,431 | 81,719 |
| Payment from related entities | 45 | - | - | - | - |
| Revenues from other independent sources  | 148 | 148 | 255 | 304 | 391 |
| **Total sub-program 1.1.2 expenses** | **71,474** | **74,474** | **79,038** | **80,735** | **82,110** |
| **Total program expenses** | **232,029** | **241,826** | **250,035** | **254,223** | **252,784** |

Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

1. Expenses not requiring appropriation in the Budget year are made up of the operating result.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the Budget year as government priorities change.

Table 2.1.3: Performance measures for Outcome 1

Table 2.1.3 details the performance measures for each program and sub-program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have materially changed existing programs are provided.

|  |
| --- |
| **Outcome 1** – 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 |
| **Program 1.1 – Seafarer and ship safety, environment protection and search and rescue.**Sub-program 1.1.1 – Seafarer and ship safety and environment protection aims to minimise the risk of shipping incidents and pollution in Australian waters through ship safety and environment protection regulation and services.Sub-program 1.1.2 – Search and rescue aims to maximise the number of people saved from maritime and aviation incidents through coordinating search and rescue.As Australia’s national maritime regulatory body, AMSA promotes the safety and protection of our marine environment and combats ship-sourced pollution. AMSA provides the infrastructure for safety of navigation in Australian waters and maintains a national search and rescue service for the maritime and aviation sectors.Vision: Safe and clean seas, saving lives.Mission: Ensuring safe vessel operations, combatting marine pollution, and rescuing people in distress. |
| **Key Activities** (a)(b)(c)(d) | * Promote maritime safety
* Protect the marine environment from pollution from ships; and other environmental damage caused by shipping
* Provide for a national search and rescue service
 |
| **Year** | **Performance measures** | **Expected Performance Results** |
| Prior year2021-22 | Safety of foreign-flagged ships and Australian-flagged ships (under the Navigation Act 2021) operating in Australian waters is demonstrated through the proportion of very serious and serious incidents (e) to total port arrivals | Target: ≤0.5%Actual: 0.84% Target not met |
| Timeliness of response to significant (f) oil spill incidents. | Target: within 4 hours of notificationTarget met |
| Save as many lives as possible from those at risk (g) | Target: 100% (h)Actual: 90.27%Target not met |

|  |  |  |
| --- | --- | --- |
| **Year** | **Performance measures** | **Planned Performance Results** |
| Budget year2022-23 | Safety of foreign-flagged ships and Australian-flagged ships (under the Navigation Act 2021) operating in Australian waters is demonstrated through the proportion of very serious and serious incidents to total port arrivals | Target: ≤1.5% (i) |
| Timeliness of response to significant oil spill incidents. | Target: within 4 hours of notification |
| Save as many lives as possible from those at risk | Target: 100% |
| Forward Estimates2023-26 | As per 2022-23 | As per 2022-23 |

1. AMSA’s key activities constitute its operational core business to deliver its sub-programs, program, and Outcome 1. Key activities are also detailed in AMSA’s corporate plan, specifically the plan-on-a-page. Unless there have been changes to legislation, machinery of government or programs, key activities are generally not subject to change.
2. AMSA’s 2021-22 Corporate Plan also lists key activities (including projects) organised under nine strategic objectives. These activities are subject to some change between years as AMSA responds to changes in its operating environment.
3. To avoid confusion with key activities as defined by Resource Management Guide (RMG) Reporting performance Information in Portfolio Budget Statements, the AMSA 2022-23 Corporate Plan will use the term ‘initiative’ to describe activities and projects in support of AMSA’s strategic priorities (see next).
4. To avoid confusion with the new AMSA Strategy 2030 (which uses the term strategic objective), the AMSA 2022-23 Corporate Plan will use the following eight strategic priorities: 1. Risk-based regulation; 2. Incident management capabilities; 3. Navigation services; 4. Responding to climate change; 5. Engagement; 6. Innovation; 7. Information management and digital services; 8. Organisational capability and resilience.
5. Marine incidents are classified by AMSA into one of three severity levels: (1) very serious; (2) serious; and (3) less serious. Several factors are considered by AMSA to decide whether an incident is deemed very serious and/or serious; including fatalities, serious injuries, loss of vessel, damage to vessel and equipment; significant pollution, and impacts on the community. Less serious incidents might include fire, grounding, and minor collisions (without very serious or serious consequences).
6. A significant oil spill is a Level 2 (or higher) incident in accordance with the National Plan for Maritime Environmental Emergencies (https://www.amsa.gov.au/marine-environment/national-plan-maritime-environmental-emergencies/national-plan-maritime)
7. Each search and rescue incident reported to AMSA is triaged to assess the requirement to respond to a life at risk. Sometimes the assessment concludes that the life has already been lost, or AMSA is unable to determine if a life is actually at risk, i.e. false beacon activations. For those incidents which are assessed as requiring a response (i.e. a life is identified as being ‘at risk’) it is important that AMSA measures the performance of resources available to affect a rescue.
8. AMSA’s intention is to save all lives at risk. In practicality, the circumstances surrounding individual incidents—i.e. severe medical conditions requiring specialist treatment, bad weather—affect the possibility of success of a search and rescue response. This reality is reflected in the previous results reported by AMSA for this measure, ranging between 95-99 per cent annually.
9. More accurate reporting and coding of severity of incident data since 2017 has identified that this performance measure tracks above the current <0.5% target. The four-year rolling average shows a similar trend with the 2020-21 result tracking at 0.98%. Additionally, there has been a significant increase (45%) in reporting between 2015-16 and 2020-21. To ensure that the target is effective and realistically reflects current trends and improvement in data reporting and noting the result of this performance measure in the last three years, the target will be changed to <1.5% from 2022-23 onwards.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of AMSA’s finances for the 2022-23 Budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

#### 3.1.1 Explanatory notes and analysis of budgeted financial statements

**Comprehensive income statement**

AMSA delivered an operating surplus of $14.9 million in 2021-22. This increase, from a budgeted break-even position, is largely driven by a rise in anticipated levy revenue.

AMSA is budgeting an operating surplus of $0.4 million in 2022-23, with surpluses in each of the forward year estimates. The budgeted surpluses are highly dependent on stability of levy revenue and potential disruptions influenced by externalities outside AMSA’s control, as well as being subject to outcome of the Independent Review on Australia’s Domestic Commercial Vessel Safety Legislation and Cost and Charging Arrangements expected to be delivered in late 2022. Risks to levy revenue include the impact of international events on global trade and demand for Australian commodity exports especially iron ore and coal.

**Revenue**

Total revenue for 2022-23 is budgeted to be $242.2 million, a decrease of $2.8 million compared to 2021-22 of $245.1 million.

This decrease reflects a reduction in other own-sourced revenue ($7.5 million), and lower transitional contributions from states and territories for National System in line with the agreed arrangements ($2.2 million), partially offset by rise in appropriations for both search and rescue and National System transitional funding ($5.1 million), and the continuation of growth in levy revenue ($1.8 million).

AMSA revenue sources are detailed below:

* Levy revenue is collected from the commercial shipping industry paid to Consolidated Revenue Fund and appropriated under section 48 of the AMSA Act as special appropriations. In 2022-23, levy revenue is budgeted to be $136.1 million (2021-22: $134.9 million).
* Community Service Obligation funding received from the Australian Government for search and rescue coordination services in accordance with Australia’s internationally recognised search and rescue region. AMSA will receive an annual Departmental appropriation of $74.3 million in 2022-23 (2021-22: $71.3 million).
* Transitional and interim funding received from the Australian Government to support regulatory service delivery of the National System of $18.6 million in 2022-23 (2021-22: $16.2 million).
* Transitional funding packages received from the States and Northern Territory for the National System of $3.0 million in 2022-23 (2021-22: $5.2 million).
* Independent and own-sourced revenue, including charges for cost-recovery fee-based activities, interest revenue, related entity revenue, and other revenue of $10.2 million in 2022-23 (2021-22: $17.8 million).

The following table shows the 2022-23 budgeted revenue with comparisons to 2021-22.

**AMSA sourced revenue comparison**

|  |  |  |
| --- | --- | --- |
|   | 2021-22 Estimated actual$'000 | 2022-23Budget$'000 |
| Annual departmental appropriations |  |  |
| Search and rescue functions and activities | 71,281 | 74,326 |
| National System funding | 16,196 | 18,567 |
| Other funding | 327 | - |
| Special appropriations of levies collected from the maritime shipping industry | 134,216 | 136,059 |
| Total independent or own-sources revenue | 23,045 | 13,271 |
| **Total revenue** | **245,065** | **242,223** |

**Operating expenses**

Total operating expenses are budgeted to be $241.8 million in 2022-23, compared to 2021-22 of $232.0 million, an increase of $9.8 million. The main movements in budgeted operating expenses are:

* supplier expenses are budgeted to increase by $7.5 million in 2022-23 to $128.9 million, associated with increased labour and material costs, and
* employee benefits expected to increase by $3.3 million in 2022-23 to $75.3 million, reflecting AMSA’s Enterprise Agreement.

**Equity and cash position**

Net assets (equity) movements are consistent with budgeted surpluses for budget and each of the three forward year estimates.

AMSA’s net cash position (including investments) is budgeted to decrease by $12.5 million in 2022-23 and by a further $21.5 million in 2023-24 before stabilising. This reduction is mostly due to capital expenditure on aids to navigation sites and equipment, and other assets planned for 2022-23 and 2023-24.

The cash position includes $50 million set aside for pollution response emergencies.

3.2 Budgeted financial statements tables

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021-22 Estimated actual$'000 | 2022-23Budget$'000 | 2023-24 Forward estimate$'000 | 2024-25 Forward estimate$'000 | 2025-26Forward estimate$'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 71,966 | 75,311 | 76,158 | 77,552 | 76,588 |
| Suppliers | 121,406 | 128,886 | 134,922 | 138,070 | 138,851 |
| Depreciation and amortisation | 35,236 | 36,517 | 37,934 | 37,790 | 36,659 |
| Finance costs | 1,565 | 1,112 | 1,021 | 811 | 686 |
| Write-down and impairment of assets | 46 | - | - | - | - |
| Losses from asset sales | 1,810 | - | - | - | - |
| **Total expenses** | **232,029** | **241,826** | **250,035** | **254,223** | **252,784** |
| **LESS:**  |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering of services | 12,838 | 9,423 | 9,990 | 9,990 | 9,990 |
| Fees and fines | 91 | 78 | 100 | 100 | 100 |
| Interest | 508 | 483 | 812 | 964 | 1,242 |
| Rental income | 225 | 253 | 290 | 290 | 290 |
| Contributions from states and territories | 5,204 | 3,034 | 1,484 | 1,484 | 1,484 |
| Other | 4,179 | - | - | - | - |
| **Total own-source revenue** | **23,045** | **13,271** | **12,676** | **12,828** | **13,106** |
| **Gains** |  |  |  |  |  |
| Sale of assets | 285 | - | - | - | - |
| Other | 1,618 | - | - | - | - |
| **Total gains** | **1,903** | **-** | **-** | **-** | **-** |
| **Total own-source income** | **24,948** | **13,271** | **12,676** | **12,828** | **13,106** |
| **Net (cost of)/contribution by services** | **(207,081)** | **(228,555)** | **(237,359)** | **(241,395)** | **(239,678)** |
| Revenue from Government | 222,020 | 228,952 | 237,779 | 242,403 | 246,622 |
| **Surplus/(deficit) attributable to the Australian Government** | **14,939** | **397** | **420** | **1,008** | **6,944** |
| **OTHER COMPREHENSIVE INCOME** |  |  |  |  |  |
| Changes in asset revaluation reserve | 12,335 | - | - | - | - |
| **Total other comprehensive income** | **12,335** | **-** | **-** | **-** | **-** |
| **Total comprehensive income/(loss)** | **27,274** | **397** | **420** | **1,008** | **6,944** |
| **Total comprehensive income/(loss) attributable to the Australian Government** | **27,274** | **397** | **420** | **1,008** | **6,944** |

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021-22 Estimated actual$'000 | 2022-23Budget$'000 | 2023-24 Forward estimate$'000 | 2024-25 Forward estimate$'000 | 2025-26Forward estimate$'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 33,200 | 30,639 | 29,136 | 30,497 | 27,211 |
| Trade and other receivables | 10,079 | 11,040 | 12,259 | 12,325 | 12,171 |
| Other investments | 110,000 | 100,000 | 80,000 | 85,000 | 85,000 |
| ***Total financial assets*** | ***153,279*** | ***141,679*** | ***121,395*** | ***127,882*** | ***124,382*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 38,004 | 32,482 | 56,923 | 48,508 | 42,437 |
| Property, plant and equipment | 189,004 | 186,452 | 219,009 | 204,589 | 188,579 |
| Intangibles | 7,882 | 6,055 | 3,416 | 2,027 | 14,081 |
| Inventories | 4,457 | 4,457 | 4,457 | 4,457 | 4,457 |
| Other non-financial assets | 1,409 | 1,032 | 1,356 | 1,163 | 1,519 |
| ***Total non-financial assets*** | ***240,756*** | ***230,478*** | ***285,161*** | ***260,744*** | ***251,073*** |
| **Total assets** | **394,035** | **372,157** | **406,556** | **388,566** | **375,455** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 21,755 | 18,996 | 20,031 | 21,382 | 22,007 |
| Other payables | 1,435 | 1,252 | 1,309 | 1,316 | 1,311 |
| ***Total payables*** | ***23,190*** | ***20,248*** | ***21,340*** | ***22,698*** | ***23,318*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 94,420 | 76,387 | 109,783 | 89,319 | 69,201 |
| ***Total interest bearing liabilities*** | ***94,420*** | ***76,387*** | ***109,783*** | ***89,319*** | ***69,201*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 24,765 | 26,010 | 26,662 | 27,443 | 27,386 |
| Other provisions | 29,320 | 26,775 | 25,614 | 24,941 | 24,441 |
| ***Total provisions*** | ***54,085*** | ***52,785*** | ***52,276*** | ***52,384*** | ***51,827*** |
| **Total liabilities** | **171,695** | **149,420** | **183,399** | **164,401** | **144,346** |
| **Net assets** | **222,340** | **222,737** | **223,157** | **224,165** | **231,109** |
| **EQUITY** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 37,986 | 37,986 | 37,986 | 37,986 | 37,986 |
| Reserves | 106,112 | 106,112 | 106,112 | 106,112 | 106,112 |
| Retained surplus (accumulated deficit) | 78,242 | 78,639 | 79,059 | 80,067 | 87,011 |
| ***Total parent entity interest*** | ***222,340*** | ***222,737*** | ***223,157*** | ***224,165*** | ***231,109*** |
| **Total equity** | **222,340** | **222,737** | **223,157** | **224,165** | **231,109** |

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2022-23)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   | Retainedearnings$'000 | Assetrevaluationreserve$'000 | Contributedequity/capital$'000 | Totalequity $'000 |
| **Opening balance as at 1 July 2022** |  |  |  |  |
| Balance carried forward from previous period | 78,242 | 106,112 | 37,986 | 222,340 |
| ***Adjusted opening balance*** | ***78,242*** | ***106,112*** | ***37,986*** | ***222,340*** |
| **Comprehensive income** |  |  |  |  |
| Surplus/(deficit) for the period | 397 | - | - | 397 |
| ***Total comprehensive income*** | ***397*** | ***-*** | ***-*** | ***397*** |
| of which: |  |  |  |  |
| Attributable to the Australian Government | 397 | - | - | 397 |
| **Estimated closing balance as at 30 June 2023** | **78,639** | **106,112** | **37,986** | **222,737** |
| **Closing balance attributable to the Australian Government** | **78,639** | **106,112** | **37,986** | **222,737** |

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021-22 Estimated actual$'000 | 2022-23Budget$'000 | 2023-24 Forward estimate$'000 | 2024-25 Forward estimate$'000 | 2025-26Forward estimate$'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 87,804 | 92,893 | 83,724 | 85,242 | 86,297 |
| Receipts from Government | 135,641 | 134,642 | 153,147 | 157,322 | 160,533 |
| Sale of goods and rendering of services | 12,281 | 9,611 | 10,329 | 10,210 | 10,322 |
| Interest | 476 | 468 | 752 | 908 | 1,192 |
| Net GST received | 14,419 | 116 | (196) | (116) | (19) |
| Other  | 21,107 | 3,351 | 1,535 | 1,559 | 1,557 |
| ***Total cash received*** | ***271,728*** | ***241,081*** | ***249,291*** | ***255,165*** | ***259,882*** |
| **Cash used** |  |  |  |  |  |
| Employees | 70,982 | 74,066 | 75,506 | 76,771 | 76,645 |
| Suppliers | 120,434 | 131,268 | 134,211 | 136,526 | 138,582 |
| Net GST paid | 14,294 | - | - | - | - |
| Interest payments on lease liability | 1,252 | 1,012 | 921 | 711 | 586 |
| Other | 3,888 | 2,062 | 1,259 | 766 | 605 |
| ***Total cash used*** | ***210,850*** | ***208,408*** | ***211,897*** | ***214,774*** | ***216,418*** |
| **Net cash from/(used by) operating activities** | **60,878** | **32,673** | **37,394** | **40,391** | **43,464** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sales of property, plant and equipment | 691 | - | - | - | - |
| Investments | - | 10,000 | 20,000 | - | - |
| Other | 1,302 | - | - | - | - |
| ***Total cash received*** | ***1,993*** | ***10,000*** | ***20,000*** | ***-*** | ***-*** |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and equipment and intangibles | 12,223 | 23,247 | 37,056 | 13,376 | 26,442 |
| Investments | 25,000 | - | - | 5,000 | - |
| Other | - | 585 | - | - | - |
| ***Total cash used*** | ***37,223*** | ***23,832*** | ***37,056*** | ***18,376*** | ***26,442*** |
| **Net cash from/(used by) investing activities** | **(35,230)** | **(13,832)** | **(17,056)** | **(18,376)** | **(26,442)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 20,623 | 21,402 | 21,841 | 20,654 | 20,308 |
| ***Total cash used*** | ***20,623*** | ***21,402*** | ***21,841*** | ***20,654*** | ***20,308*** |
| **Net cash from/(used by) financing activities** | **(20,623)** | **(21,402)** | **(21,841)** | **(20,654)** | **(20,308)** |
| **Net increase/(decrease) in cash held** | **5,025** | **(2,561)** | **(1,503)** | **1,361** | **(3,286)** |
| Cash and cash equivalents at the beginning of the reporting period | 28,175 | 33,200 | 30,639 | 29,136 | 30,497 |
| **Cash and cash equivalents at the end of the reporting period** | **33,200** | **30,639** | **29,136** | **30,497** | **27,211** |

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021-22 Estimated actual$'000 | 2022-23Budget$'000 | 2023-24 Forward estimate$'000 | 2024-25 Forward estimate$'000 | 2025-26Forward estimate$'000 |
| **PURCHASE OF NON-FINANCIAL ASSETS** |  |  |  |  |  |
| Funded internally from Departmental resources (a) | 12,223 | 23,247 | 37,056 | 13,376 | 26,442 |
| **TOTAL** | **12,223** | **23,247** | **37,056** | **13,376** | **26,442** |
| **RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 16,316 | 26,616 | 92,383 | 13,566 | 26,632 |
| less: ROU additions | (4,093) | (3,369) | (55,327) | (190) | (190) |
| **Total cash used to acquire assets** | **12,223** | **23,247** | **37,056** | **13,376** | **26,442** |

Prepared on Australian Accounting Standards basis.

1. Includes funding from prior year appropriations, entity receipts, and proceeds from the sale of assets.

Table 3.6: Statement of Departmental asset movements (Budget year 2022-23)

|  |  |
| --- | --- |
|   | **Asset Category** |
|  | Land$'000 | Buildings$'000 | Otherproperty,plant andequipment$'000 | Computersoftware andintangibles$'000 | Total$'000 |
| **As at 1 July 2022** |  |  |  |  |  |
| Gross book value  | 2,595 | 11,280 | 119,390 | 19,762 | 153,027 |
| Gross book value - ROU assets | 2,635 | 41,743 | 85,136 | - | 129,514 |
| Accumulated depreciation/ amortisation and impairment | - | - | - | (11,880) | (11,880) |
| Accumulated depreciation/ amortisation and impairment - ROU assets | (241) | (20,008) | (15,522) | - | (35,771) |
| **Opening net book balance** | **4,989** | **33,015** | **189,004** | **7,882** | **234,890** |
| **Capital asset additions** |  |  |  |  |  |
| **Estimated expenditure on new or replacement assets** |  |  |  |  |  |
| By purchase - appropriation ordinary annual services (a) | - | - | 21,241 | 2,006 | 23,247 |
| By purchase - appropriation ordinary annual services - ROU assets | - | 3,179 | 190 | - | 3,369 |
| **Total additions** | **-** | **3,179** | **21,431** | **2,006** | **26,616** |
| **Other movements** |  |  |  |  |  |
| Depreciation/amortisation expense | - | (124) | (11,421) | (3,833) | (15,378) |
| Depreciation/amortisation on ROU assets | (121) | (8,456) | (12,562) | - | (21,139) |
| Disposals |  |  |  |  |  |
| Gross book value - ROU assets | - | (1,701) | (163) | - | (1,864) |
| Accumulated depreciation/amortisation and impairment | - | 1,701 | 163 | - | 1,864 |
| **Total other movements** | **(121)** | **(8,580)** | **(23,983)** | **(3,833)** | **(36,517)** |
| **As at 30 June 2023** |  |  |  |  |  |
| Gross book value | 2,595 | 11,280 | 140,631 | 21,768 | 176,274 |
| Gross book value - ROU assets | 2,635 | 43,221 | 85,163 | - | 131,019 |
| Accumulated depreciation/ amortisation and impairment | - | (124) | (11,421) | (15,713) | (27,258) |
| Accumulated depreciation/ amortisation and impairment - ROU assets | (362) | (26,763) | (27,921) | - | (55,046) |
| **Closing net book balance** | **4,868** | **27,614** | **186,452** | **6,055** | **224,989** |

Prepared on Australian Accounting Standards basis.

1. ‘Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2022-23 for depreciation/amortisation expenses, Departmental capital budget or other operational expenses.