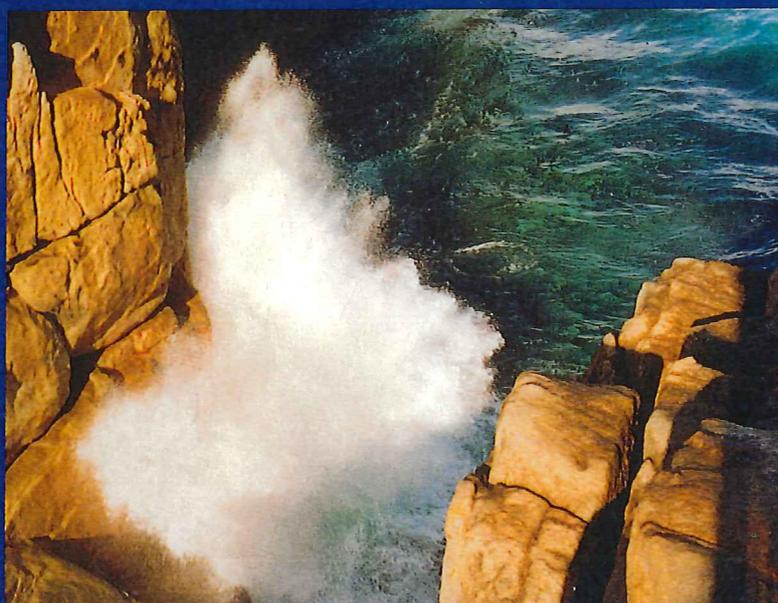




ANNUAL REPORT

2001 – 2002



**AUSTRALIA'S NATIONAL PLAN
TO COMBAT POLLUTION
OF THE SEA BY OIL AND
OTHER NOXIOUS AND
HAZARDOUS SUBSTANCES**



NATIONAL PLAN MANAGING AGENCY

CHAIRMAN'S FOREWORD

On behalf of the National Plan Management Committee, I have pleasure in presenting the Annual Report of activities of the National Plan to Combat Pollution of the Sea by Oil and other Noxious and Hazardous Substances.

No major spills of oil or other substances occurred in Australian waters during the year. However, the National Plan was called upon to respond to nine oil spill incidents.

The National Plan also participated in the responses to two significant incidents overseas.

In February 2002, National Plan equipment and AMSA technical personnel assisted New Zealand authorities in the response to the grounding of the Jody F Millennium in Poverty Bay, Gisborne. The National Plan also provided equipment and technical support to assist Singaporean authorities in responding to an oil pollution incident off the port of Singapore.

Through the year, work continued in implementing the recommendations of the 2000 National Plan Review Report. Twelve of the seventeen recommendations contained in the Review Report have been implemented. The remaining five recommendations, generally relating to detailed funding arrangements, are currently being discussed in the National Plan Management Committee. Action on these recommendations is expected to be finalised in 2002-2003.

A key outcome of the 2000 National Plan Review was the decision to develop an intergovernmental agreement formalising the national approach to oil and chemical spill preparedness and response and cooperation between Federal, State and Northern Territory Governments. The agreement will strengthen the National Plan by providing a formal framework for cooperative decision making and ensuring that the obligations of all parties are met.

The National Plan Management Committee, in which Federal, State and Northern Territory authorities, shipping, oil and chemical industries and ports are represented, continued to provide advice to the Australian Transport Council on strategic and policy direction and funding arrangements for the National Plan. The Committee met in September 2001 and March 2002.

The National Plan Operations Group continued to support the Management Committee, addressing operational issues arising in the National Plan. The Group's activities are supported by three working groups - Oil Operations, Chemical Operations and Environmental - that continued to meet during the year.

Jim Starkey
Chairman

National Plan Management Committee
31 October 2002

NATIONAL PLAN HIGHLIGHTS 2001–2002

The 2000 National Plan Review

- Twelve of the seventeen recommendations from the 2000 National Plan Review have now been implemented. (page 3)
- The Inter-Governmental Agreement on the National Plan was finalised during the reporting period.

Safe Havens and Salvage Conference

- The Safe Havens and Salvage Conference jointly sponsored by AMSA and the Association of Australian Ports and Marine Authorities (AAPMA) in February 2002.
- Outcomes of the Conference identified the need for the preparation of national guidelines for providing places of refuge. (page 3)

The Australian Marine Oil Spill Centre (AMOSOC) Ten Year Anniversary

- AMOSOC celebrated 10 years of operation in June 2002. (page 4)

Environmental and Scientific Issues

- National Plan allocated \$200,000 towards the continuation of the OSRA program. (page 10)
- Inclusion of live data feeds further enhanced the capabilities of the OSTM system. (page 10)

Major Oil Spill Response

- The effectiveness of the Memorandum of Understanding between AMSA and the Maritime Safety Authority of New Zealand was tested during the response to the grounding of the Jody F Millennium in February 2002. (page 6)

ADMINISTRATION

NATIONAL PLAN 2001-2002 FINANCIAL POSITION

Financial statements reporting the cost of National Plan administration and operations have been reviewed by PricewaterhouseCoopers and are included in the Financial Statements on page 17 of this report.

The operating deficit of \$1,058,235 for the 2001-2002 financial year was in line with the 'break even over time' policy set by government. Revenue from the Protection of the Sea Levy provided the main source of funding for National Plan operations. The Protection of the Sea Levy remained at 3.3 cents per net registered tonne.

Total income received during the 2001-2002 financial year decreased by \$27,985, compared with the previous financial year. Incidents during the year consisted of a number of minor spills committed by unidentified parties. The decrease in incident recoveries reflects the decrease in the number of significant pollution incidents compared with the previous financial year.

National Plan expenditure increased by 28 per cent from 2000-2001, with total expenses of \$5,145,532. This is largely the result of increased depreciation charges incurred as a consequence of the proposed handing over of Tier 1 equipment to the States/NT.

As at 30 June 2002 the National Plan's total assets were \$7,656,110 compared with total liabilities of \$518,411. This places the National Plan in a sound financial position, with equity totalling \$7,137,699.

SAFE HAVENS AND SALVAGE CONFERENCE

A Safe Havens and Salvage Conference jointly sponsored by AMSA and the Association of Australian Ports and Marine Authorities (AAPMA), was held in Sydney on 19-20 February 2002. The Conference was attended by a number of international experts and discussed the practical and legal implications of ship refuge access and salvage operations around the Australian coastline. Key issues covered included:

- the application of Commonwealth and State powers of intervention;
- legal implications for all organisations involved in a salvage operation;
- criteria for selecting and identifying places of refuge; and,

- major salvage challenges in the application of awards under Lloyds Open Forum 2000 (LOF) and Special Compensation P&I Clause (SCOPIC).

The Conference identified the need for the preparation of national guidelines for providing places of refuge. The guidelines will be prepared under the auspices of the National Plan Management Committee.

MEETINGS DURING 2001-2002

The National Plan Management Committee (NPMC) met in Adelaide on 28 September 2001 and in Canberra on 26 March 2002, with the main agenda item being the finalisation of the Inter-Governmental Agreement on the National Plan for consideration by the Australian Transport Council in May 2002.

Twelve of the seventeen recommendations from the 2000 National Plan Review have now been implemented. The remaining five, generally relating to detailed funding arrangements, are currently being considered by the Committee with a view to implementation by the end of the 2002-2003 financial year. For budgetary reasons, completion of Recommendation 8 relating to equipment allocations to ports, will be implemented over a further two-year period.

The National Plan Operations Group (NPOG) met in Geelong on 22 November 2001 and in Sydney on 30 May 2002 to consider issues such as the distribution and transfer of National Plan first strike capability assets to the States/NT, review recommendations from incident/exercise reports, review and implement the revised National Marine Oil Spill and Chemical Spill Contingency Plans and develop and implement the National Guidelines for the Development of State/NT Oiled Wildlife Response Plans.

AUDITS AND REVIEWS

A number of audits and reviews concerning the operation of the National Plan have been conducted since its inception. Information on audits in previous years can be found in past National Plan annual reports.

During 2001-2002, an audit of AMSA's responsibilities in implementing relevant recommendations arising from the 2000 National Plan Review was undertaken

ADMINISTRATION

by KPMG. The audit result indicated that AMSA, as manager of the National Plan, had undertaken its implementation responsibilities in a thorough, well organised manner, with appropriate consideration given to the timeliness of the implementation of such recommendations.

THE AUSTRALIAN MARINE OIL SPILL CENTRE (AMOSC) TEN YEAR ANNIVERSARY

In June 2002, AMOSC celebrated 10 years of operation. Guest of honour at the celebration lunch at the Geelong base was the Honourable Dr Sharman Stone, Parliamentary Secretary to the Minister for Environment and Heritage.

AMOSC was set up following a review by the Australian Institute of Petroleum of preparedness of the Australian oil industry for a major oil spill. A nine million dollar stockpile of response equipment was set up

and an office and training centre built at Corio Quay, Geelong.

AMOSC has been mobilised 15 times during the past decade. In addition 200 training programs have been run at the Centre and throughout Australia and the Pacific Region, delivering skills to more than 3,300 participants.

POLLUTION INCIDENTS

MARINE INCIDENT REPORTING SYSTEM

Accurate statistical data required for spill response strategic planning provides a valuable resource to assist in responding to an increasing number of queries from the media, interest groups and the general public. It also provides valuable input for risk assessment and to Government projects such as the State of the Marine Environment Report and a measure of the effectiveness of the pollution prevention measures being progressively implemented.

AMSA uses the following definitions in maintaining the database:

'Oil discharges' refers to any discharges or suspected operational discharges of oil from (a) vessel(s) in excess of the permitted discharge rate under MARPOL 73/78 (generally 15 parts per million oil in water).

'Oil spills' refers to accidental spills resulting from incidents such as groundings or collisions as well as spills during bunkering resulting from overflow of tanks, burst hoses, etc.

AMSA's marine incident reporting system currently contains over 6000 records. Information is entered from the following sources:

- Oil discharge reports received through AMSA's Search and Rescue Centre (AusSAR), which includes reports from aircraft (Coastwatch, RAAF and civilian) as well as from vessels at sea.
- Records of National Plan expenditure in responding to oil spills.
- Incident reports submitted by State/NT authorities.
- Other sources (eg Department of Industry, Tourism & Resources, industry, the general public).

At least 25 per cent of the reports received by AMSA are ultimately not entered onto the database. Reasons for not entering a reported pollution sighting include where the sighting is or is strongly suspected to be one of the following:

- Land sourced, including tank farms, road tanker accidents, drains or road runoff after heavy rain (unless some response activity is required and/or National Plan response costs are incurred).

- Coral spawn or marine algae or similar occurrence, taking into account the location of the report and the time of the year.
- Discoloured water with no sheen.
- Washings of coal dust from bulk carriers.
- Discharge from a sewage outfall.

Reports of maritime incidents where there is no reported pollution are not entered unless there are preventative measures taken by a National Plan authority, which incur costs.

The completeness of the information included in this database cannot be guaranteed, as only those incidents reported to AMSA are included. AMSA does, however, make every effort to ensure the data is as complete as possible.

OIL POLLUTION STATISTICS FOR 2001-2002

There were 345 oil discharge sightings and oil spills reported during 2001-2002. National Plan resources were involved in nine responses to oil spill incidents.

Figure 1 shows a break up of sources of reported oil spills during 2001-2002.

OIL POLLUTION SOURCES

Figure 2 indicates the types of vessels from which discharges were reported during 2001-2002. Where a vessel type is not classified, this generally means that a vessel has been seen from the air but could not be

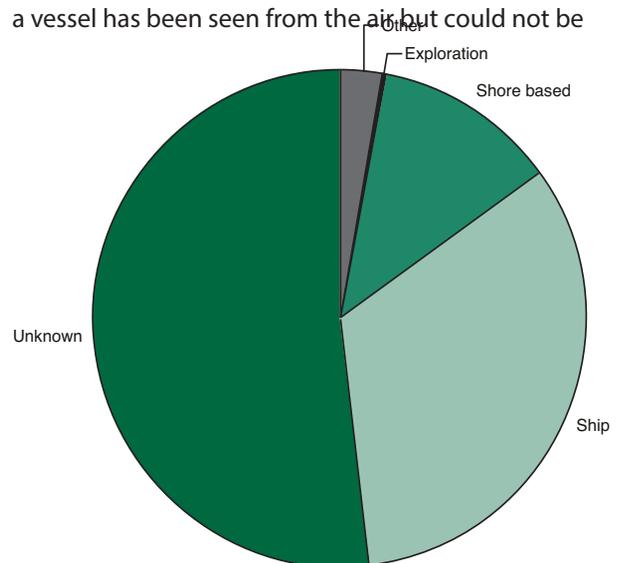


Figure 1 - Reported Oil Spills during 2001-2002

POLLUTION INCIDENTS

identified.

The source of 180 sightings during the period were not identified, although the majority are assumed to be ship-sourced.

INCIDENTS IN AUSTRALIAN WATERS 2001-2002

Phillip Island and Cape Otway - 12 December 2001

On 12 December a report was received of oil in the water off the beach between Summerland and Smiths Beach. A check was made of shipping in the area and arrangements put in place to take samples from ships known to be in the vicinity. Another report was received later in the day of a further spill at Moonlight Head, west of Cape Otway. Subsequent sampling of oil from both the Phillip Island and Cape Otway locations revealed the oil had originated from the same source. By this time a significant number of oiled birds had been reported. AMSA subsequently identified seventeen ships that were known to be in the vicinity. The Oil Spill Trajectory Model was used to “hind cast” the source of the spill. Samples have been obtained from the ships and investigations are continuing to find the responsible vessel.

Details of further incidents in Australian waters are

covered in the State and Northern Territory Activity reports.

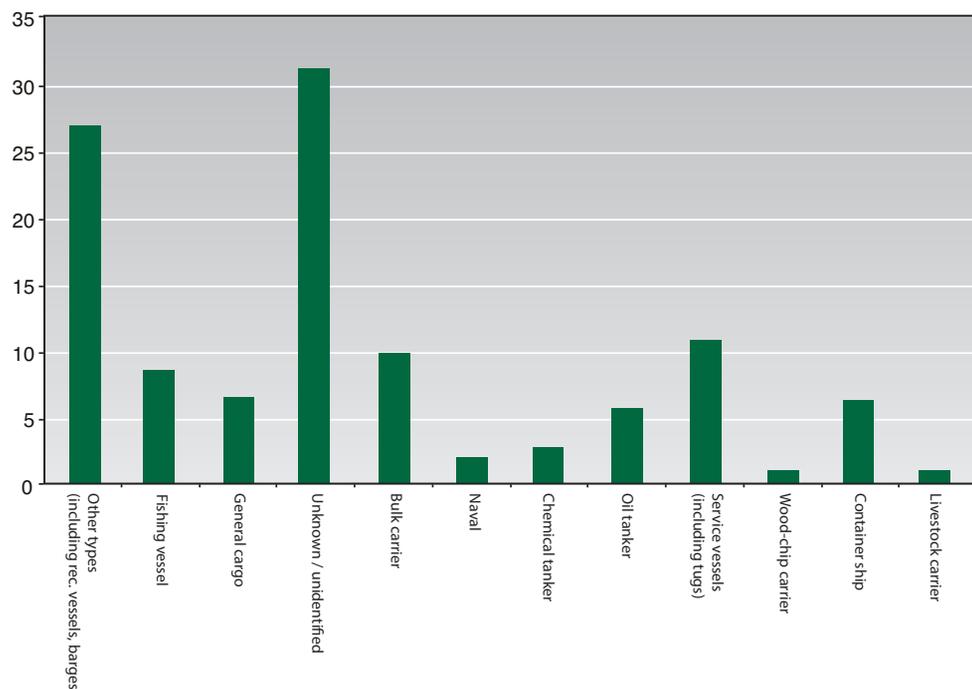
Overseas Response - Jody F Millennium, Gisborne, New Zealand

The log carrier, Jody F Millennium, grounded off the port of Gisborne on 6 February 2002 in heavy seas. At the time of the grounding, the vessel had onboard approximately 650 tonnes of heavy fuel oil of which almost 25 tonnes were lost during the first two days of the incident.

Following the loss of oil, the Maritime Safety Authority of New Zealand (MSANZ) gave effect to its Memorandum of Understanding with AMSA by requesting support from AMSA's Environment Protection Group and Environment Protection Standards. Part of this request was to assess what Australian resources could be made available should they be required and for AMSA to act as an adviser to the New Zealand incident controllers during the initial eight days of the response. An AMSA officer travelled to New Zealand to provide this support.

Two further AMSA officers were also sent to Gisborne to provide environmental, Geographical Information System and shoreline assessment support as well as operational support for equipment that was deployed

Figure 2 - Discharge Sources by Vessel Type



POLLUTION INCIDENTS

during the response.

To prevent the further loss of oil, the salvors offloaded a quantity of oil ashore in MSANZ's recovered oil barges. A quantity of the offloaded oil was transferred to the Royal New Zealand Navy tanker HMNZS Endeavour that was relocated to Gisborne specifically for this purpose. However, due to bad weather, the Endeavour was forced to leave Gisborne before all the oil could be offloaded from the casualty. The remain-



Photograph - T. Gilbert

The Jody F Millennium grounded off Gisborne NZ

ing oil was transferred to road tankers.

The oil spill response component of the operation involved over 100 people covering command and control, planning, operations, logistics, finance and administration and wildlife rescue and rehabilitation.

After lightening the ship through the removal of a significant quantity of its cargo of logs, the salvors refloated the ship on 24 February without further loss of oil. The Jody F Millennium was towed from New Zealand to an overseas port on 19 March 2002 for repairs.

EQUIPMENT AND TRAINING

EQUIPMENT PROCUREMENT

Small Weir Skimmers - Foilex

Two additional Foilex mini skimmers were purchased and are currently stored in AMSA's central stockpile in Brisbane awaiting distribution to ports.

Boom

Under AMSA's current period contract with Structurflex Ltd the following shoreline and general purpose booms were purchased:

Shoreline boom

| Location | Quantity |
|--------------------|----------|
| Darwin, NT | 100 m |
| Skardon River, QLD | 60 m |

General Purpose boom

| Location | Quantity |
|--------------------|----------|
| Darwin, NT | 195 m |
| Skardon River, QLD | 195 m |

Recovered oil tanks

Ten Flexidam 10,000 litre recovered oil tanks were also purchased under the current contract with Structurflex Ltd. They were distributed to the following ports:

| Location | Quantity |
|------------------|----------|
| Sydney, NSW | 2 |
| Port Botany, NSW | 2 |
| Gove, NT | 2 |
| Adelaide, SA | 2 |
| Port Pirie, SA | 2 |

Storage Crates

A total of 20 galvanised steel equipment storage crates were purchased for the storage of shoreline boom and various pumps and hoses. The crates are currently at AMSA's storage facility in Brisbane waiting for distribution to ports.

VESSEL REFURBISHMENT

In addition to the procurement of new equipment, the National Plan program of ongoing maintenance included the refurbishment and replacement of engines on several vessels.

Oil recovery vessel Anadara - Sydney

The Anadara underwent replacement of the existing 70 hp two-stroke outboards with new Honda 90 hp four-stroke outboards.

Oil recovery vessel Delta - Fremantle

The Marco Delta in Fremantle underwent a major refurbishment during the year. Some pitting damage in the hull was repaired prior to an acid wash and polish. The vessel's hatch covers were repaired and the deck sand blasted and repainted with a non-slip surface. Vent pipes were fitted to all holds and void spaces to prevent internal corrosion. The vessel's electrical and hydraulic systems were fully tested and repaired including a service of the hydraulic power pack and offloading pump. To complete the refurbishment, a new Bimini cover was manufactured and fitted.

Pollution Response Vessel Trochus - Westernport

AMSA's Pollution Response Landing Barge Trochus underwent a major service during the year. While slipped the vessel's engines were refurbished, gearboxes and stern drives were given a major service, the hull was sandblasted, pressure washed and repainted and the steering components were reconditioned and serviced. The cost of the service was borne by AMSA and Marine Safety Victoria.

NATIONAL PLAN EQUIPMENT AUDITS

During the reporting period AMSA officers carried out audits of National Plan equipment held at:

- Newcastle and Sydney in August;
- Christmas Island in September;
- Gove, Groote Eylandt and Weipa in October;
- Townsville, Bowen, Mackay and Shute Harbour in November;
- Port Alma, Gladstone and Bundaberg in December;
- Dampier, Fremantle, Broome and Wyndham in February;
- Brisbane, Southport and Yamba in March;
- Geraldton and Useless Loop in March; and
- Kwinana, Bunbury, Albany and Esperance in March.

EQUIPMENT AND TRAINING

TRAINING

The National Plan training program for 2001-2002 included the following AMSA run courses and workshops:

| Course | Location | Date | Number of Participants |
|---|--------------------|---------------|------------------------|
| Oil Spill Management | Fremantle, WA | July 2001 | 25 |
| State Marine Pollution Controller | Geelong, VIC | August 2001 | 19 |
| Exercise Management | Mt Macedon, VIC | November 2001 | 19 |
| Equipment Operator | Gove, NT | February 2002 | 25 |
| Environment and Scientific Coordinators | Glenelg, SA | March 2002 | 26 |
| Oil Spill Management | Coolangatta, QLD | April 2002 | 24 |
| Equipment Operator | Groote Eylandt, NT | April 2002 | 18 |
| Equipment Operator | Darwin, NT | June 2002 | 18 |
| Marine Chemical Response | Launceston, TAS | June 2002 | 17 |

The Australian Marine Oil Spill Centre (AMOSC) conducted 26 specific workshops in Australia for a total of 400 personnel. In addition, four programs for 49 personnel were conducted outside Australia.

| Course | Date | Number of Participants |
|-------------------------------|----------------|------------------------|
| Shoreline Clean up | September 2001 | 7 |
| Operators | October 2001 | 8 |
| Response | November 2001 | 18 |
| Response | March 2002 | 9 |
| Operators | May 2002 | 9 |
| Response | June 2002 | 17 |
| Core Group Refresher | June 2002 | 11 |
| Client specific programs (19) | | 321 |

ENVIRONMENTAL AND SCIENTIFIC ISSUES

OIL SPILL RESPONSE ATLAS

The Oil Spill Response Atlas (OSRA) provides vital environmental, biological and logistical information to marine spill responders in a useful and effective format to enable a fast and efficient response to oil and chemical spills in the marine environment.

In the 2001-2002 financial year, the National Plan allocated \$200,000 towards the continuation of the OSRA program. For the first time in the program, funding was allocated to the States/NT to update and maintain existing data. Funding was distributed to acquire new spatial datasets and imagery.

The OSRA Toolset was also completed and distributed to the States/NT in this period. The Toolset includes a Theme Manager, Spill Manager, Incident Information and Locate Position tools and a number of other useful functions for spill responders. AMSA conducted three OSRA Toolset training courses around Australia aimed at informing the State/NT OSRA Coordinators. This will allow the coordinators to train additional personnel in the use of the Toolset and Atlas during an incident.

The Atlas has been used extensively in incidents and exercises since its inception in December 1999 and has proven to be a robust and effective decision support tool.

OIL SPILL TRAJECTORY MODELLING

In near-shore marine environments, the tracking of oil spills likely to impact the shoreline is of prime importance in the effective deployment of oil spill response personnel and equipment to protect environmentally sensitive areas and response planning.

Since the acquisition of the new Oil Spill Trajectory Modelling (OSTM) System, AMSA has provided to State/NT oil spill response personnel various trajectories for incidents and exercises.

The inclusion of live data feeds of wind, sea surface temperature and sea surface elevation data in 2001-2002 further enhanced the capabilities of the OSTM system. This information is provided by CSIRO - Marine Research and the Bureau of Meteorology.

ENVIRONMENT AND SCIENTIFIC COORDINATORS WORKSHOP

The National Plan, with assistance from Environment Australia, funded the

11th Environment and Scientific Coordinators (ESC) Workshop in Glenelg, South Australia in March 2002.

ESCs from all States and Territories attended the workshop as well as representatives from the oil and shipping industries.

Topics covered at the Workshop included:

- State/NT/industry reports of incidents and exercises;
- Dispersant shelf life testing;
- Community and indigenous liaison;
- Wildlife issues;
- Environment Working Group issues such as the OH&S video and RD&T projects;
- Oil Spill Trajectory Modelling;
- OSRA toolset; and
- Sampling and analysis of oil spills.

The Workshop proceedings can be found on the AMSA web site at <http://www.amsa.gov.au/me/natplan/TOOLBOX/ESCWSP.htm>

OILED WILDLIFE WORKSHOP

A national Oiled Wildlife Workshop was held in Canberra on 7 and 8 May 2002. Over 20 participants from the Commonwealth, New Zealand and all States except Western Australia and the Northern Territory attended.

A key focus of the workshop was to provide input to the development of National Oiled Wildlife Response Guidelines. The need for national guidelines has been identified following a number of major spills in Australia.

Other topics included managing wildlife response within an overall response structure, wildlife response training and lessons learned from major overseas incidents such as the Treasure oil spill in South Africa.

ACTIVITIES IN STATES AND THE NORTHERN TERRITORY

VICTORIA



SIGNIFICANT INCIDENTS

There were no major spills in Victoria during the reporting period. However, the following five responses were mounted:

- July 2001, the vessel Tasman spilt 4,000 litres of unleaded petrol into the Yarra River at Holden Dock.
- August 2001, the container vessel Maersk Tacoma experienced engine failure and drifted between islands in Bass Strait in gale force winds. The vessel was initially towed to a place of refuge in Sealers Cove off Wilson's Promontory where damage to the engine was evaluated. The vessel was then towed to the Port of Melbourne where extensive repairs were undertaken.
- December 2001, heavy fuel oil was washed up on to the southern beaches of Phillip Island adversely impacting the penguin colony. A protracted shoreline clean up operation was required.
- December 2001, heavy fuel oil washed up at Moonlight Head, west of Cape Otway.
- December 2001, heavy fuel oil, which washed up on the back beaches of the Mornington Peninsula from Portsea to Gunnamatta, required a protracted shoreline clean up.

In all cases, Marine Safety Victoria's Incident and Pollution Coordination Centre was activated. The Regional, State and National Plans were activated and achieved extremely successful responses.

Other incidents of significance that required a coordinated response were:

- January 2002, bunker fuel washed onto the beaches of Portsea and Sorrento.
- February 2002, marine fuel oil and sewage spilled from the vessel MV Corriedale Express into Portland Harbour.
- February 2002, fuel oil washed up at Sealers Cove, on Wilson's Promontory.
- February 2002, lubricant additive washed up on Smiths Beach, Phillip Island.

There were 47 marine pollution incidents reported throughout the state during the reporting period. It

was established that 19 spills originated from vessels, although in most cases, the offending vessel could not be identified. Eight of these were identified. A further 13 spills originated from land, with oil being carried into the marine environment by drains or other means. In the other 15 cases, the source was not identified.

LOCAL TRAINING

Marine Safety Victoria implemented an ongoing training program to support the nationally endorsed Incident Control System for managing marine pollution responses. This included developing an Oil Spill Response Incident Control System manual under licence to the Australasian Fire Authorities Council. The training program further streamlined and integrated marine pollution response with mainstream emergency management arrangements.

During the year Marine Safety Victoria trained over 180 personnel from a wide variety of agencies. Courses and workshops included - Introduction to Marine Pollution Response Arrangements, Oil Spill Response Management, Equipment Operator Training, Oil Spill Response Incident Control Training, Oil Spill Response Atlas Training, Equipment Operator Refresher Training, Shoreline Clean Up Training, Media Management Training, State Marine Pollution Controllers Workshop and Marine Pollution Exercise Management.

OIL SPILL RESPONSE ATLAS (OSRA)

Work continued on the development of OSRA for the Victorian coastline. The Atlas now provides details of geographical and environmental features, local infrastructure, coastline access, etc to assist planning, responses and protection of the environment in the event of an oil spill. The datasets were maintained and additional maps and datasets included. This was achieved with funding support from the National Plan.

ENVIRONMENT & SCIENTIFIC COORDINATOR

The agreement with the Marine and Fresh Water Research Institute to provide Marine Safety Victoria with an Environment and Scientific Coordinator (ESC) continued this year. This enabled Victoria to further develop the Oil Spill Response Atlas (OSRA) and have

ACTIVITIES IN STATES AND THE NORTHERN TERRITORY

representation on scientific and environmental issues at the national level. The ESC was also utilised in a number of the responses during the reporting period.

NEW SOUTH WALES



SIGNIFICANT INCIDENTS

There were no significant incidents during the year.

LOCAL TRAINING

Newcastle Port Corporation (NPC) conducted a three-day Oil Spill Response Course, which incorporated a tabletop exercise and a half-day Equipment Deployment exercise during May 2002. NPC also ran two Shoreline Assessment and Clean up courses in Port Macquarie and Newcastle during the reporting period.

All operators at the Shell Terminal at Gore Bay have now completed an Advanced Fire Fighting training course held in Brisbane.

EXERCISES

Port Kembla Port Corporation (PKPC) conducted an Equipment Deployment exercise in October 2001 and a tabletop exercise at Port Kembla in November 2001.

Sydney Ports Corporation (SPC) exercised the Sydney Harbour Marine Disaster Plan during December 2001. SPC also conducted an Equipment Deployment exercise with Caltex at the Kurnell refinery during April 2002.

Port of Eden conducted an Equipment Deployment exercise during February 2002.

Shell conducted three exercises during the reporting period. These were a desktop tank fire exercise with NSW Fire Brigades and SPC in July 2001, a major disaster exercise with NSW Police, Fire Brigades and SPC in September 2001 and a confined space rescue exercise

held with NSW Fire Brigades in May 2002.

Caltex ran a desktop exercise to test the Sutherland Shire Local Emergency Plan.

EQUIPMENT ACQUISITION

The Sydney Ports Corporation purchased the following equipment:

- 500m of GP750 boom.
- 300m of Vikoma Hi-sprint boom.
- One Vikoma minivac system.

Newcastle Port Corporation repositioned the Waterways Authority oil spill response trailer from Coffs Harbour to Port Stephens.

OIL SPILL RESPONSE ATLAS (OSRA)

In accordance with the Data Preservation Plan the NSW Oil Spill Response Atlas (OSRA) underwent its annual upgrade and included:

- Shoreline birds theme upgrade using data collected by the National Parks and Wildlife Service and various bird study groups was continued and included Lord Howe Island sea birds;
- Roads theme for Lord Howe Island; and
- Updating of subtidal and intertidal habitats for estuaries in the Sydney region.

SOUTH AUSTRALIA



SIGNIFICANT INCIDENTS

There were no major incidents during the reporting period. However, South Australian personnel responded to 36 minor incidents.

LOCAL TRAINING

A three-day Advanced Oil Spill Response course was conducted in Adelaide in December 2001. Twenty people attended the full course while an additional 15 people attended the course on the third day as a refresher.

ACTIVITIES IN STATES AND THE NORTHERN TERRITORY

Eighteen people attended a one-day Oil Sampling workshop in Adelaide. The workshop was run to demonstrate procedures for sampling.

A one-day Oil Spill Response workshop was conducted in Adelaide for the Finance and Administration staff of Transport SA in May 2002.

EXERCISES

In July 2001, a desktop and practical deployment exercise was conducted in Thevenard for the staff from the SES, Country Fire Service, Flinders Ports, Wildlife, Police and Transport SA.

A desktop and practical deployment was conducted at the One Steel Wharf in Whyalla in November 2001. A total of 35 personnel attended. Equipment from Santos, One Steel and Transport SA was used during the exercise.

Santos, Transport SA and local emergency groups conducted a desktop and practical deployment of Santos/Transport SA equipment in March 2002 at Port Bonython. Forty-five personnel attended. The deployment exercise was well planned and organised. The desktop exercise recorded issues and highlighted problems when dealing with marine oil spills.

The exercises provided the opportunity:

- To familiarise/educate people both in the theoretical and practical aspects of an oil spill response.
- For overcoming problems in equipment failure when deploying gear and in recovery of equipment.
- For hands on experience for local industry personnel in the use of the response equipment.
- To inspect regional plans and update them where necessary.

EQUIPMENT ACQUISITION

The following equipment was acquired during the reporting period:

- One response truck fitted with a crane and other oil response equipment. This truck is to be used anywhere in the State for a tier 1 response.
- Ten portable VHF sets.
- One oil surface response bag - 5 tonne capacity.
- Two oil surface response bags - 2.5 tonnes capacity.

- One salvage kit consisting of two scuba diving kits and one surface hooker kit.

Two new sheds were erected, one in Wallaroo and the other in Adelaide North Arm marina for storage of response equipment.

NEW OR UPDATED CONTINGENCY PLANS

The South Australian Marine Spill Contingency Plans (SAMSCAP) have been revised and updated. Copies will be distributed to all relevant agencies.

TASMANIA



SIGNIFICANT INCIDENTS

On 8 August 2001, the container vessel, Maersk Tacoma, suffered engine failure and began drifting in an easterly direction in Bass Strait. The vessel was taken in tow to Wilson's Promontory and then to Melbourne for repairs. There was no spillage of oil from the vessel as a result of this incident.

ADMINISTRATIVE CHANGES TO STATE RESPONSE ARRANGEMENTS

The Pollution of Waters by Oil and Noxious Substances Amendment Act 2001 received Royal Assent and commenced on 17 December 2001.

This legislation extends the immunity under Section 31 of the Principal Act to an authorised officer, or to a person acting with the authority of, or on the direction of, an authorised officer acting in good faith in relation to pollution response and clean up following a maritime casualty or similar incident.

The State Marine Pollution Committee has agreed that, subject to finalisation of details, the designated tier 1 equipment should be transferred to the port companies of this State and the tier 2 and 3 regional equipment stockpiles for Tasmania should be located at the port of Bell Bay in northern Tasmania. The Committee is to consider whether some of the tier 2 and 3 equip-

ACTIVITIES IN STATES AND THE NORTHERN TERRITORY

ment should also be stored at an existing facility in Hobart used by the Department of Primary Industries, Water and Environment.

Through the Minister for Infrastructure, Energy and Resources, Tasmania signed the Inter-Governmental Agreement on the National Plan to Combat the Pollution of the Sea by Oil and other Noxious and Hazardous Substances on 28 June 2002.

NEW OR UPDATED CONTINGENCY PLANS

The revised Tasmanian Marine Oil Pollution Contingency Plan was approved by the Tasmanian Minister for Primary Industries, Water and Environment on 12 November 2001.

Work is to be undertaken to review the Tasmanian Marine Resources Fisheries and Aquaculture Oil Spill Contingency Plan to ensure consistency with the Tasmanian Marine Oil Spill Contingency Plan.

The State Marine Pollution Committee has agreed to sign off the National Marine Chemical Spill Contingency Plan.

TRAINING

The State has organised a number of stakeholder training programs to support the objectives of the National Plan.

Shoreline workshops were conducted in Hobart and Devonport and an Equipment Operators workshop was conducted in Hobart.

Communications and spill notification exercises were held at the major Tasmanian ports and one oil terminal during 2001-2002.



Deployment of boom during a training exercise

QUEENSLAND



SIGNIFICANT INCIDENTS

During 2001-2002 Queensland Transport received reports of 96 oil spills in Queensland waters. Whilst this represents a 19 per cent increase on last year's total and is above the five-year average of 75 incidents per year, it is indicative of improved reporting methods, which were introduced in 2001.

Fortunately most spills did not cause serious marine pollution. However, the mitigation of two incidents required the deployment of significant resources.

The first and most serious incident was the sinking of the Ji Chong Lee (a 30m ex long line fishing vessel) in the Fitzroy River on 27 July 2001. A response team, made up of personnel from Queensland Transport's Gladstone region and Marine Environment Protection Unit worked for approximately one month to contain and recover pollution from the vessel. A salvage contractor removed the ship from the river on 22 August 2001 and it was eventually scrapped in Mackay in October 2001.

In another incident the Panamanian registered bulk carrier La Pampa grounded in Gladstone Harbour on 27 March 2002. The ship was carrying 3000 tonnes of fuel and posed a significant threat to the State's marine environment. Queensland Transport coordinated efforts to refloat and relocate the ship to deeper waters to prevent any oil pollution. The operation was completed on 29 May 2002, with no pollution and only minimal damage to the ship.

PROSECUTIONS



Sinking of the Ji Chong Lee

ACTIVITIES IN STATES AND THE NORTHERN TERRITORY

Queensland Transport initiated four prosecutions for marine pollution offences during 2001-2002. To date only one of these prosecutions has been concluded.

The owner of the vessel Saphire were fined \$7,500 for spilling between 35 and 50 litres of diesel oil at Mandalay Beach in February 2000.

Whilst not large, the fine is consistent with previous penalties and sends a clear message to potential polluters.

LOCAL TRAINING

In total, 171 people attended oil spill response training conducted by the Queensland Transport's Maritime Division during 2001-2002. The year's priorities were the revalidation of skills for equipment and advanced equipment operators.

One major achievement was the completion of training for indigenous rangers from the various communities from northern Queensland. To date 34 indigenous rangers have completed training in various aspects of marine oil spills response.

WESTERN AUSTRALIA



SIGNIFICANT INCIDENTS

On 14 January 2002, a sudden and unexpected gust of wind estimated at 100 knots caused the after berthing lines securing the oil tanker Australian Pride to pay out and the vessel moved away from the BP refinery jetty at Kwinana. The after loading arm parted, spraying about 200 litres of oil onto the deck. This was followed by torrential rain and about 100 litres escaped the deck and entered the water. A light slick about 30m wide by 500m long moved into Cockburn Sound and was broken up by strong S/SE winds and rough seas.

On 3 June 2002, as a result of storms and torrential rain in the Exmouth region a flash flood entered the Exmouth Boat Harbour via a storm drain and swamped two trawlers, one of which sank and created a minor but visible diesel spill in the harbour. Absorbent and

general purpose booms were deployed and the spilled diesel was recovered by suction truck.

During the year, there were 17 spills reported from vessels and five from the offshore petroleum and exploration industry during the year.

ADMINISTRATIVE CHANGES TO STATE RESPONSE ARRANGEMENTS

The WA Government has combined the functions of the WA Departments of Transport and Planning into a new Department for Planning and Infrastructure (DPI). Marine safety and environmental protection functions now reside in the Marine Safety Directorate of the DPI Service Delivery Division.

A Memorandum of Agreement between DPI and the WA Ports on responding to spills outside of port waters has been formalised by most of the port authorities. The agreement provides that so long as port operations are not adversely affected, the ports will respond to spills outside of their port waters until DPI can relieve them.

LOCAL TRAINING

During the year WA DPI conducted nine National Plan training courses along with an AMSA Oil Spill Management Course. Two hundred and five people received training.

EQUIPMENT ACQUISITION

The National Plan has provided:

- The Fremantle stockpile with a submersible pump and salvage pump together with the associated power pack suitable for use with towable storage bladders and other salvage applications.
- Albany, Onslow, Dampier, Port Hedland, Bunbury and Geraldton each with a Foilex skimmer and spate pump.
- Exmouth, Onslow, Port Walcott and Albany each received two Flexidam recovered oil containers.
- A Metanza boat spray dispersant application system together with two tonnes of dispersant concentrate for deployment to Cape Cuvier and Derby.

EXERCISES

The WA State Response Team (SRT) was exercised on

ACTIVITIES IN STATES AND THE NORTHERN TERRITORY

eight occasions using the Fremantle National Plan stockpiled equipment. The SRT also participated in a two day major equipment deployment exercise conducted in June by the Dampier Port Authority and in May, Apache Energy/TK Shipping assisted in conducting a desktop exercise associated with a new well head and FSO operation near Varanus Island.

NORTHERN TERRITORY



SIGNIFICANT INCIDENTS

There were no significant oil spills in NT waters over the 2001-2002 reporting period.

ADMINISTRATIVE CHANGES TO NORTHERN TERRITORY RESPONSE ARRANGEMENTS

Progress is being made towards signing Memorandum of Agreements (MOA) between the Department of Infrastructure, Planning and Environment, Darwin Port Corporation, Alcan Gove Pty Ltd (formerly Nabalco) and Gemco Pty Ltd. The MOAs will formalise arrangements for response to marine pollution incidents



Equipment Operator Course at Tipperary Waters, Darwin

outside port limits by the port operators.

Regulations for the Northern Territory Marine Pollution Act (1999) are expected to be enacted. The Act will commence by October 2002.

LOCAL TRAINING

Equipment Operator training was conducted in Darwin, Nhulunbuy (Gove) and Alyangula (Groote Eylandt). The training was conducted by AMSA in conjunction with the Department of Infrastructure, Planning and Environment (DIPE), Darwin Port Corporation, Alcan Gove and Gemco. Staff from NT Emergency Service, NT Fire Service, Darwin Port Corporation, DIPE, Alcan Gove, Gemco and Seafood & Maritime Industries Training attended the courses. A total of 70 persons were trained.

NEW OR UPDATED CONTINGENCY PLANS

The NT Marine Oil Pollution Manual and Contingency Plan are in the final stages of update. They are expected to be endorsed by the NT Committee and circulated in 2002.

The Darwin Port Corporation Contingency Plan and Alcan Gove Contingency Plan are similarly in the final stages of completion.



The June 2002 Darwin course was the last Equipment Operator course conducted by AMSA's Greg Beck, prior to his retirement. Gary Mayer, NT Committee Chairman, presented a memento to Greg in appreciation of his assistance to the Territory over many years.

FINANCIAL STATEMENTS



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Independent review report to the board members of The Australian Maritime Safety Authority on the National Plan to Combat Pollution of the Sea by Oil and other Noxious and Hazardous Substances

Statement

Based on our review, which is **not an audit**, we have **not** become aware of any matter that makes us believe that the attached financial report of the National Plan to Combat Pollution of the Sea by Oil and other Noxious and Hazardous Substances ("the National Plan"), is **not presented fairly** in accordance with the accounting policies described in Note 1 to the financial statements.

This statement must be read in conjunction with the following explanation of the scope and summary of our role as auditor.

Scope and summary of our role

The financial report – responsibility and content

The preparation of the financial report for the year ended 30 June 2002 is the responsibility of the management of the Australian Maritime Safety Authority ("the Authority").

The auditor's role and work

We conducted an independent review of the financial report in order for the Authority to distribute the financial report to members of the National Plan Advisory Committee. Our role was to conduct the review in accordance with Australian Auditing Standards applicable to review engagements. Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

This review was performed in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report does not present fairly a view in accordance with the accounting policies described in Note 1 to the financial statements. The review procedures performed were limited primarily to:

- inquiries of the Authority's personnel of certain internal controls, transactions and individual items
- analytical procedures applied to financial data.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

FINANCIAL STATEMENTS



Independence

As auditor, we are required to be independent of the Authority and free of interests which could be incompatible with integrity and objectivity. In respect of this engagement, we followed the independence requirements set out by The Institute of Chartered Accountants in Australia and the Auditing and Assurance Standards Board.

In addition to our review work, we were engaged to undertake other services for the Authority. In our opinion the provision of these services has not impaired our independence.

A handwritten signature in black ink, appearing to read 'Mike Empson', written over the printed name.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Mike Empson', written over the printed name.

Mike Empson
Partner

Canberra
26 September 2002

FINANCIAL STATEMENTS

AUSTRALIAN MARITIME SAFETY AUTHORITY NATIONAL PLAN STATEMENT OF FINANCIAL PERFORMANCE for the year ended 30 June 2002

| | Notes | 2002 \$ | 2001 \$ |
|---|-------|--------------------|------------------|
| Revenue | | | |
| Protection of the sea levy | | 3,762,531 | 3,719,007 |
| Equipment hire | | 113,554 | 153,765 |
| Incident recovery | 3 | 89,458 | 151,207 |
| Interest | | 65,737 | 64,700 |
| Profit on sale of assets | | 7,630 | - |
| Other revenue | | 48,387 | 26,603 |
| Total Revenue | 4 | 4,087,297 | 4,115,282 |
| Expenses | | | |
| Staff costs | 5 | 856,679 | 1,051,843 |
| Travel and transport | | 198,227 | 175,704 |
| Materials and services | 6 | 701,447 | 1,000,167 |
| Communications expenses | | 24,134 | 26,675 |
| Occupancy costs | 7 | 103,536 | 94,149 |
| Administrative expenses | | 97,060 | 97,808 |
| Overheads | 8 | 610,951 | 514,226 |
| Depreciation and amortisation | | 2,397,648 | 846,105 |
| Incident costs | 3 | 48,598 | 183,478 |
| Loss on sale of assets | | - | 11,377 |
| Write down of assets | | 107,252 | 5,020 |
| Total Expenses | | 5,145,632 | 4,006,552 |
| Operating surplus/(deficit) | | (1,058,235) | 108,730 |
| Accumulated surpluses at start of financial year | | 1,206,815 | 1,016,013 |
| Asset transfers | | (30,751) | 41,438 |
| Aggregate of amounts transferred from reserves | 19 | 209,208 | 40,634 |
| Accumulated surpluses at end of financial year | 19 | 327,037 | 1,206,815 |

The above Statement of Financial Performance should be read in conjunction with the notes to the financial statements set out in the following pages.

FINANCIAL STATEMENTS

**AUSTRALIAN MARITIME SAFETY AUTHORITY
NATIONAL PLAN
STATEMENT OF FINANCIAL POSITION
as at 30 June 2002**

| | Notes | 2002 \$ | 2001 \$ |
|--------------------------------------|-------|------------------|------------------|
| Current Assets | | | |
| Cash | 9 | 1,775,190 | 468,480 |
| Receivables | 10 | 183,531 | 236,757 |
| Inventories | 11 | - | - |
| Other | 12 | 10,477 | 5,756 |
| Total Current Assets | | 1,969,198 | 710,993 |
| Non Current Assets | | | |
| Property, plant and equipment | 13 | 5,528,864 | 7,801,268 |
| Intangibles | 14 | 158,048 | 219,228 |
| Total Non Current Assets | | 5,686,912 | 8,020,484 |
| Total Assets | | 7,656,110 | 8,731,477 |
| Current Liabilities | | | |
| Creditors | 15 | 229,610 | 263,269 |
| Provisions | 16 | 91,483 | 109,998 |
| Total Current Liabilities | | 320,993 | 373,267 |
| Non Current Liabilities | | | |
| Provisions | 16 | 197,418 | 131,526 |
| Total Non Current Liabilities | | 197,418 | 131,526 |
| Total Liabilities | | 518,411 | 504,793 |
| Net Assets | | 7,137,699 | 8,226,684 |
| Equity | | | |
| Accumulated surpluses | 19 | 327,037 | 1,206,815 |
| Reserves | 19 | 6,810,661 | 7,019,869 |
| Total Equity | | 7,137,698 | 8,226,684 |

The above Statement of Financial Position should be read in conjunction with the notes to the financial statements set out in the following pages.

FINANCIAL STATEMENTS

AUSTRALIAN MARITIME SAFETY AUTHORITY NATIONAL PLAN STATEMENT OF CASH FLOWS for the year ended 30 June 2002

| | Note | 2002 \$ | 2001 \$ |
|--|------|-------------------------|---------------------------|
| OPERATING ACTIVITIES | | | |
| Cash received | | | |
| Levies, fees and charges received | | 4,007,692 | 3,753,763 |
| Interest received | | 65,737 | 64,700 |
| Incident costs re-imbursed | | 89,458 | 166,328 |
| GST recovered from taxation authority | | 188,000 | 311,104 |
| Total cash received | | <u>4,350,887</u> | <u>4,295,895</u> |
| Cash used | | | |
| Cash paid to employees and suppliers | | <u>(2,819,141)</u> | <u>(3,242,635)</u> |
| Total cash used | | <u>(2,819,141)</u> | <u>(3,242,635)</u> |
| Net cash from operating activities | 17 | <u><u>1,531,746</u></u> | <u><u>1,053,260</u></u> |
| INVESTING ACTIVITIES | | | |
| Cash received | | | |
| Proceeds from disposal of equipment | | <u>56,207</u> | 343 |
| Total cash received | | <u>56,207</u> | 343 |
| Cash used | | | |
| Payments for property, plant and equipment | | <u>(281,243)</u> | <u>(1,377,177)</u> |
| Total cash used | | <u>(281,243)</u> | <u>(1,377,177)</u> |
| Net cash used by investing activities | | <u><u>(225,036)</u></u> | <u><u>(1,376,834)</u></u> |
| Net Increase (decrease) in cash held | | 1,306,710 | (323,574) |
| Cash at the beginning of the reporting period | | 468,480 | 792,054 |
| Cash at the end of the reporting period | | <u><u>1,775,190</u></u> | <u><u>468,480</u></u> |
| Cash as per Statement of Financial Position | | 1,775,190 | 468,480 |

The above Statement of Cash Flows should be read in conjunction with the notes to the financial statements set out in the following pages.

FINANCIAL STATEMENTS

AUSTRALIAN MARITIME SAFETY AUTHORITY NATIONAL PLAN NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2002

Note 1 Statement of Significant Accounting Policies

1.1 Basis of Accounting

The financial report is a special purpose financial report which has been prepared on a full accrual accounting basis, in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board. Except for certain assets which, as noted, are at valuation, the financial statements are prepared in accordance with the historical cost convention.

The financial statements have been extracted from the books and records of the Australian Maritime Safety Authority, and they represent the Authority's income and expenditure, and assets and liabilities in managing the National Plan. They do not include the income, expenses, assets or liabilities of third parties involved in National Plan activities.

1.2 Revenue

All material revenues described in this note are revenues relating to the core operating activities of the National Plan.

The major appropriation revenue for the National Plan relates to maritime infrastructure charges and includes levies received by the Commonwealth under the *Protection of the Sea (Shipping Levy) Act 1981* and through the recovery of pollution incident costs from offending parties.

Revenues are recognised to the extent they have been received by the National Plan or are entitled to be received by the National Plan at year end.

1.3 Property, plant and equipment

Property plant and equipment are stated at carrying amounts not exceeding their recoverable values. In assessing recoverable amounts, the relevant cashflows have not been discounted to their present values.

Depreciation

Depreciation is provided on a straight line basis on all Property, Plant and Equipment at rates calculated to allocate the cost or valuation of those assets over their estimated useful lives.

Depreciation/amortisation rates (useful lives) and methods are reviewed at each balance date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

The estimated useful lives applying to each class of depreciable assets are as follows:

| | 2002 | 2001 |
|-------------------------------|---------------|---------------|
| Furniture and fittings | 4 - 10 years | 4 - 10 years |
| Plant and equipment | 3 - 30 years | 3 - 30 years |
| Office and computer equipment | 3 - 16 years | 3 - 16 years |
| Vessels and amphibians | 10 - 20 years | 10 - 20 years |
| Vehicles | 6 - 12 years | 6 - 12 years |

FINANCIAL STATEMENTS

Note 1 Statement of Significant Accounting Policies (continued)

Acquisition of Assets

All acquisitions of assets are accounted for at cost. Cost is determined as the fair value of the assets at date of acquisition plus costs incidental to the acquisition.

Valuations

Assets are revalued every three years using the "deprival" method of valuation. The valuation base is net current replacement cost.

Disposal of revalued assets

The gain or loss on disposal of revalued assets is calculated as the difference between the carrying amount of the asset at the time of disposal and the proceeds on disposal and is included in the results in the year of disposal.

Any related revaluation increment standing in the asset revaluation reserve at the time of disposal is transferred back to accumulated results.

1.4 Intangibles

The carrying amount of each non-current intangible asset is reviewed to determine whether it is in excess of the asset's recoverable amount. If an excess exists as at the reporting date, the asset is written down to its recoverable amount immediately. In assessing recoverable amounts, the relevant cash flows, including the expected cash inflows from future appropriations by the Parliament, have been discounted to their present value.

No write-down to recoverable amount has been made in 2001-2002.

Intangible assets are amortised on a straight-line basis over their anticipated useful lives, which are between 3 and 15 years.

1.5 Inventories

Inventories are managed stores which are expected to be used within twelve months, less a provision for slow moving stock. These items are not held for resale and are valued at weighted average cost.

1.6 Liability for Employee Entitlements

The liability for employee entitlements encompasses provisions for annual leave and long service leave which is accrued from an employee's date of commencement. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken by employees is less than the annual entitlement for sick leave.

The provision for annual leave reflects the value of total annual leave entitlements of all employees at 30 June 2002 and is recognised at its nominal value, including costs attributable to workers' compensation insurance.

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2002. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

FINANCIAL STATEMENTS

1.7 Receivables

All receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Credit terms are usually 30 days. (2001: 30 days).

Bad debts are written off during the year in which they are identified. A provision is raised for doubtful debts based on a review of outstanding accounts at year end.

1.8 Trade Creditors

Creditors and accruals represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition.

1.9 Reclassification of comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in these financial statements.

Note 2 Contingencies

In the normal course of operations, the Authority is responsible for the provision of funds necessary to meet the clean up costs arising from ship sourced marine pollution, and in all circumstances the Authority is responsible in accordance with the National Plan Administrative Arrangements for making appropriate efforts to recover the costs of any such incidents. In the event that funds are insufficient to meet these costs, funding could be provided on an as needs basis from the Commonwealth.

Note 3 Incident Costs and Recoveries

The decrease in incident recoveries reflects the decrease in the number of significant pollution incidents compared with the previous financial year. The majority of incident costs have been recovered from the parties at fault.

Incident costs do not include the salaries, wages and associated on costs incurred. However, as these costs are considered incident costs, they are included in incident recoveries.

FINANCIAL STATEMENTS

| | 2002 \$ | 2001 \$ |
|-----------------------|------------|------------|
| Note 4 Revenue | | |
| Rendering of services | 4,021,581 | 4,050,582 |
| Interest | 65,737 | 64,700 |
| | 4,087,297 | 4,115,282 |

Note 5 Staff costs

Staff costs also include the proportion AMSA's staff costs attributable to National Plan activities and staff costs associated with pollution incidents. Staff costs attributable to pollution incidents are recovered through incident recoveries.

In addition to salaries and wages, staff costs includes all associated staff on costs, including superannuation, staff development and fringe benefits tax.

Note 6 Materials and services

In the financial year ended 30 June 2002, materials and services expense included an increase in the provision made for slowing moving dispersant stock of \$93,635 (refer note 11).

Note 7 Occupancy costs

Occupancy costs include storage costs of equipment and accommodation costs of National Plan staff.

Note 8 Overheads

Overheads are the estimated share of the Authority's corporate and head office costs attributable to National Plan activities. This includes the proportion of actual expenditures for the Board, Internal Audit, as well as the Business Units comprising Strategic Development, Corporate and Commercial Services, and the Executive.

Note 9 Cash

| | | |
|------|-----------|---------|
| Cash | 1,775,190 | 468,480 |
| | 1,775,190 | 468,480 |

Note 10 Receivables

| | | |
|-----------------------------------|---------|---------|
| Trade debtors | 83,517 | 192,768 |
| less Provision for doubtful debts | - | (5,020) |
| | 83,517 | 187,748 |
| Other debtors | 80,444 | 49,010 |
| GST receivable | 19,570 | - |
| | 183,531 | 236,757 |

FINANCIAL STATEMENTS

| | 2002 \$ | 2001 \$ |
|--|--------------------|------------------|
| Note 11 Inventory | | |
| Oil dispersant stocks | 898,902 | 805,267 |
| Provision slow moving stock | <u>(898,902)</u> | <u>(805,267)</u> |
| | <u>-</u> | <u>-</u> |
| Note 12 Other | | |
| Prepayments | <u>10,477</u> | <u>5,756</u> |
| | <u>10,477</u> | <u>5,756</u> |
| Note 13 Property, plant and equipment | | |
| <i>Plant and equipment:</i> | | |
| - independent valuation 2000 | 5,184,567 | 5,369,597 |
| Accumulated depreciation | <u>(1,746,508)</u> | <u>(491,319)</u> |
| | 3,438,059 | 4,878,278 |
| - cost | 1,682,095 | 1,496,645 |
| Accumulated depreciation | <u>(887,629)</u> | <u>(94,983)</u> |
| | 794,466 | 1,401,662 |
| Total plant and equipment | <u>4,232,525</u> | <u>6,279,940</u> |
| <i>Office and computer equipment:</i> | | |
| - independent valuation 2000 | 41,548 | 52,942 |
| Accumulated depreciation | <u>(35,251)</u> | <u>(25,853)</u> |
| | 6,297 | 27,089 |
| - cost | 39,064 | 16,150 |
| Accumulated depreciation | <u>(8,196)</u> | <u>(81)</u> |
| | 32,868 | 16,069 |
| Total office and computer equipment | <u>39,186</u> | <u>43,158</u> |
| <i>Furniture and fittings:</i> | | |
| - independent valuation 2000 | 29,733 | 49,657 |
| Accumulated depreciation | <u>(13,656)</u> | <u>8,873</u> |
| | 16,077 | 58,530 |
| - cost | - | - |
| Accumulated depreciation | <u>-</u> | <u>-</u> |
| | - | - |
| Total furniture and fittings | <u>16,077</u> | <u>58,530</u> |

FINANCIAL STATEMENTS

| | 2002 \$ | 2001 \$ |
|--|-------------------------|-------------------------|
| Note 13 Property, plant and equipment (continued) | | |
| <i>Vehicles:</i> | | |
| - cost | 37,885 | 29,527 |
| Accumulated depreciation | <u>(7,264)</u> | <u>(6,817)</u> |
| Total vehicles | <u>30,431</u> | <u>22,710</u> |
| <i>Vessels and amphibians:</i> | | |
| - independent valuation 2001 | 1,459,488 | 1,459,488 |
| Accumulated depreciation | <u>(250,278)</u> | <u>(62,570)</u> |
| - cost | 1,209,210 | 1,396,918 |
| Accumulated depreciation | <u>-</u> | <u>-</u> |
| Total vessels and amphibians | <u>1,209,210</u> | <u>1,396,918</u> |
| Capital works in progress | 1,436 | - |
| Total property, plant and equipment | <u>5,528,864</u> | <u>7,801,256</u> |

Property, plant and equipment is valued in accordance with the revaluation policy as described in Note 1. Plant and equipment, office and computer equipment, vehicles and furniture and fittings were revalued in the financial year ended 30 June 2000. Vessels and amphibians were revalued in the financial year ended 30 June 2001.

Additions to assets since revaluation have been included in their respective classes at cost less accumulated depreciation.

Note 14 Intangibles

| | | |
|--------------------------|-----------------------|-----------------------|
| Computer software | 305,900 | 305,900 |
| Accumulated amortisation | <u>(147,852)</u> | <u>(86,672)</u> |
| | <u>158,048</u> | <u>219,228</u> |

Note 15 Creditors

| | | |
|----------------------|-----------------------|-----------------------|
| Trade creditors | 165,807 | 193,274 |
| Salaries and wages | 42,629 | 46,921 |
| Monies held in trust | <u>21,074</u> | <u>21,074</u> |
| | <u>229,510</u> | <u>263,269</u> |

FINANCIAL STATEMENTS

| | 2002 \$ | 2001 \$ |
|---|------------------|------------------|
| Note 16 Provisions | | |
| <i>Current</i> | | |
| Long service leave | 33,397 | 59,431 |
| Annual leave | 58,086 | 50,567 |
| | 91,483 | 109,998 |
| <i>Non Current</i> | | |
| Long service leave | 178,011 | 113,573 |
| Annual leave | 21,407 | 17,953 |
| | 197,418 | 131,526 |
| Note 17 Reconciliation of operating surplus/(deficit) to net cashflows from operating activities | | |
| Operating surplus/(deficit) | (1,068,236) | 108,730 |
| Depreciation | 2,397,648 | 846,105 |
| Asset write downs | 107,252 | - |
| Loss on disposal of non-current assets | - | 11,377 |
| Profit on disposal of non-current assets | (7,630) | - |
| GST Recovered on payments for non-current assets | 25,568 | 125,198 |
| <i>Changes in assets and liabilities:</i> | | |
| (Increase)decrease in trade debtors | 58,246 | (165,677) |
| (Increase)decrease in inventories | - | - |
| (Increase)decrease in prepayments | (4,721) | 11,167 |
| (Decrease)increase in trade creditors and other creditors | (27,487) | 51,067 |
| (Decrease)increase in employee liabilities | 41,096 | 47,701 |
| Net cash flows from operating activities | 1,531,748 | 1,036,687 |
| Balance per cash flow statement | 1,531,746 | 1,053,260 |
| Note 18 Commitments | | |
| BY TYPE | | |
| CAPITAL COMMITMENTS | | |
| Infrastructure, plant and equipment | 241,503 | 53,865 |
| Total capital commitments | 241,503 | 53,865 |
| OTHER COMMITMENTS | | |
| Operating leases | 252,950 | 13,613 |
| Other commitments | 12,941 | 108,771 |
| Total other commitments | 265,891 | 122,384 |
| COMMITMENTS RECEIVABLE | (46,127) | (16,023) |
| Net commitments | 461,267 | 160,226 |
| BY MATURITY | | |
| All net commitments | | |

FINANCIAL STATEMENTS

| | 2002 | 2001 |
|--|----------------|----------------|
| | \$ | \$ |
| One year or less | 455,321 | 155,507 |
| From one to two years | 5,946 | 4,719 |
| Net commitments | 461,267 | 160,226 |
| Operating lease commitments | | |
| One year or less | 70,561 | 7,656 |
| From one to two years | 159,394 | 4,719 |
| Net operating lease commitments | 229,955 | 12,375 |

Note 19 Equity

| Item | Accumulated surpluses | Asset revaluation reserve | Total reserves | TOTAL EQUITY |
|------------------------------|--------------------------|---------------------------------|------------------|------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance 1 July 2001 | 1,206,815 | 7,019,868 | 7,019,869 | 8,226,684 |
| Surplus/(deficit) | (1,058,235) | - | - | (1,058,235) |
| Asset transfers | (30,751) | - | - | (30,751) |
| Transfers to/(from) reserves | 209,208 | (209,208) | (209,208) | - |
| Balance 30 June 2002 | 327,037 | 6,810,661 | 6,810,661 | 7,137,699 |

Accumulated surpluses

The accumulated surpluses represent the equity of the National Plan used to fund the working capital costs of the National Plan and to purchase property plant and equipment assets to deliver a response capability. As such, the accumulated surpluses can only be realised as cash upon cessation of the National Plan.

Asset revaluation reserve

The National Plan property plant and equipment assets were revalued in accordance with Australian Accounting Standard Statement No. 10 which requires the value of non current assets to be reassessed on a progressive basis.

The revaluation has been undertaken using the "deprival" value method as measured by the replacement costs necessary to obtain an equivalent or identical asset which will provide the same level of service benefits currently provided by that asset, taking into account its condition and remaining useful life.

The asset revaluation reserve represents the net increase in asset values between book values and the revalued amounts upon revaluation and as such cannot be realised as cash until the sale of the assets.

