ANNUAL REPORT

2002 – 2003

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

Australian Government

Australian Maritime Safety Authority

NATIONAL PLAN MANAGING AGENCY

National Plan to Combat Pollution of the Sea by Oil and other Noxious and Hazardous Substances

ANNUAL REPORT 2002–2003

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MISSION

The purpose of the National Plan is to maintain a national integrated Government and industry organisational framework capable of effective response to pollution incidents in the marine environment and to manage associated funding, equipment and training programs to support National Plan activities.

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CHAIRMAN'S FOREWORD

On behalf of the National Plan Management Committee (NPMC), 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 (National Plan).

The year has been a period of consolidation for the National Plan.

The Intergovernmental Agreement (IGA) between Commonwealth, State and Northern Territory Governments formalising the national approach to oil and chemical spill preparedness and response and cooperation, is now well established.

The National Plan Management Committee, in which Commonwealth, State and Northern Territory authorities, shipping, oil and chemical industries and ports are represented, continued to meet its responsibilities and obligations through the provision of advice to the Australian Transport Council on strategic and policy direction and funding arrangements for the National Plan. The Committee met in September 2002 and February 2003.

Significant events occurring during the year included:

- commencement of oil spill equipment redistribution as outlined under the IGA;
- endorsement by the Australian Transport Council of the National Maritime Place of Refuge Risk Assessment Guidelines;
- Exercise 2002 which was designed to raise awareness of cultural, environmental and jurisdictional issues within the Torres Strait and identify improvements to the strategic and operational readiness to a major spill in the region; and
- the 10th biennial oil spill conference, Spillcon in Sydney, was attended by more than 250 oil spill response specialists.

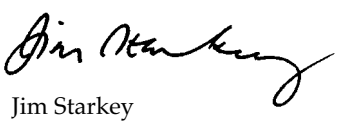
Through the year, work also continued in implementing the recommendations of the 2000 National Plan Review Report. The NPMC has considered the recommendations arising from the 2000 National Plan Review. All of the recommendations have either been addressed to the Committee's satisfaction or have been brought within the ambit of the Committee's work program.

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 73 oil spill incidents as well as a number of groundings, notably *HMS Nottingham* on Wolf Rock near Lord Howe Island and *Doric Chariot* on Piper Reef in far north Queensland.

National Plan resources were utilised in two significant overseas deployments.

Following the sinking of the tanker *Prestige* on 19 November 2002, Spanish authorities sought international support to clean birds and other wildlife. The National Plan provided travel assistance for two specialist wildlife personnel from Sydney's Taronga Zoo to assist European clean up teams. This experience has helped to enhance Australia's own wildlife response arrangements. The Australian Marine Oil Spill Centre (AMOSC) in Geelong financed a senior staff member to work alongside personnel from the UK based Oil Spill Response Limited during the clean up following the *Prestige* incident and this experience will also benefit our spill response capabilities.

National Plan personnel have also conducted oil spill equipment audits in Fiji, Papua New Guinea, Vanuatu and Kiribati on behalf of the South Pacific Regional Environmental Programme (SPREP). These visits will assist in the development of an equipment strategy to highlight equipment types, quantities and training that would enable the South Pacific nations to stage a response to small scale spills that may occur in their waters.



Jim Starkey
Chairman
National Plan Management Committee

NATIONAL PLAN HIGHLIGHTS 2002–2003

The 2000 National Plan Review

- The Inter-Governmental Agreement has now been signed by all jurisdictions.
- National Plan Management Committee met in Sydney on 16 September 2002 seeking additional information on jurisdictional expenditure on National Plan activities and spill incident statistics.

Exercise 2002

Exercise 2002 took place in Torres Strait on 31 October and was designed to raise awareness of cultural, environmental and jurisdictional issues within the Torres Strait and identify improvements to the strategic and operational readiness to a major spill in the region.

Spillcon

The 10th biennial oil spill conference, Spillcon 2002, was attended by more than 250 specialists at Manly in Sydney. The theme of the conference was 'Keeping the Waters Clean'.

Prestige

On 19 November 2002 the oil tanker *Prestige*, laden with 77,000 tonnes of heavy fuel oil, broke in two off the coast of Galicia, Spain, spilling an unknown but substantial quantity of its cargo. Travel assistance for two specialist wildlife personnel from Sydney's Taronga Zoo was provided by the National Plan to assist European clean up teams. This experience has helped to enhance Australia's own wildlife response arrangements.

Chemical Spill Response Training 2003

A National Plan Maritime Chemical Spill Response training course was held from 6 to 8 May 2003 in Melbourne in conjunction with Marine Safety Victoria. AMSA took a leading role in developing material and providing presentations at the course.

Place of Refuge Guidelines

The National Maritime Place of Refuge Risk Assessment Guidelines were endorsed by the Australian Transport Council on 23 May 2003.

ADMINISTRATION

National Plan 2002-2003 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 20 of this report.

The operating deficit of $316,373 for the 2002/2003 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 2002/2003 financial year increased by $125,474 compared with the previous financial year. Incidents during the year consisted of a number of minor spills committed by unidentified parties.

National Plan expenditure decreased by 11% from 2002-2003, with total expenses of $4,529,144. This is largely the result of decreased depreciation charges.

As at 30 June 2003 the National Plan's total assets were $8,601,091 compared with total liabilities of $798,129. This places the National Plan in a sound financial position, with equity totalling $7,802,962.

Meetings during 2002-2003

The National Plan Management Committee (NPMC) met in Sydney on 16 September 2002 and in Canberra on 4 February 2003, with the main agenda items being funding, implementing the potential polluter pays principle and the Committee's future work program and key performance indicators.

National Plan Operations Group

The National Plan Operations Group (NPOG) met in Melbourne on 21 November 2002 and 15 May 2003 to consider issues such as the distribution and transfer of National Plan first strike capability assets to the States/NT, standard proforma for incident reporting, National Plan training, attendance at overseas incidents, deployment of staff between agencies, chemical spill risk assessment and the review of National Plan Guidelines which support the Intergovernmental Agreement.

Implementation of OPRC-HNS Protocol

In March 2000, an IMO Diplomatic Conference adopted the Protocol on Preparedness, Response and Co-operation to Pollution Incidents by Hazardous and Noxious Substances, 2000 (OPRC-HNS Protocol). The OPRC-HNS Protocol provides a global framework for international co-operation in combating major incidents or threats of marine pollution by substances other than oil. Parties to the OPRC-HNS Protocol will be required to establish measures for dealing with chemical pollution incidents, either nationally or in cooperation with other countries. The Protocol will enter into force twelve months after the date on which not less than fifteen States accept it.

The major revision of Australia's chemical spill contingency plan (Chemplan) completed in early 2002 provides the basis for Australia's implementation of this Protocol. A detailed proposal for implementation of the Protocol was considered and endorsed by the National Plan Management Committee in March 2002 and Australian adoption of the Protocol was endorsed by the Australian Transport Council in November 2002. No legislation will be required to give effect to this Protocol. A National Interest Analysis has been finalised and Australian ratification of the Protocol is expected in the first half of 2004.

Spillcon 2002 - Sydney

More than 250 oil spill response specialists attended Spillcon 2002 at Manly in Sydney. The theme of the conference was 'Keeping the Waters Clean'.

The conference brought together the leading figures in marine pollution from the Asia-Pacific region to examine past incidents and the future of oil and chemical spill response. Spillcon conferences, which are held every two years, have

become the region's premier environmental pollution prevention and response event.

The conference featured an on-water display of pollution response equipment provided by the Australian Maritime Safety Authority (AMSA), the Sydney Ports Corporation and the oil industry.

The display included a low level pass by a fixed-wing dispersant spraying aircraft and a helicopter slung-loaded with a spray bucket. Boom was set up around the Gore Bay oil terminal on Sydney Harbour where the 1999 *Laura d'Amato* spill occurred and oil recovery vessels such as Marco skimmers were deployed. Support provided by the Sydney Ports Corporation contributed to the success of Spillcon 2002.

Audits and Reviews

An internal audit of the Oil Spill Response Atlas (OSRA) project was completed in December 2002. The focus of the audit was on the management of the data and security aspects. OSRA is a major decision support system for the National Plan and was last audited in 1999.

The audit report concluded that *"The results of our review of OSRA were pleasing and found the overall data management, data maintenance, and internal controls to be effective. The internal controls surrounding OSRA are adequate to ensure security and material accuracy over data input, processing and output."* The auditors expressed particular appreciation for the comprehensive information provided and co-operation from the AMSA officers involved.

The only finding was that the OSRA Policy Management Guidelines, originally adopted in 1999, required updating. A revision of the National Plan Oil Spill Response Atlas Policy has been completed by AMSA including updates on the OSRA Technical Specification and Management Guidelines.

Vancouver Conference

The International Oil Spill Conference (IOSC) was held in April 2003 in Vancouver Canada and two AMSA staff attended the conference, trade exhibits and on-water display of spill response equipment.

The Manager, Environment Protection Response, Emergency Response, co-chaired the conference segment that dealt with marine pollution incident case studies and the Principal Adviser Scientific and Environment, Maritime Safety and Environmental Strategy, delivered a paper on the Australian Oil Spill Response Atlas.

A significant number of papers were presented on a range of marine pollution response management and technology and other issues during the conference with up to seven concurrent sessions. A CD-ROM of all the past papers of the IOSC is available from the organisers and summary papers of major outcomes of the conference have been provided by AMSA to NPOG.

The response to the *Erika, Jacob Luckenbach* and *Prestige* incidents were addressed during the conference and a number of papers on oil removal technology from sunken shipwrecks were presented. This area of oil removal technology appears to be of increasing interest with recent incidents highlighting the limited availability of skills and resources for deep-sea oil removal. New developments such as Remote Off-Loading System (ROLS) and other hot-tap techniques using Remotely Operated Vehicles (ROVs) and Autonomous Underwater Vehicles (AUVs) are generating heightened interest.

The *Prestige* incident reinforced the importance of timely and effective salvage support as well as "Places of Refuge" considerations. The incident has also generated interest in the behaviour of heavy oils in deep-sea environments, for example leakage from sunken tankers and other shipwrecks containing residual or bunker oils.

On Scene

The fifth edition of On Scene was printed and distributed to all National Plan stakeholders in August 2003. Of note were articles on the Phillip Island oil spill, the outcome of the IMO Diplomatic Conference on the International Oil Pollution Compensation Fund, AMOSC attending the *Prestige* oil spill and the new Fixed Wing Aerial Dispersant Capability contract.

ADMINISTRATION

CHEMPLAN

The National Marine Chemical Spill Contingency Plan (CHEMPLAN) defines the response arrangements to chemical spills in the marine environment that have the potential to impact on any of Australia's interests, which include those of an environmental, health, resource or economic nature. The Plan outlines combined government and industry arrangements designed to allow a rapid and cooperative response to a maritime chemical spill occurring within the area defined by this Plan. It is complemented by other Government and industry contingency plans prepared at Commonwealth, State/NT, regional, port and facility levels. Matters of detail are contained in local, site specific, contingency plans.

The specialised Fire Services Hazardous Chemical (HazChem) response units and Chemical Spill Response units of State/NT Environmental Agencies are the designated combat agencies under direction of the Combat or Statutory Agency. This structure maximises the utilisation of existing local resources and expertise in fire and toxic emission control, chemical spill containment, clean up and decontamination operations.

Due to the wide range of chemicals and their diverse hazards and properties, specialist expertise from the fire brigades, HazMat units, chemical industry, AMSA's advisers and environmental agencies is sought to ensure that safe and practical response systems are employed.

The Plan relates primarily to incidents involving spills from ships of bulk chemical cargoes, container chemical tanks and packaged chemicals, and other dangerous goods lost overboard at sea. The Plan sets out response options for releases of gases and vapours and chemicals that dissolve, evaporate, float and sink. Responsibility for packaged substances washed ashore generally resides with the State/NT authority.

During the year a major revision of CHEMPLAN was completed and the revised plan placed on the National Plan internet site at the link: www.amsa.gov.au/me/natplan/ContplanChem/Chem.htm

A National Plan Maritime Chemical Spill Response training course was held from 6 to 8 May 2003 in Melbourne in conjunction with Marine Safety Victoria. AMSA took a leading role in developing material and providing presentations at the course. The Level 2 Course is designed for middle management chemical spill response personnel (including Fire Services and HazMat Units), who could be designated as part of the National Response Team (NRT) as potential Incident Controllers, Deputies or Environment and Scientific Coordinators.

The Victorian Fire Authorities demonstrated a range of fire and chemical spill response equipment, systems and vehicles to participants. This was followed by a visit to the Coode Island tank farm/chemical storage facility, observing a bulk chemical tanker being off-loaded and then a tour of the Melbourne port on board a tug.

An exercise conducted during the course involved a hypothetical scenario of a chemical tanker grounding on Port Phillip Heads and a leak of bulk styrene and subsequent ship fire and pollution. A computer model that predicts the fate and movement of chemical spills in the marine environment was demonstrated to participants by Asia-Pacific ASA.

ADMINISTRATION

National Place of Refuge Guidelines

The NPMC agreed at its 4th meeting on 26 March 2002 to form a Working Group to prepare draft National Place of Refuge Guidelines. The Guidelines were finalised, with input from Working Group members, in November 2002. The Australian Maritime Group (AMG) considered the draft Guidelines at a meeting in February 2003, as a result of which the Guidelines were submitted to the Standing Committee on Transport (SCOT) for its April 2003 meeting. Following SCOT endorsement, the Guidelines were endorsed by the Australian Transport Council (ATC) at its 23 May 2003 meeting.

Prestige

On 13 November 2002 the oil tanker *Prestige*, laden with 77,000 tonnes of heavy fuel oil and having been damaged in a storm, began to leak oil off the coast of Spain. The vessel was towed off shore, and on 19 November 2002, the tanker broke in two off the coast of Galicia, Spain, spilling an unknown but substantial quantity of its cargo. The oil from the *Prestige* affected over 240 kilometres of the Atlantic coast from Vigo in Spain to La Rochelle in France, with the major impact of the spill in Galicia where fishing exclusion zones were put in place along 90% of the coastline and extending 14 kilometres offshore.

In response to the *Prestige* accident, measures were proposed to IMO by the European Union to revise the MARPOL Convention with respect to bringing forward the phasing-out of single hull tankers and to prohibit the carriage of dirty oils by single hull tankers.

The Australian Marine Oil Spill Centre in Geelong financed a senior staff member to work alongside personnel from the UK based Oil Spill Response Limited during the clean up following the *Prestige* incident. This experience will benefit our spill response capabilities.

POLLUTION INCIDENTS

Pollution Database

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, to Government projects such as the State of the Marine Environment Report and is 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 pollution database currently contains over 6000 records. Information is entered from the following sources:

- Oil discharge reports received through AMSA's Emergency Response (ER), 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 (e.g. 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 2002-2003

There were 300 oil discharge sightings and oil spills reported during 2002-2003. National Plan resources were involved in 77 oil spill incidents which required a response action under National Plan arrangements.

(Note that the criteria applied for 2002-2003 is different to previous Annual Reports in that it now includes all incidents where a response was undertaken regardless of whether direct costs were claimed from the National Plan.)

Figure 1 shows a break up of sources of reported oil spills during 2002-2003.

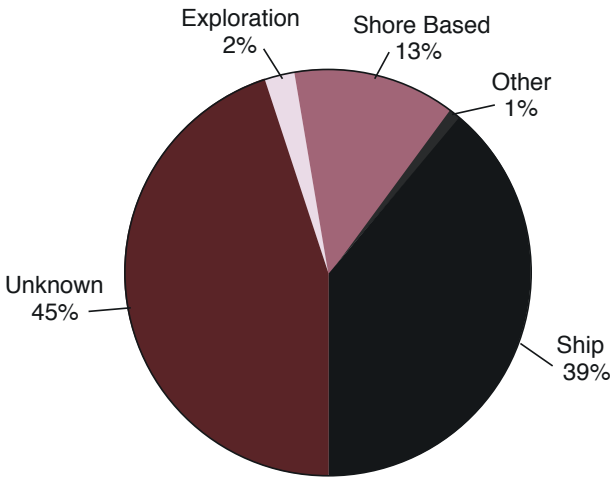


Figure 1 - Reported Oil Spills during 2002-2003

POLLUTION INCIDENTS

Oil Pollution Sources

Figure 2 indicates the types of vessels from which discharges were reported during 2002-2003. Where a vessel type is not classified, this generally means that a vessel has been seen from the air but could not be identified.

The source of 117 sightings during the period was not identified, although the majority are assumed to be ship-sourced.

Chemical Pollution Statistics for 2002-2003

There were 3 shore based chemical spills reported during 2002-2003.

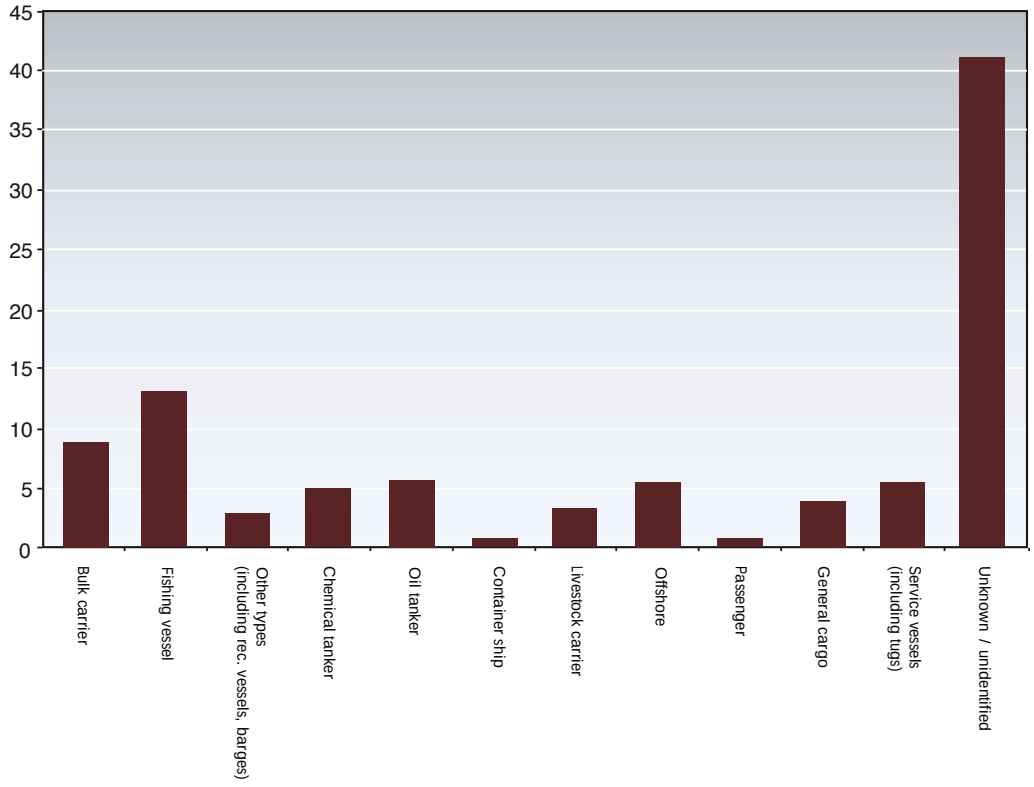
Incidents In Australian Waters 2002-2003

On 25 December 2002 an oil spill was reported approximately 7-10 nautical miles east of Border Island in the Whitsunday Islands in the Great Barrier Reef Marine Park. Laboratory analysis identified the Panamanian container ship *Pacific Quest* as responsible for the spill. The Australian Federal Police arrested the Master and laid charges under the *Great Barrier Reef Marine Park Act 1975* and the *Protection of the Sea (Prevention of Pollution from Ships) Act 1983*. Charges on the owners were laid under the *Protection of the Sea (Prevention of Pollution from Ships) Act 1983*.

On 28 February 2003 an oil spill on Woolamai Beach, Phillip Island was reported. AMSA assisted the Victorian Environment Protection Authority (VIC EPA) in sampling ships in the area at the time of the spill. VIC EPA are investigating with a view to possible prosecution. Further information on this incident is detailed in the Victorian State activity report.

Details of further incidents in Australian waters are covered in the State and Northern Territory activity reports.

Figure 2 - Discharge Sources by Vessel Type



EQUIPMENT AND TRAINING

Equipment Procurement

Small Weir Skimmers - Foilex

21 Foilex Weir skimmers and Selwood Spate Pumps were purchased for distribution to ports as part of the Tier 1 equipment handover.

Storage Tanks

To further increase the on shore portable storage capacity of the National Plan, 12 Structurflex 10,000 litre Flexidams were purchased during 2002-2003. The storage tanks have been placed at the following locations:

Location	Quantity
Bowen, QLD	2
Brisbane, QLD	2
Fremantle, WA	2
Geelong, VIC	2
Hay Point, QLD	2
Wallaroo, SA	2

Boom

Structurflex Limited of New Zealand was awarded the contract for the supply of shoreline and general purpose boom in 2000-2001 for a three year period. The following table represents boom purchased under the contract during 2002-2003:

Shoreline boom

Location	Quantity
Bundaberg, QLD	60 m
Gladstone, QLD	100 m
Thursday Island, QLD	60 m

General Purpose boom

Location	Quantity
Bowen, QLD	300 m
Burnie, TAS	105 m
Dampier, WA	300 m
Devonport, TAS	300 m
Fremantle, WA	600 m
Geraldton, WA	105 m
Gladstone, QLD	300 m
Gove, NT	300 m
Hobart, TAS	300 m
Launceston, TAS	300 m
Townsville, QLD	105 m

Oil Spill Dispersants

AMSA purchased 18,000 litres of Corexit 9500 dispersant during the year for placement in the following regional stockpiles:

Brisbane, QLD	9,000 litres
Fremantle, WA	9,000 litres

This purchase complements existing National Plan dispersant stocks.

Vessel Refurbishment

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

During the reporting period, the Sydney based *Anadara* underwent replacement of the existing 70 hp 2-stroke outboards with new Honda 90 hp 4 stroke outboards.

Work boats

The following National Plan workboats received new motors during 2002-2003:

- Slogger punt in Westernport, VIC - 25 hp Honda 4 stroke;
- Slogger punt in Geelong, VIC - 30 hp Mercury 4 stroke;
- Kayfa punt in Adelaide, SA - 40 hp Yamaha 4 stroke; and
- Kayfa punt in Darwin, NT - 50 hp Honda 4 stroke.

Fixed Wing Aerial Dispersant Capability (FWADC)

Since January 1996 the National Plan has had in place a Fixed Wing Aerial Dispersant Capability (FWADC) program for the spraying of oil spill dispersant.

A new contract was tendered in early 2003 and awarded to Australian Maritime Resources (AMR) who were the original service providers. The contract is for a three-year period and includes the option to extend for up to a further three years.

The new contract includes the provision of aircraft at six locations on a daily basis. This includes the use of sub-contractors located at Emerald (QLD), St George (QLD), Moree/Scone (NSW), Ballarat (VIC), Adelaide/Tintinara (SA) and Ballidu (WA).

EQUIPMENT AND TRAINING

The main improvement of the contract is the provision of an aircraft in Western Australia, thereby providing enhanced capability and response times to the West and North-West.

With the addition of the Western Australia based aircraft, AMSA and AMR conducted aircraft familiarisation and load support training for WA State personnel in March 2003 in Perth.

National Plan Equipment Audits

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

- Cairns in October, 2002
- Thursday Island in November, 2002
- Eden, Townsville, Lucinda and Mourilyan in December, 2002
- Devonport, Launceston and Burnie in January, 2003; and
- Hobart in February, 2003.

Training

The National Plan training program for 2002-2003 included delivery of the AMSA courses shown in Table 1.

The Australian Marine Oil Spill Centre (AMOSC) conducted a total of fourteen specific workshops for 240 personnel as shown in Table 2. Of these, seven programs for 126 personnel were conducted outside Australia.

Occupational Health and Safety (OH&S) Training Videos

The National Plan has produced two videos for induction and training purposes during oil spill events. The first video relates to the general OH&S issues faced by responders during an oil spill, while the second video is intended for the induction of staff and volunteers involved in oiled wildlife response and management.

Copies of the video will be available to National Plan stakeholders through AMSA from November 2003.

Table 1 - AMSA training courses

Course	Location	Date	Number of Participants
Marine Pollution Controller	Geelong, VIC	July 2002	14
Oil Spill Management	Hillary's Harbour, WA	Feb 2003	24
ESC Workshop	Salamander Bay, NSW	Mar 2003	25
Chemical Response	Melbourne, VIC	May 2003	29
Oil Spill Management	Gold Coast, QLD	May 2003	24

Table 2 - AMOSC training courses

Course	Date	Number of Participants
Response	Nov 2002	25
Response	Mar 2003	13
Operators	Oct 2002	8
11 special programs		194

ENVIRONMENTAL AND SCIENTIFIC ISSUES

Dispersant Efficacy Testing

A testing program of National Plan dispersants was undertaken to assess the efficiency of existing dispersant stocks in respect to shelf life. The program included sampling all stockpiles of dispersant that were over five years old. The testing program also included samples from the AMOSC stockpile in Geelong.

The Cawthron Institute in New Zealand carried out the testing. Results showed that all National Plan dispersants except three samples (one Ardrox and two BP A-B) meet the efficacy requirements. On the basis of the results AMSA intends to resample and test the suspect samples. This will be carried out during 2003-2004.

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.

The National Plan allocated $200,000 for the 2002-2003 financial year, as part of the continuation of the OSRA program. This funding was allocated to the States/NT to update and maintain existing data. Funding was also distributed to acquire new spatial datasets and imagery.

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 system.

Oil Spill Trajectory Modelling

The tracking of oil spills likely to impact the shoreline is of prime importance in response planning. Computer models are used to simulate and predict the movement of oil. The information provided is used to support response decision making.

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

During the reporting period AMSA, with the assistance of Maritime Safety Queensland (MSQ) conducted a two-day exercise in Moreton Bay to test the effectiveness of the OSTM System. The OSTM model predictions were compared to the changing geographic positions of drifting objects, including satellite-tracking buoys deployed at sea. The timing and drift locations, wind and weather were closely monitored during the exercise.

A detailed report on the Moreton Bay exercise will be finalised early in the new financial year. The outcomes of this exercise will provide National Plan stakeholders with a better understanding of the effectiveness of OSTM and help direct any improvements, refinements, updates or future developments of the system and underlying data.

Environment and Scientific Coordinators (ESC) Workshop 2003

The National Plan, with assistance from Environment Australia, funded the 12th Environment and Scientific Coordinators (ESC) Workshop in Port Stephens, New South Wales in March 2003.

Thirty participants from around Australia attended the Workshop including 4 industry representatives and 2 international participants from New Zealand and Sweden.

The focus of this workshop was on the practical aspects of ESC duties and involved a number of field activities in relation to hypothetical spill scenarios and interactive sessions. Presentations were provided during the workshop on oil spill dispersants, foreshore assessment, chemical spill response, environmental priority setting, oiled wildlife and National Plan decision support systems.

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

ACTIVITIES IN STATES AND THE NORTHERN TERRITORY

VICTORIA

Staff Changes at Marine Safety Victoria (MSV)

Tony Middleton has been appointed as the Director Marine Safety Victoria. Tony's extensive experience within the New South Wales Waterways Authority and the National Marine Safety Committee will ensure the best delivery of MSV's strategic outcomes.

Joe Buffone, Manager, Marine Pollution Response has been seconded for twelve months to a new role within the Department of Infrastructure as Security and Emergency Management Coordinator. Joe has been the driving force within the State to establish VICPLAN (Victorian Marine Pollution Contingency Plan) and has left MSV well equipped to face any marine pollution incident.

Barry Dean has been appointed as Manager Marine Pollution Response on a twelve-month contract. Barry brings a wealth of experience in Emergency Management and comes to MSV from Emergency Management Australia (Federal Attorney-Generals Department).

Significant Incidents

On Friday 28 February at 5.00pm the Bass Coast Shire reported an oil spill on Woolamai Beach, Phillip Island. It was estimated that a band of oil one metre wide covering approximately one kilometre had been spilt. VicPlan and the National Plan were activated, with regional teams activated to commence foreshore clean up.

Further survey on Saturday 1 March 2003 identified oil extending to Kilcunda Beach and the oil at Woolamai had spread up to two kilometres with up to 60% coverage of five metre wide band. The level of response under VICPLAN arrangements was to a Tier 2 spill.

The response was co-coordinated at a regional level with the Incident Controller being from the Westernport region. The spill required a response team of 100+ people and an Incident Control Centre was set up on site.

The clean-up concluded after seven days.

Twenty-three penguins were washed and saved along with 1 endangered species, a hooded plover which was also saved. Marine Safety Victoria will be pursuing the cost recovery for the clean-up from the identified polluter.

A hooded plover - endangered species

Other incidents of significance that required a coordinated response were:

- September 2002 - approximately 40,000 litres of Lanoline spilled into the Maribyrnong River; and
- March 2003 - a chemical spill at Mentone Beach later analysed as a phthalate.

There were 76 marine pollution incidents reported to MSV throughout the State during the reporting period. It has been established that 24 spills originated from vessels, 10 of which could be identified. Spills from other resources were:

- land terminals 8;
- drains 16; and
- not known 28.

Local Training

During this reporting period MSV conducted training for over 220 personnel from various agencies involved in marine pollution response. Courses and workshops included Introduction to Marine Pollution Response Arrangements, Media Management, Equipment Operator training, Shoreline Clean Up, and Operator Refresher Training.

AMSA/MSV Chemical Spill Course - 6th - 8th May 2003

A Chemical Spill Course was conducted in Melbourne from 6 to 8 May. This was a joint venture between MSV and AMSA. The course provided

ACTIVITIES IN STATES AND THE NORTHERN TERRITORY

participants with an insight into chemical spill response with sessions being delivered by AMSA as well as the Metropolitan Fire Brigade (MFB) and the Country Fire Authority (CFA). Further details are provided in the CHEMPLAN section of this report.

Equipment Acquisition

MSV has purchased the following communications equipment to support marine pollution response:

- 3 Satellite phones;
- 3 Marine VHF radios; and
- 12 UHF radios.

Bass Strait Working Group

MSV is in the process of formalising a Bass Strait Working Group in conjunction with AMSA and the EPA. The prime aim of the group will be prevention by investigating a number of strategies such as satellite imagery.

It is envisaged that strategies such as this will assist in the detection and prosecution of polluters resulting in a reduction of marine pollution incidents off the coast of Victoria.

Central Stockpile of Equipment

A joint venture between AMSA and MSV has resulted in a regional stockpile of Tier 2 and 3 National Plan and State equipment being stored centrally in Melbourne. A tender for a three-year contract was advertised earlier this year, with the Oil Response Company of Australia (ORCA) being successful. Victorian Regions will maintain and store Tier 1 equipment in line with the outcomes of the National Plan review.

The Melbourne Central Store

NEW SOUTH WALES

Significant Incidents

There were no significant incidents during the year.

Contingency Plans

The Lord Howe Island Marine Oil and Chemical Contingency Plan was reviewed and distributed following the grounding of the *HMS Nottingham* on Wolf Rock, Lord Howe Island on 7 July 2002.

Training and Exercises

Newcastle Port Corporation conducted the following training:

- Training in equipment deployment for 29 port officers was carried out from 26-30 May 2003.
- An oil spill exercise was held on 20 June 2003.

Sydney Ports Corporation (SPC) conducted or were involved in the following training and exercises:

- Vikoma Hi Sprint boom deployment training throughout first two-quarters of 2003 and ongoing.
- Containerised Hazardous goods training was conducted in October 2002 and January 2003.
- Emergency towage training was provided between January and April 2003 for 24 SPC personnel.
- Specialised equipment training undertaken weekly, i.e. weir skimmers, booms, boat handling, other pollution gear, etc.
- NSW Fire Brigade training exercises are ongoing throughout the year in both ports.
- Desk top exercise with Caltex Refinery response team for a simulated oil spill at No. 3 Kurnell sub berth was held in March 2003.
- Major boom deployment exercises, held in March 2003, in co-operation with Caltex involving boom types including Vikoma Hi Sprint, GP 500 and 750, beach boom, etc. in order to develop a cooperative response approach to an incident in Botany Bay.

- Major equipment deployment exercise held at Shell Gore Bay in May 2003 (simulated 7,000 litre diesel spill during bunkering operations on a commercial tug) involving Shell's response team, NSWFB, EPA, Towage Co. at No. 2 Gore Bay.

The Port of Yamba annual equipment deployment exercise was held at Goodwood Island Wharf on 30 November 2002. Booms, flexidams, skimmers and pump were all deployed and utilised.

In addition to the exercise mentioned above, 21 personnel from Shell Gore Bay undertook an in-house practical on-water equipment deployment training.

Quarterly training of Caltex's Kurnell Oil Spill Response Team (OSRT) was undertaken during the year. AMOSC training of OSRT personnel and AMOSC Core Group members was completed in October 2002.

New Equipment Purchases

Sydney Ports Corporation purchased the following equipment:

- 500 metres GP 500 boom;
- 500 metres GP 750 boom; and
- Two Operations Support Vessels - *the Banks* (Port Botany) and *Denison* (Sydney Harbour) delivered for the deployment and retrieval of boom from special built modules and other general tasks using special features, e.g. bow door access.

Oil Spill Response Atlas

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

– subtidal and intertidal habitats in Sydney Harbour, Hunter River and Port Stephens;
– Sydney Harbour foreshores;
– Boulder Fields in Sydney Harbour mapped; and
– high resolution coloured aerial photography of Botany Bay.

The Data Preservation Plan to cover the next three years was prepared by the Ministry and approved by the NSW Technical Working Group in May 2003.

SOUTH AUSTRALIA

Significant Incidents

Although not significant pollution incidents, two are worthy of note:

- The *Pactrader* went aground off the Thevenard wharf on 1 March 2003. The vessel was aground for three days and was finally pulled off with additional tug assistance. Equipment (State and National Plan) and operational personnel were on site.
- The *FV Aetos* ran aground in an isolated location on the Coorong in June 2003. Four tonnes of diesel were transferred from the stricken vessel prior to salvage.

No other significant incidents occurred, however South Australian personnel responded to 33 minor incidents.

Exercises

The following exercises were conducted during 2002-2003:

- Multi Agency and Industry exercise, table top exercise and practical deployment - Port Lincoln, in July 2002 - 50 attendees.
- Multi Agency exercise at Thevernard - August 2002 - 18 attendees.
- Multi agency exercise at Walleroo - September 2002 - 55 attendees.
- Multi Agency and Industry exercise, table top exercise and practical deployment - Port Adelaide, in March 2003 - 20 attendees.
- Multi Agency exercise at Port Adelaide - March 2003 - 30 attendees.

The exercises provided the opportunity to:

– familiarise and educate personnel in both the theoretical and practical aspects of an oil spill response;
– inspect regional and port plans and the inter-relationships between them; and
– experience the practicalities of cleaning oiled wildlife.

ACTIVITIES IN STATES AND THE NORTHERN TERRITORY

Training

The following training courses were undertaken during 2002-3003:

- Basic Operators course - Port Lincoln - July 2002 - 18 attendees from many agencies.
- Basic Operators course - Thevernard - Aug 2002 - 10 attendees.
- Basic Operators course - Walleroo - Sept 2002 - 35 attendees.
- Advanced Operators course - Port Adelaide - Dec 2002 - 30 attendees from many agencies.
- AIMS Training in Adelaide - Mar 2003 - 12 attendees.
- Basic Operators course - Mannum and Morgan (River Murray) - April 2003 - 27 attendees.
- Oiled WildLife Clean up course - April 2003 - 23 attendees.

Equipment

- Two x 2.5 tonne surface response tanks (oil collection tanks) and 1 x 5 tonne tank were purchased.
- Tier 1 equipment has been ordered for the State, with delivery expected during 2003.
- A new wildlife trailer has been built and the existing trailer will be returned to the leasing company.

Contingency Plans

The South Australian Marine Spill Contingency Plan (SAMSCAP) was updated and distributed to relevant agencies in January 2003. The Plan was also tabled in Parliament in March 2003.

TASMANIA

Significant Incidents

There were no significant oil spills in Tasmanian waters for the period.

New or Updated Contingency Plans

Port of Launceston Pty Ltd has revised their oil spill contingency plan and revision of the Tasmanian Oiled Wildlife Response Plan has commenced.

Training

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

The following courses were run during 2002-2003:

- Shoreline Cleanup in Launceston and Hobart.
- Equipment Operator in Devonport and Hobart (five courses).
- Administrative Support in Hobart.

A desktop exercise "*Bunga Tutu*" was held in Hobart on 11 December 2002. The objectives were:

– to assess issues surrounding State response arrangements and processes in an incident at a remote location;

– to evaluate issues relating to safe havens;

– to assess liaison arrangements between all levels of Government and others involved in oil spill response; and

– to examine our understanding of roles and responsibilities and legislative constraints in an oil spill environment.

Exercise "*Chemspill*" was held in March 2003. This was a desktop exercise to develop an awareness of the requirements in responding to a chemical incident within Tasmania. The exercise assisted in the development of the Tasmanian Marine Chemical Spill Contingency Plan which is close to finalisation.

Equipment Operators Course 30-10-2002 at Howden

ACTIVITIES IN STATES AND THE NORTHERN TERRITORY

Administrative Changes to State Response Arrangements

Discussions have commenced on the development of a Memorandum of Understanding between the ports and the oil industry in the State to give effect to the requirements of the Intergovernmental Agreement and to support at the local level the provisions of the Australian Marine Oil Spill Plan (AMOSPlan).

A Deed between the State Government and the Hobart Ports Corporation, which includes a definition of the respective oil spill response obligations for the Parties in agreed coastal areas, has now been signed and negotiations are continuing with the Launceston and Devonport Port Corporations in relation to finalising similar Deeds.

QUEENSLAND

Significant Incidents

During the year, Maritime Safety Queensland (MSQ) received reports of 86 oil spills. This represents a 10% decrease on last year's total and is slightly below the five-year average of 87 incidents/year.

Most of the reported oil spills (70%) were ship-sourced, while the remainder were either land sourced (15%) or were from unknown sources (15%). Most of the reported spills occurred in Queensland coastal waters (49%) or in ports (38%). The remaining 13% of spills occurred outside of Queensland coastal waters but within the Great Barrier Reef Marine Park (12%) or waters of the Australian Territorial Sea (1%). The most common types of oil spilled were diesel fuel (55%) or bilge waste (26%). The balance was either heavy fuel oil (9%) or an unidentified type of oil (10%).

The most significant incident to occur during 2002-2003 was the grounding of the bulk carrier *Doric Chariot* on Piper Reef on 29 July 2002.

The ship was aground on Piper Reef, approximately 600 kilometres north of Cairns for eight days and posed a significant threat to the local marine environment. In response to the grounding MSQ activated both national and state contingency planning arrangements and initiated a significant precautionary response operation.

The bulk carrier* Doric Chariot *aground on Piper Reef

Fortunately, the ship was successfully refloated by a salvage team on 6 August 2002 without spilling any oil and MSQ was able to recover all costs directly associated with the preventative response from the ship's insurers.

MSQ also assisted in the response to a serious oil spill in Brisbane during March 2003. The spill occurred when almost 2000 tonnes of light crude oil seeped from a ruptured pipeline at Lytton near the mouth of the Brisbane River. Much of the oil found its way into an open drain that flowed directly into a small creek only a short distance from the river. Although the spill was land sourced, MSQ personnel and equipment played a key role in the nine day containment and recovery operation.

Prosecutions

There were seven prosecutions for offences under the *Transport Operations (Marine Pollution) Act 1995* during 2002-2003. The penalties imposed ranged between $5,000 and $30,000 for the ships' owners and between $200 and $5,000 for the ships' masters. In all cases the severity of the spill and likely environmental damage caused by it were fundamental to the level of penalty imposed by the courts. In six of the cases, the presiding Magistrate also ordered the defendants to pay costs. The level of fines imposed are a clear indication of just how seriously the courts are viewing instances of ship sourced marine pollution in Queensland waters.

Local Training

In total, 273 people completed training courses in various aspects of oil spill response conducted by MSQ during 2002-2003.

ACTIVITIES IN STATES AND THE NORTHERN TERRITORY

Course	Trainees
Introduction to Oil Spill Response	142
Level 3 Marine Oil Spill Responder	61
Shoreline Assessment and Cleanup	27
Marine Oil Spill Administrator	13
Authorised Officer	30
Total	273

The most significant development in training activities during the year was the introduction of Competency Based Training for operational oil spill responders. To date, 61 people have completed the new course and it is expected that this fresh approach to training will greatly enhance MSQ's capacity to effectively manage marine pollution incidents.

Equipment Acquisition

No significant items of oil spill response equipment were purchased by MSQ during 2002-2003.

Administrative changes in State response arrangements

On 1 October 2002, Maritime Safety Queensland assumed many of the functions of the former Maritime Division of Queensland Transport. Two of the key functions of MSQ are to develop strategies to prevent the deliberate, negligent or accidental discharge of ship-sourced pollutants into coastal waters and to deal with the discharge of ship sourced pollutants into coastal waters.

Under existing pollution response arrangements, port authorities have prime responsibility for directing and coordinating the response to pollution incidents that occur within port limits. However, MSQ believes there are significant operational and administrative benefits in amalgamating responsibility for the overall planning and management of pollution incidents with one organisation.

MSQ has completed a study of options for the future provision of first strike oil spill response in ports and is currently working with port authorities to negotiate suitable formal arrangements for future response to oil spills within all ports.

Exercises

This year's major National Plan exercise, Exercise 2002, was held in Torres Strait on 31 October. Originally scheduled for 6 and 7 August, Exercise 2002 was postponed and refocused following the grounding of the bulk coal carrier *Doric Chariot* on Piper Reef in July.

Exercise 2002 was jointly managed and coordinated by MSQ and AMSA under the auspices of the National Plan. It included participation by a variety of organisations including: MSQ, AMSA, the Torres Strait Regional Authority, the Great Barrier Reef Marine Park Authority and the Department of Foreign Affairs and Trade. A number of delegates from several Torres Strait Islands' communities also took part in the management and operational elements of the exercise while two officers from the Papua New Guinea Department of Transport attended as observers.

A focal point of Exercise 2002 was a hypothetical discussion based on a collision between two ships in the Great North East Channel area of Torres Strait. The exercise also incorporated a number of operational components including activation of the Fixed Wing Aerial Dispersant Capability and deployment of a variety of other oil spill response equipment on Yorke and Thursday Islands.

In the lead up to the exercise, MSQ conducted training courses for all operations and administrative personnel who had a role to play while AMSA organised specialised training in loading of the dispersant spraying aircraft. Many primary school children from Yorke and Thursday Islands were also involved in pollution awareness activities that were linked to the practical elements of the exercise.

All participants agreed the exercise was successful in meeting its objectives and on the need for further oil spill preparedness initiatives in the region.

New or updated contingency plans

Oil spill contingency plans for the ports of Hay Point, Abbott Point, Cape Flattery and Weipa were updated by the Ports Corporation of Queensland during 2002-2003.

ACTIVITIES IN STATES AND THE NORTHERN TERRITORY

WESTERN AUSTRALIA

Significant Incidents

On 25 August 2002 the fully laden bulk carrier *Hanjin Dampier* lost all main engine power after departing its berth. This caused the steering gear to fail and the vessel to ground on a bank between the Hammersley and Woodside channels in the Port of Dampier. Initial attempts to refloat the vessel were unsuccessful and the vessel remained stranded. The hull integrity remained intact with no pollution reported. State personnel and National Plan equipment were mobilised as a contingency. The vessel was successfully refloated on 8 September 2002.

On 9 October 2002 approximately 500 litres of heavy fuel oil was spilled in Geraldton Harbour due to a flange connection failure on a bunkering barge. Recovery and clean up operations were carried out by local authorities under direction of the Harbour Master. Some National Plan equipment was used during the response. The response was completed on 10 October 2002.

During the year, the Department for Planning and Infrastructure received 51 reports of oil pollution from around the State. Many of these incidents are currently under investigation with a view to prosecuting offenders.

Administrative changes to State response arrangements

Since the inception of the Department for Planning and Infrastructure (DPI), work to formalise the relationship between Department of Environment, Swan River Trust and Department for Planning and Infrastructure has been progressing. It appears likely that a Memorandum of Agreement (MOA) will be signed by all these agencies in the near future. This will further strengthen and formalise the co-operative arrangements that currently exist between these agencies.

The development of the State Response Team, a core group of trained individuals from various agencies that participate in equipment deployment exercises on a regular basis and form the foundation for pollution response throughout the State, has been of great benefit to the arrangements in Western Australia.

Local Training

Under the State-wide training program, the Department for Planning and Infrastructure trained 198 people during the year. This included State Response Team exercises, equipment operator courses and other oil spill response training courses.

99 people were trained under National Plan Oil Spill Management Courses:

- twenty six in combined foreshore and equipment operator courses;
- seventeen in equipment deployment exercises;
- fifty six in combined Incident Control System / equipment deployment exercises.

Equipment Acquisition

As part of the Tier 1 equipment transfer, Western Australia received equipment to create a standard equipment package for each of the ten identified ports. This included the acquisition of:

- Foilex Weir Skimmers & Spate Pumps;
- Flexidams;
- General Purpose Boom; and
- Anchor kits.

In addition to this equipment, the State purchased a purpose-built support vessel for marine pollution response. Modifications were undertaken to the vessel to improve its suitability for incidents and exercises. This included the addition of a removable section of the bow for boom and anchor deployment and recovery.

Exercises

The State held a major desktop exercise involving safety of life, pollution response and place of refuge issues. The exercise was known as "*Hydra*" and tested numerous emergency management plans as well as inter-agency communications and protocols. A number of shortcomings were identified in the exercise, these will be outlined in the exercise report.

During the year, DPI were involved in a number of desktop exercises with other government agencies and the oil and gas industry.

ACTIVITIES IN STATES AND THE NORTHERN TERRITORY

NORTHERN TERRITORY

Significant Oil Spills

There were no significant oil spills in NT waters over the 2002-2003 reporting period.

Training run by the State

Equipment familiarisation and emergency response arrangement training for employees was conducted by Darwin Port Corporation, Alcan-Gove and Gemco.

Administrative Changes

The NT *Marine Pollution Act, 1999* commenced on 25 June 2003. Statutory responsibility for prosecutions under the Act has transferred to the Department of Infrastructure, Planning and Environment.

Equipment Acquisition

During the 2002-2003 reporting period, the following equipment was acquired:

General Purpose Boom	195 m
Shoreline Boom	100 m

Exercises

No exercises were conducted in the NT.

New or updated Contingency Plans

The NT Marine Pollution Manual and Contingency Plan were endorsed by the NT Committee. Darwin Port Corporation, Alcan Gove and Gemco have completed Contingency Plans for Darwin, Nhulunbuy (Gove) and Milner Bay respectively in the Incident Control System format.

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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 2003 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.

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.

PricewaterhouseCoopers

Hugh Somerville
Partner

Canberra
30 September 2003

FINANCIAL STATEMENTS

AUSTRALIAN MARITIME SAFETY AUTHORITY
NATIONAL PLAN
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2003

	Notes	2003 $	2002 $
Revenue			
Protection of the sea levy		**3,887,572**	3,762,531
Equipment hire		**145,773**	113,554
Incident recovery	3	**62,898**	89,458
Interest		**107,960**	65,737
Profit on sale of assets		**-**	7,630
Other revenue		**8,568**	48,387
Total Revenue	4	**4,212,771**	4,087,297
Expenses			
Staff costs	5	**712,534**	744,933
Travel and transport		**211,693**	198,227
Materials and services	6	**1,053,169**	701,447
Communications expenses		**44,060**	24,134
Occupancy costs	7	**128,370**	103,536
Administrative expenses		**108,853**	97,060
Overheads	8	**714,056**	722,697
Depreciation and amortisation		**1,418,001**	2,397,648
Incident costs	3	**134,420**	48,598
Loss on sale of assets		**3,988**	-
Write down of assets		**-**	107,252
Total Expenses		**4,529,144**	5,145,532
Operating surplus/(deficit)		**(316,373)**	(1,058,235)
Accumulated surpluses at start of financial year		**327,037**	1,206,815
Asset transfers		**(26,713)**	(30,751)
Aggregate of amounts transferred from reserves	19	**6,415**	209,208
Accumulated surpluses/(deficit) at end of financial year	19	**(9,634)**	327,037

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 2003

	Notes	2003 $	2002 $
Current Assets			
Cash	9	**2,303,137**	1,775,190
Receivables	10	**193,054**	183,531
Inventories	11	**-**	-
Other	12	**9,664**	10,477
Total Current Assets		**2,505,855**	1,969,198
Non Current Assets			
Property, plant and equipment	13	**5,966,310**	5,528,863
Intangibles	14	**128,926**	158,048
Total Non Current Assets		**6,095,236**	5,686,911
Total Assets		**8,601,091**	7,656,109
Current Liabilities			
Creditors	15	**517,591**	229,510
Provisions	16	**78,300**	91,483
Total Current Liabilities		**595,891**	320,993
Non Current Liabilities			
Provisions	16	**202,238**	197,418
Total Non Current Liabilities		**202,238**	197,418
Total Liabilities		**798,129**	518,411
Net Assets		**7,802,962**	7,137,698
Equity			
Accumulated surpluses/(deficit)	19	**(9,634)**	327,037
Reserves	19	**7,812,596**	6,810,661
Total Equity		**7,802,962**	7,137,698

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 2003

	Note	2003 $	2002 $
OPERATING ACTIVITIES			
Cash received			
Levies, fees and charges received		**4,048,863**	4,007,692
Interest received		**107,960**	65,737
Incident costs re-imbursed		**62,898**	89,458
GST recovered from taxation authority		**210,710**	188,000
Total cash received		**4,430,431**	4,350,887
Cash used			
Cash paid to employees and suppliers		**(2,968,939)**	(2,819,141)
Total cash used		**(2,968,939)**	(2,819,141)
Net cash from operating activities	17	**1,461,492**	1,531,746
INVESTING ACTIVITIES			
Cash received			
Proceeds from disposal of equipment		**-**	56,207
Total cash received		**-**	56,207
Cash used			
Payments for property, plant and equipment		**(933,545)**	(281,243)
Total cash used		**(933,545)**	(281,243)
Net cash used by investing activities		**(933,545)**	(225,036)
Net increase (decrease) in cash held		**527,947**	1,306,710
Cash at the beginning of the reporting period		**1,775,190**	468,480
Cash at the end of the reporting period		**2,303,137**	1,775,190

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

AUSTRALIAN MARITIME SAFETY AUTHORITY
NATIONAL PLAN
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

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 cash flows 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:

	2003	2002
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

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

Infrastructure, plant and equipment are carried at valuation. Revaluations undertaken up to 30 June 2002 were done on a deprival basis; revaluations since that date are at fair value. Australian Accounting Standard AASB 1041 Revaluation of Non-Current Assets requires this change in accounting policy.

The financial effect for 2002-03 of this change in policy relates to those assets to be recognised at fair value at 30 June 2003. The financial effect of the change is given by the difference between the carrying amount at 30 June 2002 of these assets and their fair values as at 1 July 2002. The financial effect by class is as follows:

Asset Class	Adjustment	Contra Account
Plant and equipment	$947,722	Asset Revaluation Reserve
Office and computer equipment	$(585)	Asset Revaluation Reserve
Furniture and fittings	$7,526	Asset Revaluation Reserve
Vehicles	$53,687	Asset Revaluation Reserve

Total financial effect was to a net credit to the asset revaluation reserve of $1,008,350.

Accounting Standard AAS 6 *Accounting Policies* requires, where practicable, presentation of the information that would have been disclosed in the 2001-02 Statements had the new accounting policy always been applied. It is impracticable to present this information.

Vessels and amphibian assets were revalued in the 2000-2001 financial year. Plant and equipment, office and computer equipment, furniture and fittings and vehicles were revalued in the 2002-2003 financial year.

Assets in each class acquired after the commencement of a progressive revaluation cycle are not captured by the progressive revaluation then in progress.

Conduct

All valuations are conducted by an independent qualified valuer.

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.

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 2002-2003.

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

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.

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 2003 and is recognised at its nominal value.

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 2003. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

Receivables

All receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Credit terms are usually 30 days. (2002: 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.

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.

		2003 $	2002 $
Note 4	**Revenue**		
	Rendering of services	**4,104,811**	4,021,560
	Interest	**107,960**	65,737
		4,212,771	4,087,297

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 2003, materials and services expense included an an increase in the provision made for slowing moving dispersant stock of $ - (2002: $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, Executive, Internal Audit and the Corporate Business Unit.

Note 9	**Cash**		
	Cash	**2,303,137**	1,775,190
		2,303,137	1,775,190
Note 10	**Receivables**		
	Trade debtors	**81,818**	83,517
	less Provision for doubtful debts	**-**	-
		81,818	83,517
	Other debtors	**23,808**	80,444
	GST receivable	**87,428**	19,570
		193,054	183,531
Note 11	**Inventory**		
	Oil dispersant stocks	**898,902**	898,902
	Provision slow moving stock	**(898,902)**	(898,902)
		-	-
Note 12	**Other**		
	Prepayments	**9,664**	10,477
		9,664	10,477
Note 13	**Property, plant and equipment**		
	Plant and equipment:		
	- independent valuation 2000	**2,534,891**	5,184,567
	Accumulated depreciation	**(1,545,543)**	(1,746,508)
		989,348	3,438,059
	- independent valuation 2003	**7,411,230**	-
	Accumulated depreciation	**(4,010,068)**	-

		2003 $	2002 $
Note 13	**Property, plant and equipment (continued)**		
	Vehicles:		
	- independent valuation 2003	**396,800**	-
	Accumulated depreciation	**(332,015)**	-
		64,785	-
	- cost	**-**	37,685
	Accumulated depreciation	**-**	(7,254)
		-	30,431
	Total vehicles	**64,785**	30,431
	Vessels and amphibians:		
	- independent valuation 2001	**1,459,488**	1,459,488
	Accumulated depreciation	**(437,987)**	(250,278)
		1,021,501	1,209,210
	- cost	**-**	-
	Accumulated depreciation	**-**	-
		-	-
	Total vessels and amphibians	**1,021,501**	1,209,210
	Capital works in progress	**-**	1,436
	Total property, plant and equipment	**5,966,310**	5,528,863
Note 14	**Intangibles**		
	Computer software	**343,615**	305,900
	Accumulated amortisation	**(214,689)**	(147,852)
		128,926	158,048
Note 15	**Creditors**		
	Trade creditors	**287,197**	165,807
	Salaries and wages	**64,076**	42,629
	Other creditors	**166,318**	21,074
		517,591	229,510
Note 16	**Provisions**		
	Current		
	Long service leave	**26,243**	33,397
	Annual leave	**52,057**	58,086
		78,300	91,483
	Non Current		
	Long service leave	**169,443**	176,011
	Annual leave	**32,795**	21,407
		202,238	197,418

		2003 $	2002 $
Note 17	**Reconciliation of operating surplus/(deficit) to net cashflows from operating activities**		
	Operating surplus/(deficit)	**(316,373)**	(1,058,235)
	Depreciation	**1,418,001**	2,397,648
	Asset write downs	**-**	107,252
	Loss on disposal of non-current assets	**3,988**	-
	Profit on disposal of non-current assets	**-**	(7,630)
	GST Recovered on payments for non-current assets	**84,868**	25,567
	Changes in assets and liabilities:		
	(Increase)decrease in trade debtors	**(9,523)**	58,246
	(Increase)decrease in inventories	**-**	-
	(Increase)decrease in prepayments	**813**	(4,721)
	(Decrease)increase in trade creditors and other creditors	**266,634**	(27,467)
	(Decrease)increase in employee liabilities	**13,084**	41,086
	Net cash flows from operating activities	**1,461,492**	1,531,746
	Balance per cash flow statement	**1,461,492**	1,531,746
Note 18	**Commitments**		
	BY TYPE		
	CAPITAL COMMITMENTS		
	Infrastructure, plant and equipment	**206,708**	241,503
	Total capital commitments	**206,708**	241,503
	OTHER COMMITMENTS		
	Operating leases	**201,712**	252,950
	Other commitments	**1,940**	12,941
	Total other commitments	**203,652**	265,891
	COMMITMENTS RECEIVABLE	(37,305)	(46,127)
	Net commitments	**373,055**	461,267
	BY MATURITY		
	All net commitments		
	One year or less	**360,980**	455,321
	From one to two years	**12,075**	5,946
	Net commitments	**373,055**	461,267
	Operating lease commitments		
	One year or less	**57,882**	70,561
	From one to two years	**125,493**	159,394
	Net operating lease commitments	**183,375**	229,955

Note 19 Equity

Item	Accumulated surpluses $'000	Asset revaluation reserve $'000	Total reserves $'000	TOTAL EQUITY $'000
Balance 1 July 2001	327,037	6,810,661	6,810,661	7,137,698
Surplus/(deficit)	(316,373)	-	-	(316,373)
Asset transfers	(26,713)	-	-	(26,713)
Net revaluation increment/(decrement)	-	1,008,350	1,008,350	1,008,350
Transfers to/(from) reserves	6,415	(6,415)	(6,415)	-
Balance 30 June 2003	**(9,634)**	**7,812,596**	**7,812,596**	**7,802,962**

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 AASB 1041 Revaluation of Non-Current Assets which requires the value of non current assets to be reassessed on a progressive basis.

Revaluations undertaken up to 30 June 2002 were done on a deprival basis; revaluations since that date are at fair value. AASB 1041 requires this change in accounting policy.

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.


AMSA