



ANNUAL REPORT

2004 – 2005



**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
2004–2005

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GPO Box 2181 Canberra ACT 2601.

Email: public.relations@amsa.gov.au

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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, I have much 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.

I am very pleased to be able to report that the National Plan is operating in a low incident environment both within Australia and also worldwide. Australia's low incident environment can be largely attributed to the rigorous Port State Control inspections undertaken by the Australian Maritime Safety Authority (AMSA) ensuring that only quality ships arrive in Australia.

Our greatest challenge in a low incident environment is to ensure that we don't become complacent. The National Plan continues to be a proactive means of ensuring that our preparedness and readiness to respond to a maritime incident is not compromised. The National Plan continues to prepare, to ensure that our equipment stockpiles are modern and up-to-date and to train.

On 15 September 2004 Exercise 'James Cook' was conducted based on a scenario involving an oil spill in Botany Bay, NSW. The exercise was our 6th national biennial oil spill response exercise. The primary focus was to test the overall arrangements for the National Plan for responding effectively to a major marine oil spill in NSW. The Exercise produced a number of important recommendations requiring actions not only by NSW and the National Plan Operations Group, but also for the other States and Northern Territory. Through such exercises, we continue to learn, to practice and to improve our arrangements.

The Inter-Governmental Agreement between Federal, State and Northern Territory Governments formalising the national approach to oil and chemical spill preparedness and response and cooperation, is now well established and operating efficiently and effectively, and its ongoing operation has been confirmed by Ministers.

The National Plan Management Committee, in which Federal, State and Northern Territory authorities, 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.

During 2004-2005, there were no major ship-sourced marine pollution incidents in Australian waters. However, the National Plan was called upon to respond to 172 minor spill incidents, an increase of almost 50 percent from 2003-2004.

Finally, on a personal note, this will be my last report as Chair of the National Plan Management Committee. After six years as the Committee's inaugural Chair, I leave a well-structured, national response arrangement capable of responding quickly and effectively to ship sourced oil and chemical spills. This I believe is testament to the National Plan's cooperative arrangements that operate across government and industry, and to the key coordination role played by AMSA. I extend my gratitude to all those people who have contributed to attaining this outcome.



Jim Starkey
Chairman
National Plan Management Committee

ADMINISTRATION

National Plan 2004-2005 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 14 of this report.

The operating surplus of \$723,884 for the 2004-2005 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 2004-2005 financial year decreased by \$4,600 compared with the previous financial year. Levy revenue increased during the reporting period due to a continued rise in shipping activity.

National Plan expenditure decreased by six percent from 2003-2004 with total expenses of \$3,952,375.

As at 30 June 2005 the National Plan's total assets were \$12,634,855 compared with total liabilities of \$709,568. This places the National Plan in a sound financial position, with equity totalling \$11,925,287.

Meetings during 2004-2005

The National Plan Management Committee (NPMC) met in Hobart on 14 April 2005, with the main agenda items being the draft budget for 2005-2006 financial year and the interaction of the Crimes at Sea legislation with the powers of intervention and MARPOL 73/78 enforcement. Discussions were also held on a revised National Plan Training Program and a risk assessment project for marine chemical pollution from ships.

The National Plan Operations Group (NPOG) held two meetings during 2004-2005. The first meeting was held on 17 November 2004 in Hobart, and the second on 9 June 2005 in Darwin. Key outcomes included the revision of the Pollution Cost Recovery Procedures, and the development of Competency Based Training for the International Maritime Organization Level 1 category oil spill response training, which relates to skills-based personnel.

National Plan Biennial Exercise

Exercise 'James Cook', the major biennial exercise, was held on 15 September 2004 in Botany Bay, NSW. The exercise involved the field deployment of oil spill response equipment, simulated wildlife response, and the use of fixed and rotary wing aerial dispersant capability.

Spillcon 2004 - Brisbane

The 10th International Oil Spill Conference for the Asia Pacific, Spillcon, was held at the Brisbane Convention and Exhibition Centre from 23 to 26 August 2004 and was attended by approximately 290 delegates from Australia and overseas.

The theme of Spillcon 2004 was Partnership in Practice as reflecting National Plan arrangements and involving Federal, State and NT governments and the oil, chemical and shipping industries.

At the conclusion of Spillcon a separate one-day Response Issues Seminar was held on 27 August and was attended by approximately 130 delegates. The seminar provided an opportunity for more in depth discussions on issues relating to prosecutions, the Prestige incident and oiled wildlife response both in Australia and overseas.

The conference ran in conjunction with an exhibition of response equipment and service suppliers. An on water display was also held on the Brisbane River at South Bank on 25 August.

OH&S Oiled Wildlife Training Video

In May 2005 the International Oil Spill Conference was held in Miami, Florida. The theme for the 2005 conference was Prevention, Preparedness, Response and Restoration – Raising Global Standards. The conference provided a great range of topics for attendees and the exhibition showcased response equipment and service providers from around the world.

The Organising Committee also conducts a film festival as part of the conference. The National Plan training and awareness video 'Safety First In Oiled Wildlife Response' was entered and was awarded Best Film Presentation.

The National Plan Environment Working Group (EWG) managed the script and production of the video.

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 enquiries 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 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 or vessels 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 pollution database currently contains over 6,700 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; and
- Other sources (eg Department of Industry, Tourism and Resources, industry, the public).

Ultimately, at least 25 per cent of the reports received by AMSA are 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; or
- Discharge from a sewage outfall.

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 comprehensive as possible.

Oil Pollution Statistics for 2004-2005

There were 288 oil discharge sightings and oil spills reported during 2004-2005. National Plan resources were involved in 172 oil spill incidents, which required a response action under National Plan arrangements.

Figure 1 shows a break up of sources of reported oil spills during 2004-2005.

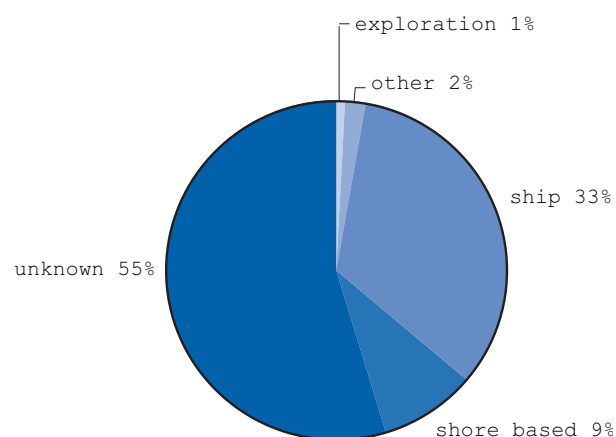


Figure 1 - Reported Oil Spills during 2004-2005

POLLUTION INCIDENTS

Oil Pollution Sources

Figure 2 indicates the types of vessels from which discharges were reported during 2004-2005. The source of 14 sightings during the period was not identified, although the majority are assumed to be ship-sourced.

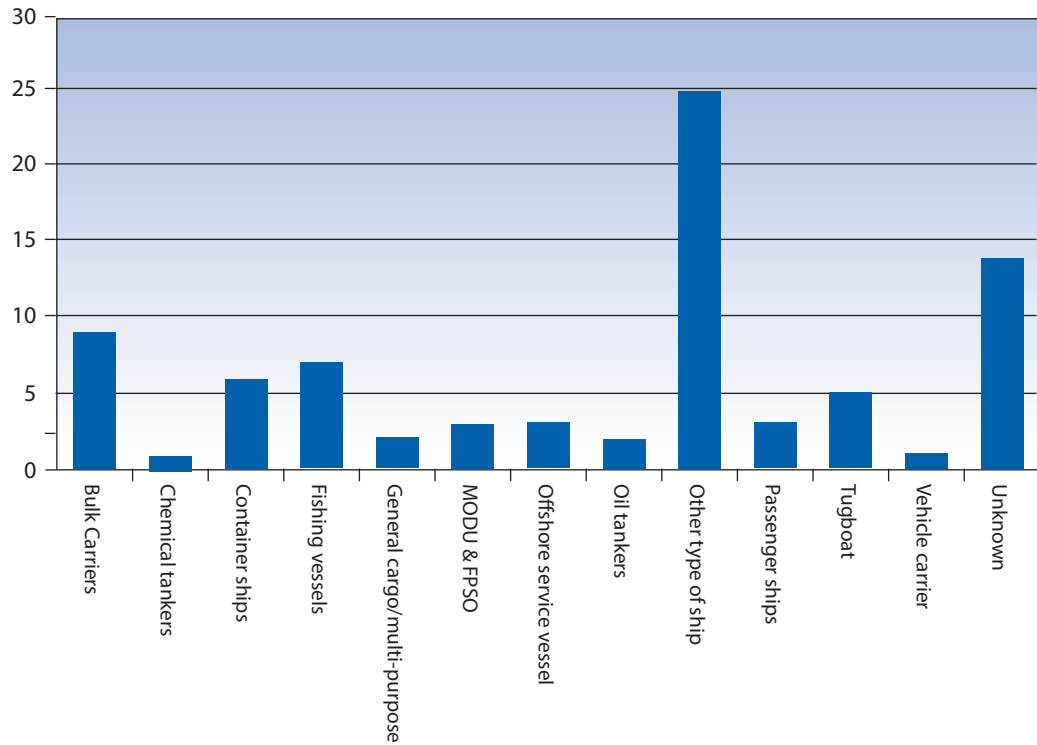
Chemical Pollution Statistics for 2004-2005

There were three ship-sourced chemical spills reported during 2004-2005.

Incidents in Australian Waters 2004-2005

During 2004-2005, there were no major ship-sourced marine pollution incidents in Australian waters. For further details on incidents that occurred in the States and Northern Territory see page 8.

Figure 2 - Discharge Sources by Vessel Type



EQUIPMENT AND TRAINING

Equipment Procurement

Boom Anchor kits

During the 2004-2005 financial year the National Plan conducted a tender for the supply of 175 boom anchor kits. The kits were supplied in pallet sized plastic bins for ease of transport and storage. The kits are support equipment for Tier 2/3 general purpose and shoreline boom systems located at each of the nine regional Tier 2/3 stockpiles.

Shoreline Boom Ballast and Inflation Pumps

To address an identified shortfall following the handover of Tier 1 equipment, AMSA purchased additional shoreline ballast and inflation pumps for Tier 2/3 shoreline boom systems located at each of the nine regional Tier 2/3 stockpiles.

National Plan Equipment Audits

During the 2004-2005 financial year, audits of National Plan equipment were undertaken at the

following locations:

- Darwin Tier 2/3 Stockpile – August 2004
- Melbourne Tier 2/3 Stockpile – September 2004
- Adelaide Tier 2/3 Stockpile – October 2004
- Port Lincoln – October 2004
- Hobart – November 2004
- Launceston Tier 2/3 Stockpile – November 2004
- Dampier Tier 2/3 Stockpile – January 2005
- Sydney Tier 2/3 Stockpile – February 2005
- Fremantle Tier 2/3 Stockpile – March 2005

Training

The National Plan training program for 2004-2005 included the AMSA run courses and workshops shown in Table 1.

The Australian Marine Oil Spill Centre (AMOSC) conducted 29 specific workshops for a total of 508 personnel as shown in Table 2 below. Of these, four programs for 58 personnel were conducted outside of Australia. A further 22 overseas students were trained at AMOSC.

Course	Location	Date	Number of Participants
Marine Pollution Controller Course	Geelong VIC	26-27 July 2004	12
Exercise Writing Course	Mt Macedon VIC	25-29 October 2004	11
Oil Spill Management Course	Fremantle WA	9-12 November 2004	21
Chemical Spill Response Course	Adelaide SA	7-11 March 2005	23
Environment and Scientific Coordinators Workshop	Townsville QLD	2-6 May 2005	22
Oil Spill Management Course	Brisbane QLD	30 May – 3 June 2005	27
Equipment Operator Course	Darwin NT	3-4 August 2004	16
Equipment Operator Course	Groote Eyland NT	5-6 August 2004	14
Equipment Operator Course	Sydney NSW	25-26 November 2005	10
Fixed Wing Aircraft Dispersant Loading Course	Whyalla SA	22 June 2005	12

Table 1 - AMSA training courses

Course	Number of courses	Number of Participants
Response	5	17
Shoreline Clean up	1	4
Operators	11	15
Contingency Planning	1	10
Management	11	6

Table 2 - AMOSC training courses

ENVIRONMENTAL AND SCIENTIFIC ISSUES

Oil Spill Trajectory Modelling

AMSA has recently updated its web site with two important new documents.

To assist National Plan stakeholders to understand the Oil Spill Trajectory Model (OSTM), the Top 30 Questions about the spill model have been answered on the web. This web page provides an overview of the recent changes and upgrades to OSTM, how the system operates, the range of datasets used, what types of outputs can be provided and examples of its use in spill incidents.

Additionally a revised form for requests for OSTM outputs for spill incidents and exercises has been added to the website. The new electronic form can be completed on-line and sent via email to AMSA. Faxed requests of the paper forms can still be sent through.

Both web pages can be accessed under the National Plan, General Information pages at www.amsa.gov.au

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.

A total of \$112,500 was spent during the 2004-2005 financial year on State and Northern Territory OSRA Tasks. Funding for the 2005-2006 financial year has been approved to a sum of \$82,000. This has been reduced due to competing budgetary priorities including the Chemical Spill Risk Assessment.

The Environment Working Group identified to NPOG 9 in November 2004 that it was timely to migrate OSRA and the OSRA Toolset to the ArcGIS platform; as such, NPOG decided to allocate \$50,000 towards the migration. The project will take place during the financial year 2005-2006.

Research, Development and Technology Program

Bunker Weathering and Fingerprinting Study

When investigating and prosecuting 'mystery spills' where the source of the spill is unknown, authorities need to be able to determine how long the spilled oil has been at sea. Recent court cases in Australia have raised concerns regarding a lack of fundamental data on the rate and timing of bunker fuel oil weathering at sea. Because weathering of the oil changes its chemical properties, chromatographic profiles for weathered oils can look very different to profiles for fresh oil samples from ships.

To address the identified lack of data, funding was allocated from the National Plan and a consultant engaged to carry out a research project on the effects of weathering at sea of various grades of bunker oils.

The research project was commenced and completed during 2004-2005. The results of this successful project have provided an improved understanding of marine bunker fuel properties, behaviour, variability and weathering. The study has also demonstrated the effectiveness of the oil spill fingerprinting techniques employed by local analytical testing laboratories for National Plan oil spill investigations.

The final report has been circulated to National Plan stakeholders and a summary is available on the AMSA website.

Oil and Dispersed Oil Impacts on Temperate Seagrasses

Although Australian-approved oil spill dispersants rate predominantly as "slightly toxic" to "practically non-toxic" by the International Maritime Organization GESAMP classification

ENVIRONMENTAL AND SCIENTIFIC ISSUES

system, there is limited knowledge on the specific effects on seagrasses exposed to dispersants. The use of dispersants may also increase the exposure of submerged seagrasses to oil as dispersed oil enters the water column.

To address the knowledge gap on the impact on seagrasses exposed to oil spills, AMSA entered into a funding agreement on behalf of the National Plan with the University of Technology Sydney (UTS). The National Plan is also providing in-kind support and technical advice to the research team.

The UTS researchers are using a combination of laboratory and field experiments to compare the toxicity of several oils and dispersant/oil mixtures on seagrasses, and to provide advice on the best approach to the use of dispersants on oil spills in the vicinity of seagrasses. An additional aim is

the development of a method using microalgae to provide a rapid bioassay of expected impacts on seagrass from oils and oil/dispersant mixtures.

During 2004-2005, UTS completed proof-of-concept work using Slickgone NS and Gippsland Crude oil to study effects on a common seagrass species in temperate waters in New South Wales (*Zostera capricorni*). Subject to the approval of NPOG, the report on this work was circulated in late 2005.

UTS and the Australian Research Council have provided further funding towards the project. Over the next three years, a PhD student will continue the work with more dispersants and oils. The National Plan will provide in-kind support and technical advice via the Environment Working Group throughout the project.

ACTIVITIES IN STATES AND THE NORTHERN TERRITORY

VICTORIA



Significant Incidents

On 6 October 2004 approximately half a tonne of pollutant came ashore in scattered amounts along the beaches in the vicinity of Surfies Beach, Phillip Island. The Western Port Regional Control Agency mounted a shoreline clean up operation, which lasted for two days with clean up costs totalling approximately \$64,000.

The Victorian Environment Protection Authority (EPA) is investigating the incident.

On 22 March 2005 an amount of palm oil was detected in the Maribyrnong River upstream of the Port of Melbourne. The Port Phillip Regional Incident Controller initiated a clean up operation, which resulted in approximately 40 tonnes of contaminated water being removed by vac truck. The Victorian EPA investigated the spill and is yet to advise the cause of the incident. The clean up costs are expected to be in the vicinity of \$36,000.

New Or Updated Contingency Plans

Contingency plans for Port Phillip, Portland, Gippsland and Western Port Regions were reviewed, printed and distributed to stakeholders.

Training

During the period Marine Safety Victoria (MSV) provided 17 courses including Introduction to Oil Spill Response, Equipment Operator, Equipment Operator Refresher, Shoreline Clean up and Media Management.

Exercises

MSV conducted a desktop exercise for the Western Port Regional Coordination Committee in February 2005; a desktop exercise for the Western Port Incident Management Team in May 2005; and a one day practical exercise at Stony Point. All three exercises were designed to test the Western Port Regional Contingency Plan.

NEW SOUTH WALES



Significant Incidents

There were no incidents of note in this period. Several minor incidents occurred involving sunken fishing/recreational vessels such as the grounding of a trawler south of Batemans Bay on the NSW South Coast which required the removal of approximately 1,500 litres of diesel and arrangements put in place for salvage by the owner.

New or Updated Contingency Plans

The NSW State Waters Marine Oil and Chemical Spill Contingency Plan underwent a major rewrite. It is expected that the revised plan will be issued early in 2006.

NSW Maritime and the Lord Howe Island Board discussed the future administration of the local contingency plan for Lord Howe Island, with the view to have the Plan administered by the Board.

Exercises

Port Kembla Port Corporation held its annual desktop exercise on 19 November 2004 and equipment deployment exercise on 2 December 2004.

Sydney Ports Corporation (SPC) conducted a joint equipment deployment exercise with Shell on 14 March 2005. SPC was the combat agency for Exercise James Cook which was held on 15 September 2004 in Botany Bay.

The Port of Yamba held an equipment deployment exercise on 17 March 2005. The primary aim of the exercise was to familiarise local emergency service personnel on the deployment and operation of the Tier 1 equipment held at Yamba.

Equipment Acquisition

SPC purchased an additional 500 metres of General Purpose 500, 300 metres of General Purpose 750 and 300 metres of Vikoma Hi Sprint boom. SPC also purchased a 13 tonne capacity Heila Marine Crane for deployment of marine and emergency response equipment at its Moore's Wharf Base.

ACTIVITIES IN STATES AND THE NORTHERN TERRITORY

State Response Arrangements

In NSW response arrangements to all marine pollution incidents are currently provided state-wide by the three Port Corporations, Newcastle, Sydney and Port Kembla. This includes waters outside of the Ports. These arrangements are agreed and details contained in the Port Safety Operating Licence (PSOL) for each port. The PSOL details response standards, areas of response, investigation and prosecution arrangements and reporting requirements.

A major review of the PSOLs is being undertaken and new licences will be issued from 1 January 2006. The division of responsibility for responding to marine incidents are part of the review process.

Implications of Crimes at Sea Act

At the last National Plan Management Committee (NPMC) meeting, NSW and AMSA presented a paper outlining a legal view that as a result of the NSW Crimes at Sea Act 1998, the NSW marine pollution legislation, which includes provisions relating to powers of intervention and the MARPOL 73/78 Convention, has a jurisdictional reach to the full 12 nautical miles (nm) limit of the Australian territorial sea. This view raises questions in several States, including NSW, about whether the responsibility for powers of intervention and application of MARPOL 73/78 from 3 to 12nm belongs to the Commonwealth (AMSA) or State governments.

NPMC agreed that all States should limit the application of their MARPOL 73/78 legislation to three nautical miles, and that action to achieve uniform application was needed as a matter of urgency to avoid possible legal problems.

State Prosecutions

Sydney Ports Corporation's (SPC) prosecution of the vessel MT Frixos was dismissed in the NSW Land and Environment Court. This incident involved an alleged small spill from the vessel at Gore Cove on 30 April 2002. A major factor influencing the outcome was that there appeared to be no elimination of other potential sources.

This was despite laboratory analysis reporting a 100 percent match with the vessel.

Cross examination on the analysis included an analytical "expert" from the UK on behalf of the defence, and an expert from the USA on behalf of the prosecution, in addition to John Leeder from Leeder Laboratories.

AMSA will be reviewing the case with the view to strengthen procedures both at a National and State/NT level to address any deficiencies that may be apparent as a result of this outcome.

It should also be noted that this is the first case which SPC have had dismissed, all other prosecutions in the past having been successful.

Oil Spill Response Atlas

As part of the ongoing process to update the intertidal and subtidal habitats in NSW estuaries, the NSW Department of Primary Industries (Fisheries) mapped the mangrove and seagrass habitats in the Clarence and Richmond Rivers, Lake Illawarra and Port Stevens and Karuah River using funding provided by the National Plan.

National Plan funds were also used to map the shoreline characteristics for about two thirds of the NSW coastline that was assessed by the DNV Risk Assessment as having a high and medium risk of being impacted by a marine oil spill.

ACTIVITIES IN STATES AND THE NORTHERN TERRITORY

SOUTH AUSTRALIA



Significant Incidents

The Mellum, a Liberian cargo vessel, went aground on a sand bank immediately after dropping off the pilot at Thevenard, Ceduna on 28 September 2004. Fortunately only the fore part of the vessel was aground. No pollution was reported as the vessel had on board 420 tonnes of heavy fuel and 25 tonnes of diesel. After several attempts using the port tug the vessel refloated on the high tide and remained at anchor while underwater hull and structural surveys were carried out.

On 13 October 2004, oil was reported to have polluted the Port Adelaide River from a vessel berthed at No 29 Wharf. The total quantity spilled was estimated to be 0.5 tonnes. Within a period of five hours, the oil was contained and the riverbank was cleaned up. The South Australian EPA are currently investigating with samples taken from a number of vessels in the vicinity.

New or Updated Contingency Plans

The National Plan Contingency Plan Review Sub Committee audited South Australia's Contingency Plan during the period. A further review of the plan is expected to be completed by the end of 2005.

Training

During the period Transport SA conducted several Introductory Oil Spill Response training courses. These courses also included equipment deployment exercises. Transport SA also assisted Santos with an equipment deployment exercise in Port Bonython.

TASMANIA



Significant Incidents

On 4 August 2004 the Environment Division in the Department of Primary Industries Water and Environment was notified by AMSA that a Victorian fisherman had delivered a jar of what appeared to be a thick viscous material to the San Remo office of the Victorian EPA.

The fisherman had apparently collected the sample on 31 July 2004 near the Hogan Group of islands in northern Bass Strait from a spill which appeared to extend about eight nautical miles and which was comprised of clumps of about three square metres and smaller in size. Albatrosses were observed to attack the clumps and then appeared to have some difficulty in getting airborne again. AMSA advised that the Victorian EPA had handed over to them the follow-up of this matter.

On 10 August 2004 advice was received from the Victorian EPA through AMSA that the spilled material was lubricating oil.

On 11 August 2004 a meeting of the State Marine Pollution Committee was held and AMSA representatives in Canberra participated by teleconference. The Committee concluded that it would now be extremely difficult to determine when and from what ship the spill may have occurred due to the time delays and that no further follow-up of this incident was effectively possible. This position was supported by the findings of a team from the Nature Conservation Branch in the Department which, together with representatives from the Victorian Department of Sustainability and Environment and the Phillip Island Nature Park in Victoria, carried out a survey of islands in the area and had not found any sign of oiled penguins or oiled sea birds.

ACTIVITIES IN STATES AND THE NORTHERN TERRITORY

Legislation

Amendments to the Pollution of Waters by Oil and Noxious Substances Act 1987, to give effect inter alia to MARPOL 73/78 Annex IV (Sewage), commenced on 17 December 2004.

New Or Updated Contingency Plans

The revised Oiled Wildlife Response Plan for Tasmania was finalised and it is proposed to be exercised in during 2005-2006.

Training

In October 2004 and January 2005 exercises were held in Hobart and Devonport respectively, to practice the deployment of Tier 1 oil spill response equipment provided to both ports under the National Plan.

Equipment Acquisition

The State purchased 4 x 900 litre heavy duty HDPE storage bins and lids for the storage of pumps, hoses and related oil pollution response equipment for use at the State-maintained storage facility at Mornington near Hobart. This will significantly assist with ensuring proper access to the equipment at the storage facility.

Most Tier 2/3 equipment for Tasmania was moved to the regional Tier 2/3 stockpile storage facility in Bell Bay during the reporting period. The remaining Tier 2/3 equipment is stored at the State-maintained storage facility at Mornington.

National Plan Exercise 2006

Tasmania will be hosting the National Plan biennial exercise in 2006 and work is in progress in preparation for that event.

QUEENSLAND



Significant Incidents

Whilst no significant incidents occurred in Queensland waters Maritime Safety Queensland (MSQ) did receive reports of 78 oil spills during the reporting period.

All incidents were effectively managed by MSQ in close cooperation with Queensland port authorities and local government agencies.

With respect to the spills that did occur:

- 74% of spills (58 incidents) occurred in ports or small boat harbours.
- 64% of spills (50 incidents) were very light oils such as diesel fuel.
- 60% of spills (49 incidents) were less than 5 litres.
- 10% of spills (8 incidents) involved large trading ships which generally carry more persistent fuels and oils.

The largest incident was a spill of 2,000 litres of diesel fuel from a recreational ship that grounded on Marble Island, approximately 100 nautical miles south-east of Mackay, on 4 May 2005.



Most of the ship's diesel fuel spilled shortly after it grounded. However MSQ's response team successfully recovered approximately 200 litres of engine and gearbox oil from the stranded vessel.

ACTIVITIES IN STATES AND THE NORTHERN TERRITORY

New Or Updated Contingency Plans

MSQ implemented a number of marine pollution prevention and response initiatives. Key achievements included:

- Revision and distribution of Queensland's primary oil spill contingency plan - the Queensland Coastal Contingency Action Plan in January 2005.
- Development of new and simplified oil spill contingency plans for all of the State's 19 ports. New draft contingency plans were also developed for the Sunshine Coast Area and Port Douglas.
- Initiation of a program to regularly audit oil spill response capacity in all Queensland ports.

Training

MSQ continued to provide competency based training for all operational oil spill response personnel. All first-strike responders are now required to attend the Introduction to Oil Spill Response course and the Oil Spill Responder Level 3 course. In addition, response personnel who may be required to work offshore or use more complicated equipment also have to complete the new Oil Spill Responder Level 4 course.

A total of 215 people attended the Introduction to Oil Spill Response course, 139 attended the Oil Spill Responder level 3 course and 31 completed training to level 4 Oil Spill Responder level. In addition 13 MSQ regional staff completed an oil spill response "Train the Trainer" workshop.

Exercises

Oil spill response exercises were conducted by MSQ in the ports of Brisbane, Gladstone, Mourilyan and Skardon River.

Equipment Acquisition

MSQ has embarked on a project to carry out half-life refits on its fleet of five Marco oil spill response vessels. The first vessel to commence its refit was the Nautilus which was purchased in 1993. Each refit is expected to cost between \$150,000 and \$200,000 and will extend the life of the vessels by ten years.

MSQ also purchased new first-strike oil spill response equipment for Southport, Mooloolaba,

Tin Can Bay and Urangan. Items of equipment purchased included general purpose boom, oil recovery pumps, anchor kits and recovered oil containers.

WESTERN AUSTRALIA



Significant Incidents

On 17 July 2004 a support vessel holed a bunker tanker on the Floating Production Storage and Offloading facility (FPSO) Cossack Pioneer. The diesel continued leaking for approximately 30 minutes while the remaining fuel was transferred to another tank. After plugging the leak it was estimated approximately 5,000 litres of marine diesel was lost. This was later revised upwards to approximately 23,000 litres.

Weather conditions in the area were rough with a three metre swell. Surveillance flights the next morning revealed no evidence of pollution and no further action was required.

An oil sheen in Esperance Bay was reported to the Esperance Port Authority on 19 January 2005. The sheen extended from the harbour for about 500 metres.

Investigations found that an oil spill had occurred on the vessel Tianshenghai berthed at No 3 Berth. A small quantity of heavy fuel oil had entered port waters before the ship's crew were able to contain the spill to the deck area.

The oil slick extended around 3,000 metres from the Tianshenghai and was mostly light and colourless with some heavier fouling at the northern end of the slick adjacent to Castletown beach. The slick had also impacted on the beach mostly in the form of tarballs.

Clean up operations commenced immediately with several tonnes of sand removed from the beach. The Esperance Port Authority were able to recover costs incurred with the clean up from the vessel.

ACTIVITIES IN STATES AND THE NORTHERN TERRITORY

New Or Updated Contingency Plans

WestPlan, WA's Marine Oil Pollution Contingency Plan in its current format is both an instruction manual as well as an emergency management plan. During the reporting period the plan was reviewed with the intention of splitting it into two parts – the Plan and the Manual.

Training

Since August 2003, 385 persons have been trained to the introductory level using Competency Based Training (CBT) teaching techniques. This course has been conducted at seven different locations around the State since November 2004.

Participant feedback indicates that the introductory course addresses the needs of ports, government agencies, maritime exporters and the oil industry and that predictably; the practical component is the best part. The WA Police Service is interested in oil pollution response training for its commissioned officers.

Foreshore Clean up training was conducted in Exmouth in November 2004 with 22 participants.

The inaugural Level 3 Advanced Operator Course was held in Fremantle Port in May 2005 with the assistance of Maritime Safety Queensland. Ten participants attended the course.

A North West State Response Team (NW SRT) has been set up in Dampier on the initiative of its Harbour Master. To fund this arrangement, the Dampier Port Authority has slightly increased its shipping charges. Local industries, Woodside and Hamersley, along with the Port, will provide staff for the response team. The Department for Planning and Infrastructure (DPI) will provide training assistance support to Dampier once its Environmental Protection Unit is back to full staffing levels.

Equipment Acquisitions

During the reporting period DPI has ordered 960 metres of a locally produced curtain boom suitable for use in protected waters. The lightweight boom has proved to be effective and was designed in consultation with DPI. Sixty metres of this boom will be placed in each of the regional boat harbours.

A Capital Investment Proposal has been approved to institute a rolling response equipment acquisition and replacement program for the ten years to 2014-2015. There will be around \$90,000 available in each year and will supplement the first strike equipment provided on loan from DPI to the ports. Equipment will be provided to Esperance and Exmouth in 2005-2006.

NORTHERN TERRITORY



Significant Incidents

There were no significant oil spills in NT waters over the 2004-2005 reporting period.

Training

During the reporting period Equipment Operator courses were conducted in Darwin and Groote Eylandt with a total of 30 personnel trained.

Equipment Acquisition

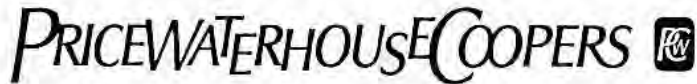
The Northern Territory acquired no additional equipment in 2004-2005.

Administrative Changes

Gary Mayer, Director of the Marine Safety Branch within the Department of Planning and Infrastructure, retired at the end of 2004. Gary was the Chair of the NT Marine Pollution Management Committee and a member of the National Plan Management Committee.

In March 2005 the Transport Group was restructured to increase the profile and focus necessary to achieve the NT Government's goals for transport in the Northern Territory. The Transport Safety Division, will be responsible for the coordination of marine pollution combat in NT waters. Other responsibilities will include providing a regulatory, enforcement and operational policy role in the areas of vessel survey, vessel manning, and rail, road and recreational boating safety.

FINANCIAL STATEMENTS



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

PricewaterhouseCoopers
ABN 52 780 433 757

Level 1
25 National Circuit
FORREST ACT 2603
GPO Box 447
CANBERRA CITY ACT 2601
DX 77 Canberra
Australia
www.pwc.com/au
Telephone +61 2 6271 3000
Facsimile +61 2 6271 3999

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 rest of our review report.

Scope and summary of our role

The financial report – responsibility and content

The preparation of the financial report for the year ended 30 June 2005 is the responsibility of the management of the Australian Maritime Safety Authority (“the Authority”).

The auditor’s role and work

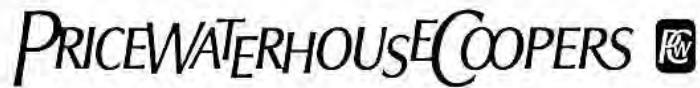
We conducted an independent review of the financial report in order for the Authority to distribute the financial report to members of the National Plan Advisory Committee. Our role was to conduct the review in accordance with Australian Auditing Standards applicable to review engagements. Our review 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 blue ink, appearing to read 'Hugh Somerville', written over the printed name.

PricewaterhouseCoopers

A second handwritten signature in blue ink, appearing to read 'Hugh Somerville', written over the printed name.

Hugh Somerville
Partner

Canberra
10 October 2005

FINANCIAL STATEMENTS

**AUSTRALIAN MARITIME SAFETY AUTHORITY
NATIONAL PLAN
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2005**

	Notes	2005 \$	2004 \$
Revenue			
Protection of the sea levy		4,632,042	4,313,167
Equipment hire		24,480	202,115
Incident recovery	3	6,007	30,183
Interest		-	102,026
Other revenue		13,730	33,374
Total Revenue	4	4,676,259	4,680,865
Expenses			
Staff costs	5	726,055	758,601
Travel and transport		233,888	225,454
Materials and services	6	1,211,255	1,024,512
Communications expenses		43,700	34,953
Occupancy costs	7	315,167	186,361
Administrative expenses		172,408	99,914
Overheads	8	403,643	551,352
Depreciation and amortisation		829,624	885,573
Incident costs	3	-	3,039
Loss on sale of assets	1	16,635	426,479
Total Expenses		3,952,375	4,196,238
Operating surplus/(deficit)		723,884	484,627

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 2005

	Notes	2005 \$	2004 \$
Current Assets			
Cash	9	5,255,785	3,604,803
Receivables	10	138,897	186,963
Inventories	11	-	-
Other	12	15,066	99,752
Total Current Assets		<u>5,409,748</u>	<u>3,891,518</u>
Non Current Assets			
Property, plant and equipment	13	7,144,632	4,891,864
Intangibles	14	80,475	69,179
Total Non Current Assets		<u>7,225,107</u>	<u>4,961,043</u>
Total Assets		<u><u>12,634,855</u></u>	<u><u>8,852,561</u></u>
Current Liabilities			
Creditors	15	550,733	501,746
Employee Entitlements	16	16,344	876
Total Current Liabilities		<u>567,077</u>	<u>502,622</u>
Non Current Liabilities			
Employee Entitlements	16	142,491	196,948
Total Non Current Liabilities		<u>142,491</u>	<u>196,948</u>
Total Liabilities		<u>709,568</u>	<u>699,570</u>
Net Assets		<u><u>11,925,287</u></u>	<u><u>8,152,991</u></u>
Equity			
Accumulated surpluses/(deficit)	19	4,316,128	527,372
Reserves	19	7,609,159	7,625,619
Total Equity		<u><u>11,925,287</u></u>	<u><u>8,152,991</u></u>

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 CASH FLOWS
for the year ended 30 June 2005**

	Note	2005 \$	2004 \$
OPERATING ACTIVITIES			
Cash received			
Levies, fees and charges received		4,766,028	4,503,404
Interest received		-	102,026
Incident costs re-imbursed		6,007	30,183
GST recovered from taxation authority		119,341	221,377
Total cash received		<u>4,891,376</u>	<u>4,856,989</u>
Cash used			
Cash paid to employees and suppliers		<u>(3,177,556)</u>	<u>(3,211,621)</u>
Total cash used		<u>(3,177,556)</u>	<u>(3,211,621)</u>
Net cash from operating activities	17	<u><u>1,713,820</u></u>	<u><u>1,645,368</u></u>
INVESTING ACTIVITIES			
Cash used			
Payments for property, plant and equipment		<u>(62,838)</u>	<u>(343,702)</u>
Total cash used		<u>(62,838)</u>	<u>(343,702)</u>
Net cash used by investing activities		<u><u>(62,838)</u></u>	<u><u>(343,702)</u></u>
Net increase (decrease) in cash held		1,650,982	1,301,666
Cash at the beginning of the reporting period		3,604,803	2,303,137
Cash at the end of the reporting period		<u><u>5,255,785</u></u>	<u><u>3,604,803</u></u>
Cash as per Statement of Financial Position		5,255,785	3,604,803

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 2005

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

Infrastructure, plant and equipment are carried at valuation. Revaluations undertaken up to 30 June 2003 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.

With assets progressively revalued over the triennium, the remainder of the assets valued under the previous policy have been recognised at fair value at 30 June 2005. The financial effect for 2004-05 of the change is given by the difference between the carrying amount at 30 June 2005 of these assets and their fair values as at 30 June 2005. The financial effect by class is as follows:

Asset Class	Adjustment	Contra Account
Plant & Equipment	16,460	Asset Revaluation Reserve

Total financial effect was to a net debit to the asset revaluation reserve of \$16,460.

Land and buildings, aids to navigation and vessels and amphibian assets were formally revalued in the 2003-2004 financial year. Plant and equipment, office and computer equipment, furniture and fittings and vehicles were formally revalued in the 2002-2003 financial year. Between formal valuations assets are revalued using an appropriate index reflecting movements in the value of similar assets.

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.

Where items of plant and equipment have separately identifiable components which are subject to regular replacement those components are assigned useful lives distinct from the item of plant and equipment to which they relate.

FINANCIAL STATEMENTS

AUSTRALIAN MARITIME SAFETY AUTHORITY
NATIONAL PLAN
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

Note 1 Statement of Significant Accounting Policies (continued)

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 2004-05.

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 stated at the lower of cost and net realisable value. Inventories are expected to be used within twelve months. The value is adjusted to accommodate 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

Wages and salaries, annual leave and sick leave

(i) Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other creditors in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long service leave

(ii) The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Employee benefit on-costs

Employee benefit on-costs, including superannuation, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

FINANCIAL STATEMENTS

AUSTRALIAN MARITIME SAFETY AUTHORITY
NATIONAL PLAN
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

Note 1 Statement of Significant Accounting Policies (continued)

1.7 Receivables

All trade debtors are recognised at the amount receivable as they are due for settlement. All receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Credit terms are usually 30 days. (2004: 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 recorded in the Statement of Financial Performance do not include the salaries, wages and associated on costs incurred. These are incorporated in the staff costs. However, as these costs are considered to be a cost attributable to incidents, they are included in incident recoveries as appropriate.

FINANCIAL STATEMENTS

NATIONAL PLAN NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2005

	2005	2004
	\$	\$
Note 4 Revenue		
Rendering of services	4,676,259	4,578,839
Interest	-	102,026
	4,676,259	4,680,865

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 2005, materials and services expense included an adjustment to the provision made for slow moving dispersant stock. (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	5,255,785	3,604,803
	5,255,785	3,604,803

Note 10 Receivables

Trade debtors	12,340	17,828
less Provision for doubtful debts	-	-
	12,340	17,828
Other debtors	42,763	133,051
GST receivable	83,794	36,084
	138,897	186,963

Note 11 Inventory

Oil dispersant stocks	2,868,450	1,883,333
Provision slow moving stock	(2,868,450)	(1,883,333)
	-	-

The provision mad for slow moving stock recognises the intention of the National Plan to use its entire stock of oil dispersant and therefore this inventory carries a net realisable value of zero.

FINANCIAL STATEMENTS

NATIONAL PLAN NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2005

	2005	2004
	\$	\$
Note 12 Other		
Prepayments	15,066	99,752
	15,066	99,752
Note 13 Property, plant and equipment		
<i>Plant and equipment:</i>		
- fair value	11,349,188	-
Accumulated depreciation	(5,181,898)	-
	6,167,290	-
- independent valuation 2000	-	1,100,348
Accumulated depreciation	-	(411,937)
	-	688,411
- independent valuation 2003	-	6,979,738
Accumulated depreciation	-	(4,197,961)
	-	2,781,777
- cost	-	794,305
Accumulated depreciation	-	(296,556)
	-	497,749
Total plant and equipment	6,167,290	3,967,937
<i>Office and computer equipment:</i>		
- fair value	69,500	-
Accumulated depreciation	(63,140)	-
	6,360	-
- independent valuation 2000	-	15,213
Accumulated depreciation	-	(15,213)
	-	-
- independent valuation 2003	-	90,363
Accumulated depreciation	-	(81,326)
	-	9,037
- cost	-	22,067
Accumulated depreciation	-	(7,356)
	-	14,711
Total office and computer equipment	6,360	23,748
<i>Furniture and fittings:</i>		
- independent valuation 2003	-	79,540
Accumulated depreciation	-	(45,587)
	-	33,953
Total furniture and fittings	-	33,953
<i>Vehicles:</i>		
- fair value	375,300	-
Accumulated depreciation	(333,229)	-
	42,071	-
- independent valuation 2003	-	396,800
Accumulated depreciation	-	(392,303)
	-	4,497
Total vehicles	42,071	4,497

FINANCIAL STATEMENTS

NATIONAL PLAN NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2005

	2005	2004
	\$	\$
Note 13 Property, plant and equipment (continued)		
<i>Vessels and amphibians:</i>		
- fair value	1,459,488	-
Accumulated depreciation	<u>(548,939)</u>	<u>-</u>
	910,549	-
- independent valuation 2004	-	4,805,000
Accumulated depreciation	<u>-</u>	<u>(3,980,592)</u>
	-	824,408
Total vessels and amphibians	<u>910,549</u>	<u>824,408</u>
Capital works in progress	18,362	37,321
Total property, plant and equipment	<u>7,144,632</u>	<u>4,891,864</u>
Note 14 Intangibles		
Externally Acquired Computer software	358,550	355,855
Accumulated amortisation	<u>(278,075)</u>	<u>(286,676)</u>
	<u>80,475</u>	<u>69,179</u>
Note 15 Creditors		
Trade creditors	0	365,481
Salaries and wages	0	51,973
Annual leave	79,440	84,292
Other creditors	-	-
	<u>79,440</u>	<u>501,746</u>
Note 16 Employee Entitlements		
<i>Current</i>		
Long service leave	<u>16,344</u>	<u>876</u>
	<u>16,344</u>	<u>876</u>
<i>Non Current</i>		
Long service leave	<u>142,491</u>	<u>196,948</u>
	<u>142,491</u>	<u>196,948</u>
Note 17 Reconciliation of operating surplus/(deficit) to net cashflows from operating activities		
Operating surplus/(deficit)	723,884	484,627
Depreciation	829,624	885,573
Asset write downs	-	-
Loss on disposal of non-current assets	16,635	426,479
GST Recovered on payments for non-current assets	926	31,246
<i>Changes in assets and liabilities:</i>		
(Increase)decrease in trade debtors	48,066	6,092
(Increase)decrease in prepayments	84,686	(90,088)
(Decrease)increase in trade creditors and other creditors	78,048	(88,034)
(Decrease)increase in employee liabilities	<u>(68,049)</u>	<u>(10,525)</u>
Net cash flows from operating activities	<u>1,713,820</u>	<u>1,645,369</u>
Balance per cash flow statement	1,713,820	1,645,368

FINANCIAL STATEMENTS

NATIONAL PLAN NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2005

	2005	2004
	\$	\$
Note 18 Commitments for Expenditure		
Operating Leases		
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	69,454	8,527
Later than one year but not later than five years	73,609	-
Total Operating Lease commitments	143,063	8,527
Capital Commitments		
Commitments for minimum lease payment in relation to non-cancelable operating leases are payable as follows:		
Within one year	17,400	108,466
Later than one year but not later than five years	-	196,227
Total Capital commitments	17,400	304,693
Other Commitments		
Commitments for expenditure in relation to purchase orders that have been made and are payable as follows:		
Within one year	793,210	913
Later than one year but not later than five years	397,102	-
Total Other commitments	1,190,312	913

FINANCIAL STATEMENTS

AUSTRALIAN MARITIME SAFETY AUTHORITY
NATIONAL PLAN
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

Note 19 Equity

Item	Accumulated surpluses \$'000	Asset revaluation reserve \$'000	Total reserves \$'000	TOTAL EQUITY \$'000
Balance 1 July 2004	527,372	7,625,619	7,625,619	8,152,991
Surplus/(deficit)	723,884	-	-	723,884
Prior year adjustments	3,064,872	-	-	3,064,872
Net revaluation increment/(decrement)	-	(16,460)	(16,460)	(16,460)
Transfers to/(from) reserves	-	0	0	-
Balance 30 June 2005	4,316,128	7,609,159	7,609,159	11,925,287

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.

Prior year adjustments

An adjustment is required to equity to accommodate prior year treatment of depreciation. A manual adjustment was undertaken to depreciation for plant and equipment and furniture and fittings for 2001-02 and 2002-03 in anticipation of the handover of the tier one and two equipment. The handover of equipment was undertaken in 2003-04 and the loss on disposal calculated taking this into account. Upon reconstruction of the asset register during 2004-05 it was determined the manual adjustment to depreciation was inappropriate and was not incorporated into the revised figures.

The adjustment to equity will accommodate the additional depreciation charged to the profit and loss in 2001-02 and 2002-03 and the errors identified in the asset balances reported in 2003-04. This treatment is consistent with the disclosure agreed between ANAO and AMSA for the whole of AMSA statements.

