

2015

Annual Report



NAFC
National Aerial Firefighting Centre

NAFC provides national collaboration and cooperation; developing excellence and a safe, effective and efficient aerial capability; supporting and enhancing the delivery of landscape fire management in Australia.

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Highlights 2014/15

- The 2014-15 National Fleet included 94 aircraft in total (53 fixed wing, 41 rotary wing) provided by 23 specialist aviation businesses under NAFC contracts. These aircraft supplied 101 separate services across the country.
- For the first time, the fleet included two next-generation large fixed-wing air tankers - an Avro RJ85 and a Lockheed C130Q - procured by NAFC on behalf of Victoria. These aircraft were effectively used in Victoria, and were also successfully deployed to South Australia, Western Australia and Tasmania during the course of the season.
- NAFC was commissioned to evaluate the performance of these large fixed-wing air tankers during the 2014-15 season, and a comprehensive report was provided to Emergency Management Victoria and other key stakeholders.
- During an extended 2014-15 fire season, the first NAFC-contracted aircraft service was required on 1 July 2014, with the final service finishing up on 31 May 2015.
- The season saw serious bushfires in most states and territories and significant movements of aircraft between jurisdictions were required to address peaks in bushfire activity. This included shifting two Aircranes across the Nullarbor to support firefighters in Western Australia.
- The Australian Government provided \$14.8 million to support aerial firefighting across the country. The May 2015 Federal budget also contained a commitment to continued funding for aerial firefighting until at least 2018/19.
- NAFC-contracted aircraft were activated on a total of 2,497 occasions, comprising 1,487 firebombing operations and 1,010 support operations.
- National Fleet aircraft made more than 23,000 firebombing drops, delivering in excess of 54 million litres of fire retardant and suppressant across the country.
- A major Invitation to Tender for Aerial Firefighting Services for 2014 Onwards (ITT AFS 2014+) was finalised. This process provided for 22 fixed-wing firebombing, aerial supervision and reconnaissance aircraft services mainly based in Victoria, but also included services for other states.
- As a result of this Invitation to Tender, contracted fixed wing firebombing services were based in Queensland for the first time, and a fixed-wing firebombing service dedicated to Tasmania was also established for the first time.
- Additional helicopters were contracted for New South Wales and South Australia for the 2014-15 season.
- A further major Invitation to Tender for Aerial Firefighting Services for 2015 Onwards (ITT AFS 2015+) was commenced. This process, to be finalised during the 2015/16 reporting year will provide around 24 Type 2 (medium) and Type 3 (light) rotary-wing services mainly based in Victoria.
- An important Request for Proposals for Airborne Strategic Intelligence and Reconnaissance services (RFP ASIR 2015+) was also commenced.
- The first production version of the ARENA aviation management information system was implemented. The development of ARENA is a major joint initiative between NAFC and its Members to improve the management of information to support aviation operations. By the end of the 2014-15 reporting year, ARENA had 780 registered users.
- Focussing on future strategic directions, NAFC organised a workshop in Sydney during October 2014 to support the fire and emergency sector in identifying and articulating its expectations and capability requirements, and to examine opportunities for further collaboration and cooperation.
- NAFC teamed with AFAC, the Australian Association of Unmanned Systems, and Queensland University of Technology to run a user-focussed Brisbane workshop on the application of Remotely Piloted Aircraft Systems in managing bushfires and emergencies.
- The NAFC Research and Development Committee commissioned a number of projects including a project to develop methodologies for evaluating aeri ally-applied bushfire suppressants.

Dear Members,

On behalf of outgoing Chair, Mr Mike Brown, it is my pleasure to present the Annual Report of the National Aerial Firefighting Centre for 2014-15. Immediately following the end of the reporting year, Mike retired after 40 years distinguished service in the Tasmanian Fire Service and accordingly relinquished his NAFC directorship. I know that Mike is very proud of the progress made during his nearly two years in the NAFC Chair, and all at NAFC thank Mike for his stewardship and wish him well in his retirement.



Once again we are in the enviable position of being able to reflect on a very busy and successful year that has seen considerable innovation and advancement. The 2014-15 bushfire season was a significant one in many parts of Australia, with serious fires affecting most jurisdictions at some stage. The nationally-contracted fleet of specialised aircraft grew to 94 (53 fixed wing, 41 rotary wing) supplying 101 separate services (some aircraft are used to provide more than one service) and again provided valuable community protection and support to firefighters across the country.

This was the year of the Large Air Tanker as NAFC procured the services of two large fixed wing air tankers – an Avro RJ85 and a Lockheed C130Q. This was the first time that aircraft of these particular configurations have been used in Australia. Although procured on behalf of Victoria, during a busy southern Australian fire season they were also deployed to three other states.

The successful deployments of these large air tankers (LATs) to bushfires in South Australia, Western Australia and Tasmania demonstrated the possibilities for a future national approach to the provision of this sort of capability. It also very much reinforced the value of the now well-established systems and protocols we have in place for sharing specialised resources between Members. At Victoria's request, NAFC also undertook an evaluation of the use of these LATs during the season and delivered a comprehensive report.

While the large aircraft may have captured the headlines, the regular work of NAFC and its Members continued unabated. Procurement activity continued to grow with the NAFC office running a number of large and complex procurement processes on behalf of its Members.

NAFC also took the opportunity to focus on future strategy for the provision of aviation capabilities. The key to strategic planning is to understand the Members' requirements and to this end NAFC joined with AFAC to facilitate an important workshop in October that enabled the fire and emergency industry to identify and articulate its expectations and to examine opportunities for further synergies going forward. This process remains ongoing and will facilitate the development of a strategic outlook for NAFC that will ensure we are well positioned to deliver the services required by our Members. As part of our focus on strategic issues, NAFC also joined with AFAC and other partners to run a symposium on the use of Remotely Piloted Aircraft Systems.

There were several changes to the Board during 2014-15. One that deserves particular mention is Major General (retired) Jim Molan's decision to step down as an Independent Director of NAFC in late 2014. Jim served on the Board in a completely voluntary capacity, including as Treasurer, for nearly three years. We thank him for his service and will very much miss his wisdom and insight.

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Northern Territory Director Rod Applegate also resigned from the NAFC Board following changes to his responsibilities in the NT. Most recently Rod had also served as Treasurer of NAFC, and the Board thanks him for his service and wishes him all the best in his new role.

Changes to the NAFC's governance arrangements also led to Stuart Ellis resigning from the Board and his former position of Company Secretary in order to take up the role of Chief Executive Officer of NAFC. Business and Finance Manager, Trevor Essex, has subsequently taken up the position of Company Secretary.

The Board appreciates that NAFC's work would not be possible without the considerable support and input of its many stakeholders and partners. The various state and territory agencies and their staff are integral to the smooth, effective, and efficient running of the fleet, and particularly the interstate redeployments that occur during the season. Once again the movement of aircraft and support resources was seamless and we very much thank all those people who played a part. In addition, the volume of procurement activity placed considerable demands on many of the same people to evaluate tenders and proposals and we are very grateful for their efforts.

It is fitting to acknowledge the Australian Government's continuing support for the national aerial fire-fighting arrangements. Over recent years the Commonwealth has provided nearly \$15M per annum through Emergency Management Australia towards the fixed costs of maintaining this important capability. This funding is quite simply critical to ensuring that NAFC and its Members continue to provide services which the community has come to rely on.

We would also like to thank the many aviation industry suppliers who continue to work with NAFC's Members to provide a range of aerial services with high levels of professionalism. Thank you also to the Australasian Fire and Emergency Service Authorities Council (AFAC) for their ongoing and engaged support.

Finally, thanks must go to General Manager, Mr Richard Alder and the NAFC team who continue to effectively meet the needs of Members while adding value to Member operations through consultation and collaboration. As the newly appointed Chair of the Board, I look forward to what the coming years will hold for this unique and growing organisation.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "G Nettleton", is written over a light blue circular stamp.

Mr Greg Nettleton
Chair

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General Manager's Report

The 2014-15 fire season and aircraft resources

A number of major bushfires created headlines during 2014-15, but virtually all parts of the nation experienced serious fires at some stage during the period from September through to March. Several of these fires posed a significant threat to human life and property and over 40 homes were lost along with around 150 sheds or outbuildings and thousands of livestock. Unfortunately, two firefighter fatalities were also recorded during the season. Notable fires which featured extensive use of aerial resources were in South Australia's Adelaide Hills, the Northcliffe area in Western Australia, and near Moyston in western Victoria.

The national fleet continued to expand its capability and capacity and was able to provide valuable support to firefighters across the country in a variety of situations. Increasingly the focus for aerial support is not just firebombing, but extends to a host of other important tasks, such as gathering information to help keep communities informed.

From an aviation perspective, the 2014-15 fire season was both busy and long, with the first two NAFC-contracted aircraft going into service at Batchelor in the Northern Territory on the very first day of the reporting year (July 1st), and the season's final service finishing up in South Australia on the 31st May. An early start to the season in some jurisdictions also required aircraft contracted from overseas to commence earlier than in previous seasons, raising potential conflicts with the demands of the northern hemisphere fire season. As an example, the first Aircrane commenced its Service Period in New South Wales on 1st October 2014. There has been a trend of longer seasons for firefighting aircraft in both hemispheres in recent years, necessitating closer attention to managing the international transition of aircraft resources.

The finalisation of a major tender process (NAFC ITT AFS 2014+) saw services that were previously directly contracted by Victoria being incorporated into the nationally contracted fleet, as well as providing services in a number of other states. The outcomes of the tender process were especially pleasing, with the collaborative approach again ensuring greater benefits and providing improved capability and capacity for Members.

Of particular note was the new capabilities added to the fleet for the 2014-15 season by the procurement of two Large Air Tankers (LATs) and a Supervision Aircraft at the request of Victoria (see Box on page 14). It was especially satisfying to see the research and assessment of LATs conducted over several years as part of NAFC's Large Air Tanker project being used to inform the procurement and deployment of these aircraft. At Victoria's request, NAFC also undertook an evaluation of the LAT deployments during 2014-15. This was a significant undertaking in itself and a comprehensive report was duly delivered.

Also of note was that for the first time, NAFC was able to provide fixed-wing firebombing services and a fixed-wing reconnaissance service based in Queensland, and was also able to provide some dedicated fixed-wing firebombing capacity to service Tasmania, albeit on a Partial Availability basis.

Two additional helicopter services were also contracted for the 2014-15 season, one based in New South Wales and one in South Australia.

Overall, following the finalisation of the ITT AFS 2014+ process, the number of specialised aircraft contracted through NAFC grew to 94 (53 fixed wing, 41 rotary wing) supplying 101 separate services.

A table setting out nationally contracted aircraft services is provided at Table 1, over the page.

Table 1: Nationally contracted Services 2014-15

State	Service ID	Aircraft	State	Service ID	Aircraft
ACT	RW13018	Bell 412SP ¹	QLD	RW13001	Bell 214B ¹
ACT	RW13019	Eurocopter AS.350-BA	QLD	RW13002	Bell 214B ¹
NT	FW13525	Air Tractor AT-802	QLD	RW13003	Bell 204*
NT	FW13527	Air Tractor AT-802*	QLD	RW13051	Eurocopter AS355
NSW	HV13401	Erickson Aircrane S64E	QLD	FW14617	Air Tractor AT-802A*
NSW	RW13006	Bell 206 L	QLD	FW14629	Air Tractor AT-802A*
NSW	HV13402	Erickson Aircrane S64E ¹	QLD	FW14627	Cessna 210H*
NSW	RW13004	Eurocopter AS365	SA	HV13406	Erickson Aircrane S64E
NSW	RW13005	Eurocopter EC145	SA	RW13032	Eurocopter AS350 BA
NSW	RW13007	Bell 214B	SA	RW13033	Eurocopter AS350 BA
NSW	RW13008	Bell 214B	SA	RW14054	Eurocopter AS350 BA
NSW	RW13009	Bell 412SP	SA	FW13509	Air Tractor AT-802A
NSW	RW13010	Bell 412SP	SA	FW13510	Cessna Caravan 208B
NSW	RW13011	Kawasaki BK 117*	SA	FW13511	Air Tractor AT-802A
NSW	RW13012	Kawasaki BK 117*	SA	FW13512	Air Tractor AT-802A
NSW	RW13013	Kawasaki BK 117	SA	FW13513	Air Tractor AT-802A
NSW	RW13014	Eurocopter AS350-B3+	SA	FW13514	Air Tractor AT-802A
NSW	RW13015	Bell 206 L	SA	FW13515	Air Tractor AT-802
NSW	RW13016	Eurocopter EC145	SA	FW13516	Air Tractor AT-802A
NSW	RW13017	Kawasaki BK 117	SA	FW13517	Air Tractor AT-802
NSW	RW13018	Bell 412SP ¹	SA	FW13518	Cessna 182
NSW	RW14053	Kawasaki BK 117 B2	SA	FW13519	Cessna 182
NSW	FW13501	Air Tractor AT-802F (Fireboss)	SA	FW13520	Air Tractor AT-802A
NSW	FW13503	Air Tractor AT-802	SA	FW13521	Air Tractor AT-802A
NSW	FW13504	Air Tractor AT-802	SA	FW13540	Cessna 182
NSW	FW13505	Air Tractor AT-802 ¹	TAS	RW13026	Eurocopter AS350 B3
NSW	FW13506	Cessna Caravan 208B	TAS	RW13027	Eurocopter AS350 B3+
NSW	FW13507	Air Tractor AT-802	TAS	RW13028	Bell 214B
NSW	FW13508	Air Tractor AT-802	TAS	RW13029	Bell 214B ¹
NSW	FW13535	Air Tractor AT-802	TAS	RW13030	Eurocopter AS350 FX2
NSW	FW13536	Air Tractor AT-802 ¹	TAS	FW14616	Air Tractor AT-802AF*
NSW	FW13539	Cessna C182-T			

State	Service ID	Aircraft
VIC	HV13403	Erickson Aircrane S64E
VIC	RW13020	Bell 206 L3
VIC	HV13404	Erickson Aircrane S64E
VIC	RW13021	Bell 206 L3
VIC	RW13023	Sikorsky S61N
VIC	RW13024	Sikorsky S61N
VIC	FW14601	Air Tractor AT-802F
VIC	FW14602	Air Tractor AT-802F
VIC	FW14603	Air Tractor AT-802F
VIC	FW14604	Air Tractor AT-802F
VIC	FW14605	Air Tractor AT-802F
VIC	FW14606	Air Tractor AT-802F
VIC	FW14607	M-18 Dromader
VIC	FW14609	Air Tractor AT-802AF
VIC	FW14610	Air Tractor AT-802AF
VIC	FW14611	M-18 Dromader
VIC	FW14614	Air Tractor AT-802F
VIC	FW14618	Air Tractor AT-802F (Fireboss)
VIC	FW14620	Cessna 337-G
VIC	FW14623	Cessna 337-H
VIC	FW14624	Cessna 337-G*
VIC	FW14625	Cessna Caravan 208B
VIC	FW14630	Air Tractor AT-802F*
VIC	FW14631	Air Tractor AT-802F*
VIC	FW14650	Lockheed Martin (Coulson) C-130Q
VIC	FW14651	Twin Commander 690B
VIC	FW14655	Avro RJ85

State	Service ID	Aircraft
WA	HV13407	Erickson Aircrane S64E
WA	RW13036	Bell 214B
WA	RW13037	Bell 214B
WA	RW13038	Bell 214B
WA	RW13039	Bell 214B
WA	RW13040	Bell 214B ¹
WA	RW13041	Bell 214B
WA	RW13052	Eurocopter AS355
WA	FW13523	Air Tractor AT-802AF
WA	FW13524	Air Tractor AT-802F
WA	HV13402	Erickson Aircrane S64E ¹

* Partial Availability Services

Note 1: Aircraft used to provide more than one Service

A pictorial guide to the aircraft types contracted through NAFC is available on page 16



By the end of the season, these nationally-contracted aircraft had made more than 23,000 firebombing drops, delivering in excess of 54 million litres of fire retardant and suppressant throughout the nation. Table 2, below, provides a comparison of total amounts delivered over recent years, although it should be noted that the total number of aircraft contracted through NAFC has also increased over that time.

Table 2: National fleet statistics 2010 to 2015

	2010-11	2011-12	2012-13	2013-14	2014-15
Aircraft contracted	53	52	52	73	94
Firebombing activations	556	884	1,452	1,674	1,487
Number of Drops	4,378	5,774	26,773	39,214	23,198
Suppressant/retardant dropped (Millions of litres)	7.7	11.7	53.7	86.45	54.7
Other activations	386	685	721	1,344	1,010
Total activations	942	1,569	2,173	3,018	2,497

Under the NAFC Resource Management Agreement, the busy 2014-15 bushfire season saw a number of significant movements of aircraft in response to surges in bushfire risk across the nation. In some cases this involved the organisation of complex three-way redeployments, where aircraft moved across multiple jurisdictions during a single redeployment. There were also several instances of aircraft, including the large fixed-wing air tankers, operating in two jurisdictions on the same day.

Notable aircraft redeployments during the 2014-15 season included:

- an Aircrane was moved from New South Wales to Western Australia and then to South Australia before returning to New South Wales;
- an Aircrane moved from New South Wales to Western Australia, via Victoria (involving the extension of a previously completed service);
- an Aircrane moved from New South Wales to Victoria;

- a Type 1 helicopter (Bell 214B) moved from New South Wales to Victoria;
- an Aircrane moved from Victoria to South Australia;
- several Type 4 fixed wing firebombing aircraft moved from New South Wales to Victoria and then to South Australia; and
- Large Air Tankers and Supervision Aircraft from Victoria moved to South Australia, Western Australia and Tasmania (see page 14).

These aircraft movements occurred efficiently and seamlessly. NAFC would very much like to acknowledge the efforts of personnel from the various Member agencies who contributed to this outstanding result, which inevitably required additional attention during busy and demanding periods.

Support systems

A major milestone for NAFC during 2014-15 was the commissioning of the first production stage of the "ARENA" system. (see box on page 13). It was pleasing that the opportunity arose later in the year to integrate the Victorian Enhanced Aircraft Request and Dispatch System (EARDS) project with the ARENA project. The combined projects will now provide the basis of a unique, truly collaborative national support system that will improve the administration and management of aviation resources. An oversight program, known as the National Aviation Management Support System (NAMSS) has now been created to manage the various component projects, including the ongoing delivery of ARENA.

We were also pleased to extend for a further year the arrangement with TracPlus Global Limited of New Zealand to provide data integration services for AFAMS, the national aircraft tracking and event logging system.

Research and Development

Research and development work continued apace during 2014-15. NAFC received the report of a project undertaken in partnership with Monash University to examine the potential of computer modelling of fluid dynamics for testing and ultimately improving the drop patterns of firebombing aircraft. This work, undertaken by final year engineering student Simon Green is summarised in the box on page 15.

The NAFC Research and Development Committee also commissioned CSIRO to undertake an investigation of methodologies to test the efficacy of fire suppressants applied from aircraft. The report of this project is expected in 2015-16.

As part of the NAFC's commitment to research and development, in June 2015 the Board announced the availability of funding specifically to support investigations into the application of Remotely Piloted Aircraft Systems in fire and emergency management. Suitable projects will be considered through NAFC's normal research and development funding processes (see page 13).

Also of particular note was the NAFC-managed evaluation of the Victorian Large Air Tanker deployment, which is reported in the box on page 14

Memberships, Partnerships and Alliances

Throughout 2014-15, NAFC maintained partnerships or memberships with the following organisations:

- Fire Management Actions Alliance
- International Flight Safety Foundation
- Bushfire and Natural Hazards Cooperative Research Centre
- International Association of Wildland Fire
- United Nations International Strategy for Disaster Reduction Wildland Fire Advisory Group
- International Fire Aviation Working Group (Chair)

AFAC

NAFC continued to maintain a strong partnership with the Australasian Fire and Emergency Service Authorities Council (AFAC). AFAC provides administrative and support services and infrastructure to NAFC under a management services agreement.

NAFC would like to particularly acknowledge the contributions of AFAC Chief Executive Officer, Mr Stuart Ellis; Business and Finance Director, Mr Trevor Essex; and Finance Officer, Mrs Kate Eagles.

During 2014-15, NAFC continued to provide executive support for the AFAC Fire and Emergency Aviation Technical Group (FEAT), a sub-group of AFAC's Rural and Land Management Group.

NAFC Operations

In conjunction with AFAC and the Bushfire and Natural Hazards Cooperative Research Centre, NAFC moved office during December 2014, which also resulted in a change of Registered Address (see Company Directory on page 39).

NAFC staff once again attended a range of stakeholder meetings, contractor briefings and jurisdictional workshops throughout 2014-15. NAFC staff also participated in various internal and external tender assessment panels and presented at a number of conferences. Of particular note, General Manager Richard Alder co-chaired a workshop, held in Croatia, that focussed on inter-operability and international sharing of aviation resources. Mr Alder continued to Chair the International Fire Aviation Working Group (IFAWG).

NAFC either organised or sponsored a number of key events including a symposium examining the application of Remotely Piloted Aircraft Systems (see page 13) and the strategic planning workshop referred to by Greg Nettleton on page 5.

A series of posters to assist stakeholders with aircraft recognition was produced, drawing on the images reproduced on page 16.

NAFC continued to be involved in influencing and informing aviation regulatory reform processes on behalf of its Members. NAFC assisted the Civil Aviation Safety Authority with a public campaign promoting awareness of safety issues to operators of Remotely Piloted Aircraft Systems, and we hope to further develop this cooperative arrangement.

The NAFC team were disappointed to farewell long-serving Administration and Communications officer Angela Hennessy in April 2015 and we wish Ange all the best in her future endeavours. At the same time we were pleased to welcome Chavarne Wright into this important role.

Finance

At the conclusion of the 2014-15 financial year, NAFC remains in a sound financial position. Audited details of NAFC's finances are provided in the accompanying Special Purpose Financial Report.

Acknowledgements and thanks

The Australian Government provides significant support to NAFC and to aerial firefighting in Australia. This occurs not only through direct funding made available under the Funding Agreement between the Commonwealth and NAFC, but also through general assistance and guidance from Emergency Management Australia (EMA). We thank Mr Mark Croweller and Mr Chris Collett and their team at EMA for their engaged support throughout the year. Subsequent to 2014-15, Mr Collett has been promoted to another role in the department and we wish him all the best.

The load placed on Member agency's staff in each jurisdiction has been particularly taxing during 2014-15, with substantial involvement in procurement processes during a very busy bushfire season that involved complex movements of specialised resources around the country. NAFC remains very grateful for the professional and expert support of this dedicated group of people.

Again it is also appropriate for NAFC to acknowledge our ever growing pool of aircraft contractors and other suppliers. On behalf of our Members, we particularly thank the flight crews, engineers, administration teams and management teams of these companies for their assistance, which has been delivered professionally and efficiently.

We would also like to take this opportunity to acknowledge the NAFC Board, and especially thank retiring Chair, Mr Mike Brown, for his wisdom and guidance, not only as Chair, but as a Director of the organisation since 2008.



Richard Alder AFSM
General Manager



NAMSS - the National Aviation Management Support System and ARENA

Mission: Develop a high quality, integrated information system that will improve the management, administration and support of fire and emergency aviation related capabilities and activities.

During 2014-15, NAFC implemented the first production version of the ARENA system, having commenced programming in 2013-14. An ambitious, ground-breaking system that has been jointly developed with Members, ARENA aims to deliver a comprehensive, collaborative national information system to support fire and emergency aviation activities.

The production version of ARENA now provides a national registry of aircraft, operators and people - a single source of consistent, quality-managed information. Aircraft dispatching functionality is also included in the current version. By the end of 2014-15, ARENA had 780 registered users and recorded the details of 139 aircraft operators, 425 aircraft and 680 pilots. Development continued during 2014-15 with modules now underway for administration of fuel, and for aircraft readiness and reporting.

During the latter part of 2014-15 an opportunity arose to further expand the collaborative approach by integrating the Victorian Enhanced Aircraft Request and Dispatch System (EARDS) project with the ARENA project.

The National Aviation Management Support System (NAMSS) program was created to manage the collaborative implementation of what is now a suite of projects that will deliver a cohesive, integrated national information system to support the administration and safe, effective and efficient application of aviation and related resources in fire and emergency management. NAMSS provides an opportunity to synthesise and integrate functions of a range of existing and planned information management systems across Australia.

NAMSS will continue to develop and deliver the ARENA system, and will ensure that it provides the widest possible functionality to support Members and suppliers across Australia. ARENA will continue to employ cloud-based architecture to allow information to be accessible from a range of devices and locations and to provide for inter-operability with other systems used by Members. Likewise, all the key attributes of ARENA that have been previously highlighted will continue to be employed, such as using pre-entered and self-managed data where practicable.

NAMSS will also assure the inter-operability of ARENA with AFAMS, the national resource tracking and event logging system.

Most importantly, NAMSS provides a tremendous opportunity for Members to analyse, review, improve and, where appropriate, align business practices for the administration and management of aviation resources.

For more information contact the NAFC office or go to <http://arena.nafc.org.au/>

Remotely Piloted Aircraft Systems

Recent years have seen increasing interest in developing the use of Remotely Piloted Aircraft Systems (RPAS), also known as Uncrewed Aircraft Systems or "drones" for appropriate tasks in fire and emergency management. At the same time, dramatically increased use of small RPAS by hobbyists and other organisations has potential to pose a significant risk to aviation operations at emergency incidents. This has been well illustrated by recent occurrences overseas where authorities have been forced to shut down aviation operations at bushfires due to the unauthorised presence of RPAS.

To further investigate the issues associated with using RPAS to support fire and emergency

operations, NAFC joined with AFAC and the Australian Association of Unmanned Systems (AAUS) to run a one-day symposium at the Queensland University of Technology in Brisbane during June 2015. This well attended event, which included a small exhibition by suppliers, examined RPAS capabilities, limitations, operational aspects, risk management and regulatory issues.

Feedback from the event indicated that both suppliers and users very much appreciated the opportunity to better understand each other's perspectives. A key common theme throughout the symposium was the need for potential users of RPAS to better articulate their requirements and the products that need to be delivered.

Large Air Tankers

2014-15 saw the re-introduction of fixed-wing Large Air Tankers (LATs) to Australia. At the request of Victoria, two LATs and a dedicated Air Attack Supervision (AAS) aircraft were contracted by NAFC for the 2014-15 fire season. These aircraft were procured to fill a capability gap identified by Victoria in relation to the delivery of larger volumes of fire suppressant and retardant. Victoria also requested that NAFC conduct an evaluation of the LAT capability over the 2014-15 season.

A new generation of LATs has recently become available in the marketplace and NAFC was able to draw on the existing Large Air Tanker assessment program and its associated procurement processes to contract the appropriate aircraft services. The two contracted LATs were a Lockheed C130Q (14,760 litres water capacity or 13,250 litres retardant capacity) and an Avro RJ85 (11,350 litres capacity of water or retardant). Both aircraft were fitted with gravity-based delivery systems. This was the first time in Australia that these particular aircraft configurations had been utilised for firefighting.

The Nominated Operational Base (NOB) for the LATs was Avalon Airport, 55 km southwest of Melbourne. The Service Period ran for 12 weeks from 16th December 2014 until 9th March 2015.

During the Service Period, the LATs undertook 33 sorties in Victoria. In addition, under the NAFC Resource Management Agreement between Australian states and territories, the LATs completed 29 sorties in South Australia, 19 sorties in Western Australia, and 6 sorties in Tasmania. In total, the C130Q completed 44 sorties delivering 599,558 litres of retardant, while the RJ85 completed a total of 43 sorties delivering 492,415 litres of retardant. Both LATs dropped at various coverage levels and made between one and three drops per sortie.

Victoria provided an opportunity for qualified staff from other states and territories, such as Air Attack Supervisors and Airbase Managers, to be routinely involved in the 2014-15 LAT project. This approach proved to be most advantageous, with the benefits particularly highlighted during the various deployments to other states.

In South Australia and Western Australia, the Australian Defence Forces made base facilities available at RAAF Edinburgh and RAAF Pearce. The cooperation of the ADF and their contractors was exemplary and very much appreciated.

A significant learning from the project overall was the relative ease with which the LATs were able to deploy and operate effectively across a broad geographic theatre including in multiple jurisdictions on the same day. Overall, a national approach to the provision of the LAT capabilities in the future appears to have merit.

Evaluation

Over the course of the 2014-15 fire season NAFC undertook an evaluation of the LAT capability on behalf of Victoria. We were fortunate to secure the services of Greg Esnouf from the Country Fire Authority of Victoria to manage this process. A technical expert reference group was established to guide the process, which in turn used evaluation criteria that had been developed as part of the ongoing NAFC Large Air Tanker assessment project.

The LATs demonstrably met the key objective of being able to rapidly build long lengths of high quality, high coverage level retardant lines, in a range of terrain and situations, and under conditions of relatively high bushfire risk. This capability was demonstrated in situations that included populated farming areas with adjacent infrastructure and assets, areas with significant topographic features and dissected terrain, coastal areas close to sea level, and alpine areas close to the snow line.

Both LATs also demonstrated that they can deliver retardant at higher coverage levels to penetrate forest canopy more effectively than some other aerial capabilities currently used in Australia, and that they can work with and supplement the existing fixed and rotary wing firefighting aircraft.

Overall, the evaluation found that the contracted Large Air Tankers:

- met the requirements of the Victorian capability framework;
- integrated seamlessly with existing air and ground firefighting resources, largely within existing procedures and training frameworks;
- made a valuable contribution to Victoria's firefighting capabilities and capacity; and
- proved their potential capability at a national level.

The Large Air Tankers demonstrated their potential national benefit through their ability to reposition rapidly to other jurisdictions, and to deliver large volumes of retardant in widely dispersed geographic areas in a single day. They offer the potential to provide high-volume surge capacity to support existing operations, both within and across jurisdictions as well as providing opportunities to release aviation resources to other priority tasks.

NAFC Procurement

2014-15 was another very busy year on the procurement front.

It was pleasing to wrap up, in late 2014, the Invitation to Tender for aerial firefighting services ITT AFS 2014+ which had commenced in 2013-14. This process aimed mainly to secure the services of fixed-wing aircraft for firebombing as well as fixed-wing aircraft for bushfire and emergency reconnaissance. These Services were mainly based in Victoria, but the process also provided aerial services in Queensland, Tasmania and South Australia. As a result of this process, NAFC entered into 7 new contracts to provide more than 20 aircraft services. The outcomes were very positive and provided Members with improved value and significantly greater capability.

NAFC also commenced a further major Invitation to Tender, ITT AFS 2015+, which aims to secure the services of Type 2 (medium) and Type 3 (light) helicopters to support fire management operations, again mainly in Victoria. When this process is completed during 2015-16, it is anticipated that it will provide around 24 helicopter services. Most importantly this will also see the completion of a collaborative program between NAFC and its Members to bring the majority of term-contracted aerial firefighting services in Australia into the national cooperative contracting system - a major milestone in standardisation and interoperability across the country.

In parallel with the ITT AFS 2015+ process, NAFC also commenced a Request For Proposals for the provision of Airborne Strategic Intelligence and Reconnaissance services (RFP ASIR 2014). This extensive and complex process will provide services for strategic reconnaissance of fires and emergency incidents - services that have generally employed infra-red line scanning or equivalent technology in recent years. The RFP process will allow NAFC and its Members to examine all aspects of available remote sensing technologies and platforms and is also expected to be completed during 2015-16.

NAFC retained the services of independent Probity Advisors, O'Connor Marsden and Associates for these processes.

During 2014-15, NAFC also embarked on a project to update the terms and conditions of NAFC contracts and ensure that contracting processes remained best-practice.

Research and Development

Firebomber Plume Modelling

In 2013-14, NAFC entered into a collaborative arrangement with Monash University to examine the use of Computerised Fluid Dynamics (CFD) to assist with improving the understanding of the design and operation of firebombing delivery systems. Final year engineering student Simon Green took on the project, jointly supervised by Professor Hugh Blackburn of Monash and Dr Andrew Matthews on behalf of NAFC. Simon delivered his final paper in October 2014, which concluded that although CFD offered potential, the sheer amount of computing power required to deal with the complex dynamics of a firebombing drop did currently limit the economic viability of CFD. In short his report found that the CFD required for the level of precision required could only be accommodated with access to expensive super-computing. As a result, the report recommended that, in the absence of better tools, regulatory agencies and firebombing operators continue to rely on a combination of empirical break-up models and cup-and-grid trials to advance the practice of aerial firefighting in Australia.

Research and Development Fund

The NAFC Board places considerable emphasis on evidence-based decision-making and strongly supports research and development to improve the use of aviation in fire and emergency management. The Board has a dedicated sub-committee to monitor, oversee, and promote research and development activities. The Board has also previously created a Fire and Emergency Aviation Research and Development Fund with the primary aims of promoting targeted, user-driven research in fire and emergency aviation, and facilitating the commissioning of research and development projects. Contact the NAFC office for more details or go to www.nafc.org.au.



2014/15 National Aerial Firefighting Fleet

The 2014/15 national aerial firefighting fleet comprises approximately 90 contracted aircraft primarily made up of types illustrated here.

These nationally contracted aircraft are supplemented by additional state owned, and state contracted aircraft and other aircraft hired to meet peak demand across the states and territories of Australia.

2014/15 National Aerial Firefighting Fleet



Cessna 182T Skylane - "Firepotter"
Roles: Reconnaissance, supervision, utility. Single piston engine. Three passengers. Commonly used for fire spotting patrols. 270km/h, 230hp.



Bell 206L-3 LongRanger - "Firebird"
Roles: Supervision, reconnaissance, utility. Single turbine engine. Six passengers. 220km/h, 650hp.



Eurocopter AS355F1 Twin Squirrel - "Firebird"
Roles: Firebombing, supervision, utility. Twin turbine engines. Five passengers. 680 litre capacity bucket. 230km/h, 840hp.



Eurocopter AS350B3 Squirrel - "Firebird"
Roles: Firebombing, supervision, fire crew insertion, utility. Single turbine engine. Five passengers. 1100 litre capacity bucket or belly tank. 200km/h, 850hp.



MBB/Kawasaki BK 117 - "Helitak"
Roles: Fire crew insertion, firebombing, transport, utility. Twin turbine engine. Eight Passengers. 270KG, 75m winch. 900 litre capacity bucket. 215km/h, 1500hp



Eurocopter EC145 - "Helitak"
Roles: Fire crew insertion, firebombing, transport, utility. Twin turbine engine. Eight Passengers. 270KG, 91m winch. 910 litre capacity bucket. 220km/h, 1500hp



Eurocopter AS365N2 Dauphin - "Helitak"
Roles: Fire crew insertion, firebombing, transport, utility. Twin turbine engine. Eight Passengers. 270KG, 100m winch. 1025 litre capacity bucket. 260km/h, 1500hp



Bell 412SP - "Helitak"
Roles: Firebombing, fire crew insertion, transport, utility. Twin turbine engine. 10 passengers. 270KG, 75m winch. 1400 litre capacity belly tank. 225km/h, 1800hp.



Bell 214B Big Lifter - "Helitak"
Roles: Firebombing, transport. Single turbine engine. Fourteen passengers. 2650 litre capacity belly tank or bucket. 240km/h, 2950hp



Cessna 337G Skymaster - "Birddog"
Roles: Supervision, reconnaissance, utility. Twin piston engines, centre line thrust, high wing. Three passengers. 250km/h, 420hp.



Cessna 208B Grand Caravan - "Birddog"
Roles: Supervision, reconnaissance, transport, utility. Single turbine engine, high wing. Nine passengers. 300km/h 675hp



PZL M18T (Hubler) Dromader - "Bomber"
Role: Fire bombing. Single engine, turbo prop air tanker. 2375 litre capacity. Drops water, foam, gel or fire retardant solutions. 230km/h, 1000hp



Air Tractor AT802F - "Bomber"
Role: Fire bombing. Single engine, turbo prop air tanker. 3200 litre capacity. Drops water, foam, gel or fire retardant solutions. 350km/h, 1600hp



Air Tractor AT802F Fireboss - "Bomber"
Roles: Firebombing. Amphibious, single engine turbo prop air tanker. 3200 litre capacity. Scoops water from lakes and rivers, adds foam, gel before dropping. 275km/h, 1600hp



Sikorsky S61N - "Helitak"
Roles: Firebombing, fire crew insertion, transport. Twin turbine engines. Two pilots. Eighteen passengers. 4000 litre capacity belly tank or 2850 litre power fill bucket. 225km/h, 3000hp.



Erickson S64E Air crane - "Helitak"
Role: Firebombing. Twin turbine engine. Two Pilots. No passengers. Hover Fill and sea skimming snorkels. 7560 litre capacity tank 215km/h, 9000hp.



Avro RJ85 airtanker - "Bomber"
Role: Firebombing. Four turbo fan engines. Two pilots. 11,350 litre retardant capacity tank. Drops foam, gel or fire retardant solutions. 680km/h, 12,700kg thrust.



Coulson C130Q airtanker - "Bomber"
Role: Firebombing. Four turbo props engines. Two pilots and one flight engineer. 15450 litre retardant capacity tank. Drops foam, gel or fire retardant solutions. 545km/h (loaded), 18,000hp.



Special purpose financial report

Directors' report

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The directors of National Aerial Firefighting Centre ("NAFC") submit herewith the annual financial report of the Company for the financial year ended 30 June 2015. In order to comply with the provisions of the *Australian Charities and Not-for-Profits Commission Act 2012*, the directors report as follows:

The names of the directors of the Company during or since the end of the financial year are:

Name

- Mr M Brown
- Mr E Ferguson
- Mr S Fewster
- Mr S Fitzsimmons
- Mr L Johnson
- Mr D Lane
- Mr G Nettleton
- Mr R Applegate (resigned 15 April 2015)
- Mr S Ellis (resigned 11 March 2015)
- Mr A J Molan (resigned 19 August 2014)

Directors have been in office since the start of the financial year to the date of this report unless stated otherwise.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year: Mr T Essex

Principal activities

The principal activity of the Company during the financial year was coordinating and managing the acquisition and deployment of a national aerial firefighting fleet. No significant change in the nature of these activities occurred during the year.

Short and long term objectives of the entity

Objectives of the organisation are defined in the Constitution (revised Nov 2011). The objectives for which the Company has been established are all or any of the following:

- to support collaboration and cooperation between members with respect to the sharing of resources and information for the purposes of fire and emergency management;
- to coordinate and manage the acquisition and deployment of fire and emergency resources and logistical support on behalf of members in order to benefit the community; and
- to raise funds by any lawful means for the achievement of its objects including, without limitation, securing funding from Federal or State Government bodies, or other entities.

The entity's strategy for achieving its objectives

- Maintain a Funding Agreement (with the Australian Government)
 - A new Funding Agreement was executed on 1 July 2013 and maintained throughout 2014/15.
- Maintain a Resource Management Agreement with members
 - A new Resource Management Agreement was executed on 1 July 2013 and maintained throughout 2014/15.
- Procure aircraft services and maintain contract supply arrangements (Supply Agreements) with aircraft service suppliers, as required by members
 - Supply Agreements maintained with aircraft operators to supply services (including secondary or reserve agreements).
- Range of other activities to support harmonization, collaboration, communication and cooperation and to promote best-practice.



Key performance indicators used by the entity

- NAFC is recognised for its good governance practices:
 - all regulatory requirements are met
 - feedback from stakeholders endorses Company structure, governance and operations
- NAFC structure meets the needs of stakeholders:
 - stakeholder lists are maintained
 - stakeholders continue to resource and support NAFC
 - structure is reviewed and options are considered
- NAFC resource management meets stakeholder expectations:
 - members are satisfied with resource allocation
 - Commonwealth expectations are met
 - members participate in the Aerial Suppression Operations Group
- NAFC risk management is best practice:
 - up-to-date risk register is in place
 - risk plan is reviewed regularly
 - risks are treated
 - standards are benchmarked with industry

- NAFC fosters national collaboration and sharing in support of aerial fire management:
 - NAFC facilitates member participation
- NAFC facilitates continuous improvement and innovation in aerial fire management:
 - NAFC collects and measures data to support evidence-based decisions
 - NAFC contributes to and influences appropriate research and development

Review of operations

A review of the operations of the Company during the financial year and the results of those operations found that during the year, the Company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

The surplus of the Company for the financial year amounted to \$179,832 (2014: \$89,401).

Changes in state of affairs

There was no significant change in the state of affairs of the Company during the financial year.

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Future developments

The Company expects to maintain the present status and level of operations.



Environmental regulations

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends

The Company's constitution precludes the directors of the Company from recommending payment of any dividend.

Information on directors

The information on directors is as follows:

Mr M Brown AFSM
Chief Officer
Tasmania Fire Service

Mr E Ferguson AFSM
Chief Officer
Country Fire Authority, Victoria

Mr S Fewster
Deputy Commissioner, Capability Command
Department of Fire and Emergency Services,
Western Australia

Mr S Fitzsimmons AFSM
Commissioner
New South Wales Rural Fire Service

Mr L Johnson AFSM
Commissioner
Queensland Fire and Emergency Services

Mr D Lane
Commissioner
Australian Capital Territory Emergency Services
Agency

Mr G Nettleton
Chief Executive Officer and Chief Officer
South Australian Country Fire Service

Meetings of directors

Directors	Number eligible to attend	Number attended
Mr R Applegate	5	4
Mr M Brown	6	6
Mr S Ellis	4	4
Mr E Ferguson	6	4
Mr S Fewster	6	6
Mr S Fitzsimmons	6	4
Mr L Johnson	6	2
Mr D Lane	6	5
Mr A J Molan	1	0
Mr G Nettleton	6	6

Member's guarantee

The Company is limited by guarantee. Upon winding up each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the company. At 30 June 2015 there were 8 members (30 June 2014: 8).

Indemnification of officers and auditors

The Company has provided and paid premiums for Directors' and Officers' Liability insurance. The insurance is in respect of legal liability for damages and legal costs arising from claims made by reason of any omission or acts (other than dishonesty) by them, whilst acting in their individual or collective capacity as Directors or Officers of the Company. The total amount of insurance contract premiums paid during the year was \$5,750 exc GST.

The Company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such by an officer or auditor.

Proceedings on behalf of the Company

At this time there are no legal proceedings active or pending against NAFC, or in which NAFC is involved. Further, NAFC has not issued any legal proceedings against any entity or individual.

The Company was not a party to any such proceedings during the year.

Auditor's independence declaration

The auditor's independence declaration is included on page 22 of the annual report.

Signed in accordance with a resolution of directors.

On behalf of the Directors

Mr G Nettleton (Chair)
Director
Melbourne, 18th August 2015

The Board of Directors
National Aerial Firefighting Centre
Level 1, 340 Albert Street
EAST MELBOURNE VIC 3002

18th August 2015

Dear Board Members,

National Aerial Firefighting Centre

In accordance with subdivision 60-C of the *Australian Charities and Not-for-Profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of National Aerial Firefighting Centre.

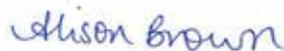
As the lead audit partner for the audit of the financial statements of National Aerial Firefighting Centre for the financial year ended 30 June 2015, I declare to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



A M Brown
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Touche Tohmatsu

Independent Auditor's Report to the Members of National Aerial Firefighting Centre

We have audited the accompanying financial report, being a special purpose financial report, of National Aerial Firefighting Centre, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 8 to 20.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 3 is appropriate to meet the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012(Cth)*(the ACNC Act) and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial report of National Aerial Firefighting Centre is in accordance with Division 60 of the ACNC Act, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 3, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 3 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist National Aerial Firefighting Centre to meet the financial reporting requirements under the ACNC Act. As a result, the financial report may not be suitable for another purpose.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Alison Brown

Alison Brown
Partner
Chartered Accountants
Melbourne, 18th August 2015

Directors' declaration



As detailed in Note 3 to the financial statements, the company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial statements who require information specific to their needs. Accordingly, these special purpose financial statements have been prepared to satisfy the directors' reporting requirements under the *Australian Charities and Not-for-Profits Commission Act 2012*.

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company.

Signed in accordance with a resolution of the directors made pursuant to division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*.

On behalf of the Directors

A handwritten signature in blue ink, appearing to read 'G Nettleton', is written over a light grey background.

Mr G Nettleton (Chair)
Director
Melbourne, 18th August 2015

Profit or loss and other comprehensive income

Statement of profit or loss and other comprehensive income for the year ended 30 June 2015

	Note	2015 \$	2014 \$
Revenue	4	15,574,754	15,168,662
Disbursements made under the federal Attorney General's Department Funding Agreement		(14,433,900)	(14,121,900)
AFAC Staff Support and Office expenses		(727,236)	(808,437)
Consultant expenses		(4,761)	(20,908)
Travel expenses		(46,433)	(43,515)
Other expenses		(182,592)	(84,501)
Surplus before tax		179,832	89,401
Income tax expense	3(a)	-	-
Surplus for the year	5	179,832	89,401
Other comprehensive income			
Net fair value (loss)/gain on investments		(10,855)	31,789
Total comprehensive income for the year		168,977	121,190

Notes to the financial statements are included on pages 30 to 37.

Financial position

Statement of financial position at 30 June 2015

	Note	2015 \$	2014 \$
Current assets			
Cash and cash equivalents	11(a)	13,623,189	10,938,606
Financial Assets	6	2,147,087	2,074,717
Goods and services tax recoverable		1,387,262	1,360,199
Other receivables		371,786	212,076
Prepayments		5,764	8,280
Total current assets		17,535,088	14,593,878
Non-current assets			
Property, plant and equipment	7	1,163	1,891
Intangible assets	8	286,977	65,623
Total non-current assets		288,140	67,514
Total assets		17,823,228	14,661,392
Current liabilities			
Trade and other payables	9	14,464,562	11,471,703
Total current liabilities		14,464,562	11,471,703
Total liabilities		14,464,562	11,471,703
Net assets		3,358,666	3,189,689
Equity			
Fair value reserve		20,934	31,789
Retained earnings		3,337,732	3,157,900
Total equity		3,358,666	3,189,689

Notes to the financial statements are included on pages 30 to 37.

Changes in equity

Statement of changes in equity for the year ended 30 June 2015

	Fair value reserve \$	Retained earnings \$	Total \$
Balance at 1 July 2013	-	3,068,499	3,068,499
Surplus for the year	-	89,401	89,401
Net fair value gain on investments	31,789	-	31,789
Total comprehensive income for the year	31,789	89,401	121,190
Balance at 30 June 2014	31,789	3,157,900	3,189,689
Surplus for the year	-	179,832	179,833
Net fair value loss on investments	(10,855)	-	(10,856)
Total comprehensive income for the year	(10,855)	179,832	168,977
Balance at 30 June 2015	20,934	3,337,732	3,358,666

Notes to the financial statements are included on pages 30 to 37.

Cash flows

Statement of cash flows for the year ended 30 June 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from Members		355,000	345,000
Operating grant receipts		14,651,101	14,524,921
Supply agreement disbursements		(11,441,040)	(12,463,959)
Payments to suppliers and employees		(957,777)	(830,759)
Interest received		292,558	293,810
Net cash generated by operating activities	11(b)	2,899,842	1,869,013
Cash flows from investing activities			
Payments to acquire financial assets		(83,225)	(2,042,927)
Interest received		89,320	45,852
Purchase of property, plant, equipment		-	(1,916)
Purchase of intangible assets		(221,354)	(65,623)
Net cash (used in) investing activities		(215,259)	(2,064,614)
Net increase/(decrease) in cash and cash equivalents		2,684,583	(195,601)
Cash and cash equivalents at the beginning of the year		10,938,606	11,134,207
Cash and cash equivalents at the end of the year	11(a)	13,623,189	10,938,606

Notes to the financial statements are included on pages 30 to 37.

Notes to the financial statements

1. General information

National Aerial Firefighting Centre is a company limited by guarantee, incorporated and domiciled in Australia.

National Aerial Firefighting Centre's registered office and its principal place of business are as follows:

Level 1, 340 Albert Street
EAST MELBOURNE VIC 3002

2. Adoption of new and revised Accounting Standards

2.1 Standards and Interpretations affecting amounts reported in the current period (and/or prior periods)

In the current year, the Company has applied a number of new and revised AASBs issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2014.

Standards affecting presentation and disclosure

AASB 2012-3 'Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities'

The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and simultaneous realisation and settlement'.

AASB 2014-1 'Amendments to Australian Accounting Standards' (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles)

The Annual Improvements 2010-2012 has made number of amendments to various AASBs, which are summarised below:

The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The Annual Improvements 2011-2013 has made number of amendments to various AASBs, which are summarised below:

The amendments to AASB 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, AASB 139 or AASB 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within AASB 132.

2. Adoption of new and revised Accounting Standards (cont'd)

2.1 Standards and Interpretations affecting amounts reported in the current period (and/or prior periods) (cont'd)

<p>AASB 1031 'Materiality', AASB 2013-9 'Amendments to Australian Accounting Standards' - Conceptual Framework, Materiality and Financial Instruments' (Part B: Materiality), AASB 2014-1 'Amendments to Australian Accounting Standards' (Part C: Materiality)</p>	<p>The revised AASB 1031 is an interim standard that cross-references to other Standards and the 'Framework for the Preparation and Presentation of Financial Statements' (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations. Once all of these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031, AASB 2013-9 (Part B) and AASB 2014-1 (Part C) does not have any material impact on the disclosures or the amounts recognised in the Company's financial statements.</p>
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2.2 Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-4 'Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016

The potential effect of the revised Standards/Interpretations on the Company's financial statements has not yet been determined.

3. Significant accounting policies

Financial reporting framework

The company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who require information specific to their needs. Accordingly, these special purpose financial statements have been prepared to satisfy the directors' reporting requirements under the *Australian Charities and Not-for-Profits Commission Act 2012*.

For the purposes of preparing this financial report, the company is a not for profit entity.

Statement of compliance

The financial statements have been prepared in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 'Presentation of Financial Statements', AASB 107 'Cash Flow Statements', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors' and AASB 1054 Australian Additional Disclosures.

Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described below, the directors are required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

(a) Income Tax

The company is exempt from income tax under Subdivision 50-B of the Income Tax Assessment Act 1997.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments net of outstanding bank overdrafts.

(c) Revenue

Government grants are assistance by the government in the form of transfers of resources in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government grants, when there is a non-reciprocal transfer, are recognised as income when the Company obtains control or the right to receive a contribution, it is probable that the economic benefits comprising the contribution will flow to the Company and the amount of the grant can be measured reliably.

Other revenue is recognised when the right to receive the revenue has been established.

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

All revenue is stated net of the amount of goods and services tax (GST).

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable, from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

(e) Payables

Trade payables and other accounts payable are recognised when the entity becomes obliged to make future payments resulting from the purchase of goods and services.

(f) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following useful lives are used in the calculation of depreciation:

Plant and equipment: 2-5 years

(g) Financial Assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

Held to maturity investments

Bank bills and other deposits with fixed or determinable payments and fixed maturity dates where the Company has the positive intent and ability to hold to maturity are classified as held to maturity investments. Held to maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and receivables

Trade receivables, loans, and other receivables are measured at amortised cost using the effective method less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

Derecognition of financial assets

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(h) Intangible Assets

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

	2015 \$	2014 \$
4. Revenue		
Operating grants - Attorney General's Department	14,804,000	14,484,000
Fees collected from Members	355,000	345,000
Investment Income	89,321	45,852
Interest received	292,559	293,810
Other revenue	33,874	-
	15,574,754	15,168,662

5. Surplus for the year

Surplus for the year has been arrived at after crediting/(charging) the following items of income and expense:

Depreciation expense	(729)	(649)
Remuneration of the auditors for:		
Audit services <i>The auditor of the company is Deloitte Touche Tohmatsu</i>	(6,000)	(5,700)

6. Financial Assets

Available for sale investments carried at fair value	2,147,087	2,074,717
	2,147,087	2,074,717

7. Plant and equipment

Plant and equipment at cost	2,915	10,623
Accumulated depreciation	(1,752)	(8,732)
	1,163	1,891

8. Intangible Assets

Software:		
At cost	286,977	65,623
Accumulated amortisation	-	-
	286,977	65,623

9. Trade and other payables

Trade payables	13,559,864	10,965,483
GST payable	42,084	46,020
Prepaid fees from States	360,000	355,000
National Aircraft Registry	137,018	105,200
Other Payable	365,596	-
	14,464,562	11,471,703

10. Economic dependency

The majority of revenue is received by way of recurrent grants from the Commonwealth Government.

11. Cash and cash equivalents

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	2015 \$	2014 \$
Cheque account	12,572,989	9,918,680
Term deposits	1,050,200	1,019,926
	13,623,189	10,938,606

(b) Reconciliation of surplus for the year to net cash flows from operating activities

	2015 \$	2014 \$
Surplus for the year	179,833	89,401
Depreciation	728	649
Interest Income recognised through profit or loss	(89,320)	(45,852)
Movement in working capital		
(Increase)/decrease in assets:		
Other receivables	(190,709)	38,931
Goods and services tax recoverable	3,936	1,990
Prepayments	2,516	(767)
Increase/(decrease) in liabilities:		
Trade and other payables	2,594,380	1,657,941
Accruals	365,596	-
Prepaid Fees Collected States	36,818	115,200
GST payable	(3,936)	11,520
Net cash generated by operating activities	2,899,842	1,869,013

12. Member's guarantee

The company is limited by guarantee. Upon winding up each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the company. At 30 June 2015 there were 8 members (2014: 8).

13. Subsequent events

There are no significant events subsequent to the reporting date.

Members as at 30 June 2015

Australian Capital Territory

Northern Territory

State of New South Wales

State of Queensland

State of South Australia

State of Tasmania

State of Victoria

State of Western Australia

Directors as at 30 June 2015



Mr Michael Brown AFSM
Chief Officer
Tasmania Fire Service



Mr Euan Ferguson AFSM
Chief Officer
Country Fire Authority,
Victoria



Mr Stephen Fewster
Deputy Commissioner,
Capability Command,
Department of Fire and
Emergency Services,
Western Australia



**Mr Shane Fitzsimmons
AFSM**
Commissioner
New South Wales
Rural Fire Service



Mr Lee Johnson AFSM
Commissioner
Queensland Fire and
Emergency Services



Mr Dominic Lane
Commissioner
Australian Capital
Territory Emergency
Services Agency



Mr Greg Nettleton
Chief Officer and Chief
Executive Officer
South Australian
Country Fire Service



Company Directory

National Aerial Firefighting Centre
ACN 105 736 392
ABN 96 105 736 392

Registered Address

Level 1, 340 Albert Street
EAST MELBOURNE VICTORIA 3002

Auditor

Deloitte Touche Tohmatsu
550 Bourke Street
MELBOURNE VICTORIA 3000

This report has been prepared in accordance with Section 9 of the NAFC Constitution while satisfying the reporting requirements of the *Australian Charities and Not for Profits Commission Act 2012* (Cth). It also satisfies, in part, the requirements of Section 9 of the Funding Agreement between the Commonwealth of Australia and NAFC.

NAFC would like to thank the following people for their photograph and illustration contributions to the 2014-15 Annual Report:

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Pages 7, 10, 19, 20, 25 & 39: Wayne Rigg, Country Fire Authority, Victoria
Page 12: Department of Fire and Emergency Services, Western Australia

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