

ANNUAL REPORT

National Aerial Firefighting Centre

2013





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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2012-2013 Highlights



- The National Fleet comprised 52 contracted aircraft providing 57 separate services.
- NAFC contracted aircraft were activated 2,173 times, including 1,452 firebombing operations and 721 activations for other support functions, including flood emergency operations.
- National Fleet aircraft made over 27,000 drops of retardant and suppressant, delivering more than 53 million litres onto the fireground, well exceeding previous high annual totals.
- 2012-13 saw a significant number of interstate redeployments of NAFC-contracted aircraft, as well as a number of deployments to support storm and flood recovery operations.
- The Australian Government again provided nearly 14 million dollars to support aerial firefighting across Australia.
- NAFC conducted several major approaches to the marketplace, including the highly complex public Invitation to Tender for Aerial Firefighting Services aimed at securing an expanded national fleet for 2013-14 and onwards.
- A public Request for Proposals for Large Airtanker Services was launched as part of the continuing Large Airtanker evaluation project.
- A new electronic tendering system was implemented, with tenders handled entirely electronically for the first time.
- NAFC completed extensive reviews and revisions of contract documentation and produced a revised set of Specimen Contracts.
- A new Resource Management Agreement between NAFC and its Members was developed.
- A new Funding Agreement with the Australian Government was developed.
- The May 2013 federal budget's Forward Estimates provided a welcome commitment of funding for aerial firefighting to continue until at least 2016-17.
- NAFC continued to play a key role on the international scene, assisting with the development of international standards and guidelines. The NAFC General Manager continued to chair the International Fire Aviation Working Group (IFAWG).

Dear Members,

It is once again pleasing to present the Annual Report of the National Aerial Firefighting Centre (NAFC), especially so this year because 2012-13 is the tenth year since our formation in 2003. Those who worked to implement the vision of a national aerial firefighting arrangement and to initiate NAFC, along with all the people who have since worked to sustain and expand the national arrangements, are to be congratulated for their efforts and foresight. They should feel justifiably proud of the contribution they have made towards helping to protect the Australian community and environment over the past decade.



This report has been prepared in accordance with Section 9 of the NAFC Constitution and satisfies the reporting requirements of the Corporations Act 2001 (Cth). It also satisfies, in part, the requirements of Section 9 of the Funding Agreement between the Commonwealth of Australia and NAFC.

I can report that the 2012-13 year has been one of our busiest and most demanding yet. In contrast with the milder fire conditions experienced across much of Australia over the previous couple of years, this year saw record-breaking high temperatures in many parts of the country contributing to higher than normal levels of fire activity particularly across southern and eastern Australia.

Serious and damaging fires occurred in most states, including Tasmania, which arguably experienced its worst fire season since 1967. Accordingly, the need for firebombing and other aerial support reached unprecedented levels since NAFC's formation. The number of retardant and suppressant drops and the volume delivered onto the fireground far exceeded previous highs set in 2008-09.

Another feature of this fire season was the high number of interstate redeployments of NAFC contracted aircraft to optimise the availability of aerial resources where and when they were most needed. This included the redeployment of two New South Wales based Erickson Aircranes to Victoria at the completion of their initial Service Periods.

In late 2012, NAFC commenced the first of three major approaches to the marketplace to attract aerial firefighting resources for a three to five year period starting in 2013-14. Proposals for larger air tanker services were also sought whilst a project team continues to evaluate this class of aircraft.

There have been several changes to the NAFC Board during the past year. These include the departure of long-serving Company Secretary, Ms Naomi Brown, concomitant with her retirement as CEO of AFAC. Naomi will be sorely missed after more than six years of exemplary work. Her replacement, Mr Stuart Ellis, took up these positions in November 2012.

The Board also farewelled Director, Mr Mark Crosweller, who resigned upon his appointment as Director of Emergency Management Australia in December 2012. Mr Crosweller was replaced by Mr Dominic Lane as the Australian Capital Territory's nominated Director, concomitant with his appointment as Commissioner of the ACT Emergency Services Agency. In October 2012, the Board welcomed a new

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Western Australian Director, Mr Steve Fewster and finally, Mr Rod Applegate joined the Board in May 2013, as the new Director nominated by the Northern Territory.

The Board appreciates that the NAFC arrangements would not be possible without the considerable efforts of some key groups and individuals. Accordingly we would like to recognise, first and foremost, the contribution of the staff of each Member's agencies and put on record the Board's sincere thanks for their commitment and ability to keep aircraft operations running effectively and efficiently.

We would also like to thank the many aviation industry suppliers who continue to work with NAFC 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 Ltd (AFAC) for their ongoing and engaged support.

The Board would particularly like to acknowledge the continued assistance of the Australian Government - not just for their financial contribution, but also for the general support offered by the federal Attorney-General's Department.

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

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Shane Fitzsimmons". The signature is written in a cursive style with a large, sweeping flourish at the end.

Shane Fitzsimmons AFSM
Chair

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The 2012-13 year signified NAFC's tenth anniversary since being formed in 2003. Over this decade, I believe we have evolved to become an essential and integral component of Australian fire management. The attached commemorative section briefly outlines the key events and milestones that have been attained since NAFC's formation a decade ago.

Somewhat fittingly, this tenth year of NAFC's operations was one of the fullest and most eventful. 2012-13 saw unprecedented levels of operational activity alongside intensive procurement and allied processes aimed at securing aerial firefighting resources for future years. After ten years it was also necessary to develop a new Resource Management Agreement between NAFC and its Members, as well as a new Funding Agreement with the Australian Government.

During 2012-13, the National Fleet comprised 52 contracted aircraft which provided 57 separate Services. These aircraft were activated 2,173 times, including 1,452 firebombing operations and 721 activations for other support functions, including mapping and reconnaissance; air attack supervision; crew and cargo transport; and flood emergency operations.

The 2012-13 Fire Season

The 2012-13 fire season was significantly busier than the previous two relatively mild seasons. Substantial bushfires occurred throughout the country from October through to May. Several of these fires posed a major threat to human life and property and six bushfire fatalities (including five firefighters) were recorded during the season.



Table 1: Summary of Australia's major and significant bushfires in 2012-13

Month	State	Locality	Approximate Area	Other damage
October	QLD	Gulf country	450,000 ha	
	NT	Curtin Springs and others	300,000+ ha	
	WA	Two Peoples Bay	1,000+ ha	1 firefighter fatality
November	NT	Tennant Creek/Alice Springs	1,000,000+ ha	
	SA	Port Lincoln area	3,700 ha	7 homes lost
	TAS	Forcett/Poatina	4,000+ ha	7 firefighters injured
	VIC	Casterton	4,000 ha	
December	NSW	Murringo	3,400 ha	500 sheep lost
	SA	Padthaway	5,000 ha	
January	NSW	Coonabarabran	40,000 ha	51 homes lost
	NT	Napperby Station	20,000 ha	
	TAS	Copping/Dunalley/Boomers Bay/Bicheno and others	24,000 ha	100+ buildings lost/ 1 firefighter fatality
		Aberfeldie	75,000 ha	22 homes lost/ 1 fatality
	VIC	Kentbruck	12,000 ha	Pine plantations lost
		Chepstowe	1,300 ha	9 homes lost
	WA	Carnarvon	1,400 ha	20 buildings/sheds lost
February	TAS	Molesworth	1,900 ha	Sheds/cars lost
		Harrietville	37,000 ha	2 firefighter fatalities
	VIC	Donnybrook	2,000 ha	Threatens urban fringe
		Grampians	36,000 ha	Sheds/plantations lost
	WA	Various in SW	7,800 ha	4 homes lost/ 1 firefighter fatality
March	VIC	Dereel	1,300 ha	16 homes/18 sheds lost
May	SA	Cherryville	670 ha	1 home/2 sheds lost

In accordance with this high level of fire activity, a substantial leap in demand for aerial support was experienced (see Table 2). This included a 64% increase in firebombing activations from the previous year (2011-12), which translated into a massive 460% increase in both the number of drops and the amount of suppressant and retardant delivered onto the fireground.

Table 2: Comparison of aerial operations for 2012-13 against previous four years

National fleet parameters	2008-09	2009-10	2010-11	2011-12	2012-13
Firebombing activations	889	892	556	884	1,452
Number of Drops	14,865	13,524	4,378	5,774	26,773
Suppressant/retardant dropped (millions of litres)	34.4	14.7	7.7	11.7	53.7
Other activations	422	432	386	685	721
Total activations	1,311	1,121	942	1,569	2,173

Overall, the number of drops and the volume of suppressant and retardant delivered in 2012-13 represents a record high and surpasses the previous highest levels recorded in 2008-09 by 80% and 56% respectively. Detailed information about the 2012-13 aerial operations by state and service is provided in Table 3.

Other notable operational fire season events included:

- Aerial support provided for flood and storm recovery operations, particularly in northern New South Wales and in Queensland.
- A high number of interstate redeployments of NAFC contracted aircraft during Service Periods which benefitted our Members and optimised the use of aircraft resources.
- At the conclusion of their initial Service Periods, two High Volume Type 1 helicopters (Erickson Aircranes) based at Bankstown, New South Wales, were redeployed to Victoria to support fire operations in that state's northern and western region during its busiest fire season since 2008-09.
- A High Volume Type 1 helicopter was again contracted for Western Australia following the successful introduction of this type of aircraft in 2011-12.
- Resource redeployment decisions were informed and assisted by the work of the Aerial Suppression Operations Group (ASOG) chaired by Mr Greg Nettleton, which convened regularly via teleconference during the fire season to monitor risk levels across the country.

Major Procurement Processes

In November 2012, NAFC commenced the first in a series of major procurement processes by inviting public tenders for the provision of specialised aerial firefighting resources for three to five year contracts commencing in 2013/14. This included firebombing, specialist intelligence gathering and reconnaissance aircraft.

The inclusion in the tender process of aircraft services that had previously been contracted at state level, particularly in New South Wales, made this a large and complex undertaking, but also generated significant efficiencies and savings. It was most pleasing to see this continuing consolidation of procurement processes across the country. In the end, public tenders were called for over 70 Primary Services as well as a number of Secondary Services.

In addition, NAFC publically sought proposals from providers of larger airtanker services. This process remains ongoing as a dedicated project team continues to evaluate this class of aircraft.

Prior to these two major processes, NAFC implemented a new secure electronic tender handling system. For the first time, all public procurement processes were handled entirely electronically. Although considerable effort was required to adjust the tender processes and documentation for fully electronic tendering, the ability to handle and analyse huge amounts of data completely electronically proved most beneficial, particularly with the tender evaluation group scattered across the country.

Also in advance of the major procurement activities, NAFC completed a comprehensive review of procurement processes and supporting documentation, updating our Fleet Composition

Policy, Procurement Policy and our Probity and Integrity Policy. Another significant task was the development of an updated best-practice series of Specimen Contracts.

In 2013-14, NAFC will call for submissions to provide data integration services for the Australian Fire Aircraft Monitoring System (AFAMS) - the national tracking, event logging and messaging system.

Memberships, Partnerships and Alliances

NAFC has again worked hard to maintain and further expand its influence through alliances with other related agencies and participation in key groups and at conferences. This included:

- Maintaining its membership of the Fire Management Actions Alliance and the Flight Safety Foundation.
- Maintaining its partnership with the Bushfire Cooperative Research Centre.
- Participating in forums guiding the initiation of the new Bushfire and Natural Hazards Cooperative Research Centre.
- Becoming a member of the International Association for Wildland Fire (IAWF)
- Participating in the United Nations International Strategy for Disaster Reduction (UNISDR) Wildland Fire Advisory Group which met in Freiburg, Germany in July 2012.
- Continuing to Chair the UNISDR International Fire Aviation Working Group (IFAWG). The Group met formally in July 2012 and April 2013 and via teleconference throughout the year. IFAWG representatives continue to work on the development of international guidelines for aerial fire management.
- Liaising with the Civil Aviation Safety Authority over a range of regulatory review projects. Ms Janet Inman of South Australia and Mr Keith Mackay of New South Wales also represented NAFC at a number of CASA working groups and forums.

NAFC's principal partnership is with its Members, and during the year the original Resource Management Agreement that is the cornerstone of the national firefighting arrangements was due to expire. After ten years it could not be further extended and accordingly a new Resource

Management Agreement was developed. With a view to the future, the new agreement between NAFC and its Members allows for sharing of resources other than firefighting aircraft and streamlines administrative processes.

Australian Government Support

During 2012-13, the Australian Government contributed \$13,997,000 to the fixed costs of making the National Fleet available, in accordance with the Funding Agreement between NAFC and the Commonwealth administered by the federal Attorney General's Department. Additionally the May 2013 federal budget's Forward Estimates provided a welcome commitment for a similar level of funding to continue through to the end of the 2016-17 financial year.

The existing Funding Agreement with the Australian Government also reached its conclusion in 2012-13, requiring a new Funding Agreement to be developed.

Finance

NAFC remains in a sound financial position. Contrary to initial expectations of incurring an operating deficit in 2012-13, NAFC generated a small operating surplus. Audited details of NAFC's finances for 2012-13 are provided in the accompanying Special Purpose Financial Report.

AFAC

NAFC acknowledges the significant ongoing contribution of the Australasian Fire and Emergency Service Authorities Council Ltd (AFAC) to its operations. This includes the provision of management and administrative support through AFAC under a Management Services Agreement.

NAFC also values the support provided by the AFAC team and the close, productive working relationship engendered through the contributions of new AFAC Chief Executive Officer and NAFC Company Secretary, Mr Stuart Ellis, Finance Manager Mr Trevor Essex and Finance Officer, Ms Kate Twentyman.

On a reciprocal level, during 2012-13 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

NAFC staff once again attended a range of stakeholder meetings, contractor briefings and jurisdictional workshops throughout 2012-13. NAFC also directly assisted a number of members with strategic planning and staff selection. NAFC was represented at the Australian International Airshow and Aerospace & Defence Exposition in February 2013 and the International Aerial Firefighting Europe Conference in Aix-en-Provence France in April 2013.

On the staffing front: Project Officer Claire Bunday returned from family leave, while NAFC gained two new staff members in Project Manager, Dr Andrew Matthews, and Procurement Support Officer, Mr Andy Armiger-Grant who has been appointed for the duration of the major resources procurement process.

Thanks

I would firstly like to thank the staff of State and Territory aviation management units for their inherently valuable contributions to NAFC. Without their professional and collaborative management of fleet operations across the country, the NAFC arrangements would not be possible. It is their hard work and dedication that ensures the delivery of safe and efficient aerial firefighting services.

Our thanks must also go to the staff of the federal Attorney General's Department for their support, guidance and assistance throughout the year. The efforts of Mr Steve Dwyer, particularly in developing the new Funding Agreement were greatly appreciated. It would also be remiss to not acknowledge the tremendous support of Mr Peter Channels who retired from the department early in the year, having previously administered the national aerial firefighting arrangements for some years. During the year responsibility for the national aerial firefighting arrangements

was transferred within the Attorney General's department to Emergency Management Australia and we look forward to continuing this most productive partnership with Director-General Mr Mark Crosweller and his staff.

It almost goes without saying that we are very grateful to our aircraft contractors and industry suppliers, who with their flight crews, engineers and administration teams continue to provide an exemplary level of service. Your professional and cooperative approach to operations is greatly appreciated.

I would also like to take this opportunity to thank the NAFC Board members, and in particular, Chairman, Mr Shane Fitzsimmons, for the time and dedication they invest in NAFC and the broader aerial firefighting business.

Finally, I would like to take this opportunity to thank NAFC's staff for continuing to work diligently behind the scenes to ensure that NAFC remains responsive to its Member's needs as we move into the future.

The future

After ten formative years, by any measure 2012-13 was a "big year". Alongside the elevated operational activity, a number of very significant projects were undertaken, new systems were implemented and new best-practice documentation produced. The outcomes from these projects now provide a solid foundation for NAFC's continued development over the next few years.

Richard Alder AFSM
General Manager

Table 3: Total Aircraft Activations - 2012-13 Fire Season

State	Service	Aircraft	Firebombing			Other Activations	Total Activations
			Activations	Number of Drops	Amount of Suppressant or Retardant Dropped		
ACT	RW-K	Bell 212 ²	3	139	128,700	1	4
ACT	RW-K AAS	Eurocopter AS350 BA	3	90	49,050	18	21
NT	FW-M	Air Tractor AT-802	28	177	566,400	0	28
NSW	HV-A	Erickson Aircrane S64F	9	336	332,950	7	16
NSW	HV-A AAS	Eurocopter AS350 BA	0	0	0	24	24
NSW	HV-E	Erickson Aircrane S64E	21	879	873,700	1	22
NSW	RW-A	Bell 214B	20	886	2,508,500	6	26
NSW	RW-G	Bell 212	34	1,985	2,580,500	12	46
NSW	RW-H	Kawasaki BK117B2 *	12	523	470,700	16	28
NSW	RW-J	Kawasaki BK117B2 *	17	628	565,200	8	25
NSW	RW-K	Bell 212 ²	9	621	807,300	5	14
NSW	RW-S	Bell 206 Longranger	0	0	0	16	16
NSW	RW-U	Bell 214B	23	929	2,580,050	6	29
NSW	FW-A	Air Tractor AT802F-67F	25	321	878,800	0	25
NSW	FW-B	Air Tractor AT802	16	103	313,600	2	18
NSW	FW-L	Cessna T337G	0	0	0	38	38
NSW	FW-R	Air Tractor AT802	42	305	915,000	4	46
NSW	S-RW-2(D)	Bell 212	19	617	811,940	23	42
NSW	S-FW(A)	Air Tractor AT802F	35	249	747,000	8	43
NSW	S-RW3(A)	Eurocopter AS350B3	24	966	869,400	24	48
NSW	S-RW2(E)	Eurocopter AS365N2	24	1,019	1,045,494	15	39
QLD	RW-Q1	Eurocopter AS350 B3 ¹	8	214	215,000	6	14
QLD	RW-Q2	Eurocopter AS350 B3 ¹	9	224	223,000	10	19
QLD	RW-Q4	Eurocopter AS350 B3 ¹	7	121	120,000	38	45
SA	HV-D	Erickson Aircrane S64E	3	79	457,500	0	3
SA	RW-N	Bell 205++	12	64	85,000	3	15
SA	RW-P	Bell 205A-1	11	56	70,000	3	14

State	Service	Aircraft	Firebombing			Other Activations	Total Activations
			Activations	Number of Drops	Amount of Suppressant or Retardant Dropped		
SA	RW-T	Eurocopter AS355	1	0	0	62	63
SA	FW-C	Air Tractor AT802	45	77	246,400	17	62
SA	FW-D	Air Tractor AT802	46	80	256,000	14	60
SA	FW-E	Air Tractor AT802	38	148	470,400	33	71
SA	FW-E AAS	Cessna Caravan 208B	0	0	0	72	72
SA	FW-F	Air Tractor AT802	65	119	380,800	5	70
SA	FW-G	Air Tractor AT802	78	175	531,200	9	87
SA	FW-J	Air Tractor AT602	32	133	332,200	1	33
SA	FW-K	Air Tractor AT802	33	124	394,550	4	37
TAS	RW-L	Bell 212	31	2,032	2,641,600	2	33
TAS	RW-M	Eurocopter AS350 B3	13	337	402,000	12	25
TAS	RW-W	Eurocopter AS350 B2	14	981	778,200	22	36
TAS	RW-X	Eurocopter AS350 BA	3	53	38,000	8	11
TAS	S-RW2(C)	Bell 212	39	1,979	2,984,820	11	50
TAS	S-FW(C)	Air Tractor AT802F	12	98	294,000	0	12
VIC	HV-B	Erickson Aircrane S64F	28	815	3,479,575	5	33
VIC	HV-B AAS	Bell 206 Longranger	0	0	0	42	42
VIC	HV-C	Erickson Aircrane S64E	35	861	3,178,625	5	40
VIC	HV-C AAS	Bell 206 Longranger	0	0	0	45	45
VIC	RW-B	Sikorsky S61N	51	2,043	4,933,383	21	72
VIC	RW-C	Sikorsky S61N	53	1,772	6,483,011	22	75
VIC	HV-E	Erickson Aircrane S64E	17	793	2,826,947	4	21
VIC	HV-A	Erickson Aircrane S64F	4	37	157,185	0	4
WA	RW-E	Sikorsky S61N	87	625	1,271,722	1	88
WA	RW-R1	Eurocopter AS350 B3 ¹	76	399	363,011	2	78
WA	RW-R2	Eurocopter AS350 B3 ¹	82	511	478,653	2	84
WA	RW-R3	Eurocopter AS350 B3 ¹	21	134	132,433	3	24



04

NAFC Timeline

National Aerial Firefighting Centre - Celebrating 10 years (2003-2013)

This year marks 10 years since the establishment of the National Aerial Firefighting Centre (NAFC). NAFC is quite literally a cooperative of its members - each of the Australian States and Territories. Since its incorporation in July 2003, NAFC has worked with State and Territory agencies to procure and coordinate a specialised fleet of aircraft to combat fires and other emergencies across the nation.

The success of the national cooperative arrangement is evident from the dramatic increase in NAFC contracted aircraft from just 9 supplied by three companies for the 2003-04 fire season, to 52 supplied by 12 operators for the 2012-13 season, with the fleet set to grow further in the future. This growth has been complemented by a steady increase in cross-border resource sharing that has helped to make aircraft available at the right time and the right place to improve Australian bushfire suppression outcomes over the past decade.

The effectiveness of resource sharing has been aided by NAFC's work to develop standards aimed at achieving consistent aerial firefighting practices, as well as the implementation of national support systems such as AFAMS which provides national aircraft tracking and event logging services. NAFC has also actively assisted in the professional development of aircraft specialists within State and Territory agencies and encouraged knowledge-sharing to facilitate an overall improvement in the sector.

The growing importance of NAFC and aerial firefighting in general is reflected in the funding support provided by the Australian Government which has grown from an initial grant of \$5.5 million in 2003-04 to the current funding of around \$14 million per year, which has been maintained since 2008-09.

Introducing the new NAFC logo

As part of the 2012-13 Annual Report NAFC is proud to introduce its new logo and branding.

The new logo makes use of the "swoosh" from the old NAFC logo to form a stylised aeroplane propeller or helicopter rotor. The shape of the "swoosh" suggests progress and forward motion while the intersection of the individual "swoosh's" represents the communication, collaboration and cooperation facilitated through NAFC. The colour palette includes the orange and gold of the old logo (representing fire and the landscape) but has been expanded to include navy blue, representing water and sky. The refreshed corporate colours give the logo a sleeker and more professional feel and provide a strong foundation for the future of the NAFC brand.



State	Service	Aircraft	Firebombing			Other Activations	Total Activations
			Activations	Number of Drops	Amount of Suppressant or Retardant Dropped		
WA	RW-R4	Eurocopter AS350 B3	18	128	125,086	3	21
WA	RW-V	Sikorsky S61N	54	263	701,894	0	54
WA	FW-N	Air Tractor AT802	19	65	201,000	0	19
WA	FW-P	Air Tractor AT802	25	73	213,000	0	25
WA	HV-F	Erickson Aircrane S64E	18	387	1,237,814	0	18
TOTALS			1,452	26,773	53,748,293	721	2,173

FW - Fixed Wing
RW - Rotary Wing
AAS - Air Attack Supervisor Platform
HV - High Volume
S - Secondary Contract

* Aircraft on partial availability
1 Complementary - same aircraft used for consecutive Service Periods
2 Shared - same aircraft used for single Service Period in two different states

Note: All other letters and numbers contained in Service codes (ie. A, M, R2 etc) denote Service Numbers not types of service.



04

NAFC Timeline

NAFC is registered as a not-for-profit organisation with the Australian Securities and Investment Commission (ASIC). Australian Government provides funding of \$5.5 million per year for three years.

Inaugural Directors: Mr Len Foster AFSM (Chairman); Mr Neil Bibby AFSM and Mr Phil Koperberg AFSM.

First Resource Management Agreement executed by NAFC and its Members sets in motion the concept of national cooperative aerial firefighting arrangements.

NAFC conducts a national Risk Assessment Workshop to develop a framework and implementation plan for a risk based approach to first national procurement process run by NAFC



Major aerial firefighting resources procurement process finalised – 'Aerial Firefighting Resources 2005'

New national aerial firefighting fleet of 23 highly specialised aircraft

NAFC begins facilitating and providing executive support to AFAC's Wildfire Aviation Technical Group (now known as the Fire and Emergency Aviation Technical Group - FEAT)



Australian Government funding increased to \$9.9m

Three major procurement processes were initiated to secure aerial firefighting resources and support systems

NAFC contributed to Australian Government support to Greece following its devastating bushfires.

NAFC contracted aircraft support flood emergency operations in NSW and Queensland.

Significant new website and electronic stakeholder communication systems were implemented



A revised Australian Government funding arrangement provides an ongoing \$14 million per year

NAFC and its members roll out a national standard approach to the provision of tracking and event logging for aircraft involved in firefighting and related operations, the Australian Fire Aviation Management System (AFAMS).

A DC-10 fixed wing Airtanker – the largest firefighting aircraft ever used in Australia – is contracted for an operational trial of Very Large Airtankers in Victoria.

NAFC and Member agencies trial aerial intelligence gathering systems, including an extended operational trial in South Australia.

NAFC sponsors cooperative trialling of Uncrewed Aerial Systems for intelligence gathering.

Changes made to the NAFC Constitution to facilitate a broader role in the future.

Participation in the early establishment of the International Fire Aviation Working Group.

Collaborative role with Civil Aviation Safety Authority in the drafting of the Australian Aerial Firefighting Operator's Manual.



NAFC contracts a fixed wing firebombing aircraft in the Northern Territory for the first time.

In another first, a Type 1 High Volume helicopter (Erickson S.64-E Airplane) was engaged for the fire season in Western Australia

NAFC contracted aircraft play an important role in flood and storm response and recovery in Queensland, Western Australia, Victoria and New South Wales.

NAFC commenced a substantial review of documentation in advance of major procurement processes planned for late 2012.



Commenced production of a series of industry standards aimed at achieving common approaches and instilling consistency of performance to a range of activities.



Australian Government funding increased to \$8 million.

International best practice visit of 15 specialists to US, Canada and France to study aerial firefighting practices. This provided an opportunity to compare their efficiency and effectiveness with Australian aerial firefighting operations; as well as examine state of the art safety standards and emerging technologies.

The Aerial Suppression Operations Group (ASOG) was established to monitor risk and resourcing levels across the country during each fire season.

NAFC facilitates a session on aerial fire suppression at the Fourth International Wildland Fire Conference in Seville, Spain.

Trialling of a fully-shared strategic aircraft service consisting of a Type 1 High Volume helicopter paired with a Type 3 helicopter as an Air Attack Supervisor platform. Based in Canberra these aircraft were made available to support fire suppression operations in any state or territory.

First use of NAFC Secondary contracts to provide streamlined access to additional aerial support in busy seasons.



New, restructured national aerial firefighting fleet comprises 39 aircraft providing 42 separate services.

Extensive aircraft support provided during catastrophic 'Black Saturday' bushfires in Victoria in early 2009. Also extensive aircraft support required in New South Wales, South Australia, and Western Australia. Extra high capacity aircraft added to national fleet during high threat season.

An additional \$4 million of funding provided by the Australian Government in recognition of the severe nature of the fire season – brings total contribution for 2008-09 to \$14.2 million.

NAFC participates in joint agency process to determine future aerial fire management research priorities.

NAFC staff visit western USA to evaluate the performance of new generation very large airtankers engaged in trial operations.

The Resource Management Agreement between NAFC and its Members was renewed for a further five years

The Northern Territory joined NAFC, meaning that all Australian states and principal territories were now members of the collaborative arrangement.

The national aerial firefighting fleet reaches a high of 53 aircraft providing 57 separate services with additional aircraft added to the National Fleet in Tasmania, New South Wales and Victoria.



NAFC contracted aircraft assist in the Queensland and New South Wales flood emergencies.

Two Convaire 580 multi-engine fixed wing firebombing aircraft are contracted from Canada for a Victorian trial of multi-engine fixed wing firebombers.

NAFC commenced a significant strategic planning process to determine directions for the next five years.



NAFC farewells its longest serving Company Secretary, Ms Naomi Brown.

NAFC undertakes the first stage of the major resources procurement process aimed at securing aerial resources for three to five years from 2013-14.

NAFC Develops new Resource Management Agreement with Members

NAFC develops a New Funding Agreement with the Commonwealth Government

05

Special purpose financial 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 2013. In order to comply with the provisions of the *Corporations Act 2001*, 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 R Applegate (appointed 28 May 2013)
- Mr L Bailey (resigned 11 October 2012)
- Mr M Brown
- Ms N Brown (resigned 26 November 2012)
- Mr M Crosweller (resigned 21 December 2012)
- Mr S Ellis (appointed 26 November 2012)
- Mr E Ferguson
- Mr S Fewster (appointed 11 October 2012)
- Mr S Fitzsimmons
- Mr L Johnson
- Mr D Lane (appointed 14 May 2013)
- Mr A J Molan
- Mr G Nettleton
- Mr S Sutton (resigned 22 February 2013)

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 S Ellis

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)
 - Funding Agreement (for funding through to 2012/13) was maintained throughout 2012/13.
- Maintain a Resource Management Agreement with members
 - Resource Management Agreement (valid until 2013) was maintained throughout 2012/13.
- 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 \$386,489 (2012: \$593,695).

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 R Applegate
Chief Executive Officer
Department of Land Resource Management,
Northern Territory

Mr M Brown AFSM
Chief Officer
Tasmania Fire Service

Mr S Ellis AM
Chief Executive Officer
Australasian Fire and Emergency Service
Authorities Council

Mr E Ferguson AFSM
Chief Officer
Country Fire Authority, Victoria

Mr S Fewster
Deputy Commissioner, Capability
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 Rescue Service

Mr D Lane
Commissioner
Australian Capital Territory Emergency Services
Agency

Mr A J Molan
Major General AO DSC (retired)

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



Meetings of director

Directors	Number eligible to attend	Number attended
Mr R Applegate	1	1
Mr L Bailey	2	1
Mr M Brown	7	6
Ms N Brown	3	3
Mr M Croweller	3	1
Mr S Ellis	4	4
Mr E Ferguson	7	7
Mr S Fewster	6	5
Mr S Fitzsimmons	7	5
Mr L Johnson	7	5
Mr D Lane	2	2
Mr A J Molan	7	4
Mr G Nettleton	7	7
Mr S Sutton	4	0

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 2013 there were 8 members (30 June 2012: 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 \$5,000.00 ex 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 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 in. 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 5 of the annual report.

Signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

Mr S Fitzsimmons (Chair)
Director
Melbourne, 13 September 2013

The Board of Directors
National Aerial Firefighting Centre
5/340 Albert Street
EAST MELBOURNE VIC 3002

9 September 2013

Dear Board Members,

National Aerial Firefighting Centre

In accordance with section 307C of the Corporations Act 2001, 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 2013, 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 Corporations Act 2001 in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Alison Brown

A M Brown
Partner
Chartered Accountants

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 2013, 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 18.

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 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* 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.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of National Aerial Firefighting Centre would be in the same terms if given to the directors as at the time of this auditor's report.

Deloitte.

Opinion

In our opinion, the financial report of National Aerial Firefighting Centre is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 3, and the *Corporations Regulations 2001*.

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 for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. 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, 13 September 2013

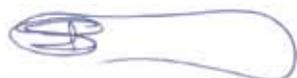
As detailed in Note 3 to the financial statements, the company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial statements who require information specific to their needs. Accordingly, these special purpose financial statements have been prepared to satisfy the directors' reporting requirements under the *Corporations Act 2001*.

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 Corporations Act 2001, 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 s.295(5) of the Corporations Act 2001.

On behalf of the Directors



Mr S Fitzsimmons (Chair)
Director
Melbourne, 13 September 2013

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Profit or loss and other comprehensive income

Statement of profit or loss and other comprehensive income for the year ended 30 June 2013

	Note	2013 \$	2012 \$
Revenue	4	14,829,231	14,803,575
Disbursements made under the federal Attorney General's Department Funding Agreement		(13,647,100)	(13,597,351)
AFAC Staff Support and Office expenses		(725,531)	(513,429)
Consultant expenses		(21,097)	(11,150)
Travel expenses		(38,370)	(37,363)
Other expenses		(10,644)	(50,587)
Surplus before tax		386,489	593,695
Income tax expense	3(a)	-	-
Surplus for the year	5	386,489	593,695
Other comprehensive income		-	-
Total comprehensive income for the year		386,489	593,695

Notes to the financial statements are included on pages 30 to 35.

Statement of financial position at 30 June 2013

	Note	2013 \$	2012 \$
Current assets			
Cash and cash equivalents	9(a)	11,134,207	6,924,010
Goods and services tax recoverable		1,362,189	1,045,617
Other receivables		251,007	171,762
Prepayments		7,513	7,857
Total current assets		12,754,916	8,149,246
Non-current assets			
Property, plant and equipment	6	624	1,355
Total non-current assets		624	1,355
Total assets		12,755,540	8,150,601
Current liabilities			
Trade and other payables	7	9,687,041	5,468,591
Total current liabilities		9,687,041	5,468,591
Total liabilities		9,687,041	5,468,591
Net assets		3,068,499	2,682,010
Equity			
Retained earnings		3,068,499	2,682,010
Total equity		3,068,499	2,682,010

Notes to the financial statements are included on pages 30 to 35.

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Changes
in equity



Statement of changes in equity for the year ended 30 June 2013

	Retained earnings \$	Total \$
Balance at 1 July 2011	2,088,315	2,088,315
Surplus for the year	593,695	593,695
Total comprehensive income for the year	593,695	593,695
Balance at 30 June 2012	2,682,010	2,682,010
Surplus for the year	386,489	386,489
Total comprehensive income for the year	386,489	386,489
Balance at 30 June 2013	3,068,499	3,068,499

Notes to the financial statements are included on pages 30 to 35.

Statement of cash flows for the year ended 30 June 2013

	Note	2013 \$	2012 \$
Cash flows from operating activities			
Receipts from Members		339,000	333,659
Operating grant receipts		13,601,183	14,410,991
Supply agreement disbursements		(9,082,398)	(8,921,610)
Payments to suppliers and employees		(1,140,819)	(775,130)
Interest received		493,231	523,916
Net cash generated by operating activities	9(b)	4,210,197	5,571,826
Cash flows from investing activities			
Proceeds from property, plant, equipment		-	-
Purchase of property, plant, equipment		-	(998)
Net cash (used in)/generated by investing activities		-	(998)
Net increase in cash and cash equivalents			
		4,210,197	5,570,828
Cash and cash equivalents at the beginning of the year			
		6,924,010	1,353,182
Cash and cash equivalents at the end of the year			
	9(a)	11,134,207	6,924,010

Notes to the financial statements are included on pages 30 to 35.

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:

5/340 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)

The following new and revised Standards and Interpretations have been adopted in the current year and have affected the amounts reported in these financial statements.

Amendments to AASB 101
'Presentation of Financial
Statements'

The amendment (part of AASB 2011-9 'Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income' introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

The amendments (part of AASB 2012-5 'Further Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle') requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position), when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position. The related notes to the third statement of financial position are not required to be disclosed.



2.2 Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, a number of Standards and Interpretations 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 2015	30 June 2016
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	1 January 2013	30 June 2014
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle'	1 January 2013	30 June 2014



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 Corporations Act 2001.

Statement of compliance

The financial statements have been prepared in accordance with the Corporations Act 2001, 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. For the purposes of preparing this financial report, the company is a not for profit entity.

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 provided on plant and equipment, including freehold buildings but excluding land.

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

	2013 \$	2012 \$
4. Revenue		
Operating grants – Attorney General's Department	13,997,000	13,946,000
Fees collected from Members	339,000	333,659
Interest received	493,231	523,916
	14,829,231	14,803,575

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	(731)	(2,052)
Remuneration of the auditors for:		
Audit services <i>The auditor of the company is Deloitte Touche Tohmatsu</i>	(5,775)	(5,793)

6. Plant and equipment

Plant and equipment at cost	8,707	8,707
Accumulated depreciation	(8,083)	(7,352)
	624	1,355

7. Trade and other payables

Trade payables	9,307,541	4,742,839
Accruals	-	352,852
GST payable	34,500	33,900
Prepaid fees from States	345,000	339,000
	9,687,041	5,468,591

8. Economic dependency

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

9. 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:

	2013 \$	2012 \$
Cheque account	1,376,117	494,341
Term deposits	9,758,090	6,429,669
	11,134,207	6,924,010

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

Surplus for the year	386,489	593,695
Depreciation	731	2,052
Movement in working capital		
(Increase)/decrease in assets:		
Other receivables	(79,245)	195,263
Goods and services tax recoverable	(316,572)	269,728
Prepayments	344	(2,895)
Increase/(decrease) in liabilities:		
Trade and other payables	4,564,702	4,730,190
Accruals	(352,852)	(222,082)
Prepaid Fees Collected States	6,000	5,341
GST payable	600	534
Net cash generated by operating activities	4,210,197	5,571,826

10. 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 2013 there were 8 members (2012: 8).

11. Subsequent events

There are no significant events subsequent to the reporting date.

Members as at 30 June 2013

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

Executive Committee

Chair
Mr Shane Fitzsimmons AFSM

Deputy Chair
Mr Michael Brown AFSM

Secretary
Mr Stuart Ellis AM

Treasurer
Major General Andrew James
(Jim) Molan AO DSC (retired)

Directors as at 30 June 2013



Mr Rodney Applegate
Chief Executive Officer
Department of Land
Resource Management,
Northern Territory



Mr Michael Brown AFSM
Chief Officer
Tasmania Fire Service



Mr Stuart Ellis AM
Chief Executive Officer
Australasian Fire and
Emergency Service
Authorities Council



Mr Euan Ferguson AFSM
Chief Officer
Country Fire Authority,
Victoria



Mr Stephen Fewster
Deputy Commissioner,
Capability
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
Rescue Service



Mr Dominic Lane
Commissioner
Australian Capital
Territory Emergency
Services Agency



**Major General Andrew
James (Jim) Molan AO
DSC (retired)**
Independent Director



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 5, 340 Albert Street
EAST MELBOURNE VICTORIA 3002

Contact Information

Postal: Level 5, 340 Albert Street
EAST MELBOURNE VICTORIA 3002

Phone: 03 9419 2388

Fax: 03 9419 2389

Email: info@nafc.org.au

Website: www.nafc.org.au

Auditor

Deloitte Touche Tohmatsu
550 Bourke Street
MELBOURNE VICTORIA 3000

Photo Acknowledgements

NAFC would like to thank the following people for their photo contributions to the 2012-2013 Annual Report:

Pages 1, 4 and 27 South Australian Country Fire Service

Pages 2, 3, 7, 14, 25, 28, 29, 32 and 33 Wayne Rigg, Country Fire Authority, Victoria

Page 11 Sam Crothers, New South Wales Rural Fire Service

Page 15 Coulson Aviation (Australia) Pty Ltd

Pages 16 and 17 NAFC office, South Australian Country Fire Service and Wayne Rigg, Country Fire Authority Victoria

Pages 18 and 19 Warren Frey, Commercial Firefighting Photographer, Tasmania

Pages 21 and 26 Jody Faux, South Australian Country Fire Service

Page 30 Brad Bourke, Department of Parks and Wildlife, Western Australia

Page 31 New South Wales Rural Fire Service

Pages 38 and 39 Matt Brook, Australian Capital Territory





NSW RURAL
FIRE SERVICE

WILDCAT
HELICOPTERS

National Aerial Firefighting Centre

Level 5, 340 Albert Street
East Melbourne VIC 3002

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