



08

Annual Report

HIGHLIGHTS

- A new Funding Agreement with Australian Government was executed, for \$41.2M over four years.
- 32 aircraft were engaged for the potential high-risk season, providing 36 separate services including a shared high-volume helicopter based in Canberra.
- A Type 1 helicopter service was successfully trialled in Western Australia.
- Successful, incident-free aerial support was provided to firefighters during an extended season with highly variable levels of activity.
- NAFC contracted aircraft were activated on over 500 occasions and made more than 7,100 drops delivering 12.4 million litres.
- NAFC contracted aircraft supported flood mitigation in Queensland.
- Three major procurement processes were initiated to secure aerial fire fighting resources and support systems.
- Officers evaluated the new generation of very large airtankers on actual operations in the United States.
- NAFC participated in Australian Government support to the Government of Greece following devastating bushfires.
- A joint Wildfire Aviation Technical Group and NAFC Board planning workshop held in May 2008 developed a new mission statement for NAFC with defined strategic outcomes and performance indicators.
- Significant new website and electronic stakeholder communication systems were implemented.

COMPANY PROFILE

The National Aerial Firefighting Centre (NAFC) Ltd was incorporated on 30 July 2003 with the primary purpose of establishing a national capacity to deliver effective aerial firefighting support to Australian States and Territories for the combat of wildfire.

NAFC is an Australian Public Company, limited by guarantee and registered in Victoria.

The use of aircraft for fighting wildfire has been developed in Australia over many years. Following a number of serious fires which affected the nation, the Australian Government along with the State and Territory Government decided to develop a national cooperative arrangement to enhance firefighting by improving access to aerial firefighting resources and implementing systems for resource-sharing across the country.

The Australian Government has subsequently provided annual funding to complement the funding contributed by State and Territory Governments for aerial firefighting.

NAFC provides the vehicle for the implementation of the national cooperative approach developed between the Australian Government and the State and Territory Governments. The organisation arranges the acquisition of a national fleet of firefighting aircraft, which are shared between member States and Territories. NAFC continues to develop common standards and systems to further enhance sharing of resources across Australia.

Members of NAFC as at 30 June 2008 were:

Queensland
New South Wales
Australian Capital Territory
Victoria
Tasmania
South Australia
Western Australia

Directors of NAFC as at 30 June 2008 were:

Mr Neil Bibby
Chief Executive Officer
Country Fire Authority, Victoria

Ms Naomi Brown
Chief Executive Officer
Australasian Fire and Emergency Service Authorities Council

Mr Euan Ferguson
Chief Executive Officer
Country Fire Service, South Australia

Mr Shane Fitzsimmons
Commissioner
NSW Rural Fire Service

Mr John Gledhill
Chief Officer
Tasmania Fire Service

Mr Craig Hynes
Chief Operations Officer
Fire and Emergency Services Authority, Western Australia

Mr Lee Johnson
Commissioner
Queensland Fire and Rescue Service

Mr Gregor Manson
Commissioner
ACT Emergency Services Authority



CHAIR'S REPORT

It gives me great pleasure to report another successful year of operation for Australia's National Aerial Firefighting Centre (NAFC). With the implementation of a new funding arrangement with the Australian Government, NAFC continued to grow the fleet of available aircraft and to provide improved support to firefighters across the nation.

Although the 2007-08 season was fortunately not as busy as the remarkable 2006-07 season, many parts of Australia remained dry and the potential for serious fires remained elevated for an extended period. NAFC is now very much a year-round operation with National Fleet aircraft being available from mid August 2007 until mid April 2008.

During that period National Fleet aircraft were activated to fires on more than 500 occasions and made over 7,100 firebombing drops. Interestingly, some National Fleet aircraft also became involved in work to mitigate the effects of flooding, principally in Queensland, during January 2008 - underlining the potential for continuing to involve NAFC in the development of an "all hazards" approach to emergency management.

NAFC is in a sound financial position. A key long-term target that was met during the 2007-08 financial year was the establishment of sufficient reserves to obviate the need for short-term borrowing and to provide flexibility in resourcing NAFC to meet peaks in workload.

There have been a number of changes to the NAFC Board. October 2007 saw the resignation from the Board of Mr Kevin O'Loughlin. I would like to place on record appreciation of Mr O'Loughlin's contribution to NAFC. His sage advice and support proved very valuable through the formative years.

In December 2007 the Board welcomed Mr Gregor Manson, Commissioner of the Australian Capital Territory's Emergency Services Agency.

Shane Fitzsimmons, Commissioner of the Rural Fire Service in New South Wales, joined the Board in March 2008 replacing Mr Rob Rogers. Again, NAFC Directors would like to record appreciation of Mr Rogers' input during his time on the Board. Mr Rogers remains involved as the New South Wales Delegate to NAFC.

2007 also saw some evolution in the relationship with the Australian Government. Machinery of Government changes resulted in the passing of the baton from the former Department of Transport and Regional Services to the Attorney General's Department where Emergency Management Australia (EMA) has assumed responsibility for

management of the relevant programs. To the credit of all involved, the changeover was seamless and we look forward to continuing to develop our productive partnership with the Australian Government through EMA.

The NAFC Board would like to acknowledge the efforts of the staff of the former Department of Transport and Regional Services and in particular the Secretary Mr Michael Taylor. Mr Taylor was instrumental in originally establishing the national approach to aerial fire suppression and later ensuring that it continued on a sound footing.

The NAFC secretariat continues to support the Board in a most effective and efficient manner. NAFC was again fortunate to retain the services of Mr Richard Alder to manage the organisation and I would like to thank the Victorian Department of Sustainability and Environment for continuing to make Mr Alder available.

The NAFC Board would also like to take the opportunity to thank the many staff of member agencies who have participated in various NAFC committees and supported national projects during the year. The major procurement processes initiated in 2007-08 has placed additional demands on already busy personnel and we are very grateful for their efforts. I would particularly like to acknowledge the assistance of Mr David Cant, of South Australia, who has taken on the task of chairing a number of important Committees. The NAFC Board must also again recognise the collaborative efforts and support of the staff of the various State and Territory aircraft units in facilitating operational matters throughout the fire season.

Whilst it has been a most successful year, NAFC is not content to rest on its laurels. There are a number of significant challenges in the future and the NAFC Board is acutely conscious of the need to deal with global issues such as the impacts of climate change and the effects of increased trading in carbon credits. Already we are seeing the impacts of recent changes in the global economy which may well require restructuring of approaches to aerial firefighting to ensure cost-effective, reliable access to appropriate resources.

Nonetheless, we now have the runs on the board, with a cooperative national approach between Australian States and Territories and the Commonwealth. This provides us with confidence to look ahead and continue to further develop collaboration and national resource coordination and management systems.

Neil Bibby AFSA
Chair





GENERAL MANAGER'S REPORT

2007-2008 Fire season

In the lead-up to the 2007-08 fire season NAFC continued to assess the forecast seasonal risk using the structured process implemented the previous year. This process identified that due to continuing underlying dryness there remained a possibility that the 2007-08 season would again exhibit high demand for aerial fire suppression in key interest zones, and that the season was likely to be extended. Accordingly NAFC moved to put in place an additional, centrally located, fully-shared high-volume helicopter that could be strategically re-positioned in accordance with the prevailing bushfire risk. This machine was initially located in Canberra, with New South Wales agreeing to take on the role of Liable Member.

A number of NAFC Members also took up additional resources as a preparedness measure. In all, the number of specialist fire-fighting aircraft procured through NAFC for the season reached 32, providing 36 separate services (in some cases the same aircraft is used to provide more than one service, for example in Queensland and Western Australia where the fire seasons are complementary).

The first aircraft went into place in Queensland on 13 August 2007. Aircraft remained in place in South Australia and Western Australia until 8 April 2008. The extended season required a number of extensions to service periods for contracted aircraft – in some cases by up to nine weeks.

A number of season-launch events were organised by members, in particular in Canberra and Perth. These events did a great job of informing the wider community about aerial fire suppression capacity as well as providing an ideal springboard for other community fire safety messages.

Whilst underlying dryness did generally continue as predicted, relatively mild conditions meant that the bushfire risk did not fully develop in parts of Queensland and New South Wales, which in turn provided us with more flexibility to shift resources to match risk across the nation. However there were bursts of significant activity in other areas. Notable fires on Kangaroo Island, South Australia in December 2007 saw a high reliance on aircraft. Aircraft and support personnel travelled from a number of other States to assist. A fixed-wing aircraft was also moved to Western Australia in January 2008 when significant fires were experienced south of Perth. Also in January 2008 a Type 2 helicopter was temporarily redeployed from Canberra to Launceston as a number of fires threatened to develop near the north and east Tasmanian coasts.

The fire risk remained significantly elevated across the southern parts of the continent and in Tasmania until early

April. The reduced risk in southern New South Wales and the Australian Capital Territory allowed the shared Type 1 High Volume helicopter to be relocated from Canberra to Adelaide for the latter part of the season.

Flooding occurred in parts of Queensland and northern New South Wales during December 2007 and January 2008 and NAFC contracted aircraft were able to play a valuable role in assisting the community to deal with effects of storms and flooding. Tasking included delivery of fodder and supplies, reconnaissance and personnel transport. This deployment provided an excellent example of the versatility of the contracted aircraft and the responsiveness of the national arrangements.

The 2007-2008 season provided an opportunity to trial a Type 1 helicopter in Western Australia – a capability that had not previously been in place for fire suppression in that State. The trial recognised the increased risk posed by changing climate and settlement patterns in the south-west. Accordingly a tank-equipped Sikorsky S61 was based at Perth for the season. As it transpired, this became one of the busiest aircraft in the fleet, being activated on 58 occasions.

The Aerial Suppression Operations Group (ASOG) continued to ensure streamlined and responsive operational arrangements for efficient resource allocation and sharing. ASOG met formally by teleconference on eight occasions through the course of the season to consider the optimum disposition of the national aircraft fleet and to provide advice to the NAFC Board.

NAFC Directors and Delegates also convened on a number of occasions during the season specifically to review overall placement of fleet aircraft with respect to fire threat, and to facilitate cooperative arrangements.

Once more it is appropriate to remark on the continuing excellent interstate cooperation regarding aircraft movements, and a high level of communication and collaboration between State and Territory agency aircraft units and NAFC during the bushfire season. This cooperation was also well demonstrated in servicing the response to flooding in January 2008.

During the 2007-08 fire season NAFC also continued to support the Australasian Fire and Emergency Services Authorities Council's "BISI" – the Bushfire Information Sharing Initiative. The BISI again reinforced the value of timely sharing of accurate information between jurisdictions regarding fire risk and resource commitment and availability.

Table 1 on page five shows the utilisation of the national fleet during the 2007-2008 fire season.

Table 1: National fleet utilisation 2007-2008

				No. of firebombing activations	No. of drops	Amount of suppressant (litres)
Shared	Air-crane	RW Type 1 HV	Canberra	6	190	557,200
NSW	CH54B Skycrane	RW Type 1 HV	Bankstown	0	0	0
	Bell 206L	RW Type 3 AAS	Bankstown	0	0	0
	Bell 214B	RW Type 2	Bankstown	0	0	0
	AT802A	FW Type 4	Orange	4	38	114,000
	AT802A	FW Type 4	Gunnedah	0	0	0
	Bell 212	RW Type 2	Bankstown	1	64	89,600
	Bell 212	RW Type 2	Canberra	0	0	0
	BK 117	RW Type 2	Bankstown	1	5	900
	BK 117	RW Type 2	Bankstown	0	0	0
QLD	AS350B3	RW Type 3	Archerfield	9	100	93,500
	AS350B3	RW Type 3	Archerfield	8	92	86,700
	AS350B3	RW Type 3	Archerfield	5	21	19,000
ACT	AS350BA	RW Type 3 AAS	Canberra	1	38	22,800
	Bell 212	RW Type 2	Canberra	3	83	116,200
VIC	S64E Aircrane	RW Type 1 HV	Essendon	2	92	302,700
	S-61N	RW Type 1	Mansfield	12	413	1,239,000
	S-61N	RW Type 1	Mansfield	7	267	721,500
	S64F Aircrane	RW Type 1 HV	Essendon	12	285	1,063,300
	Bell 206L	RW Type 3 AAS	Essendon	0	0	0
TAS	Bell 212	RW Type 2	Cambridge	11	229	357,000
SA	Bell 212	RW Type 2	Mt Lofty R	6	101	135,200
	Bell 212	RW Type 2	Mt Lofty R	2	31	37,000
	AS350BA	RW Type 3 AAS	Adelaide	0	0	0
	AT-802	FW Type 4	Mt Gambier	17	14	44,800
	AT-802	FW Type 4	Mt Gambier	14	13	41,600
	AT-802	FW Type 4	Adelaide	11	59	188,800
	AT-602	FW Type 4	Pt Lincoln	11	147	367,500
	AT-602	FW Type 4	Pt Lincoln	10	120	300,000
	Cessna 337	FW AAS	Adelaide	0	0	0
WA	S61	RW Type 1	Perth	58	1119	2,968,300
	AS350 B3	RW Type 3	Perth	72	929	879,100
	AS350 B3	RW Type 3	Perth	77	964	889,500
	AS350 B3	RW Type 3	Perth	51	801	712,000
	AS350 B3	RW Type 3	Perth	44	769	710,500
	PZL M18	FW Type 4	Albany	18	65	224,300
	PZL M18	FW Type 4	Albany	17	66	147,000
Totals				502	7,115	12,429,000

RW – Rotary Wing
FW – Fixed Wing
AAS – Air Attack Supervisor Platform
HV – High Volume



Australian government support

The 2007-08 was the first season of the new funding arrangement with the Australian Government that was announced in April 2007. This program sees the Australian Government providing approximately \$10M per annum towards the fixed costs of making firefighting aircraft available, or a total contribution of \$41.2M over four years. In turn the participating States and Territory match the Australian Government funding on a dollar for dollar basis and meet the operating costs of the aircraft.

The new arrangement required the development of a new funding agreement with the Australian Government. An agreement was prepared and duly executed with the then Department of Transport and Regional Services in September 2007.

The funding provided by the Australian Government continues to be very much a keystone in the national approach to aerial firefighting. The successful development of a national collaborative system owes a great deal to the support of the Australian Government – not just in directly ensuring additional resources are available to firefighters but also in catalysing the additional benefits that flow from improved collaboration and cooperation between States and Territories.

Approaches to market

During 2008 NAFC commenced three significant procurement processes aimed at securing appropriate aircraft and support capabilities into the future. All three processes are planned to continue through into the 2008-09 year and the outcomes will be reported in detail during that year.

An Invitation to Tender for Aerial Firefighting Services for 2008 onwards was released to the market by public advertisement on 15 February 2008. This process invited tenders from suitably qualified and capable providers for the provision of National Fleet aircraft over the next three seasons (2008-09, 2009-10 and 2010-11) with options to extend resultant contracts for up to two further years.

At the same time NAFC released a Request for Proposals for Future Aerial Fire Management Capabilities. This process provided opportunities for operators to put forward capabilities that were still under development or did not otherwise match current specifications but were considered to have potential to provide improvements in service delivery in the future.

The other important approach to market was the call for Expressions of Interest for provision of Aircraft Tracking and Event Logging Services, which was publicly advertised on 28 March 2008. This process aims to evaluate the possibilities for a national approach to the provision of aircraft tracking services and event logging services with a view to improving safety and effectiveness of operations, as well as providing data that will support efficient fleet management and research and development programs.

As there are a number of potential interactions between the three processes, they were designed to be run in parallel. It was therefore necessary for the NAFC office to engage additional project management resources, and with the cooperation of the Victorian Office of the Emergency Services Commissioner we were delighted to welcome Mr Martin Batt to the NAFC office to manage the procurement processes.

The intensive nature of procurement during the year also made it prudent to establish a dedicated Board sub-committee to oversight the overlapping processes. The NAFC Procurement Committee met formally on five occasions during the year. Likewise the Procurement Committee established an Evaluation Committee to undertake detailed evaluation of tenders and proposals. The Evaluation Committee met on numerous occasions to undertake this work.

New policy series

NAFC strives to maintain the highest possible standard of integrity and probity in all activities. The major emphasis on procurement in 2008 was an opportune catalyst for the revision of NAFC's relevant internal policies. A revised Procurement Policy and a new Probity and Integrity Policy were developed and subsequently approved by the Board. The policies were incorporated into a new NAFC Policy Series, along with the previously approved *Enterprise Risk Management Policy and Framework*.

Stakeholder communications

Previous investigations by the NAFC office demonstrated that electronic systems would be a major element of NAFC's future communications with stakeholders. Accordingly 2007-2008 saw considerable investment of effort in development of electronic communication systems. In particular the NAFC website was rebuilt using industry-standard technology and incorporating



functionality that enables NAFC staff to directly utilise the website as a communications medium. The site was put to its first major test during the three major NAFC procurement processes, where it was successfully used to serve multiple documents to potential tenderers and to deal with queries and document updates. The site also now incorporates "NAFC Connect" – a members only section used for managing and accessing key information.

In addition, listserver functionality has been incorporated into the website, allowing more efficient use of email as a communication medium. The listserver allows users to self-subscribe to specified NAFC information services.

An email newsletter "NAFC Update" for key internal stakeholders was also successfully trialled with a number of editions targeted at different groups. It is planned to continue this approach.

The *Findings and Recommendations of the 2006 NAFC/AFAC Aerial Firefighting International Best Practice Visit* were also formatted for publication and subsequently made available to the public in hardcopy and on the NAFC website.

Innovation and development

NAFC places a high priority on innovation and keeping abreast of technological developments in relevant fields and on continuing to research means of improving the safety, effectiveness and efficiency of aerial fire operations.

The *Request for Proposals for Future Aerial Fire Management Capability* mentioned on page six provided a cornerstone for NAFC activities in this area and the evaluation committee will continue to examine proposals with a view to ensuring that Australian firefighters have access to optimum support capabilities in the future.

As part of the innovation program NAFC arranged for two officers to visit the western United States in August-September 2007 to examine the operations of the new generation of very large fixed wing airtankers. The team was able to assess large airtanker on-site in actual fire suppression operations. The evaluation will be an important part the continuing examination of the applicability of this class of aircraft in the Australian situation.

NAFC continued to work closely with the Bushfire Cooperative Research Centre (BCRC) and with member agencies on a number of research projects. 2007-08 provided an opportunity to gather further operational

data to support the BCRC's continuing evaluation of the effectiveness and efficiency of aerial fire suppression and in particular to fill some gaps in data from previous years. Working with CRC and State and Territory agency staff, NAFC was able to facilitate the collection of data throughout the season. NAFC contracted aircraft were also utilised in aerial suppression experiments conducted in the Ngarkat Conservation Park in March 2008. This cooperative project involved the South Australian Country Fire Service and Department of Environment and Heritage as well as the Victorian State Aircraft Unit. The project included operations on a grid of planned fires and aimed to evaluate the effectiveness of different suppressants delivered under conditions of very high fire danger.

NAFC staff supported and participated in a number of workshops aimed at developing the research agenda for a proposed new Cooperative Research Centre – the CRC for Fire – Environment and Society. NAFC also participated in a workshop that examined the potential application of particular space vehicles to fire management in Australia.

During 2007-08 NAFC identified that Unmanned Aerial Vehicle (UAV) or Unmanned Aerial System (UAS) technology had progressed to a point where it is likely that these will play a role in aerial fire management in the relatively near future. The NAFC Board received a number of formal presentations from providers of UAV services and related systems. Evaluation of the potential for this technology also continues through the *Request for Proposals for Future Aerial Fire Management Capability*.

Australasian Fire and Emergency Service Authorities Council

NAFC continues to maintain a close working relationship with the Australasian Fire and Emergency Services Authorities Council (AFAC). For 2007-08 NAFC renewed the management services arrangement for AFAC to provide NAFC with management and administration. AFAC staff who have continued to provide valuable support include NAFC Administrator Ms Claire Bunday and Mr Trevor Essex who capably managed finance and accounting.

The intensive procurement processes run by NAFC during the course of the year placed some pressure on AFAC staff and facilities and NAFC would like to particularly acknowledge the cooperation and support of AFAC in this regard.

Wildfire Aviation Technical Group

NAFC continued to provide facilitation and executive support to the AFAC Wildfire Aviation Technical Group (WATG) – a sub-group of the AFAC Rural and Land Management Group.

During 2007-08, WATG met formally on four occasions.

An important activity was a workshop held in May 2008 which involved the NAFC Board, WATG and guests in jointly re-examining the mission and role of NAFC. [See page ten]

The workshop also examined the considerable work that had been achieved in developing a National Aerial Firefighting Strategy and formed the view that it was important that further development of such a national strategy be undertaken by the wider stakeholder community. Accordingly the development of the strategy has been formally referred to AFAC. NAFC has offered to support AFAC in this endeavour.

Australian Government arrangements

Machinery of Government changes following the November 2007 federal election saw a transfer of responsibility for the administration of the Australian Government's contribution to the national aerial firefighting fleet from the then Department of Transport and Regional Services (DoTaRS) to the Attorney-General's Department. Within the Attorney-General's Department, Emergency Management Australia (EMA) has assumed responsibility for the program. NAFC is grateful for the efforts of EMA staff for ensuring a smooth transition and for continuing the much valued and highly productive partnership approach to national aerial firefighting arrangements.

Finance

As noted by Mr Bibby, NAFC is in a sound financial position and detailed information regarding NAFC finances is provided in the Special Purpose Financial Report. The establishment of proper reserves was an important step and enables NAFC to reduce dependence on short term borrowing to address cash flow issues associated with administering funds provided from the Australian Government and the associated Goods and Services Tax.

Other activities

International

NAFC has continued to develop a positive profile as an opinion leader and organisation of influence in the local and international fire and aviation communities. Richard Adler joined an Australian Government delegation to Greece to provide support to the Government of Greece following the devastating fires of 2007. NAFC was also invited to review the aviation training program for the Working on Fire organisation in South Africa in May 2008.

Inquiries

NAFC made a written submission to the Victorian Parliamentary Inquiry into the Impact of Public Land Management Practices on Bushfires in Victoria and provided evidence to the inquiry. For logistical reasons, NAFC also provided evidence on behalf of AFAC at the same Inquiry.

Strategic alliances

During the year a number of potential strategic alliances were identified. In order to provide a conduit for communication and to further develop these alliances NAFC accepted membership in the following organisations during 2007/08:

- Helicopter Association of Australia
- Aerial Agricultural Association of Australia
- Fire Management Actions Alliance
- Aviation Safety Foundation of Australasia.

Thanks...

NAFC would like to reinforce Mr Bibby's thanks to the many staff of member agencies who have contributed to NAFC programs and projects during the year. In particular the assistance provided with procurement processes by representatives on the Procurement and Assessment Committees has been most valuable. The assistance provided by State and Territory staff in facilitating contract administration, reporting activity and arranging movements of aircraft has also, once again, been outstanding.

Mr David Cant continued to chair the AFAC Wildfire Aviation Technical Group as well as a number of other important Committees and has supported the development of national programs in many other ways. NAFC is most appreciative





In May 2008 a joint workshop involving the NAFC Board and the AFAC Wildfire Aviation Technical Group developed a revised Mission Statement and accompanying Strategic Outcomes and Key Performance Indicators for NAFC.

Mission Statement

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.

Strategic Outcomes

NAFC is recognised for its good governance practices

Key performance indicators

- all regulatory requirements are met
- feedback from stakeholders endorses company structure, governance and operations

NAFC structure meets the needs of stakeholders

Key Performance Indicators

- stakeholder lists are maintained
- stakeholders continue to resource and support NAFC
- structure is reviewed and options are considered

NAFC resource management meets stakeholder expectations

Key Performance Indicators

- members are satisfied with resource allocation
- Commonwealth expectations are met
- members participate in ASOG

NAFC risk management practices are best practice

Key Performance Indicators

- 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

Key Performance Indicators

- NAFC facilitates member participation

NAFC facilitates continuous improvement and innovation in aerial fire management

Key Performance Indicators

- NAFC collects and measures data to support evidence-based decisions
- NAFC contributes to and influences appropriate R&D

FINANCIAL REPORT

National Aerial Firefighting Centre Limited

ACN 105 736 392

Special purpose financial report
for the financial year ended 30 June 2008

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Directors' report

The directors of National Aerial Firefighting Centre Limited submit herewith the annual financial report of the company for the financial year ended 30 June 2008. 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:

Mr N Bibby
Mr E Ferguson
Mr L Johnson
Mr J Gledhill
Mr K O'Loughlin (resigned 16/10/07)
Ms N Brown
Mr C Hynes
Mr G Manson (appointed 03/12/07)
Mr R Rogers (resigned 06/03/08)
Mr S Fitzsimmons (appointed 06/03/08)

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

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Ms N Brown
Chief Executive Officer
Australasian Fire and Emergency Service Authorities Council

Principal Activities

The principal activity of the company during the financial 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.

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 profit of the company for the financial year amounted to \$402,386 (2007 : \$108,455).

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 of 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

Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly, this information has not been disclosed in this report.

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 preclude the directors of the company from recommending payment of any dividend.

Information on Directors

The information on directors is as follows:

Mr N Bibby, Chairman
Chief Executive Officer
Country Fire Authority, Victoria

Mr E Ferguson
Chief Executive Officer
Country Fire Authority, South Australia

Mr L Johnson
Commissioner
Queensland Fire and Rescue Service

Mr J Gledhill
Chief Officer
Tasmanian Fire Service

Mr K O'Loughlin
Chief Executive Officer
Bushfire CRC

Ms N Brown
Chief Executive Officer
Australasian Fire and Emergency Service Authorities Council

Mr C Hynes
Chief Operations Officer
Fire and Emergency Services Authority of Western Australia

Mr G Manson
Commissioner
ACT Emergency Services Agency

Mr R Rogers
Director of Community Safety
NSW Rural Fire Service

Mr S Fitzsimmons
Commissioner
NSW Rural Fire Service

Meetings of Directors

Director	Number eligible to attend	Number attended
Mr N Bibby	6	5
Mr E Ferguson	6	4
Mr L Johnson	6	3
Mr J Gledhill	6	3
Mr K O'Loughlin	1	1
Ms N Brown	6	5
Mr C Hynes	6	3
Mr G Manson	3	2
Mr R Rogers	4	2
Mr S Fitzsimmons	2	2

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 or 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 period was \$4,427.00 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

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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 4 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

Director
Mr N Bibby (Chairman)

Melbourne, 11 September 2008

DTT Victoria

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

11 September 2008

Dear Board Members,

National Aerial Firefighting Centre Limited

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 Limited.

As the lead audit partner for the audit of the financial statements of National Aerial Firefighting Centre Limited for the financial year ended 30 June 2008, 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

DTT Victoria
DTT Victoria

A M Brown

A M Brown
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.
DTT Victoria has changed its name from BDO and is a continuation of that Victorian partnership. The partners of DTT Victoria have also joined the Australian partnership of Deloitte Touche Tohmatsu.
All changes with effect from 14 August 2006.

DTT Victoria

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

We have audited the accompanying financial report, being a special purpose financial report, of National Aerial Firefighting Centre Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration as set out on pages 7 to 15.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 2 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 2, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing 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 and fair presentation of the financial report 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.

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DTT Victoria has changed its name from BDO and is a continuation of that Victorian partnership. The partners of DTT Victoria have also joined the Australian partnership of Deloitte Touche Tohmatsu.
All changes with effect from 14 August 2006.

DTT Victoria

The financial report has been prepared for distribution to the members for the purpose of fulfilling the directors' financial reporting requirements under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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*.

Auditor's Opinion

In our opinion, the financial report of National Aerial Firefighting Centre Limited 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 2008 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 2; and
- (b) complying with Australian Accounting Standards to the extent described in Note 2 and the *Corporations Regulations 2001*.

DTT Victoria
DTT Victoria



A M Brown
Partner
Chartered Accountants
Melbourne, 11 September 2008

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All changes with effect from 14 August 2006.

Directors' declaration

As detailed in Note 2 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 report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose purpose financial report' has 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



Director
Mr N Bibby (Chairman)

Melbourne, 11 September 2008

Income Statement

for the financial year ended 30 June 2008

	Note	2008 \$	2007 \$
Revenue	3	10,626,873	8,397,900
Disbursements made under Department of Transport and Regional Services supply agreement		(9,910,000)	(7,990,000)
AFAC Staff Support Expenses		(171,335)	(141,996)
Consultant Expenses		(2,745)	(19,624)
Contractor Expenses		(75,655)	(45,375)
Travel Expenses		(29,326)	(63,990)
Other Expenses		(35,426)	(28,460)
Profit attributable to the members of the entity		402,386	108,455

Notes to the financial statements are included on pages 22 to 23.

Balance Sheet

as at 30 June 2008

	Note	2008 \$	2007 \$
Current Assets			
Cash and cash equivalents	5	3,351,095	353,314
GST receivable		929,744	663,720
Other receivables		4,644	9,422
Prepayments		3,808	3,416
Total current assets		4,289,291	1,029,872
Total assets		4,289,291	1,029,872
Current Liabilities			
Trade and other payables	6	3,595,262	738,229
Total current liabilities		3,595,262	738,229
Total liabilities		3,595,262	738,229
Net assets		694,029	291,643
Equity			
Retained earnings	7	694,029	291,643
Total equity		694,029	291,643

Notes to the financial statements are included on pages 22 to 23.

Statement of changes in equity

for the financial year ended 30 June 2008

	Retained earnings \$	Total \$
Balance at 1 July 2006	183,188	183,188
Profit attributable to members of the entity	108,455	108,455
Balance at 30 June 2007	291,643	291,643
Profit attributable to members of the entity	402,386	402,386
Balance at 30 June 2008	694,029	694,029

Notes to the financial statements are included on pages 22 to 23.

Cash Flow Statement

for the financial year ended 30 June 2008

	Note	2008 \$	2007 \$
Cash flows from operating activities			
Receipts from state based agencies		300,000	200,175
Operating grant receipts		10,000,000	8,000,000
Supply agreement disbursements		(6,515,627)	(7,772,375)
Payments to suppliers and employees		(1,113,465)	(364,836)
Interest received		326,873	197,725
Net cash provided by operating activities	9(b)	2,997,781	260,689
Net increase in cash and cash equivalents		2,997,781	260,689
Cash and cash equivalents at beginning of financial year		353,314	92,625
Cash and cash equivalents at end of financial year	9(a)	3,351,095	353,314

Notes to the financial statements are included on pages 22 to 23.

Notes to financial statements

1. General information

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

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

Registered office
Level 5
340 Albert Street
East Melbourne VIC 3002

2. 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 are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the directors' reporting requirements under the Corporations Act 2001.

Statement of compliance

The financial report has been prepared in accordance with the Corporations Act 2001, the basis of accounting specified by all Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 'Presentation of Financial Statements', AASB 107 'Cash Flow Statements' and AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Due to the application of Australian specific provisions for not-for-profit entities contained only within A-IFRS, this financial report and the notes thereto, are not necessarily compliant with International Accounting Standards.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial statements. 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 judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, management is required to make judgements, 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.

Adoption of new and revised Accounting Standards

In the current year, the company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes set out below. The company has also adopted the following

Standards as listed below which only impacted on the company's financial statements with respect to disclosure:

- AASB 101 Presentation of Financial Statements (revised October 2006)

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

- (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 are recognised as income when the entity obtains control of the contribution, or the right to receive the contribution, and it is probable that the economic benefits comprising the contribution will flow to the entity.
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 a 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 consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.
- (f) Comparative amounts**
Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.
- (g) Standards and Interpretations issued not yet effective**
In the current year, the company has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.
At the date of authorisation of the financial report, the directors anticipate that the adoption of Standards and Interpretations that were issued but not yet effective will have no material financial impact on the financial statements of the company.

	2008 \$	2007 \$
3. Revenue		
Operating grants - Department of Transport and Regional Services	10,000,000	8,000,000
Fees collected from state based agencies	300,000	200,175
Interest received	326,873	197,725
	10,626,873	8,397,900

4. Profit for the year		
Profit has been determined after:		
(a) Expenses		
Remuneration of the auditors for:		
Audit services	4,800	4,100
Other fees	1,000	-
	5,800	4,100

5. Cash and cash equivalents		
Cheque Account	38,280	56,010
Cash Management Account	3,312,815	297,304
	3,351,095	353,314

The weighted average interest rate applicable to the cheque account is 7% and the weighted average interest rate applicable to the cash management account is nil%.

6. Trade and other payables		
Unsecured liabilities:		
Sundry creditors and accruals	3,595,262	738,229
	3,595,262	738,229

7. Retained earnings		
Balance at the beginning of the financial year	291,643	183,188
Profit attributable to members of the entity	402,386	108,455
Balance at the end of the financial year	694,029	291,643

8. Economic dependency

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

	2008 \$	2007 \$
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9. Notes to the cash flow statement

(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:

Cash and cash equivalents	3,351,095	353,314
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(b) Reconciliation of profit for the period to net cash flows from operating activities

Profit for the year	402,386	108,455
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Changes in net assets and liabilities:

(Increase)/decrease in assets:		
(Increase)/decrease in other receivables	4,778	(9,422)
Increase in GST receivables	(266,024)	(273,880)
(Increase)/decrease in prepayments	(392)	364

Increase/(decrease) in liabilities:

Increase in trade and other payables	2,857,033	435,172
Net cash from operating activities	2,997,781	260,689

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 2008 there were 7 members (2007: 7).

11. Subsequent events

There are no significant events subsequent to the reporting date.

Mission Statement

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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