

ANNUAL REPORT 2009





HIGHLIGHTS 2009

- First year of a new, reconfigured specialised National Aerial Firefighting Fleet comprising 42 separate Services across the nation, provided by 39 aircraft.
- Extensive aircraft support for catastrophic bushfires in Victoria during January and February 2009. Significant bushfire activity requiring extensive aircraft support also occurred in New South Wales, South Australia and Western Australia.
- Extra high capacity aircraft added to National Fleet during high threat season bringing total fleet to 43 aircraft.
- \$4 million additional funding provided by Australian Government for 2008-09, recognising the severe nature of the season, brings total contribution for 2008-09 to \$14.2 million.
- NAFC contracted aircraft were activated on over 880 occasions and made more than 14,800 drops delivering over 34 million litres.
- Australian Government announced in the federal budget the continuation of the national aerial firefighting program until 2012-13, including additional funding of \$12.8 million to bring the Commonwealth's annual ongoing contribution to \$14 million.
- NAFC continued three major approaches-to-market:
 - Invitation to Tender for Aerial Firefighting Services 2008 onwards;
 - Request for Proposals for Future Aerial Fire Management capability;
 - Expression of Interest in the provision of Aircraft Tracking and Event Logging Services.
- The Resource Management Agreement between NAFC and its Members was renewed for a further five years.
- A joint WATG, NAFC Board and Bushfire CRC planning workshop held in May 2008 developed a new agenda for future aerial fire management research.

COMPANY PROFILE

Members as at 30 June 2009:

Australian Capital Territory

State of New South Wales

State of Queensland

State of South Australia

State of Tasmania

State of Victoria

State of Western Australia

Directors as at 30 June 2009:

Mr Neil Bibby

Chief Executive Officer

Country Fire Authority, Victoria

Mr Michael Brown

Deputy Chief Officer

Tasmania Fire Service

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

New South Wales Rural 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

Australian Capital Territory Rural Fire Service

Company directory

National Aerial Firefighting Centre Ltd

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

www.nafc.org.au

info@nafc.org.au

Chair

Mr Shane Fitzsimmons

Secretary

Ms Naomi Brown

Treasurer

Mr Craig Hynes

Auditor

Deloitte Private

550 Bourke Street

Melbourne

Victoria 3000

Photo Acknowledgements

Wayne Rigg, State Aircraft Unit, Victoria
cover, pages 2, 10-14

Penny Sibly, NAFC
pages 5, 10

Richard Alder, NAFC
page 8

Jo Black, NAFC
page 15

CHAIR'S REPORT

Shane Fitzsimmons
Chair



The 2008-09 fire season saw a new, restructured national aerial firefighting fleet that was able to smoothly and effectively swing into place to provide valuable support to firefighters during this extreme season. The year will be forever bookmarked by the extraordinary fire events in Victoria during February 2009 in which 173 people tragically perished. We were deeply saddened by the enormous loss of life and property and the NAFC Board extends sincere sympathy to all those affected by these events and other fires during 2008-09.

The significant fire events that occurred across the nation during 2008-09, resulted in a busy season for NAFC. Operations have had to adapt to meet the demands of fire seasons that continue to grow longer with National Fleet aircraft becoming operational in Queensland in August and continuing on right through to the end of April in Western Australia. NAFC is now very much a year-round operation.

In response to the severe fire season this year, the Australian Government allocated an additional \$4 million to boost Australia's national aerial firefighting capacity. NAFC used this supplementary funding to expand and extend the fleet, including an additional shared high-volume heavy helicopter at the peak of the season. In all 43 aircraft were contracted through NAFC for 2008-09.

Looking forward, the Attorney General also announced in May that the Australian Government will contribute an extra \$12.8 million over the next four years, bringing the total federal funding for aerial firefighting to around \$14 million per year until 2012-13. This most welcome announcement will ensure that NAFC can continue to develop and improve Australia's aerial firefighting capacity. The NAFC Board would like to acknowledge the support of the Attorney General and the ongoing contribution of the Australian Government.

During 2008-09 the Aerial Suppression Operations Group, a sub-committee of the NAFC Board, facilitated the movement of aircraft to areas of high risk and helped ensure key aviation personnel were available where needed. NAFC aircraft were activated over 1,300 times, making over 14,800 firebombing drops, more than doubling last year's numbers. A total of over 34,000,000 litres of suppressant was delivered. National fleet aircraft were also used for surveillance, mapping and winching operations, as well as air attack supervision and training – highlighting a shift in emphasis in the application of fleet aircraft and recognising the full range of important roles that aircraft can play in fire management.

A significant change to the NAFC Board took place this year with the resignation of Neil Bibby AFSM as Chair and subsequently as Director, corresponding with his retirement as Chief Executive Officer of Victoria's Country Fire Authority. As one of the founding Directors, Neil has been involved with NAFC for six years and he has always taken a personal interest in the organisation's activities and development. On behalf of the Board I would like to extend many thanks to Neil for his commitment to the furtherance of interstate collaboration generally and in particular to NAFC's objectives and ideals. His support and guidance have been greatly appreciated.

“This is a sign of strong cooperation between the Commonwealth, the states and the territories. By working cooperatively to pool our resources, governments in all jurisdictions can get the maximum value for money and ensure that Australians are protected by the best aerial firefighting equipment possible.”

Robert McClelland, Federal Attorney General.



With Neil's resignation, I have been elected Acting Chair and Craig Hynes has accepted the position of Treasurer. This year also saw the resignation of John Gledhill AFSM as the Director nominated by Tasmania. John has also been a strong supporter of NAFC and interstate collaboration and has been active in ensuring the organisation's success. We are pleased to welcome Mike Brown to the Board as the new Director for Tasmania.

Mention must be made of the three significant intensive procurement processes run by NAFC during 2008-09 to procure the national fleet aircraft, and to examine future aerial and support capabilities. While the detail of these processes are covered elsewhere in this Annual Report, the NAFC Board would like to acknowledge the tremendous contribution from the aviation and support industries as well as from the NAFC office and State and Territory agencies. These processes will help ensure that we have rigorous best practice capabilities and support arrangements in place into the future.

I will also take this opportunity to thank, on behalf of the Board, the many people who work together to make NAFC a truly collaborative organisation. Personnel from the State and Territory aircraft units commit a great deal of time and expertise to our operations, and their support is a very large factor in NAFC's success. Richard Alder also continued as NAFC's General Manager during 2008-09 and the Board thanks the Victorian Department of Sustainability and Environment and AFAC for continuing to make Richard available.

With another successful year behind us, NAFC is looking to the future and to the many projects and developments we have in the pipeline. The procurement of a national tracking and event logging system is nearing completion and evaluation of new technologies such as Unmanned Aerial Systems and Very Large Airtankers is being undertaken. The success of the NAFC collaborative model is a strong foundation to continue the development towards a more comprehensive resource sharing facility. This potential is being examined.

In the meantime, our main concern is the effective and efficient management of aerial firefighting resources to support Australia's fire agencies as we move forward into the 2009-10 fire season.

A handwritten signature in orange ink, appearing to read 'S Fitzsimmons', enclosed within a hand-drawn orange oval.

Shane Fitzsimmons
Chair

GENERAL MANAGER'S REPORT

Richard Alder
General Manager



2008-2009 Fire Season

NAFC and its Members headed into the 2008-09 Australian bushfire season with a newly contracted National Fleet of 39 highly specialised firefighting aircraft. These aircraft provided 42 separate Services in some cases the same aircraft is used to provide more than one Service, such as in Queensland and Western Australia where the fire seasons are complementary. This new fleet, which included five high-volume firebombing helicopters, was largely the result of an extensive public tender process: NAFC's "Invitation to Tender for Aerial Firefighting Services 2008 onwards" (see box, page 7). The fleet was to further increase during the busy season. It is interesting to reflect that just five years ago, the National Fleet comprised 10 aircraft. The additional aircraft resources now available to support fire operations are a great example of the benefits of the collaborative national approach between the federal and state and territory governments.

This year the National Fleet saw some new specialised capabilities introduced, such as a helicopter based in New South Wales specifically equipped for aerial intelligence gathering. The aircraft is capable of automated mapping of fires and downlinking high resolution infra-red and visible video images to the ground. 2008-09 also saw a NAFC contracted high-volume heavy helicopter based in Adelaide for the first time. This provided a catalyst for a notable season-launch event at Mount Crawford, near Adelaide. These events continue to provide excellent opportunities to inform the community about fire safety in general as well as highlighting aerial fire suppression capacity.

As in previous years, NAFC and its Members assessed the forecast seasonal risk using a structured process designed around assessing demand for aircraft resources in the key interest zones. These zones are areas where aircraft use is most likely to be effective and efficient. Due to continuing underlying dryness, it was determined that there remained a possibility that the 2008-09 season would again exhibit high demand for aerial fire suppression in those zones, and that the season was likely to be extended.

Given the outlook, a number of NAFC Members took on additional aircraft resources as a preparedness measure using the Additional Aircraft provisions of NAFC contracts.

The first aircraft went into place in Queensland on 25 August 2008, with the final aircraft continuing in Western Australia until 28 April 2009. The extended season required a number of extensions to Service Periods for contracted aircraft – in some cases by up to nine weeks.

Up until late January 2009, the 2008-09 season was characterised by bursts of activity, with particularly threatening fires occurring across New South Wales and South Australia. Western Australia also saw a number of significant fires including those in Kings Park, in the heart of Perth. High temperatures across the south of the continent in mid to late January considerably elevated the bushfire risk in southern New South Wales, Victoria, Tasmania, South Australia and southern Western Australia. This was brought home in no uncertain terms with damaging fires in eastern Victoria during late January and early February, and by the catastrophic events of the 7th of February.

Victorian Fires of February 2009

February 2009 will be long remembered for the devastating bushfires that occurred throughout Victoria. In particular, the 7th of February, the day that became known as “Black Saturday”, saw a number of extreme fire incidents that resulted in Australia’s greatest loss of life in a natural disaster. In all, tragically, 173 lives were lost. Many thousands of dwellings were destroyed and communities will continue to feel the impacts for decades to come.

The NAFC Board and staff offer their sincere condolences to those who were affected by the fires, and extend best wishes to the communities involved for a speedy recovery.

NAFC was pleased to be able to support our Victorian colleagues during this most difficult fire season. Additional heavy helicopters were positioned in Victoria prior to the 7th of February on a number of occasions, principally from New South Wales and South Australia. In the aftermath of Black Saturday, additional aircraft resources were added to the National Fleet with supplementary funding support from the Australian Government. This included the provision of a fully shared high-volume helicopter based in Victoria during February and March.

NAFC staff undertook operational roles in the field during the fires, whilst specialist Air Operations personnel from other States and Territories also assisted. Overall, whilst acknowledging the terrible loss of life and property, the summer period was a tremendous validation of the benefits of national cooperation and collaboration.

Approaches to Market

A key effort for NAFC during 2008-09 was the three major procurement processes initiated in February and March 2008. These aimed to secure high quality aerial firefighting services and support service for the national fleet. Possible future capabilities that would enable NAFC to support fire agencies in the most effective and efficient way were also examined.

An Invitation to Tender for the provision of Aerial Firefighting Services was publicly advertised in February 2008. In this process, NAFC invited highly qualified and capable organisations to tender for the provision of a range of aerial services for bushfire fighting. In most cases, services were sought for a three-year period, with options to extend resultant contracts for up to two further years.

The Invitation attracted an outstanding response with many hundreds of possible permutations and combinations being sifted through by the evaluation group.


The Primary contracts that were awarded through this process formed the basis of the core national aerial firefighting fleet implemented for the 2008-09, 2009-10 and 2010-11 fire seasons, with optional extensions for 2011-12 and 2012-13. In addition a number of Secondary, or reserve, contracts were awarded. These contracts are designed to facilitate the provision of additional aircraft resources for a particular fire season should they be required by a State or Territory Member.

A Request For Proposals for Future Aerial Fire Management Capability was also publicly advertised in February 2008. In this process NAFC invited Proposals for the provision of new aerial capabilities that may, in the future, help improve the efficiency and cost-effectiveness of managing fires. The process was particularly aimed at identifying aerial service capabilities that were new or in the final stages of development.

An excellent response was received with a wide variety of capabilities put forward. As a result of the process NAFC has established two ongoing programs to further intensively research and evaluate unmanned aerial systems and large to very-large fixed-wing airtankers.

Finally, in March 2008, a public advertisement called for **Expressions of Interest in the provision of Aircraft Tracking and Event Logging Systems**. The aim was to identify potential providers of geospatial tracking services and event logging for aircraft and support vehicles involved in fire operations. Once again, the response from the industry was outstanding and presented a huge job for the evaluation committee.

Having worked through the various proposals, NAFC was able to develop a model for the provision of a national approach to aircraft tracking services, and a clear direction for the provision of event logging services. An extensive operational trial was then conducted during the 2008-09 season. As a result, a national tracking service is expected to be established in the lead-up to the 2009-10 fire season in southern Australia, with a standard approach to event logging and messaging to be phased in during 2010.



As a result of the elevated risk during January and February, further aircraft were added to the National Fleet using the Additional Aircraft contract provisions and by activation of a NAFC Secondary Contract. As the risk diminished in the more northern parts of the country, the opportunity was also taken to initiate a fully-shared supplementary aircraft resource by engaging a high-volume heavy helicopter at the conclusion of its normal Service Period in Sydney. This aircraft was then relocated to a new base in Victoria where it was able to provide valuable support in Victoria and South Australia during February and March.

In all, the number of specialist firefighting aircraft procured through NAFC for the season reached 43, the highest number to date.

During the season the Aerial Suppression Operations Group (ASOG) continued to ensure that aircraft and support resources were appropriately deployed according to risk and Members' operational needs. Chaired by NAFC Board member Gregor Manson, ASOG met formally by teleconference on a number of occasions through the course of the season. There was a peak of activity during February and March 2009. NAFC Directors also convened on a number of occasions during the season to review overall placement of fleet aircraft with respect to fire threat, to facilitate collaborative arrangements and to ensure that individual Members were optimally supported

During the 2008-09 fire season NAFC also continued to support the Australasian Fire and Emergency Service Authorities Council's "BISI" – the system for sharing information between jurisdictions regarding fire risk, significant incidents and resource commitment and availability.

State and Territory agency aircraft units continued their great support for the collaborative approach to aerial fire management during a difficult, demanding and ultimately, very long season. The success of the cooperative arrangement depends on the efforts of the aircraft units in each jurisdiction, and it is most pleasing to see the support provided for NAFC and for each other.

Table 1, overleaf, shows the utilisation of the national fleet during the 2008-09 fire season.

Australian Government support

The first half of 2009 saw the federal Attorney General, the Hon. Robert McLelland, make two major milestone announcements embedding and extending the Australian Government's support for the national aerial firefighting arrangements.

2008-09 began as the second year of a funding arrangement with the Australian Government that was announced in April 2007. This program saw the Australian Government providing approximately \$10 million per annum towards the fixed costs of making firefighting aircraft available. 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.

In February 2009, recognising the severe nature of the fire season that had developed, the Attorney General announced the provision of an additional \$4 million for 2008-09. This funding proved vital in expanding the fleet to 43 aircraft during the latter part of the season and in ensuring that the core aircraft remained available for extended service periods. The responsiveness of the Australian Government in dealing with a developing risk situation is greatly appreciated.

In May 2009, the Attorney General announced as part of the federal budget, that the Australian Government contribution to the national aerial firefighting program would be increased by \$12.8 million over four years, providing annual funding of \$14 million until 2012-13.

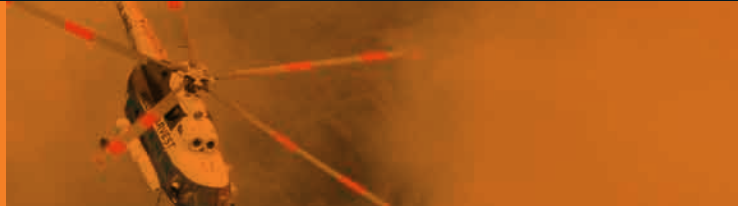
The significance of this most welcome announcement cannot be understated. As well as providing a vote of confidence in national collaborative arrangements the additional funding will ensure the provision of valuable additional specialised aircraft resources to support firefighters. Most importantly the provision of funding certainty over a four-year

Table 1

National fleet utilisation 2008-2009

State	Aircraft	Activations	Number of Drops	Amount of Suppressant	Other Activations	Total Activations
SHARED	Aircrane S64E	3	215	836,776	4	7
ACT	Bell 212	5	160	182,000	3	8
	AS350BA	6	486	324,350	17	23
NSW	AT802	3	9	27,900	0	3
	AT802	23	64	172,200	5	28
	Cessna 337	0	0	0	22	22
	Aircrane S64F	7	283	789,175	2	9
	Bell 206L	0	0	0	14	14
	Aircrane S64E	7	300	999,795	2	9
	Bell 214B	13	46	115,000	3	16
	Bell 212	48	1,608	1,815,202	9	57
	BK117	18	425	376,100	6	24
	BK117	14	484	416,000	9	23
	Bell 212	3	182	206,934	4	7
	AS350	0	0	0	22	22
	AT802	1	12	0	0	1
QLD	AS350B3	4	75	75,000	3	7
	AS350B3	10	128	126,000	8	18
	AS350B3*	12	208	205,000	6	18
SA	AT802	20	25	75,000	4	24
	AT802	17	25	75,000	4	21
	AT802	54	101	303,000	6	60
	Cessna 337	0	0	0	31	31
	AT802	57	85	255,000	12	69
	AT802	44	89	267,000	9	53
	AT602	12	37	88,800	3	15
	AT602	11	34	81,600	3	14
	Aircrane S64E	6	266	1,123,441	4	10
	Bell 214B	12	138	353,400	17	29
	Bell 205	10	96	132,900	14	24
	Bell 206L	0	0	0	49	49
	Bell 205	0	0	0	2	2
	AT502	3	9	21,600	9	12
TAS	Bell 212	4	147	167,139	6	10
VIC	Aircrane S64F	37	1,318	6,463,180	6	43
	Aircrane S64E	28	1,250	4,155,854	6	34
	Bell 206L	0	0	0	39	39
	S61N	37	1,644	4,172,315	12	49
	S61N	19	443	1,435,700	15	34
	Aircrane S64E	7	476	1,349,116	2	9
	Mi8MTV-1	10	209	888,700	7	17
	Bell 214B	11	476	1,190,000	2	13
WA	AT602	20	73	160,600	0	20
	AT602	19	71	156,200	0	19
	S61N	64	926	2,420,657	3	67
	AS350B3	57	570	650,590	4	61
	AS350B3	47	482	562,670	4	51
	AS350B3	48	546	524,365	5	53
	AS350B3	58	644	628,645	5	63
TOTAL		889	14,865	34,369,904	422	1,311

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



period will greatly assist the further development of a robust aerial firefighting capability for Australia.

The additional funding for 2008-09 required the development of a revised Funding Agreement with the Australian Government. An agreement was prepared and duly executed in March 2009. A further revised agreement will be developed to cover the new four-year arrangement announced in May 2009.

As we have remarked in previous years, the successful development of a national collaborative system owes a great deal to the funding support provided by the Australian Government. It is worth re-emphasising that not only does this funding directly ensure additional resources are available to firefighters but it also catalyses the additional benefits that result from improved collaboration and cooperation between States and Territories.

Throughout the year the Australian Government contribution to the NAFC program has continued to be managed by the Attorney General's Department. For the bulk of the period this was through Emergency Management Australia, although later in the year the machinery of government changes saw a seamless transfer of responsibility to the now National Security Capability Development Division within the Attorney General's Department.

NAFC is grateful for the efforts of departmental staff for ensuring a smooth and highly productive working relationship. It is timely to particularly acknowledge the work of Mr David Prestipino, who has been involved with the national aerial firefighting arrangements since inception, and Ms Veronica O'Brien.

Approaches to market

During 2008 NAFC commenced three significant procurement processes aimed at securing appropriate aircraft and support capabilities into the future (see box, page 7).

As there were a number of potential interactions between the three processes, they were designed to run in parallel. This did generate a peak in workload for the NAFC office and for the members of the various evaluation and procurement committees, who were largely sourced from State and Territory agencies. For the bulk of the period, with the welcome support of the Victorian Office of the Emergency Services Commissioner, the NAFC office was fortunate to have the services of Mr Martin Batt to manage the procurement processes.

The major emphasis on procurement also placed a high demand on the NAFC Board's dedicated Procurement Sub-committee in overseeing the overlapping processes. The NAFC Procurement Committee met formally on many occasions during the year.

As a result of feedback on previous processes the Invitation to Tender for Aerial Firefighting Services for 2008 onwards was restructured to include a qualification phase before pricing was sought. This reduced the risks associated with handling of pricing information over multiple stages and ensured that only those potential contractors who had a reasonable chance of success engaged in the resource intensive latter stages of the process.

The procurement processes also provided an ideal opportunity to road-test NAFC's new internal Procurement policy and Probity and Integrity policy, which in turn proved to be practical and appropriate. NAFC continues to strive to maintain the highest practical standards of probity and integrity in all aspects of its business.

Innovation and development

NAFC and its Members place a high priority on innovation and up-to-date technology. The aim is to ensure that appropriate capabilities are provided to support firefighters and that the aerial services and support are provided in the most effective and efficient way.

Much development activity during 2008-09 centred on the outcomes of the Future Aerial Fire Management Capability (FAFMC) process and the Aircraft Tracking and Event Logging (ATEL) process (see box, page 7). The FAFMC has spawned a number of ongoing subsidiary



“The work of NAFC is a prime example of Government having a direct, positive and meaningful impact on the lives of the Australian public.”

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

processes looking specifically at large and very large fixed-wing airtankers and at unmanned aerial systems.

As part of the continuing evaluation of very large airtankers NAFC staff were also fortunate to visit the western United States during February 2009 to observe examples of this class of aircraft undergoing trials and drop pattern testing. The examination of unmanned systems was enhanced by a number of formal presentations from commercial system providers.

An operational trial of aircraft tracking systems was a major focus during the southern fire season. Outcomes of the trial were pivotal in development of the model for a national approach to aircraft tracking and event logging and also raised the prospect of including a messaging system.

A number of Member agencies conducted promising preliminary trials of firebombing drops using water enhancers, or gels. This class of firefighting agent is expected to be more intensively trialled during 2009-10.

The year 2008-09 provided an outstanding opportunity to gather further operational data to support the Bushfire Cooperative Research Centre's (BCRC) continuing evaluation of the effectiveness and efficiency of aerial fire suppression. NAFC was pleased to facilitate data collection and also to assist with feedback on preliminary products produced by the BCRC as outcomes of the research project.

An important activity during May 2009 was a joint workshop with the NAFC Board, the AFAC Wildfire Aviation Technical Group and representatives of the Bushfire Cooperative Research Centre. The workshop was able to consolidate an agreed agenda for future research into aerial fire management. A key agreed priority is the continuing development of models that will assist with short, medium and long term resource allocation decisions.

NAFC staff also supported and participated in a number of workshops aimed at developing a national research agenda for a proposed new Cooperative Research Centre.

Special mention should be made of Dr Matt Plucinski who has worked diligently on aerial fire management research since the BCRC's inception and is now regarded as one of Australia's key subject matter experts in this field. NAFC appreciates the particular efforts of Dr Plucinski to support NAFC staff and the Wildfire Aviation Technical Group.

Australasian Fire and Emergency Service Authorities Council

For 2008-09 NAFC renewed the management services arrangement with the Australasian Fire and Emergency Service Authorities Council (AFAC) for AFAC to provide NAFC with management and administration services. NAFC continues to value the close working relationship with AFAC and is grateful for the support. Particular mention should be made of the contributions from NAFC Administrators Ms Claire Bunday and Ms Jo Black and also of Mr Trevor Essex who continued to capably manage finance and accounting. The ongoing assistance of AFAC Chief Executive Officer and NAFC Company Secretary Ms Naomi Brown is also gratefully acknowledged.



NAFC would also like to recognise the cooperation of other AFAC staff during the year. In particular, the various procurement processes did place pressure on AFAC staff and facilities and the tolerance and assistance offered was greatly appreciated.

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 2008-09, WATG met formally on four occasions. The key focus of the group is sharing of information and coordinating efforts to ensure that aerial firefighting across the nation remains as safe, efficient and effective as possible. This group also continues to move ahead with standardisation of operating practices in order to support resource sharing.

WATG identified a need for improved sharing of information regarding portable mapping technologies and promoted the inclusion of relevant sessions at the AFAC 2009 conference. The group also continued to promote the development of a national approach to training and certification of aircraft management and support specialists. This will be advanced significantly during 2009-10 with the finalisation of Training Resource kits.

Other major topics for WATG included reviewing and debriefing operational practices over the fire season, ensuring quality control of contract aircraft operations; development of research agendas, and monitoring industry research and development activities – especially in the areas of retardants and suppressants and in drop system design. The group also contributed advice and technical support to a range of organisations and forums, including a number of Bushfire Cooperative Research Centre projects.

Finance

As detailed in the Special Purpose Financial Report NAFC is in a sound financial position and continues to maintain sufficient reserves to avoid dependence on short term borrowing to address cash flow issues associated with administering the Goods and Services Tax.

The global economic conditions have however reduced the organisation's ability to earn interest on reserves which, coupled with increased operating costs presents a risk to sufficiency of operating funds in future years. While NAFC is acutely conscious of the importance of remaining lean and low-bureaucracy, requirement for additional staffing during the peak workload of procurement processes and also for management of major projects such as the aircraft tracking and event logging project have placed pressure on operating funds. Accordingly in February 2009, the Board prudently resolved to increase the contribution from Members to NAFC's running costs.

Other activities

International

NAFC continues to be actively involved in international fire and aviation communities and is now well respected as an opinion leader in these circles. The first dedicated International Aerial Firefighting Conference was held in Athens, Greece in October 2008 with a significant contingent from Australia. Director Shane Fitzsimmons was invited to speak on aerial firefighting in Australia and joined an expert panel focussing on the possibility of collaborative approaches to aerial firefighting in the European Community (EC). It is interesting to note that subsequently the EC has established a fledgling collaborative arrangement which became active on several occasions during fire events across Europe in 2009. As General Manager I presented a session to the Athens conference on Human Factors and Safety in aerial firefighting. At a similar event in California in February 2008 I presented on the Australian situation and also participated in expert panel sessions.

NAFC continue to be supportive of the establishment of an Aviation Working Group to facilitate international sharing of information and potentially sharing of resources. The proposal did gain favourable support from a range of potential participants during 2008-09 and is likely to be further developed in 2009-10.



Inquiries

NAFC made a written submission to the 2009 Victorian Bushfires Royal Commission. The submission aimed principally to highlight the benefits of national collaborative and cooperative arrangements.

Strategic alliances

NAFC maintained membership in the following organisations during 2008-09.

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

Thanks...

First of all I would like to take the opportunity to thank Neil Bibby who resigned as Chair and subsequently as Director of NAFC towards the end of the reporting period, coincident with his retirement from the Victorian Country Fire Authority. Neil is a founding Director of NAFC and NAFC staff have very much appreciated his support and counsel.

Secondly, I would echo Shane Fitzsimmons' vote of thanks to the many staff of Member agencies who have contributed to NAFC programs and projects during the year. The assistance provided with procurement processes has required a huge commitment this year and has been outstanding. Similarly the work by State and Territory staff in contract administration, reporting activity and arranging movements of aircraft has been remarkable.

Finally we collectively recognise the fine efforts of Mr David Cant who chaired the Procurement Committee and various evaluation sub-committees during a huge peak of activity. David also continued to chair the AFAC Wildfire Aviation Technical Group. 2008-09 has very much been an onerous year and we are again most appreciative of David's continued outstanding contribution.

A handwritten signature in orange ink, appearing to read 'Richard Alder', positioned above the name and title.

Richard Alder
General Manager

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
- NAFC's structure meets the needs of stakeholders
- NAFC's resource management meets stakeholder expectations
- NAFC's risk management practices are best practice
- NAFC facilitates continuous improvement and innovation in aerial fire management
- NAFC fosters national collaboration and sharing in support of aerial fire management

Key Performance Indicators:

- 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 ASOG
- 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 R&D



FINANCIAL REPORT



National Aerial Firefighting Centre Limited

ACN 105 736 392

Special purpose financial report for the financial year
ended 30 June 2009

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Director's 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 2009. 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 (resigned 3/7/09)
Mr M Brown (appointed 7/8/08)
Mr E Ferguson
Mr S Fitzsimmons
Mr L Johnson
Mr J Gledhill (resigned 22/7/08)
Mr C Hynes
Mr G Manson (resigned 24/7/09)
Ms N Brown

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.
Ms Brown's qualifications are detailed on page 3 in the information on directors.

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.

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 \$351,309 (2008:\$402,386.)

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

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 Service, South Australia

Mr L Johnson
Commissioner
Queensland Fire & Rescue Service

Mr M Brown
Acting Chief Officer, Tasmania Fire Service

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

Mr G Manson
Commissioner of ACT Emergency Services Agency

Mr S Fitzsimmons
Commissioner of NSW Rural Fire Service

Ms N Brown
Chief Executive Officer
Australia Fire and Emergency Services Council

Meetings of Director

DIRECTORS	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED
Mr N Bibby	8	8
Mr E Ferguson	8	7
Mr L Johnson	8	5
Mr J Gledhill	0	0
Mr M Brown	8	7
Mr C Hynes	8	6
Mr G Manson	8	8
Mr S Fitzsimmons	8	8
Ms N Brown	8	7

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 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 S Fitzsimmons (Chair)
Melbourne, 07 September 2009

Auditor's Independence Declaration

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060
550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia
DX: 111
Tel: +61 (0) 3 9671 7000
Fax: +61(0) 3 9671 7001
www.deloitte.com.au

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

07 September 2009

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 2009, 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

A M Brown
Partner
Chartered Accountants

Independent Audit Report

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060
550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia
DX: 111
Tel: +61 (0) 3 9671 7000
Fax: +61(0) 3 9671 7001
www.deloitte.com.au

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 2009, 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.

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 2009 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.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

A M Brown
Partner
Chartered Accountants
Melbourne, 07 September 2009

Director's 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 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



Mr S Fitzsimmons (Chair)
Director
Melbourne, 07 September 2009

Income Statement

for the financial year ended 30 June 2009

	Note	2008 \$	2009 \$
Revenue	3	14,748,337	10,626,873
Disbursements made under Department of Transport and Regional Services supply agreement		(14,077,800)	(9,910,000)
AFAC Staff Support Expenses		(174,705)	(171,335)
Consultant Expenses		(34,377)	(2,745)
Contractor Expenses	4	(39,362)	(75,655)
Travel Expenses		(27,487)	(29,326)
Other expenses		(43,297)	(35,426)
Surplus attributable to the members of the entity	4	351,309	402,386

Notes to the financial statements are included on pages 25 to 27.

Balance Sheet

as at 30 June 2009

	Note	2008 \$	2009 \$
Current assets			
Cash and cash equivalents	5	5,068,964	3,351,095
GST receivable		698,517	929,744
Other receivables		1,930	4,644
Prepayments		4,952	3,808
Total current assets		5,774,363	4,289,291
Property, plant and equipment		15,659	–
Total assets		5,790,022	4,289,291
Current liabilities			
Trade and other payables	6	4,744,684	3,595,262
Total current liabilities		4,744,684	3,595,262
Total liabilities		4,744,684	3,595,262
Net assets		1,045,338	694,029
Equity			
Retained earnings	7	1,045,338	694,029
Total equity		1,045,338	694,029

Notes to the financial statements are included on pages 25 to 27.

Statement of Changes in Equity

for the financial year ended 30 June 2009

	Retained earnings \$	Total \$
Balance at 1 July 2007	291,643	291,643
Surplus attributable to members of the entity	402,386	402,386
Balance at 30 June 2008	694,029	694,029
Surplus attributable to members of the entity	351,309	351,309
Balance at 30 June 2009	1,045,338	1,045,338

Notes to the financial statements are included on pages 25 to 27.

Cash Flow Statement

for the financial year ended 30 June 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Receipts from state based agencies		313,501	300,000
Operating grant receipts		14,220,784	10,000,000
Supply agreement disbursements		(12,697,151)	(6,515,627)
Payments to suppliers and employees		(314,828)	(1,113,465)
Interest received		214,836	326,873
Net cash provided by operating activities	9(b)	1,737,142	2,997,781
Cash flows from investing activities			
Purchase of property, plant, equipment		19,273	–
Net cash used in investing activities		19,273	–
Net increase in cash and cash equivalents		1,717,869	2,997,781
Cash and cash equivalents at beginning of financial year		3,351,095	353,314
Cash and cash equivalents at end of financial year	9(a)	5,068,964	3,351,095

Notes to the financial statements are included on pages 25 to 27.

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
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 instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, management is 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.

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.

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.

Notes to Financial Statements cont...

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 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.

3. Revenue

	2009 \$	2008 \$
Operating grants – Attorney General's Department	14,220,000	10,000,000
Fees collected from state based agencies	313,501	300,000
Interest received	214,836	326,873
	14,748,337	10,626,873

4. Surplus for the Year

	2009 \$	2008 \$
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Surplus has been determined after:

(a) Expenses:

Remuneration of the auditors for:

Audit services	5,000	4,800
Other fees	–	1,000
	5,000	5,800

Contracting expenses consists of the following:

Contracting Expenses for the year	211,862	75,655
Reversal of accrued contracting expenses from prior periods	(172,500)	–
	39,362	75,655

5. Cash and Cash Equivalents

	2009 \$	2008 \$
Cheque Account	333,430	38,280
Cash Management Account	4,735,534	3,312,815
	5,068,964	3,351,095

The weighted average interest rate applicable to the cheque account is 4% and the weighted average interest rate applicable to the cash management account is nil%.

6. Trade and other payables

	2009 \$	2008 \$
Unsecured liabilities:		
Trade Creditors	1,783,369	3,077,455
Accruals	2,961,315	517,807
	4,744,684	3,595,262

7. Retained earnings

	2009 \$	2008 \$
Balance at the beginning of the financial year	694,029	291,643
Surplus attributable to members of the entity	351,309	402,386
Balance at the end of the financial year	1,045,338	694,029

8. Economic dependency

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

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:

	2009 \$	2008 \$
Cash and cash equivalents	5,068,964	3,351,095

(b) Reconciliation of Surplus for the period to net cash flows from operating activities

	2009 \$	2008 \$
Surplus for the year	351,309	402,386

Non cash flows in operating Surplus:

Depreciation	3,614	–
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Changes in net assets and liabilities: (Increase)/decrease in assets

(Increase)/decrease in other receivables	2,714	4,778
Increase in GST receivables	231,227	(266,024)
(Increase)/decrease in Prepayments	(1,144)	(392)

Increase/(decrease) in liabilities:

Increase in Trade and other payables	1,149,422	2,857,033
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Net cash from operating activities	1,737,142	2,997,781
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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 2009 there were 7 members (2008:7).

11. Subsequent Events

There are no significant events subsequent to the reporting date.

