

National Aerial  
Firefighting Centre

# Annual Report 2012







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# 2011-2012 Highlights



## NAFC Operations

- NAFC once again facilitated a large and diverse National Fleet comprising 56 separate services across the country provided by 52 aircraft.
- NAFC contracted aircraft were activated on a total of 1,569 occasions during the season, including 884 activations for firebombing operations. NAFC aircraft made 5,774 drops to deliver more than 11 million litres of suppressant or retardant.
- Two Sikorsky S-61N helicopters based in Victoria were redeployed to New South Wales, under the normal resource sharing arrangements, to support SES flood mitigation operations.
- For the first time in the Northern Territory NAFC contacted a fixed-wing firebombing aircraft.
- In another first, a Type 1 High Volume helicopter (Erickson S.64-E Aircrane) was engaged for the fire season in Western Australia. This aircraft, known as 'Marty', was based at Jandakot and was activated on 23 occasions delivering approximately 1,055,652 litres of suppressant or retardant.
- A busy season in Western Australia saw a Type 1 Helicopter travel as far afield as the Pilbara to fight bushfires.
- NAFC undertook a significant strategic planning process to determine directions for the next 5 years.
- NAFC commenced a substantial review of documentation, in advance of major procurement processes planned for late 2012.
- NAFC representatives attended a function in August, acknowledging 15 years of Erickson Aircrane operations in Australia (pictured top right).

## NAFC Board and Sub-Committees

- In November 2011, Mr Shane Fitzsimmons, Commissioner, New South Wales Rural Fire Service was re-elected Chair of the NAFC Board for a second two year term. Other Executive appointments included Mr Michael Brown, Chief Officer Tasmania Fire Service to Deputy Chair; and Mr Mark Crosweller, Commissioner Australian Capital Territory Emergency Services Agency to the role of Treasurer.
- The NAFC Board welcomed Mr Stephen Sutton, Director of Bushfires Northern Territory as the first Director nominated by the Northern Territory.
- The NAFC Board also welcomed Mr Lloyd Bailey, Chief Operations Officer – Operations, Fire and Emergency Services Authority as the Director of NAFC nominated by Western Australia.
- The NAFC Procurement Committee formally convened on a number of occasions during 2011-2012 to begin preparing for NAFC's major procurement processes in late 2012.
- The Aerial Suppression Operations Group convened via teleconference three times during 2011-2012 to monitor risk levels across the country.

## NAFC Partnerships and Alliances

- In 2011-2012 NAFC maintained membership to the Fire Management Actions Alliance and the Flight Safety Foundation.
- NAFC maintained its partnership with the Bushfire Cooperative Research Centre through 2011-2012.
- Mr Richard Alder attended the Emergency Services Foundation Volunteer Leaders Forum in Bendigo in May and delivered presentations on aerial firefighting and the role of tracking technology in aerial firefighting operations.
- NAFC continued to play a key role in the International Fire and Aviation Working Group's (IFAWG) activities throughout the year, with NAFC General Manager and Chair of IFAWG, Mr Richard Alder, attending the International Wildland Fire Joint Meetings held in Freiburg, Germany in June / July 2012.
- Mr Richard Alder attended the International Aerial Firefighting Conference and Exhibition in Sacramento in January. Mr Alder addressed Delegates on the outcomes of the 2009 Victorian Bushfires Royal Commission, and on the role and purpose of the International Fire and Aviation Working Group.

## From the Chairman

Dear Members,

I am pleased to present the 2011-2012 Annual Report of the National Aerial Firefighting Centre (NAFC). This report is presented to Members in accordance with Section 9 of the NAFC Constitution and also satisfies the reporting requirements of the *Corporations Act 2001 (Cth)*. The Annual Report also meets in-part the requirements of Section 9 of the Funding Agreement between the Commonwealth of Australia and NAFC. The 2011-2012 Annual Report includes the audited balance sheet; and the income and expenditure account for the 2011-2012 Financial Year along with the reports of the Board and Auditor.

Although 2011-2012 has been an important year of consolidation and planning for the future of NAFC, we have also seen a number of significant developments in service delivery. For the first time NAFC contracted aircraft were available for firefighting in the Northern Territory, where a dedicated Type 4 fixed wing firebombing aircraft was engaged. Also for the first time a high volume firebombing helicopter was contracted for southern Western Australia, when preseason forecasts indicated the possibility of a busy season.

As NAFC begins preparing for the next five years, the Board and Members have taken the opportunity to reflect upon recent seasons and to consider how the diverse extremes of weather we continue to experience across Australia may affect fleet composition and resource allocation into the future. The past year once again saw widespread bushfire activity across parts of Queensland, Northern Territory, Western Australia and South Australia. On the other hand, flooding associated with a continuing La Niña event in 2011-2012 again saw extensive aerial operations in New South Wales, Queensland, Victoria and even northern Western Australia. The now well-established national arrangements continued to smoothly support the redeployment of firefighting aircraft to flood mitigation operations, such as the movement of two Sikorsky S61N heavy helicopters based in Victoria into southern New South Wales. The Aerial Suppression Operations Group (ASOG), a sub-committee of the NAFC Board, relished their adopted, expanded brief and met throughout the 2011-2012 season under new Chair, Mr Greg Nettleton, to monitor both fire and flood risk levels across the country.

NAFC engaged 56 aerial Services throughout the country in 2011-2012. NAFC contracted aircraft were activated on approximately 1,569 occasions during the season for firebombing and other bushfire support operations including reconnaissance and mapping and crew and cargo transport, as well as for flood operations. The increasing diversity of activities for which NAFC contracted aircraft have been employed over the past three years affirms the valuable role aircraft now play, not only in traditional firebombing operations but also in a range of other support activities.

Even in a comparatively quiet bushfire season in some parts of the country, the NAFC arrangements would not be possible without the considerable efforts of some key groups and individuals. On behalf of the NAFC Board I would like to recognise, first and foremost, the contribution of the staff of each of the Member agencies. I would like to record the Board's sincere thanks for their commitment and ability to keep aircraft operations running effectively and efficiently. Thank you to the many aviation industry suppliers who continue to work with NAFC Members to provide a range of aerial services with high levels of professionalism. Thank you also to the Australasian Fire and Emergency Service Authorities Council Ltd (AFAC) for their ongoing and engaged support.

The Board would also like to particularly acknowledge the continued assistance of the Australian Government - not just for the highly valued financial contribution but also for the general support offered by the Federal Attorney-General and the Attorney-General's Department. Finally, thanks must go to NAFC General Manager, Mr Richard Alder and his team. You continue to demonstrate a commitment to meeting the needs of Members and adding value to Member operations and planning through consultation and collaboration. I have great confidence that NAFC is in a strong position as it moves into the next five years and as Chair of the Board, I look forward to what the coming years will hold for this unique and growing organisation.

Yours sincerely,



Shane Fitzsimmons AFSM  
Chair

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# General Manager's Report



2011-2012 was notable for a number of important 'firsts'. It was pleasing to see the first NAFC contracted aircraft in the Northern Territory. The mainly winter bushfire season in the Territory fits in very nicely with the national arrangements, allowing NAFC to 'dovetail' contracts and realise important contracting synergies.

Also for the first time, NAFC contracted a High Volume Type 1 helicopter (an Erickson Aircreane) for Western Australia. With very dry conditions forecast in the southwest of Western Australia, and a fire season of above-normal potential ahead, the need to draw on additional resources was recognised. This additional machine took the number of High Volume helicopters in Australia for 2011-2012 to six and it indeed proved its worth over a busy, extended season in the West.

Otherwise 2011-2012 was very much a year of consolidation and review for NAFC. NAFC continued with the consultative phases of a major strategic planning exercise that aims to set directions for the next five years. At the same time we embarked on a major project to review all procurement and operational documentation and doctrine in advance of the major procurement processes planned to commence in late 2012.

## 2011-2012 Fire Season

For the second consecutive year, NAFC Member States and Territories faced a somewhat unusual bushfire season; diverse weather conditions presented a range of challenges to fire, land management and emergency service agencies across the country. High levels of fire activity were experienced across central and western Queensland, the Northern Territory, Western Australia and parts of South Australia, while relatively quieter fire seasons were experienced across New South Wales, the Australian Capital Territory, Victoria and Tasmania. At the same time, a second consecutive La Niña event in eastern Australia saw significant areas of flooding across New South Wales as well as in parts of Queensland and Victoria.

2011-2012 was a particularly demanding bushfire season for the Northern Territory. Dry, hot and windy conditions together with significant dry lightning strikes resulted in one of the most intense fire seasons since the 1970's. In a season that lasted more than four months, a large proportion of the Territory was affected. This opened up possibilities for the productive application of aerial firefighting in areas of Australia where this approach has not previously been considered to be efficient. Similarly, dry lightning strikes in the Territory's border areas, central and western Queensland and northern South Australia

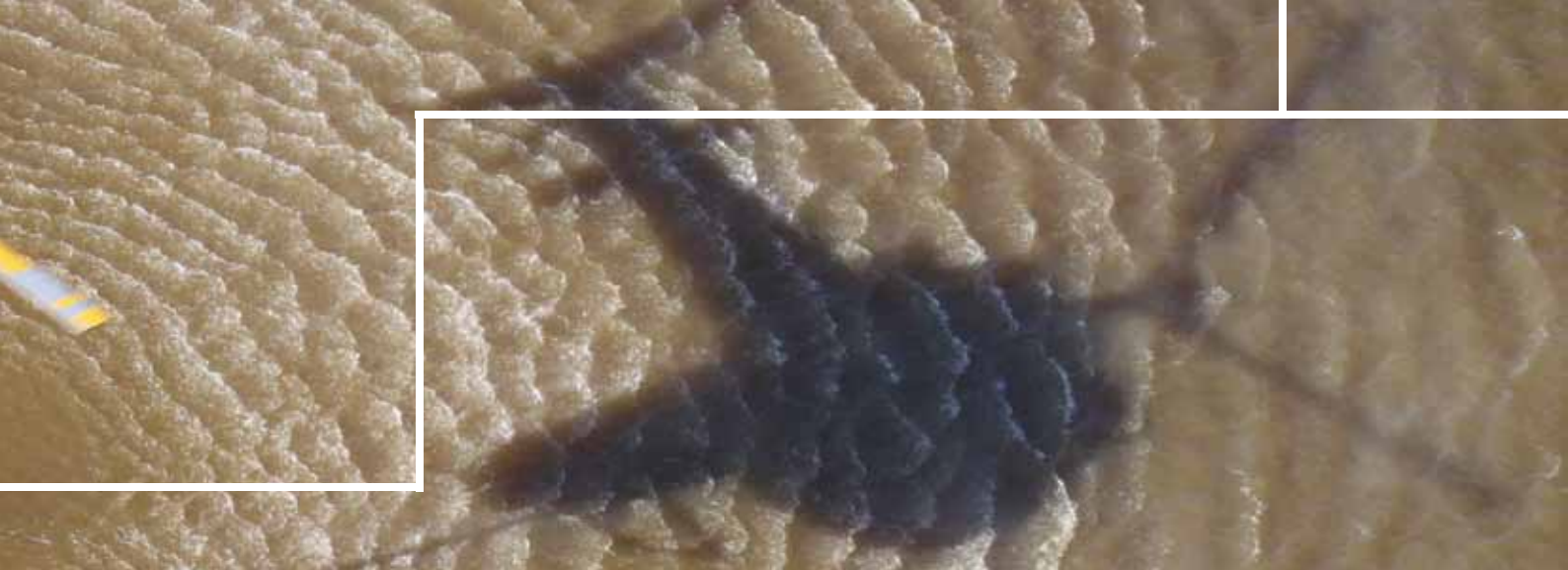
resulted in high levels of fire activity early in the season. As forecast, a busy fire season also eventuated in Western Australia. At the other end of the spectrum extensive aerial operations assisted with flood relief and mitigation, particularly in parts of Queensland and New South Wales, where some areas were isolated from ground transport for extended periods. Areas of flooding also occurred in Victoria.

In 2011-2012 NAFC again had in place a highly capable and diverse National Fleet made up of 52 aircraft providing 56 separate Services. Although no large multi-engine airtankers were retained in 2011-2012, the national fleet incorporated a range of specialised firebombing and aerial intelligence gathering aircraft. As noted above, with preseason forecasts indicating the possibility of above average fire conditions in the north and south west of the country there were two notable inclusions to the National Fleet, the dedicated Type 4 firebombing aircraft contracted for the Northern Territory and the high volume helicopter contracted for south western Western Australia.

Although the requirement for firebombing has dropped a little over the last two years due to the seasonal conditions, the range of operations for which aviation assets are used continues to increase across the country. During 2011-2012, National Fleet aircraft were activated on 884 occasions for firebombing operations. An increase in the number of activations for support operations such as: mapping and reconnaissance; air attack supervision; crew and cargo transportation; and flood support, meant total activations throughout the season exceeded 1,500 for the first time since the Fleet's inception. Of the 11,719,257 litres of retardant or suppressant dropped across the country during the season, more than five million litres were dropped in Western Australia.

Conditions this year did not necessitate as many cross-border redeployments as in previous years, however, the two Sikrosky S61N helicopters based in Victoria were redeployed to New South Wales to assist flood operations. National Fleet placement and options for strategic repositioning were considered by NAFC's Aerial Suppression Operations Group (ASOG). The Group convened formally on a number of occasions via teleconference throughout the 2011-2012 season under new chair, NAFC Director, Mr Greg Nettleton.

Table 1 overleaf summarises the activity of NAFC contracted aircraft throughout the 2011-2012 season. It is important to note that these totals refer only to the activities of NAFC National Fleet aircraft during their Service Period. These totals do not record any activities carried out by: National Fleet aircraft prior to the commencement of their Service Period; aircraft contracted to individual States and Territories; or aircraft utilised on a call-when-needed basis.



**Table 1: Total Aircraft Activations - Fire Season 2011-2012**

Member	Service	Aircraft	Firebombing			Other Activations	Total Activations
			Activations	Number of Drops	Amount of Suppressant or Retardant Dropped		
ACT	RW-K	Bell 212 <sup>2</sup>	0	0	0	0	0
ACT	RW-K AAS	Eurocopter AS350 BA	1	30	15,000	6	7
NT	FW-M	Air Tractor AT-802	10	90	270,000	0	10
NSW	HV-A	Erickson Airplane S64F	0	0	0	1	1
NSW	HV-A AAS	Eurocopter AS350 BA	0	0	0	3	3
NSW	HV-E	Erickson Airplane S64E	1	30	132,500	3	4
NSW	RW-A	Bell 214B	2	37	98,050	5	7
NSW	RW-G	Bell 212	1	19	24,700	8	9
NSW	RW-H	Kawasaki BK117B2*	0	0	0	28	28
NSW	RW-J	Kawasaki BK117B2*	0	0	0	28	28
NSW	RW-K	Bell 212 <sup>2</sup>	0	0	0	0	0
NSW	RW-S	Bell 206 Longranger	0	0	0	14	14
NSW	RW-U	Bell 214B	4	83	219,950	14	18
NSW	FW-A	Air Tractor AT802F-67F <sup>1</sup>	1	16	43,200	10	11
NSW	FW-B	Air Tractor AT802 <sup>1</sup>	1	14	37,800	1	2
NSW	FW-U	Cessna T337G	0	0	0	73	73
NSW	FW-R	Air Tractor AT802	0	0	0	0	0
NSW	S-RW-2(D)	Bell 212	0	0	0	13	13
NSW	S-FW(A)	Air Tractor AT802F	2	1	3,000	1	3
NSW	S-RW3(A)	Eurocopter AS350B3	0	0	0	2	2
NSW	S-RW2(E)	Eurocopter AS365N2	0	0	0	20	20



Member	Service	Aircraft	Firebombing			Other Activations	Total Activations
			Activations	Number of Drops	Amount of Suppressant or Retardent Dropped		
QLD	RW-Q1	Eurocopter AS350 B3 <sup>1</sup>	0	0	0	34	34
QLD	RW-Q2	Eurocopter AS350 B3 <sup>1</sup>	25	436	410,700	47	72
QLD	RW-Q4	Eurocopter AS350 B3*	13	187	175,900	25	38
SA	HV-D	Erickson Aircrane S64E	4	86	494,676	0	4
SA	RW-N	Bell 205++	9	56	72,200	3	12
SA	RW-P	Bell 205A-1	8	58	69,600	3	11
SA	RW-T	Eurocopter AS355	0	0	0	59	59
SA	FW-C	Air Tractor AT802	18	21	67,200	7	25
SA	FW-D	Air Tractor AT802	17	22	66,650	7	24
SA	FW-E	Air Tractor AT802	59	212	676,800	22	81
SA	FW-E AAS	Cessna Caravan 208B	1	0	0	91	92
SA	FW-F	Air Tractor AT802	84	179	542,000	18	102
SA	FW-G	Air Tractor AT802	68	120	384,000	11	79
SA	FW-J	Air Tractor AT802	17	76	197,600	5	22
SA	FW-K	Air Tractor AT802	21	75	225,750	6	27
TAS	RW-L	Bell 212	11	390	519,300	1	12
TAS	RW-M	Eurocopter AS350 B3	9	127	152,400	1	10
TAS	RW-W	Eurocopter AS350 B2	0	0	0	9	9
TAS	RW-X	Eurocopter AS350 BA	0	0	0	15	15
TAS	S-RW2(C)	Bell 205A-1++	4	70	61,600	0	4
VIC	HV-B	Erickson Aircrane S64F	2	0	0	2	4





Member	Service	Aircraft	Firebombing			Other Activations	Total Activations
			Activations	Number of Drops	Amount of Suppressant or Retardant Dropped		
VIC	HV-B AAS	Bell 206 Longranger	0	0	0	4	4
VIC	HV-C	Erickson Aircrane S64E	11	161	520,044	3	14
VIC	HV-C AAS	Bell 206 Longranger	0	0	0	10	10
VIC	RW-B	Sikorsky S61N	7	100	297,312	12	19
VIC	RW-C	Sikorsky S61N	6	113	407,170	13	19
WA	RW-E	Sikorsky S61N	114	641	1,446,294	23	137
WA	RW-R1	Eurocopter AS350 B3 <sup>1</sup>	77	427	425,000	6	83
WA	RW-R2	Eurocopter AS350 B3 <sup>1</sup>	76	436	434,000	9	85
WA	RW-R3	Eurocopter AS350 B3 <sup>1</sup>	40	273	273,000	2	42
WA	RW-R4	Eurocopter AS350 B3	31	241	241,000	3	34
WA	RW-V	Sikorsky S61N	44	337	888,209	4	48
WA	FW-N	Air Tractor AT802	29	139	417,000	0	29
WA	FW-P	Air Tractor AT802	28	118	354,000	0	28
WA	HV-F	Erickson Aircrane S64E	28	353	1,055,652	0	28
<b>TOTAL</b>			<b>884</b>	<b>5,774</b>	<b>11,719,257</b>	<b>685</b>	<b>1,569</b>

FW – Fixed Wing

RW – Rotary Wing

AAS – Air Attack Supervisor Platform

HV – High Volume

S – Secondary contract

\* Aircraft on partial availability

<sup>1</sup> Complementary Service – same aircraft used for consecutive service periods

<sup>2</sup> Shared Service – same aircraft used for single service period in two different states



## Australian Government Support

During 2011-2012 the Australian Government contributed \$13,946,000 to the fixed costs of making the National Fleet available, as part of NAFC's ongoing funding agreement. The continued success of the NAFC arrangements owes much to the support of the Commonwealth Government; this funding not only provides aviation resources to support State and Territory bushfire operations but also galvanises the additional benefits that flow from improved collaboration and cooperation between jurisdictions.

It was particularly pleasing to see that the Commonwealth Government's budget, brought down in May 2012, confirmed continued Australian Government support for aerial firefighting in 2012-2013 and also included Forward Estimates indicating ongoing support for the three years commencing with 2013-2014. This now provides the necessary basis for NAFC to proceed with the public tender processes required to secure the aircraft resources for 2013-2014 onwards.

2011-2012 also saw a change of federal Minister responsible for the Australian Government's aerial firefighting program with the appointment of the Hon Nicola Roxon MP as Attorney-General and Minister for Emergency Management. In welcoming Ms Roxon to the position it is also timely to acknowledge the contribution of former Attorney-General and former Minister for Emergency Management, the Hon Rob McClelland MP, who was a great supporter. NAFC also appreciates the efforts of staff, both past and present, within the Attorney-General's Department who have ensured a highly productive working relationship.

## Finance

NAFC remains in a sound financial position. NAFC has maintained a deliberate strategy in recent years of building financial reserves in the expectation of incurring an operating deficit in 2012-2013 due to largely one-off, significant additional expenditure associated with major procurement processes. The current reserves are expected to be sufficient.

Audited details of NAFC's finances for 2011-2012 are provided in the accompanying Special Purpose Financial Report.

## AFAC

NAFC would like to acknowledge the ongoing contribution of the Australasian Fire and Emergency Service Authorities Council Ltd (AFAC) to NAFC's operations. NAFC continues to source management and administrative support through AFAC under a Management Services Agreement. NAFC values the support provided by the AFAC team and the close, productive working relationship. NAFC would particularly like to acknowledge the contributions of AFAC Chief Executive Officer and NAFC Company Secretary, Ms Naomi Brown, Finance Manager Mr Trevor Essex and Finance Officer, Ms Kate Twentyman.

## Future Directions

A major task for NAFC during 2011-2012 has been the preparation of a strategic outlook for the organisation itself, to guide NAFC's priorities and development over the next five years. Following a successful initial workshop in May 2011, the development of the strategic outlook has involved wide consultation with stakeholders and some robust discussions amongst staff, Delegates and the Board. It would be reasonable to summarise that one of the common underlying themes of the consultation process has been "keep doing what you're doing". NAFC's business model and resources place the organisation in a unique position to efficiently and effectively provide services to its Members. There is overwhelming support from key stakeholders to continue the low-bureaucracy, service-oriented approach to the delivery of aerial firefighting resources for Members. Other common themes included the suggestions that it is time to raise the profile of NAFC, both publicly and within Member's agencies; and that NAFC could potentially take on a greater role in seeking and developing synergies from research and development activities around the country.

Behind the scenes this year, NAFC has also worked very closely with Members to begin preparing for the major procurement processes due to begin in late 2012. The nature of the last two fire seasons has prompted greater consideration to be given to fleet composition, resource allocation and risk management into the future. NAFC would like to acknowledge the efforts of the various representatives who have contributed a great deal of time and effort to the working groups that have reviewed standards, processes, procedures, contracts and other operational documents.



## NAFC Operations

NAFC staff attended a range of stakeholder meetings, contractor briefings and jurisdictional workshops throughout 2011-2012. NAFC was also represented at the International Aerial Firefighting Conference and exhibition in Sacramento; the Victorian Volunteer Leaders Forum in Bendigo; and the joint meetings of the International Wildland Fire advisory groups in Freiburg, Germany

On the staffing front, NAFC was delighted to welcome Ms Angela Hennessy to the team as our Administration and Communications Officer. Once again, we temporarily farewellled Claire Bunday on family leave and look forward to seeing her again in 2012-2013.

## Thanks

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

One particular member of a State unit who is worthy of special mention is Mr David Cant who resigned as Manager of Aviation Services for the South Australian Country Fire Service in June 2012 to pursue other opportunities. Over many years, David has consistently gone above and beyond in his contribution to a range of national initiatives and has been a great supporter of national aerial firefighting arrangements. David chaired

the NAFC Procurement Committee as well as the AFAC Fire and Emergency Aviation Technical Group. We thank David for his efforts and wish him all the best in his new endeavours.

It is once again a pleasure to thank our aircraft contractors and industry suppliers, who with their flight crews, engineers and administration teams continue to provide an exemplary level of service. Your professional and cooperative approach to operations is greatly appreciated.

NAFC would also like to take this opportunity to thank the Board, and in particular Chair Mr Shane Fitzsimmons, Commissioner New South Wales Rural Fire Service. We would like to convey our sincere thanks to each of the NAFC Board Members for the time and dedication they invest in NAFC and the broader aerial firefighting business.

Finally, I would like to thank the NAFC staff who work diligently behind the scenes to ensure that the high standards demanded by our industry are maintained while also ensuring that NAFC remains responsive to Member's needs as we move into the future.

Mr Richard Alder AFSM  
General Manager



# NAFC Group Updates



## NAFC Procurement Committee

The NAFC Procurement Committee formally convened on several occasions in 2011-2012 to prepare for NAFC's three major approaches to market due to commence in late 2012. As a sub-committee of the NAFC Board, the Procurement Committee advises the Board on procurement related issues and includes a representative from each NAFC Member.

The Committee's main focus in 2011-2012 has been to finalise the specifications for what will be the largest procurement process since NAFC's inception. NAFC will run three concurrent processes in late 2012: an invitation to tender to supply aerial firefighting services for 2013-2014 onwards; a request for proposals to supply larger air tanker services; and a call for submissions to provide data integration services for AFAMS, the national aircraft tracking and event logging system. In order to prepare for each of these processes, a great deal of work was required by NAFC staff in consultation with Members to review and consolidate key NAFC doctrine to ensure the effectiveness and robustness of each of these processes. Thank you to the members of the Procurement Committee for their valued contribution throughout the year.

### NAFC Procurement Committee Members

- Richard Alder, NAFC
- Wayne Bates, Queensland
- Martin Batt, NAFC
- Maryanne Carmichael, New South Wales
- David Cant, South Australia (Chair)
- Kylie Hyland, Victoria
- Janet Inman, South Australia
- Kathryn Levi, NAFC
- David Pearce, South Australia
- Paul Simakoff-Ellims, Australian Capital Territory
- Jeremy Smith, Tasmania
- Andrew Stark, Australian Capital Territory
- Graham Swift Western Australia
- Andrew Turner, Northern Territory

## Fire and Emergency Aviation Technical Group

NAFC continued to provide executive support to the AFAC Fire and Emergency Aviation Technical (FEAT, formerly the Wildfire Aviation Technical Group) group which met formally on two occasions under its new name in 2011-2012. As a sub-group of the Australasian Fire and Emergency Service Authorities Council's (AFAC) Rural and Land Management Group, FEAT advises AFAC groups, committees, Members and the NAFC Board of Directors on matters that relate to the effective, efficient and safe utilisation of aerial capabilities in landscape fire and in support of emergency operations carried out by AFAC Members. FEAT promotes a collaborative approach to the trialling of new aerial technologies and capabilities for application in fire and emergency operations.

### AFAC Fire and Emergency Aviation Technical Group (FEAT) Members

- Richard Alder, NAFC
- Paul Baker, New Zealand
- Wayne Bates, Queensland
- Hayden Biggs, Victoria
- David Cant, South Australia (Chair)
- Maryanne Carmichael, New South Wales
- Glen Crombie, New South Wales
- David Crust, New South Wales
- Gary Featherston, AFAC
- Anthony Ferguson, New South Wales
- Peter Higgins, Victoria
- Janet Inman, South Australia
- Raymond Jasper, State Emergency Services
- Terry Maher, Western Australia
- Ian Millman, New Zealand
- David Pearce, South Australia
- Matt Plucinski, Bushfire CRC
- Peter Saint, Western Australia
- Barry Scott, Victoria
- Paul Simakoff-Ellims, Australian Capital Territory
- Jeremy Smith, Tasmania
- Andrew Stark, Australian Capital Territory
- Andrew Turner, Northern Territory
- Doug Whitfield, Western Australia



## Research and Development

Throughout 2011-2012 research and development activities have centred principally on the evaluation of fire suppressants and on the development of aerial intelligence gathering capabilities.

At their November meeting, FEAT group members viewed two different polymer-based water enhancers and their mixing and drop characteristics from Air Tractor AT-802 aircraft. Members have also continued to develop methods for gathering and integrating intelligence from aerial platforms at a jurisdictional level. Through the FEAT group, NAFC has continued to facilitate discussion and information sharing among Members to establish how new technologies for aerially gathering strategic and tactical intelligence might be used to most effectively assist incident management and to provide information to communities affected by emergencies.

NAFC's planned operational trials of Unmanned Aerial Systems continued to remain on hold due to regulatory issues. In the meantime NAFC and the FEAT Group continued to closely monitor developments in this field.

## International Fire and Aviation Working Group (IFAWG)

The International Fire and Aviation Working Group (IFAWG) was established in 2010 and operates under the framework of the United Nations International Strategy for Disaster Reduction (ISDR) Wildland Fire Advisory Group (WFAG) and Global Wildland Fire Network (GWFN). IFAWG is made up of representatives from each nation or jurisdiction where aviation supports the management of landscape fires. The group aims to improve the safety and effectiveness of aerial fire management by sharing information and experience. Australia is a founding member of IFAWG and NAFC General Manager, Mr Richard Alder is the inaugural chair of the Group. The group convened via teleconference on a number of occasions and also met formally in June. The Group's primary focus throughout the year has been on continuing to develop a set of voluntary international guidelines for aerial fire management. This project aims to establish a minimum standard of operation and a degree of interoperability to allow safe and effective resource sharing between jurisdictions. For further information please visit [www.ifawg.org](http://www.ifawg.org)



## Royal Humane Society Awards

As reported in last year's Annual Report, during the Lockyer Valley (Grantham) floods in southern Queensland in January 2011, the crews of Helitak 220 and Firebird 460 quietly and professionally went about rescuing a number of people and providing support to other rescue operations, often under adverse conditions. Helitak 220 was a NAFC-contracted aircraft, usually based in NSW and re-deployed to Queensland to support storm and flood operations as part of NAFC's well-established resource sharing protocols. During their redeployment, the Helitak 220 crew also performed a substantial number of winch rescues. In June 2012, the Royal Humane Society recognised the efforts of these two crews through the presentation of Silver Medal Bravery Awards. Congratulations to John McDermott, Simon McDermott, Ben Sutherland, Matthew O'Brien, Edward (Ned) Lee, Kris Larkin and Kendall Thompson.



## Special purpose financial report

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# Director's Report



The directors of National Aerial Firefighting Centre ("NAFC") submit herewith the annual financial report of the Company for the financial year ended 30 June 2012. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

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

## Name

- Mr M Brown
- Mr E Ferguson
- Mr S Fitzsimmons
- Mr L Johnson
- Mr C Hynes (resigned 9 February 2012)
- Ms N Brown
- Mr M Crosweller
- Mr G Nettleton
- Mr A J Molan
- Mr S Sutton (appointed 23 August 2011)
- Mr L Bailey (appointed 9 February 2012)

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

## Company Secretary

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

Ms N Brown.

## Principal activities

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

## Short and long term objectives of the entity

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

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

## The entity's strategy for achieving its objectives

- Maintain a Funding Agreement (with the Australian Government)
  - Funding Agreement (for funding through to 2012/13) was maintained throughout 2011/12.
- Maintain a Resource Management Agreement with members
  - Resource Management Agreement (valid until 2013) was maintained throughout 2011/12.
- Procure aircraft services and maintain contract supply arrangements (Supply Agreements) with aircraft service suppliers, as required by members
  - Supply Agreements maintained with aircraft operators to supply services (including secondary or reserve agreements).
- Range of other activities to support harmonisation, collaboration, communication and cooperation and to promote best-practice.

## Key performance indicators used by the entity

- NAFC is recognised for its good governance practices:
  - all regulatory requirements are met
  - feedback from stakeholders endorses Company structure, governance and operations
- NAFC structure meets the needs of stakeholders:
  - stakeholder lists are maintained
  - stakeholders continue to resource and support NAFC
  - structure is reviewed and options are considered



- NAFC resource management meets stakeholder expectations:
  - members are satisfied with resource allocation
  - Commonwealth expectations are met
  - members participate in the Aerial Suppression Operations Group
- NAFC risk management is best practice:
  - up-to-date risk register is in place
  - risk plan is reviewed regularly
  - risks are treated
  - standards are benchmarked with industry
- NAFC fosters national collaboration and sharing in support of aerial fire management:
  - NAFC facilitates member participation
- NAFC facilitates continuous improvement and innovation in aerial fire management:
  - NAFC collects and measures data to support evidence-based decisions
  - NAFC contributes to and influences appropriate research and development

#### Review of operations

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

The surplus of the Company for the financial year amounted to \$593,695 (2011: \$611,430).

#### Changes in state of affairs

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

#### Subsequent events

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

#### Future developments

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

#### Environmental regulations

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

#### Dividends

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

#### Information on directors

The information on directors is as follows:

**Mr E Ferguson AFSM**  
Chief Officer  
Country Fire Authority, Victoria

**Mr M Brown AFSM**  
Chief Officer  
Tasmania Fire Service

**Mr S Sutton**  
Director  
Bushfires NT

**Mr L Johnson**  
Commissioner  
Queensland Fire & Rescue Service

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

**Mr S Fitzsimmons AFSM**  
Commissioner  
NSW Rural Fire Service

**Mr M Crosweller AFSM**  
Commissioner  
ACT Emergency Services Agency

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

**Mr A J Molan**  
Major General (retired) AO, DSC

**Mr L Bailey AFSM**  
Chief Operations Officer  
Fire & Emergency Services Authority of Western Australia



### Meetings of director

Directors	Number eligible to attend	Number attended
Mr E Ferguson	5	4
Mr L Johnson	5	4
Mr M Brown	5	5
Mr C Hynes	3	2
Mr S Fitzsimmons	5	5
Ms N Brown	5	4
Mr M Crosweller	5	5
Mr G Nettleton	5	4
Mr A J Molan	5	5
Mr S Sutton	5	0
Mr L Bailey	2	1

### 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 2012 there were 8 members (30 June 2011: 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 year was \$5,000.00 ex GST.

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

### Proceedings on behalf of the Company

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

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

### Auditor's independence declaration

The auditor's independence declaration is included on page 16 of the annual report.

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

On behalf of the Directors

Mr S Fitzsimmons (Chair)  
Director  
Melbourne, 28 September 2012



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

28 September 2012

Dear Board Members,

## **National Aerial Firefighting Centre**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of National Aerial Firefighting Centre.

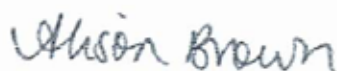
As the lead audit partner for the audit of the financial statements of National Aerial Firefighting Centre for the financial year ended 30 June 2012, I declare to the best of my knowledge and belief, there have been no contraventions of:

- 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

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu



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

We have audited the accompanying financial report, being a special purpose financial report, of National Aerial Firefighting Centre, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 8 to 18.

### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 3 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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

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

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

### *Auditor's Independence Declaration*

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



*Opinion*

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

- (a) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 3, and the *Corporations Regulations 2001*.

*Basis of Accounting*

Without modifying our opinion, we draw attention to Note 3 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

Deloitte Touche Tohmatsu  
DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink that reads "Alison Brown".

Alison Brown  
Partner  
Chartered Accountants  
Melbourne, 28 September 2012

## Director's declaration



As detailed in Note 3 to the financial statements, the company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to satisfy the directors' reporting requirements under the *Corporations Act 2001*.

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors

Handwritten signature of Mr S Fitzsimmons.

Mr S Fitzsimmons (Chair)  
Director  
Melbourne, 28 September 2012



## Comprehensive income

### Statement of comprehensive income for the year ended 30 June 2012

	Note	2012 \$	2011 \$
Revenue	4	14,803,575	14,812,897
Disbursements made under the federal Attorney General's Department Funding Agreement		(13,597,351)	(13,649,300)
AFAC Staff Support expenses		(513,429)	(217,917)
Consultant expenses		(11,150)	(22,353)
Contractor expenses	5	-	(234,195)
Travel expenses		(37,363)	(28,308)
Other expenses		(50,587)	(49,394)
Surplus before tax		593,695	611,430
Income tax expense	3(a)	-	-
<b>Surplus for the year</b>	5	<b>593,695</b>	<b>611,430</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>593,695</b>	<b>611,430</b>

Notes to the financial statements are included on pages 26 to 31.



# Financial position

## Statement of financial position at 30 June 2012

	Note	2012 \$	2011 \$
<b>Current assets</b>			
Cash and cash equivalents	9(a)	6,924,010	1,353,182
Goods and services tax recoverable		1,045,617	1,315,345
Other receivables		171,762	367,025
Prepayments		7,857	4,962
<b>Total current assets</b>		<b>8,149,246</b>	<b>3,040,514</b>
<b>Non-current assets</b>			
Property, plant and equipment	6	1,355	2,409
Total non-current assets		1,355	2,409
<b>Total assets</b>		<b>8,150,601</b>	<b>3,042,923</b>
<b>Current liabilities</b>			
Trade and other payables	7	5,468,591	954,608
<b>Total current liabilities</b>		5,468,591	954,608
<b>Total liabilities</b>		5,468,591	954,608
<b>Net assets</b>		<b>2,682,010</b>	<b>2,088,315</b>
<b>Equity</b>			
Retained earnings		2,682,010	2,088,315
<b>Total equity</b>		<b>2,682,010</b>	<b>2,088,315</b>

Notes to the financial statements are included on pages 26 to 31.





## Changes in equity

### Statement of changes in equity for the year ended 30 June 2012

	Retained earnings \$	Total \$
Balance at 1 July 2010	1,476,885	1,476,885
Surplus for the year	611,430	611,430
Total comprehensive income for the year	611,430	611,430
<b>Balance at 30 June 2011</b>	<b>2,088,315</b>	<b>2,088,315</b>
Surplus for the year	593,695	593,695
Total comprehensive income for the year	593,695	593,695
<b>Balance at 30 June 2012</b>	<b>2,682,010</b>	<b>2,682,010</b>

*Notes to the financial statements are included on pages 26 to 31.*



## Cash flows

### Statement of cash flows for the year ended 30 June 2012

	Note	2012 \$	2011 \$
<b>Cash flows from operating activities</b>			
Receipts from Members		333,659	323,000
Operating grant receipts		14,410,991	14,057,437
Supply agreement disbursements		(8,921,610)	(13,649,300)
Payments to suppliers and employees		(775,130)	(2,714,689)
Interest received		523,916	489,897
Net cash generated by/(used in) operating activities	9(b)	5,571,826	(1,493,655)
<b>Cash flows from investing activities</b>			
Proceeds from property, plant, equipment		-	8,432
Purchase of property, plant, equipment		(998)	-
Net cash (used in)/generated by investing activities		(998)	8,432
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>5,570,828</b>	<b>(1,485,223)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,353,182</b>	<b>2,838,405</b>
<b>Cash and cash equivalents at the end of the year</b>	9(a)	<b>6,924,010</b>	<b>1,353,182</b>

Notes to the financial statements are included on pages 26 to 31.

# Notes to the financial statements



## 1. General information

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

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

5/340 Albert Street  
EAST MELBOURNE VIC 3002

## 2. Adoption of new and revised Accounting Standards

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

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported in these financial statements. Details of other Standards and Interpretations adopted in these financial statements but that have had no effect on the amounts reported are set out in section 2.2.

Amendments to AASB 101  
'Presentation of Financial Statements'

The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.

AASB 1054 'Australian Additional Disclosures' and AASB 2011-1 'Amendments to Australian Accounting Standards arising from Trans-Tasman Convergence Project' adopted in IFRSs.

AASB 1054 sets out the Australian-specific disclosures for entities that have adopted Australian Accounting Standards. This Standard contains disclosure requirements that are in addition to IFRSs in areas such as compliance with Australian Accounting Standards, the nature of financial statements (general purpose or special purpose), audit fees, imputation (franking) credits and the reconciliation of net operating cash flow to profit (loss).

AASB 2011-1 makes amendments to a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to IFRSs and harmonisation between Australian and New Zealand Standards. The Standard deletes various Australian-specific guidance and disclosures from other Standards (Australian-specific disclosures retained are now contained in AASB 1054), and aligns the wording used to that adopted in IFRSs.

The application of AASB 1054 and AASB 2011-1 in the current year has resulted in the simplification of disclosures in regards to audit fees, franking credits and capital and other expenditure commitments as well as an additional disclosure on whether the company is a for-profit or not-for-profit entity.



## 2.2 Standards and Interpretations adopted with no effect on financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

AASB 2009-12 'Amendments to Australian Accounting Standards'	The Standard also makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, which includes AASB 108. The application of AASB 2009-12 has not had any material effect on amounts reported in the financial statements.
AASB 2010-5 'Amendments to Australian Accounting Standards'	The Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, which includes AASB 101 and AASB 107. The application of AASB 2010-5 has not had any material effect on amounts reported in the financial statements.
AASB 1048 'Interpretations of Standards'	AASB 1048 identifies the Australian Interpretations and classifies them into two groups: those that correspond to an IASB Interpretation and those that do not. Entities are required to apply each relevant Australian Interpretation in preparing financial statement that are in within the scope of the Standard. The application of AASB 1048 has not had any material effect on amounts reported in the financial statements.

## 2.3 Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, a number of Standards and Interpretations were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	1 January 2013	30 June 2014
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'	1 July 2012	30 June 2013
Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)	1 January 2013	30 June 2014
Mandatory Effective Date of IFRS 9 and Transition Disclosures (Amendments to IFRS 9 and IFRS 7)	1 January 2015	30 June 2016





# Notes to the financial statements

## 3. Significant accounting policies

### Financial reporting framework

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

### Statement of compliance

The financial statements have been prepared in accordance with the Corporations Act 2001, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 'Presentation of Financial Statements', AASB 107 'Cash Flow Statements', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors' and AASB 1054 Australian Additional Disclosures.

### Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted. For the purposes of preparing this financial report, the company is a not for profit entity.

### Critical accounting judgments and key sources of estimation uncertainty

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

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

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

#### (a) Income Tax

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

#### (b) Cash and cash equivalents

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

#### (c) Revenue

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

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

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





**(d) Goods and Services Tax (GST)**

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

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

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

**(e) Payables**

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

**(f) Plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation.

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

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

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

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

Plant and equipment: 2-5 years

# Notes to the financial statements



	2012 \$	2011 \$
<b>4. Revenue</b>		
Operating grants – Attorney General's Department	13,946,000	14,000,000
Fees collected from Members	333,659	323,000
Interest received	523,916	489,897
	14,803,575	14,812,897

## 5. Surplus for the year

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

Depreciation expense	(2,052)	(1,927)
Contracting expenses for the year	-	(234,195)
<b>Remuneration of the auditors for:</b>		
Audit services <i>The auditor of the company is Deloitte Touche Tohmatsu</i>	(5,793)	(5,372)

## 6. Plant and equipment

Plant and equipment at cost	8,707	7,709
Accumulated depreciation	(7,352)	(5,300)
	1,355	2,409

## 7. Trade and other payables

Trade payables	4,742,839	12,649
Accruals	352,852	574,934
GST payable	33,900	33,366
Prepaid fees from States	339,000	333,659
	5,468,591	954,608

## 8. Economic dependency

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

## 9. Cash and cash equivalents

### (a) Reconciliation of cash and cash equivalents

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

	2012 \$	2011 \$
Cheque account	494,341	153,182
Term deposits	6,429,669	1,200,000
	6,924,010	1,353,182

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

Surplus for the year	593,695	611,430
Depreciation	2,052	-
Movement in working capital		
(Increase)/decrease in assets:		
Other receivables	195,263	(367,025)
Goods and services tax recoverable	269,728	24,071
Prepayments	(2,895)	(754)
Increase/(decrease) in liabilities:		
Trade and other payables	4,730,190	(2,686,707)
Accruals	(222,082)	558,305
Prepaid Fees Collected States	5,341	333,659
GST payable	534	33,366
Net cash generated by/(used in) operating activities	5,571,826	(1,493,655)

## 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 2012 there were 8 members (2011: 7).

## 11. Subsequent events

There are no significant events subsequent to the reporting date.

## Members as at 30 June 2012

Australian Capital Territory  
Northern Territory  
State of New South Wales  
State of Queensland  
State of South Australia  
State of Tasmania  
State of Victoria  
State of Western Australia

## Executive Committee

Chair  
Mr Shane Fitzsimmons AFSM  
  
Deputy Chair  
Mr Michael Brown AFSM  
  
Secretary  
Ms Naomi Brown  
  
Treasurer  
Mr Mark Crosweller AFSM

## Directors as at 30 June 2012



**Mr Lloyd Bailey AFSM**  
Chief Operations  
Officer - Operations  
Fire and Emergency  
Services Authority,  
Western Australia



**Mr Michael Brown AFSM**  
Chief Officer  
Tasmania Fire Service



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



**Mr Mark Crosweller AFSM**  
Commissioner  
Australian Capital Territory  
Emergency Services  
Agency



**Mr Euan Ferguson AFSM**  
Chief Officer  
Country Fire Authority,  
Victoria



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



**Mr Lee Johnson AFSM**  
Commissioner  
Queensland Fire and  
Rescue Service



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



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



**Mr Stephen Sutton**  
Director  
Bushfires Northern Territory









**National Aerial Firefighting Centre Ltd**

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