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**NATIONAL
AERIAL
FIREFIGHTING
CENTRE**

Annual Report 2011



NAFC facilitated the largest, most diverse, National Fleet to date, comprising 57 separate services across the nation, provided by 53 aircraft.



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NAFC played a key role in the International Fire Aviation Working Group's activities throughout the year.

HIGHLIGHTS

- NAFC facilitated the largest, most diverse, National Fleet to date, comprising 57 separate services across the nation, provided by 53 aircraft.
- The Northern Territory joined NAFC, meaning that all Australian states and principal territories are now Members of the collaborative arrangement.
- NAFC contracted aircraft were activated on over 556 occasions for firefighting and made more than 4,378 drops, delivering over 7.5 million litres.
- National Fleet aircraft played an important role in flood and storm response and recovery in Queensland, Western Australia, Victoria and New South Wales.
- Additional aircraft were added to the National Fleet in Tasmania, New South Wales and Victoria.
- Two Convair 580 multi-engine fixed-wing firebombing aircraft were contracted from Canada for a Victorian trial of large fixed-wing firebombers.
- The NAFC Board appointed an Independent Director, Major General Jim Molan AO DSC (retired).
- NAFC and its key stakeholders met for a facilitated workshop in May 2011 to discuss future strategic directions.
- NAFC played a key role in the International Fire Aviation Working Group's activities throughout the year.



Members as at 30 June 2011

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

Directors as at 30 June 2011

Mr Euan Ferguson AFSM
Chief Officer
Country Fire Authority, Victoria

Mr Greg Nettleton
Chief Executive Officer
and Chief Officer
Country Fire Service, South Australia

Mr Michael Brown AFSM
Chief Officer
Tasmania Fire Service

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

Mr Shane Fitzsimmons AFSM
Commissioner
New South Wales Rural Fire Service

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

Mr Lee Johnson AFSM
Commissioner
Queensland Fire and Rescue Service

Mr Mark Crowweller AFSM
Commissioner
Australian Capital Territory
Emergency Services Agency

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

Company directory

**National Aerial
Firefighting Centre Ltd**
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ABN 96 105 736 392

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Secretary
Ms Naomi Brown

Treasurer
Mr Craig Hynes

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Photo Acknowledgements

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Martin Batt
National Aerial Firefighting Centre Ltd

CHAIR'S REPORT

Once again we are reflecting on another successful and challenging year for the National Aerial Firefighting Centre (NAFC), one in which NAFC has supported the largest and most diverse National Fleet since its formation in 2003.

It has been a somewhat unusual but demanding year for NAFC's member states and territories, battling bushfires as well as a number of other catastrophic natural disasters. The south-west of the country experienced considerable fire activity, while the north-west of the country experienced serious flooding. In addition to fires in the eastern states, there was serious flood, storm and cyclone activity. The floods in Queensland throughout December 2010 and January 2011 caused widespread devastation, resulting in three quarters of the state being declared a disaster zone. Tragically thirty-five lives were lost and thousands of people were affected. In the face of such devastation, it was encouraging that NAFC aircraft played important roles in the rescue and recovery efforts, including a NSW-based aircraft that performed a substantial number of rescues during storm events in south-east Queensland.

The considerable advantages of a successful collaborative arrangement are never more evident than during these difficult periods. As we have

come to routinely expect, the cooperation and professionalism of NAFC member agency staff made light work of repositioning aircraft across state and territory borders to the highest risk areas.

Another notable event during the southern bushfire season was the repositioning of two Sikorsky S-61 heavy-lift helicopters normally based in Victoria. These helicopters travelled across the Nullabor on two occasions to support firefighters in Western Australia. Underlining the variety of natural hazards faced during the year, one of these machines was also used to support flood relief in the Kimberley region of Western Australia.

This year we saw an expansion of capabilities in our fleet. In February 2011, two Convair 580 aircraft were contracted by NAFC for a twelve-week Victorian-based trial of large, multi-engined airtankers. The trial followed on from a similar trial of Very Large Airtankers in Victoria the previous year. In March 2011, the NAFC Board visited the Convair 580 aircraft while attending the Australian International Airshow and Aerospace and Defence Exposition which was held at Avalon Airport, Victoria. Although it turned out that the nature of the southern fire season limited opportunities to collect operational data, the aircraft were deployed

to several bushfires and a number of planned research drops were undertaken. Such trials are most important in continuing to evaluate a variety of aircraft capabilities and their applicability to firefighting in the Australian environment.

I would also like to make particular mention of another national collaborative project facilitated by NAFC - the Australian Fire Aircraft Monitoring System (AFAMS). 2010-11 saw the successful completion of the first stage of implementation of the AFAMS which now provides an automatic, nationwide aircraft tracking capability across the entire NAFC fleet. While this outcome in itself has been incredibly valuable, of equal note is the way in which a national service has been achieved through collaboration and cooperation between NAFC member states and territories, aircraft suppliers, tracking vendors and our contracted integration provider, Tracplus Global. I am very proud of the continuing innovation and cooperation between NAFC members to provide the most up to date and innovative approaches to aerial firefighting and supporting systems, and look forward to the next stage of the AFAMS which will see the collection of additional data relating to firebombing drops and related events.

NAFC is now a mature and stable organisation and it is an appropriate time to take stock and to ensure that we are positioned to provide the best possible service and support into the future.



Future Directions

Towards the end of 2010-11 we embarked on a process to set out future strategic directions for NAFC. NAFC is now a mature and stable organisation and it is an appropriate time to take stock and to ensure that we are positioned to provide the best possible service and support into the future. This process commenced with a stakeholder workshop in May 2011 and will continue into 2011-12.

Executive

This year we have seen some significant changes to the NAFC Board. In March 2011, we were honoured to welcome Major General Andrew James (Jim) Molan AO DSC (retired) as an Independent Director of NAFC. Major General Molan brings a wealth of experience and knowledge to the NAFC Board. In September 2010, Euan Ferguson resigned as the director nominated by South Australia. Fortunately, with his subsequent appointment as Chief Officer of Victoria's Country Fire Authority, Euan returned to the NAFC Board in March 2011 as the Director nominated by Victoria. And finally, we were very pleased to welcome Greg Nettleton as the Director nominated by South Australia, coincident with his appointment as the Chief Executive Officer of South Australia's Country Fire Service.

Thanks

NAFC arrangements would not be possible without the continued commitment to cooperation and collaboration from the staff of Member agencies and I place on record the Board's sincere thanks for their efforts. The Board also recognises and values the commitment and cooperation of the many aviation industry suppliers who continue to provide exemplary professional aerial services. I would also like to thank the Australasian Fire and Emergency Service Authorities Council Ltd (AFAC) for their continuing support. The Board and I have tremendous faith in our General Manager, Richard Alder, and his highly committed and competent team to deliver value to the Members and to ensure that NAFC is always growing and improving. The Board would also very much like to acknowledge the continuing assistance of the Australian Government and particularly thank the Federal Attorney-General, The Hon. Robert McClelland MP for his engaged support.

Finally, it is very pleasing as Chair to record that during 2010-11 NAFC indeed became a truly national collaborative arrangement with the Northern Territory coming on-board as a full Member. Since NAFC was founded by the states and territories in 2003, the organisation has grown

from strength to strength, cementing its role as a focal point for ensuring Australian fire and emergency service agencies have access to the best possible aerial firefighting capabilities. The Board and I are very happy to welcome the Northern Territory to the fold and look forward to a successful year ahead.

A stylized, handwritten signature in black ink, representing Mr Shane Fitzsimmons AFSM.

Mr Shane Fitzsimmons AFSM
Chair

GENERAL
MANAGER'S
REPORT



2010–11 Fire season

NAFC's Member states and territories certainly faced a most unusual bushfire season. Very dry conditions continued in south-west Western Australia, where we saw a number of significant and damaging bushfires. Along the eastern seaboard there was considerable flood, storm and cyclone activity, interspersed with serious bushfire events. Victoria even recorded simultaneous bushfire and flood events in different parts of the state. In particular, the extended flooding that occurred in Queensland presented many challenges for emergency agencies across that state, while the north-west of Western Australia also experienced considerable flood activity.

We are very pleased to report that over 2010-11, NAFC had in place the largest, most capable and diverse fleet of aircraft services in its history and that these aircraft played an important role in supporting agencies across the country - not only in fighting bushfires but also in flood, storm and cyclone relief. It would be reasonable to say that for the first time since the inception of the National Fleet a very significant proportion of hours flown by fleet aircraft during the season were related to supporting emergency activities other than bushfire. For aircraft based in New South Wales this extended to around 50% of hours flown - many of which were supporting emergency relief activities in Queensland.

In total, NAFC contracted a National Fleet of 53 aircraft providing 57 services. These ranged from specialised aerial intelligence gathering aircraft to the large multi-engined Convair CV-580s airtankers (see box). This increased capability was made possible by annual ongoing funding from the Australian Government, and increased support from state and territory governments.

This season Tasmania played host to an additional Bell 205 Type 2 (medium) helicopter equipped with an underslung long-line bucket, and in Western Australia the two AirTractor AT-602s based at Albany were upgraded to AT-802s. Concern about plague locust control activities limiting the availability of Type 4 fixed-wing, single-engine airtankers led to the contracting of an additional AirTractor AT-802 in New South Wales, and an additional Type 2 helicopter was also made available in that state. An additional Erickson Aircrane was added to the fleet in Victoria for 2010-11, bringing the total to three in that state and six across the country. The additional machine in Victoria made it practical to base Aircranes in regional locations in Victoria for the first time.

During the 2010-11 bushfire season the fleet was activated for firefighting on over 556 occasions, with total activations for the year exceeding 900. The fleet made 4,378 drops on bushfires, delivering over 7.5 million litres. This figure is generally less than in the previous few years, reflecting the somewhat sporadic nature of the bushfire season, particularly in the south-east of the continent.

2010-11 nonetheless did see a number of notable cross-border redeployments. The two Victorian based S-61 Type 1 helicopters made the trip over the Nullabor twice to support West Australian firefighters. In a true reflection of the unusual nature of the season, one of these aircraft was subsequently redeployed to support flood relief efforts in the Kimberley region of Western Australia. The S-61s were also utilised at times in flood relief efforts in Victoria. During the flood emergencies in Queensland and northern New South Wales, aircraft that were normally positioned in southern New South Wales and the Australian Capital Territory were repositioned to support the significant flood and storm recovery activities. Some NAFC contracted helicopters were also directly involved in rescue activities during flood emergencies in Queensland. The way in which these crews quietly, professionally and safely got on with the job of rescuing people in difficult circumstances deserves special mention.

Once again the NAFC Aerial Suppression Operations Group (ASOG) played an important role in facilitating resource movement across the nation. ASOG, chaired by NAFC Director Craig Hynes, met via teleconference on a number of occasions to consider the strategic placement of the national feet resources.

Table 1, overleaf, shows the utilisation of the National Fleet during 2010–11.

Firebombing							
State	Service	Aircraft	Activations	No of Drops	Amount of Suppressant or Retardant Dropped (L)	Other Activations	Total Activations
ACT	RW-K	Bell 212 ²	2	15	19,500	2	4
ACT	RW-K AAS	Eurocopter AS 350 BA	1	10	5,500	3	4
NSW	HV-A	Erickson Aircrane S-64F	1	0	0	0	1
NSW	HV-A AAS	Eurocopter AS350 BA	0	0	0	7	7
NSW	HV-E	Erickson Aircrane S-64E	2	31	96,855	0	2
NSW	FW-R	Air Tractor AT-802	6	23	69,000	0	6
NSW	RW-A	Bell 214B	2	0	0	10	12
NSW	RW-U	Bell 214B	1	0	0	6	7
NSW	FW-A	Air Tractor AT-802 ¹	0	0	0	0	0
NSW	FW-B	Air Tractor AT-802 ¹	6	16	42,200	7	13
NSW	FW-L	Cessna T337G	0	0	0	12	12
NSW	RW-G	Bell 212	0	0	0	3	3
NSW	RW-H	Kawasaki BK117 B2*	5	523	470,700	2	7
NSW	RW-J	Kawasaki BK117 B2*	4	67	60,300	3	7
NSW	RW-K	Bell 212 ²	0	0	0	5	5
NSW	RW-S	Bell 206 Longranger	0	0	0	5	5
NSW	S-RW-2(D)	Bell 212	3	62	80,500	5	8

Firebombing							
State	Service	Aircraft	Activations	No of Drops	Amount of Suppressant or Retardant Dropped (L)	Other Activations	Total Activations
NSW	S-FW(A)	Air Tractor AT-802F	9	32	96,000	5	14
QLD	RW-Q1	Eurocopter AS350-B3 ¹	2	15	15,000	7	9
QLD	RW-Q2	Eurocopter AS350-B3 ¹	3	15	15,000	2	5
QLD	RW-Q4	Eurocopter AS350-B3 ^{1*}	0	0	0	7	7
SA	FW-C	Air Tractor AT-802	3	4	12,800	5	8
SA	FW-D	Air Tractor AT-802	2	1	3,200	4	6
SA	FW-E	Air Tractor AT-802	9	22	73,600	24	33
SA	FW-E AAS	Cessna 208B	0	0	0	37	37
SA	FW-F	Air Tractor AT-802	22	37	118,400	14	36
SA	FW-G	Air Tractor AT-802	25	39	128,000	9	34
SA	FW-J	Air Tractor AT-602	10	11	26,950	1	11
SA	FW-K	Air Tractor AT-602	10	10	24,500	1	11
SA	HV-D	Erickson Aircrane S-64E	0	0	0	1	1
SA	RW-N	Bell 205++	3	40	48,750	9	12
SA	RW-P	Bell 205A-1	3	37	44,950	3	6
SA	RW-T	Eurocopter AS355	0	0	0	26	26
VIC	RW-B	Sikorsky S61N	0	0	0	38	38
VIC	RW-C	Sikorsky S61N	5	46	152,961	20	25
VIC	HV-B	Erickson Aircrane S-64F	2	111	401,631	2	4
VIC	HV-B AAS	Bell 206 Longranger	0	0	0	9	9
VIC	HV-C	Erickson Aircrane S-64E	2	60	210,089	2	4
VIC	HV-C AAS	Bell 206 Longranger	0	0	0	15	15
VIC	HV-F	Erickson Aircrane S-64E	2	26	46,766	2	4
VIC	HV-F AAS	Bell 206 Longranger	0	0	0	5	5



VIC	FW-T	Convair CV-580	3	7	39,745	12	15
VIC	FW-V	Convair CV-580	3	7	47,684	12	15
VIC	FW-U AAS	Turbo Commander 690A	0	0	0	26	26
WA	FW-N	Air Tractor AT-802	24	36	79,200	1	25
WA	FW-P	Air Tractor AT-802	19	37	81,400	0	19
WA	RW-E	Sikorsky S61N	65	693	1,650,749	0	65
WA	RW-V	Sikorsky S61N	28	225	490,326	4	32
WA	RW-R1	Eurocopter AS 350 B3 ¹	59	411	443,000	3	62
WA	RW-R2	Eurocopter AS 350 B3 ¹	96	795	1,163,075	5	101
WA	RW-R3	Eurocopter AS 350 B3 ¹	55	416	713,837	0	55
WA	RW-R4	Eurocopter AS 350 B3 ¹	51	401	584,962	0	51
TAS	RW-L	Bell 212	0	0	0	3	3
TAS	RW-M	Eurocopter AS 350 B3	2	41	41,000	2	4
TAS	RW-W	Eurocopter AS 355 F1	0	0	0	0	0
TAS	RW-X	Eurocopter AS 350 BA	0	0	0	0	0
TAS	S-RW2(C)	Bell 205A-1++	6	56	71,600	0	6
Totals			556	4,378	7,669,730	386	942

* aircraft on partial availability

¹ complementary – same aircraft used for consecutive service periods in two different states

² shared – same aircraft used for single service period in two different states

FW – Fixed Wing

RW – Rotary Wing

AAS – Air Attack Supervisor Platform

HV – High Volume

Australian Government support

During 2010-11 the Australian Government contributed \$14,000,000 to the fixed cost of making the National Fleet available, as part of an ongoing funding agreement. The success of NAFC arrangements owes a great deal to this support from the Federal Government. The funding ensures that not only are additional aircraft resources available to firefighters but also catalyses the additional benefits that result from improved collaboration and cooperation between states and territories.

NAFC is again grateful for the efforts of the staff of the Federal Attorney-General's Department for ensuring a smooth and highly productive working relationship. We would particularly like to acknowledge the support of Assistant Secretary Mr Peter Channels and Program Manager Mr Gerry Foster. NAFC also appreciated the efforts of Assistant Director, Mr Darren Bretherton who assisted on a number of occasions and participated in the NAFC strategic planning workshop in May of 2011.

Innovation, development and research

Research activity during the year primarily centred on the continuing evaluation of large and very large fixed-wing aircraft for firefighting, with the Victorian-based trial of two Convair CV-580 multi-engined airtankers (see box for details). It is pleasing to see this type of equipment being trialled in Australian conditions, adding greatly to our experience and knowledge base.

NAFC continued to sponsor some low-key trials of Un-crewed Aerial Systems (UAS) for intelligence gathering, and a number of Member agencies also undertook trials of UAS's. The trials have highlighted a number of airspace management and regulatory issues and we look forward to increasing UAS trial activity in the future, once these issues are resolved in conjunction with the Civil Aviation Safety Authority and the UAS industry.

NAFC Member agencies also continued trials in developing other capabilities and enhancements such as the use of night vision goggles and the application of water enhancers or gels for firebombing activities.

Bushfire CRC of which NAFC is a partner organisation, published a Fire Containment Guide to assist decision making in the deployment of aerial resources. This was developed principally by Dr Matt Plucinski based on recent research into the effectiveness of aerial firefighting.

Tracking, event logging and messaging

The 2010-11 season saw the continuing rollout of the Australian Fire Aircraft Monitoring System (AFAMS) – the national collaborative approach to aircraft tracking, event logging and messaging. The tracking component of the AFAMS has now been fully implemented across National Fleet aircraft. During 2010-11 the first live trials of event-logging were also implemented. This component, which will acquire and record additional data on actual firebombing drops, shows great promise and we plan to continue more intensive trialling of event logging and messaging in 2011-12 with a view to finalising implementation in the following year.

Australasian Fire and Emergency Service Authorities Council

NAFC has continued to source management and administration services in 2010-11 from the Australasian Fire and Emergency Service Authorities Council Ltd (AFAC) under a management services arrangement. We value the support from the AFAC team and the close and productive working relationship. In particular, it is pleasing to acknowledge the contributions from AFAC Chief Executive Officer and NAFC Company Secretary Ms Naomi Brown and also of AFAC Finance Manager, Mr Trevor Essex and Finance Officer, Ms Kate Twentyman.

Fire and Emergency Aviation Technical Group (FEAT)

NAFC again has continued to provide facilitation and executive support to the AFAC Fire and Emergency Aviation Technical Group (FEAT) which was previously known as the Wildfire Aviation Technical Group (WATG). FEAT is a sub-group of the AFAC Rural and Land Management Group.

FEAT met formally on three occasions during 2010-11. A number of issue-specific working groups also met during the year. Much of the group's work has involved developing best-practice approaches to aerial fire management and reviewing and debriefing operations to underpin continuous improvement.

FEAT has also put considerable effort into continuing to develop AFAC's draft framework for a national training and endorsement system for specialist personnel involved in managing, supervising and supporting fire and emergency aviation operations. By the close of 2010-11 the framework had reached a final draft and is now expected to be implemented early in 2011-12. The national rollout of this system, which is based largely on systems previously developed by state agencies and in particular by the Victorian Department of Sustainability and Environment, will represent a major step forward in national collaboration and interoperability.

As well as acknowledging the contributions made by state and territory agencies, FEAT members would like to recognise the tremendous contribution from AFAC's Learning and Development team, managed by Ms Sandra Lunardi.

Finance

NAFC continues to be in a sound financial position with sufficient reserves to cover most foreseeable contingencies. As a result, we are now routinely able to avoid short-term borrowing to address cash flow issues associated with administering the Goods and Services Tax. The ability to earn interest on reserves at attractive

I would like to thank the NAFC staff who labour, often behind-the-scenes, to ensure that NAFC remains responsive and flexible while maintaining the necessarily high standards.

rates also contributed to NAFC's finances, ultimately reducing financial pressure on Members to increase contributions to NAFC's operating costs. Audited details of finances are provided in the accompanying Special Purpose Financial Report.

Other activities

International

NAFC continues to be an active and well respected player in the international fire aviation community. In May 2011, I attended the 5th International Wildland Fire Conference in South Africa. In conjunction with the conference, I participated in a meeting of the International Fire Aviation Working Group (IFAWG) (see box). Created in 2010 to facilitate international sharing of information and potentially sharing of resources, IFAWG operates as an advisory group of the United Nations International Strategy for Disaster Reduction.

Australian Aerial Firefighting Operator's Manual

NAFC worked cooperatively with the Civil Aviation Safety Authority (CASA), state and territory fire and land management agencies and the aviation industry to resolve a number of regulatory and associated issues. One collaborative project involves the development of some standard minimum provisions for inclusion in the Operational Manuals of aircraft operators delivering aerial firefighting services in Australia. These standard provisions are now contained in a draft document known as the Australian Aerial Firefighting Operator's Manual. This project aims to resolve a number of regulatory issues affecting aerial firefighting in Australia. Some of these issues flow from inconsistencies in regulations, as well as from varying

operating practices between state and territory agencies and aircraft operators. A preliminary edition of the manual is available for download on the NAFC Website.

Spatial Information

Aerial firefighting is inextricably linked with gathering and using spatial information. NAFC places considerable priority on supporting the development of spatial information capability and is pleased to have facilitated a number of developments in this area over recent years. In September of 2010, NAFC Project Manager, Martin Batt provided a presentation on NAFC's national approach to aircraft tracking and event logging at a workshop on mapping and spatial support for Australia's emergency services, convened by the Emergency Management Spatial Information Network of Australia (EMSINA), and held in conjunction with the AFAC / Bushfire CRC 2010 Conference in Darwin.

NAFC Operations

NAFC staff attended a range of stakeholder meetings, contractor briefings and workshops throughout the year.

On the staffing front, NAFC was delighted to welcome Ms Kathryn Levi to the NAFC team as our Senior Legal Services Officer. A key part of Kathryn's work will involve preparing for our next major procurement process, due to commence in early 2012.

Strategic alliances

NAFC maintained membership in the following organisations during 2010–11:

- Fire Management Actions Alliance
- Flight Safety Foundation (incorporating the Aviation Safety Foundation of Australasia).

During the year, the NAFC Board was very pleased to formalise its partner agreement in the proposed extended Bushfire Cooperative Research Centre.

Thanks

First and foremost we again thank the staff of state and territory aircraft units for their invaluable, highly professional and low-fuss contribution to the smooth running of NAFC and the National Fleet, and in particular the facilitation of interstate redeployments. There is a special mention for staff who manage to fit in administering their state or territory's aviation activities amidst a host of other tasks. Similarly we must acknowledge the efforts of staff and volunteers in Member agencies who support aviation activities day-to-day and ensure the delivery of safe and effective aerial firefighting across the country.

A special mention also, once again, for the efforts of Mr David Cant, of South Australia who continues to go above-and-beyond. David is always willing to contribute to national efforts and this year has again stepped up to Chair the AFAC Fire and Emergency Aviation Technical Group.

It is a pleasure to also thank our aircraft contractors, who have continued to provide an excellent standard of service. This of course extends to all their staff, flight crews, engineers and the back-room people that keep operations humming along.

Thanks are due to the NAFC Board, and in particular the Chair, Mr Shane Fitzsimmons of New South Wales. NAFC Board members invest considerable time and effort in NAFC and the aerial firefighting business and we thank them sincerely for their efforts.

Finally, I would like to thank the NAFC staff who labour, often behind-the-scenes, to ensure that NAFC remains responsive and flexible while maintaining the necessarily high standards and probity demanded by our industry.



Mr Richard Alder AFSM
General Manager

FLOODS, CYCLONES AND STORMS... AND BUSHFIRES

2010-11 saw its fair share of serious bushfires, particularly in south-west Western Australia, but it also saw unprecedented storm, cyclone and flooding activity across a number of jurisdictions. Some states, such as Western Australia and Victoria even experienced serious flooding and bushfires simultaneously.

Tragically, thirty-five people died in storm-related flooding in Queensland and thousands of others across Queensland, New South Wales, Victoria and Western Australia were impacted by natural disasters. Our condolences go to the families and friends of those who lost their lives and our thoughts are with all those members of the community who were affected by bushfires, storms and floods during 2010-11.

NAFC contracted aircraft, as well as aircraft contracted directly by state fire and emergency agencies, ended up undertaking a major role in flood and storm rescue and recovery efforts.

National Fleet helicopters equipped with winches for delivering firefighters to remote areas performed a significant number of rescues of people trapped by floods, while other National Fleet aircraft were pivotal in mapping and intelligence gathering, and in moving large numbers of people, supplies and fodder. This ensured that communities could recover and return to normal life as quickly as possible.

Over 2010-11 National Fleet aircraft were activated on over 940 occasions but, unusually, a significant proportion of these activations (around 25%) were related to emergencies other than bushfire. Over 50% of the hours flown by aircraft

normally based in New South Wales and the Australian Capital Territory were related to floods and storms, while for National Fleet aircraft based in Victoria, around 25% of hours flown were involved in flood recovery. The NAFC Board is very conscious of the need to ensure that planning for the future accounts for the fact that firefighting aircraft will, appropriately, continue to be utilised in a range of emergency operations.

The NAFC Board gratefully acknowledges the efforts of the aircraft crews and fire and emergency agency personnel involved in flood and storm rescue and recovery. The Board also recognises the efforts of Member agency personnel who arranged the efficient and seamless redeployment of aircraft resources.

IFAWG

The International Fire Aviation Working Group (IFAWG) was formed in 2010 and comprises representatives from countries and jurisdictions who regularly utilise aerial means in managing fire in the landscape, including for firefighting.

The IFAWG operates as an advisory group under the framework of the United Nations International Strategy for Disaster Reduction.

The group aims to improve safety and effectiveness of aerial fire management by sharing information and experience. The sharing of resources among members will also be considered by the group.

Australia is a founding member of the IFAWG, which is currently chaired by NAFC General Manager, Richard Alder.

Following a meeting in May 2011, the group has embarked on a project to develop voluntary international

guidelines for aerial fire management, with the initial aim of ensuring minimum standards of operation, as well as providing the interoperability necessary to safely and effectively share resources between jurisdictions.

For more information please see www.ifawg.org.



LARGE AIRTANKER TRIAL

Following on from the 2009-10 operational evaluation of Very Large Airtankers (VLAT), the Victorian Government decided to sponsor an operational trial of Type 2 large airtankers – also referred to as multi-engine airtankers - in 2010-11. NAFC also contributed Australian Government funding to the evaluation project.

For the operational trial, overseen by Victoria's State Aircraft Unit, NAFC procured two Convair CV-580 airtankers, along with a turbine-engined Aero Commander 690A supervision aircraft, for a minimum 12-week Service Period. All three aircraft were supplied by Conair of British Columbia, Canada through Field Air of Ballarat in Victoria.

The Convair CV-580s are fitted with an integral tank and door system. Each aircraft is capable of delivering 7,900 litres of retardant, foam or gel through computer controlled, constant flow doors. The aircraft transit at approximately 500 km/h and are able to use a number of the larger regional airports around the country.

A Project Control Board and an Evaluation Reference Group were established, with NAFC represented by Richard Alder and David Cant respectively. As for the previous VLAT study, the Bushfire Cooperative Research Centre (Bushfire CRC) was engaged to undertake an effectiveness evaluation. An independent economic evaluation was also arranged.

As in 2009-10, a very positive aspect of this project from a NAFC point of view was the active involvement of a number of personnel from around Australia.

The Convairs arrived in Australia in late November and following fit-out, training and the granting of approvals by the Civil Aviation Safety Authority, commenced their Service Period on time on 22 December 2010, finishing up on 22 March 2011.

Although the relatively low bushfire activity in Victoria during the Service Period did limit opportunities for operational data collection, the aircraft were deployed to three bushfires, all in different fuel types and terrain, which yielded valuable data. The aircraft were also able to conduct an intensive

program of planned research drops which yielded a large amount of data. The Bushfire CRC's report of the effectiveness evaluation is expected to be available in late 2011.

The NAFC Board takes this opportunity to acknowledge the support of the Victorian Government for projects of this type, which are critical to continuing to develop an understanding of the effectiveness of different capabilities in Australian conditions. This will, in turn, help us ensure that we provide the most effective solutions for Australia into the future.

We would also take this opportunity to acknowledge the work of the Victorian State Aircraft Unit in managing the trial and Mr Hayden Biggs in particular for his dedicated efforts.







SPECIAL PURPOSE FINANCIAL REPORT

For the financial
year ended
30 June 2011

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DIRECTORS' REPORT

The directors of National Aerial Firefighting Centre Limited ("NAFC") submit herewith the annual financial report of the Company for the financial year ended 30 June 2011. 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 (resigned 12 November 2010; reappointed 13 December 2010)
Mr S Fitzsimmons
Mr L Johnson
Mr C Hynes
Ms N Brown
Mr M Croswell
Mr G Nettleton (appointed 3 March 2011)
Mr A J Molan (appointed 3 March 2011)

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. Ms Brown's qualifications are detailed on page 20 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.

Short and long term objectives of the entity

Objectives of the organisation are defined in the Constitution (revised Oct 2009). 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 2010/11.
- Maintain a Resource Management Agreement with members
- Resource Management Agreement (valid until 2013) was maintained throughout 2010/11.
- 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.

NAFC contributes to and influences appropriate research and development

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 \$611,430 (2010: \$431,547).

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 C Hynes AFSM Chief Operations Officer Fire & Emergency Services Authority of Western Australia	Mr L Johnson AFSM Commissioner QLD 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 Country Fire Service, South Australia
Mr A J Molan Major General (retired) AO, DSC	

Meetings of director

Directors	Number eligible to attend	Number attended
Mr E Ferguson	5	4
Mr L Johnson	6	3
Mr M Brown	6	5
Mr C Hynes	6	5
Mr S Fitzsimmons	6	6
Ms N Brown	6	6
Mr M Crosweller	6	4
Mr G Nettleton	2	2
Mr A J Molan	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 2011 there were 8 members (30 June 2010: 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 \$6,500.00 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 22 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, 5th September 2011



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

5 September 2011

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 2011, 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

A handwritten signature in dark ink that reads "Alison Brown". The signature is written in a cursive, flowing style.

DELOITTE TOUCHE TOHMATSU

A handwritten signature in dark ink that reads "Alison Brown". The signature is written in a cursive, flowing style.

A M Brown
Partner
Chartered Accountants

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Member of Deloitte Touche Tohmatsu



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

We have audited the accompanying financial report, being a special purpose financial report, of National Aerial Firefighting Centre Limited, which comprises the statement of financial position as at 30 June 2011, 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 17.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report 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 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 Limited would be in the same terms if given to the directors as at the time of this auditor's report.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu

*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 2011 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.

A handwritten signature in dark ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

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

Alison Brown
Partner
Chartered Accountants
Melbourne, 5 September 2011

DIRECTORS' DECLARATION



As detailed in Note 3 to the financial statements, the company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial 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

Mr S Fitzsimmons (Chair) Director
Melbourne, 5th September 2011

STATEMENT OF COMPREHENSIVE
INCOME FOR THE YEAR ENDED
30 JUNE 2011

	Note	2011 \$	2010 \$
Revenue	4	14,812,897	14,616,978
Disbursements made under the federal Attorney General's Department Funding Agreement		(13,649,300)	(13,632,039)
AFAC Staff Support expenses		(217,917)	(184,800)
Consultant expenses		(22,353)	(44,675)
Contractor expenses	5	(234,195)	(253,710)
Travel expenses		(28,308)	(21,033)
Other expenses		(49,394)	(49,174)
Surplus before tax		611,430	431,547
Income tax expense	3(a)	-	-
Surplus for the year	5	611,430	431,547
Other comprehensive income		-	-
Total comprehensive income for the year		611,430	431,547

Notes to the financial statements are included on pages 30 to 33.

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2011

Current assets	Note	2011 \$	2010 \$
Cash and cash equivalents	9(a)	1,353,182	2,838,405
Goods and services tax recoverable		1,315,345	1,339,416
Other receivables		367,025	-
Prepayments		4,962	4,208
Total current assets		3,040,514	4,182,029
Non-current assets			
Property, plant and equipment	6	2,409	10,841
Total non-current assets		2,409	10,841
Total assets		3,042,923	4,192,870
Current liabilities			
Trade and other payables	7	954,608	2,715,985
Total current liabilities		954,608	2,715,985
Total liabilities		954,608	2,715,985
Net assets		2,088,315	1,476,885
Equity			
Retained earnings		2,088,315	1,476,885
Total equity		2,088,315	1,476,885

Notes to the financial statements are included on pages 30 to 33.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	Retained earnings \$	Total \$
Balance at 1 July 2009	1,045,338	1,045,338
Surplus for the year	431,547	431,547
Total comprehensive income for the year	431,547	431,547
Balance at 30 June 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
Balance at 30 June 2011	2,088,315	2,088,315

Notes to the financial statements are included on pages 30 to 33.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Cash flows from operating activities			
Receipts from Members		323,000	318,000
Operating grant receipts		14,057,437	13,366,101
Supply agreement disbursements		(13,649,300)	(13,632,039)
Payments to suppliers and employees		(2,714,689)	(2,579,417)
Interest received		489,897	291,978
Net cash used in operating activities	9(b)	(1,493,655)	(2,235,377)
Cash flows from investing activities			
Proceeds from property, plant, equipment		8,432	4,818
Net cash used in investing activities		8,432	4,818
Net decrease in cash and cash equivalents		(1,485,223)	(2,230,559)
Cash and cash equivalents at the beginning of the year		2,838,405	5,068,964
Cash and cash equivalents at the end of the year	9(a)	1,353,182	2,838,405

Notes to the financial statements are included on pages 30 to 33.

NOTES TO THE 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:

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.

AASB 101 Presentation of Financial Statements (as revised in September 2007), AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101

AASB 101(September 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard has required the presentation of a third statement of financial position at 1 July 2008, because the entity has applied new accounting policies retrospectively (see below).

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 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

The amendments deal with the measurement of the cost of investments in subsidiaries, jointly controlled entities and associates when adopting A-IFRS for the first time and with the recognition of dividend income from subsidiaries in a parent’s separate financial statements.

AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project and AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project

In addition to the changes affecting amounts reported in the financial statements described at 2.1 above, the amendments have led to a number of changes in the detail of the company’s accounting policies - some of which are changes in terminology only, and some of which are substantive but have had no material effect on amounts reported.

AASB 2010-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project and AASB 2010-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project

In addition to the amendments to AASB 5 and AASB 107 described earlier in this section, the amendments have led to a number of changes in the detail of the Group’s accounting policies - some of which are changes in terminology only, and some of which are substantive but have had no material effect on amounts reported. The changes in AASB 2010-5 have been adopted in advance of their effective dates of 1 January 2011.

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 'Statement of Cash Flows' and AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Basis of preparation

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

Critical accounting judgements 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 are recognised as income when the entity obtains control of the contribution, or the right to receive the contribution, and it is probable that the economic benefits comprising the contribution will flow to the entity.

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

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

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

(d) Goods and Services Tax (GST)

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

- where the amount of GST incurred is not recoverable, from the taxation authority, it is recognised 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.

Trade payables are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(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

(g) Comparative amounts

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

4. Revenue

	2011 \$	2010 \$
Operating grants – Attorney General’s Department	14,000,000	14,007,000
Fees collected from Members	323,000	318,000
Interest received	489,897	291,978
	14,812,897	14,616,978

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	(1,927)	(4,818)
Contracting expenses for the year	(234,195)	(253,710)
Remuneration of the auditors for:		
Audit services	(5,372)	(5,000)
The auditor of the company is Deloitte Touche Tohmatsu		

6. Plant and equipment

Plant and equipment at cost	7,709	19,273
Accumulated depreciation	(5,300)	(8,432)
	2,409	10,841

7. Trade and other payables

Trade payables	12,649	2,699,356
Accruals	574,934	16,629
GST payable	33,366	-
Prepaid fees from States	333,659	-
	954,608	2,715,985

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:

	2011 \$	2010 \$
Cheque account	153,182	338,405
Term deposits	1,200,000	2,500,000
	1,353,182	2,838,405

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

Surplus for the year	611,430	431,547
Movement in working capital		
(Increase)/decrease in assets:		
Other receivables	(367,025)	1,930
Goods and services tax recoverable	24,071	(640,899)
Prepayments	(754)	744
Increase/(decrease) in liabilities:		
Trade and other payables	(2,686,707)	(2,028,699)
Accruals	558,305	
Prepaid Fees Collected States	333,659	
GST payable	33,366	
Net cash (used in)/generated by operating activities	(1,493,655)	(2,235,377)

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 2011 there were 8 members (30 June 2010: 7).

11. Subsequent events

There are no significant events subsequent to the reporting date.





A

B

C

D

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