



Corporate Plan 2012–17



connecting australian aviation



About this plan

This plan describes Airservices Australia's strategic agenda and future direction for the period 2012–17. It is designed to ensure that Airservices meets the Government's and the Australian public's aviation safety and service delivery expectations. The plan positions Airservices to contribute more effectively and efficiently to the management of aviation safety risks and improving relationships with the key industry participants within a strong governance framework.

The plan is presented for tabling in both Houses of Parliament of the Commonwealth of Australia.

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Letter of transmittal



Chair

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The Hon Anthony Albanese MP
Minister for Infrastructure and Transport
Parliament House
CANBERRA ACT 2600

Dear Minister

Corporate Plan 2012-2017

The Board of Airservices Australia is pleased to submit to you the *Airservices Australia Corporate Plan* for the period 1 July 2012 to 30 June 2017.

The Corporate Plan has been prepared in accordance with the statutory provisions of section 13 of the *Air Services Act 1995* and section 17 of the *Commonwealth Authorities and Companies Act 1997*.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Angus Houston".

Air Chief Marshal Angus Houston
Chair
9 July 2012

connecting australian aviation



From the Chair

As incoming Chair to Airservices Australia I am delighted to present the organisation's 2012–17 Corporate Plan.

This plan builds on the future-oriented plan previously published and has a clear focus on the achievement of Airservices 2020 Vision, 'Connecting the Australian aviation industry to deliver world best industry performance'. Central to the realisation of this vision is Airservices ongoing commitment to deliver safe, customer focused, efficient and environmentally sustainable air navigation and aviation rescue and fire fighting services.

It is clear that Airservices occupies a unique position within the Australian aviation industry. The organisation's whole-of-industry perspective places it in a trusted position to connect airlines, airports and air traffic management service delivery in order to deliver world best industry safety and operational performance.

With strong activity growth in capital city airports expected to continue, air traffic congestion will increase and capacity management will become an ever growing challenge. This plan

sees Airservices continue to develop its demand and capacity management capability in close collaboration with industry.

Expected mining growth in regional locations, particularly in Western Australia, Queensland and New South Wales, also furthers the requirement for continuous improvement in safe and efficient airspace management and the introduction of new infrastructure and air traffic and aviation rescue and fire fighting services.

The environmental impacts of aviation on the community will become increasingly important and one of our highest priorities moving forward. Integral to this challenge is the increasing need to promote environmentally responsible services and managing the impact of aircraft noise and emissions on local communities and the environment. In 2011 Airservices published an Environment Action Plan and Status Report which will be republished annually and report on planned and implemented improvements and the expected benefits of changes. The aim is to ensure that Airservices moves forward as an organisation towards a 'greener' path.



Airservices continues to significantly invest in Australia's aviation infrastructure. Construction has commenced on a state-of-the-art aviation rescue fire fighting training ground at Melbourne, new air traffic control towers are reaching completion at Adelaide, Melbourne and Rockhampton and a new combined air traffic control and fire fighting facility is now operating in Broome. The organisation has also commissioned new terminal area radars at Adelaide and Cairns and is introducing improved surveillance of ground movement activities to improve safety through new technology in Sydney, Melbourne, Brisbane and Perth.

Planning for the long-term replacement of the core operational air traffic management system is also progressing well. Taking the opportunity to make a generational change, Airservices is working collaboratively with the Department of Defence to design a harmonised civil-military system and a joint approach to the market is expected in the 2012-13 financial year.

Finally, on behalf of the Board I would like to recognise the efforts of the previous Chairman, Mr David Forsyth who has been with Airservices

since January 2005. David provided the organisation with a wealth of knowledge and expertise gained from wide experience in senior positions across the aviation industry. As Chair of Airservices, he has overseen a major reform program that has rebuilt an ageing infrastructure, commenced implementation of new innovative future focused systems, strengthened industry collaboration and implemented new service charter and pricing arrangements. Henk Meertens, Liza Carver and Roxley McLennan have also recently retired from the Board and I want to thank them for their outstanding service.

As the professional and dedicated employees of Airservices continue to deliver safe, customer focused, efficient and environmentally sustainable services to the aviation industry I look forward to helping them and the organisation achieve this 2020 Vision.

Angus Houston
Chair

Airservices role

Airservices provides air navigation services each year for over four million aircraft movements carrying 80 million passengers across Australian and oceanic airspace covering 11 per cent of the earth's surface.

Airservices manages the safe and efficient passage of aircraft from two major centres in Melbourne and Brisbane and locally at 28 international and regional airports across Australia. These services are supported by a national network of communications, surveillance and navigation facilities and infrastructure. Airservices also manages aviation rescue and fire fighting (ARFF) services at 21 of Australia's busiest airports.

Mission

To provide safe, secure, efficient and environmentally responsible services to the aviation industry

Airservices is a Commonwealth Statutory Authority, established by the *Air Services Act 1995* (the Act).

In exercising its powers and performing its functions, the Act requires Airservices to have safety of air navigation as its most important consideration. Airservices primary role is to provide air navigation and ARFF services under the regulatory supervision of the Civil Aviation Safety Authority (CASA) and subject to independent investigation by the Australian Transport Safety Bureau.

Airservices air navigation services are delivered according to Civil Aviation Safety Regulations 171 and 172. The organisation adopts a performance based air traffic management (ATM) framework that is aligned with International Civil Aviation Organization (ICAO) standards and

focuses on enhancing performance in safety, minimising environmental impacts, matching traffic demand and capacity, optimising flight efficiency and improving cost effectiveness.

ARFF services are delivered according to Civil Aviation Safety Regulation 139H and are equipped to respond to aircraft incidents and fires at aviation related facilities at major airports.

To support the delivery of safe, secure, efficient and environmentally responsible air navigation and ARFF services to the aviation industry, Airservices engages stakeholders through regular consultation to develop a common understanding and agreement of current and future service delivery requirements. Ongoing performance monitoring is an essential component of Airservices commitment to continual service improvement.

With strong activity growth in the aviation industry there is an increasing need to promote environmentally responsible services and manage the impact of aircraft noise and emissions on local communities and the environment. Airservices continues to work closely with the community, aviation industry and government to minimise the environmental impact of aircraft operations and its own footprint as it strengthens its environmental focus.

Vision

Connecting the Australian aviation industry to deliver world best industry performance

Airservices position within the Australian aviation industry provides the organisation with a unique, whole-of-industry perspective and the organisation is well placed to facilitate improved connectivity across the industry.

Airservices access to information is vital to measuring and improving the performance of the industry and provides a line of sight across the interconnection of aircraft, airport, air traffic management and navigation services and systems.

In an operating environment with growing demand and limited capacity Airservices aims to efficiently connect the component parts of the Australian aviation industry by 2020 to allow all airspace users to enjoy the benefits of safe, efficient and cost effective passenger and freight movement.

Values

Excellence, Inclusion, Cohesion, Initiative

Airservices values define the behaviours it seeks from its people in its goal to connect the Australian aviation industry and to deliver world best industry performance. These behaviours support the development of a high performance culture over the long term.

Mission

To provide safe, secure, efficient and environmentally responsible services to the aviation industry

Vision

Connecting the Australian aviation industry to deliver world best industry performance

Values

Excellence	We are the best we can be
Inclusion	We are diverse and involved
Cohesion	We are working together
Initiative	We are making a difference



Outlook

Growth

At a macro level, with growth in real gross domestic product of 3.25 per cent forecast in 2012-13, traffic volumes are expected to grow at a similar rate. Volatility remains though as the recovery in the United States is slow, and uncertainty in Europe remains a significant posing risk to the global outlook.

The improved outlook is evidenced in the introduction of new low cost carriers in Asia, continued growth through China and North East Asia, sustained competition between Middle Eastern and Asian routes to travellers in and out of Europe and recent expansion plans announced by major domestic operators.

Over the next five years, global traffic growth is expected to be four to six per cent per annum led by the Middle East, China and India. In Australia, aviation activity growth is trending in line with long-term growth forecasts that indicate a 60 per cent increase in traffic levels by 2029-30 (Figure 1). However, volatility in annual growth is likely to continue as growth surges are driven by a combination of resources led economic growth and competition for market share amongst incumbent major operators and new low cost carriers.

Safety and service

Traffic volume growth, coupled with increasingly diverse aircraft performance and technology capabilities presents the industry with some significant capacity management challenges across Australia's aviation network.

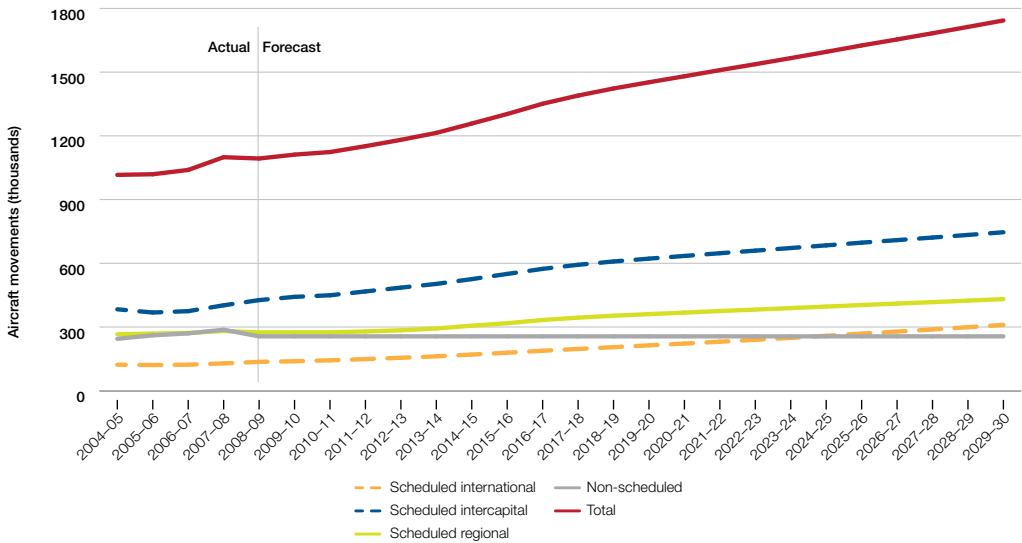
To avoid greater congestion at airports and growing airspace complexity, increasing demand must be matched with greater capacity while meeting community expectations for a reduction in aircraft noise and fuel emissions. Airservices will remain vigilant via its safety management systems and continue to embed its 'safety by design' principles and supporting infrastructure to meet these industry demands.

National Aviation Policy

In December 2009, the Government released its National Aviation Policy White Paper which sets out the Government's long-term policy objectives for the aviation industry. Airservices has been contributing to a number of these objectives through a range of initiatives that are contained in this and previous plans.



Figure 1: Aircraft movements through all capital city airports



Source: Bureau of Infrastructure, Transport and Regional Economics (BITRE), 2010, Report 117: Airport movements through capital city airports to 2029–30, pg 56, Canberra ACT.

Significant progress has been made in delivering these policy objectives in close collaboration with a number of government agencies and industry, with the establishment of the Aircraft Noise Ombudsman, the provision of assistance to neighbouring air navigation service providers to improve air traffic management capability in the region and a commitment to invest more than \$942 million in the renewal, replacement and building of new national aviation infrastructure. Airservices also provided technical support for the Joint Study on Aviation Capacity in the Sydney Region.

The Aircraft Noise Ombudsman (ANO) was appointed in September 2010 and has conducted three major reviews since then. The first report was released in February 2011 and contained 18 recommendations to improve the way Airservices managed noise complaints. These recommendations were accepted, 15 have since been actioned and the remaining three will be completed by December 2012. The ANO released findings from a second review in November 2011 and made seven recommendations relating to

the provision of information to communities in the Perth region. These recommendations will be addressed by June 2012. The ANO's third review was released in March 2012 and made nine recommendations relating the provision of information to communities in the Sydney region. These recommendations will be addressed by December 2012.

From September 2010 to April 2012, the ANO handled 183 complaints from members of the public, of which 17 remained open in April 2012.

The White Paper also emphasised the need to move towards greater harmonisation of civil and military air traffic management. Airservices is continuing to work closely with the Department of Defence to take advantage of a major generational opportunity to upgrade and harmonise Australia's civil and military air traffic management platform. In the past year, a joint operational concept has been developed and work is continuing on a request for tender for a new harmonised operational platform that is expected to be released in the 2012–13 financial year.

Operations

The technology and procedures used in air traffic management have evolved gradually over



time to effectively manage increases in traffic load and complexity. This incremental approach in air navigation technology and operating procedures is unlikely to be sufficient to keep up with the projected traffic growth that industry is currently predicting.

In preparing to meet these challenges Airservices is reforming its operations to optimise the management of Australia's airspace. These changes incorporate improved synchronisation of traffic flows to improve safety and efficiency through the delivery of cross industry collaborative decision making, the implementation of enhanced conflict detection and management in support of the progressive roll out of user preferred routes and trajectories, and the seamless management of services across all phases of flight and with adjoining air navigation service providers.

The magnitude of these changes require Airservices to make a step change in its operations and the introduction of a next generation air traffic management system will support dynamic management of capacity and flexible management of trajectories to meet future demand.

Labour market

The Australian workforce is experiencing demographic change, characterised by declining birth rates, greater longevity and an ageing population. Over the next several decades the impact of this on the broader workforce is projected to have significant implications for labour force participation and the demand for skilled labour. These changes highlight the

challenges Airservices will face over the next several decades.

Airservices employs over 3,800 staff, including more than 950 air traffic controllers and more than 700 qualified engineers and technicians, and is one of the world's largest providers of ARFF services. Over the next five years Airservices staffing levels are expected to rise modestly in response to demographic trends, the need to provide services at new locations and the ongoing delivery of new capital infrastructure.

Based on the current age profile and using historical patterns of labour turnover and retirements, Airservices is likely to lose up to a third of its workforce over the next five years.

Airservices is committed to building the capability of its workforce and accessing the broader labour market, including diverse and previously underrepresented groups, to address future needs.

The continued development and enhancement of Airservices Learning Academy has significantly increased the organisation's training capability. The increase in the number of trainees across air traffic control, technical and ARFF disciplines over recent years has ensured the organisation is well positioned to meet future workforce challenges.

Key strategies that are also underway include the retention of staff in critical and core roles, targeted recruitment of future generation staff and a continued focus on staff training. The organisation will also continue to implement flexible working arrangements such as part-time employment and phased retirement. In addition, Airservices Executive Diversity Council will focus on the delivery of diversity programs to improve the number of women, Indigenous Australians and people with disabilities participating in non-traditional roles and, more broadly, Airservices workforce.

Strategy

Connecting the Australian aviation industry to deliver world best industry performance.

To meet the challenges of increasing capacity and complexity, Airservices 2020 vision is to leverage its unique position to drive the optimisation of the performance of an aviation industry that has multiple parts.

Airservices corporate strategy map (figure 2) outlines the organisation's key objectives that underpin its vision over the next five years.

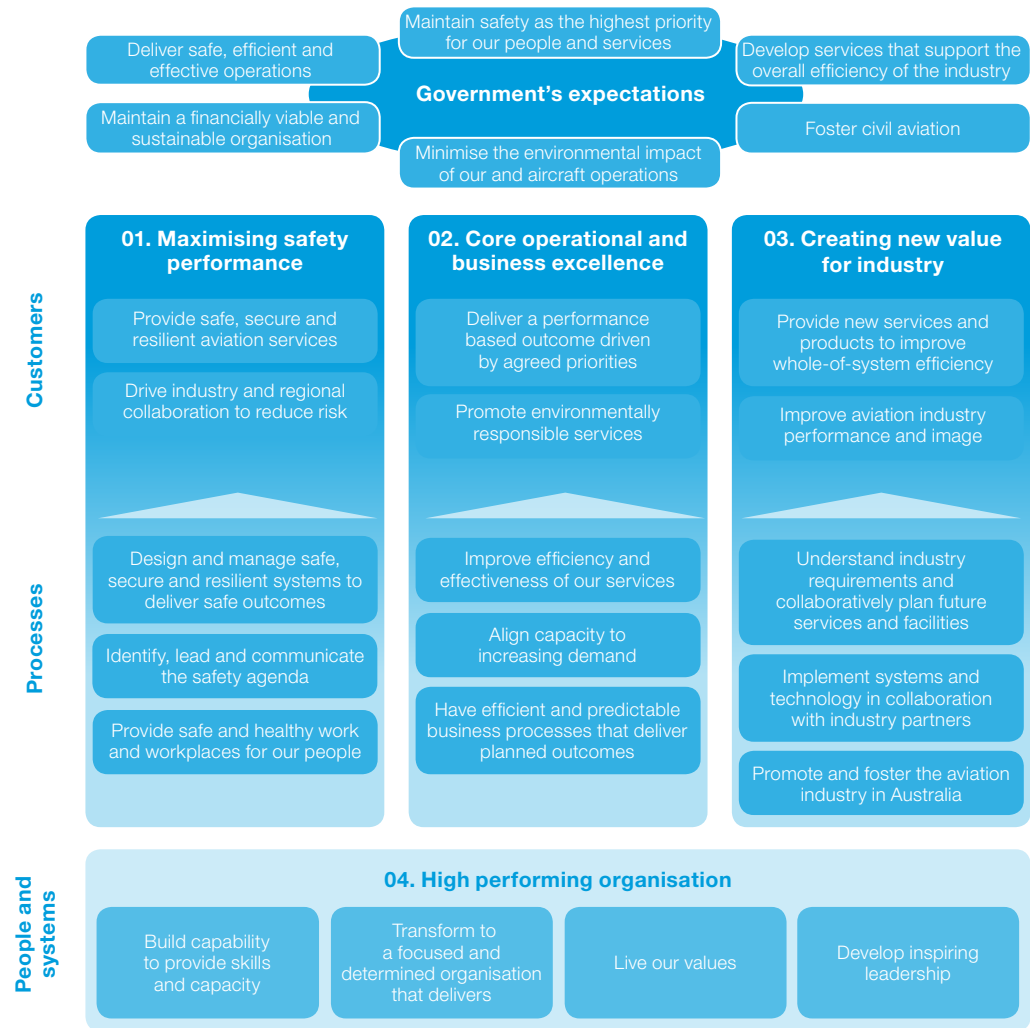
These objectives are layered into Government expectations, as derived from the Statement of Expectations provided by the Minister for Infrastructure and Transport, customer expectations, process improvement goals and the development of people and systems.

The customer, process, people and systems objectives are then arranged under four strategic themes:

- Maximising safety performance
- Core operational and business performance
- Creating new value for industry
- High performing organisation.

A range of strategic initiatives are underway to deliver the theme objectives and performance against objectives will be monitored through a number of key performance measures. A more detailed explanation of the content of each theme is detailed in the following pages and key achievements from the last twelve months are set out in the 'performance against previous plan' section.

Figure 2: Airservices corporate strategy map





Government's expectations

Consistent with the Minister's Statement of Expectations (Appendix A) and the National Aviation Policy White Paper, Airservices aims to efficiently and effectively perform its statutory functions to deliver safe and high quality air navigation and related services for the benefit of the Australian community.

In delivering these services, Airservices will maintain a financially viable and sustainable organisation that supports planned investment in infrastructure, equipment, training and personnel to meet future demands. Airservices will continue to work with the community, industry and government to minimise the environmental impact of aircraft operations and its own footprint.

Airservices regards the safety of air navigation and its people as its most important consideration.

The relationship between the Statement of Expectations and specific initiatives within the plan is at Appendix C.

National Aviation Policy White Paper initiatives will also be delivered through the strategic initiatives set out in this plan. These include: continuing civil–military harmonisation; a \$942 million infrastructure investment program; new technologies and procedures to improve operational efficiency; minimising the impact of aircraft noise; and clarifying ARFF roles and responsibilities.

Objectives

Airservices will deliver on the expectations of its owner and maximise its performance within the Australian aviation industry by:

- Maintaining safety as the highest priority for our people and services
- Delivering safe, efficient and effective operations
- Maintaining a financially viable and sustainable organisation
- Minimising the environmental impact of aircraft operations
- Fostering civil aviation
- Developing services that support the overall efficiency of the industry.

01 Maximising safety performance

The safety and integrity of Australia's air navigation system, along with the wellbeing of our people, are Airservices most important considerations. Airservices safety performance is reliant on the delivery of safe and resilient aviation services and effective industry and regional collaboration to reduce risk. The safety of all who use and contribute to the delivery of these services is integral to Airservices safety performance.

Airservices long-term safety strategy embraces two high level themes: reduction of the risk associated with key operational and workplace hazards and delivery of targeted safety benefits through change management.

Risk management is the foundation of Airservices operational and workplace safety approach. Through its risk management framework the organisation identifies hazards and threats to safety and actively implements mitigation strategies to manage those risks to as low as reasonably practicable.

Airservices is delivering safety benefits that will maintain its current high levels of safety as traffic levels grow and operations increase in complexity. These benefits are being achieved through actions that optimise the performance

of current systems and the introduction of new system attributes as they relate to the technology, processes and human interfaces.

Airservices long-term safety strategy:

- assists the prioritisation of work programs through the identification of key safety benefits
- ensures safety benefits are captured at the concept phase of business initiatives and realised
- influences how Airservices engages and interacts with its stakeholders
- further embeds a proactive safety culture within the organisation.

Objectives

Airservices will maximise safety performance in the Australian aviation industry and in the performance of its functions by:

- Providing safe, secure and resilient aviation services
- Driving industry and regional collaboration to reduce risk
- Designing and managing safe, secure and resilient systems to deliver safe outcomes
- Identifying, leading and communicating the safety agenda
- Providing safe and healthy work and workplaces for our people.

Key initiatives		
1.1	Implement the Long Term Safety Strategy.	
1.2	Collaborate locally and internationally to support the integrity of our operations and whole-of-industry safety outcomes.	
1.3	Enhance our safety culture through effective training, programs and communications.	
1.4	Continue to improve organisational ability to identify risks and issues.	
1.5	Proactively lead the safety agenda.	
1.6	Systematically identify and resolve health and safety risks in the workplace.	

Key indicators	Target (2011–12)	Target (2012–13)
ATS attributed en route LoS rate Air Traffic Service attributed number of en route loss of separation (LoS) per 100,000 flight hours.	< 1.13	< 1.13
ATS attributed terminal area LoS rate Air Traffic Service attributed number of terminal area loss of separation (LoS) per 100,000 movements.	< 1.1	< 1.1
ATS attributed tower LoS rate Air Traffic Service attributed number of tower loss of separation (LoS) per 100,000 movements.	< 1.0	< 1.0
ATS attributed runway incursions Number of ICAO Class A or B Airservices Air Traffic Service attributable runway incursions.	0	0
Serious personal injury rate Number of medically treated injuries per 1,000,000 hours worked.	0	0
OHS incident rate Occurrences per 100 staff per month.	< 0.2	< 0.2
Safety management system maturity benchmark External assessment of the maturity of Airservices' Safety Management System (SMS) against the Civil Air Navigation Service Organisation (CANSO) Standard of Excellence in SMS.	n/a	Top industry quartile
Instrument flight rules loss of separation Number of instrument flight rules (IFR) loss of separation (LoS) per 1,000,000 flight hours.	n/a	Top industry quartile

¹ Loss of separation (LoS) is a breach in the prescribed minimum distance between an aircraft and another aircraft or object.

02 Core operational and business excellence

Airservices performance is focused on enhancing safety, improving capacity, improving cost effectiveness, realising environmental benefits and meeting customer needs. The delivery of agreed priorities in an efficient, effective and predictable manner is essential to the financial viability and sustainability of the organisation.

Airservices core operation is to deliver safe, efficient and effective air traffic and aviation rescue and fire fighting services in a way that minimises the impacts of aviation operations on the environment. Airservices operational strategy has started to focus on increased automation and the implementation of a range of new systems and tools across the organisation's air traffic management system.

Underpinning this focus is the transition to satellite based technology and collaborative decision making (CDM) tools to improve network efficiency and optimise congested and complex airspace.

As the aircraft fleet mix changes, regional airport traffic increases and non-aviation airport tenancies grow, aviation and rescue fire fighting services must also evolve to find cost effective solutions to changing risk profiles.

The key environmental imperatives for Airservices are the management of aircraft emissions and aircraft noise supported by an environment

strategy and environmental actions that balance positive environmental outcomes with legislated and other obligations, community expectations, commitment to government policy and efficiency improvements sought by industry.

Airservices business strategy is performance based, built around appropriate mechanisms for improvements in service delivery and designed to ensure the organisation will deliver cost effective services that increase safety and operational efficiency, reduce delays and facilitate fuel burn reductions.

Airservices will continue to work with industry to develop its outcome focused performance management system through the evolution of its Services Charter. Based on the dimensions of stakeholder expectations, performance targets are reviewed on an annual basis, with performance reported quarterly.

Objectives

Airservices will deliver core operational and business excellence by:

- Delivering a performance based outcome driven by agreed priorities
- Promoting environmentally responsible services
- Improving efficiency and effectiveness of its services
- Aligning capacity to increasing demand
- Having efficient and predictable business processes that deliver planned outcomes.

Key initiatives

2.1	Identify, prioritise and implement services and upgrades to deliver tangible safety and operational benefits to the industry.
2.2	Develop predictive environmental tools.
2.3	Implement the Aircraft Noise Management Strategy delivering worlds best practice in Aircraft Noise Management.
2.4	Manage resources to minimise Airservices energy, water and waste footprint.
2.5	Improve the efficiency and effectiveness of our services.
2.6	Build flexibility to meet changing demand.
2.7	Develop and maintain efficient and predictable business processes that deliver planned outcomes.

Key indicators	Target (2011–12)	Target (2012–13)
Capital project delivery Percentage of projects delivered on time and within budget.	n/a	> 90%
ATS availability Hours of Air Traffic Service availability as a percentage of total hours of coverage.	>99.9%	>99.9%
Aircraft holding Ground holding as a percentage of total holding at Sydney, Melbourne and Brisbane.	60%	60%
ATS attributable delays Total number of Air Traffic Service attributable flight delay events (where the delay is greater than 10 minutes, and demand is less than airport capacity).	< 7 per quarter	< 7 per quarter
Runway capacity improvement Percentage increase in maximum hourly runway movement capacity through new Air Traffic Service initiatives at major aerodromes (excluding movement capped aerodromes).	≥ 3%	≥ 3%
Runway capacity achieved Percentage of maximum runway movement capacity delivered during peak periods.	> 95%	> 95%
ARFF operational preparedness Percentage of time aviation rescue and fire fighting (ARFF) resources were available to meet required capacity according to the regulated service category for the aerodrome.	> 99.9%	> 99.9%
Resource footprint Number of facility resource management plans established focused on reducing their environmental footprint.	n/a	5
Noise complainants Percentage reduction in the number of annual complainants.	2%	2%
NCIS compliance Noise complaints and information service (NCIS) compliance to prescribed response times for complaints and enquiries.	≥ 95%	≥ 95%
Consultation on noise issues Number of procedural changes implemented without consultation in accordance with Airservices Communication and Consultation Protocol (excluding those implemented to address immediate safety issues).	0	0
CACG attendance Airservices attendance at Community Aviation Consultation Group (CACG) meetings.	n/a	≥ 90%
Number of airports where more than one CACG meeting is not attended in the year.	n/a	0
Noise minimisation improvements Number of procedural changes leading to an improved noise outcome for the community.	n/a	20% increase

03 Creating new value for industry

As the industry continues to grow and be driven by financial, economic and environmental influences, Airservices needs to work collaboratively across the industry to anticipate, understand and plan for future needs in order to deliver new value through innovation, new services, products and technology.

Long-term strong demand from major domestic, international, and resources driven regional operations will challenge air traffic operations.

The need for flexible services for remote locations and the strain on capacity at capital city airports as they become more congested will require a step-change in the way air traffic services are provided. This change must not only improve efficiency, it must concurrently improve safety and minimise environmental impacts of increased operations.

Over the next decade, the industry must improve national capacity planning, develop new methodologies for traffic flow management and deliver new supporting infrastructure.

Better aviation planning, including improved traffic flow management and the delivery of supporting infrastructure, will ensure Airservices will deliver effective whole-of-system network management.

The analysis of, and importantly, sharing information between all participants is providing a unique opportunity to create a much better connection between aircraft, airports, air traffic management and navigation services and systems.

Airservices is rolling out programs to significantly improve the connections between the component parts of the Australian aviation industry with the goal of optimising performance through:

- delivery of collaborative decision making (CDM) tools that direct exchange of data between ground applications and airborne systems where flights will be managed from inception until arrival at a destination parking position
- deployment of performance based navigation through global navigation satellite systems
- trials and applications of newly emerging technologies, tools, procedures and services that deliver cost effective solutions for Australia's diverse industry and geography
- plans for the facilitation of dynamic optimisation of four dimensional flight trajectories (dynamic airborne re-routing procedures) taking into account traffic complexity, weather, physical environment, regulatory constraints and community expectations relating to noise and emissions
- support and facilitation of regulatory change, harmonisation and cross-border alliances.

Objectives

Airservices will create new value for industry by:

- Providing new services and products to improve whole-of-system efficiency
- Facilitating improved aviation industry performance
- Understanding industry requirements and collaboratively planning future services and facilities
- Implementing systems and technology in collaboration with industry partners
- Promoting and fostering the aviation industry in Australia.

Key initiatives		
3.1	Develop and implement an ATM Services and Facilities Plan.	
3.2	Implement a harmonised core ATM system in collaboration with the Department of Defence.	
3.3	Develop demand and capacity management capabilities.	
3.4	Collaborate domestically and internationally to develop long-term solutions that maintain safety, improve operational efficiency and are environmentally responsible.	
3.5	Undertake research, development and trials in the deployment of enhanced and cost effective procedures, tools, technologies and systems.	

Key indicators	Target (2011–12)	Target (2012–13)
Stakeholder satisfaction		
Percentage of key stakeholders across international and domestic airlines, airports, government agencies and key industry bodies who are satisfied to very satisfied with their relationship with Airservices and the organisation's service delivery.	> 80%	> 80%
Air traffic fuel efficiency initiatives		
Number of new fuel efficiency initiatives implemented.	≥ 10	≥ 10
Departure/arrival procedures review		
Number of aerodrome Standard Instrument Departure (SIDs), Standard Terminal Arrival Route (STARs) and approach procedures reviewed.	≥ 3	≥ 3

04 High performing organisation

The achievement of Airservices vision is dependent on its people, leadership and culture. To achieve this objective, Airservices needs to attract and retain talented people; build a flexible, empowered and engaged workforce; and develop inspiring, value-based leadership.

Airservices relies heavily on internal skill development of the specialist and operational roles it performs. Careful workforce planning is needed to ensure that the workforce supply matches current and future demands.

Over the next five years, the organisation's current staff numbers are expected to increase modestly in net terms in response to demographic trends (increased retirements) and industry growth demands. The increase in training levels and staff development activities over recent years will be maintained to ensure highly capable staff are in place to allow for the increasing rate of retirement predicted as an outcome of the organisation's age profile.

To address these challenges, Airservices will continue to implement a comprehensive five stream people program, as outlined in its workforce plan, that focuses on:

- building capability to provide the skills and capacity required to support current and future technology and services

- diversifying the workforce to match industry trends and be competitive in a contracting and changing labour market
- improving employee engagement through the creation of opportunities for individuals to develop and excel and ensure the workforce as a whole is ready to meet the challenges of the future
- aligning the organisation's values to the expectations of an industry and travelling public that demands safe and effective services while acknowledging the need for continuous improvement and change
- developing strong leaders who are focused on guiding and motivating the workforce to deliver future outcomes.

Objectives

Airservices will operate as a high performing organisation by:

- Building capability to provide skills and capacity
- Transforming to a focused and determined organisation that delivers
- Living our values
- Developing inspiring leadership.

Key initiatives	
4.1	Enhance workforce capability and capacity through the Learning Academy.
4.2	Develop and deliver a Professional Development Program.
4.3	Develop and implement a Resources Planning Framework.
4.4	Implement Integrated Project Delivery (IPD).
4.5	Redesign the Work Performance System (including incentives).
4.6	Deliver a Culture Management Program.
4.7	Develop and implement a Diversity Action Plan.
4.8	Implement a Leadership Competency Model.

Key indicators	Target (2011–12)	Target (2012–13)
Employee survey – values focused		
Engagement score expressed as a percentage of satisfaction and specific values related results.	> 60%	Top industry quartile
Increased diversity		
Percentage improvement in the number of women, Indigenous Australians and people with disabilities participating in Airservices workforce in non-traditional roles.	> 10%	> 10%
Employee disputes		
Percentage of employee complaints resolved through the use of the fair treatment review system.	> 98%	> 98%
Employee initiated separation		
Number of employee initiated separations per year as a percentage of Airservices workforce.	< 5%	< 5%
Career ratio		
Transfers and promotions per year as a percentage of permanent senior management vacancies.	n/a	> 80%

Financial plan

This new five-year financial plan supports Airservices strategic objectives and builds on the financial outcomes programmed in previous corporate plans.

This plan incorporates the latest economic outlook and projects some improvement in current conditions over the second half of the planning period. Key assumptions underpinning the plan include revenue revisions in line with the newly introduced Long Term Pricing Agreement, services growth to support activities in resource market sectors and some weakness in underlying economic conditions. The net impact of these changes to projected planning parameters do not materially alter the target rates of financial performance which remain in line with those forecast in the previous plan.

Continuing volatility that is predicted to persist in investment markets over the coming years may impact on annual revenue growth rates, though the long term trends are expected to be realised. In addition, while net profit in 2011/12 was significantly reduced as a result of a large non-cash adjustment to employee provision values, this plan does not attempt to predict future interest rate changes and no further adjustments of this type have been included in this plan.

Pricing

The prices for Airservices core airways services are currently subject to the price notification provisions of the Competition and Consumer Act 2010. Any increase in prices must be notified to the Australian Competition and Consumer Commission (ACCC) for review.

The prices paid by airlines and other customers for services provided by Airservices are set under a five-year Long Term Pricing Agreement (LTPA). In October 2011 Airservices established a new LTPA. Endorsed by the ACCC the agreement allows pricing to recover all reasonably incurred costs (including a return on capital employed) relating to the delivery of services. The new agreement provides price certainty for customers through to June 2016.

The development of the new agreement followed a twelve month consultation process with industry and a two year price freeze which was in place since the expiration of the previous agreement in December 2009. It provides a price path with annual changes on 1 July each year, incorporating nominal price increases of 3.3 per cent, translating to real price reductions of 11.4 per cent over the next five years.

The final agreed five year price path incorporates a 2.4 per cent reduction against the prices forecast in the previous plan. This reflects a decline in Government bond rates and the ACCC's lower assessment of corporate bond debt risk premiums.

Table 1: Five-year operating projections and performance measures

Description	2012 Forecast' (\$ million)	2013 Plan (\$ million)	2014 Plan (\$ million)	2015 Plan (\$ million)	2016 Plan (\$ million)	2017 Plan (\$ million)
Airways revenue	860.8	909.2	948.6	990.3	1,030.3	1,067.8
Other revenue	34.3	24.4	25.5	26.5	27.6	28.8
Total revenue	895.1	933.6	974.1	1,016.8	1,057.9	1,096.6
Staff costs	568.7	563.7	589.1	617.8	643.0	670.6
Supplier costs	151.9	153.1	158.4	164.3	169.2	174.0
Depreciation	102.1	103.3	108.3	112.3	117.4	120.4
Total Expenses before Interest and Tax	822.7	820.1	855.8	894.4	929.6	965.0
Staff numbers	3,898	3,985	3,989	3,990	3,991	3,995
Performance						
Earnings before interest & tax (EBIT)	72.4	113.5	118.3	122.4	128.3	131.6
EBIT/revenue	8.1%	12.2%	12.1%	12.0%	12.1%	12.0%
Return on assets	8.0%	9.1%	8.7%	8.4%	8.3%	8.0%
Net profit after tax	37.2	66.4	70.1	71.9	75.2	76.9
Return on equity after tax	9.0%	14.8%	14.0%	13.1%	12.5%	11.7%
Gearing ²	44.3%	42.9%	42.4%	41.6%	40.6%	39.1%
Returns						
Dividends	19.0	15.5	20.5	21.3	22.1	22.8

1. May 2012 Forecast

2. Gearing = (Net Debt + Non trading liabilities) / (Net Debt + Non trading liabilities + Shareholders' Equity)

Operating performance

Overall financial performance measured by return on equity and return on earnings before interest and tax (EBIT) are projected to track closely within the previous plan range of around 12 per cent per annum.

Whilst reduced profitability in 2011/12 was largely driven by accounting adjustments to employee provisions for reductions in valuation discount rates, no further rate change impacts have been factored into forward projections

Revenue forecasts have been lowered in line with the final LTPA pricing outcome and the current easing in airways traffic volume growth which suggests some softening from previous forecasts over the next two years.

Whilst this level of funding is sufficient to resource the introduction of new services and a peak in capital investment, financial performance outcomes in the plan will need to be underpinned by the continuation of business improvement programs to enhance the efficiency of the organisation.

On this basis staffing is forecast to remain around current levels over the next five years, though Airservices will provide capacity to deliver new ATC and ARFF services which are anticipated to be introduced over the next three years. With capital investment cycles reaching their peak, depreciation costs are projected to flatten over the latter half of the plan.

While capital expenditure for the new air traffic management system has been incorporated into the plan, the operating impact of the transition to the new system is not clear. As a consequence, these projected operating performance outcomes may be affected in the later years of the plan if the scale of change to the human interface and operating concept on initial implementation is substantially different to the current interface and operating concept. It is expected that these impacts will be clarified over the next twelve months.

Capital expenditure

Capital investment is projected to continue in line with the previous plan with expenditure of \$942 million planned over the next five years.

Table 2: Five-year capital expenditure projections

Description	2012 Forecast ¹ (\$ million)	2013 Plan (\$ million)	2014 Plan (\$ million)	2015 Plan (\$ million)	2016 Plan (\$ million)	2017 Plan (\$ million)	Total 5 years (\$ million)
ARFF	15.4	32.2	15.7	9.0	6.0	19.0	81.9
Airways IT	31.2	28.6	51.2	84.6	95.9	95	355.3
IT Infrastructure	3.3	11.5	15.8	10.6	7.6	8.6	54.1
Building & Property	52.7	22.9	10.7	9.5	18.2	19.1	80.4
Business Applications	9.8	10.3	10.4	7.4	6.4	1.0	35.5
Communications	6.0	7.9	16.9	18.1	11.6	15.7	70.2
Non-IT Infrastructure	3.0	11.3	21.6	16.0	10.1	13.0	72.0
Navigation	18.6	13.6	16.7	13.8	17.0	9.0	70.1
Surveillance	31.9	49.3	32.8	16.1	11.1	3.9	113.2
Asset Purchases	5.6	1.9	1.9	1.9	1.9	1.9	9.5
Total Program	177.5	189.5	193.7	187.0	185.8	186.2	942.2

1. May 2012 forecast

Improvements to planning, design and delivery elements of this program will continue to be a focus to ensure the major delivery milestones are met. Supported by recent increases in resourcing, the annual program delivery has increased to a level that will now be sustained over the next five years.

Ongoing investment in tower infrastructure and technology, the replacement of back-up terrestrial based navigation aids and surveillance equipment upgrades account for the majority of investment in the upcoming years. In the second half of the plan the focus of the program shifts to replacing and upgrading Airservices core air traffic management system, TAAATS, which will reach its end of life in the second half of the decade.

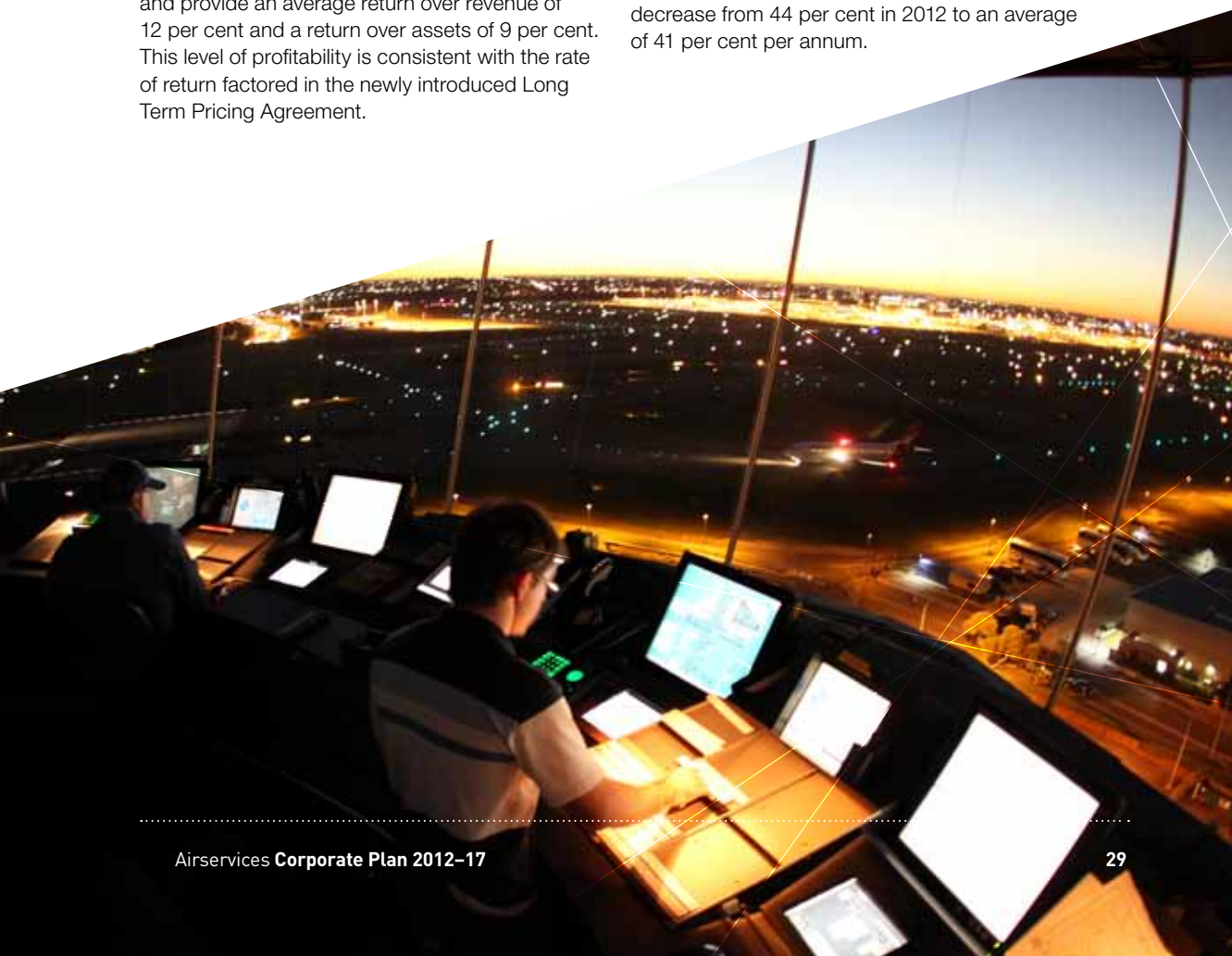
Returns, dividends and gearing

Over the term of the plan, earnings before interest and tax (EBIT) will average \$123 million per annum and provide an average return over revenue of 12 per cent and a return over assets of 9 per cent. This level of profitability is consistent with the rate of return factored in the newly introduced Long Term Pricing Agreement.

Whilst the dividend paid by Airservices is determined by the Minister each year, the Financial Plan is based on maintaining a dividend payout ratio of 30 per cent of after tax profits, at an average of \$20 million each year over the life of the Plan. Whilst Airservices long term dividend payout ratio is 60 per cent, to mitigate the risk of rising gearing given the softening economic outlook, elevated levels of capital expenditure funding and the potential volatility in superannuation funding requirements, this plan proposes to maintain the dividend payout ratio at 30 per cent.

Whilst no further payout increases have been included in the plan, additional dividends maybe provided if certainty on returns and cash requirements continues to improve.

Sustained profitability and a balanced capital investment and dividend plan are projected to reduce gearing closer to target levels over the next five years. On this basis gearing is planned to decrease from 44 per cent in 2012 to an average of 41 per cent per annum.



Governance and risk management

Governance

Airservices is accountable to the Australian Parliament through the Minister for Infrastructure and Transport and its operations are regulated by the CASA.

The Minister provides Ministerial Directions (Appendix D) and a 'Statement of Expectations' (Appendix A) which represents a notice of strategic direction concerning the operation and performance of Airservices. Airservices 'Statement of Intent' (Appendix B) and this plan respond to the Government's expectations by identifying the organisation's key strategic priorities and deliverables.

The Board of Airservices oversees a functionally based business structure. The two operational groups—Air Traffic Control and Aviation Rescue and Fire Fighting—are supported by a Project and Engineering group and corporate support groups.

The Board Audit and Risk Committee and Board Safety Committee provide oversight on the integrity and safety of Airservices operations and the Board Environment Committee provides oversight on environmental compliance and initiatives, environmental regulatory functions and organisational strategy to address environmental issues.

Risk management

Airservices manages risk through the application of an enterprise risk management framework that establishes and structures processes to ensure the rigorous identification and management of risks across the organisation, and to maximise opportunities for attainment of business objectives.

Risks and their associated management activities are centrally recorded, and are subject to quarterly review and acceptance at the group and executive levels. These reviews focus on ensuring that controls commensurate with the level of risk are in place and effective and that the risk is acceptable. Additionally, reviews monitor the progress of proposed risk treatments necessary to further reduce the risk. A Risk Report, comprising of the Enterprise Risk Profile and details of changes in the preceding period, is provided to the Board Audit and Risk Committee quarterly.

Table 3: Major loss event categories

Major loss event	Risk type	Significant controls/mitigation
Operational Safety	Airservices manages the identification and management of hazards within the national aviation environment that have potential to result in loss of life or injury due to an aircraft accident.	A comprehensive safety management system and associated safety practices exist within the organisation. These practices include operational risk assessments, training and certification, audit, incident investigations, cross-industry safety groups and forums.
Work Health and Safety	Airservices employs over 3,800 staff. These staff are engaged in a variety of jobs some of which carry inherent risks due to the nature of the work, its location (e.g. remote sites) or the work condition (e.g. extreme heat). Other potential hazardous exposures include such things as working from heights, confined spaces, chemicals, asbestos, waste materials and fatigue.	Work Health Safety is supported by a workplace safety strategy underpinned by site surveys, training, incident reporting and monitoring.
Environment	Airservices manages a diverse range of environmental risks associated with the facilitation of national aviation (e.g. noise and aircraft emissions) and with Airservices operational installations (e.g. site management).	A comprehensive Environment Management System (EMS) supports the management of Airservices environmental obligations. This includes assessment of changes to air routes, local environmental site plans, local disposal agreements and hazardous materials training. In relation to noise monitoring, a national Noise Complaint and Information Service is staffed, an independent Aircraft Noise Ombudsman has been appointed and a range of community and airport noise consultation forums are attended on a regular basis.
Finance	Financial exposures may arise through a potential loss of revenue via a decline in traffic volumes as a consequence of economic conditions; the ongoing requirement to support defined benefit superannuation fund liabilities; foreign exchange fluctuations; lease and contract commitments; and the need to support a substantial capital works program.	To maintain a financial strategy that identifies areas of expenditure that could be deferred to support Airservices' cash position should the economy experience significant shocks. In addition, ongoing monitoring and review occurs on all known financial exposures to ensure that appropriate hedging or mitigation strategies are pursued.
Service Delivery	Airservices must identify and control the potential for disruption of air traffic control, aviation navigation, and fire and rescue services and their associated impact on our key stakeholders.	Through its strategic planning, Airservices ensures that it continues to provide a professional service to the aviation industry. Airservices continues to invest in aviation infrastructure through its capital works program.
Reputation	Management of reputation risk is concerned with the identification and treatment of risks to Airservices and Government's reputation through consideration of the potential to adversely impact on stakeholder relations and loss of goodwill.	Airservices is committed to open and timely communication with our stakeholders and the community, and has developed a communication and consultation protocol.

Performance against previous plan

Airservices previous Corporate Plan 2011–16 outlined four strategic themes:

- 01 Maximising safety performance
- 02 Core operational and business performance
- 03 Creating new value for industry
- 04 High performing organisation

A number of the programs spanned more than one financial year, with performance against each strategic priority regularly monitored.

The major achievements for 2011–12 are outlined next.

01 Maximising safety performance

Achievements against this strategic theme in 2011–12 included:

- The finalisation and testing of the updated model of the fatigue risk management system within the Air Traffic Control Group, to provide a world-leading change in the management of shift-working staff.
 - The completion of an internal review of Airservices Learning Academy's people, systems and processes in support of continual improvement in training and future capability requirements.
 - The continuation of consultation with major aviation and resource industry stakeholders in Western Australia regarding increasing traffic congestion at Perth airport, with a specific focus on the earlier implementation of Automatic Dependent Surveillance – Broadcast (ADS-B) technology by fly-in, fly-out operators.
 - The continuation of the development of global runway safety risk model, with support from the Civil Air Navigation Service Organisation, Eurocontrol, the Federal Aviation Administration, and the ICAO Asia Pacific
- Regional Aviation Safety Team, to minimise the risk of runway excursions and incursions.
 - The continuation of significant transition work in support of the introduction of new work health and safety legislation, including the implementation of new procedures, training and guidelines.
 - The delivery of Safety Management System (SMS) awareness training to staff of Papua New Guinea Air Services Limited.
 - The provision of guidance to Indonesian Air Navigation Service Providers regarding the establishment of systems of maintenance to facilitate regulatory compliance, support in their planning for the increase in air traffic during the 2011 South East Asian Games and the progression of the establishment of Indonesian safety hubs and an informal network of Indonesian air navigation safety professionals.
 - The provision of detailed input to the Department of Infrastructure and Transport's bid for AusAID funding to support improved transport safety in Papua New Guinea during 2013–15.



02 Core operational and business performance

Achievements against this strategic theme in 2011–12 included:

- Airservices new five-year long-term pricing agreement came into effect on 1 October 2011.
- The release of the 2011–12 Services Charter to industry to monitor performance.
- The renewal of Airservices Part 171 Certificate, which approves the organisation as an aeronautical telecommunication and radio navigation service provider.
- The commencement of air traffic control and aviation rescue and fire fighting services from a new combined air traffic control and fire fighting facility at Broome.
- The commissioning of new terminal area radars at Adelaide and Cairns.
- The completion of construction of new air traffic control towers at Adelaide, Melbourne and Rockhampton airports.
- The implementation of a new, more efficient rostering tool, Quintiq, which provides new planning and reporting capabilities.
- The completion of the relocation and integration of the AusFIC High Frequency service to the Brisbane Operations Room, improving the efficiency and effectiveness of the associated systems and services.
- The commencement of construction of a state-of-the-art aviation fire fighting training ground at Melbourne.
- The completion of implementation work associated with 15 out of 18 recommendations contained in the Aircraft Noise Ombudsman's 'Review of Complaints Handling' report published in February 2011.
- Attended over 70 Community Advisory Consultative Group meetings.
- The publishing of Airservices Environment Action Plan and Status Report 2011.
- The finalisation of a ten year contract for the delivery of flight inspection services.
- The distribution of rebates totalling \$42.7 million for the 2010–11 financial year to customers.

03 Creating new value for industry

Achievements against this strategic theme in 2011–12 included:

- Significant advancement of the joint Airservices-Defence project in relation to the future Civil-Military Air Traffic Management System, with the release of draft specifications to suppliers for comment and the development of an operating level agreement on the acquisition of the future joint system.
- The signing of a collaborative agreement with Airways New Zealand to advance harmonisation activities that will improve service delivery in the region.
- The implementation of Permanent Required Navigation Performance (RNP) procedures in Brisbane.
- The introduction of Metron air traffic flow management technology in Sydney and Perth with analysis indicating sector time reductions into Sydney during the morning peak will provide annual cost savings of up to \$6.6 million².
- Introduced a Departures Management system at Perth on 8 March 2012. Initial feedback from ATC and operators has been positive and is considered an improvement on the old system. Local statistics show average delay from scheduled to allocated time is 7.6 minutes and average time from Taxi to airborne is 8.8 minutes. An initial post implementation review was held with operators on 30 March 2012.
- Introduced or modified seven Flextracks and two User Preferred Routes and continued ongoing consultation with industry regarding off airways flight planning opportunities, supported by the launch of a new, less constrained Off Air Route Planning Manual and external website.
- The signing of an agreement with Boeing Research and Technology Europe to progress joint research into the future operating environment and trajectory based operations.
- Continued to implement airport capacity enhancement initiatives at Melbourne and Perth, with a recent internal review of runway capacity at both locations indicating a 3 per cent increase in the January-March quarter 2012³.

04 High performing organisation

Achievements against this strategic theme in 2011-12 included:

- The launch of Airservices new corporate values to underpin Airservices new Vision.
- Airservices employee engagement score increased by 10 per cent above the outcome achieved when the survey was last conducted in 2010.
- 36 new aviation rescue fire fighters and 60 trainee air traffic controllers graduated from Airservices Learning Academy in Melbourne. 12 technical trainees graduated from the Riverina Institute of TAFE in Wagga Wagga with a Diploma of Electronics and Communications Engineering.
- The establishment of an internal Training Board to support Airservices Learning Academy.
- The establishment of a Diversity Council to build greater support of diversity initiatives and facilitate cultural change throughout the organisation.
- The establishment of the Reconciliation Action Plan Working Group.

² Latest available statistics at the time of the 2012–17 Corporate Plan compilation (May 2012).

³ Latest available statistics at the time of the 2012–17 Corporate Plan compilation (May 2012).

Appendix A:

Minister's Statement of Expectations



The Hon Anthony Albanese MP
Minister for Infrastructure and Transport
Leader of the House

Reference: 01420-2011

2 MAY 2011

Mr David Forsyth
Chair
Airservices Australia
GPO Box 367
CANBERRA ACT 2601

CHAIRMAN

04 MAY 2011

RECEIVED

Dear Mr Forsyth

David,

I am writing to you about my Statement of Expectations (SOE) for the Board of Airservices Australia (Airservices), which I have enclosed.

This SOE, covering the period from 1 July 2011 to 30 June 2013, replaces the previous statement of 10 June 2010 and represents a notice of strategic direction under Section 17 of the *Air Services Act 1995*. The two year term better reflects the number of ongoing initiatives in the Statement, including those covered by longer term infrastructure investment by Airservices.

Aviation safety remains my highest priority. The initiatives in the SOE will contribute to the enhancement and maintenance of the provision of a high standard of air traffic and rescue and fire fighting services by Airservices.

The management of the environmental effects of aircraft is a fundamental role for Airservices. The establishment of the Aircraft Noise Ombudsman (ANO) was an important first step in improving community engagement on these issues and I expect Airservices to continue to support the office of the ANO. Active engagement in planning coordination forums and community aviation consultation groups will further enhance Airservices environmental role.

I ask that you provide me with a Statement of Intent, within a month of the date of this letter, outlining how you intend to meet the SOE. Similarly the next Airservices corporate plan should clearly reflect Airservices response to the SOE. It is important to note that in drafting your Statement of Intent, that it outlines targets and key performance indicators, so that Airservices performance can be measured accordingly.

Yours sincerely

ANTHONY ALBANESE

Enc

PARLIAMENT HOUSE CANBERRA ACT 2600
Telephone: 02 6277 7680 Facsimile: 02 6273 4126

**Statement of Expectations
For the Board of Airservices Australia
For the period 1 July 2011 to 30 June 2013**

This Statement of Expectations (SOE) outlines in a formal and public way, my expectations concerning the operations and performance of Airservices Australia (Airservices) from 1 July 2011 – 30 June 2013. This SOE serves as a notice of strategic direction to Airservices under section 17 of the *Air Services Act 1995* and commences on 1 July 2011.

The Government's vision for Airservices is that it efficiently and effectively performs its statutory functions to deliver safe, high quality air navigation and related services for the benefit of the Australian community. The Government expects that, consistent with subsection 9(1) of the *Air Services Act 1995*, Airservices must regard the safety of air navigation as the most important consideration in performing its functions.

As the Board of Airservices, I expect that you:

- will ensure that Airservices acts in accordance with the *Air Services Act 1995*, *Commonwealth Authorities and Companies Act 1997* (and associated regulations) as well as other relevant legislation and legal instruments; and
- will keep me and the Secretary of the Department of Infrastructure and Transport (the Department), through the Chair of the Board, fully informed of Airservices' actions in relation to the initiatives and activities stated below, and alert me to events or issues that may impact on the operations of Airservices, including the provision of timely Board reports and quarterly reports of progress against the Corporate Plan.

My expectations are that Airservices will:

1. undertake effective stakeholder engagement with the community, industry and Government on the development and implementation of significant changes by Airservices to air traffic and rescue and fire fighting services.
2. perform its functions in a manner that supports Government policy, specifically the following three key aviation goals outlined in the National Aviation Policy White Paper:
 - safety remains the highest priority;
 - a responsible approach to managing the environmental impacts of aviation; and
 - a coordinated approach to airport planning and investment.
3. continue to implement relevant Government air traffic management and other airspace policy initiatives in the Aviation White Paper (in conjunction with the Department, the Australian Transport Safety Bureau (ATSB), the Civil Aviation Safety Authority (CASA) and the Department of Defence).
4. engage constructively in processes where it can provide information, assistance or advice for policy formulation, implementation and regulation undertaken by Government agencies, both within and outside my portfolio.
5. assist in implementing the Government's environmental initiatives in relation to climate change and aircraft noise management, including;
 - supporting the ongoing role of the Aircraft Noise Ombudsman;

- 1 -

- implementing the recommendations from the Aircraft Noise Ombudsman's review of complaints handling including the appropriate resourcing of the Noise Complaints Unit;
 - undertaking an annual update of a detailed work program outlining Airservices initiatives in managing, monitoring and reporting on the environmental effects of aircraft, including the Sydney Airport Long Term Operating Plan; and
 - continuing work on an implementation plan for the potential for wider use of Required Navigation Performance (RNP) approaches at Australian airports to enhance safety and efficiency, reduce emissions, and minimise noise impacts, and the steps Airservices will take to consult with community and industry stakeholders on the plan.
6. contribute to a coordinated approach to airport planning including appropriate participation in, and providing information to, planning coordination forums, community aviation consultation groups, and the National Aviation Safeguarding Advisory Group.
 7. support the Government's Air Traffic Management (ATM) Policy through the development and implementation of an ATM Services and Facilities Plan.
 8. provide a clearly defined Aerodrome Rescue and Fire Fighting Service (ARFFS) for civil operations at civil and joint-user airports that meet the establishment criteria in the Civil Aviation Safety Regulations 1998, and develop Memorandum of Agreements with State and Territory fire authorities.
 9. progress the implementation of agreed joint civil and military aviation harmonisation initiatives in conjunction with the Department of Defence.
 10. continue to invest in future infrastructure upgrades and replacement programs as demonstrated in a detailed capital expenditure program, including enhanced air traffic and surveillance services at regional airports.
 11. commit to a strong focus on human resource issues, including publication of an annual update of the Airservices Australia Workforce Plan, and the development and implementation of proactive training and retention policies.
 12. continue to support the Government's aviation safety agenda in the Asia/Pacific region.
 13. adhere to values and a code of conduct that maintains high standards of professionalism, customer service, probity, reporting, accountability and transparency, consistent with the Government's aim of excellence in the public sector.



ANTHONY ALBANESE
Minister for Infrastructure and Transport

2 May 2011

EXPLANATORY STATEMENT

AIRSERVICES AUSTRALIA – STATEMENT OF EXPECTATIONS

Statement of Expectations – Airservices Australia

Outline

The Statement of Expectations was issued by the Government as a notice of strategic direction under Section 17 of the *Air Services Act 1995* to Airservices Australia (Airservices).

Section 17 of the *Air Services Act 1995* provides that the Minister may notify Airservices in writing of the Minister's views on the appropriate strategic direction for Airservices and the manner in which it should perform its functions.

The Statement of Expectations outlines the Minister's expectations for the agency in regard to its operations and performance over the period 1 July 2011 to 30 June 2013.

The new Statement replaces the previous statement which was issued by the Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Anthony Albanese MP, on 10 June 2010.

The Statement emphasises the need for Airservices to perform its functions in a manner that supports Government policy including that aviation safety remains the highest priority. Airservices is also expected to comply with relevant legislation and to keep the Minister and the Secretary of the Department of Infrastructure and Transport informed of Airservices' actions and initiatives.

Other major areas covered by the Statement include Airservices' infrastructure investment, supporting the role of the Aircraft Noise Ombudsman, implementation of environmental initiatives, stakeholder engagement and workforce planning.

The Statement outlines the Government's expectations in relation to the way Airservices conducts its functions and the need for consultation with the community, industry and Government agencies.

Details of the Statement of Expectations are set out in the [Attachment](#).

Airservices was consulted in finalising the Statement.

Notices issued under section 17 of the *Air Services Act 1995* are a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

The Statement of Expectations commences on 1 July 2011 and expires on 30 June 2013.

Authority: Section 17 of the *Air Services Act 1995*.

ATTACHMENT

Details of the Statement of Expectations

Item 1 – Stakeholder Engagement

This item requires Airservices to effectively engage with key stakeholders i.e. the community, industry and Government in relation to the development and implementation of significant changes to air traffic and fire fighting services.

Item 2 – Government Policy

This item requires Airservices to ensure that its activities are aligned with all relevant Government policies, with the highest priority afforded to aviation safety.

Item 3 – Implementing Relevant White Paper Initiatives

The Government has outlined a number of ongoing air traffic management and other airspace initiatives in the National Aviation Policy White Paper. Effective implementation of these initiatives requires a good working relationship between Airservices and the Department of Infrastructure and Transport, the Australian Transport Safety Bureau, the Civil Aviation Safety Authority and the Department of Defence.

Item 4 – Provision of Information, Assistance or Advice

This item aims to ensure that Airservices engages constructively and provides information and advice to Government to assist in the work of portfolio agencies performing aviation regulatory and policy functions, including relevant aviation and airport studies.

Item 5 – Environmental Responsibilities

This item requires Airservices to play a key role in supporting the Government's initiatives in relation to the management of environmental impacts of aircraft operations, including aircraft noise. Airservices is expected to implement the recommendations from the Aircraft Noise Ombudsman's report on Airservices handling of noise complaints, establish and annually update a detailed environmental work program and to continue work on an implementation plan for the potential wider use of Required Navigation Performance (RNP) at Australian airports.

Item 6 – Airport Planning

This item requires Airservices to contribute to a coordinated approach to airport planning including the appropriate participation in a number of cross agency, industry and community forums including Planning Coordination Forums and Community Aviation Consultation Groups.

Item 7 – Air Traffic Management Policy

Consistent with the Government's Air Traffic Management Policy, Airservices is expected to develop and implement an Air Traffic Management Services and Facilities plan which outlines Airservices' future planned investment in infrastructure, equipment and personnel skills and training.

Item 8 – Provision of Aerodrome Rescue and Fire Fighting Services (ARFFS)

Airservices will continue to provide ARFFS functions for civil and joint user airports where required in accordance with aviation safety regulations and detail arrangements with State and Territory fire authorities on each agency's roles and responsibilities at the ARFFS airports.

Item 9 – Joint Civil and Military Aviation Harmonisation Initiatives

This item requires Airservices to continue to work with the Department of Defence to enhance civil and military air traffic management system harmonisation to realise the benefits of improved safety, better investment in personnel and infrastructure, seamless systems compatibility and smarter procurement practices.

Item 10 - Future Investment in Technology and Infrastructure

This item articulates the need for Airservices to support investment in aviation infrastructure, including at regional airports.

Item 11 – Sustainable Workforce Planning

Airservices needs to ensure that it can maintain a sustainable and highly skilled workforce to service growing demand for services and support current and future investment in infrastructure and technology. The provision of an ongoing Airservices workforce plan, annually updated, is consistent with this objective.

Item 12 – Harmonisation, Regional Safety

Australia has an important role to play in assisting our regional partners to meet their air traffic management responsibilities. Airservices will continue to support the Australian Government's aviation safety initiatives in the Asia Pacific region.

Items 13 – Public Sector Professionalism and Accountability

This item aims to ensure that Airservices operates in a manner consistent with the standards expected of a highly professional public sector organisation with a strong culture of accountability and transparency.

Appendix B:

Board's Statement of Intent



AIRSERVICES AUSTRALIA

Chairman

GPO Box 367, Canberra ACT 2601
25 Constitution Avenue, Canberra ACT 2601
t 02 6268 4189
f 02 6268 5086
ABN 59 648 720 000

The Hon Anthony Albanese MP
Minister for Infrastructure and Transport
Parliament House
CANBERRA ACT 2600

Dear Minister

A handwritten signature in blue ink, appearing to read 'Anthony'.

Airservices Australia Statement of Intent

The Board of Airservices Australia was pleased to receive your Statement of Expectations for the period 1 July 2011 to 30 June 2013. On behalf of the Board I am responding with our Statement of Intent.

In developing the Statement of Intent, the Board has been cognisant of the need to provide appropriate targets and performance indicators. The detailed key actions and associated performance indicators will be provided in the 2011-2016 Corporate Plan.

The Corporate Plan is currently in the process of being finalised and will provide an update on the organisation's priorities for the next five years. It also outlines performance measures and budget outcomes against key objectives and business strategies in addition to addressing the areas highlighted in your Statement of Expectations.

As is our usual practice, management is consulting with your Department on its development.

If your Office requires any further information, please contact Sue Freeland, Secretary to the Board on 02 6268 4859.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'David Forsyth'.

David Forsyth
Chairman
1 June 2011

cc: Mr Mike Mrdak, Secretary, Department of Infrastructure and Transport

airspace | airside | AIRSERVICES AUSTRALIA

www.airservicesaustralia.com

Airservices Australia

Statement of Intent

This Statement of Intent responds to the Statement of Expectations (July 2011 to June 2013) received from the Minister for Infrastructure and Transport. The Statement draws on Airservices Australia Corporate Plan 2011–16 which represents the organisation's priorities, specific performance measures and budget outcomes against key objectives and business strategies. A series of key performance indicators (KPIs) have been developed to provide appropriate measures by which the organisation's performance can be assessed with the specific quantitative targets outlined in Airservices Corporate Plan. As is current practice, progress against the KPIs will be reported to you on a quarterly basis.

Airservices Australia formally commits to meeting the expectations of the Minister. This will be achieved through the following key actions.

Statement of Expectations	Statement of Intent
1. Undertake effective stakeholder engagement with the community, industry and Government on the development and implementation of significant changes by Airservices to air traffic and rescue and fire fighting services	Airservices will develop and maintain relationships with key stakeholders in Government and industry and participate in relevant community, industry and Government forums to support the integrity of operations and whole-of-industry safety outcomes.
2. Perform its functions in a manner that supports Government policy, specifically the following three aviation goals outlined in the National Aviation Policy White Paper: <ul style="list-style-type: none">▪ safety remains the highest priority;▪ a responsible approach to managing the environmental impacts of aviation; and▪ a coordinated approach to airport planning and investment.	<p>Airservices will ensure that safety system enhancements and infrastructure replacement programs optimise safety benefits. Airservices will meet or exceed safety and performance benchmarks established in the Corporate Plan. In addition, Airservices will develop initiatives to improve the environmental performance of operations.</p> <p>Airservices will focus on connecting the component parts of the Australian aviation industry to enable the best business outcomes for individual participants.</p> <p>Airservices will create and deliver new value to the industry through innovation and the delivery of new services, products and technology particularly with respect to ground surveillance at airports and air traffic flow management.</p>
3. Continue to implement relevant Government air traffic management and other airspace policy initiatives in the Aviation White Paper (in conjunction with the Department, the Australian Transport safety Bureau (ATSB), the Civil Aviation Safety Authority (CASA) and the Department of Defence).	Airservices will continue to work cooperatively with the Department and Government agencies through the Aviation Policy Group and other forums to implement relevant air traffic management and other airspace policy initiatives contained in the Aviation White Paper.

Statement of Expectations	Statement of Intent
<p>4. Engage constructively in processes where it can provide information, assistance or advice for policy formulation, implementation and regulation undertaken by Government agencies, both within and outside my portfolio.</p>	<p>In line with Government policy, Airservices will coordinate and foster aviation industry relationships.</p> <p>Airservices will continue to participate in cross-agency forums and provide technical advice to assist with policy formulation in areas such as safety, airspace policy, airport planning and aviation environmental impacts.</p>
<p>5. Assist in implementing the Government's environmental initiatives in relation to climate change and aircraft noise management, including:</p> <ul style="list-style-type: none"> ▪ supporting the role of the Aircraft Noise Ombudsman; ▪ implementing the recommendations from the Aircraft Noise Ombudsman's review of complaints handling including the appropriate resourcing of the Noise Complaints Unit; ▪ undertaking an annual update of a detailed work program outlining Airservices' initiatives in managing, monitoring and reporting on the environmental effects of aircraft, including the Sydney Airport Long Term Operating Plan; and ▪ continuing to work on an implementation plan for the potential wider use of Required Navigation Performance (RNP) approaches at Australian airports to enhance safety and efficiency, reduce emissions, and minimise noise impacts, and the steps Airservices will take to consult with community and industry stakeholders on the plan. 	<p>Airservices will continue to develop Air Traffic Management and Aviation Rescue and Fire Fighting initiatives to improve the environmental performance of operations.</p> <p>Airservices will implement an Environment Strategy with an action plan with particular emphasis on the management of aircraft noise and its impact on affected communities. Specifically, Airservices will:</p> <ul style="list-style-type: none"> ▪ consult with the community on aircraft noise issues; ▪ enhance management of the Noise Enquiry Unit to enable improved complaints handling; ▪ maintain an independent Aircraft Noise Ombudsman's Office; and ▪ implement the recommendations of the Aircraft Noise Ombudsman. <p>Airservices will focus on implementing a range of new systems and tools across the core air traffic management suite that support optimal operations, including performance based navigation, to improve capacity, enhance safety, improve cost effectiveness, realise environmental benefits and meet customer needs.</p>
<p>6. Contribute to a coordinated approach to airport planning including appropriate participation in, and providing information to, planning coordination forums, community aviation consultation groups, and the National Aviation Safeguarding Advisory Group.</p>	<p>Airservices will continue participation in the National Aviation Safeguarding Advisory Group and other relevant forums and maintain a high level of stakeholder and community satisfaction.</p>

Statement of Expectations	Statement of Intent
7. Support the Government's Air Traffic Management (ATM) Policy through the development and implementation of an ATM Services and Facilities Plan.	<p>Airservices will develop and implement an ATM Services and National Facilities Plan that delivers long-term tangible improvements in safety, capacity management, flexibility and resource efficiency.</p> <p>Airservices will review service requirements in key traffic growth areas such as Western Australia.</p>
8. Provide a clearly defined Aerodrome Rescue and Fire Fighting Services (ARFFS) for civil operations at civil and joint-user airports that meet the establishment criteria in the Civil Aviation Safety Regulations 1998, and develop Memorandum of Agreements with State and Territory fire authorities.	<p>Airservices' Aviation Rescue and Fire Fighting (ARFF) service will continue to operate in line with relevant Civil Aviation Safety Regulations and in cooperation with State and Territory fire authorities.</p> <p>Airservices will continue to pursue outcomes based operating regulations for ARFF and establish Memoranda of Agreement as to roles and responsibilities established with State and Territory fire authorities for all airport locations.</p>
9. Progress the implementation of agreed joint civil and military aviation harmonisation initiatives in conjunction with the Department of Defence.	Airservices will collaborate with the Australian Defence Force to harmonise civil and military air traffic management operations to improve operational efficiency and cost effectively manage increasingly complex civil-military airspace integration requirements.
10. Continue to invest in future infrastructure upgrades and replacement programs as demonstrated in a detailed capital expenditure program, including enhanced air traffic and surveillance services at regional airports.	<p>Airservices will work collaboratively across the industry to anticipate, understand and plan for future needs.</p> <p>Airservices will develop a long-term plan for the replacement of the core air traffic management system to deliver operational flexibility and robust business continuity while meeting capacity growth and increasing flexibility.</p>

Statement of Expectations	Statement of Intent
11. Commit to a strong focus on human resource issues, including publication of an annual update of the Airservices Australia Workforce Plan, and the development and implementation of proactive training and retention policies.	<p>Airservices will attract and retain talent, deliver a flexible, empowered and engaged workforce that is supported by strong leadership.</p> <p>Airservices will develop leaders who are focussed on guiding and motivating the organisation's workforce to deliver future outcomes and will create opportunities for individuals to develop and excel and to ensure the workforce as a whole is ready to take on challenges of the future.</p> <p>Airservices will provide an annual Workforce Plan update, with specific emphasis on increasing workforce diversity, and developing a values based culture that does not tolerate bullying and harassment.</p>
12. Continue to support the Government's aviation safety agenda in the Asia/Pacific region.	<p>Airservices will collaborate internationally with neighbouring partners and support the Australian Government's aviation safety initiatives in the Asia Pacific region to improve the safety outcomes for the industry across the region.</p> <p>In particular, Airservices will assist air navigation service providers in Indonesia and Papua New Guinea to build air traffic service capability to facilitate increased safety, harmonisation and integration of air traffic management with Australia's adjoining airspace.</p>
13. Adhere to values and a code of conduct that maintains high standards of professionalism, customer services, probity, reporting, accountability and transparency, consistent with the Government's aim of excellence in the public sector.	<p>Airservices will continue to maintain a high level of compliance with relevant legislative requirements, policy and guidelines and will provide regular reporting to industry with performance KPIs embedded in the Service Charter. This will be supported by a comprehensive internal audit program.</p> <p>Airservices will maintain integrated management systems that support and promote excellence.</p>

Appendix C:

Minister's Statement of Expectations / Key Initiatives

Statement of Expectations	Corporate Plan initiatives
1. Stakeholder Engagement	<p>1.1 Implement the Long Term Safety Strategy.</p> <p>2.1 Identify, prioritise and implement services and upgrades to deliver tangible safety and operational benefits to the industry.</p> <p>3.4 Collaborate domestically and internationally to develop long-term solutions that maintain safety, improve operational efficiency and are environmentally responsible.</p>
2. Government Policy	<p>01 Maximising Safety Performance theme initiatives. Underpins other Plan initiatives</p>
3. Implementing Relevant White Paper Initiatives	<p>2.3 Implement the Aircraft Noise Management Strategy delivering worlds best practice in Aircraft Noise Management.</p> <p>2.6 Build flexibility to meet changing demand.</p> <p>3.1 Develop and implement an ATM Services and Facilities Plan.</p> <p>3.2 Implement a harmonised core ATM system in collaboration with the Department of Defence.</p>
4. Provision of Information, Assistance or Advice	<p>1.2 Collaborate locally and internationally to support the integrity of our operations and whole-of-industry safety outcomes.</p> <p>2.1 Identify, prioritise and implement services and upgrades to deliver tangible safety and operational benefits to the industry.</p> <p>3.4 Collaborate domestically and internationally to develop long-term solutions that maintain safety, improve operational efficiency and are environmentally responsible.</p>

Statement of Expectations	Corporate Plan initiatives
5. Environmental Responsibilities	<p>2.2 Develop predictive environmental tools.</p> <p>2.3 Implement the Aircraft Noise Management Strategy delivering worlds best practice in Aircraft Noise Management.</p> <p>2.4 Manage resources to minimise Airservices energy, water and waste footprint.</p> <p>3.4 Collaborate domestically and internationally to develop long-term solutions that maintain safety, improve operational efficiency and are environmentally responsible.</p> <p>3.5 Undertake research, development and trials in the deployment of enhanced and cost effective procedures, tools, technologies and systems.</p>
6. Airport Planning	<p>1.2 Collaborate locally and internationally to support the integrity of our operations and whole-of-industry safety outcomes.</p> <p>2.1 Identify, prioritise and implement services and upgrades to deliver tangible safety and operational benefits to the industry.</p> <p>2.3 Implement the Aircraft Noise Management Strategy delivering worlds best practice in Aircraft Noise Management.</p> <p>3.4 Collaborate domestically and internationally to develop long-term solutions that maintain safety, improve operational efficiency and are environmentally responsible.</p>
7. Air Traffic Management Policy	<p>2.1 Identify, prioritise and implement services and upgrades to deliver tangible safety and operational benefits to the industry.</p> <p>2.6 Build flexibility to meet changing demand.</p> <p>3.1 Develop and implement an ATM Services and Facilities Plan.</p> <p>3.3 Develop demand and capacity management capabilities.</p> <p>3.4 Collaborate domestically and internationally to develop long-term solutions that maintain safety, improve operational efficiency and are environmentally responsible.</p> <p>3.5 Undertake research, development and trials in the deployment of enhanced and cost effective procedures, tools, technologies and systems.</p>
8. Provision of Aerodrome Rescue and Fire Fighting Services (ARFFS)	<p>2.1 Identify, prioritise and implement services and upgrades to deliver tangible safety and operational benefits to the industry.</p>

Statement of Expectations	Corporate Plan initiatives
9. Joint Civil and Military Aviation Harmonisation Initiatives	3.2 Implement a harmonised core ATM system in collaboration with the Department of Defence.
10. Future Investment in Technology and Infrastructure	2.1 Identify, prioritise and implement services and upgrades to deliver tangible safety and operational benefits to the industry. 3.4 Collaborate domestically and internationally to develop long-term solutions that maintain safety, improve operational efficiency and are environmentally responsible.
11. Sustainable Workforce Planning	04 High Performing Organisation theme initiatives.
12. Harmonisation, Regional Safety	1.2 Collaborate locally and internationally to support the integrity of our operations and whole-of-industry safety outcomes. 3.4 Collaborate domestically and internationally to develop long-term solutions that maintain safety, improve operational efficiency and are environmentally responsible.
13. Public Sector Professionalism and Accountability	4.2 Develop and deliver a Professional Development Program. 4.6 Deliver a Culture Management Program. 4.7 Develop and implement a Diversity Action Plan. 4.8 Implement a Leadership Competency Model.

Appendix D:

Current Ministerial Directions

Calendar year	Date of issue	Subject
1996	29 May	Handling of aircraft noise complaints at Sydney and other federal airports
1997	30 July	Progressive implementation of Sydney Long Term Operating Plan
1999	3 May	Responsibilities in relation to the environmental effects of aircraft
2004	31 August	Provision of approach radar services at specific airports

Glossary

ACCC	Australian Competition and Consumer Commission
ADS-B	Automatic Dependent Surveillance-Broadcast
ANO	Aircraft Noise Ombudsman
ARFF	Aviation Rescue and Fire Fighting
ARFFS	Aerodrome Rescue and Fire Fighting Services
ATC	Air Traffic Control
ATM	Air Traffic Management
ATS	Air Traffic Service
CACG	Community Aviation Consultation Group
CASA	Civil Aviation Safety Authority
CDM	Collaborative Decision Making
EBIT	Earnings before interest and tax
EMS	Environment Management System
ICAO	International Civil Aviation Organization
IFR	Instrument Flight Rules
IPD	Integrated Project Delivery
LoS	Loss of Separation
LTPA	Long Term Pricing Agreement
NCIS	Noise Complaints and Information Service
RNP	Required Navigation Performance
SIDs	Standard Instrument Departures
SMS	Safety Management System
STAR	Standard Terminal Arrival Route
TAAATS	The Australian Advanced Air Traffic System

