



Corporate Plan 2013–18





About this plan

This plan describes Airservices Australia's strategic agenda and future direction for the period 2013–18. 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
Deputy Prime Minister
Minister for Infrastructure and Transport
Minister for Broadband, Communications and the Digital Economy
Parliament House
CANBERRA ACT 2600

Dear Deputy Prime Minister

Corporate Plan 2013-18

The Board of Airservices Australia is pleased to submit to you the *Airservices Australia Corporate Plan* for the period 1 July 2013 to 30 June 2018.

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 black ink, appearing to read "Angus Houston".

Air Chief Marshal Angus Houston AC, AFC (Ret'd)
Chair
30 June 2013

connecting australian aviation



From the Chair

As the Chair of Airservices Australia I am delighted to present the organisation's 2013–18 Corporate Plan that has a clear focus on maximising safety performance in all aspects of Airservices operations. It builds on the progress made under the previous plan to work towards achieving Airservices 2020 Vision, 'Connecting the Australian aviation industry to deliver world best industry performance'.

Recognising the importance of its people, Airservices continues to grow its leadership capability through a range of formal and informal programs and forums, supported by a strong set of organisational values.

Airservices is also actively seeking to improve opportunities for under-represented groups across all levels and roles within the organisation through the endorsement of the Airservices Diversity Strategy and the launch of the Airservices Reconciliation Action Plan.

Airservices continues to work with a range of government agencies and industry to deliver the Government's long-term policy objectives

as well as meet operational expectations. The organisation is building on its unique position within the Australian aviation industry to help industry realise the full benefits of collaborative decision making from the customer service, cost saving, and environmental perspective.

Delivery of environmentally responsible services which appropriately consider aircraft emissions and noise management continues to remain a key focus. Airservices continues to work with the Aviation Noise Ombudsman to improve the way community issues are managed as well as develop a range of tools to better understand the impacts that changes to aircraft operations may have.

In response to the ongoing strong activity growth at capital city and other major airports, Airservices is working collaboratively with airlines and airports to improve air traffic flow. This will ensure that there is a balance between demand and available capacity, and that airborne holding is minimised to reduce fuel costs and environmental impacts, as well as improve efficiency and increase the utilisation of existing infrastructure.



There is higher than average growth in passenger numbers in regional locations where activity is driven by the resources sector. This presents a key challenge for Airservices as it works to provide expanded or new services and infrastructure to accommodate this regional growth and maintain safety standards.

To improve service delivery efficiency to regional Australia and neighbouring flight information regions, Airservices is closely monitoring the mandatory transition to Automatic Dependent Surveillance Broadcast (ADS-B) technology to expand airspace surveillance capability and facilitate the seamless management of services across all phases of flight, including with adjoining air navigation service providers.

The magnitude of these challenges requires Airservices to make step changes in its operational systems and workforce capability. Good progress continues to be made on civil-military harmonisation, including the procurement activity to support the introduction of a common next-generation air traffic management

system to enable the flexibility and capability to plan for and effectively manage the challenges.

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 achieve our 2020 vision.

Angus Houston
Chair

Airservices role

Airservices provides air navigation services across Australian and oceanic airspace, covering 11 per cent of the earth's surface, for over four million aircraft movements and 137 million regular passenger transport movements each year. According to the Bureau of Infrastructure, Transport and Regional Economics there has been a 14 per cent increase in passenger movements between 2007–08 and 2011–12.¹

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 provides aviation rescue and fire fighting (ARFF) services at 22 of Australia's busiest airports, including a planned new service at Port Hedland.

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, Airservices is required 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 and subject to independent investigation by the Australian Transport Safety Bureau.

Airservices air navigation services are delivered according to Civil Aviation Safety Regulations 171, 172 and 173. The organisation adopts a performance-based air traffic management framework that is aligned with International Civil Aviation Organization 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, Airservices engages stakeholders through regular consultation to develop a common understanding and agreement on 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.

¹ Airservices data and Bureau of Infrastructure, Transport and Regional Economics at www.bitre.gov.au/publications/ongoing/files/WebAirport_FY_1986-2012.xls

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

It is expected that air traffic passenger numbers will grow at similar rates to real gross domestic product (GDP) which is in line with the historical correlation between aviation activity and economic growth. Based on forecast GDP growth, projected air traffic volumes growth is 3 per cent in 2013–14 and then slightly higher over the five years to 2017–18.

While growth is expected to be stable over the five-year period, there is some risk that there will be volatility from year to year as a result of a number of factors, including fluctuations in resources-led economic growth, competition for market share and volatility in international economies.

Throughout 2012–13 international traffic operations in Australia outperformed previous growth forecasts. Whilst there is still the threat of global economic uncertainty, moderate growth is expected to continue over the medium term particularly across Asian routes where increases in Asian regional household wealth is driving tourism aviation activity and new international routes to, and through, countries such as China and India are being established. Sustained competition from Middle Eastern and Asian carriers flying in and out of Europe is also expected to continue to drive international growth.

Domestically, traffic volume growth is benefitting from increased competition, with major domestic carriers substantially increasing their capacity over the last 12 months. Whilst this competition for market share is expected to ease over the medium term, growth in domestic traffic is forecast to be maintained at moderate levels as aviation services continue to expand in regional areas to support the resources sector.

Air passenger movements through Australian airports are projected to grow by 50 per cent over the next 20 years¹. The challenge for the aviation industry is to work together to accommodate this growth within the constraints of existing airport and surveillance infrastructure by improving efficiency and capacity, while implementing the infrastructure to meet the industry's long-term needs.

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.

Airservices will remain vigilant via its safety management system and continue to focus on improving our safety performance and supporting infrastructure to meet industry expectations.

National aviation policy

The Government's long-term policy objectives for the aviation industry are set out in the Aviation White Paper. Airservices has been contributing to a number of these objectives through a range of initiatives that are contained in this and previous plans including:

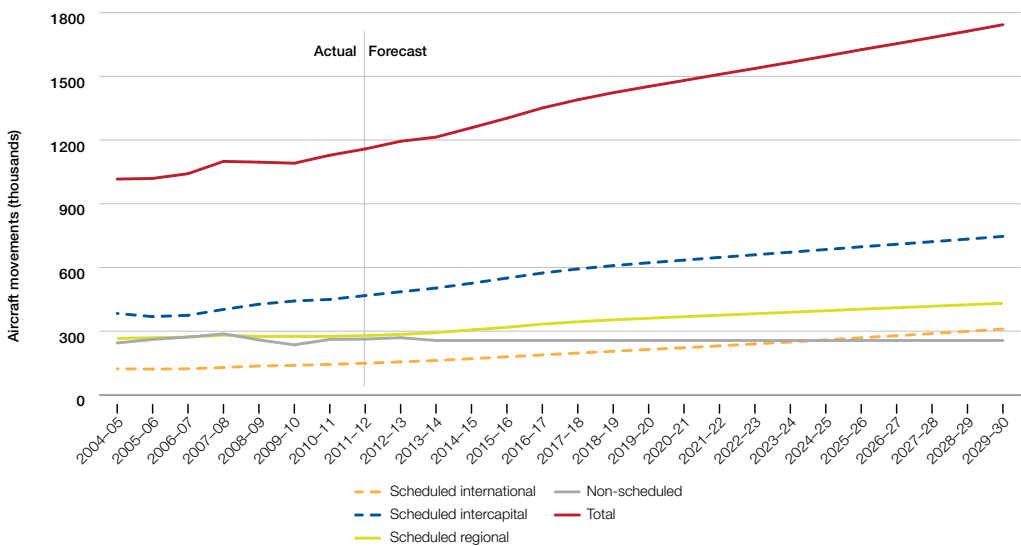
- Civil military harmonisation
- infrastructure investment
- new technology and procedures to improve operational efficiency and minimise noise impacts.

Significant progress has been made in delivering these policy objectives in close collaboration with a number of government agencies and industry,

¹ http://www.bitre.gov.au/publications/2012/files/report_133.pdf, pg. 63



Figure 1: Aircraft movements through Australian airports



Source: Bureau of Infrastructure, Transport and Regional Economics and Airservices data.

with the establishment of an independent Aircraft Noise Ombudsman (ANO), 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 \$1.1 billion in the renewal, replacement and building of new national aviation infrastructure.

The ANO was appointed in September 2010 and has conducted three major reviews which included a number of recommendations for Airservices. All recommendations were accepted and the progress as per the ANO's March 2013 quarterly report is below:

- The February 2011 complaints handling review report made 18 recommendations focusing on improvements to the way Airservices managed noise complaints. All these recommendations were actioned and have been closed.
- The November 2011 Perth noise information and complaint resolution review report made seven recommendations focusing on the provision of information to communities in the Perth region. All these recommendations were actioned and have been closed.
- The March 2012 Sydney aircraft noise information review report made nine recommendations focusing on the provision of information to communities in the Sydney region and three remain open with action underway.

From 1 September 2010 to 31 March 2013, the ANO handled 283 complaints from members of the public, of which 256 had been closed as at 31 March 2013.

The Aviation White Paper also emphasises the need to move towards greater harmonisation of civil and military air traffic management (ATM). Airservices is continuing to work closely with the Department of Defence on a unified approach to the acquisition and support of an upgraded and harmonised civil and military ATM platform. In 2012–13 a memorandum of cooperation was established between the two agencies, with Airservices acting as the lead agency for the

procurement of the system. It is expected that the request for tender for the new harmonised operational platform will be released before the end of the 2012–13 financial year. A number of other harmonisation initiatives are being progressed between Airservices and Defence including:

- The implementation of a communications project which will enable the exchange of Radar and ADS-B data between Airservices and Defence. This will provide both agencies with a more comprehensive and reliable picture of Airspace use.
- The provision of an Airservices data feed from TAAATS via a format converter to Defence to enable their compliance with the changes required under ICAO 4444 Flight Notification Form and planning procedures without incurring significant system upgrade costs.
- Contractual arrangements which extend existing services to support common requirements including the provision of Flight Inspection Services of terrestrial navigation aids, as well as NOTAM and Briefing services to provide a cost saving to Defence.

Operations

The continuing and projected growth in air traffic presents increasing complexity to the operating environment, including challenges such as maintaining safety, effectively managing demand and capacity, minimising environmental impacts, and developing future capabilities. In response, Airservices continues to reform its operations to optimise the management of Australia's airspace and the use of aviation infrastructure.

In collaboration with airports and airlines, Airservices is improving the flow of air traffic to and from our major airports to ensure there is a balance between demand and available capacity, and is minimising airborne holding to reduce fuel costs and environmental impacts.

Through its national Airport Capacity Enhancement (ACE) program Airservices is collaborating with airports and industry stakeholders to address the growing demand at Australia's major airports by identifying

opportunities to improve efficiency and by increasing the utilisation, and in some cases augmentation, of existing infrastructure.

For 2013–14 the recommendations from the ACE program will be progressed at Melbourne, Perth and Brisbane. It is important to note that the level of benefit achieved under ACE is contingent on industry cooperation.

To improve service delivery efficiencies at regional airports and in regional areas, Airservices is further enabling the existing radar surveillance capability and closely monitoring the mandatory transition to Automatic Dependant Surveillance Broadcast (ADS-B) technology to expand contiguous surveillance services.

ADS-B capability and the implementation of enhanced system conflict detection supports the rollout of user preferred routes and trajectories as well as the seamless management of services across all phases of flight, including with adjoining air navigation service providers. This should also reduce airline costs and emissions.

The magnitude of these challenges requires Airservices to make step changes in its operational systems and workforce capability. The introduction of a next-generation air traffic management system will enable the flexibility and capability to plan for and effectively manage those challenges.

The growth in passenger numbers and the introduction of larger, more modern aircraft fleets is also affecting our Aviation Rescue and Fire Fighting (ARFF) group:

- Increases in aviation activity, particularly fly-in fly-out, have resulted in a number of new ARFF services being commissioned in remote aerodromes.
- A number of category increases to existing ARFF stations are required to service larger aircraft.

This unprecedented growth in demand for ARFF services represents a significant challenge for Airservices to ensure there are sufficient trained ARFF professionals to deliver the new and higher category ARFF services.

Labour market

Through its *Workforce Plan* Airservices is focused on attracting, developing, and retaining the workforce for the future as well as growing a more diverse, mobile and flexible workforce.

Airservices employs over 3900 staff, including more than 1000 air traffic controllers and more than 700 qualified engineers and technicians, and is one of the world's largest providers of ARFF services, employing more than 795 firefighters. Over the next five years Airservices staffing levels are expected to increase modestly in net terms in response to demographic trends, service provision at new locations, and the ongoing delivery of new capital infrastructure.

Airservices has a highly skilled mature-aged workforce, which is a trend reflected in the broader Australian employment market. How Airservices improves its workforce planning, talent management, leadership development and workforce capability will impact its long-term sustainability as it seeks to secure talent in an increasingly competitive market.

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. Improving the retention of mature-aged workers through phased retirement, mentoring and job and knowledge sharing are essential workforce strategies to mitigate this risk and are highlighted in the Airservices Workforce Plan.

The Board considers that women, Indigenous Australians and people with disabilities are currently under-represented in the Airservices workforce. The Board and management are committed to improving the diversity of our workforce. The Executive continues to support a range of 'women in leadership' initiatives and the Executive Diversity Council is proud to have launched the Airservices Reconciliation Action Plan and a cultural events calendar as key strategies to create change and improve awareness.

Strategy

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

Airservices corporate strategy map (Figure 2) outlines the organisation's three strategic themes and the core outcomes that will support delivery of the organisation's vision over the next five years.

The core outcomes are arranged under the three strategic themes of:

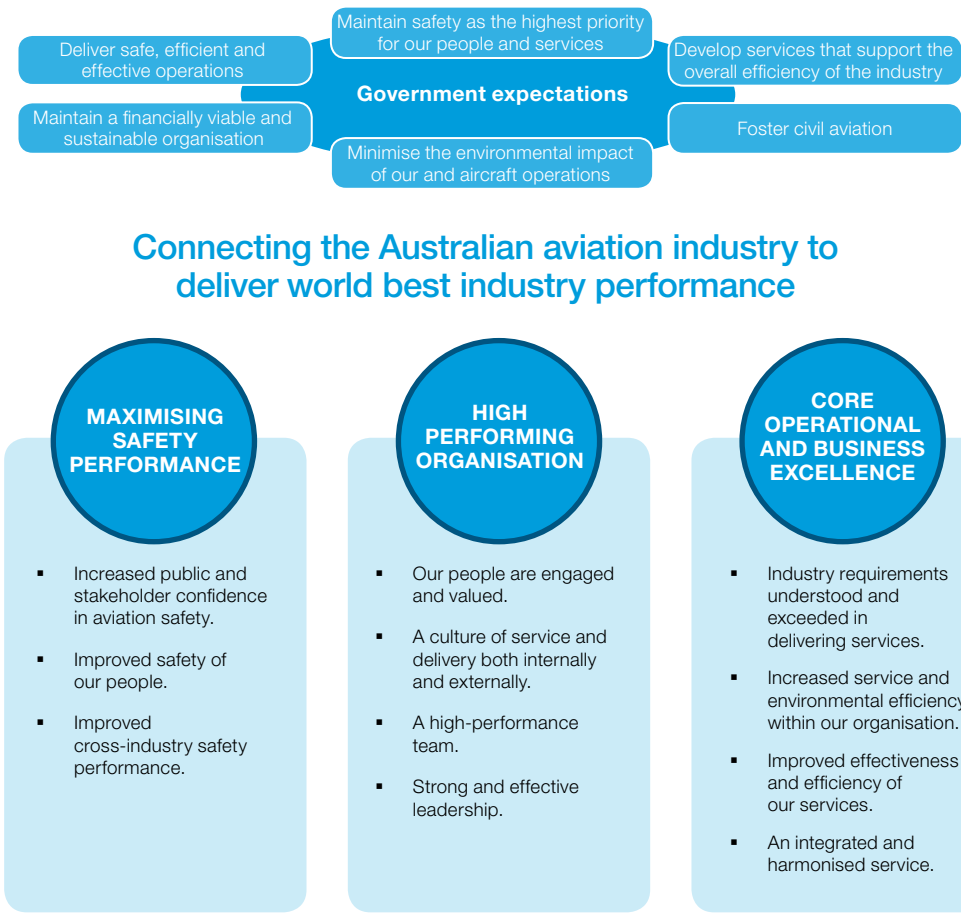
- maximising safety performance
- high performing organisation
- core operational and business excellence.

These themes and the respective core outcomes inform the development of Airservices key initiatives aimed at meeting the Government's expectations as derived from the Statement of Expectations provided by the Minister for Infrastructure and Transport, meeting customer expectations, delivering process improvements and efficiency, and continuing the development of its people and systems.

Detailed descriptions of the themes, the core outcomes and the key initiatives are outlined in the following pages.

Key achievements for the last 12 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 Aviation 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 environmental 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 B.

The Aviation White Paper initiatives will also be delivered through the strategic initiatives set out in this plan. These include:

- continuing civil–military harmonisation
- implementing a \$1.1 billion infrastructure investment program
- introducing new technologies and procedures to improve operational efficiency
- minimising the impact of aircraft noise
- clarifying ARFF roles and responsibilities.

Objectives

Airservices will deliver on the expectations of the Government 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 well-being 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 strategic theme of maximising safety performance continues to build on the two high level themes; reduction of the risk associated with key operational and workplace hazards and delivery of targeted safety benefits.

It underpins the organisation's commitment to increased public and stakeholder confidence, as well as improved organisational and cross-industry safety outcomes domestically and internationally.

Airservices is delivering initiatives that will maintain and enhance its current high levels of safety, as traffic levels grow and operational complexity increases, by optimising airspace design, delivering new services at regional aerodromes and enhancing operational analysis.

Initiatives under this theme also emphasise the importance of continually improving work health and safety (WHS) culture and outcomes. Airservices manages a diverse range of WHS risks through its corporate integrated reporting and risk information system.

Airservices hosts a range of local, national and regional safety collaboration activities and forums to enhance sharing of safety information and lessons learned.

A key foundation of Airservices operational and workplace safety approach is risk management. The organisation uses its risk management framework to identify hazards and threats to safety and actively implements mitigation strategies to manage those risks to as low as reasonably practicable.

Core outcomes

When considering the theme of maximising safety performance, there are three core outcomes that should be achieved. These outcomes and outcome descriptions are outlined below.

Outcomes	Descriptions
Increased public and stakeholder confidence in aviation safety.	Measurable improvement in the level of public and stakeholder confidence in Airservices and its safety performance through targeted and measured safety promotions, communications, community engagement and alignment.
Improved safety of our people.	Aligned organisation work health and safety (WHS) plan and training program that is delivering measurable safety improvements making Airservices a safer place to work.
Improved cross-industry safety performance.	Enhanced internal and external safety performance through the delivery of air traffic management and aviation rescue and fire fighting services.

Key initiatives and indicators

The following key initiatives are central to achieving the core outcomes.

Key initiatives	
1.1	Optimise localised airspace design to enhance operational safety, efficiency and environmental outcomes.
1.2	Improve safety at regional aerodromes through the delivery of new services (Surveillance Arrangements For Regional Airports - SAFRA).
1.3	Improve awareness and confidence in Airservices safety performance.
1.4	Collaborate locally and internationally to support the integrity of our operations and whole-of-industry safety outcomes.
1.5	Enhance operational analysis through development of predictive tools and reporting frameworks.
1.6	Improve Workplace Health and Safety (WHS) culture and outcomes.
1.7	Enhance our safety management system (SMS) and safety culture.

The following key indicators guide organisational performance as Airservices moves towards achieving its core outcomes.

Key indicators	Target/trend 2013–14
ATS attributed en route LoS² rate Air Traffic Service attributed number of en route loss of separation (LoS) occurrences per 100,000 flight hours.	0
ATS attributed terminal area LoS rate Air Traffic Service attributed number of terminal area loss of separation (LoS) occurrences per 100,000 movements.	0
ATS attributed tower LoS rate Air Traffic Service attributed number of tower loss of separation (LoS) occurrences per 100,000 movements.	0
ATS attributed runway incursions Number of ICAO Class A or B Airservices Air Traffic Service attributable runway incursions.	0
Aircraft in critical proximity Number of instances where an evasive movement was required to avoid a collision.	0
Lost time injury frequency rate Where a lost-time injury is defined as an occurrence that resulted in a fatality, permanent disability or time lost from work of one day/shift or more.	0
WHS incident rate Occurrences per 100 staff per month.	< 0.2
Safety management system maturity benchmark External assessment of the maturity of Airservices Safety Management System (SMS) against the Civil Air Navigation Services Organisation (CANSO) Standard of Excellence in SMS.	2013–14 Top industry quartile

² Loss of separation (LoS) is a breach in the prescribed minimum distance between an aircraft and another aircraft or object.

02 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, values-based leadership.

Airservices strategic theme of a high performing organisation underpins its commitment to deliver efficient and effective services through an engaged, high-performance workforce guided by strong and effective leadership.

Over the next five years, the organisation's staff numbers are expected to increase modestly in net terms in response to demographic trends and industry growth demands. The organisation also faces challenges to maintain skilled and capable staff with the increasing rate of retirement predicted as an outcome of the organisation's age profile.

The 2013–14 Workforce Plan builds on earlier work to focus on critical roles to identify potential skills and capability gaps. Evidence-based workforce planning requirements, combined with internal capability building through targeted recruitment and training, is needed to ensure

that the workforce supply matches current and future demands.

As an Enterprise Registered Training Organisation, Airservices delivers nationally recognised and accredited qualifications in air traffic control, aviation rescue and fire fighting and management through the Airservices Learning Academy. This is a key enabler in meeting the technical, operational, safety and corporate training requirements that support our highly specialised and skilled core operational and technical workforce. Approximately 10 per cent of staff receiving training at any time.

Initiatives under this theme emphasise the importance of building and fostering the management and leadership capability within the organisation and proactively implementing a number of initiatives focused on employee engagement and greater collaboration.

Core outcomes

When considering the theme of high performing organisation, there are four core outcomes that should be achieved. These outcomes and outcome descriptions are outlined below.

Outcomes	Descriptions
Our people are engaged and valued.	A diverse workforce that is enthusiastic about its work and the future of the organisation's shared vision. This is reflected in continual improvement, both in respect to the work being undertaken and in the interactions across the organisation.
A culture of service and delivery both internally and externally.	A fully developed and embedded service delivery philosophy that clearly supports the role we all play in delivering services both internally and externally.
A high-performance team.	An organisation where all employees share a core set of values, work collaboratively, have clearly defined roles and are supported by people systems that identify, develop and retain talent.
Strong and effective leadership.	Leaders, at all levels, who live the values, working collaboratively to deliver the organisation's vision. A leadership team that is diverse, bringing together experience across the business and new knowledge.

Key initiatives and indicators

The following key initiatives are central to achieving the core outcomes.

Key initiatives	
2.1	Improve the alignment of key systems, processes and accountabilities through an integrated management system (IMS).
2.2	Update the Services Charter.
2.3	Reform the forward training program.
2.4	Review the end-to-end training model (ATC and ARFF).
2.5	Improve operational training programs for ARFF, ATC and Projects and Engineering (P&E).
2.6	Enhance and execute the Airservices Diversity Strategy.
2.7	Align employee relations strategy to business strategy.
2.8	Develop and implement an ethics and fraud strategy.
2.9	Refine and improve the workforce model.
2.10	Enhance and implement management and leadership capability.
2.11	Collaborate with the Department of Defence to identify and progress opportunities for harmonisation under the Australian Civil–Military ATM Committee (AC-MAC).

The following key indicators guide organisational performance as Airservices moves towards achieving its core outcomes.

Key indicators	Target/trend 2013–14
Employee engagement survey – values focused Engagement score expressed as a percentage of satisfaction and specific values-related results.	75%
Increased diversity Increases in the number of women in non-traditional roles and participation of Indigenous Australians and people with disabilities.	percentage increase
Employee initiated separation Number of employee-initiated separations per year as a percentage of Airservices workforce.	< 5%
Succession management and career development Career ratio - transfers and promotions per year as a percentage of permanent senior management vacancies.	80%
Training Demand Number of qualifications issued against accredited training (ARFF). Number of ATS recruits endorsed (ATC).	175 80

03 Core operational and business excellence

Airservices performance is focused on enhancing safety, improving capacity, cost-effectiveness and realising environmental benefits, while meeting customers' current needs and creating new value for industry. The delivery of agreed priorities in an efficient, effective and predictable manner is essential to the financial viability and sustainability of the organisation.

Airservices strategic theme of core operational and business excellence underpins the organisation's commitment to improve service efficiency within the organisation as well as the effectiveness of our services by better understanding industry requirements.

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

This focus will enable the organisation to better meet domestic, international and regional demand while concurrently improving efficiency and safety. The key considerations include:

- the need for flexible services in remote locations (particularly driven by the resources sector)
- demand exceeding capacity at capital city airports.

Airservices needs to continue working collaboratively across the industry to anticipate, understand and plan for future needs through innovation, new services and technology. Collaborative decision making through data analysis and information sharing provides a unique opportunity to create greater connection between airlines, airports, air traffic management and the harmonisation of navigation services and systems.

Airservices provides industry with updates on its performance and delivery through the Services Charter, which articulates the measurable targets and commitments to customers and stakeholders.

Initiatives under this theme focus on meeting industry requirements with an integrated and efficient service that is capable of meeting the anticipated future demand.

Core Outcomes

When considering the theme of core operational and business performance, there are four core outcomes that should be achieved. These outcomes and outcome descriptions are outlined below.

Outcomes	Descriptions
Industry requirements understood and exceeded in delivering services.	Services Charter that clearly articulates industry and stakeholder requirements and expectations, with measurable targets that drive organisational performance.
Increased service and environmental efficiency within our organisation.	Measurable improvements in efficiency and quality through aligned and fit-for-purpose systems, processes and behaviours that meet internal and external customer requirements.
Improved effectiveness and efficiency of our services.	Embedded systems and processes that deliver service availability which exceeds internal/external requirements in the medium term.
An integrated and harmonised service.	An operational platform and service that recognise the cross-industry linked nature and input of all airspace system users.

Key initiatives and indicators

The following key initiatives are central to achieving the core outcomes.

Key initiatives	
3.1	Implement a harmonised core ATM system in collaboration with the Department of Defence.
3.2	Deliver new regional ARFF services.
3.3	Develop and implement demand and capacity management capabilities
3.4	Improve capacity management through Airport Capacity Enhancement (ACE).
3.5	Implement a new aircraft noise management strategy.
3.6	Improve environmental measurement, modelling and reporting.
3.7	Improve the environmental management system and reduce energy, water and waste footprint.
3.8	Optimise acquisition of goods and services through supplier category management (SCM).
3.9	Enhance supplier performance through implementation of a supplier relationship management (SRM) framework.
3.10	Implement the information communication technology (ICT) business reform program.
3.11	Improve alignment in airport planning outcomes.
3.12	Improve project delivery.
3.13	Align future technology acquisition and deployment with service plans.
3.14	Enhance the efficiency and effectiveness of property management.

The following key indicators guide organisational performance as Airservices moves towards achieving its core outcomes.

Key indicators	Target/trend 2013–14
Capital project delivery Percentage of projects delivered on time and within budget.	> 90%
ATS availability Hours of Air Traffic Service availability as a percentage of total hours of coverage.	> 99.9%
Aircraft holding Percentage of total airborne holding to ground holding at Sydney, Melbourne and Brisbane.	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

Key indicators	Target/trend 2013–14
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%
Runway capacity achieved Percentage of maximum runway movement capacity delivered during peak periods.	> 95%
ARFF operational preparedness Percentage of time ARFF resources were available to meet required capacity according to the regulated service category for the aerodrome.	> 99.9%
NCIS compliance Noise complaints and information service (NCIS) compliance to prescribed response times for complaints and enquiries.	≥ 95%
CACG participation Airservices participation at community aviation consultation group (CACG) meetings.	≥ 90%
Noise improvements investigated Number of noise improvement proposals investigated.	25 per year
Noise improvements delivered Number of changes which deliver an improved noise outcome for the community.	percentage increase
Noise information Aircraft noise information and complaint reports made available to the community and industry	Reports for 11 identified locations every quarter*
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 with the organisation's service delivery.	> 80%

* The locations currently identified for Aircraft noise and information reports are; Adelaide Basin, Brisbane Basin, Gold Coast, Melbourne, Perth Basin, Canberra, Cairns, Sunshine Coast, Sydney Basin, Hobart Cambridge and Launceston, and Darwin. www.airservicesaustralia.com/publications/reports-and-statistics/noise-reports





Financial plan

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

The plan incorporates the latest economic outlook and compared to the previous plan anticipates the establishment of additional services to accommodate regional growth.

Key capital investment activities remain focussed on the replacement of Airservices core air traffic management system, with additional investment to support new regional services as well as provide for a new tower and on-airfield assets that will be required as a result of redevelopment proposed by Sydney Airport. On balance, the net impact of these changes to the plan, along with a major change in the accounting for defined benefit superannuation costs, will see lower rates of return compared to the forecast in the previous plan.

The five year operating projections and performance measures are expected to track broadly in line with regulated return targets (Table 1).

Pricing

The prices for Airservices core airways services are 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 its review.

Airservices sets its prices with airlines and other customers using a five-year Long Term Pricing Agreement (LTPA). The current LTPA was established by Airservices and not objected to by the ACCC in October 2011. This allows pricing to recover all reasonably incurred costs (including a return on capital employed) relating to the delivery of services. This agreement provides price certainty for customers through to June 2016.

Table 1: Five-year operating and performance projections

Description	2013 forecast ¹ (\$ million)	2014 plan (\$ million)	2015 plan (\$ million)	2016 plan (\$ million)	2017 plan (\$ million)	2018 plan (\$ million)
Airways revenue	924.2	950.4	993.1	1,028.0	1,080.9	1,116.8
Other revenue	26.1	26.3	27.3	28.3	29.4	30.6
Total revenue	950.3	976.7	1,020.4	1,056.3	1,110.3	1,147.4
Staff costs	560.6	617.1	633.1	649.3	679.2	703.6
Supplier costs	167.3	178.6	183.2	184.9	190.3	194.9
Depreciation	111.8	122.8	124.3	128.3	134.3	139.3
Total expenses before interest and tax	839.7	918.5	940.6	962.5	1,003.8	1,037.8
Performance						
Earnings before interest and tax (EBIT)	110.60	58.20	79.8	93.8	106.5	109.6
EBIT/revenue	11.6%	6.0%	7.8%	8.9%	9.6%	9.6%
Return on assets	10.4%	5.9%	6.7%	7.1%	7.5%	7.5%
Net profit after tax	68.1	26.0	40.0	47.7	56.0	58.5
Return on equity after tax	18.3%	6.1%	8.5%	9.4%	10.3%	10.0%
Gearing ²	45.4%	49.5%	52.0%	52.8%	50.8%	49.1%
Returns						
Dividends	21.0	14.1	9.9	13.1	15.5	17.2

1. February 2013 forecast

2. Gearing = (net debt + non trading liabilities) / (net debt + non trading liabilities + shareholders' equity)

Operating performance

Overall financial performance will track in line with regulated return on asset targets with return on equity averaging 8.9 per cent per annum, and earnings before interest and tax returns on revenue forecast to achieve an average of 8.4 per cent per annum.

Throughout 2012–13 revenue growth has continued to improve as a result of strong domestic airline competition. Over the planning period this is projected to ease and return to long-term airways traffic volume growth levels.

Operational expenditure increases have been incorporated in the plan to deliver new ARFF and ATC services to support regional and fly-in fly-out operations in the resources sector. The development and transition to the new air traffic management system is also expected to affect operating costs over the planning period, initially to fund tender activities, then later in the plan to fund transition and training activities. These projected outcomes will be reviewed and refined as the procurement progresses and the scale of

change compared to the existing human interface and operating concept becomes clear.

Operating costs are also forecast to increase by around \$20 million per annum as the changes to the accounting for defined benefit superannuation expenses take effect in the new financial year. The new methodology requires an actuarial valuation of fund earnings based on Government bond rates rather than the previous basis of historical fund earnings. At current bond rates this change will effectively double the annual defined benefit superannuation expense.

With capital investment cycles reaching their peak midway this plan, depreciation costs are projected to flatten over the latter half of the plan.

Capital expenditure

Capital investment is projected to increase from the previous plan to accommodate the regional growth and Sydney Airport redevelopment with expenditure of \$1.1 billion now planned over the next five years.

Table 2: Five-year capital expenditure projections

Description	2013 forecast ¹ (\$ million)	2014 plan (\$ million)	2015 plan (\$ million)	2016 plan (\$ million)	2017 plan (\$ million)	2018 plan (\$ million)	Total 5 years (\$ million)
ARFF	25.8	16.1	7.5	1.0	2.0	7.0	33.6
Airways IT	42.4	30.2	54.6	80.0	89.0	98.0	351.9
IT infrastructure	3.1	22.7	35.9	12.0	9.0	-	79.6
Building and property	15.0	79.3	53.6	58.2	33.6	24.4	249.1
Business applications	14.2	11.9	8.7	5.5	1.0	1.0	28.1
Communications	5.4	15.6	21.1	33.3	18.3	39.8	128.1
Non-IT infrastructure	11.3	16.3	19.3	6.0	6.0	3.0	50.6
Navigation	12.7	21.8	6.6	1.0	4.0	1.0	34.4
Surveillance	42.2	39.0	22.1	20.1	7.9	8.5	97.6
Asset purchases	5.0	1.9	1.9	1.9	1.9	-	7.6
Total program	177.0	254.9	231.3	219.0	172.7	182.7	1,060.6

1. February 2013 forecast

Ongoing investment in tower infrastructure and technology, the replacement of back-up terrestrial based navigation aids and surveillance equipment upgrades accounts for the majority of investment in the upcoming years.

In the second half of the plan the focus of the capital program shifts to replacing and upgrading Airservices core air traffic management system, TAAATS, which will reach its end of life at the end of the decade.

Returns, dividends and gearing

Over the term of the plan:

- earnings before interest and tax will average \$90 million per annum
- returns over revenue are forecast at an average annual rate of 8 per cent
- returns over assets are projected below agreed LTPA rates of return at 7 per cent per annum.

After incorporating the changes to the previous plan, these results remain broadly in line with regulated return levels.

With a continuing substantial capital expenditure program, this plan proposes to maintain current dividend payout ratios at 30 per cent of net profit after tax. This is projected to return an average of \$14 million in dividends each year.

Through sustained levels of profitability, dividend planning and management of capital expenditure funding, gearing is projected to remain within target levels and average 51 per cent over the term of the plan, reaching 49 per cent by 2017–18.



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 Civil Aviation Safety Authority (CASA).

The Minister provides a 'Statement of Expectations' (Appendix A) and ministerial directions (Appendix C) which represent 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 initiatives.

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 the 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
- The Board Environment Committee provides oversight on environmental compliance and initiatives, environmental regulatory functions and organisational strategy to address environmental issues.
- The Board Remuneration and Human Resources Committee provides oversight of staffing-related matters and remuneration of executives.

The Airservices board of training provides oversight and governance of the delivery of quality training outcomes.

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. 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 Air Traffic Management and Aviation Rescue and Fire Fighting Services groups 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. This includes operational risk assessments, safety change management, safety controls assurance, safety training and certification, audit, safety incident investigations, cross-industry safety groups and forums.
Work Health and Safety	Airservices manages a diverse range of risks for Work Health and Safety associated with our work locations, nature of work and workforce. High-risk work includes construction, electrical works, work at heights, emergency rescues, and remote works.	Work Health and Safety is managed under a strategic systematic improvement program. Process controls are governed through the Safety Management System. Specialist resources support managers to address risks. Monitoring and management review programs (for risks and health of workers) identify any deficiencies and improvement opportunities.
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) provides governance for the management of Airservices environmental obligations. This includes assessment of changes to aircraft operations, development and review of environmental site plans, management of site-specific environmental hazards, delivery of training, and conduct of assurance reviews. In relation to noise monitoring, a national Noise Complaint and Information Service is staffed, an independent Aircraft Noise Ombudsman has been in place since September 2010 and a range of community and airport noise consultation forums are participated in 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.	Airservices maintains 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 in place.
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 the 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. This is managed through a strategic approach, which utilises multiple communication channels including a comprehensive communication and consultation protocol.

Performance against previous plan

Airservices *Corporate Plan 2012–17* outlined four strategic themes:

- maximising safety performance
- core operational and business excellence
- creating new value for industry
- high performing organisation

A number of programs spanned more than one financial year, with performance against each strategic priority regularly monitored. The major achievements for 2012–13 are outlined by theme below.

01 Maximising safety performance

- The completion of the upper airspace Automatic Dependent Surveillance Broadcast (ADS-B) program which allows aircraft with appropriate equipage to be accurately tracked without the need for conventional radar. This enables increased opportunity for aircraft to operate at preferred levels and on preferred routes to deliver environmental benefits and cost savings through reduced fuel burn as well as improved safety. The fitment and use of ADS-B avionics will be mandatory for all aircraft operating above 29,000 feet in Australian airspace from December 2013.

It also delivers improved functionality for pilots and allows operators to submit flight plans in the new format mandated by International Civil Aviation Organization.
- The completion of training needs analysis for all safety-related training articulating the learning objectives and target audiences, and the subsequent transition of safety training accountability to the Learning Academy as part of the organisation's centralised training approach. All safety training is now included in the whole-of-organisation training forward schedule.
- The commissioning of a new radar at Paraburdoo in the Pilbara region of Western Australia to provide surveillance coverage for the mining hub airports, and a transportable radar at Mount Sandon in New South Wales as part of the organisation's En Route Radar Replacement Project.
- The development of a safety training matrix to identify the specific safety training requirements for different roles, allowing for a more effective approach to training delivery.
- The roll out of a new corporate integrated reporting and risk information system which provides a 'corporate-wide view' of organisational issues, risks, obligations and occurrences.
- The launch of the new National Aeronautical Information Processing System internet service which allows automated air traffic management (ATM) systems to capture new aircraft technologies and capabilities associated with Performance Based Navigation, communication and surveillance.

02 Core operational and business excellence

- The commissioning of a new control tower at Rockhampton, where Airservices also commenced using the Integrated Tower Automation Suite technology that combines flight and operational data, as well as surveillance and voice communications, into a single, integrated tower-specific layout.
- The release of a study undertaken by UK NATS into the capacity of Perth Airport to address delays and congestion as part of the Airport Capacity Enhancement program. The technical report identified 24 capacity initiatives for Airservices, Perth Airport and the airline community to work together to establish a robust operations concept, incorporating both airfield and airspace initiatives to improve runway capacity.
- The completion of the upgrade works on the instrument landing system (ILS) at Adelaide, Sydney and Perth airports which supports the safe and efficient movement of air traffic into and out of the airport, particularly during low visibility and bad weather conditions.
- The completion of the terminal area radar at Perth Airport, as part of the \$90 million Australian Mode S Terminal Area program which will deliver higher rates of operational availability, improved data and reduced maintenance requirements.
- The implementation of the Air Traffic Flow Management Ground Delay Program in Brisbane to reduce airborne holding and consequently reduce emissions and fuel costs for customers.
- The opening of a \$20 million Projects and Engineering building in Melbourne with a five-star Green Star rating from the Green Building Council of Australia.
- The delivery and acceptance of eight Mk8 ultra-large fire vehicles to replace some of the aging vehicle fleet and support A380 operations and category upgrades.
- The new noise management principles which have led to an improved community engagement framework.
- The development of utility management plans for the Canberra, Brisbane, Gold Coast, Melbourne and Hobart airport precincts, which will assist Airservices to identify opportunities for improvements to energy and water use. Airservices will develop further utility management plans across other locations to minimise its energy, water and waste footprint.
- The analysis of ATM-related operational performance in the Australian flight information region from 2009 to 2012 which will allow for comparison of the operational efficiency of our ATM services with other air navigation service providers. This activity was undertaken in collaboration with the University of NSW, using a framework developed by Eurocontrol and the FAA.
- The development of a noise and emissions baseline, which will be used to support the modelling of any change to noise and emissions resulting from a change in aircraft operations, has been piloted for Sydney airport.
- The quarterly development and publication of Noise Information reports for eleven major urban areas which provide the public with information and analysis on aircraft movements, noise monitoring and complaint issues.

03 Creating new value for industry

- The signing of an agreement on the national ATM Surveillance Infrastructure Plan between Airservices and the Department of Defence (through the Australian Civil-Military ATM Committee) supports their shared commitment to realising the opportunity for the harmonisation of civil and military ATM systems through joint planning and implementation.
- An aligned Airservices and Royal Australian Air Force nationally accredited Diploma of Aviation (Air Traffic Control), which is the first step in working together to identify and progress potential areas for harmonisation in curriculum and cross-training opportunities.
- The collaboration with FAA and Eurocontrol to develop the Flight Information Exchange Model, which is an evolving standard for the representation and exchange of flight information across flight information regions.
- Assisting in development of system specifications for new and replacement Very High Frequency communication stations in Papua New Guinea with the support of the Australian Agency for International Development (AusAID) and the Department of Infrastructure and Transport. This is part of a broader technology upgrade which will include improved surveillance through deployment of ADS-B and updating of the ATM Automation system.
- The delivery of training and capability enhancement of ATC and ARFF in Denpasar, Indonesia, between April 2012 and March 2013 as part of the Indonesia Transport Safety Assistance Package Airport Emergency Plan project.
- The completion of permanent Required Navigation Performance procedures at Melbourne, Adelaide, Cairns and Canberra.
- The implementation of an improved engagement strategy with major airports for their master planning process. The changes enable early identification and resolution of related planning issues before the formal public consultation stage of the planning process.



04 High performing organisation

- Work to develop a holistic ATM service and facilities plan, initially to focus on the Sydney Basin, which builds on Airservices five-year plans for ATM and ARFF and the *Strategic Services Plan and Roadmap*.
- The Diversity Council's endorsement of the Airservices Diversity Strategy, which provides a framework for the development and delivery of initiatives under the themes of Indigenous, gender, mature age, culturally and linguistically diverse, and disability, over time.
- The launch of the *Airservices Reconciliation Action Plan 2012–16*, in which the organisation publicly stated its commitment to improving participation of Australian Indigenous people through a range of organisational actions framed around relationships, respect, and opportunities.
- The publication of *Airservices Workforce Plan 2012–13* focusing on an improved understanding of critical job roles, future demand, and the current workforce to identify skills gaps. This information is used to inform strategies to mitigate the key workforce risks identified.
- The roll out of the Airservices Learning Academy's five-year strategic plan (2012–16), highlighting its key priorities and initiatives to meet the organisation's training and skills needs.
- The alignment of all Airservices leadership development programs to the internally endorsed leadership competencies and their evaluation using a standard framework. Building on the Airservices Leadership Framework, quarterly leadership development forums were held in Brisbane, Melbourne and Canberra. The Step Up to Management program aimed at pre-management preparation was introduced, and approximately 40 managers completed the Managing for Results program this year.
- The completion of a pilot coaching program to increase managerial capability within operational ARFF. The program is now being evaluated for a broader roll out.
- Delivered a review of the suite of Governing Documents to ensure that workplace conduct is reflective of the organisation's values and the way in which employee complaints are managed is compliant.

Appendix A:

Minister's Statement of Expectations



The Hon Anthony Albanese MP

Minister for Infrastructure and Transport
Minister for Regional Development and Local Government
Leader of the House

29 APR 2013

Reference: 01234-2013

Air Chief Marshal Angus Houston AC AFC (Ret'd)
Chair
Airservices Australia
GPO Box 367
CANBERRA ACT 2601

Dear Air Chief Marshal Houston

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

The new SOE covers the period from 1 July 2013 to 30 June 2015, replacing the previous statement of 2 May 2011 and represents a notice of strategic direction under Section 17 of the *Air Services Act 1995*.

I look forward to receiving your Statement of Intent outlining how you intend to meet these expectations. I also ask that the next Airservices corporate plan covers each element of the SOE and that the Board's quarterly reports outline progress against each of these elements during the period covered by the SOE.

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 2013 to 30 June 2015**

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 2013 – 30 June 2015. 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 2013.

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.

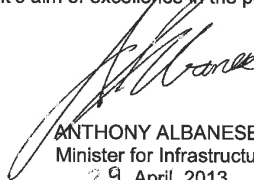
I expect that the Board of Airservices will:

- 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
- 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 consultation with the community, industry and Government on the development and implementation of significant changes by Airservices to air traffic and aviation rescue and fire fighting services.
2. perform its functions in a manner that supports Government policy, specifically the following three key aviation goals:
 - 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 Government air traffic management and other airspace policy initiatives (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 independent Aircraft Noise Ombudsman (ANO) and implementation of agreed recommendations made by the ANO;
 - the appropriate resourcing of the Noise Complaints Unit to continue to improve the flow and quality of information to noise affected communities;
 - continuing the annual update of a detailed environmental work plan which outlines Airservices initiatives in managing, monitoring and reporting on the environmental effects of aircraft;
 - the ongoing commitment to the Sydney Airport Long Term Operating Plan; and
 - the wider use of Required Navigation Performance (RNP) approaches, as appropriate, at Australian airports to enhance safety and efficiency, reduce emissions and minimise noise impacts, following consultation with community and industry stakeholders.
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 Aviation 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 continue to develop and implement Memorandum of Agreements with State and Territory fire authorities.
9. progress the implementation of agreed joint civil and military aviation harmonisation initiatives with the Department of Defence including Airservices acting as the lead agency on the future joint air traffic control system project.
10. continue investment 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 recruitment, training and retention policies.
12. continue to support the Government's aviation safety initiatives 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
29 April 2013

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 2013 to 30 June 2015.

The new Statement replaces the previous statement which was issued by the Minister for Infrastructure and Transport, the Hon Anthony Albanese MP, on 2 May 2011.

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 independent 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 2013 and expires on 30 June 2015.

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 consult with the community, industry and Government in relation to the development and implementation of significant changes to air traffic and aviation rescue and fire fighting services.

Item 2 – Government Aviation Policy

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

Item 3 – Implementing Relevant Government Air Traffic Initiatives

The Government has a number of ongoing air traffic management and other airspace policy initiatives. 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 requires Airservices to provide information and advice to other Government agencies to assist in their performance of 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 agreed recommendations from the Aircraft Noise Ombudsman, annually update a detailed environmental work plan and continue to work on the wider use of Required Navigation Performance (RNP) at Australian airports in consultation with the community and industry.

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 Aviation 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

This item requires Airservices, to continue to work with the Department of Defence to enhance civil and military aviation harmonisation to realise the benefits of improved safety, better investment in personnel and infrastructure, seamless systems compatibility and smarter procurement practices. The provision confirms that Airservices will act as the lead agency in the joint future air traffic control system project.

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 – Asia-Pacific Regional Aviation 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 reflects that Airservices should operate 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:

The Board's Statement of Intent and alignment of key initiatives

The Airservices Board's Statement of Intent responds to the Statement of Expectations (July 2013 to June 2015) received from the Minister for Infrastructure and Transport and states Airservices formal commitment to meeting the expectations of the Minister.

By aligning each key initiative from within this Corporate Plan to our Statement of Intent, Airservices is able to demonstrate the action we will undertake to meet the Minister's Expectations over 2013–14.

Statement of Expectations	Statement of Intent	2013–14 initiatives
1. Stakeholder Engagement Undertake effective consultation with the community, industry and Government on the development and implementation of significant changes by Airservices to air traffic and aviation rescue and fire fighting services.	Airservices will consult 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.	1.3 Improve awareness and confidence in Airservices safety performance. 2.2 Update the Services Charter. 3.5 Implement a new aircraft noise management strategy.
2. Government Aviation Policy Perform its functions in a manner that supports Government policy, specifically the following three aviation goals: <ul style="list-style-type: none"> ▪ safety remains the highest priority ▪ a responsible approach to managing the environmental impacts of aviation ▪ a coordinated approach to airport planning and investment. 	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. Airservices will focus on connecting the component parts of the Australian aviation industry to enable the best business outcomes for individual participants. 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.	1.1 Optimise localised airspace design to enhance operational safety and efficiency. 1.2 Improve safety at regional aerodromes through the delivery of new services (Surveillance Arrangement For Regional Airports - SAFRA). 1.4 Collaborate locally and internationally to support the integrity of our operations and whole-of-industry safety outcomes. 1.7 Enhance our safety management system (SMS) and safety culture. 2.1 Improve the alignment of key systems, processes and accountabilities through an integrated management system (IMS). 3.2 Deliver new regional ARFF services. 3.6 Improve environmental measurement, modelling and reporting. 3.7 Improve the environmental management system and reduce energy, water and waste footprint. 3.14 Enhance the efficiency and effectiveness of property management.

Statement of Expectations	Statement of Intent	2013–14 initiatives
3. Implementing relevant Government Air Traffic Initiatives Continue to implement Government air traffic management and other airspace policy initiatives (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.	3.1 Implement a harmonised core ATM system in collaboration with the Department of Defence. 3.5 Implement a new aircraft noise management strategy.
4. Provision of Information, Assistance or Advice 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	In line with the Government's policy, Airservices will coordinate and foster aviation industry relationships. 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.	1.3 Improve awareness and confidence in Airservices safety performance. 1.5 Enhance operational analysis through development of predictive tools and reporting frameworks. 2.2 Update the Services Charter.
5. Environmental Responsibilities Assist in implementing the Government's environmental initiatives in relation to climate change and aircraft noise management, including: <ul style="list-style-type: none"> supporting the ongoing role of the independent Aircraft Noise Ombudsman (ANO) and implementation of agreed recommendations made by the ANO the appropriate resourcing of the Noise Complaints Unit to continue to improve the flow and quality of information to noise affected communities continuing the annual update of a detailed environment work plan which outlines Airservices initiatives in managing, monitoring and reporting on the environmental effects of aircraft the ongoing commitment to the Sydney Airport Long Term Operating Plan the wider use of Required Navigation Performance (RNP) approaches, as appropriate, at Australian airports to enhance safety and efficiency, reduce emissions, and minimise noise impacts, following consultation with community and industry stakeholders. 	Airservices will continue to develop air traffic management and aviation rescue and fire fighting initiatives to improve the environmental performance of operations. 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: <ul style="list-style-type: none"> consult with the community on aircraft noise issues enhance management of the Noise Complaints Information Service to enable improved complaints handling maintain an independent Aircraft Noise Ombudsman's Office implement the recommendations of the Aircraft Noise Ombudsman. 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.	1.5 Enhance operational analysis through development of predictive tools and reporting frameworks. 3.3 Develop and implement demand and capacity management capabilities. 3.4 Improve capacity management through Airport Capacity Enhancement (ACE). 3.5 Implement a new aircraft noise management strategy. 3.6 Improve environmental measurement, modelling and reporting. 3.7 Improve the environmental management system and reduce energy, water and waste footprint.

Statement of Expectations	Statement of Intent	2013–14 initiatives
6. Airport Planning 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.	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.	3.5 Implement a new aircraft noise management strategy. 3.11 Improve alignment in airport planning outcomes.
7. Air Traffic Management Policy Support the Government's Air Traffic Management (ATM) Policy through the development and implementation of an ATM Services and Facilities Plan.	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. Airservices will review service requirements in key traffic growth areas such as Western Australia.	3.3 Develop and implement demand and capacity management capabilities. 3.4 Improve capacity management through Airport Capacity Enhancement (ACE). 3.11 Improve alignment in airport planning outcomes.
8. Provision of Aviation Rescue and Fire Fighting Services (ARFFS) Provide a clearly defined Aviation 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 continue to develop and implement Memorandum of Agreements with State and Territory fire authorities.	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. 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.	1.2 Improve safety at regional aerodromes through the delivery of new services (Surveillance Arrangements For Regional Airports - SAFRA) 3.2 Deliver new regional ARFF services.
9. Joint Civil and Military Aviation Harmonisation Progress the implementation of agreed joint civil and military aviation harmonisation initiatives with the Department of Defence including Airservices acting as the lead agency on the future joint air traffic control system project.	Airservices act as lead agency with the Australian Department of Defence to harmonise civil and military air traffic management operations to improve operational efficiency and cost effectively manage increasingly complex civil-military airspace integration requirements.	2.11 Collaborate with the Department of Defence to identify and progress opportunities for harmonisation under Australian Civil–Military ATM Committee (AC-MAC). 3.1 Implement a harmonised core ATM system in collaboration with the Department of Defence.
10. Future Investment in Technology and Infrastructure Continue investment 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.	Airservices will work collaboratively across the industry to anticipate, understand and plan for future needs. 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.	3.12 Improve project delivery. 3.14 Enhance the efficiency and effectiveness of property management.

Statement of Expectations	Statement of Intent	2013–14 initiatives
11. Sustainable Workforce Planning 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 recruitment, 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>	<p>1.6 Improve Workplace Health and Safety culture and outcomes.</p> <p>2.3 Reform the forward training program.</p> <p>2.4 Review the end-to-end training model (ATC and ARFF).</p> <p>2.5 Improve operational training program for ARFF, ATC and Projects and Engineering (P&E).</p> <p>2.6 Enhance and execute the Airservices Diversity Strategy.</p> <p>2.7 Align employee relations strategy to business strategy.</p> <p>2.8 Develop and implement an ethics and fraud strategy</p> <p>2.9 Refine and improve the workforce model.</p> <p>2.10 Enhance and implement management and leadership capability.</p> <p>3.13 Align future technology acquisition and deployment with service plans.</p>
12. Asia-Pacific Regional Aviation Safety Continue to support the Government's aviation safety initiatives 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>	<p>1.4 Collaborate locally and internationally to support the integrity of our operations and whole-of-industry safety outcomes.</p> <p>2.12 Collaborate with the Department of Defence to identify and progress opportunities for harmonisation under Australian Civil–Military ATM Committee (AC-MAC).</p>

Statement of Expectations	Statement of Intent	2013–14 initiatives
13. Public Sector Professionalism and Accountability 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.	<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>	<p>2.1 Improve the alignment of key systems, processes and accountabilities through a integrated management system (IMS).</p> <p>2.3 Reform the forward training program.</p> <p>2.6 Enhance and execute the Airservices Diversity Strategy.</p> <p>2.7 Align employee relations strategy to business strategy.</p> <p>2.8 Develop and implement an ethics and fraud strategy.</p> <p>2.9 Refine and improve the workforce model.</p> <p>2.10 Enhance and implement management and leadership capability.</p> <p>3.8 Optimise acquisition of goods and services through supplier category management (SCM).</p> <p>3.9 Enhance supplier performance through implementation of a supplier relationship management (SRM) framework.</p> <p>3.10 Implement the information technology (ICT) business reform program.</p>

Appendix C:

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.

List of acronyms

ACCC	Australian Competition and Consumer Commission
ACE	Airport Capacity Enhancement
AC-MAC	Australian Civil-Military ATM Committee
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
ATSB	Australian Transport Safety Bureau
AusAID	Australian Agency for International Development
BITRE	Bureau of Infrastructure, Transport and Regional Economics
CACG	Community Advisory Consultative Group
CANSO	Civil Air Navigation Service Organisation
CASA	Civil Aviation Safety Authority
EBIT	earning before interest and tax
EMS	environment management system
FAA	Federal Aviation Administration
GDP	gross domestic product
ICAO	International Civil Aviation Organization
ILS	instrument landing system
IMS	integrated management system
LoS	loss of separation
LTPA	Long Term Pricing Agreement
NCIS	noise complaints and information service
PBN	Performance Based Navigation
P&E	Projects and Engineering

RNP	Required Navigation Performance
SAFRA	Surveillance Arrangements for Regional Airports
SCM	supplier category management
SRM	supplier relationship management
SMS	Safety Management System
TAAATS	The Australian Advanced Air Traffic System
WHS	Work Health and Safety



