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Annual Report  
13-14



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## Letter of transmittal



Chair

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The Hon Warren Truss MP  
Deputy Prime Minister  
Minister for Infrastructure and Regional Development  
Parliament House

Canberra ACT 2600

Dear Deputy Prime Minister

Airservices Annual Report 2013–14

On behalf of the Board of Airservices Australia, I am pleased to submit to you the Airservices Australia Annual Report for the financial year 2013–14.

The report has been prepared in accordance with the requirements of the *Air Services Act 1995*, *Commonwealth Authorities and Companies Act 1997* and relevant Finance Minister's Orders.

The report outlines the achievements and milestones met by Airservices, and includes a review of operations and financial statements for the year ending 30 June 2014.

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

Yours sincerely

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



## Chair's report

I am pleased to present the Airservices annual report for 2013–14, my third as Chair of the Board.

This year has been a difficult one for the global community. Recent air tragedies have brought us together, as never before, with a shared grief for those who have lost loved ones.

I was humbled to be asked by the Prime Minister to be his Special Envoy, to lead the effort in the Ukraine following the downing of MH17. I felt it was a natural extension of my responsibilities as the head of the agency leading the search for Malaysia's MH370.

I sincerely hope the next few months will bring some relief and comfort to those who have lost loved ones and to the aviation industry as we try to comprehend and learn from these terrible tragedies.

Safety is our number one priority, and Australia continues to have one of the lowest loss of separation occurrence rates attributable to civilian air traffic control in the world. To ensure we maintain this reputation, a safety task force was established to review and implement a range of new safety initiatives. The Board and I are of the clear view that our ongoing efforts to improve safety at every opportunity are vital in supporting the aviation industry.

People drive safety through their everyday actions and this is evident throughout Airservices by our impressive safety record. Our new Work Health

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and Safety strategy is reinforcing the principles of 'safety by design' and delivering initiatives that are improving outcomes with a focus on wellbeing at work, and it is pleasing to see that this year our statistics show that we have had a reduction in dangerous workplace incidents.

Airservices focus is to provide industry with the certainty and incentive to plan and invest for the long term. We are doing this through the provision of the latest in technology, improving airport capacity and assisting airlines in reducing costs.

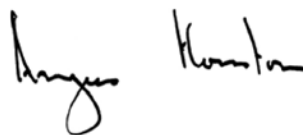
International movements continue to grow with the number of arrivals increasing by 6.7 per cent compared with 2012–13, and this significant ongoing growth is forecast for the years ahead. While our customers are dealing with difficult market conditions, they have remained positive about our initiatives to improve efficiency. We have also continued to demonstrate to Government our ability to deliver both savings to industry and lower the administrative costs of service delivery.

I am pleased with the progress made in collaboration with Defence in evaluating tenders for Australia's future single air traffic management system, OneSKY Australia. Airservices has a clear strategy for the smooth delivery of this project, and has brought together a highly experienced and capable project team which is on track. In support of this, it is vital that we deliver the right workforce for the future, both in terms of numbers and capability, and I am confident that we will be able to do so.

In 2013–14 we increased the number of our aviation rescue fire fighting trainees and delivered an increased number of air traffic control recruit courses so that we will have the right people with the right capabilities to meet the future requirements for our business delivery and the aviation industry as a whole.

The achievements and results contained in this report are a result of the outstanding performance of our people. I am proud to lead people who are genuinely committed to improving both Airservices and Australian aviation. I thank and commend our people for their ongoing efforts and it is a pleasure to serve them as Chair of the Board.

I would also like to acknowledge Dr Warren Mundy who resigned from the Airservices Board in October 2013, after more than five years of committed service to the organisation, with over four of those as Deputy Chair. The term of David Burden also ended in May 2014, and I want to thank him for his dedication to Airservices over the past five years.



**Air Chief Marshal Angus Houston**  
**AC, AFC (Ret'd)**  
Chair



## Chief Executive Officer's report

This year has been an important year for Airservices. As we all know the aviation industry is growing and changing and we have to be ready to meet those changes. We have already achieved tangible improvements in our systems, services and practices and planning for delivery of a single civil-military harmonised air traffic management system is well underway.

I know we understand what we need to achieve and as an organisation we also understand our strategic goals to get us there. The challenge is for us to be in a position to manage the forecast growth of air traffic movement in Australia of as much as 60 per cent by 2030.

This growth will place significant demand on Airservices capability and services. Over the past year we have committed our time and resources to better use technology and streamline our systems to improve service delivery and to prepare for the ongoing challenges presented by aviation growth. I am confident that Airservices can meet these future challenges.

The Melbourne – Sydney – Brisbane triangle of airspace is comparable to any high density airspace in the world including the busiest in either Europe or the United States. The Sydney to Melbourne city pair was consistently listed over the past year as the second busiest flight corridor in the world. In October, we saw our busiest day in Sydney since the Sydney Olympics in 2000, only just short of our busiest day ever, and in December we achieved a record for the busiest hour and day at Brisbane Airport.

Safety remains Airservices number one priority and will continue to be a key focus of my leadership. Despite our exceptional safety record, we must always guard against complacency, and I commissioned a task force in October, Skysafe, to examine the safety of our systems and look at how we can further strengthen the safety of the services we provide. This work has included the

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potential for improvements in conflict detection, the way in which air routes are structured and options to better support air traffic controllers so that safety continues to underpin all our actions.

We made positive progress during the year with the OneSKY Australia programme, which will deliver the next generation air traffic control system in collaboration with the Department of Defence. The significance of OneSKY cannot be overestimated. By replacing the current ageing air traffic management platform that was commissioned in the late 1990s, OneSKY will meet higher customer expectations such as enhanced navigation and communication capability, readily adaptable to global changes in aircraft technology and safety performance.

The anticipated delivery of OneSKY has driven a commitment during 2013–14 to examine the way we do business and the way we support our people. To support our transformation, we commenced the culture journey ‘Our people, our future.’ This culture journey will support our effort to put the customer at the heart of everything we do, increase collaboration and ensure we work as one team, and invest in our people.

I am pleased that despite the challenging market conditions faced by our customers, they have remained positive about the programs and systems that Airservices has delivered to improve airspace and airport capacity and smooth demand across the country. I want to ensure we continue to enhance our stakeholder engagement and build on this momentum, with a genuine customer focus and increase in our efforts toward working in partnership. This includes actively working with aviation industry partners on initiatives to help contain costs.

The expansion of the Metron-Harmony ground delay system saw positive results for the industry during 2013–14, minimising airborne holding,

which assists with fuel savings and associated emissions, enhances safety and reduces traffic congestion. Our Airport Capacity Enhancement programme also delivered benefits in reduced runway occupancy times. At Brisbane alone, these initiatives saw airborne delays during the morning and evening peak periods drop by 35 per cent and runway occupancy times decrease to 41 seconds, making it one of the world’s best-performing airports for single runway operations.

This year we also celebrated the 10th anniversary of the first use of Flextracks in Australian airspace. Flextracks are another clear example of our support for our customers as we assist in improving their flight times, reducing operating costs and delivering environmental benefits for all. There are now approximately 31 flights each day using 17 Flextracks between Australia and airports in Asia and the Middle East.

Airservices capital investment of more than \$186 million during the reporting period included a commitment to using the latest technology to safely and efficiently manage the movement of aircraft. We commissioned two new air traffic control towers at Adelaide and Melbourne, both operating fully digital systems that integrate flight and operational data along with surveillance and voice communications. In addition, we commissioned a number of radars across the country. In May, we implemented our Ground Based Augmentation System, ‘SmartPath’, at Sydney Airport. This is an important investment in technology that provides increased safety and efficiency to industry by improving the accuracy of aircraft positioning.

Increased demand on the network from resources sector traffic, an increase in tourism and the growth of new low cost carriers has triggered additional requirements for Airservices aviation rescue fire fighting service during the reporting period. In response, we have delivered

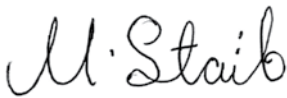
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a service upgrade from category 6 to category 7 at Port Hedland and are investing over \$80 million to establish new services at Gladstone in Queensland, Newman in Western Australia and at Coffs Harbour and Ballina in New South Wales.

We continued to expand our efforts during 2013–14 to minimise the environmental impact of aircraft operations and our environmental footprint and we have worked closely with the community, industry and government to deliver better environmental outcomes. We implemented our Aircraft Noise Management Strategy in November and commenced a \$25 million, five-year noise and flight path monitoring programme. We also trialled a modified flight path in Western Australia to improve aircraft noise impact for more than 4000 residents.

The year ahead looks exciting, as we move closer to transitioning to OneSKY. We will also build on the strong work we have undertaken this year in assisting airports and airlines in realising greater capacity and delivering more reliable services that enable fuel and emission savings.

My congratulations to everyone across our organisation on the outstanding results of 2013–14 and I know we will continue to contribute to the ongoing success of Airservices and a more responsible and sustainable future for the Australian aviation industry.



**Margaret Staib**  
Chief Executive Officer





# 01

**WHO WE ARE**



## Who we are

The primary role of Airservices is to provide air navigation and aviation rescue fire fighting services for our customers, aviation industry and the community.

Our commitment to safety is paramount. We are also committed to improving our efficiency, meeting aviation capacity demands and minimising the environmental impact of our operations (including those that impact the community). We place the customer at the heart of everything we do and understand and respond to their changing needs while continuing to hold safety as our highest priority.

We do this through our work with our customers, industry and government partners and by seeking outcomes for a more responsible and sustainable future for the Australian aviation industry.

Our position within the Australian aviation industry provides us with a unique, whole-of-industry perspective. We have a primary role in connecting many of the elements of the industry and are well placed to help improve the industry for our customers.

We provide information vital to measuring and improving performance across the entire industry and provide the link between airlines, airports, air traffic management, navigation services and systems.

Our aim is to assist in connecting the Australian aviation industry to allow airspace users to enjoy the benefits of safe, efficient and more cost-effective aircraft movements.

## Our role

Every year, Airservices manages more than four million aircraft movements carrying over 90 million passengers and provides air navigation services across 11 per cent of the world's airspace.

We have two major operating centres in Melbourne and Brisbane and a head office in Canberra. We operate 29 air traffic control towers and four terminal control units at international and regional airports and provide aviation rescue fire fighting services at 22 of Australia's busiest airports.

## Our mission

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

## Our vision

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

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## Our values

**Excellence**—we work to make everyone successful by engaging with others, delivering on our commitments and always looking for the best possible outcome.

**Inclusion**—we foster a welcoming, diverse and professional workplace where everyone is able to contribute to or understand the decisions that affect them in an open and transparent way.

**Cohesion**—we work together to connect our organisation and our industry by actively engaging with others, drawing on experience and sharing knowledge and information.

**Initiative**—we make a difference by identifying innovative solutions and seeking to continuously improve.

**Courage**—we do what is right and speak up. We challenge ourselves, others and the status quo.

## Our goals

- Provide safe and efficient aviation services.
- Support our customers, industry and stakeholders.
- Future-proof the aviation industry.
- Engage our people.
- Deliver the latest technology.
- Improve noise outcomes for the community.

## 2013–14 highlights

### Improving safety

- Established Operation Skysafe, a special taskforce to review the way air routes are structured to find ways to better support air traffic controllers and improve safety outcomes for our customers and the aviation industry.
- Implemented a Surveillance Advisory Service for Sunshine Coast and Alice Springs airports, and a radar approach service for Mackay Airport.
- Led delivery of an international Runway Safety Program with industry partners.
- Reviewed airspace to improve air traffic safety and efficiency including consultation for the Adelaide and Brisbane Basins.
- Our fire fighters responded to more than 7200 emergency calls, including more than 3760 first aid calls.
- Our fire fighters attended 36 requests to provide mutual aid to state and territory emergency services, most notably large-scale response to the Hazelwood coal mine fire near the Victorian town of Morwell.
- Invested more than \$80 million in planning and construction of new aviation rescue fire fighting services to provide safe air traffic operations for our customers.
- Commissioned 10 new ultra-large fire rescue vehicles for aviation rescue fire fighting operations.
- Our aviation rescue fire fighting service attended more than 170 events nationally as part of our ultra-large fire vehicle community awareness safety programme.
- Commissioned new radar at Round Mountain and Mount Bobbara in New South Wales as part of the Enroute Radar Replacement project.

- 
- Signed a memorandum of cooperation and exchange of safety information with Indonesia.

## **Connecting aviation**

- Leading the development of OneSKY Australia—a harmonised civil-military air traffic management system.
- Managed more than four million flights carrying more than 90 million passengers.
- Handled more than 769 000 flights from Australia's four major airports—Sydney, Melbourne, Perth and Brisbane.
- Supported CASA through the delivery of a nation-wide awareness campaign to the aviation industry in support of the Automatic Dependant Surveillance-Broadcast (ADS-B) mandate.
- Commissioned new air traffic control towers at Adelaide and Melbourne airports.
- Upgraded aviation rescue fire fighting services at regional and international airports including Adelaide, Brisbane, Launceston, Mackay and Perth.

## **Supporting customers**

- Delivered a capital works programme of \$186.5 million.
- Commissioned SmartPath, a ground-based augmentation landing system at Sydney Airport—the first of its type in the Asia-Pacific and southern hemisphere.
- Reduced airborne holding times at Melbourne Airport by implementing the Metron-Harmony ground delay system, following successful implementation at Sydney, Perth and Brisbane.
- Implemented Airport Capacity Enhancement (ACE) programmes at Melbourne and Perth airports and worked with the Air Traffic Management planning group at Sydney Airport to reduce runway occupancy times.

- Decreased runway occupancy times at Brisbane Airport to 41 seconds, making it one of the world's best-performing airports for single runway operations.
- Commenced the Navigation Rationalisation Project to remove navigation aids no longer required by the industry.
- Invested more than \$100 000 in sponsorships to support aviation industry initiatives.
- Provided 18 scholarships to assist recipients to obtain their flight qualifications enabling them to undertake a career in aviation.

## **Our environment**

- Celebrated the 10th anniversary of Flextracks in Australian airspace, which saves fuel and reduces carbon dioxide (CO<sub>2</sub>) emissions for our customers.
- Assisted airlines reduce CO<sub>2</sub> emissions by an estimated 19 000 tonnes by establishing the Arabian Sea Indian Ocean User Preferred Route.
- Commenced a \$25 million, five-year programme to undertake both short and long-term noise and flight path monitoring.
- Reduced aircraft noise for more than 4000 residents in Perth, Western Australia.
- Launched a website ([www.aircraftnoise.com.au](http://www.aircraftnoise.com.au)) on aircraft noise in conjunction with the Australian Airports Association to provide easy-to-understand information to the community on aircraft noise and its impacts.

## **Our people**

- Commenced the 'Our people, our future' culture programme to support our efforts to be a more customer centric business.
- Implemented strategies, which resulted in 80 per cent staff engagement as reflected in our 2014 employee pulse survey.
- Achieved re-accreditation for Airservices as a Registered Training Organisation.

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- Our Learning Academy was named one of three finalists in the Victorian Training Awards 2014 “Employer of the Year” category.
  - Recruited and trained 118 new aviation rescue fire fighters.
  - Introduced a new advanced driver-training programme for aviation rescue fire fighters.
  - Increased the number of recruitment courses for air traffic controllers in preparation for increased demand on our services.
  - Delivered 397 operational training courses to 1606 staff.
  - Implemented a skills framework to help identify future information communication technology skill requirements.

## Our engagement

- Received the IHS Jane's Award for service provision to the aviation industry together with industry partners.
- Presented our approach for determining air traffic controller staffing levels to the United States National Academy of Sciences as part of an international benchmarking exercise.
- Surveyed stakeholders on their satisfaction with Airservices, and achieved 92 per cent rating of satisfied or very satisfied.
- Reviewed Papua New Guinea Air Services Limited's maintenance and engineering capability and worked with them to develop a long-term enhancement programme.
- Committed to continue to provide upper airspace management throughout the Nauru and Solomon Islands Flight Information Regions and to work collaboratively to improve capability.
- Commissioned the Australian Super Hornet communications project in collaboration with the Department of Defence.
- Assisted the Department of Defence in the provision of air traffic control approach services at RAAF Base Richmond.







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**CORPORATE  
OVERVIEW**

## Principal activities

Airservices is a Commonwealth Statutory Authority, established by the *Air Services Act 1995*. Our primary role is to provide air navigation and aviation rescue fire fighting services, which are regulated by the Civil Aviation Safety Authority (CASA).

Our air traffic control services are delivered according to *Civil Aviation Safety Regulations Part 171 and Part 172* and underscored by a performance-based air traffic management framework that is aligned to International Civil Aviation Organization standards (ICAO). They are designed to enhance performance in delivering safety, environmental management, capacity, flight efficiency and cost effectiveness. We operate under a number of Acts and more information on these is available at [www.airservicesaustralia.com/acts-and-regulations](http://www.airservicesaustralia.com/acts-and-regulations)

Our organisation is responsible for providing safe, secure, efficient and environmentally responsible air traffic management and related services in the Australian Flight Information Region. We also provide, under contract with the governments of Solomon Islands and Nauru, air traffic management in the upper airspace of the Honiara and Nauru flight information regions.

We provide air traffic navigation and surveillance for more than 11 per cent of the world's surface. This includes the Australian flight information region (see figure 1) and the international airspace over the Pacific and Indian oceans.

We are well equipped to respond to aircraft incidents and emergencies at facilities at major airports with aviation rescue fire fighting services delivered according to *Civil Aviation Safety Regulation Part 139H*.

We continue to engage our stakeholders through regular participation in Community Aviation Consultation Groups as well as attending industry

**FIGURE 1** Australian Flight Information Region



forums and briefings to develop a common understanding on current and future service delivery requirements.

As the aviation industry continues to grow, there is an increasing need to promote environmentally responsible services and manage the impact of aircraft noise and emissions on the community. We work closely with the community, aviation industry and government to minimise the environmental effects of aircraft operations as well as our own environmental footprint.

Ongoing performance monitoring is also an essential part of our commitment to continually improve our services to our customers and stakeholders.

We deliver:

- en route and terminal air traffic services
- aeronautical data services, such as charts and departure and approach procedures
- management of airspace usage
- tower services at 29 airports
- aviation rescue fire fighting services at 22 of Australia's international and domestic airports
- noise complaint and information services
- management of Australia's national air navigation infrastructure.

We manage more than four million flights each year and maintain an asset base valued at more than \$1 billion, including 1079 facilities at 743 sites. A list of major air traffic control and aviation rescue fire fighting facilities is available at [www.airservicesaustralia.com/about/our-facilities](http://www.airservicesaustralia.com/about/our-facilities)



Our customers and stakeholders include airlines, the general aviation industry (including sport and recreational flyers), the travelling public, Australian military, airport owners and operators, and the Australian Government.

We are a world leader in the adoption of advanced communication technology, navigation and surveillance systems. We work closely with Australian Government organisations, particularly those concerned with aviation safety, regulation and search and rescue. These include the Department of Infrastructure and Regional Development, Department of Defence, Department of Finance, Civil Aviation Safety Authority, Australian Transport Safety Bureau, Australian Maritime Safety Authority and Bureau of Meteorology.

We also work closely with the International Civil Aviation Organization (ICAO), the Civil Air Navigation Services Organisation (CANSO) and the International Air Transport Association (IATA) as well as other air navigation service providers. We share information and advances in aviation technology and contribute to improving Australian and global aviation safety standards.

Airservices is committed to its corporate responsibility of assisting the aviation industry in its efforts to reduce the effect of aviation on the environment. This includes developing and maintaining international partnerships that aim to reduce aircraft fuel burn and greenhouse gas emissions.

## Enabling legislation, objectives and functions

Airservices operates under the *Air Services Act 1995* and the *Commonwealth Authorities and Companies Act 1997*, which will be superseded by the *Public Governance, Performance and Accountability Act 2013* from 1 July 2014.

Under the *Air Services Act 1995* we:

- must regard the safety of air navigation as our most important consideration
- provide facilities for the safe navigation of aircraft within Australian administered airspace
- promote and foster civil aviation in Australia and overseas
- provide air traffic services, aviation rescue fire fighting services, aeronautical information, radio navigation and telecommunications services
- cooperate with the Australian Transport Safety Bureau (ATSB) in investigating aircraft accidents and incidents
- help protect the environment from effects associated with the operation of Commonwealth jurisdiction aircraft or other aircraft within and outside Australia's airspace
- adhere to regulations associated with the operation of Commonwealth jurisdiction aircraft
- undertake functions as required under the *Air Navigation Act 1920* and the *Aviation Transport Security Act 2004*
- provide other services and facilities to maintain or improve the skills of our employees.

In our day-to-day activities we adhere to, and are empowered by, a range of other legislation. More information on those legislative requirements is available at [www.airservicesaustralia.com/acts-and-regulations](http://www.airservicesaustralia.com/acts-and-regulations)

## Annual reporting requirements and responsible Minister

Airservices is accountable to the Australian Parliament and to the Australian Government through the Minister for Infrastructure and Regional Development, the Hon Warren Truss MP. The Airservices Board is required by

legislation to provide an annual report for tabling in Parliament. This report has been prepared in accordance with the *Air Services Act 1995*, the *Commonwealth Authorities and Companies Act 1997* and the Finance Minister's Orders.

## Corporate structure

Due to the growth in aviation, and so we can meet our future challenges and ensure we deliver efficient and reliable services to our customers, a number of structural changes were introduced in 2013–14.

The Safety and Assurance, and Environment business groups were combined to create a single group under one Executive General Manager. This new group, Safety, Environment and Assurance, allows one business group to work across safety and environmental issues. The Information Communication Technology group was also consolidated into the Projects and Engineering group, over sighted by one Executive General Manager. This allows one team to work on both the technology and engineering aspects of the organisation.

In June 2014, Airservices appointed Mairi Barton as Executive General Manager Corporate and Industry Affairs.

Airservices now operates through the following eight business groups and a single division (see Figure 2), managed by Executive General Managers and a General Manager respectively.

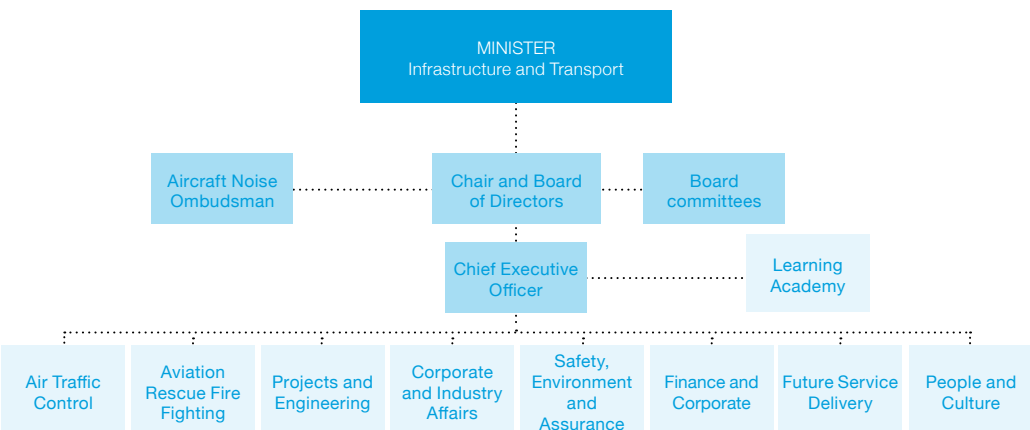
Airservices business groups are:

- Air Traffic Control
- Aviation Rescue Fire Fighting
- Corporate and Industry Affairs
- Finance and Corporate
- Future Service Delivery
- People and Culture
- Projects and Engineering
- Safety, Environment and Assurance

Division:

- Learning Academy

**FIGURE 2** Airservices Australia business structure at 30 June 2014



The Airservices Executive Committee is made up of the Chief Executive Officer, Executive General Managers representing the business groups, and a General Manager representing the Learning Academy. This committee is responsible for formulating strategies and policies for Board consideration.

At 30 June 2014, Airservices employed 4475 staff across Australia.

The Airservices workforce includes specialists in air traffic control, aviation rescue fire fighting, engineering, technical services, information technology, human resource management, communications, legal services, security, safety, environment, financial management and administration. More information on staffing is available in Appendix 5.

## Corporate governance

Airservices is governed by a Board appointed by the Minister for Infrastructure and Regional Development, the Hon Warren Truss MP. The Board is committed to best practice in corporate governance and regularly reviews its corporate governance arrangements.

## The Board

The Airservices Board consists of a Chair, Chief Executive Officer and as of 30 June 2014, five Board members. Board members other than the CEO are appointed by the Minister.

The Board is accountable for deciding the objectives, strategies and policies to be followed by Airservices and for ensuring that it fulfills its statutory functions in a proper, efficient and effective manner.

The Board delegates responsibility for managing the organisation to the CEO and conducts regular evaluations of its own performance and the performance of its committees. Further information on Board membership is available in Appendix 1.

## Board committees

The Board has four committees. Any Board member may attend committee meetings.

The Audit and Risk Committee helps monitor and maintain Airservices risk management system and internal controls, including an extensive audit programme. The committee assures the

**TABLE 1** Airservices Executive Committee as of 30 June 2014

Margaret Staib	Chief Executive Officer
Greg Hood	Executive General Manager Air Traffic Control
Michelle Bennetts	Executive General Manager Aviation Rescue Fire Fighting
Mairi Barton	Executive General Manager Corporate and Industry Affairs
Andrew Clark	Chief Financial Officer, and Executive General Manager Finance and Corporate
Jason Harfield	Executive General Manager Future Service Delivery
Andrew Boyd	Executive General Manager People and Culture
Mark Rodwell	Executive General Manager Projects and Engineering
Dr Rob Weaver	Executive General Manager Safety, Environment and Assurance
Linda Spurr	General Manager Learning Academy

objectivity and reliability of financial reports, helps the Board ensure an effective system of risk management and internal control is maintained, and that Airservices and its members comply with all relevant legislative and other government obligations.

This includes obligations under the *Commonwealth Authorities and Companies Act 1997* and going forward under the *Public Governance, Performance and Accountability Act 2013*. Membership consists of up to four members. The Board Chair is an ex officio member of the committee.

The Safety Committee helps ensure that Airservices is compliant with all safety-related legislation, government and Board policies, and meets its operational safety and workplace health and safety obligations. The committee also monitors organisational preparedness to counter security threats. Its membership consists of up to four members as well as the Board Chair and CEO, both of whom are ex officio members of the committee.

The Environment Committee helps ensure that Airservices is compliant with all environment-related legislation, as well as Government and Board policies, and that Airservices is meeting its environmental responsibilities. Membership consists of up to four members, the Board Chair and CEO, both of whom are ex officio members of the committee.

The Remuneration and Human Resources Committee recommends remuneration for the CEO and the CEO's direct reports, and reviews CEO performance and succession. The committee also considers human resource issues as required. Membership consists of three members, the Board Chair and CEO both of whom are ex officio members of the committee.

Meeting attendance and membership information for each Board committee is detailed in Appendix 1.

## Ethical standards

Airservices issues Board-endorsed policies, Management Instructions and other procedures to inform employees, contractors and consultants about required ethical standards. As a condition of employment or engagement with Airservices, all employees, contractors and consultants must comply with Airservices Code of Conduct and Code of Conduct Management Instruction. The Code of Conduct Management Instruction includes principles to guide behaviour and describes how issues such as conflict of interest should be addressed.

In January, Airservices, in line with Government requirements, undertook to be part of the *Public Interest Disclosure Act 2013*. We are committed to ensuring the highest standards of ethical behaviour and fully support individuals who report wrongdoing or suspected wrongdoing within the organisation.

Airservices Ethics Hotline is also available to employees, contractors, consultants and other external parties for confidential reporting of an alleged breach of Airservices Code of Conduct or Code of Conduct Management Instruction. Disclosures received via the Ethics Hotline are reported to the CEO as well as the Ethics and Fraud Committee who oversight action taken in response to a disclosure.

The Ethics and Fraud Committee also oversees implementation of the Ethics and Fraud Framework including promotion of better practice, Ethics and Fraud Control Plan maintenance and reporting of framework activities and ethical and fraud matters impacting Airservices to the CEO and Board Audit and Risk Committee. The chair and three other members of the Ethics and Fraud Committee are also an Authorised Officer for the purposes of the *Public Interest Disclosure Act 2013*.

## Risk management

We are committed to best-practice risk management and regard this as integral to effective corporate governance. Our risk management policy is supported by the Board-endorsed Risk Management Framework, which sets out the requirements for risk management throughout Airservices.

All managers are accountable for identifying and managing risks within their areas of responsibility. They must ensure that they are kept informed of how those risks are being managed and report them to the CEO.

The CEO reports regularly to the Board (and relevant Board committees), Executive General Managers and relevant General Managers on initiatives to maintain and improve the organisation's risk management system.

## Strategic direction

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

The Airservices corporate strategy outlines the organisation's three strategic themes and the core outcomes that support delivery of our vision.

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

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

We produce our annual Corporate Plan in accordance with the *Air Services Act 1995* and the *Commonwealth Authorities and Companies Act 1997*.

The themes and core outcomes that are detailed in the plan inform key corporate initiatives and aim to meet the Government's requirements as outlined in the Minister for Infrastructure and Regional Development's Statement of Expectations (Appendix 2).

Core outcomes are also designed to meet customer expectations, deliver process improvements and efficiencies, and enhance the development of our people and systems.

The relationship between the Statement of Expectations, our Board's Statement of Intent and specific initiatives is included at Appendix 2 and Appendix 3.

Detailed descriptions of the themes and the core outcomes are included in the Report on Performance section of this annual report.

## Adverse effect of non-commercial commitments

No non-commercial commitments were recorded during 2013–14.





03

**MANAGEMENT  
AND  
ACCOUNTABILITY**



## Operational results

Airservices delivers on the expectations of our customers, the Government and other stakeholders to maximise our 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.

During the financial year, our business groups and division aimed to meet three strategic priorities:

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

Key performance indicators on our achievements within these three strategic priorities are available at table 3.

## 2013–14 financial results

Operating profit after tax was \$21.3 million. A final dividend for 2012–13 of \$10 million was paid in February 2014. An interim dividend for 2013–14 of \$6 million was paid in June 2014.

The after-tax return on average equity was 3.9 per cent, which was 2.2 per cent below target.

During the year, Airservices invested \$186.5 million in its capital expenditure programme.

### Income

Total income for the year increased by 6.9 per cent to \$1 billion, compared to \$955 million in the previous year. Gross airways revenue grew by 5.1 per cent across the year. Net airways revenue was \$978.5 million after industry rebates of \$4.1 million. The rebates will be credited to customers in the first half of 2014–15.

### Expenses

Overall expenses increased by 11.2 per cent to \$994 million. Employee costs increased by \$78.9 million, due to salary increases and increases in staff numbers associated with delivering the capital works program and increased delivery of regional services.

Ministerial directions

1996—Aircraft noise complaints

In 2013–14, Airservices implemented an Aircraft Noise Management Strategy, with the objective of achieving world’s best practice in noise management. This Strategy is supported by Airservices Commitment to Aircraft Noise Management, which informs the community and aviation industry on how we intend to collaboratively address the impact of aircraft noise. Our Aircraft Noise Management Roadmap tracks progress on the implementation of noise management initiatives.

Our dedicated Noise Complaints and Information Service (NCIS) provides information to the community on aviation activities and helps resolve noise complaints. Airservices also attends airport community consultation forums and meetings to inform the community on Airservices activities and aircraft noise issues.

The Aircraft Noise Ombudsman also conducts independent reviews of Airservices management of aircraft noise-related activities, including the handling of complaints or enquiries made to Airservices about aircraft noise, community consultation processes related to aircraft noise, and the presentation and distribution of aircraft noise-related information.

1997—Sydney Long Term Operating Plan

Airservices continues to provide air traffic management in Sydney under the provision of the Long Term Operating Plan, which seeks to provide a safe and efficient air traffic environment while minimising noise as much as possible for surrounding suburbs.

Airservices closely monitors and reports on its operations through its website and the Sydney Airport Consultative Forum.

1999—Responsibilities in relation to the environmental effects of aircraft

We continue to promote high quality environmental practices for aircraft operations and work closely with airlines and airports to achieve this. The introduction of new technologies will deliver benefits in safety and efficiency, as well as savings in fuel, emissions and travel time. We provide noise and flight path monitoring systems, and our NCIS provides information to the public on noise issues. During 2013–14, a number of new information sources were developed and are available at [www.airservicesaustralia.com/publications/noise-reports](http://www.airservicesaustralia.com/publications/noise-reports)

These include an Aircraft Noise Management Strategy, fact sheets, noise information reports and airport profiles. Airservices and the Australian

TABLE 2 Ministerial directions still current from previous financial years.

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 the 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.

Airports Association (AAA) also launched in November 2013 a new aircraft noise website [www.aircraftnoise.com.au](http://www.aircraftnoise.com.au)

### **2004—Provision of approach radar services at specific airports**

Airservices continues to provide radar approach services using surveillance at identified regional airports to facilitate safe and efficient growth of aviation within Australia.

Regional Approach Services (RAPPS) involves a phased introduction of regional air traffic services using surveillance across seven locations: Hobart, Launceston, Rockhampton, Mackay, Hamilton Island, Sunshine Coast and Alice Springs.

### **Significant changes in the state of affairs during the financial year**

Under transitional arrangements, a number of duties under the *Work Health and Safety Regulations 2011* came into effect on 1 January 2013. The impact of these changes on our organisation has been reviewed, with necessary changes implemented to ensure legal compliance and training provided to staff.

Our Aviation Security Identification Card (ASIC) programme was rewritten in 2014 as required under the *Aviation Transport Security Act 2004* and the *Aviation Transport Security Regulations 2005*.

## **Developments since the end of the financial year**

### **Changes to legislation**

From 1 July 2014, the *Public Governance, Performance and Accountability (PGPA) Act 2013* commenced. The PGPA replaces the *Financial Management and Accountability Act 1997* and the *Commonwealth Authorities and Companies Act 1997*.

### **New Board members**

Mr David Marchant AM was appointed to the Airservices Board for three years. His term commences on 21 July 2014 and will end on 20 July 2017. Mr Marchant formerly was Managing Director of Lend Lease Engineering and Infrastructure Services and a former CEO of the Australian Rail Track Corporation and Director and Chair of the Australian Railway Association. He also served as a Director of the Rail Industry Safety and Standards Board.

Mr Tim Rothwell has been appointed to the Airservices Board for three years. His term commences on 21 July 2014 and will end on 20 July 2017. Mr Rothwell held the role of Chief Financial Officer for Brisbane Airport Corporation for almost 20 years until 2013.

**TABLE 3** Key performance indicators against our *Corporate Plan 2013–2018*

Performance measure	Purpose and definition	2013–14 target	2013–14 actual	Three-year average per year
<b>Maximising safety performance</b>				
Air Traffic Service (ATS) attributed en route Loss of Separation (LoS)* rate.	ATS attributed number of en route LoS* occurrences per 100 000 flight hours.	0*	1.48 <sup>1</sup>	1.41
ATS attributed terminal area LoS* rate.	ATS attributed number of terminal area LoS* per 100 000 movements (12-month moving average).	0*	1.36 <sup>2</sup>	1.73
ATS attributed tower LoS* rate.	ATS attributed number of tower LoS* per 100 000 movements (12-month moving average excluding General Aviation Aerodrome Procedures (GAAP) towers).	0*	0.57 <sup>3</sup>	0.53
ATS attributed runway incursions.	Number of International Civil Aviation Organization (ICAO) Class A or B Airservices ATS attributable runway incursions.	0	1 <sup>4</sup>	0.67
Aircraft in critical proximity.	Number of instances where an evasive movement was required to avoid a collision.	0	2 <sup>5</sup>	New KPI cannot be calculated.
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	3 <sup>6</sup>	New KPI cannot be calculated.
WHS incident rate.	Occurrences per 100 staff per month.	<0.20	0.53 <sup>7</sup>	0.65

\* Loss of Separation (LoS) is a breach in the prescribed minimum distance between an aircraft and another aircraft or object. To proactively improve safety and seek a downward trend in occurrences, Airservices has adopted an aspirational target of zero LoS attributed to air traffic services.

1. ATS attributed en route LoS rate is a result of 26 occurrences. Of the 26, five are currently under review or awaiting investigation.
2. ATS attributed terminal LoS rate is a result of 18 occurrences. Of the 18, four are currently under review or awaiting investigation.
3. ATS attributed tower LoS rate is a result of 17 occurrences. Of the 17, two are currently under review or awaiting investigation.
4. The reported occurrence was also categorised as an Aircraft in Critical Proximity and related to a departing aircraft being cleared for take-off when another aircraft had been cleared to operate in an area that encompassed the upwind runway threshold of the runway being used by the departing aircraft.
5. In this reporting period, one of the occurrences related to a departing aircraft being cleared for take-off when another aircraft had been cleared to operate in an area that encompassed the take-off path of the departing aircraft. A second occurrence was the result of an arriving aircraft being re-cleared to a runway and coming in close proximity to another aircraft on approach to an adjacent runway.
6. There has been a marginal increase in this rate over the reporting period. We continue to deliver our Wellness at Work workshops as a preventative measure and the Injury Management System (IMS), which incorporates early intervention, is also becoming well established within the organisation.
7. The WHS Incident rate has increased, however, in the same period the number of serious injuries decreased to zero.

Performance measure	Purpose and definition	2013–14 target	2013–14 actual	Three-year average per year
Safety Management System (SMS) maturity benchmark.	External assessment of the maturity of Airservices SMS against Civil Air Navigation Services Organisation (CANSO) Standard of Excellence in SMS.	2013–14 top industry quartile	Achieved <sup>8</sup>	New KPI cannot be calculated.
<b>High performing organisation</b>				
Employee survey—values focused.	Engagement score expressed as a percentage of satisfaction and specific values-related results.	75.00%	N/A <sup>9</sup>	76.00%
Increased diversity.	Increases in the number of women in non-traditional roles and participation of Indigenous Australians and people with disability.	Percentage increase	-0.62% <sup>10</sup>	2.20%
Employee initiated separation.	Number of employee initiated separations per year as a percentage of Airservices workforce.	<5.00%	2.70%	3.71%
Succession management and career development.	Career ratio—transfers and promotions per year as a percentage of permanent senior management vacancies.	80.00%	43.24% <sup>11</sup>	New KPI cannot be calculated.

8. Airservices achieved its target to be in the top industry quartile and the Safety Management System was assessed as being the second most mature of over 40 air navigation service providers tested.

9. Airservices undertakes the employee engagement survey once every two years. The next survey is scheduled for 2014–15. Our 2012–13 survey result was 77 per cent. We conducted a short form pulse survey of employee engagement during the third quarter 2014 with an improved result of 80 per cent.

10. A Diversity Council endorsed program of initiatives continues to be implemented, with progress reviewed by the Council on a quarterly basis. From 2011–12 to 2013–14, representation of women in operational roles has increased from 239 females to 283 females. Representation of Indigenous people has risen from 31 to 41 Indigenous staff. Representation of people from culturally and linguistically diverse backgrounds has decreased to 298 staff from 300 along with people with a disability from 58 to 52 staff.

11. As part of our ongoing management and leadership capability development, leadership enhancement development commenced with the Executive team and is being cascaded through to the Senior Leadership Team, following a 360 degree feedback evaluation process.

### 03 Management and accountability

Performance measure	Purpose and definition	2013–14 target	2013–14 actual	Three-year average per year
Training demand.	Number of qualifications issued against accredited training (ARFF).	175	263	New KPI cannot be calculated.
Training demand.	Number of Air Traffic Services (ATS) recruits endorsed (ATC).	80	60 <sup>12</sup>	New KPI cannot be calculated.
<b>Core operational and business excellence</b>				
Capital project delivery.	Percentage of projects delivered on time and within budget.	> 90.00%	83.00%	New KPI cannot be calculated.
ATS availability.	Hours of ATS availability as a percentage of total hours of coverage.	>99.90%	99.82%	99.92%
Aircraft holding.	Ground holding as a percentage of total of aircraft holding at Sydney, Melbourne and Brisbane.	60.00%	45.32% <sup>13</sup>	51.80%
ATS attributable delays.	Total number of ATS attributable flight delay events (where the delay is greater than 10 minutes, and demand is less than airport capacity).	<7 per quarter	(10 at an average of 2.50 per quarter)	Average of 5.10 per quarter
Runway capacity improvement.	Percentage increase in maximum hourly runway movement capacity through new ATS initiatives at major aerodromes (excluding movement capped aerodromes),	≥ 3.00%	N/A	Cannot be calculated.
Runway capacity achieved.	Percentage of maximum runway movement capacity delivered during peak periods.	>95.00%	101.94% <sup>14</sup>	99.79%
Aviation Rescue Fire Fighting operational preparedness.	Percentage of time resources were available to meet required capacity according to the regulated service category for the aerodrome.	99.90%	>99.89%	99.79%
Noise complaints and information service (NCIS) compliance.	NCIS compliance to prescribed response times for complaints and enquiries.	≥95.00%	99.00%	94.00%

12. An internal air traffic controller Endorsement Rate Taskforce was formed in March 2014 to proactively manage an identified shortfall in the intake of external recruits and endorsed air traffic control numbers for the 2013–14 financial year.

13. Sydney and Melbourne airborne delay figures are not available. Both airports have been excluded from the results.

14. The result for 2013–14 exceeded the maximum calculated capacity.

Performance measure	Purpose and definition	2013–14 target	2013–14 actual	Three-year average per year
Community Aviation Consultation participation.	Airservices participation at community aviation consultation group meetings.	≥90.00%	100.00%	New KPI cannot be calculated.
Noise improvements investigated.	Number of noise improvement proposals investigated.	25 per year	41	New KPI cannot be calculated.
Noise improvements delivered.	Number of changes expected to deliver an improved noise outcome for the community.	Percentage increase	14 (133.00% increase from 2012–13) <sup>15</sup>	New KPI cannot be calculated.
Noise information.	Aircraft noise information and complaint reports made available to the community and industry.	Reports for 11 identified locations every quarter.	44	New KPI cannot be calculated.
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.	>80.00%	92.00%	91.00%

15. In 2012–13 six noise improvements were delivered but not reported.



# 04

**REPORT ON  
PERFORMANCE**

## Maximising safety performance

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

When considering maximising safety performance, there are three core outcomes that should be achieved.

- 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- an organisation Work Health and Safety (WHS) plan and training programme that delivers measurable safety improvements making Airservices a safer place to work.
- Improved cross-industry safety performance enhancing internal and external safety performance through the delivery of air traffic management and aviation rescue fire fighting services.

## Continuously improving safety

Our focus on improving safety at regional aerodromes for the public and aircraft owners and operators continued in 2013–14 through the delivery of new services including an enhanced surveillance advisory service for Sunshine Coast and Alice Springs airports.

The introduction of approach services continued and Airservices has implemented the following surveillance arrangements for regional airports:

- an Enhanced Surveillance Advisory Service for Sunshine Coast Airport on 30 November 2013, Alice Springs Airport on 5 December 2013
- Mackay received an enhanced approach and surveillance advisory service in February 2014
- the combined en route console for Rockhampton and Mackay airports was implemented on 30 January 2014.

We also undertook traffic growth risk assessments for Albury, Alice Springs, Broome, Coffs Harbour, Hamilton Island, Karratha and Tamworth airports.

Airservices chaired the Australian Runway Safety Group and commenced a significant runway safety programme with our industry partners. This included an initiative by ICAO and CANSO to improve runway safety globally. The group established local runway safety teams at 28 major and regional airports, and undertook a

comprehensive industry awareness campaign. The Runway Safety Group will enable Airservices to deliver best-practice responses to safety threats that arise during everyday operations.

Airservices also sponsored the Australian International Pilots Association to conduct an airline liaison representative course in Perth. This course was designed to inform pilots on airport operations and enable them to assist airports with their safety and operational enhancement programmes. A total of 23 people participated in the course from major airports, general aviation, major and regional airlines, the Royal Australian Air Force and Civil Aviation Safety Authority.

### Community and stakeholder engagement

Airservices is committed to being a sustainable business leader within the aviation industry. We have a number of stakeholder groups and industry partners we work collaboratively with and regularly participate in forums and industry consultation to lead activity within the aviation industry. We work to increase public awareness and stakeholder confidence in our organisation to deliver services and to engage with industry partners and stakeholders.

In 2013–14 we participated in the following major stakeholder and industry forums:

- Australian Airports Association annual conference
- Airport Community Aviation Consultation Groups (CACG) at 21 airports
- Airspace Protection Task Force
- Australian Strategic Air Traffic Management Group
- Civil Air Navigation Services Organisation meetings
- International Civil Aviation Organization meetings
- Industry Noise Forums
- National Airports Safeguarding Advisory Group
- Pricing Consultative Committee
- Qantas Air Traffic Management Performance Group
- Regional Airspace and Procedures Advisory Committee
- Regional Aviation Association of Australia—annual conference
- Waypoint—our annual industry conference.

Additionally, our aviation rescue fire fighting service represented Airservices at more than 170 community events nationally as part of our community awareness safety programme.

A more detailed list of our industry partners, stakeholders and industry forums is available at Appendix 8.

### Sustaining leadership

We undertake the following engagement activities in our role as a responsible corporate leader.

**Employees**—we engage with our employees through a range of different methods including staff newsletters, *CEO Direct* email, staff magazine, *Azimuth*, AvNet, our intranet site, employee surveys, corporate emails, executive presentations, internal staff meetings and training and development.

**Stakeholders**—we engage with our stakeholders through regular briefings, attendance at monthly, bi-monthly and annual meetings and conferences, corporate publications and the Airservices website.

**Government**—our ongoing engagement with Commonwealth, state and local governments is coordinated through the Corporate and Industry Affairs business group.

## IN PROFILE

## Operation Skysafe

Australian Transport Safety Bureau research shows Australia has one of the lowest losses of separation occurrence rates attributable to civilian air traffic control in the world.

However, to ensure that the level of our safety performance is further enhanced, Airservices established a safety taskforce, Operation Skysafe, in October 2013.

The taskforce is examining Loss of Separation events to assess the quality of existing risk controls and assurance activities. The taskforce will focus on four areas: best use of airspace, technology, people and training.

The taskforce is examining the potential for system improvements for conflict detection, reviewing the way air routes are structured, and looking at additional options to better support air traffic controllers, including additional ongoing training.

An early recommendation by the taskforce was to examine all single air routes, where aircraft travel to and from a destination on the same route but at different altitudes. The taskforce will review all single routes and assess which routes need to be duplicated so that aircraft can travel on parallel routes, avoiding the possibility of a conflict.

The first route to be examined was between Melbourne and Cairns. Work is now underway to duplicate this route, and this is expected to be completed by November 2014.

Operation Skysafe will complete its work in September 2014 and will make recommendations in the areas of airspace management, safety features within existing air traffic management systems and training of operational staff.



**Community**—we provide information to the community and incorporate community feedback into our planning, decision-making and implementation processes through regular attendance at Airport Community Aviation Consultation Group meetings. Airservices is not a formal member of these groups, but is invited to attend to provide information and contribute to discussions.

## Stakeholder engagement

From 12 December 2013, CASA required all aircraft flying at and above 29 000 feet to be ADS-B compliant and from 6 February 2014, all newly registered Instrument Flight Rules aircraft to be ADS-B capable.

Airservices has continued its engagement with industry throughout the year to promote ADS-B fitment to Australia's major airlines and operators, including international and regional airlines. To date, 99 per cent of aircraft flying at or above 29 000 feet have been fitted with ADS-B technology and 69 per cent of Australian registered business jets were compliant as of 30 June 2014.

Our consultation continued on navigational aid and surveillance service outages associated with equipment upgrades and replacement. We also held a collaborative decision-making forum with industry in July 2013 to discuss meteorological forecasts that impact daily airport traffic rates.

We upgraded our website to make it more accessible to industry and the community. This included the development of a new online newsroom to allow journalists easier access to Airservices media activity including media releases, notifications, video and images. The newsroom went live in June 2014.

During 2013–14, Airservices hosted several major forums.

The Air Traffic Services and Airline Safety Forum provided an opportunity to engage with airline partners through discussions and presentations on the theme, 'analysis to action'. The focus was on capability and risk analysis, and was attended by representatives from more than 20 airlines.

Airservices and the Australian Airports Association (AAA) jointly arranged the fourth annual industry Noise Forum on 6 February 2014. Discussions were held with industry partners as part of the forum to develop and produce better noise outcomes for communities. We also hosted our annual industry forum, Waypoint, in November 2013.

In February 2014 we co-hosted the second Demand and Capacity Forum with Brisbane Airport Corporation. The forum's objective was to follow up on initiatives designed to improve airport and airline efficiencies.

Airservices launched its Aircraft Noise Management Strategy in November. This will inform the community on our commitment to minimising and, where possible, reducing the impact of aircraft noise with a view to achieving world's best practice in aircraft noise management.

This strategy will be implemented through our Airservices Commitment to Aircraft Noise Management document and Airservices Aircraft Noise Management Roadmap.

Airservices, as a Registered Training Organisation,



maintains regular engagement with industry on matters of education and training, particularly within the Vocational Education Training sector. Such engagement involves industry skills councils, other education providers and enterprise registered training organisations, including Defence.

## Safety collaboration within the Pacific region

### Arabian Sea Indian Ocean Coordination Group

In November 2013, Airservices hosted the eighth annual meeting of the Arabian Sea Indian Ocean ATS Coordination Group in Melbourne, which was combined with the fourth Indian Ocean Strategic Partnership to Reduce Emissions annual conference.

The conference brought together air navigation service providers from Central and South East Asia, the Middle East and Africa to discuss best practice air traffic management.

### Indonesia

We continued to deliver safety and capacity-building programmes to air navigation services providers in our region through ongoing support and direct provision of services. In 2013–14, there was a renewed focus by Australia and Indonesia on safety collaboration and airspace boundary coordination with an agreement to share ADS-B surveillance data.

Sharing this information will be important to reduce the risk associated with breakdowns of coordination and loss of separation, enabling air traffic control to have a clearer picture of air traffic on or near our shared airspace boundary with Indonesia.

We continued our support for the Indonesia Transport Safety Assistance Package, an

Australian Government funded initiative designed to improve the safety of transport within Indonesia. We provided support for the transition to a single air navigation services provider, AirNav Indonesia, by facilitating corporate planning workshops and supporting the establishment of a one and a five-year corporate plan for the organisation. We also delivered training to staff in the Makassar air traffic services centre on boundary coordination issues.

We continue to explore options for a trial of automatic data messaging with the Jakarta air traffic services centre and signed a memorandum of cooperation on safety, plus a letter of agreement on the exchange of safety information, with AirNav Indonesia in Jakarta in July.

### Papua New Guinea

Airservices participated in the 10th South West Pacific Safety Forum in Papua New Guinea in November 2013. We provided input on maintaining and improving the safety and services of civil aviation in the region as well as responding to the changing needs of the aviation industry. Other participating countries included Fiji, Nauru and Solomon Islands. During the forum, new Terms of Reference were signed and workshops on safety-related topics were held.

Papua New Guinea Air Services Limited (PNGASL) agreed to ADS-B data sharing within the next two years, following the introduction of its new ADS-B equipment.

We also conducted a review of PNGASL's maintenance and engineering capability during the year. Working with PNGASL we developed an improvement plan and conducted training on project safety practices. Assistance was also provided to boost Papua New Guinea's aeronautical information services capability. The review will also determine PNGASL's future capability needs and support its infrastructure modernisation programme.

## Nauru

We continued our commitment to improving safety in the Pacific by renewing arrangements for the provision of upper airspace management services in the Nauru Flight Information Region for the next 10 years.

## Solomon Islands

A five-year agreement was signed with Solomon Islands in early 2014 to renew the arrangement for the provision of upper air space management in the Honiara (Solomon Islands) Flight Information Region. Under the agreement, Airservices will assist Solomon Islands develop its capability to deliver lower level airspace services.

## Timor-Leste and Vanuatu

We upgraded telecommunication networks for Timor-Leste and Vanuatu. This upgrade enables new International Civil Aviation Organization (ICAO) flight plan formatting, reduces compliance problems for Airservices and fulfills commitments to these countries and the ICAO regional office.

## Recognition internationally

Airservices continued its close cooperation and support of international air navigation service providers throughout the year. This culminated in Airservices, along with Air Traffic and Navigation Services of South Africa and the Airports Authority of India, being awarded the IHS Jane's Award for service provision to the aviation industry. IHS Jane's is a highly respected global information company and publisher of the international magazine Airport Review. The award was for establishing a User Preferred Route geographic zone in the Indian Ocean.

Air navigation service providers across the world face a number of common issues, including challenges in estimating future demand

for air traffic controllers and constraints on controller scheduling.

In July 2013, the Committee of the United States National Academy of Sciences invited Airservices to present our approach for determining air traffic controller staffing. This invitation recognised our international standing in air traffic operations, particularly air traffic controller staffing, workforce planning and training, levels. This information was used as part of an international benchmarking exercise.

Airservices represented Australia at the ICAO global tracking meeting, as part of the Australian Government delegation in May 2014.

## Taking care of our people

In late 2013–14 Airservices launched its new Work Health and Safety strategy, Safe and Well. The strategy aims to support each business group in establishing and implementing a work health and safety management plan, and assists in building activity to embed health and safety in all that we do.

The following three objectives were identified:

- Safe design and effective risk management—a safe work practice forum was held with staff on work design and addressed barriers to health and safety. Workshops also generated ideas on how to improve work, health and safety outcomes.
- System and risk control reviews for hazardous work—our performance monitoring has developed through better assurance programmes and lead indicators for performance management. We implemented an action plan in a high-risk work area to address the impact of body stress injury, delivering safe design and risk management principles to equipment procurement, work practices and skills training.

- Worker well-being—during the year we launched an online health portal which provides access to mental health resources for managers and staff. We also established executive management health checks.

In May 2014 we held our National Day of Safety. The day was themed around well-being and First Care (early intervention and injury management). We continue to develop resources and education initiatives for early intervention and commenced management wellness at work coaching programmes, helping to identify managers at risk.

Safety training is a major priority for Airservices and we have undertaken crisis management exercises with staff at Cairns, Sydney, Melbourne, Adelaide, Brisbane and Perth. Our new WHS strategy also aims to support business areas to reduce their lost time due to injury, with a particular focus on aviation rescue fire fighters.

As part of our injury reduction and recovery programme we appointed a staff member to oversee the actions designed to reduce the incidence and severity of lost time injuries within our Aviation Rescue Fire Fighting (ARFF) business group.

## Managing safety and security

Airservices has formalised its Aviation Security Identification Card (ASIC) issuing processes with airports to ensure tighter security controls and enable information sharing between national aviation security stakeholders.

This process will now better inform Airservices on how we meet our regulatory requirements. It will also help create a positive security culture by providing agreed and documented policies, and procedures for Airservices as an ASIC issuing body.

A key focus for Airservices this year was raising the awareness of information security across the organisation and providing staff with a series of

Australian Signals Directorate-approved security videos to better inform them of the need for information security.

We developed an information security strategy to align Airservices security protocols with Australian Government objectives described in the Protective Security Policy Framework and Information Security Manual.

To ensure continuous improvement in our safety management systems, we implemented a normal operations safety survey during the year at more than 100 radar tower operations to assess safety procedures and practices.

We also reviewed our approach to safety training including redeveloping courses, and launched an updated safety-training requirement. We simplified our safety management system documentation and tools and launched a training plan. We conducted a pilot course in investigator training and this is now being refined before being rolled out across the organisation.

Our revised safety training courses—SMART, SMARTER and Leading Safety—are now being implemented and receiving positive feedback from staff. To date, 21 per cent of the organisation has completed training in SMART or SMARTER with 10 per cent of leaders having completed Leading Safety. These rates are on track for the



December 2016 completion date for all Airservices employees.

## Secure communication

In line with our increased focus on combating information security and cyber incidents, our security team implemented a security incident system to enable early detection of suspicious or abnormal activity on the Airservices network.

This system collects information from various sources to identify and analyse patterns rapidly allowing immediate awareness of potential issues. The system has significantly decreased the time required for security personnel to gather information during investigations and can detect abnormal behaviour, such as multiple incorrect password attempts.

The security system has also been upgraded at the Alan Woods Building in Canberra to ensure business continuity in the event of an emergency.

## Predictive tools and frameworks

The Operational Data and Analysis Suite (ODAS) was implemented during the year to provide a single source of information designed to improve the ability of Airservices to undertake complex operational analysis. ODAS can provide flight, sector and route information to report on air traffic control workloads, emissions, fuel burn, airspace operational risk and usage.

For example, a single set of flight information for all Australian aircraft movements, in real time, will be used as the basis for all future analysis. This will improve the speed and accuracy of our analysis and help develop skills and capability.

ODAS will be the basis for future initiatives, which are expected to produce ongoing major benefits and outcomes for Airservices and the aviation industry.

A flight plan safety alert was implemented into the Upper Airspace East air traffic control sector in December 2013. Upper airspace controllers will use this tool to automate flight path conflict detection between aircraft and to provide early notification about present or possible aircraft conflicts.

## Operational airspace design

Airservices completed several airspace reviews during the year to investigate air traffic safety and efficiency. This included consultation for the Adelaide and Brisbane Basin airspace and also work on the Darwin traffic management plan.

## Airservices obligations and compliance

Airservices launched a new Corporate Integrated Reporting and Risk Information System (CIRRIIS) module in September for obligation and compliance management. This module is a fully integrated system for managing legal and regulatory obligations and risks within Airservices.

## 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.

When considering the theme of high performing organisation, there are four core outcomes that should be achieved.

- 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 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.

## Creating an effective workplace

Consultation on workforce needs continued with senior managers across our business groups during 2013–14. Planning was undertaken at both the business group and corporate level on workforce supply and demand, workforce gaps, critical roles and strategic human resource development.

We have made significant progress in identifying key retention risks within the business through the development of our *Workforce Plan 2013–2020*, which will enable us to more effectively adopt specific strategies to reduce these risks in the future.

We are progressing well against each of our workforce strategies and in planning and mitigating the risks identified in our *Workforce Plan 2013–2020*. We are developing strategies to reduce turnover of short tenures, retain mature-age workers, present and encourage participation in leadership courses, and in planning for succession.

## Diversifying our workforce

We recognise and value diversity, and we are committed to increasing the representation of Indigenous Australians, women, people with disability and people from culturally and linguistically-diverse (CALD) backgrounds within our organisation. We are also committed to

## IN PROFILE

# A stronger organisation

Aviation in Australia is facing unprecedented challenges over the next decade and air traffic movements are expected to grow by as much as 60 per cent by 2030. This growth will place increased demand on Airservices.

We are committed to improving service delivery and preparing for the challenges presented by this aviation growth. Our goal is to deliver improved services while remaining true to our vision and mission—connecting the Australian aviation industry to deliver world-best industry performance by providing safe, secure, efficient and environmentally responsible services.

To enable Airservices to meet the increased demand on our services we are delivering a \$1 billion dollar capital expenditure programme and are procuring and transitioning to OneSKY Australia, a civil-military harmonised air navigation system. To make this transition effectively and efficiently, we need to ensure that we have the people in place with the right skills and capabilities as we move our business focus to being more customer-centric.

To support this, we are developing a stronger and fit-for-purpose culture. This has commenced with the implementation of the 'Our people, our future' culture programme, which is a core element of our transformation to a customer focused organisation.

The culture programme aims to place the customer at the heart of everything Airservices does. This will mean increasing our collaboration within the organisation as well as with stakeholders and ensuring that we work as one team. The flow-on benefits of this will improve the way we work with our customers and allow us to invest in our people while continuing to maintain safety as our highest priority.

While 'Our people, our future' will take some time to implement, Airservices is committed to investing in our people to develop their capabilities and knowledge to foster a workplace where people are valued, supported and encouraged to do their best.



providing flexible working arrangements and supporting our mature-aged workforce.

As part of this commitment, we participated in the Chief Executive Women's Group and started a programme of 'Women in Airservices forums. More information on our performance in this area is outlined in Appendix 5.

## Training our people

We are an enterprise Registered Training Organisation and provide nationally accredited training qualifications for our employees. We are committed to ensuring our people are well trained and fully equipped to deliver the high level of service expected of the organisation, and to progress their careers.

In November 2013, Airservices achieved Registered Training Organisation reaccreditation for the maximum five-year term. Our dedicated Learning Academy delivered in excess of 740 courses to more than 4000 staff.

Our Learning Academy was confirmed as one of three finalists in the 2014 Victorian Training Awards in the category of 'Employer of the Year'. The winner will be announced on 26 September 2014.

In 2013–14, Airservices approved a new framework for mandatory training. The framework will involve assessing and validating current, non-accredited corporate training, identifying future requirements and defining the roles, accountabilities, processes and systems to support this training.

We are developing a new education and training strategy to establish a governance framework and guiding principles for the design, development and delivery of education and training. This will be an important tool for reviewing all of our non-accredited and non-operational programmes.

We also designed, created and implemented a safety training programme along with a leadership strategy framework to ensure learning outcomes are achieved and fit with Airservices new culture programme 'Our people, our future'.

We have implemented improvements in our recruitment processes and are developing a greater understanding of the capabilities required in the trainees we need to attract to the business both as air traffic controllers and aviation rescue fire fighters. Throughout 2013–14, we continued to benchmark our performance against international industry standards to measure and identify process efficiencies for air traffic control and aviation rescue fire fighting accredited courses.

## Providing for a skilled workforce

In support of this regional growth and to maintain safety standards, Airservices Learning Academy graduated 118 recruits through five recruit courses these were in Certificate II in Public Safety (Firefighting and Emergency Operations)—compared to 68 recruits in 2012–13. We are also increasing our efforts in the area of recruitment activity to attract more staff to the organisation.

We delivered 21 air traffic control recruit courses in 2013–14, representing a 31 per cent increase. Our Learning Academy also held seven graduation ceremonies during 2013–14.

Airservices completed the transition of five qualifications (Certificate II through to Advanced Diploma) from the Public Safety Training Package (PUA00) to the new PUA12 Training Package on 12 March 2014. In addition, in collaboration with Defence and the Transport Logistics Industry Skills Council the Diploma of Aviation (Air Traffic Control) has been reviewed and redrafted with endorsement scheduled for December 2014.

## Technical training

Our technical trainee course is customised to the core needs of Airservices in communications, navigation and surveillance. Graduates work at various locations around Australia and play a crucial role in helping to maintain safety-critical aviation equipment including instrument landing systems, radars and other air navigation aids.

We have a collaborative arrangement with Riverina Institute of TAFE NSW to deliver accredited training against our technical trainee programme, complimented by Airservices training and field placements.

During the reporting period 13 trainees graduated from the Riverina Institute of TAFE in Wagga Wagga. Six of these graduated with a Diploma of Engineering in Electronics and Communications, and seven with a Diploma in Electrical Engineering. Our 2014 technical trainees and graduates commenced in February 2014 and our 2013 participants transitioned to their permanent roles within the organisation.

## Front-line training

In 2013–14, Airservices committed to establishing an agreed training programme for all air traffic controllers, aviation rescue fire fighters and technical and engineering recruits. This training will be adapted to our business requirements and will be managed through a defined framework.

A total of 397 courses were delivered during the year to 1606 participants.

We also began transitioning to full en route practical simulation training in our Learning Academy's Eurocat simulator from mid-February 2014. The Eurocat simulator increases the reliability and complexity of our training and delivers a more sophisticated instruction and training scenario.

The ARFF business group introduced new advanced driver training to improve the knowledge and skills of driving aviation rescue fire fighting vehicles under emergency response conditions.

This course covers a number of areas including the vehicle-operating environment, systems of vehicle control, driving vehicles under emergency conditions, vehicle observation techniques and emergency hazard avoidance. To date we have delivered 36 courses to 360 aviation rescue fire fighters.

We used our state-of-the-art Hot Fire Training Ground for training ARFF recruits for 48 weeks during 2013–14, with four weeks set aside for planned maintenance.

## Effective workplace

The first stage of our Integrated Management System (IMS) has been commissioned. It will deliver a consistent and secure process, and the ability to address compliance risks. Stage two will include development of improved processes for our Projects and Engineering, and Safety, Environment and Assurance groups.

The IMS will be extended to our Finance and Corporate, and People and Culture groups.

Our Services Charter has received endorsement by the Pricing Consultative Committee. Through the Services Charter we are able to agree on service delivery standards that enable our performance to be measured and reported.



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Airservices Board and Executive endorsed the employee and union engagement and consultation strategy for business initiatives, including Future Service Delivery implementation.

We have continued to engage and consult with unions throughout the year on award modernisation and commenced a review of existing employee conduct-related incident reporting mechanisms to develop improved policies and procedures.

Our employee relation's strategy was brought in line with our business strategy and has progressed, with an Airservices award application submitted to the Fair Work Commission in December 2013. This is part of the Australian Public Service award modernisation application.

This led to the Airservices Corporate Enterprise Agreement being approved by the Commission and taking effect on 4 September 2013. We also successfully negotiated the Air Traffic Control Line Manager Enterprise Agreement following an agreement with Civil Air. The agreement received endorsement by the Fair Work Commission and was implemented in May 2014.

## Our people

The CEO chairs the Diversity Council to oversee implementation of our Diversity Strategy within each business group. This strategy is in line with our *Workforce Plan 2013–2020*.

The council also oversaw delivery of the first Reconciliation Action Plan Progress Report to Reconciliation Australia in March 2014. A Gender Action Plan was also developed and endorsed by the Diversity Council in April 2014. A key aspect of the plan is a commitment to increase the number of women in leadership roles and a greater number of women in operational and non-traditional roles.

In December 2013, we provided information to staff on the new anti-bullying policy and

procedures to advise them ahead of changes to the Fair Work Act. This information was provided on our intranet and by face-to-face meetings with staff.

We have implemented a Skills Framework for the Information Age, an internationally recognised framework that enables the identification of information communication technology (ICT) skills and levels of competency. This initiative supports the Airservices Workforce Planning Job Family Framework and will enable the identification of ICT skill levels and gaps in capability to improve succession planning and facilitate staff development.

## Ethics and fraud

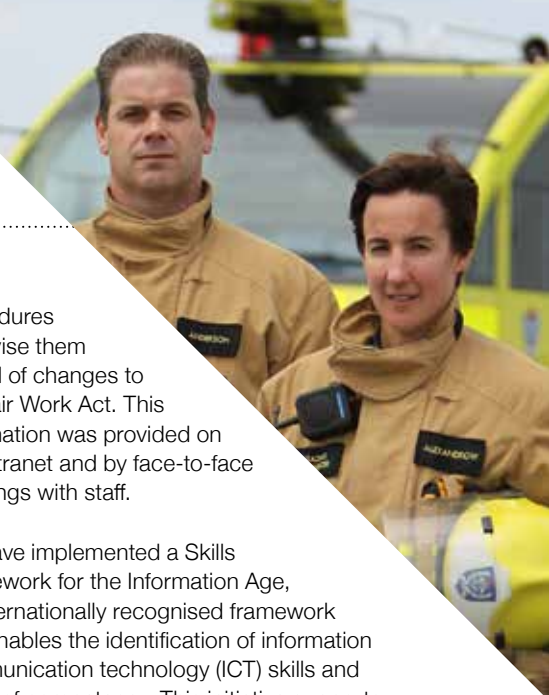
Key policy, procedures and plans are reviewed as part of ongoing implementation and improvement of the Ethics and Fraud Framework. The Code of Conduct, Code of Conduct Management Instruction, Code of Conduct Investigation Procedure, Fraud Control Policy, Ethics and Fraud Control Plan and Ethics Hotline procedure were reviewed and updated, as were the terms of reference for the Ethics and Fraud Committee, which meets quarterly to review ethics and fraud related matters.

## Planning our workforce

Airservices *Workforce Plan 2013–2020* includes a profile of our workforce, the key workforce challenges and risks we expect to occur over the next six years as well as the strategies we are implementing to mitigate these.

The main focus for the past year has been to:

- review and improve our enterprise-wide approach to workforce planning in response



to OneSKY Australia to improve the consistency of information supporting the workforce forecasts

- clarify the accountabilities between stakeholders and increase the awareness of and participation in workforce planning activities within Airservices
- continue the development and implementation of workforce management strategies to mitigate potential risks.

Existing workforce strategies cover a range of risks including a loss of knowledge associated with potential retirements and increasing the mobility of our workforce in key areas. More information on our current strategies and activities related to them is in Appendix 6.

For example, in the air traffic control group we are working towards trialling retention strategies in the Sydney Basin operating area, while within our Project and Engineering group we are implementing more detailed succession planning and commencing a mentoring programme to ensure staff development and knowledge transfer. We also continue to invest in preparing our future leaders with more than 100 employees attending leadership programmes in the past year.

## Celebrating our staff

Airservices celebrated the International Day of the Air Traffic Controller in October 2013 and recognised four of our air traffic controllers for going 'above and beyond' in their duties as controllers. The four controllers were provided with the opportunity to visit international air traffic control providers to further their training.

We also recognised the efforts of nine of our aviation rescue fire fighters as part of International Firefighters' Day. An ARFF crew based at Townsville was named crew of the year, recognising their professionalism, initiative, team-work and community involvement throughout the year. The crew received the

St Florian award, named after the patron Saint of fire fighters, which recognises and honours the sacrifices that fire fighters make as they dedicate their lives to supporting the community.

We also celebrated the excellence of our staff through the Chairman's Award for Professional Excellence. The award acknowledges employees who have made an exceptional contribution beyond their normal duties to their work and to the organisation.

## Leadership development

Leadership capability is a major focus for our business. Recently we held leadership programmes for high performing teams within the organisation as well as in-depth leadership evaluation for our senior leadership team.

We continue to seek ways to develop staff to deliver the leadership capability required and have reviewed our leadership development strategy, resulting in the implementation of a range of measures to enhance management and leadership capability. This will ensure we identify the required capability and prioritise learning outcomes in line with Airservices culture programme.

We also held 'Step up to management' courses for staff and facilitated attendance for staff at leadership forums, and strategic leadership team events. An ARFF leadership programme was also successfully delivered to our senior aviation rescue fire fighters to assist them in exercising consistent management decisions in support of our business.

## Military collaboration

Airservices and the Department of Defence began examining broader harmonisation initiatives under the direction of the Australian Civil-Military Air Traffic Management Committee (AC-MAC).

The committee will support the two organisation's efforts to improve efficiency and effectiveness, productivity and operations, and support implementation of the single national air traffic management system, OneSKY Australia.

We also commissioned Australian Super Hornet communications in collaboration with Defence

and undertook site surveys to establish a new ARFF facility in Townsville. We provided air traffic control approach services at Royal Australian Air Force (RAAF) Base Richmond and put in place support arrangements at a number of locations, as required, under the direction of AC-MAC.



## Core operational and business excellence

Airservices performance is focused on enhancing safety, improving capacity, cost-effectiveness and realising environmental benefits, while meeting our customer's 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.

When considering the theme of core operational and business excellence, there are four core outcomes that should be achieved.

- Industry requirements understood and exceeded in delivering services—a 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 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 and external requirements in the medium term.
- An integrated and harmonised service—an operational platform and service that recognises the cross-industry linked nature and input of all airspace system users.

## Future air traffic management

Airservices and Defence are collaborating on the OneSKY Australia initiative to deliver a single air navigation system that addresses the growing demands of aviation traffic within Australia and across its international boundaries.

By replacing the current ageing air traffic management platform that was commissioned in the late 1990s, OneSKY Australia will meet higher customer expectations such as enhanced navigation and communication capability, be readily adaptable to global changes in aircraft technology, maximise safety performance and enhance our business excellence.

The tender for OneSKY Australia closed on 30 October 2013 and evaluation commenced in November 2013. Tender evaluation is continuing and we are currently preparing for contract negotiations.

## Supporting regional development

Airservices is investing more than \$80 million in new ARFF stations at Coffs Harbour and Ballina in New South Wales, Gladstone in Queensland and Newman in Western Australia. This investment also includes construction of a permanent station at Port Hedland and a new station facility at Hamilton Island.

## IN PROFILE

# Industry collaboration

Airservices is working closely with its industry partners to deliver significant improvements to aviation through runway efficiency and reduced airborne holding times.

These benefits are realised through two initiatives, the Metron-Harmony ground delay system and the Airport Capacity Enhancement (ACE) programme.

Airservices first introduced Metron-Harmony at Sydney Airport in March 2012 and has since implemented the system at Perth, Brisbane and Melbourne airports. The system helps minimise airborne holding, saves fuel and associated emissions, enhances safety and reduces air traffic congestion.

In Brisbane when the Metron-Harmony ground delay system was introduced, airborne delays during the morning and evening peak periods dropped by 35 per cent. In addition to the Metron-Harmony ground delay system, Airservices collaborated with airports and industry stakeholders to introduce the ACE program at Brisbane, Melbourne, Perth and a programme to standardise terminal area arrival speeds in Sydney to assist the ACE programme.

ACE commenced in February 2011 and has now evolved into a national programme to improve runway efficiency. Initiatives such as standard aircraft approach speeds and educating pilots to vacate the runway using preferred exit taxiways as soon as possible after arrival are critical steps towards establishing safe and efficient runway operations.

An example of the success of these initiatives can be seen at Brisbane Airport, where the average time that arriving planes spent on the runway reduced by 11 per cent following the introduction of ACE. This is a level of performance that is better than the benchmark provided by Gatwick Airport in the United Kingdom, the world's most efficient single-runway airport.

Airservices first priority is safety and both the Metron-Harmony ground delay system and ACE have delivered measures that improve overall safety by ensuring smooth and planned operations for airports and airlines.





Construction of Gladstone and Newman fire stations is on schedule and the facilities are expected to be commissioned in August 2014. Interim measures at these locations were implemented in March.

Construction of Coffs Harbour and Ballina fire stations is to be completed by the end of 2014, with commissioning to take place in early 2015.

We upgraded the aviation rescue fire fighting categories at Launceston, Adelaide, Mackay, Brisbane and Perth airports due to the increase in the number of passengers and larger aircraft. This has required infrastructure works to be undertaken at some locations to meet increased service requirements.

The introduction of these services has required further upgrade or acquisition of Airservices equipment and assets, including the purchase of new fire vehicles to be delivered during 2014.

## Airport Capacity Enhancement (ACE)

ACE was implemented at Brisbane, Perth and Melbourne airports in response to work conducted by each airport's ACE management team and steering group. A programme to standardise terminal area arrival speeds in Sydney was also introduced on 29 May 2014 to assist the ACE programme. More information is available on page 47.

The terms of reference for the cross-industry Sydney Airport Air Traffic Management Strategic Planning Group were agreed at the inaugural meeting held in September 2013, in an effort to speed up the delivery of a strategic plan to improve operational efficiencies at Sydney Airport.

## Decision making for industry

Airservices continued to develop demand and capacity management capabilities to build on improvements resulting from the Air Traffic Flow Management (ATFM) project, a component of our collaborative decision-making programme.

Airborne and ground holding demand and capacity is currently addressed by Airservices as part of the Metron-Harmony system in conjunction with ACE.

The ATFM team has developed a long-range concept to display Metron-Harmony traffic flow at air traffic control consoles, enabling controllers to issue those displayed times directly to the aircraft.

In February 2014, we completed a meteorological collaborative decision-making trial in Sydney and Brisbane, and in March 2014 we implemented a departures manager position for Perth Airport to manage the early morning peak period.

Melbourne, Sydney, Brisbane and Perth airports are currently reviewing our concept of operations and the Metron-Harmony software for those airports has been upgraded.

To support these systems, a preferred provider was identified for corporate systems. The successful tenderer was contracted in December 2013 and once network connectivity has been established, capabilities will be systematically relocated. This process will continue throughout 2014–15 and will allow for growth, as well as providing disaster recovery and business continuity security.

## Managing aircraft noise

In May 2014, we signed a \$25 million, five-year contract with Bruel & Kjaer, an environmental noise management firm, as part of our ongoing commitment to the environment and aircraft noise management.

The contract includes noise and flight path monitoring as well as ongoing development of the web-based, noise information tool, WebTrak, for use by members of the public. This information will assist in determining the contribution aircraft noise makes to the overall noise to which a community is exposed and can assist government and local authorities with their planning.

Airservices has finalised its Aircraft Noise Management Strategy which will be implemented as part of the Airservices Commitment to Aircraft Noise Management and the Airservices Aircraft Noise Management Roadmap.

We launched our Commitment to Aircraft Noise Management at the Airservices industry conference, Waypoint, in November 2013, and together with the Australian Airports Association unveiled a new website dedicated to explaining aircraft noise [www.aircraftnoise.com.au](http://www.aircraftnoise.com.au)

As part of our commitment to ongoing collaboration with industry and stakeholders on noise improvement opportunities, we co-hosted the fourth industry Noise Forum in Canberra in February 2014, with the AAA. The annual forum brings together stakeholders in an effort to improve noise outcomes for communities.

We assessed the noise modelling capabilities of the United States Federal Aviation Authority's Aviation Environmental Design Tool and used this information to upgrade both our Airport Noise and Operations Monitoring System, and Continuous Descent Operations reporting capability.

Following a recommendation by the Aircraft Noise Ombudsman (ANO), in August 2013, Airservices commenced a 12-month trial of a modified flight path over Perth to reduce the impact of aircraft noise on more than 4000 residents.

Prior to the trial commencing we consulted with the local community through a series of public information sessions and held information sessions with local government, the Perth Airport CACG and the Perth Airport Aircraft Noise Management Consultative Committee. We undertook an extensive public awareness campaign to advise residents of the modified flight path and provided times and locations of community forums aimed at explaining the changes.

## Protecting the environment

Airservices celebrated the 10th anniversary of the first use of Flextracks in Australian airspace on 1 December 2013. A Flextrack is designed to enable an aircraft to change from a fixed route and use winds to its advantage by avoiding strong headwinds. By doing this, an aircraft can improve flight time, deliver environmental benefits as well as reduce its operating costs.

Emirates, by using a Flextrack, is estimated to have saved over 3800 tonnes of fuel and reduced CO<sub>2</sub> emissions by more than 12 000 tonnes. Airservices employs 17 Flextracks between Australia and airports in Asia and the Middle East, which are used by an average of 31 flights each day.

As a founding partner of INSPIRE, Airservices prepared and published the first INSPIRE 2013 Annual Report. This report publicises INSPIRE's environmental initiatives, goals, progress and performance to the global aviation community and public.

## Our environmental footprint

Airservices is working to reduce its exposure to environmental risks and improve its energy, waste and water consumption. We are also implementing initiatives to improve noise outcomes, procedures to help better investigate environmental incidents (including those related to aircraft noise) and benchmarking our resource management performance against similar organisations.

We are focused on improving environmental accountability, our capacity to manage environmental issues and our understanding of our energy and water use to assist in setting targets and reducing unnecessary waste.

To establish these targets we have introduced a pilot programme at Canberra and Gold Coast airport facilities that includes installing energy efficient lighting, low-flow water devices and solar power. This programme will also seek to improve our existing heating, ventilation and air conditioning systems. The results will help us plan for other Airservices facilities and determine our future requirements.

At our Learning Academy's Hot Fire Training Ground, stage two of the water recycling plant was formally commissioned in June 2014. This will enable recycling of water used during training and some rain water runoff. This will mean that reliance on town water is reduced, improving the

environmental footprint and overall cost efficiency of training.

We established a cross-functional aviation emissions working group to assess the accuracy and reliability of our existing emissions models. We have reduced aircraft noise and emissions and identified further areas to improve air traffic management through further reducing aircraft emissions and noise impacts.

We have also been analysing aircraft emissions to improve reporting on the difference between actual emissions and the lowest possible emissions for a particular flight. This will provide information to airlines that will lead to significant fuel savings and environmental benefits to the community.

During the year the Alan Woods Building in Canberra was provided with the secure UniFLOW Follow Me printing solution as part of the refurbishment of our headquarters. This capability has reduced paper usage and increased the security of printed information.

## Procurement management

Airservices is constantly seeking to achieve best practice in supplier management. We are a member of the Department of Finance's ICT Goods and Services Panel which has increased our buying power, reduced contract negotiation time, and provided access to vendors previously not available to Airservices.

During the year, we commenced our property operations and facility management commercial strategy, and continue to make progress in this area with a number of procurement activities already completed.



## Management of supply

Airservices continues to develop its Supplier Relationship Management (SRM) programme to help coordinate planning and development and increase cooperation with key suppliers.

SRM encourages suppliers to understand the requirements of key accounts within Airservices and to become more responsive, cost effective and streamlined.

We have been working on legislative changes stemming from the implementation of the *Public Governance, Performance and Accountability (PGPA) Act 2013*. This Act will replace the existing *Financial Management and Accountability Act 1997* and the *Commonwealth Authorities and Companies Act 1997*. Airservices and other agencies formed a working group to ensure the interests of Government business entities were represented during development of the Act's rules.

We have also implemented a new legal, regulatory and financial compliance framework within CIRRIIS. This involves mapping Commonwealth and state legislation to relevant areas within Airservices, a process which was previously conducted manually with data collected and put into a database for storing and reporting. The process has now become automated and paperless through CIRRIIS, which allows greater transparency and ease of reference for managers to check compliance.

## Information communication technology

Our Business Systems team continues to work on reforming its business model through a number of projects, which will enable us to make more informed decisions on our technology investments. Part of this reform will include an upgrade to our desktop IT systems.

A skills framework has also been developed which will enable us to create and sustain a future-ready workforce, and consolidate our technology requirements. We have set the direction for our information communication technology strategies and principles including signing a contract to house our business systems and commissioning 90 virtual servers to reduce our power, cooling and hardware costs.

We are ensuring that our ICT security is compliant with the wider Australian Government objectives described in the Protective Security Policy Framework and Information Security Manual. We have also been working to raise staff awareness on the risks associated with information security and how to deal with them, both at work and at home.

We continue to improve our corporate systems, particularly SAP (Corporation of Systems Applications and Products in data processing) and the enterprise data warehouse. This work has already delivered a saving of 13 terabytes of storage.

During the reporting period a governance framework was implemented to improve compliance with ICT contracts.

## Airport planning

Airservices engages with all airports to provide advice from subject matter experts in our business groups during the development of airport master and development plans. Airservices has also developed an internal process to ensure the accountability and integrity of any advice provided during airport planning activity. We also finalised 21 airport community management plans during the reporting period.

## Improving project delivery

Airservices is undertaking a multi-million dollar upgrade programme to ensure the continued delivery of safe and efficient movement of air traffic.

We commissioned two new air traffic control towers during the year—Adelaide was officially opened on 23 August, and Melbourne on 14 March. Both towers operate a fully digital system that integrates flight and operational data, surveillance and voice communications into a single design.

Other projects completed included the Metron-Harmony traffic flow software upgrade for Perth departures and the final tower display installed at Sydney.

As part of the navigation extension project, runway distance measuring equipment was commissioned at both Sydney and Canberra airports and the Cocos Island Doppler VHF Omni Directional Range radar was commissioned in September 2013. We will be progressively installing navigation aids at locations with increased traffic levels to improve safety or as a specific regulatory requirement.

We installed two new ADS-B ground stations at Point Lookout in New South Wales and Mount Hardgrave in Queensland. These ground stations will provide a backup to radar surveillance in the region and enhance high-level coverage for air traffic from Lord Howe Island to Sydney and Brisbane.

Brisbane en route radar and the Round Mountain radar were commissioned in August 2013, as part of the En Route Radar Replacement Project along with the West Beach transportable radar. The Cecil Park radar was commissioned to provide improved surveillance coverage of the Sydney basin and a replacement radar was commissioned at Mount Bobbara in New South

Wales to provide secondary radar surveillance of aircraft operating in the area.

Additional conflict safety net alerting was also deployed into the Brisbane upper airspace air traffic control sector. We re-commissioned a category three instrument landing system at Melbourne and a category two instrument landing system at Sydney Airport to assist aircraft landing in poor weather conditions.

During the year we also completed the Perth Control Tower Life Extension program, making it the fifth tower to be completed.

We continue to investigate enhanced services for regional areas by trialling video link technology to explore more flexible tower services through our Remote Tower Technology project.

We are now planning the next stage of our National Towers project, which will involve design and construction of new towers, and the demolition of redundant facilities. The project will also introduce a blueprint for a nationwide programme centred on a standardised approach to tower construction.

A combined regional approach service was also commissioned from Brisbane Air Traffic Services Centre for the Rockhampton and Mackay airports under the Approach Services for Regional Airports project.

We have also commenced decommissioning navigation aids no longer required under our Navigation Rationalisation Project with the first of these decommissioned at Bordertown in South Australia, Giles in Western Australia and Mansfield in Victoria.

## Aligning technology with our service—delivery

In May 2014, we commissioned SmartPath, a ground based augmentation radar system at Sydney Airport and the first of its type in the Southern Hemisphere and Asia-Pacific.

This system will provide an approach capability that can guide suitably-equipped aircraft to within one metre of the runway centre line on every approach in low or poor visibility conditions. SmartPath is capable of handling up to 26 simultaneous instrument approaches within a 42 kilometre radius of the airport.

We are also currently planning for a sustainable workforce, as well as a long-term vision for air traffic control and aviation rescue fire fighting regarding facilities and vehicles. Our plan now incorporates all aspects of information, communications and technology and recognises the future introduction of OneSKY Australia.

## Efficient property management

A property services plan has been established to enable project teams to improve maintenance of our infrastructure projects.

Airservices is currently assessing our facilities at Brisbane, Melbourne and Cairns airports, and will soon commence at Sydney, Adelaide, Canberra and Gold Coast airports. These assessments will enable us to implement a programme of asset maintenance. We developed management plans for grounds maintenance and pest control at all of our sites and an acquisition strategy for trade services has also been approved.

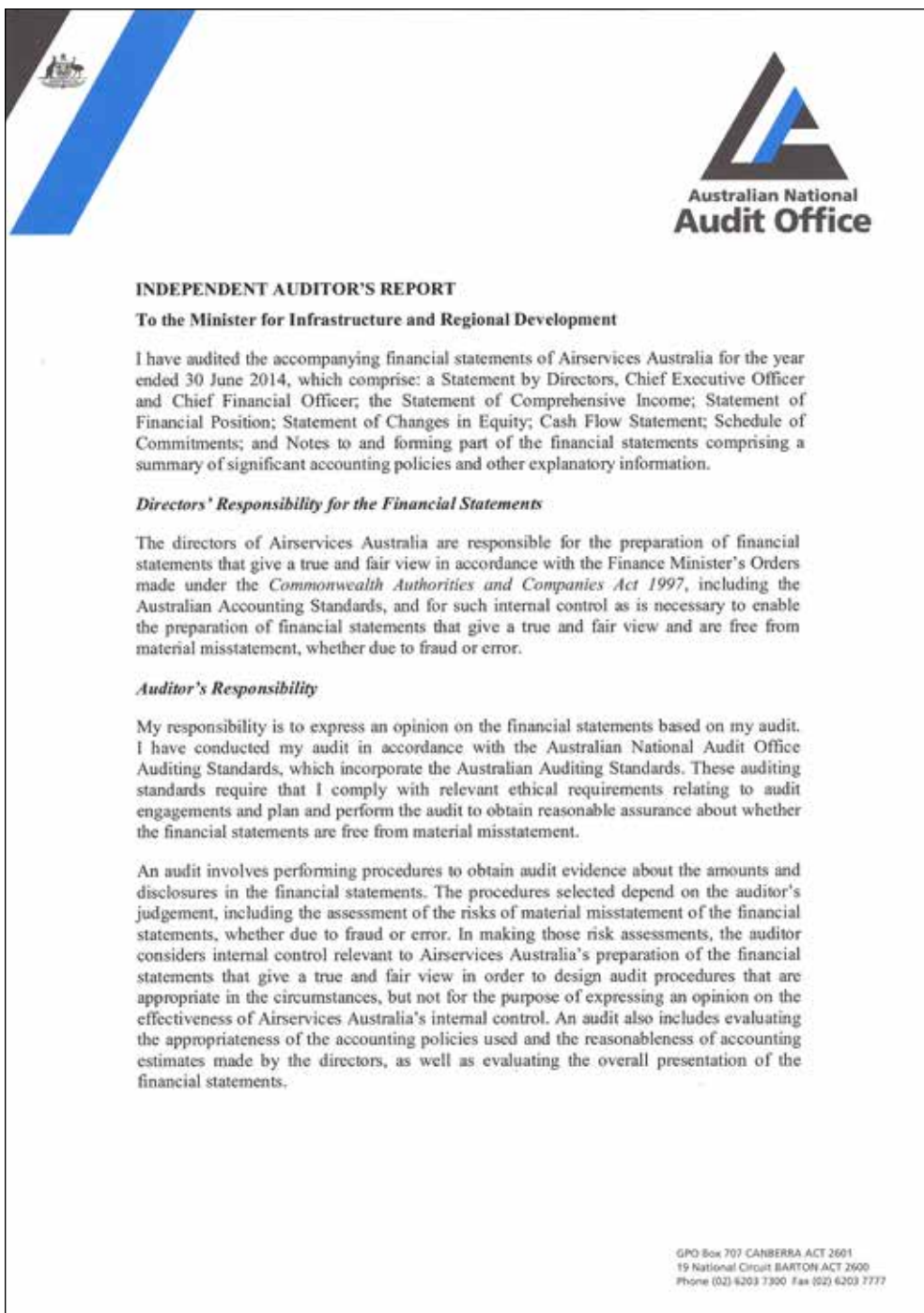
A management and remediation plan has also been developed for all sites containing hazardous materials and in the near future we will release to industry a statement of requirements for our national trade waste management and monitoring agreement.





05

**FINANCIAL  
STATEMENTS**



I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

***Independence***

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

***Opinion***

In my opinion, the financial statements of Airservices Australia:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders, including Airservices Australia's financial position as at 30 June 2014 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Peter Kerr  
Executive Director  
Delegate of the Auditor-General  
Canberra  
28 August 2014

**Airservices Australia**  
**STATEMENT BY DIRECTORS, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements and notes for the year ended 30 June 2014 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, as amended.

In our opinion, at the date of this statement, there are reasonable grounds to believe that Airservices Australia will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Angus Houston  
Chair



Margaret Staib  
Chief Executive Officer



Andrew Clark  
Chief Financial Officer

Canberra, 28 August 2014

**Airservices Australia**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the year ended 30 June 2014*

	Notes	2014 \$'000	2013 Restated <sup>1</sup> \$'000
<b>CONTINUING OPERATIONS</b>			
<b>INCOME</b>			
Airways revenues		978,451	928,202
Finance income	3	8,613	2,145
Other business revenue		25,943	21,626
Miscellaneous income		3,454	3,169
Reversal of previous asset write-down		4,378	-
<b>TOTAL INCOME</b>		<b>1,020,839</b>	<b>955,142</b>
<b>EXPENSES</b>			
Employee benefits	3	654,015	575,149
Suppliers		186,908	170,925
Depreciation	14	94,193	84,796
Amortisation	15	24,154	29,732
Finance costs	3	20,560	15,934
Write-down and impairment of assets	3	12,515	15,366
Net loss on disposal of non-current assets and assets held for sale	3	1,628	1,866
<b>TOTAL EXPENSES</b>		<b>993,973</b>	<b>893,768</b>
<b>PROFIT BEFORE INCOME TAX</b>		<b>26,866</b>	<b>61,374</b>
Income tax expense	4	5,543	15,890
<b>PROFIT AFTER INCOME TAX</b>		<b>21,323</b>	<b>45,484</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Gain on revaluation of land, buildings and plant & equipment	21	20,897	5,864
Actuarial gains on defined benefit fund	21	66,024	178,079
Income tax on items that will not be reclassified to profit or loss		(26,076)	(55,183)
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign exchange hedge	21	1,487	2,037
Income tax on items that may be reclassified to profit or loss	21	(446)	(611)
<b>TOTAL OTHER COMPREHENSIVE INCOME NET OF TAX</b>		<b>61,886</b>	<b>130,186</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>83,209</b>	<b>175,670</b>
Attributable to the Australian Government		83,209	175,670
		<b>83,209</b>	<b>175,670</b>

<sup>1</sup> 2013 results have been restated following the adoption of AASB 119 Employee Benefits (see Note 1(o) for more information).

**Airservices Australia**  
**STATEMENT OF FINANCIAL POSITION**  
*as at 30 June 2014*

		2014	2013
	Notes	\$'000	Restated <sup>1</sup> \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	80,488	57,243
Trade and other receivables	9	117,884	112,253
Prepayments		8,296	8,252
Inventories		1,338	1,315
Assets classified as held for sale	10	110	100
Other current financial asset	11	556	6,866
Other current assets	12	1,231	1,252
<b>TOTAL CURRENT ASSETS</b>		<b>209,903</b>	<b>187,281</b>
<b>NON-CURRENT ASSETS</b>			
Land and buildings	14	337,850	286,907
Infrastructure, plant and equipment	14	756,956	736,097
Deferred tax assets	13	23,600	45,534
Intangible assets	15	104,380	88,663
Defined benefit fund asset	19 (b)	33,298	-
Other non-current financial assets	16	15,987	2,350
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,272,071</b>	<b>1,159,551</b>
<b>TOTAL ASSETS</b>		<b>1,481,974</b>	<b>1,346,832</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17 (a)	96,264	95,884
Provisions	17 (a)	231,620	212,438
Borrowings	18 (a)	19,913	224,337
Other current financial liabilities	18 (b)	565	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>348,362</b>	<b>532,659</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	17 (b)	64,006	62,128
Borrowings	18 (a)	470,570	198,872
Defined benefit fund liability	19 (b)	-	27,816
Other non-current financial liabilities	20 (a)	3,804	-
Other non-current liabilities	20 (b)	8,400	6,170
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>546,780</b>	<b>294,986</b>
<b>TOTAL LIABILITIES</b>		<b>895,142</b>	<b>827,645</b>
<b>NET ASSETS</b>		<b>586,832</b>	<b>519,187</b>
<b>EQUITY</b>			
Contributed equity		222,190	222,190
Reserves	21 (a)	108,153	93,500
Retained earnings	21 (b)	256,489	203,497
<b>TOTAL EQUITY</b>		<b>586,832</b>	<b>519,187</b>

<sup>1</sup> 2013 results have been restated following the adoption of AASB 119 Employee Benefits (see Note 1(o) for more information).

**Airservices Australia**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the year ended 30 June 2014*

	Retained earnings		Asset revaluation reserve		Foreign exchange hedge reserve		Total reserves		Contributed equity		Total equity	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
	Restated <sup>1</sup>		Restated <sup>1</sup>		Restated <sup>1</sup>		Restated <sup>1</sup>		Restated <sup>1</sup>		Restated <sup>1</sup>	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>	203,497	52,826	94,324	91,292	(824)	(2,250)	93,500	89,042	222,190	222,190	519,187	364,058
<b>Comprehensive Income</b>												
Defined benefits actuarial gains (net of tax)	46,217	124,655	-	-	-	-	-	-	-	-	46,217	124,655
Net revaluation (net of tax)	-	-	14,628	4,105	1,041	1,426	15,669	5,531	-	-	15,669	5,531
Profit for the period	21,323	45,484	-	-	-	-	-	-	-	-	21,323	45,484
<b>Total comprehensive income</b>	<b>67,540</b>	<b>170,139</b>	<b>14,628</b>	<b>4,105</b>	<b>1,041</b>	<b>1,426</b>	<b>15,669</b>	<b>5,531</b>	<b>-</b>	<b>-</b>	<b>83,209</b>	<b>175,670</b>
<b>Transactions with owners</b>												
Returns on capital:												
Dividends	(16,000)	(21,000)	-	-	-	-	-	-	-	-	(16,000)	(21,000)
<b>Transfers between equity components</b>												
Revaluation reserve - disposals	1,452	1,532	-	-	-	-	-	-	-	-	1,452	1,532
Revaluation reserve - disposals (net of tax)	-	-	(1,016)	(1,073)	-	-	(1,016)	(1,073)	-	-	(1,016)	(1,073)
<b>Closing balance</b>	<b>256,489</b>	<b>203,497</b>	<b>107,936</b>	<b>94,324</b>	<b>217</b>	<b>(824)</b>	<b>108,153</b>	<b>93,500</b>	<b>222,190</b>	<b>222,190</b>	<b>586,832</b>	<b>519,187</b>

<sup>1</sup> 2013 results have been restated following the adoption of AASB 119 Employee Benefits (see Note 1(o) for more information).

**Airservices Australia**  
**CASH FLOW STATEMENT**  
*for the year ended 30 June 2014*

	Notes	2014 \$'000	2013 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers (inclusive of GST)		1,102,160	1,027,465
Income tax refund		1,660	12,898
Payments to suppliers and employees (inclusive of GST)		(904,221)	(827,688)
Borrowing costs		(22,818)	(15,666)
Income tax paid		(13,337)	(18,924)
Interest received		4,369	1,815
<b>Net cash flows from operating activities</b>	32	<b>167,813</b>	<b>179,900</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sales of infrastructure, plant and equipment		471	2,456
Purchase of infrastructure, plant & equipment and intangibles		(199,039)	(187,872)
<b>Net cash flows used in investing activities</b>		<b>(198,568)</b>	<b>(185,416)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(16,000)	(21,000)
Repayments of borrowings		(225,000)	-
Proceeds from borrowings		295,000	20,000
<b>Net cash flows from / (used in) financing activities</b>		<b>54,000</b>	<b>(1,000)</b>
Net increase / (decrease) in cash and cash equivalents		23,245	(6,516)
Cash and cash equivalents at the beginning of the reporting period		57,243	63,759
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	8	<b>80,488</b>	<b>57,243</b>

**Airservices Australia**  
**SCHEDULE OF COMMITMENTS**  
*as at 30 June 2014*

	2014	2013
	\$'000	\$'000
<b>BY TYPE</b>		
<b>CAPITAL COMMITMENTS</b>		
Infrastructure, plant and equipment	84,981	108,779
<b>TOTAL CAPITAL COMMITMENTS</b>	<b>84,981</b>	<b>108,779</b>
<b>OTHER COMMITMENTS</b>		
Operating leases	186,941	177,594
Other commitments <sup>1</sup>	320,592	294,329
<b>TOTAL OTHER COMMITMENTS</b>	<b>507,533</b>	<b>471,923</b>
<b>COMMITMENTS RECEIVABLE</b>		
Other commitments receivable <sup>2</sup>	(99,444)	(66,749)
GST recoverable on commitments	(47,159)	(46,564)
<b>TOTAL COMMITMENTS RECEIVABLE</b>	<b>(146,603)</b>	<b>(113,313)</b>
<b>TOTAL NET COMMITMENTS BY TYPE</b>	<b>445,911</b>	<b>467,389</b>
<b>BY MATURITY</b>		
<b>CAPITAL COMMITMENTS</b>		
Within one year	73,358	96,284
After one year but no more than five years	11,623	11,662
More than five years	-	833
<b>TOTAL CAPITAL COMMITMENTS</b>	<b>84,981</b>	<b>108,779</b>
<b>OPERATING LEASES</b>		
Within one year	16,063	14,666
After one year but no more than five years	65,352	55,553
More than five years	105,526	107,375
<b>TOTAL OPERATING LEASES</b>	<b>186,941</b>	<b>177,594</b>
<b>OTHER COMMITMENTS</b>		
Within one year	83,528	70,244
After one year but no more than five years	182,764	129,659
More than five years	54,300	94,426
<b>TOTAL OTHER COMMITMENTS</b>	<b>320,592</b>	<b>294,329</b>
<b>COMMITMENTS RECEIVABLE</b>		
Within one year	(31,067)	(24,720)
After one year but no more than five years	(72,931)	(43,199)
More than five years	(42,605)	(45,394)
<b>TOTAL COMMITMENTS RECEIVABLE</b>	<b>(146,603)</b>	<b>(113,313)</b>
<b>TOTAL NET COMMITMENTS BY MATURITY</b>	<b>445,911</b>	<b>467,389</b>

<sup>1</sup> These commitments primarily comprise contracts for services including flight inspection services and airways technical equipment support contracts.

<sup>2</sup> These relate to contracts associated with other business revenue.

NB: Commitments are GST inclusive where relevant.

Operating leases are effectively non-cancellable and comprise:

***Leases for office accommodation***

Airservices leases are subject to differing review mechanisms which can include fixed increases, CPI or market review.

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****Note 1 Summary of significant accounting policies**

Set out below are the principal accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. All amounts are shown in thousands of dollars and are expressed in Australian dollars, unless disclosure of the full amount is specifically required.

**(a) Basis of preparation**

The financial statements are required by clause 1(b) of Schedule 1 to the Commonwealth Authorities and Companies (CAC) Act 1997 and are general purpose financial statements for the year ended 30 June 2014. The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 28 August 2014.

Airservices is an Australian Government owned for-profit entity. The financial statements have been prepared on a going concern basis, in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and Finance Minister's Orders (FMOs) made under the CAC Act 1997. The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

**Historical cost convention**

These financial statements have been prepared on an accrual basis and under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit and loss, and certain classes of property, plant and equipment.

**Critical accounting estimates**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Airservices accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

**(b) Statement of compliance****Compliance with IFRS**

The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

**Adoption of new Australian Accounting Standard requirements**

No accounting standard has been adopted earlier than the application date as stated in the standard. Airservices has adopted the following changes to accounting standards as of 1 July 2013:

Reference	Title	Nature of change in accounting policy and adjustments to financial statements
AASB 10, 11 & 12	<i>Consolidated Financial Statements, Joint Arrangements, and Disclosure of Interests in Other Entities</i>	AASB 10 introduces changes to the principal of control, with a greater focus on which party has power over an entity's activities rather than the previous requirements which looked at which party has the majority of the risks and rewards. The control principle is applied to joint arrangements in AASB 11. AASB 12 combines the disclosure requirements for an entity's interests in subsidiaries, joint arrangements, and structured entities into one standard.  Airservices does not have the right or exposure to variable returns, or an ability to influence payments through its involvement in the four special purpose entities which are involved in the US cross-border financing arrangement in relation to equipment associated with The Australian Advanced Air Traffic System (TAAATS) and radar systems (refer Note 31). Accordingly, Airservices does not have control over these entities under AASB 10 and as a result they are no longer consolidated in the financial statements.
AASB 13	<i>Fair Value Measurement</i>	AASB 13 explains how to measure fair value and aims to enhance fair value disclosures. The new standard requires a number of new disclosures for assets and liabilities carried at fair value. These are contained in the relevant notes that the assets and liabilities measured using fair value are included. Additional disclosures regarding the fair value hierarchy are contained in Note 5.
AASB 119	<i>Employee Benefits</i>	AASB 119 introduces changes to the accounting for employee benefits, including defined benefit liabilities/assets and the classification of short-term and long-term employee benefits.  Airservices has adopted this standard retrospectively in the current period in accordance with the transitional provisions set out in the revised standard. Accordingly, the opening statement of financial position of the earliest comparative period presented (1 July 2012), the statement of comprehensive income, and statement of changes in equity comparative figures have been adjusted to reflect the changes. The change to comparatives is outlined in Note 1(o) below.

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Reference	Title	Nature of change in accounting policy and adjustments to financial statements
AASB 2012-2	Amendments to Australian Accounting Standards - <i>Disclosures - Offsetting Financial Assets and Financial Liabilities</i>	AASB 2012-2 amends AASB 7 Financial Instruments: Disclosures to require disclosure of information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.  The accounting policy for offsetting financial instruments is included in Note 1(t) below.

All other new or revised standards and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect, and are not expected to have a future material effect, on the entity's financial statements.

***Future Australian Accounting Standard requirements***

The following new standards, revised standards, interpretations and amending standards were issued prior to the signing of the statements by the Chair, Chief Executive Officer and Chief Financial Officer and are expected to have a material impact on Airservices for future reporting periods.

Reference	Title	Summary	Application date of standard	Application date for Airservices
AASB 9	Financial Instruments	The revised AASB 9 addresses the classification and measurement of financial assets and financial liabilities. The standard has the potential to reduce profit and loss volatility by allowing hedge accounting for net positions and groups of financial instruments. Currently Airservices does not apply hedge accounting to its interest rate swap portfolio and movements in the portfolio's fair value are recorded in the Statement of Comprehensive Income.  The standard is not applicable until 1 July 2018 and Airservices is yet to assess its full impact.	1 Jan 2018	1 Jul 2018

All other new or revised standards and/or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a future material effect on the entity's financial statements.

**(c) Foreign currency translation*****Functional and presentation currency***

Items included in the financial statements of Airservices are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Australian dollars, which is Airservices functional and presentation currency.

***Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

**(d) Revenue recognition*****Rendering of services***

Revenue is recognised when services are rendered for both airways and other business revenue. The prices charged for regulated services are in accordance with the agreements negotiated with customers and endorsed by the Australian Competition and Consumer Commission (ACCC). Underpinning this agreement are risk sharing provisions which compensate parties where either airways activity volumes exceed or do not achieve agreed levels, costs vary due to regulatory change, or capital expenditure levels vary substantially from agreed investment levels.

## **Airservices Australia**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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#### ***Interest income***

Interest income is recognised using the effective interest method as set out in AASB 139 Financial Instruments: Recognition and Measurement. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of comprehensive income.

#### **(e) Property, plant and equipment**

##### ***Asset recognition threshold***

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

##### ***Cost and valuation***

Property, plant and equipment are measured at cost or at fair value, less, where applicable, accumulated depreciation and any accumulated impairment losses.

Assets purchased by Airservices are initially recorded at cost and represent costs directly attributable to the acquisition. Labour and direct overheads incurred in installation are capitalised and added to the cost. Assets constructed by Airservices are initially recognised at the cost of materials, labour, direct overheads and borrowing costs incurred on qualifying assets.

All costs associated with repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

##### ***Revaluations***

Following initial recognition at cost, property, plant and equipment are carried at a re-valued amount which is the fair value at the date of the revaluation. Independent valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the reporting date. Revaluations are conducted by an independent qualified valuer.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the Statement of Financial Position unless it reverses a revaluation decrease of the same asset previously recognised in the Statement of Comprehensive Income, in which case the increase is recognised in profit or loss. Any revaluation deficit is recognised in the Statement of Comprehensive Income, except that a decrease offsetting a previous surplus for the same asset is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset. The revaluation surplus is accounted for net of deferred tax in the asset revaluation reserve.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

##### ***Derecognition and disposal***

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from de-recognition, calculated as the difference between net disposal proceeds and carrying value, is included in the Statement of Comprehensive Income in the year the asset is derecognised.

##### ***Impairment of non-financial assets***

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable, and, as a minimum, at least annually. All assets were assessed for impairment as at 30 June 2014.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which it belongs. If any impairment indication exists, and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a market determined risk adjusted discount rate. Any impairment losses are recognised immediately in the Statement of Comprehensive Income. Non-financial assets that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****Leases**

Operating lease payments where the lessor effectively retains substantially all of the risks and benefits of ownership of leased assets are included in the determination of the operating profit in equal instalments over the lease term, unless another systematic basis is more appropriate. Any rent free periods are accounted for as per UIG 115 Operating Leases - Incentives.

Leases of fixed assets where substantially all the risks and benefits incidental to ownership of the asset, but not legal ownership, are transferred to Airservices are classified as finance leases. Any finance leases identified are capitalised at the inception of the lease at the lower of the present value of minimum lease payments, including any guaranteed residual values, and fair value. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are accounted for as an expense.

**Depreciation**

Depreciable property, plant and equipment are written-off to their estimated residual values over their estimated useful lives to Airservices, using in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2014	2013
Buildings (eg: control towers, fire stations, commercial property)	10-40 years	10-40 years
Plant and equipment (eg: airways technical equipment, fire vehicles)	3-20 years	3-20 years

**Spares**

Asset-specific spare parts (repairable spares) have been treated as plant and equipment and depreciated over the useful life of the parent asset to which they are related.

**(f) Intangible assets**

Intangible assets acquired separately are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses. Where amortisation is charged on assets with finite lives, this expense is taken to the Statement of Comprehensive Income. Software is amortised on a straight-line basis over 3-10 years.

Research costs associated with in-house developed intangible assets are expensed as incurred. Costs incurred on development projects (relating to the design and testing of new improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technical feasibility and its cost can be measured reliably. The carrying value of development costs is reviewed for impairment annually or more frequently if there is evidence to suggest that the carrying value may not be recoverable. All intangibles were assessed for indicators of impairment as at 30 June 2014.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying value of the asset as at the date of derecognition and are recognised in the Statement of Comprehensive Income.

**(g) Decommissioning and site rehabilitation**

Where Airservices has an obligation to incur site rehabilitation costs and the requirements outlined below in section (n) Provisions, have been met, the estimated cost to 'make good' the site has been recorded as a provision.

The net present value of the obligation is measured using the 10 year Government bond rate at 30 June each year.

**(h) Inventories**

Inventories consist of retail and publication material held for sale to the aviation industry, and consumable spares used for operational equipment. Inventories are valued at the lower of cost and net realisable value, using the weighted average unit cost method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## **Airservices Australia**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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#### **(i) Dividends**

A liability for a dividend is not recognised until such time that it is approved by the Board.

#### **(j) Cash and cash equivalents**

Cash is recognised at its nominal amount. Cash in the Statement of Financial Position comprises cash at bank and in hand and deposits at call which are readily convertible to cash on hand. For the purposes of the cash flow statement, cash includes cash and cash equivalents net of outstanding bank overdrafts.

#### **(k) Income tax**

The income tax expense for the year is the tax payable on the current year's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Comprehensive Income.

#### **(l) Goods and Services Tax (GST)**

Revenues, expenses and non-current assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, the Australian Taxation Office, are presented as operating cash flows.

Commitments and contingencies are disclosed GST inclusive.

#### **(m) Recoverable amount of non-current assets**

All assets are subjected to impairment tests at each reporting date. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made. Where the carrying amount exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for each asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash flows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a market-determined risk adjusted discount rate.

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****(n) Provisions**

Provisions are recognised when Airservices has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. Where the effect of the time value of money is material, the obligation is measured using a discount rate which reflects current market assessments and the risks specific to the liability. Increases in the provision due to the passage of time (unwinding of the discount) are then recognised as expense.

On-costs associated with recreation leave and long service leave are classified as separate provisions from employee benefits, in accordance with section 43.3 of the FMOs.

**(o) Employee benefits*****Salaries, wages and termination benefits***

Liabilities for short term employee benefits and termination benefits expected to be wholly settled within twelve months of the end of the reporting period are measured at their nominal amounts. Liabilities for salary and wages are recognised, and are measured as the amount unpaid at the reporting date at pay rates which will be applicable when paid, in respect of employees' services up to that date.

***Recreation leave***

The provision for recreation leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Accordingly, this provision is measured as a long-term benefit by calculating the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

***Long service leave and early retirement benefits***

Employee benefit provisions for long service leave and early retirement benefits are assessed by qualified actuaries on an annual basis. Various actuarial assumptions are required when determining Airservices obligations, and these are discussed at Note 2 and Note 19.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date, using the projected unit credit method. A liability for early retirement benefit is recognised within the provision for separations and redundancies in accordance with the applicable Group Collective Agreement and is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

***Superannuation***

Contributions are made predominantly to AvSuper (sponsored by Airservices) and Commonwealth Superannuation Administration (ComSuper) which administers the Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation (PSS) funds. AvSuper has a defined benefit section and an accumulation section within its fund. Contributions to the AvSuper defined benefit fund are made in accordance with advice received from the fund's actuary. Contributions to accumulation funds are in accordance with the organisation's Collective Agreement(s) and other employee contracts, having regard to legislative requirements. Contributions to ComSuper for the PSS and CSS funds are in accordance with actuarial reports as notified by the Department of Finance.

Contributions to all funds except the AvSuper defined benefit fund are recognised as an expense as they become payable. With respect to the AvSuper defined benefit fund, the current service cost and the net interest on the net defined benefit liability (asset) is recognised in the profit before income tax, whereas actuarial gains and losses are recorded in other comprehensive income.

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

A liability or asset in respect of the AvSuper defined benefit superannuation plan is recognised in the Statement of Financial Position, and is measured as the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the interpolation between the yield on government bonds that have terms approximating to the terms of the related obligation. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

**Change in accounting policy for defined benefit fund**

As a result of AASB 119 *Employee Benefits* (2011), Airservices has changed its accounting policy with respect to accounting for the AvSuper defined benefit fund.

Previously, the net of current service costs, interest costs and the expected return on fund assets was recognised in the profit before income tax, and actuarial gains and losses were recorded in other comprehensive income. The defined benefit liability or asset was measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. Applying the new policy as outlined above, the interest cost and expected return on plan assets are replaced with a net interest amount, which is calculated by applying the discount rate to the net defined benefit liability (asset).

In addition, the standard clarifies that a gross of tax discount rate should be used when measuring the defined benefit obligation, as opposed to the net of tax discount rate that was previously applied.

Airservices has applied the revised standard retrospectively in accordance with the transitional provision of the standard. Consequently, the restated comparative figures have been presented below.

**Statement of Comprehensive Income**

	Reported 2013	Change in Policy	Restated 2013
	\$'000	\$'000	\$'000
<b>Expenses</b>			
Employee benefits	549,925	25,224	575,149
<b>Total expenses</b>	<b>868,544</b>	<b>25,224</b>	<b>893,768</b>
<b>Profit before income tax</b>	<b>86,598</b>	<b>(25,224)</b>	<b>61,374</b>
Income tax expense	23,457	(7,567)	15,890
<b>Profit after income tax</b>	<b>63,141</b>	<b>(17,657)</b>	<b>45,484</b>
<b>Other comprehensive income</b>			
Actuarial gains/(losses) on Defined Benefits Fund	147,789	30,290	178,079
Income tax on items that will not be reclassified to profit or loss	(46,096)	(9,087)	(55,183)
<b>Total Other Comprehensive Income Net of Tax</b>	<b>108,983</b>	<b>21,203</b>	<b>130,186</b>
Total comprehensive income	172,124	3,546	175,670

**Statement of financial position**

	Reported 2013	Change in Policy	Restated 2013
	\$'000	\$'000	\$'000
<b>Non-current assets</b>			
Deferred tax asset	53,321	(7,787)	45,534
<b>Total non-current assets</b>	<b>1,167,338</b>	<b>(7,787)</b>	<b>1,159,551</b>
Defined benefit fund liability	53,773	(25,957)	27,816
<b>Total non-current liabilities</b>	<b>320,943</b>	<b>(25,957)</b>	<b>294,986</b>
<b>Net assets</b>	<b>501,017</b>	<b>18,170</b>	<b>519,187</b>
Retained earnings	185,327	18,170	203,497
<b>Total equity</b>	<b>501,017</b>	<b>18,170</b>	<b>519,187</b>

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****(p) Assets classified as held for sale**

Assets classified as held for sale are stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of sale of the asset is recognised at the date of de-recognition.

Assets are not depreciated or amortised while they are classified as held for sale. Assets classified as held for sale are presented separately from the other assets in the Statement of Financial Position.

**(q) Working capital**

Airservices current liabilities exceed current assets as at the end of the current reporting period, mainly as a result of employee benefit disclosure requirements of the accounting standards. Notwithstanding that deficiency, the Directors remain confident that Airservices will be able to meet its debts as and when they fall due, including employee long service and recreation leave which will be funded out of operating revenues in the normal course of business rather than out of current assets at year-end.

Excluding the employee benefit provisions expected to be taken greater than 12 months from the working capital analysis has current assets at approximately ninety six percent of current liabilities. This shortfall is expected to be met by the continuation of positive operating cashflows. In addition, management has committed funding facilities (which include standby facilities of \$230m - refer Note 23) to ensure the organisation can address both expected and unexpected short term liquidity requirements.

**(r) Investments and other financial assets**

Airservices classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of the reporting period.

***Financial assets at fair value through profit or loss***

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets:

- a) have been acquired principally for the purpose of selling in the near future;
- b) are derivatives that are not designated and effective as a hedging instrument; or
- c) are parts of an identified portfolio of financial instruments that the entity manages together and has a recent actual pattern of short-term profit-taking.

Assets in this category are classified as current assets. Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

***Loans and receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

***Held-to-maturity investments***

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that Airservices has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

***Available-for-sale financial assets***

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Airservices did not have any available-for-sale financial assets for the year ended 30 June 2014.

**Airservices Australia**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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**(s) Financial liabilities**

Financial liabilities within the scope of AASB 139 are classified as financial liabilities at fair value through profit or loss, derivatives designated as hedging instruments in an effective hedge, or other financial liabilities, as appropriate.

***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

***Derivative financial instruments and hedge accounting***

Airservices uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

***Other financial liabilities***

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

**(t) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**(u) Contingent liabilities and contingent assets**

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

**(v) Borrowing costs**

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****Note 2 Significant accounting estimates and assumptions**

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

***AvSuper defined benefit plan***

Various actuarial assumptions are required when determining Airservices obligations under the AvSuper defined benefit plan. The assumptions relied on for the period to 30 June 2014 are discussed in Note 19.

***Long Service Leave and Early Retirement Benefits***

Various actuarial assumptions are required when determining the Airservices obligations for long service leave and the early retirement benefit scheme. The assumptions relied on for the period to 30 June 2014 are based on collective agreements that were applicable during the year. These include a 5.0% provision for salary and incremental increases, including promotional effects, staff turnover rates ranging from 2% to 19% (depending on period of service), and average long service leave taken of 0.19 months per annum. The Discount Rate is derived from a yield curve based on interpolation of Commonwealth Government Bonds based on the durations to reflect the estimated mean term of the liabilities, they are as follows:

Liability	Mean term	Government Bonds	Discount Rate
Long Service Leave	7.3 years	5 year and 10 year	3.4% p.a
Early Retirement Benefit	5.7 years	5 year and 10 year	3.2% p.a

***Recoverable amount of non-current financial assets***

The estimated future cash flows for value in use calculations include an assumed risk adjusted discount rate of 18.0%, an average USD/AUD exchange rate of 0.94, and expected sales over the next ten years.

***Other provisions***

An estimate of expected future costs has been used to establish the provision for the assessment, management and containment of possible contaminated Aviation Rescue and Fire Fighting (ARFF) training sites, the removal of underground fuel storage tanks and asbestos affected sites, and the remediation and restoration of leased property sites as discussed in Note 17(c).

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****Note 3 Profit from continuing operations**

Profit from continuing operations before income tax is arrived at after including the following items of revenue and expenditure:

	2014	2013 Restated
	\$'000	\$'000
<b>Revenue</b>		
Finance income		
Deposits	3,340	1,105
Cash at bank	666	438
Interest rate swap fair value gain	4,223	354
Other	384	248
Total finance income	8,613	2,145
<b>Expenses</b>		
Employee benefits		
Wages and salaries	418,748	376,338
Superannuation (defined contribution funds)	43,543	34,608
Leave and other entitlements	150,013	120,816
Separation and redundancies	7,846	4,112
Employee benefits (excluding defined benefit superannuation expense)	620,150	535,874
Net defined benefit superannuation expense recognised in employee benefits		
Current service cost	33,576	33,960
Net interest expense	289	5,315
Defined benefit superannuation expense	33,865	39,275
Total employee benefits	654,015	575,149
Finance costs		
Loans	18,828	14,815
Other	1,732	1,119
Total finance costs	20,560	15,934
Write-down and impairment of assets		
Net write-down of infrastructure, plant and equipment	-	7,017
Impairment of navigation augmentation system receivable	1,308	4,243
Impairment of infrastructure, plant and equipment	10,726	3,302
Impairment of intangible assets	481	804
Total write-down and impairment of assets	12,515	15,366
Impaired loss on trade and other receivables		
Movement in allowance for impairment (receivables)	(811)	(276)
Bad debts written off	1,618	287
Total bad and doubtful debt expense	807	11
Operating lease charges	23,715	21,983
<b>Gain/(loss) from sales/(write-off) of non-current assets</b>		
Proceeds from disposal of non-current assets	471	2,456
Written-down value of disposed non-current assets	(451)	(2,481)
Net gain / (loss) from sale of non-current assets	20	(25)
Written down value of scrapped assets	(1,648)	(1,841)
<b>Net loss from disposal of non-current assets</b>	(1,628)	(1,866)

No related party amounts are disclosed separately for revenue and expense transactions above as they are immaterial.

**Airservices Australia**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 4 Income tax**

	2014	2013
	\$'000	\$'000
<b>(a) Income tax expense</b>		
Current tax	9,153	10,852
Deferred tax	(3,610)	5,038
Income tax expense attributable to profit from continuing operations	5,543	15,890
<b>(b) Reconciliation of income tax expense to prima facie tax payable</b>		
Profit from continuing operations before income tax expense	26,866	61,374
Prima facie income tax expense at 30%	8,060	18,412
Tax effect of amounts which are not deductible/assessable in calculating taxable income:		
Non-deductible legal costs	10	120
Other non-deductible/(assessable) expenditure	1,123	(3,487)
Prior year over provision of tax	(4,937)	(387)
Unrealised losses on revaluation of assets to fair value	1,287	1,232
<b>Income tax expense</b>	<b>5,543</b>	<b>15,890</b>

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****Note 5 Fair value measurement**

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

**Note 5A: Fair value measurements****Fair value measurements at 30 June 2014 by hierarchy for assets and liabilities**

	Fair value \$'000	Fair value measurements at the end of the reporting period using		
		Level 1 inputs \$'000	Level 2 inputs \$'000	Level 3 inputs \$'000
<b>Non-financial assets</b>				
Land	47,690	-	47,690	-
Buildings	290,160	-	200	289,960
Plant and equipment	555,367	-	-	555,367
<b>Total non-financial assets at fair value</b>	<b>893,217</b>	<b>-</b>	<b>47,890</b>	<b>845,327</b>
<b>Financial assets</b>				
Forward exchange contracts	311	-	311	-
Interest rate swaps	14,396	-	14,396	-
Other financial assets	1,836	-	-	1,836
<b>Total financial assets at fair value</b>	<b>16,543</b>	<b>-</b>	<b>14,707</b>	<b>1,836</b>
<b>Total fair value measurements of assets</b>	<b>909,760</b>	<b>-</b>	<b>62,597</b>	<b>847,163</b>
<b>Financial liabilities</b>				
Interest rate swaps	4,369	-	4,369	-

Airservices engages external, independent and qualified valuers to determine the fair value of Airservices property plant and equipment on an annual basis.

Highest and best use is the same as current use. There were no transfers between levels 1 and 2 during the year.

## Airservices Australia

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Note 5B: Valuation technique and inputs for Level 2 and Level 3 fair value measurements

	Level 2 or 3	Fair Value \$000	Valuation technique	Inputs used	Range (weighted average)
<b>Non-financial assets</b>					
Land	Level 2	47,690	Market Comparables	Sales prices of comparable land Land Size	N/A
Buildings	Level 2	200	Capitalised Income Approach	Price per square metre Market rate of interest	N/A
Buildings	Level 3	289,960	Depreciated Replacement Cost	Construction cost per metre height - Control Towers <sup>1</sup>	\$250,000 - \$420,454 (\$306,145)
				Category - Fire Stations <sup>2</sup>	\$1,689,000 - \$9,370,000 (\$4,222,000)
				Construction cost per square metre - other Buildings <sup>1</sup>	\$450 - \$3,500 (\$2,975)
Plant and equipment	Level 3	555,367	Depreciated Replacement Cost	Historical capitalised costs Future planning cost estimates <sup>3</sup>	1 - 4% (2%)
<b>Financial assets</b>					
Forward exchange contracts	Level 2	311	Adjusted Discounted Cash flows	Current foreign exchange market rates	N/A
Interest rate swaps	Level 2	14,396	Adjusted Discounted Cash flows	Current market interest rates	N/A
Other financial assets	Level 3	1,836	Discounted Cash flows	Discount rate <sup>4</sup> USD foreign exchange rates	18% 0.94
<b>Financial liabilities</b>					
Interest rate swaps	Level 2	4,369	Adjusted Discounted Cash flows	Current market interest rates	N/A

<sup>1</sup> The higher the construction cost, the higher the fair value

<sup>2</sup> The higher the fire station category, the higher the fair value

<sup>3</sup> The higher the industry cost index, the higher the fair value

<sup>4</sup> The higher the discount rate, the lower the fair value

#### Valuation techniques used to determine level 2 and level 3 fair values

##### Land

The fair value of freehold land assets have been derived using the direct comparison approach whereby the evidence derived from the analysis of recent sales of similar properties is used to establish the value of the subject property (level 2 inputs). In this regard, sales evidence has been collected as close to the date of valuation as possible and compared to the subject property on the basis of quality, age, condition and size of improvements, location, land area and shape. The sales were then analysed on a sales price per square metre of land area and adjusted accordingly to reflect any character differences between the subject and the comparable sales data.

##### Buildings

Non-specialised building assets where the asset can be identified as having the capability to be compared to open market conditions have been valued using the capitalised income approach whereby a yield is applied to the property's income (actual or assumed) to assess its value. The yield applied to the potential rental return from the property is based on an analysis of sales and/or leasing data and has been calculated by dividing the rental return from comparable sales against its sale price.

Specialised buildings and site improvements have been valued on the basis of Depreciated Replacement Cost. This has been determined by first establishing the estimated cost to replace with an equivalent new asset less depreciation for their physical, functional and economic obsolescence.

Most building assets possess an alternate use potential, however, that potential can only be realised if the underlying conditions of the land permit an alternate use. In most instances the land lease agreements Airservices has entered into preclude using the land and the building assets upon the land in any other way than to provide the specialised services specifically related to Airservices. Where the land lease conditions preclude Airservices from partaking in otherwise normal market activities, the building assets were valued as a specialised asset.

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****Plant and Equipment**

In general plant and equipment assets are typical at each airport and only vary subject to the capacity of the airport. The assets include navigational aids, en route surveillance systems, on airport infrastructure and fire and rescue vehicles. These represent a specialised group of assets integrated to perform the control, monitoring and safety requirement of air and ground movement of commercial aircraft and airport support vehicles within Australia. As such, these assets have been valued based on Depreciated Replacement Cost.

**Note 5C: Reconciliation for recurring Level 3 fair value measurements**

There have been no transfers between levels.

**Recurring Level 3 fair value measurements - reconciliation for assets**

	Non-financial assets		
	Buildings	Plant and equipment	Total
	2014 \$'000	2014 \$'000	2014 \$'000
<b>Opening balance</b>	238,951	525,328	764,279
Total gains/(losses) recognised in net cost of services	4,893	(545)	4,348
Total gains/(losses) recognised in other comprehensive income	12,978	8,005	20,983
Purchases	-	222	222
Commissioned	54,975	99,687	154,662
Disposals	(961)	(1,138)	(2,099)
Depreciation	(20,876)	(73,317)	(94,193)
Transfer to intangibles	-	(2,875)	(2,875)
<b>Closing balance</b>	289,960	555,367	845,327

	Other financial assets
	2014
	\$'000
<b>Opening balance</b>	2,784
Change in sales projection	(1,308)
Movement in discounted cash flow terms	360
<b>Closing balance</b>	1,836

**Note 6 Dividends****(a) Dividends paid**

An interim dividend for the year ending 30 June 2014 of \$6.0m (2013: \$10.0m) was paid on the 17 June 2014. A final dividend of \$10.0m for the year ended 30 June 2013 was paid on 28 February 2014 (2013: \$11.0m final dividend for the year ending 30 June 2012).

**(b) Franking credits**

Franking credits available for subsequent financial years based on a tax rate of 30% (30 June 2013: 30%) are \$297.6m (30 June 2013: \$285.9m).

The above amounts represent the balance of the franking account as at the end of the financial year.

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****Note 7 Events after the reporting period**

No events have occurred after the Statement of Financial Position date that should be brought to account or disclosed in the 2013-14 financial statements.

**Note 8 Current assets – Cash and cash equivalents**

	2014 \$'000	2013 \$'000
Cash at bank and in hand	23,288	10,243
Deposit at call	57,200	47,000
	<u>80,488</u>	<u>57,243</u>

**(a) Cash at bank and in hand**

Cash at bank has a floating interest rate of 2.70% (30 June 2013: 2.95%) for balances up to \$25m. For balances greater than \$25m the interest rate is 2.50%. Cash in hand is non-interest bearing.

**(b) Deposits at call**

The deposits at call have a floating interest rate of 2.50% (30 June 2013: 2.75%). These 11am cash deposits are rolled over on a daily basis.

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****Note 9 Current assets – Trade and other receivables**

	2014	2013
	\$'000	\$'000
<b>Loans and receivables</b>		
Trade receivables (a)	111,377	109,815
Provision for impairment of receivables (b)	(1,510)	(2,321)
	<u>109,867</u>	<u>107,494</u>
Other receivables	631	453
Accrued revenue and interest	4,154	3,597
Income tax receivable	3,232	709
<b>Total current receivables</b>	<u>117,884</u>	<u>112,253</u>

**(a) Ageing analysis of trade receivables**

	2014	2013
	\$'000	\$'000
Current	85,484	83,125
<b>Overdue by:</b>		
1 to 30 days	21,492	22,664
31 to 60 days	1,017	522
61 to 90 days	315	307
90 + days	3,069	3,197
<b>Total</b>	<u>111,377</u>	<u>109,815</u>

**(b) Reconciliation for the provision for impairment of receivables**

	2014	2013
	\$'000	\$'000
Opening balance	2,321	2,597
Decrease recognised in net profit	(811)	(276)
Closing balance	<u>1,510</u>	<u>2,321</u>

The provision for impairment of receivables is aged as follows:

	2014	2013
	\$'000	\$'000
Current	46	39
<b>Overdue by:</b>		
1 to 30 days	55	46
31 to 60 days	56	13
61 to 90 days	48	13
90 + days	1,305	2,210
<b>Total</b>	<u>1,510</u>	<u>2,321</u>

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****Note 10 Assets classified as held for sale**

Three land assets and a residential property have been identified as surplus to the requirements of Airservices and have been classified as assets held for sale. Their disposals are expected to be completed within the 2014 -15 financial year. The carrying amount of the assets amounted to \$0.110m (30 June 2013: \$0.100m).

**Note 11 Other current financial assets**

	2014 \$'000	2013 \$'000
Forward exchange contracts	311	628
Interest rate swaps	-	5,804
Navigation and augmentation systems receivable	245	434
<b>Total other current financial assets</b>	<b>556</b>	<b>6,866</b>

The navigation and augmentation systems receivable represents the current portion of the royalty stream which Airservices is entitled to receive from the sale and use of these technologies. Refer Note 16 for non-current portion. Refer to Note 5 for basis of fair value measurement.

**Note 12 Current assets - Other**

	2014 \$'000	2013 \$'000
Lease incentive - Current	1,231	1,252

This represents the current portion of the straight-lining adjustments associated with operating leases on office accommodation.

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****Note 13 Non-current assets – Deferred tax assets**

	2014	2013
	\$'000	\$'000
<b>The balance comprises temporary differences attributable to:</b>		
<i>Amounts recognised in the statement of comprehensive income</i>		
Depreciation for accounting purposes	(16,720)	(6,359)
Allowance for impairment	817	696
Employee benefits	62,302	52,803
Provision for revenue to be returned to customers	1,219	2,044
Provision for legal costs	180	90
Other provisions	4,765	5,933
Accruals	5,283	(971)
	<u>57,846</u>	<u>54,236</u>
<i>Amounts recognised directly in equity</i>		
Foreign exchange hedge reserve	(93)	(188)
Revaluation of land, buildings, plant and equipment	(46,258)	(40,425)
Defined benefit liability	12,105	31,911
	<u>(34,246)</u>	<u>(8,702)</u>
Net deferred tax assets	<u>23,600</u>	<u>45,534</u>
<b>Movements:</b>		
Opening balance at 1 July	45,534	105,148
Charged to the statement of comprehensive income	3,610	(5,038)
Credited to equity	(25,544)	(54,576)
Closing balance at 30 June	<u>23,600</u>	<u>45,534</u>

**Tax losses**

Airservices has capital losses of \$9.0m (30 June 2013: \$9.5m) that are available indefinitely for offset against future capital gains. Deferred tax assets have not been recognised in respect of these losses as management has evaluated and concluded that it is not probable future capital gains will be available against which the Airservices can utilise these losses in the foreseeable future.

**Airservices Australia**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 14 Non-current assets – Infrastructure, plant and equipment**

	Land \$'000	Buildings \$'000	Total land and buildings \$'000	Plant and equipment \$'000	Assets under construction \$'000	Total \$'000
<b>As at 1 July 2013</b>						
Gross book value	47,956	250,129	298,085	588,594	210,769	1,097,448
Accumulated depreciation and impairment	-	(11,178)	(11,178)	(63,266)	-	(74,444)
<b>Net book value 1 July 2013</b>	<b>47,956</b>	<b>238,951</b>	<b>286,907</b>	<b>525,328</b>	<b>210,769</b>	<b>1,023,004</b>
<b>Additions</b>	-	-	-	222	193,685	193,907
Revaluations	(256)	18,071	17,815	7,460	-	25,275
Impairments recognised	-	-	-	-	(10,726)	(10,726)
Commissioned assets under construction	-	54,975	54,975	99,687	(154,662)	-
Assets under construction commissioned as software (refer to note 15)	-	-	-	-	(37,477)	(37,477)
Depreciation expense	-	(20,876)	(20,876)	(73,317)	-	(94,193)
Transferred to intangibles	-	-	-	(2,875)	-	(2,875)
Disposals	-	(961)	(961)	(1,138)	-	(2,099)
Transferred to assets held for sale	(10)	-	(10)	-	-	(10)
<b>Net book value 30 June 2014</b>	<b>47,690</b>	<b>290,160</b>	<b>337,850</b>	<b>555,367</b>	<b>201,589</b>	<b>1,094,806</b>
<b>Net book value as of 30 June 2014 represented by:</b>						
Gross book value	47,690	303,865	351,555	634,610	201,589	1,187,754
Accumulated depreciation and impairment	-	(13,705)	(13,705)	(79,243)	-	(92,948)
	<b>47,690</b>	<b>290,160</b>	<b>337,850</b>	<b>555,367</b>	<b>201,589</b>	<b>1,094,806</b>

**Airservices Australia**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	Land \$'000	Buildings \$'000	Total land and buildings \$'000	Plant and equipment \$'000	Assets under construction \$'000	Total \$'000
<b>As at 1 July 2012</b>						
Gross book value	48,080	187,546	235,626	536,052	287,310	1,038,988
Accumulated depreciation and impairment	-	(9,125)	(9,125)	(53,905)	-	(63,030)
<b>Net book value 1 July 2012</b>	<b>48,080</b>	<b>178,421</b>	<b>226,501</b>	<b>482,147</b>	<b>287,310</b>	<b>975,958</b>
<b>Additions</b>	-	9	9	(112)	191,789	191,686
Revaluations	256	4,279	4,535	(5,688)	-	(1,153)
Impairments recognised	(350)	(256)	(606)	(1,920)	(776)	(3,302)
Commissioned assets under construction	-	75,093	75,093	121,329	(196,422)	-
Assets under construction commissioned as software (refer to note 15)	-	-	-	-	(51,132)	(51,132)
Depreciation expense	-	(18,545)	(18,545)	(66,251)	-	(84,796)
Transferred from intangibles	-	-	-	8	-	8
Disposals	(30)	(50)	(80)	(4,185)	-	(4,265)
<b>Net book value 30 June 2013</b>	<b>47,956</b>	<b>238,951</b>	<b>286,907</b>	<b>525,328</b>	<b>210,769</b>	<b>1,023,004</b>
<b>Net book value as of 30 June 2013 represented by:</b>						
Gross book value	47,956	250,129	298,085	588,594	210,769	1,097,448
Accumulated depreciation and impairment	-	(11,178)	(11,178)	(63,266)	-	(74,444)
	<b>47,956</b>	<b>238,951</b>	<b>286,907</b>	<b>525,328</b>	<b>210,769</b>	<b>1,023,004</b>

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****(a) Revaluation of land, buildings, plant and equipment**

The valuation basis for land, buildings, plant and equipment is fair value as outlined in Note 5.

Airservices engaged accredited valuers Aon Valuation Services to value its land, buildings, plant and equipment (the valuers were also used for the previous year). The reversal of prior year revaluation decreases (for the same asset), were recognised by crediting the statement of comprehensive income. In all other cases, the revaluation surplus net of deferred income taxes was credited to the asset revaluation reserve. The effective date of the revaluation was 30 June 2014.

**(b) Impairment**

In line with accounting standards, management has performed an impairment review of both existing assets and assets under construction. Principally, the review has focused on future use of existing assets, and changes in technology and business system requirements.

**(c) Carrying amounts that would have been recognised if land, plant and equipment were measured using the cost model:**

	2014 \$'000	2013 \$'000
<b>Land</b>		
At cost	<u>2,271</u>	<u>2,271</u>
	<u>2,271</u>	<u>2,271</u>
<b>Buildings</b>		
At cost	388,853	339,445
Accumulated depreciation	<u>(162,125)</u>	<u>(150,222)</u>
Net book amount	<u>226,728</u>	<u>189,223</u>
<b>Plant and Equipment</b>		
At cost	1,095,379	1,034,217
Accumulated depreciation	<u>(521,390)</u>	<u>(481,524)</u>
Net book amount	<u>573,989</u>	<u>552,693</u>

**(d) Borrowing Costs**

The amount of borrowing costs capitalised during the year ended 30 June 2014 was \$6.0m (2013: \$6.0m). As Airservices borrows money generally to fund both operating and capital expenditure, the weighted average cost of borrowings of 5.04% (2013: 5.24%) was used as the capitalisation rate.

**Airservices Australia**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 15 Non-current assets – Intangible assets**

	2014		2013	
	Internally developed software \$'000	Other intangible assets \$'000	Internally developed software \$'000	Other intangible assets \$'000
<b>As at 1 July</b>				
Gross book value	208,413	65,732	169,667	58,471
Accumulated amortisation and impairment	(136,310)	(49,172)	(119,458)	(40,588)
<b>Net book value 1 July</b>	<b>72,103</b>	<b>16,560</b>	<b>50,209</b>	<b>17,883</b>
<b>As at 30 June</b>				
Gross book value	34,250	3,227	43,053	8,079
Accumulated amortisation and impairment	(16,133)	(8,021)	(20,343)	(9,389)
<b>Net book value 30 June</b>	<b>18,117</b>	<b>(4,794)</b>	<b>22,710</b>	<b>(1,310)</b>
<b>Net book value as of 30 June represented by:</b>				
Gross book value	245,364	67,988	208,413	65,732
Accumulated amortisation and impairment	(152,269)	(56,703)	(136,310)	(49,172)
<b>Net book value 30 June</b>	<b>93,095</b>	<b>11,285</b>	<b>72,103</b>	<b>16,560</b>

**Airservices Australia**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 16 Non-current assets – Other financial assets**

	2014 \$'000	2013 \$'000
Interest rate swaps	14,396	-
Navigation and augmentation systems receivable <sup>1</sup>	1,591	2,350
<b>Total Non-current assets - other financial assets</b>	<b>15,987</b>	<b>2,350</b>

<sup>1</sup> This represents the non-current portion of the royalty stream which Airservices is entitled to receive from the sale and use of these technologies. Refer Note 11 for current portion. Refer to Note 5 for basis of fair value measurement.

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****Note 17 Provisions and payables**

	2014	2013
	\$'000	\$'000
<b>(a) Current payables and provisions</b>		
<b>Current payables</b>		
Suppliers		
Trade payables	15,415	16,072
Employees		
Salaries and wages	18,378	16,110
Superannuation	3,655	3,033
Revenue received in advance	1,627	1,832
Interest payable	2,603	2,134
Accrued payroll tax	4,074	3,532
Net goods and services tax payable	12,813	12,741
Group tax payable	5,959	5,439
Other accrued expenses	31,740	34,991
<b>Total current payables</b>	<b>96,264</b>	<b>95,884</b>
<b>Current provisions</b>		
Employee benefits		
Recreation leave <sup>1</sup>	61,624	55,960
Long service leave <sup>2</sup>	143,172	130,040
Separations and redundancies	2,491	955
On-costs associated with employee benefits	12,463	11,374
Workers compensation	417	434
Revenue to be returned to customers	4,062	6,815
ARFF decontamination	4,153	3,625
Litigation and legal costs	600	300
Other	1,459	450
Makegood on leasehold assets	1,179	2,485
<b>Total current provisions</b>	<b>231,620</b>	<b>212,438</b>
<b>Total current provisions and payables</b>	<b>327,884</b>	<b>308,322</b>
<b>(b) Non-current provisions</b>		
Employee benefits		
Long service leave	32,237	26,138
Separations and redundancies	15,318	17,309
On-costs associated with employee benefits	1,917	1,567
ARFF decontamination	4,594	7,519
Makegood on leasehold assets	7,359	6,584
Workers compensation	2,581	3,011
<b>Total non-current provisions</b>	<b>64,006</b>	<b>62,128</b>

<sup>1</sup> Recreation leave expected to be settled within 12 months from the reporting date is \$50.5m, and greater than 12 months is \$11.1m.

<sup>2</sup> Long service leave expected to be settled within 12 months from the reporting date is \$24.7m, and greater than 12 months is \$118.5m.

**Airservices Australia**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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**(c) Description of provision**

***Employee benefits:***

• **Workers compensation**

These provisions represent Airservices' self insured liability for workers compensation prior to 1 July 1989, which is calculated annually by an independent actuary.

• **Separations and redundancies**

This includes \$15.3m (30 June 2013: \$17.3m) in early retirement benefits which have been elected to be taken by employees as a lump sum on retirement, and \$2.5m (30 June 2013: \$1.0m) relating to redundancy provisions in relation to the restructuring of the organisation.

***Revenue to be returned to customers***

In accordance with the long term pricing agreement a \$4.1m (30 June 2013: \$6.8m) revenue rebate provision has been recorded relating to the deferral of new ARFF services which were anticipated to be introduced this year.

***ARFF decontamination***

The provision relates to the assessment, management and containment of possible contaminated ARFF training sites as outlined in the Environmental Management Plan (EMP) as discussed in note 22.

***Litigation and legal costs***

This provision includes the settlement and legal costs of Airservices on ongoing matters which commenced prior to 30 June 2014.

***Makegood on leasehold assets***

The provision relates to the decommissioning and restoration of leased property sites.

***Other***

The provision includes the removal and decommissioning of underground fuel storage tanks and asbestos affected sites.

**Airservices Australia**
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2014	2013
	\$'000	\$'000
<b>(d) Movements in provisions (excluding employee benefits)</b>		
(i) Revenue to be returned to customers (Current)		
Carrying amount at start of period	6,815	2,330
Additional provisions recognised	4,062	6,815
Credit notes issued	(6,790)	(2,316)
Rebate not returned to customers	(25)	(14)
Carrying amount at end of period	4,062	6,815
(ii) ARFF decontamination (Current/Non-current)		
Carrying amount at start of period	11,144	12,585
Adjustment to provision	(20)	(121)
Payments	(2,377)	(1,320)
Carrying amount at end of period	8,747	11,144
(iii) Litigation and legal costs (Current)		
Carrying amount at start of period	300	1,900
Adjustment to provision	600	(93)
Payments	(300)	(1,507)
Carrying amount at end of period	600	300
(iv) Decommissioning and restoration (Makegood - Current/Non-current)		
Carrying amount at start of period	9,069	9,403
Additional provisions recognised	177	135
Payments	(708)	(469)
Carrying amount at end of period	8,538	9,069
(v) Other (Current)		
Carrying amount at start of period	450	169
Additional provisions recognised	1,199	281
Payments	(190)	-
Carrying amount at end of period	1,459	450

## Airservices Australia

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Note 18 Borrowings and other current financial liabilities

	2014 \$'000	2013 \$'000
<b>(a) Unsecured - Bank loans</b>		
Current <sup>1</sup>	19,913	224,337
Non-current <sup>2</sup>	470,570	198,872
<b>Total borrowings</b>	<b>490,483</b>	<b>423,209</b>

<sup>1</sup> This represents amounts issued under a \$300m commercial paper program in two separate tranches on 10 April 2014, and 28 April 2014.

<sup>2</sup> This represents a \$200m Medium Term Note (MTN) tranche that was issued on 2 November 2011 and will mature on 15 November 2016 and a \$275m MTN tranche that was issued on 28 November 2013 and will mature on 19 November 2020.

#### (b) Other current financial liabilities

Interest rate swaps	565	-
<b>Total Other current financial liabilities</b>	<b>565</b>	<b>-</b>

#### Note 19 Defined benefit fund asset / (liability)

##### (a) Superannuation plan

Airservices is the principal sponsor of the superannuation fund, AvSuper. The plan has a defined benefit scheme and an accumulation section. The defined benefit section provides benefits based on the length of service and final average salary. The accumulation section receives fixed contributions in accordance with the Superannuation Guarantee Administration Act requirements and Airservices' legal constructive obligations are limited to these contributions and member benefits reflect these contributions and the funds market performance.

The following sections (b) to (j) set out details relating only to the defined benefits section of the Plan.

	2014 \$'000	2013 Restated \$'000
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##### (b) Benefit asset / liability

The amounts recognised in the statement of financial position are determined as follows:

Present value of the defined benefit obligation	(900,189)	(857,257)
Fair value of defined benefit plan assets	933,487	829,441
<b>Net benefit asset / (liability) - non-current</b>	<b>33,298</b>	<b>(27,816)</b>

##### (c) Categories of plan assets

The major categories of plan assets are as follows:

Cash	106,954	74,330
Equity instruments	569,548	549,471
Debt instruments	160,912	96,739
Other assets	96,073	108,901
<b>Total</b>	<b>933,487</b>	<b>829,441</b>

**Airservices Australia**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
**(d) Reconciliations**

	2014	2013
	Restated	
	\$'000	\$'000
<i>Reconciliation of the present value of defined benefit obligation:</i>		
Balance at the beginning of the year	857,257	901,107
Current service cost	33,576	33,960
Contribution by members	12,013	12,113
Interest cost	31,849	26,516
Remeasurements		
Effect of changes in financial assumptions	(11,336)	(71,755)
Effect of experience adjustments	19,990	(5,843)
Benefits paid	(43,160)	(38,841)
Balance at the end of the year	900,189	857,257

	2014	2013
	Restated	
	\$'000	\$'000
<i>Reconciliation of the fair value of plan assets:</i>		
Balance at the beginning of the year	829,441	704,581
Interest income	31,560	21,201
Remeasurements		
Return on plan assets (excluding interest income)	74,679	100,481
Contribution by Airservices	28,954	29,906
Contribution by members	12,013	12,113
Benefits paid	(43,160)	(38,841)
Balance at the end of the year	933,487	829,441

**(e) Net amount recognised in the Statement of Comprehensive Income**

The amounts recognised in the Statement of Comprehensive Income are as follows:

	2014	2013
	Restated	
	\$'000	\$'000
<b>i Defined benefit cost recognised in profit or loss</b>		
Current service cost	33,576	33,960
Interest on the net defined benefit liability	289	5,315
Total included in employee benefits expense	33,865	39,275
<b>ii Remeasurements (recognised in other comprehensive income)</b>		
Effect of changes in financial assumptions	(11,335)	(71,755)
Effect of experience adjustments	19,990	(5,843)
Return on plan assets (excluding interest income)	(74,679)	(100,481)
Total remeasurements included in OCI	(66,024)	(178,079)
<b>iii Total defined benefit cost recognised in the statement of comprehensive income</b>	(32,159)	(138,804)
Actual return on plan assets	103,962	137,715

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****(f) Principal actuarial assumptions**

The principal actuarial assumptions used (expressed as weighted averages) were as follows:

	2014 %	2013 %
Discount rate	3.90	3.80
Future salary increases	5.00	5.00

The economic assumptions used by the actuary to make the funding arrangements were:

- a discount rate of 3.9% p.a. derived by interpolation between the yield on 10 year and 15 year Australian Government Bonds at 30 June 2014 where the interpolation is based on the estimated mean term of each bond.
- the salary increase rate is the long term expected rate including a full allowance for promotional increases.

**(g) Sensitivity analysis**

A sensitivity analysis for the key actuarial assumptions, holding other assumptions constant, and their potential impact on the defined benefit obligation (as set out in section (a)) are shown below.

2014	Increase \$'000	Decrease \$'000
Discount rate (0.5% movement)	(54,534)	59,211
Future salary increases (0.5% movement)	55,706	(51,902)

**(h) Maturity profile**

The following payments are expected to be made in the future years out of the defined benefit plan obligation.

	2014 \$'000	2013 \$'000
<b>Undiscounted Benefit Payments</b>		
1 year or less	46,000	73,000
2 to 5 years	231,000	298,000
5 to 10 years	303,000	309,000
Greater than 10 years	1,657,000	1,123,000
<b>Total expected payments</b>	<b>2,237,000</b>	<b>1,803,000</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 11 years (2013: 11 years).

## **Airservices Australia**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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#### **(i) Employer contributions**

Employer contribution rates are reviewed with each actuarial investigation of the Plan undertaken for the Trustee. An actuarial investigation of the Plan is made each year and the last such assessment was made as at 1 July 2013.

Employer contributions for Airservices to the defined benefit section of AvSuper are currently:

- 16.5% of gross salary for Air Traffic Controllers (2012-13: 16.5%);
- 16.5% of gross salary for other employees (2012-13: 16.5%); and
- 3% for those employees who remain members of the Commonwealth Superannuation Scheme (CSS) (2012-13: 3%).

The employer has decided to make additional contributions to the Plan, if required, in June each year, after considering the advice of the actuary and the Trustee.

The objectives in setting the contribution rate are to ensure:

- i. the benefit entitlements of members and other beneficiaries are fully funded by the time they become payable; and
- ii. there is a low probability that the assets are insufficient to meet the minimum benefit liabilities of the Fund should it terminate.

To achieve the first objective, the actuary has adopted a method of funding benefits known as the Attained Age Normal funding method. This funding method seeks to have benefits funded by means of a total contribution which is expected to be a constant percentage of member's salaries over their remaining working lifetimes. To achieve the second objective, the actuary undertakes scenario testing of the short term financial position of the Plan.

Employer contributions expected to be paid by Airservices for the year ending 30 June 2015 amount to approximately \$30.1m, not including any additional contributions required.

#### **(j) Net Financial position of the plan**

In accordance with AAS 25 Financial Reporting by Superannuation Plans, the Plan's net financial position is determined as the difference between the present value of the accrued benefits and the net market value of Plan assets. This was determined as at the date of the most recent financial report of AvSuper (30 June 2013), when a surplus of \$178.9m was reported. Last year in these financial statements Airservices recognised a defined benefit liability of \$53.8m at 30 June 2013 (restated to \$27.8m in this year's comparatives, following the changes in AASB 119). The difference between the amounts is due to the different accounting treatment of the net financial position for the employer under AASB 119, and the Plan under AAS 25.

At 30 June 2014 these financial statements disclose a defined benefit asset of \$33.3m. AvSuper's net financial position for the Plan under AAS 25 will not be available until after these financial statements have been signed.

**Airservices Australia**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
**Note 20 Non-current liabilities - Other**

	2014	2013
	\$'000	\$'000
<b>(a) Other non-current financial liabilities</b>		
Interest rate swaps	3,804	-
<b>(b) Non-current liabilities - Other</b>		
Lease liability - Non-current	8,400	6,170

This represents the non-current portion of the straight-lining adjustments associated with operating leases on office accommodation.

**Note 21 Reserves and retained earnings**

	2014	2013
	\$'000	\$'000
<b>(a) Reserves</b>		
Asset revaluation reserve	107,936	94,324
Foreign exchange hedge reserve	217	(824)
	108,153	93,500
<b>Movements:</b>		
<i>Asset revaluation reserve</i>		
Opening balance	94,324	91,292
Net revaluation	20,897	5,864
Income tax effect on net revaluation	(6,269)	(1,759)
Revaluation reserve - disposals	(1,016)	(1,073)
	107,936	94,324
<i>Foreign exchange hedge reserve</i>		
Opening balance	(824)	(2,250)
Net revaluation	1,487	2,037
Income tax effect on net revaluation	(446)	(611)
	217	(824)

**(b) Retained earnings**

Movements in retained earnings were as follows:

	2014	2013
	\$'000	Restated \$'000
Opening balance	203,497	52,826
Net profit after tax for the year	21,323	45,484
Dividend paid	(16,000)	(21,000)
Defined benefit fund movements direct to equity	66,024	178,079
Income tax effect on the defined benefit fund movements	(19,807)	(53,424)
Revaluation reserve - disposals	1,452	1,532
	256,489	203,497

## Airservices Australia

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Note 22 Contingencies

##### (a) Contingent Liabilities

Airservices had contingent liabilities at 30 June 2014 in respect of:

##### *Legal Claim*

Airservices is aware of litigation in three jurisdictions in relation to the provision of its services. At this stage it is not possible to estimate the amounts of any eventual payments that may be required in relation to this matter.

Airservices has been notified of a claim from a supplier in relation to the early termination of the supplier's contract. It is not possible to estimate the amount of any eventual payment in relation to this claim.

##### *Aviation Rescue & Fire Fighting (ARFF) potential contaminated site management*

Airservices has identified a number of sites around the country that have been potentially contaminated with chemicals that were contained in fire fighting foams. The foams containing these chemicals were widely used internationally and were used by Airservices from 1980. The identified contaminants do not breakdown in the natural environment.

Testing and assessment of the fire training grounds commenced in 2008-09 with some additional site assessments conducted in the years following. The focus during the 2014 financial year has been on completing more detailed site assessments at three locations, developing environmental management plans for contamination at these locations, undertaking research and development investigations into contaminated waste treatment options and development of investigation trigger levels to address the absence of regulated thresholds for these contaminants. This work will continue for the next few years.

To facilitate this process and other activity related to this issue, a sum of \$8.7m has been provided for at 30 June 2014 (refer to Note 17). It is not possible to quantify any potential remediation costs at this time.

#### Note 23 Standby arrangements and unused credit facilities

	2014 \$'000	2013 \$'000
Bank overdraft	5,000	5,000
Total credit facilities	5,000	5,000
Unused credit facilities	5,000	5,000
Loan facilities		
Commercial paper (only expires if cancelled)	300,000	300,000
Medium term note program	750,000	400,000
Committed standby facilities	230,000	230,000
Uncommitted 11am borrowing	60,000	60,000
Total loan facilities	1,340,000	990,000
Amount utilised	(495,000)	(425,000)
Unused loan facilities	845,000	565,000

**Airservices Australia**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
**Note 24 Remuneration of auditors**

	2014	2013
	\$	\$
Auditing services provided by the Australian National Audit Office	<u>270,000</u>	<u>270,000</u>

Audit services for Airservices are provided by the Australian National Audit Office and are subcontracted to Crowe Horwath. No other services were provided by Crowe Horwath.

**Note 25 Remuneration of directors**

	2014	2013
The number of non-executive directors of the entity included in these figures are shown below in the relevant remuneration bands:	No.	No.
\$0 - \$29,999	1	1
\$30,000 - \$59,999	5	4
\$60,000 - \$89,999	1	3
\$120,000 - \$149,999	1	1
<b>Total</b>	<u>8</u>	<u>9</u>
	\$	\$
Total remuneration received or due and receivable by directors of the entity	<u>514,214</u>	<u>554,459</u>

The remuneration of the Chief Executive Officer (who was an Executive Director during the year) is disclosed with the remuneration of senior executives and is not included in Director's remuneration.

**Airservices Australia**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 26 Senior executive remuneration**

**(a) Senior executive remuneration expense for the reporting period**

	2014 \$'000	2013 \$'000
<b>Short-term employee benefits:</b>		
Salary	3,132	2,208
Performance bonus	778	495
<b>Total short-term employee benefits</b>	<b>3,910</b>	<b>2,703</b>
<b>Post-employment benefits:</b>		
Superannuation (post-employment benefits)	358	313
<b>Total post-employment benefits</b>	<b>358</b>	<b>313</b>
<b>Other long-term benefits:</b>		
Recreation leave accrued	19	68
Long service leave	149	119
<b>Total other long-term benefits</b>	<b>168</b>	<b>187</b>
<b>Termination benefits</b>	<b>655</b>	<b>-</b>
<b>Total</b>	<b>5,091</b>	<b>3,203</b>

**Notes:**

Note 26 (a) was prepared on an accruals basis so the performance bonus disclosed above differ from the cash 'Bonus paid' in Note 26 (b).

Note 26 (a) excludes acting arrangements and part-year service where remuneration expensed for a senior executive was less than \$195,000.

**Airservices Australia**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

(b) Average annual reportable remuneration paid to substantive senior executives during the reporting period

2014						
Average annual reportable remuneration <sup>1</sup>	Senior Executives No.	Reportable salary <sup>2</sup> \$	Contributed superannuation <sup>3</sup> \$	Reportable allowances <sup>4</sup> \$	Bonus paid <sup>5</sup> \$	Total \$
<b>Total remuneration (including part-time arrangements):</b>						
\$195,000 to \$224,999	1	138,737	13,503	-	56,840	209,080
\$225,000 to \$254,999	1	209,570	21,779	-	-	231,349
\$285,000 to \$314,999	1	250,752	26,509	-	12,367	289,628
\$315,000 to \$344,999	1	224,729	26,052	-	69,493	320,274
\$345,000 to \$374,999	2	289,198	27,163	-	49,758	366,119
\$465,000 to \$494,999	1	352,097	33,111	-	93,229	478,437
\$495,000 to \$524,999	3	348,936	46,211	-	111,602	506,749
\$525,000 to \$554,999	1	430,398	44,407	-	62,373	537,178
<b>Total</b>	<b>11</b>					
2013						
Average annual reportable remuneration <sup>1</sup>	Senior Executives No.	Reportable salary <sup>2</sup> \$	Contributed superannuation <sup>3</sup> \$	Reportable allowances <sup>4</sup> \$	Bonus paid <sup>5</sup> \$	Total \$
<b>Total remuneration (including part-time arrangements):</b>						
Less than \$195,000	2	86,615	9,594	-	30,932	127,141
\$255,000 to \$284,999	1	209,761	24,224	-	42,750	276,735
\$315,000 to \$344,999	2	273,209	28,920	-	15,686	317,815
\$345,000 to \$374,999	2	251,062	43,052	-	70,897	365,011
\$405,000 to \$434,999	1	299,250	32,639	-	83,416	415,305
\$465,000 to \$494,999	1	320,799	76,483	-	97,553	494,835
\$495,000 to \$524,999	1	354,886	38,369	-	105,685	498,940
<b>Total</b>	<b>10</b>					

**Airservices Australia**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

- <sup>1</sup> This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.
- <sup>2</sup> 'Reportable Salary' includes the following:  
(a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);  
(b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and  
(c) salary sacrificed superannuation.
- <sup>3</sup> The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period.
- <sup>4</sup> 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
- <sup>5</sup> 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.
- <sup>6</sup> Various salary sacrifice arrangements were available to senior executives including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column.

**Airservices Australia**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**(c) Other highly paid staff**

	2014				
Average annual reportable remuneration <sup>1</sup>	Other highly paid staff No.	Reportable salary <sup>2</sup> \$	Contributed superannuation <sup>3</sup> \$	Reportable allowances <sup>4</sup> \$	Bonus paid <sup>5</sup> \$
<b>Total reportable remuneration (including part time arrangements):</b>					
\$195,000 to \$224,999	415	181,851	26,412	14	2,846
\$225,000 to \$254,999	316	203,989	31,553	22	2,428
\$255,000 to \$284,999	145	227,698	35,822	49	3,372
\$285,000 to \$314,999	31	250,094	38,283	349	7,263
\$315,000 to \$344,999	1	247,470	23,432	-	46,338
\$345,000 to \$374,999	3	314,217	21,246	-	14,341
\$375,000 to \$404,999	2	349,685	33,814	4,751	-
\$405,000 to \$434,999	5	380,420	37,589	110	-
\$435,000 to \$464,999	2	410,525	31,424	-	8,720
\$465,000 to \$494,999	1	454,037	42,785	-	-
\$495,000 to \$524,999	1	516,410	29,397	-	-
<b>Total</b>	<b>922</b>				
	2013				
Average annual reportable remuneration <sup>1</sup>	Other highly paid staff No.	Reportable salary <sup>2</sup> \$	Contributed superannuation <sup>3</sup> \$	Reportable allowances <sup>4</sup> \$	Bonus paid <sup>5</sup> \$
<b>Total reportable remuneration (including part time arrangements):</b>					
\$195,000 to \$224,999	427	180,423	28,084	21	2,309
\$225,000 to \$254,999	270	202,843	32,873	35	1,824
\$255,000 to \$284,999	95	221,466	38,627	34	5,747
\$285,000 to \$314,999	16	246,419	38,459	110	9,844
\$315,000 to \$344,999	2	298,062	30,685	-	-
\$345,000 to \$374,999	8	319,069	29,998	399	4,646
\$375,000 to \$404,999	2	359,620	28,580	-	-
\$405,000 to \$434,999	1	363,153	20,005	-	25,780
\$435,000 to \$464,999	1	430,383	24,438	-	-
\$465,000 to \$494,999	1	452,588	42,927	-	-
<b>Total</b>	<b>823</b>				

**Airservices Australia**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

<sup>1</sup> This table reports staff:

- a) who were employed by the entity during the reporting period;
- b) whose reportable remuneration was \$195,000 or more for the financial period; and
- c) were not required to be disclosed in Tables A, B or director disclosures.

Each row is an averaged figure based on headcount for individuals in the band.

<sup>2</sup> 'Reportable Salary' includes the following:

- (a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column), which includes early retirement benefits which have been elected to be taken as a lump sum as described in note 17(c);
- (b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
- (c) salary sacrificed superannuation.

<sup>3</sup> The 'contributed superannuation' amount is the average actual superannuation contributions paid to staff in that reportable remuneration band during the reporting period. Note that these balances reflect the age profile of the organisation's employees and that a significant number of employees included are part of the AV Super Defined Benefit Scheme.

<sup>4</sup> 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.

<sup>5</sup> 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.

<sup>6</sup> Various salary sacrifice arrangements were available to other highly paid staff including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column.

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****Note 27 Related party transactions****(a) Directors**

The names of persons who were Directors of Airservices during the financial year and up to the date of signing these financial statements are as follows:

	<b>Status</b>	<b>Commenced</b>	<b>Finished</b>
<b>Chairman</b>			
Angus Houston		On-going	Current
<b>Deputy Chairman</b>			
Warren Mundy		On-going	31 October 2013
Tony Mathews		21 July 2014	Current
<b>Directors</b>			
Samantha Betzien		On-going	Current
David Burden		On-going	31 May 2014
Annette Kimmitt		On-going	Current
Paul Lucas		On-going	Current
Tony Mathews		On-going	Current
Fiona Balfour		On-going	Current
Tim Rothwell		21 July 2014	Current
David Marchant		21 July 2014	Current
<b>Chief Executive Officer</b>			
Margaret Staib		On-going	Current
Mark Rodwell	Acting	3 May 2014 23 June 2014	8 May 2014 7 July 2014

**(b) Executives**

The names of persons who were Executives of Airservices during the financial year (excluding the CEO, included above) and up to the date of signing these financial statements are as follows:

<b>Executives</b>	<b>Title</b>	<b>Commenced</b>	<b>Finished</b>
Stephen Angus	Executive GM Safety & Assurance	On-going	28 February 2014
Mairi Barton	Executive GM Corporate and Industry Affairs	16 June 2014	Current
Michelle Bennetts	Executive GM Aviation Rescue & Fire Fighting	On-going	Current
Andrew Boyd	Executive GM People and Culture	On-going	Current
Andrew Clark	Chief Financial Officer	On-going	Current
Jason Harfield	Executive GM Future Service Delivery	On-going	Current
Greg Hood	Executive GM Air Traffic Control	1 July 2013	Current
Unni Mennon	Executive GM Corporate and Industry Affairs	On-going	6 December 2013
Mark Rodwell	Executive GM Projects & Engineering	On-going	Current
Robert Weaver	Executive GM Safety, Environment & Assurance	On-going	Current
Elissa Keenan	A/ Executive GM Corporate and Industry Affairs	7 December 2013	15 June 2014
Gordon Dunsford	Chief Information Officer	29 July 2013	27 March 2014

**Airservices Australia**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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**(c) Transactions with related parties**

Certain director-related entities have transactions with Airservices that occur within normal customer or supplier relationships on terms and conditions no more favourable than those which it is reasonable to expect Airservices would have adopted if dealing with the director-related entity at arm's length in similar circumstances. These transactions include the following entities and have been described below where the transactions are considered likely to be of interest to users of these financial statements:

- Airservices received legal services from Minter Ellison amounting to \$553,487 for the period 1 July 2013 to 30 June 2014 during which time Samantha Betzien was both a director of Airservices and a partner with Minter Ellison.
- Airservices received professional services from Ernst and Young amounting to \$415,407 for the period 1 July 2013 to 30 June 2014 during which time Annette Kimmitt was both a director of Airservices and a partner with Ernst and Young.
- Airservices has contributed employer superannuation payments and administration fees to the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS) of \$8,204,112 for the period 1 July 2013 to 30 June 2014. Margaret Staib was appointed as a director of the Commonwealth Superannuation Corporation from 2 May 2014. The Commonwealth Superannuation Corporation acts as the trustee for both the CSS and PSS.
- To the extent permitted by law, Airservices provides indemnities to its directors and officers to complement the insurance arrangements that it has in place.

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****Note 28 Financial instruments**

Airservices has exposure to credit risk, liquidity risk, market risk and foreign exchange risk arising from its operations and use of financial instruments. Airservices uses financial instruments to manage these risks within a framework consisting of a comprehensive set of risk management policies. These risks are managed centrally and speculative trading is strictly prohibited.

**(a) Fair value measurements**

The fair values of foreign currency Forward Exchange Contracts (FECs) and Interest Rate Swaps (IRSs) are calculated using a credit adjusted discounted cash-flow methodology (fair values for 2013 were not credit adjusted). FEC and IRS contracted rates are compared to current market rates to calculate future cash flows which are then discounted to arrive at a present value.

Airservices measures the fair value of its derivative assets and liabilities on a net basis. As at 30 June 2014, when netting is applied to the FEC portfolio, currency derivative assets of \$0.3 million are reduced by zero to the net amount of \$0.3 million (30 June 2013: currency derivative assets of \$0.7 million are reduced by \$0.1 million to the net amount of \$0.6 million). When netting is applied to the IRS portfolio, interest rate swap assets of \$14.9 million are reduced by \$4.9 million to the net amount of \$10.0 million (30 June 2013: interest rate swap assets of \$11.3 million are reduced by \$5.5 million to the net amount of \$5.8 million).

Medium Term Note and Commercial Paper fair values reflect the price that an existing investor is prepared to receive if they were to sell their investment in the secondary market. These prices are provided by independent secondary market traders.

Other financial assets represent the royalty stream which Airservices is entitled to receive from the sale and use of airways navigation systems. The asset is valued at fair value through profit and loss by applying a discounted cash flow methodology. The significant level 3 inputs to this valuation are the sales forecast, discount rate and foreign exchange rate.

Refer to Note 5 for fair value measurement basis of these instruments.

	Carrying amount 2014 \$'000	Fair value 2014 \$'000	Carrying amount 2013 \$'000	Fair value 2013 \$'000
<b>Assets</b>				
Forward exchange contracts	311	311	628	628
Cash and cash equivalents	80,488	80,488	57,243	57,243
Receivables	117,884	117,884	112,253	112,253
Interest rate swaps	10,027	10,027	5,804	5,804
Other financial assets	1,836	1,836	2,784	2,784
<b>Total assets</b>	<b>210,546</b>	<b>210,546</b>	<b>178,712</b>	<b>178,712</b>
<b>Liabilities</b>				
Medium Term Notes	470,570	502,184	348,633	364,998
Trade and other payables	96,264	96,264	95,884	95,884
Commercial Paper	19,913	19,892	74,576	74,617
<b>Total liabilities</b>	<b>586,747</b>	<b>618,340</b>	<b>519,093</b>	<b>535,499</b>

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****(b) Financial risk**

Airservices' financial risk management policy identifies the risks faced by the organisation. It sets the risk limits, identifies the controls and determines the process for monitoring and adhering to limits. The policy is designed to add value without adding to the overall risks of the organisation.

The financial risk management policy and systems are reviewed regularly to reflect changes in market practices and Airservices' activities. Internal audit undertakes ad hoc reviews of financial risk management policy, controls and procedures, the results of which are reported to the Board Audit and Risk Committee.

Airservices uses financial instruments to manage its financial risks. The central Treasury unit identifies and evaluates the financial risks in close co-operation with other Airservices units and seeks to minimise potential adverse effects on the financial performance.

As a result of the nature of Airservices' business and internal policies dealing with the management of financial risk, Airservices' exposure to credit, liquidity and market risk is considered to be low.

**(c) Credit risk**

Credit risk represents the risk that one party to a transaction will fail to discharge an obligation and cause the other party to suffer a financial loss. Airservices invests money and enters into financial derivative contracts with authorised counterparties whose long term credit rating is at, or above, A- (Standard and Poor's) or A3 (Moody's). The maximum credit limit for each approved counterparty is currently \$70 million. Counterparty credit exposure is assessed using the principles of the Australian Prudential Regulatory Authority 'Current Exposure Method'.

Airservices is exposed to credit risk arising from potential default of debtors. This is equal to the total amount of trade and other receivables (2014: \$117.9m and 2013: \$112.3m). Airservices has assessed the risk of the default on payment and has allocated \$1.5m in 2014 (2013: \$2.3m) as an allowance for impairment.

Airservices trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it Airservices' policy to securitise its trade and other receivables.

Credit risk of financial instruments not past due or individually determined as impaired.

	<b>Not past due nor impaired</b>	Not past due nor impaired	<b>Past due or impaired</b>	Past due or impaired
	<b>2014</b>	2013	<b>2014</b>	2013
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Loans and receivables	<b>85,438</b>	83,086	<b>25,939</b>	26,729
<b>Total</b>	<b>85,438</b>	83,086	<b>25,939</b>	26,729

Airservices is also exposed to credit risk arising from the cross-border financing arrangement as detailed in note 31.

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****(d) Liquidity risk**

Liquidity risk management is concerned with ensuring there are sufficient funds available to meet financial commitments in a timely manner whilst also planning for unforeseen events which may reduce cash inflows and cause pressure on liquidity.

The primary objectives of short term liquidity risk management are to ensure sufficient funds are available to meet daily cash requirements, whilst ensuring that cash surpluses in low interest bearing accounts are minimised.

The primary objective of long term liquidity risk management is to ensure that funding (i.e. debt) facilities are in place to meet future long term funding requirements.

	Average interest rate %	Floating interest rate \$'000	1 year or less \$'000	1 to 5 years \$'000	More than 5 years \$'000	Non- interest bearing \$'000	Total \$'000
<b>2014</b>							
<b>Financial liabilities</b>							
<b>Non-derivative</b>							
Trade and other payables	-	-	-	-	-	96,264	96,264
Commercial paper	2.75	20,000	-	-	-	-	20,000
Medium term notes	5.29	-	24,063	268,750	294,594	-	587,407
<b>Derivative</b>							
Interest rate swaps <sup>1</sup>	-	-	(5,753)	(23,010)	(4,646)	-	(33,409)
Interest rate swaps <sup>2</sup>	-	-	3,003	6,006	485	-	9,494
<b>Net financial liabilities</b>		<b>20,000</b>	<b>21,313</b>	<b>251,746</b>	<b>290,433</b>	<b>96,264</b>	<b>679,756</b>

<sup>1</sup> weighted average interest rates at 30 June were pay float at 2.72% and receive fixed at 4.48%.

<sup>2</sup> weighted average interest rates at 30 June were pay fixed at 4.03% and receive float at 2.71%.

	Average interest rate %	Floating interest rate \$'000	1 year or less \$'000	1 to 5 years \$'000	More than 5 years \$'000	Non- interest bearing \$'000	Total \$'000
<b>2013</b>							
<b>Financial liabilities</b>							
<b>Non-derivative</b>							
Trade and other payables	-	-	-	-	-	95,884	95,884
Commercial paper	2.87	75,000	-	-	-	-	75,000
Medium term notes	5.70	-	169,250	227,500	-	-	396,750
<b>Derivative</b>							
Interest rate swaps <sup>(3)</sup>	-	-	(3,308)	(13,230)	-	-	(16,538)
Interest rate swaps <sup>(4)</sup>	-	-	2,583	5,166	-	-	7,749
<b>Net financial liabilities</b>		<b>75,000</b>	<b>168,525</b>	<b>219,436</b>	<b>-</b>	<b>95,884</b>	<b>558,845</b>

<sup>3</sup> weighted average interest rates at 30 June were pay float at 3.61% and receive fixed at 5.08%.

<sup>4</sup> weighted average interest rates at 30 June were pay fixed at 5.27% and receive float at 3.63%.

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****(e) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The following table is a sensitivity analysis of the market risk that Airservices is exposed to through the use of foreign exchange and interest rate derivatives as well as investments and borrowings.

Interest rate sensitivity analysis is calculated on a 'reasonably possible' basis with reference to the key drivers of interest rates, market expectations and historical data. In analysing interest rate sensitivities Airservices has adopted to vary actual interest rates by +/- 0.60%.

Airservices has adopted a simplified approach to calculate market risk sensitivities for foreign exchange contracts. A standard sensitivity variable of 11.5% has been applied to all currencies. Airservices acknowledges that it is necessary to monitor annual movements in currencies to ensure the relevance of using a single constant rate.

2014			Effect of positive movement		Effect of negative movement	
	Carrying amount \$'000	Change in risk variable +/- %	Profit and loss \$'000	Equity \$'000	Profit and loss \$'000	Equity \$'000
<b>Currency risk</b>						
Buy EUROS	2,762	11.50	-	(316)	-	398
<b>Interest rate risk</b>						
Cash and cash equivalents	80,488	0.60	483	-	(483)	-
Medium term notes	470,570	-	-	-	-	-
Interest rate swaps	552,500	0.60	(4,393)	-	4,586	-
Commercial paper	19,913	0.60	(120)	-	120	-
2013			Effect of positive movement		Effect of negative movement	
	Carrying amount \$'000	Change in risk variable +/- %	Profit and loss \$'000	Equity \$'000	Profit and loss \$'000	Equity \$'000
<b>Currency risk</b>						
Buy EUROS	11,793	15.70	-	(1,660)	-	2,276
Buy US Dollars	231	15.70	-	(31)	-	43
<b>Interest rate risk</b>						
Cash and cash equivalents	57,243	1.20	687	-	(687)	-
Medium term notes	348,633	-	-	-	-	-
Interest rate swaps	382,500	1.20	(1,640)	-	1,688	-
Commercial paper	74,576	1.20	(900)	-	900	-

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****(f) Forward exchange contracts**

Airservices uses Forward Exchange Contracts (FECs) to hedge foreign currency exchange rate risk arising from committed transactions primarily relating to capital expenditure program undertakings. Airservices accounts for all of its FECs as Cash Flow Hedges. Airservices policy is to achieve 100% hedge effectiveness. All foreign currency exposures have a greater than 95% certainty of occurring as all exposures are committed.

The effectiveness test is on a FEC rate to market rate comparison. Prospective testing is on a critical terms basis with the retrospective test based on an effectiveness ratio of 80-125%. Gains or losses are recognised on the hedging instrument (i.e. the FEC) and hedged item (i.e. the committed foreign exchange exposure) with any ineffectiveness recognised in the statement of comprehensive income.

At balance date, the details of outstanding contracts are (Australian dollar equivalents):

Buy EUROS	Sell Australian Dollars		Average Exchange Rate	
	2014	2013	2014	2013
	\$'000	\$'000	EURO/\$1	EURO/\$1
<b>Maturity</b>				
3 months or less	2,392	3,527	0.7670	0.7010
Greater than 3 months but less than 1 year	370	5,136	0.7624	0.7459
Greater than 1 year	-	3,130	-	0.7665
Buy US Dollars	Sell Australian Dollars		Average Exchange Rate	
	2014	2013	2014	2013
	\$'000	\$'000	US/\$1	US/\$1
<b>Maturity</b>				
3 months or less	-	231	-	0.9289

**(g) Capital management**

Airservices is a price regulated government-owned statutory authority providing air navigation services. Pricing for Airservices core airways services is subject to the price notification provisions of the Competition & Consumer Act 2010 and 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). Endorsed by the ACCC the agreement allows pricing to recover all reasonably incurred costs (including a return on capital employed) relating to the delivery of services. The current Long Term Pricing Agreement was established in October 2011. It provides price certainty for customers through to June 2016 and a price path with annual changes on 1 July each year, incorporating nominal price increases of 3.3% for the five year period, translating to real price reductions of 11.4% over the next five years.

Airservices' target was to achieve a return on equity after tax for 2014 of 6.1%; during the year ended 30 June 2014 the return was 3.9% (30 June 2013: 10.5%).

Airservices' practice has been to provide for and pay a dividend to Government in two instalments.

There were no changes to Airservices approach to capital management during the year.

## **Airservices Australia**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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#### **Note 29 Monies held on behalf of third parties**

Airservices has been contracted by the Solomon Islands Civil Aviation Authority and the Republic of Nauru to provide airspace management and accounts receivable services. The contracts require Airservices to retain cash received and to remit funds at a later date to the Solomon Islands and Nauru Governments as required under the respective agreements. At balance date, the money held on behalf of third parties totalled \$0.499m (2013: \$0.473m) for the Solomon Islands and \$0.065m (2013: \$0.045m) for Nauru.

#### **Note 30 Economic dependency**

Airservices is dependent on airline activity in the Australian aviation industry, of which the Qantas Group is the dominant operator. Of the airways revenue earned during the year, 30% (2013: 29%) related to the Qantas Group excluding the Jetstar Group and 11% (2013: 11%) related to the Jetstar Group.

#### **Note 31 Cross-border financing arrangement**

During 2003 and 2004, Airservices completed cross-border financing arrangements in relation to equipment associated with The Australian Advanced Air Traffic System (TAAATS) and radar systems. The arrangements were initially for periods out to 2026, but now only relate to periods out to 2022.

Airservices has provided certain guarantees and indemnities to various participants in the transaction. If certain events occur, Airservices could be liable to make substantial payments under the lease guarantees and indemnities. In December 2012, Airservices negotiated an early termination of two of its cross-border financing arrangements. These terminations significantly reduced the value of the guarantees and indemnities provided to participants involved in the transactions. The future underlying exposure against which these guarantees and indemnities have been provided are up to a maximum of US\$293m (30 June 2013: US\$376m).

Airservices actively monitors and manages its exposures under the transaction in order to mitigate any material risk factors affecting this transaction on an ongoing basis.

Expert external advisors consider that, unless exceptional circumstances arise, Airservices would not be required to make a significant payment under these guarantees and indemnities.

**Airservices Australia****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****Note 32 Notes to the statement of cash flows**

	2014 \$'000	2013 \$'000
<b>Reconciliation of cash and cash equivalents</b>		
For the purposes of the Cash Flow Statement, cash and cash equivalents comprise the following at 30 June:		
Cash advances and cash on call	80,488	57,243
Total cash and cash equivalents	80,488	57,243
<b>Reconciliation of net profit after income tax to net cash flows from operations</b>		
Net profit after income tax	21,323	45,484
Adjustments for:		
Depreciation expense	94,193	84,796
Amortisation expense	24,154	29,732
Impairment recognised	11,207	4,106
Reversal of previous asset write-downs	(4,378)	7,017
Net loss on sale/write-off of non-current assets	1,628	1,866
Fair value adjustments to derivatives	(2,960)	(1,616)
Prepayments & accruals relating to plant and equipment	4,581	(4,377)
AvSuper defined benefit contributions movement (after tax)	4,911	1,802
Change in assets		
(Increase)/decrease in gross receivables	(2,033)	(23,102)
(Increase)/decrease in inventories	(23)	(113)
(Increase)/decrease in prepayments	(44)	(1,365)
(Increase)/decrease in income tax receivable	(2,523)	12,394
(Increase)/decrease in other assets	1,438	1,839
(Increase)/decrease in deferred tax	(3,610)	5,037
Change in liabilities		
Increase/(decrease) in employee benefits	29,268	1,392
Increase/(decrease) in allowance for impairment	(811)	(276)
Increase/(decrease) in legal provisions	300	(1,600)
Increase/(decrease) in other liabilities	723	4,196
Increase/(decrease) in other provisions	(1,918)	(1,494)
Increase/(decrease) in creditors and accruals	(4,860)	9,697
Increase/(decrease) in revenue to be returned to customers provision	(2,753)	4,485
Net cash flow from operating activities	167,813	179,900



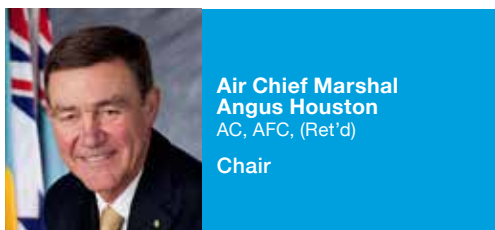
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## APPENDICES

## Appendix 1: Board memberships, meetings and committees

### Members of the Board and their terms of appointment

The Airservices Board Members for the period 1 July 2013 to 30 June 2014 were as follows.

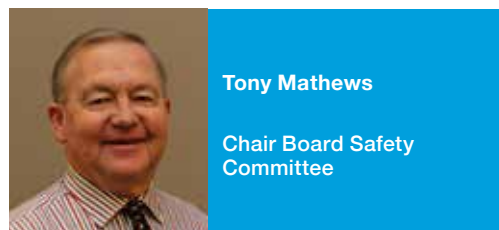


Air Chief Marshal Angus Houston AC, AFC (Ret'd) retired as Chief of the Australian Defence Force after 41 years of service in the military in July 2011. Angus was appointed in July 2014 as the Prime Minister's Special Envoy to lead Australia's efforts to help recover, identify and repatriate Australians killed in the Malaysia Airlines MH17 crash. Angus also leads the Joint Agency Coordination Centre coordinating the Australian Government's support for the search into missing Malaysia Airlines flight MH370.

Angus is also Chair of Airservices Australia, the Council for the Order of Australia, the Defence South Australia Advisory Board and the Canberra Symphony Orchestra. He is a Board Member of the Lowy Institute for International Policy, the Australian Cancer Research Foundation, the Anzac Centenary Public Fund Board and GreaterGood Canberra. In addition, he is patron of numerous charitable organisations.

Angus was the Chief of the Defence Force from 4 July 2005 until 4 July 2011. Prior to that he was Chief of Air Force for four years. Angus was Chair of the Anzac Centenary Advisory Board from July 2011 until March 2014. The Board provided strategic advice to the Government on the national program for the Anzac Centenary 2014 – 2018. In 2012, Angus led the Expert Panel on Asylum Seekers.

Angus is married to Liz and they have three sons and two grandchildren. In 2011, he was named the Australian Father of the Year and in 2012, the ACT Australian of the Year.



Tony Mathews was appointed to the Board on 4 June 2012 and is Chair of the Safety Committee. Mr Mathews was reappointed to the Airservices Board for a further three years until September 2017 and has been appointed as the Deputy Chair for the same period.

He has over 40 years experience in the aviation industry including extensive work in regional aviation as a chief pilot and general manager, and is a qualified airline transport and commercial pilot.

He is Chair of the Board of Advice, Mildura Private Hospital, a Director of the Mildura District Hospital Fund, RCP Finance Limited and Deputy Chair Lower Murray Water.

He has held managerial positions with Qantas Regional Airlines, served as Chair and a Board member of the Mildura Cooperative Fruit Company, Chair of the Murray Campaign Committee and Mildura Murray Outback Tourism, President and Board member of the Regional Aviation Association of Australia, a Board member of the Chances for Children Committee and a Board member of the First Mildura Irrigation Trust.



**Paul Lucas**

B.Econ, LLB, MBA, M.U.R.P.,  
CMILT, FAICD

**Chair Board Environment  
Committee**

The Hon. Paul Lucas was appointed to the Board on 4 June 2012 and is Chair of the Environment Committee. His current term expires on 3 June 2015.

Mr Lucas has 10 years experience in private legal practice, followed by more than 15 years in the Queensland Government including ministerial responsibilities in infrastructure, planning and state aviation matters.

Mr Lucas has served in numerous ministerial capacities including Deputy Premier, Minister for Infrastructure and Planning, Minister for Transport and Main Roads, Attorney-General and Minister for Local Government, Minister for Health, and Minister for Innovation and Information Economy.

Mr Lucas has Bachelor's Degrees in Economics and Law and Master's Degrees in Business Administration, and in Urban and Regional Planning. He is a Chartered Member of the Institute of Logistics and Transport, and a Fellow of the Australian Institute of Company Directors.



**Annette Kimmitt**

BBus (Acc), FCA, AICD

**Chair Board Audit and  
Risk Committee**

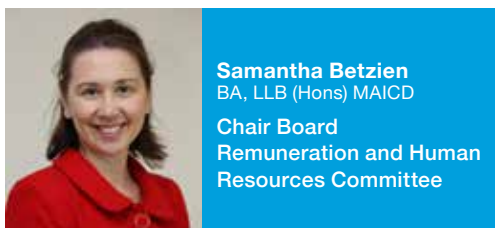
Annette Kimmitt was appointed to the Board on 6 June 2012 and is the Chair of the Audit and Risk Committee. Her current term expires on 5 June 2015.

Ms Kimmitt is Ernst & Young Asia-Pacific Accounts Leader, Global Middle Market Leader and a member of the firm's Asia-Pacific Operating Executive. She leads the firm's Asia-Pacific markets functions, including Business Development/Pursuits, Knowledge and Partner Learning, Strategic Growth Markets and Markets Operations.

In addition to her role at Ernst & Young, Ms Kimmitt is a Director of the Melbourne Business School and Mt Eliza Graduate School of Business and Government.

In 2013, Ms Kimmitt co-founded, SCALE Investors, Australia's first seed capital organisation focused on equipping women with the education and deal flow opportunities to have the confidence to invest in high-growth, female-led businesses at an early stage of their development.

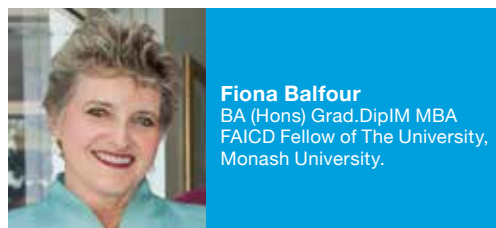
Ms Kimmitt's executive career has included a range of senior roles with Ernst & Young and with the International Accounting Standards Board. She was previously Ernst & Young's Melbourne Office Managing Partner and leader of its Victorian Government Practice. Ms Kimmitt was formerly a director of the United Nations Principles for Social Investment and is a former Victorian Chair of the Institute of Chartered Accountants.



Samantha Betzien was appointed to the Board on 4 June 2012. She is Chair of the Remuneration and Human Resources Committee and a member of the Safety Committee. Her current term expires on 3 June 2015.

Ms Betzien is a partner in the Human Resources and Industrial Relations team at the Brisbane office of Minter Ellison. She also performs the management roll of staff partner at Minter Ellison, Queensland. She has 16 years experience providing legal advice on all aspects of employment and industrial relations and work health and safety including to major employers in the transport, aviation, energy and resources and construction sectors. Her clients include a number of Queensland Government owned corporations.

She is a member of the Australian Institute of Company Directors and the Industrial Relations Society of Queensland and is listed in the AFR's Best Lawyers 2014 and Doyle's Guide in the areas of employment and occupational health and safety.



Fiona Balfour was appointed to the Board on 3 June 2013, and is a member of the Audit and Risk Committee and the Remuneration and Human Resources Committee. Her current term expires on 2 June 2016.

Ms Balfour has over 35 years experience across aviation, information and telecommunication services, financial services, distribution and logistics, and governance. She has been an advisor to Medibank Private Limited and was previously CIO at Telstra Corporation Limited. Ms Balfour also spent 14 years with Qantas Airways Limited during which time she held various positions including Chief Information Officer and Executive General Manager, Qantas Business Services.

Ms Balfour has been a non-executive director since 2002 and currently sits on the Boards of Metcash Limited, Salmat Limited and TAL (Dai-ichi Life) Australia Pty Limited. She is Councillor and Treasurer of Knox Grammar School. Ms Balfour is a former director of SITA SC (Geneva), the National Breast Cancer Foundation and former Chair of the St James Kings Street Conservation Appeal.

## Former Directors



**Margaret Staib, AM, CSC**  
BBus, MBusLog,  
MA(Strategic Studies)  
**Chief Executive Officer**  
**Airservices Australia**

Margaret Staib is the CEO of Airservices and is leading Airservices through significant investment and transformation to meet the challenges and opportunities of a rapidly-growing aviation sector.

Prior to joining Airservices in October 2012 Ms Staib had a distinguished career over three decades in the Royal Australian Air Force. Her RAAF career culminated in her appointment as Commander Joint Logistics in January 2010.

Recognised for leadership, Ms Staib was an Australian Capital Territory finalist for the Community and Government sector in the Telstra Business Women's Awards and was selected as one of the AFR '100 Women of Influence' in 2012.

Her contribution and leadership in the field of Australian Defence Force aviation inventory management was recognised when Ms Staib was awarded the Conspicuous Service Cross in January 2010.

She was recognised with the United States Meritorious Service Medal for her service during a posting in 2000 with the US Air Force at the Pentagon. In January 2009, Ms Staib was appointed as a member of the Military Division of the Order of Australia.

Ms Staib is a director of the Commonwealth Superannuation Corporation and a member of the Defence Force Reserves, holding the rank of Air Vice-Marshal. She has a Bachelor of Business Studies, Master of Business Logistics, and Master of Arts in Strategic Studies. She is a Certified Practising Logistician and a Fellow of the Chartered Institute of Logistics and Transport.



**Warren Mundy**  
BSc (Hons, UNSW) DipEc (Syd)  
PhD (Cantab) GradCertAppFin  
(Macq.) MEnvLaw (ANU)  
FRAeS FAICD

Dr Warren Mundy was appointed to the Board on 3 June 2008 and as Deputy Chair on 3 June 2009. He resigned from the Board on 31 October 2013. He was the inaugural Chair of the Board Environment Committee.

Dr Mundy is a Commissioner on the Productivity Commission and has worked for over two decades in the infrastructure sector in roles covering management, planning and development, economic and environmental regulation and commercial negotiation of access agreements. For a number of years he was the principal regulatory and economic adviser to the Australian Council for Infrastructure Development. He has held senior executive roles in the airports industry in both Australia and Europe and has worked for McKinsey and Company, the Reserve Bank of Australia and the Western Australian Treasury Corporation.

Dr Mundy is a Fellow of the Royal Aeronautical Society and the Australian Institute of Company Directors. He is also an Adjunct Professor in the School of Aviation at the University of New South Wales and a member of the University's Aviation Industry Advisory Committee. He became a director of the Sydney Desalination Plant in February 2014.

Dr Mundy was a member of the Joint New South Wales—Commonwealth Government Steering Group overseeing the development of the Aviation Strategic Plan for Sydney and has been Director of VicForests, the Airport Operators Association of the United Kingdom, and James Watt College of Higher and Further Education in Scotland.



David Burden was appointed to the Board on 1 June 2009 and his term expired on 31 May 2014.

Mr Burden received a First in Special Honours Mathematics from the University of Bristol, and worked in operations research consulting in the United Kingdom, France and Canada for a subsidiary of Paribas.

After 10 years in technology venture capital, he served as a senior advisor to the Canadian Prime Minister's National Advisory Board on Science and Technology. Subsequently, he was the Chief Information Officer of Air Canada in Montreal.

In 1994 Mr Burden joined Qantas Airways Limited as Group Executive General Manager of Technology and Services, with responsibility for information technology, purchasing, property and fuel services.

In 2002 he was appointed to the Board of Directors of Royal Mail Group Plc, the UK postal service, as an Executive Director with responsibility for information technology, postal automation, engineering services and procurement. He retired from Royal Mail in 2007.

## **Benefits and interests in contracts with Airservices Australia**

Details of members benefits and interests in contracts with Airservices are set out in notes 25 and 27 of the financial statements.

## **Members and officers indemnities and insurance**

In 2013–14, Airservices held a members and officers liability insurance policy. It is a condition of this policy that the nature of the limits of liability, the liability indemnified and the premium payable is not disclosed to third parties except to the extent that:

- Airservices is required to do so by law
- the insurer consents in writing to such disclosure.

Details on meetings of the Board, Board committees and members attendance at committee meetings are provided in table 4.

## Meetings of the Board, Board committees and members attendance

**TABLE 4** Meetings of the Board, Board committees and members attendance 2013–14

	Board	Safety	Audit	Remuneration	Environment
<b>Meetings convened</b>	<b>11</b>	<b>7</b>	<b>3</b>	<b>6</b>	<b>5</b>
Angus Houston <sup>a</sup>	11	6	3	5	5
Annette Kimmitt <sup>e</sup>	8	3*	3	1*	1*
Sam Betzien <sup>f</sup>	10	4	1*	5	0*
Tony Mathews <sup>g</sup>	7	7	0*	0*	0*
Paul Lucas <sup>h</sup>	10	3*	0*	1*	5
Fiona Balfour	9	1*	2	4	0*
Margaret Staib <sup>i</sup>	11	6	3	6	5
David Burden <sup>d</sup>	9	5	1*	1*	4
Warren Mundy <sup>bc</sup>	3	2	1	2	1

a – Chair of the Board

b – Deputy Chair of the Board until 31 Oct 2013

c – Resigned 31 Oct 2013

d – Term expired 31 May 2014

e – Chair of the Audit and Risk Committee

f – Chair of the Remuneration and Human Resources Committee

g – Chair of the Safety Committee

h – Chair of the Environment Committee

i – CEO and ex officio member of all Board Committees (excluding the Board Audit and Risk Committee)

\* – not a committee member during relevant period.

## Appendix 2: Statement of Expectations

### 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 3: Statement of Intent

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

Statement of Expectations	Statement of Intent	2013–14 initiatives
<b>1. Stakeholder Engagement</b>  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.
<b>2. Government Aviation Policy</b>  Perform its functions in a manner that supports Government policy, specifically the following three aviation goals: <ul style="list-style-type: none"> <li>▪ safety remains the highest priority</li> <li>▪ a responsible approach to managing the environmental impacts of aviation</li> <li>▪ a coordinated approach to airport planning and investment.</li> </ul>	<p>Airservices will ensure that safety system enhancements and infrastructure replacement programs optimise safety benefits. Airservices will meet or exceed safety and performance benchmarks established in the Corporate Plan. In addition, Airservices will develop initiatives to improve the environmental performance of operations.</p> <p>Airservices will focus on connecting the component parts of the Australian aviation industry to enable the best business outcomes for individual participants.</p> <p>Airservices will create and deliver new value to the industry through innovation and the delivery of new services, products and technology particularly with respect to ground surveillance at airports and air traffic flow management.</p>	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
<b>3. Implementing relevant Government Air Traffic Initiatives</b>  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.
<b>4. Provision of Information, Assistance or Advice</b>  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.
<b>5. Environmental Responsibilities</b>  Assist in implementing the Government's environmental initiatives in relation to climate change and aircraft noise management, including: <ul style="list-style-type: none"> <li>supporting the ongoing role of the independent Aircraft Noise Ombudsman (ANO) and implementation of agreed recommendations made by the ANO</li> <li>the appropriate resourcing of the Noise Complaints Unit to continue to improve the flow and quality of information to noise affected communities</li> <li>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</li> <li>the ongoing commitment to the Sydney Airport Long Term Operating Plan</li> <li>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.</li> </ul>	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"> <li>consult with the community on aircraft noise issues</li> <li>enhance management of the Noise Complaints Information Service to enable improved complaints handling</li> <li>maintain an independent Aircraft Noise Ombudsman's Office</li> <li>implement the recommendations of the Aircraft Noise Ombudsman.</li> </ul> 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
<b>6. Airport Planning</b>  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.
<b>7. Air Traffic Management Policy</b>  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.
<b>8. Provision of Aviation Rescue and Fire Fighting Services (ARFFS)</b>  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.
<b>9. Joint Civil and Military Aviation Harmonisation</b>  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.
<b>10. Future Investment in Technology and Infrastructure</b>  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
<b>11. Sustainable Workforce Planning</b>  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&amp;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>
<b>12. Asia-Pacific Regional Aviation Safety</b>  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
<p><b>13. Public Sector Professionalism and Accountability</b></p> <p>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>	<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 communication technology (ICT) business reform program.</p>

## Appendix 4: Statutory and administrative information

### Work Health and Safety—executive commitment

This year a new phase of strategic activity commenced under the 'Safe and Well' *Work Health and Safety Strategy 2013–2018*. The strategy aims to embed health and safety in all that we do. It supports the corporate objective to maximise safety performance and addresses one of our key priorities, 'people first'.

'Safe and Well' strategy objectives are to:

- get it right—through safe design and effective risk management
- be fit and well—through health risk management and worker well-being
- first care—through early intervention and injury management.

Collaborative action plans are on track and designed to enable management and worker participation to manage Work Health and Safety (WHS) risk and address identified issues for how work is performed. Each business group is supported by specialist services to establish and implement WHS management plans aligned to strategic objectives and their individual risk profile.

### Consultation and health and safety committees

The Airservices peak consultative forum, the National Health and Safety Committee, met four times throughout the year. Two meetings were held in Perth and Sydney and these were open to all local staff and health and safety representatives. Four formal local health and safety committees also exist and meetings are held on location every three months. There are also a number of less formal forums throughout various business groups that

discuss local issues and involve both worker and management representation.

### Education

The following education initiatives were undertaken during the year to ensure WHS principles remain embedded in our day-to-day activities:

- our online WHS induction package was completed by 97.1 per cent of employees
- training for 575 employees was undertaken on new hazard and occurrence reporting application Corporate Integrated Reporting and Risk Information System (CIRRIS)
- an online asbestos awareness package was completed by 97.7 per cent of employees
- safety training programs were re-launched covering topics such as managing WHS risks for contractors and projects, and enhancing the skills for site supervisors. Wellness at work information sessions were also conducted for managers
- online courses were refreshed on topics including body stress prevention, drug and alcohol management, chemical safety, fatigue management and safe driving.

### Safety Assist Visits

Safety Assist Visits help managers, team leaders and supervisors implement WHS requirements and monitor conformance.

There were 58 visits between January 2013 and May 2014, and from these 580 actions were identified across the business. Local managers rectified 72 per cent of these within the agreed timeframes. 10 per cent of actions were still in progress and 15 per cent of the remaining actions were systems issues that were elevated to the relevant business group's Executive General

Manager for action. Three per cent have been elevated as formal actions for management in CIRRIIS.

### Legislative change to occupational health and safety

A number of duties under the *Work Health and Safety Regulations 2011* came into effect on 1 January 2012 with applicable transitional provisions. The impact of these changes on our organisation has been reviewed and the necessary changes implemented and assurance systems refreshed to monitor legal compliance.

### Work health and safety incidents

Our required reporting to Comcare complied with the *Work Health and Safety Act 2011 (Cth)*. Table 5 compares performance over the past five financial years.

### Workers compensation premium

The Comcare premium for the financial year to date was 0.99 per cent of full time equivalent salary (in 2012–13 it was 0.89 per cent).

### Comcare investigations and notices

Comcare conducted one liaison visit and one formal investigation, and issued one section 155 notice during the year. The investigation was in response to an incident at the Canberra facilities management services depot in which a worker fell and broke their wrist.

The section 155 notice required Airservices to provide further information about the consultative and risk management process used to address the concerns of workers at one of our Sydney facilities.

**TABLE 5** Work Health and Safety incidents 2009–10 to 2013–14

Incident category	2009–10	2010–11	2011–12	2012–13	2013–14
Workplace fatality	1	0	3 <sup>1</sup>	0	0
Serious injury or illness <sup>2</sup>	16	6	4	6	6
Incapacity with more than one week of lost time <sup>3</sup>	10	21	18	NR	NR
Dangerous incidents <sup>2</sup>	35	34	22	16	11

1 Relates to deaths of members of the public due to vehicle accident.

2 Notification definition change occurred in WHS laws from 1 January 2012.

3 NR = not reportable. This category is no longer required for Comcare reporting.

**TABLE 6** Corporate Plan performance measures for 2013–14

Performance measure	Purpose and definition	Performance standard	Rate at 30 June 2013	Rate at 30 June 2014
WHS incident rate	Occurrences per 100 staff per month	< 0.2	0.71	0.53
Serious personal injury rate	Number of medically treated injuries per one million hours worked	0	0.77	0.75

## Provisional improvement notices

Health and Safety representatives raised three provisional improvement notices. Two were raised in July 2013, one at our Melbourne Learning Academy aviation rescue fire fighting school and the other at Adelaide's aviation rescue fire fighting station. The third was raised at the Perth air traffic control tower in January 2014. All were resolved within the agreed timeframe.

## Aviation security

Airservices maintains a transport security program, and also adheres to an Aviation Security Identification Card (ASIC) programme. These describe the security measures and procedures that we use to minimise the risk of unlawful interference with aviation and major security threats against critical air traffic, navigation aids, telecommunications and surveillance and emergency response facilities. The program was updated during the year as required under the *Aviation Transport Security Act 2004* and the *Aviation Transport Security Regulations 2005*.

## Protective security

Our personnel, physical, and security governance arrangements that have an effect on all of our organisation's operations and facilities. For facilities and functions not subject to the requirements of the Act and Regulations, Airservices applies standards consistent with the Australian Government's Protective Security Policy Framework using a risk-based, outcomes approach.

We participate in various Government and industry security forums, including the Trusted Information Sharing Network for operators of critical infrastructure, as well as local airport security committees and associated airport security consultative working groups.

## Fraud control

Fraud control arrangements comprise of prevention; detection; response; and monitoring, evaluation and reporting activities and are articulated in the Fraud Control Policy and supporting Ethics and Fraud Control Plan and Ethics and Fraud Framework. Fraud risks are subject to quarterly review with a comprehensive review occurring bi-annually or earlier in response to a substantial change in structure, operations or functions which did not occur during the year. All reasonable measures were undertaken to minimise the incidence of fraud and to investigate and recover the proceeds of fraud against Airservices.

## Resilience

We collaborated with the Attorney-General's Department, the Office of Transport Security, various Commonwealth and State Law enforcement agencies, and operators of critical infrastructure on activities to support the Critical Infrastructure Resilience Strategy.

This strategy describes the Australian Government's approach to enhancing the resilience of our critical infrastructure to all hazards that may impact operations. It encourages and enables critical infrastructure organisations, through a range of initiatives and activities, to better manage both foreseeable and unforeseen or unexpected risks to their critical infrastructure assets, supply chains and networks.

We participated in several state and federal based resilience exercises and information sharing forums to improve the ability of critical infrastructure operators to plan and respond to hazards that may impact our operations. We also conduct annual internal resilience exercises for our Executive, senior managers and subject matter experts, are all involved in the response to abnormal operations.

## Privacy

The *Privacy Act 1988* requires our organisation to maintain a privacy policy in accordance with Australian Privacy Principle 1.3, including the following details:

- the kinds of personal information that the organisation collects and holds
- how the organisation collects and holds personal information
- the purposes for which the organisation collects, holds, uses and discloses personal information
- how an individual may access their personal information that is held by Airservices and seek the correction of such information
- how an individual may complain about a breach of the Australian Privacy Principles, or a registered Australian Privacy Principles code (if any) that binds Airservices, and how Airservices will deal with such a complaint
- whether Airservices is likely to disclose personal information to overseas recipients
- if Airservices is likely to disclose personal information to overseas recipients, the countries in which such recipients are likely to be located if it's practical to specify this in the policy.

Our Privacy Policy is available at [www.airservicesaustralia.com/terms-copyright-privacy](http://www.airservicesaustralia.com/terms-copyright-privacy)

During 2013–14, the Privacy Commissioner did not undertake any investigations under section 40 of the Privacy Act in relation to Airservices.

## Freedom of information

Australian Government agencies subject to the *Freedom of Information Act 1982* are required to publish information as part of the Information Publication Scheme. This requirement is in Part II of the Act and has replaced the former

requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the Information Publication Scheme requirements.

This information is available at [www.airservicesaustralia.com/about/information-publication-scheme](http://www.airservicesaustralia.com/about/information-publication-scheme)

## Powers and functions

Airservices legislative framework, powers and functions are set out in the corporate overview section of this report.

## Procedures and initial point of contact

Under the Freedom of Information Act, the CEO or authorised officers may grant or refuse access to any document held by Airservices. Within Airservices, the Office of Legal Counsel makes initial decisions about access and fees. A request under the Freedom of Information Act must be in writing and state an address to which notices can be sent. Applicants may have to pay administrative charges to process a request. Rates are prescribed by the Act and Regulations.

The address for lodging Freedom of Information requests is:

Freedom of Information and Inquiries Coordinator

Office of Legal Counsel  
Airservices Australia  
GPO Box 367  
Canberra ACT 2601  
Telephone: 02 6268 5108  
Fax: 02 6268 5148  
Email: [foi@airservicesaustralia.com](mailto:foi@airservicesaustralia.com)

Freedom of Information activity in 2013–14

Table 7 shows Airservices Freedom Of Information activity for 2013–14.

TABLE 7 Freedom of information activity for 2013–14

Activity in 2013–14	Numbers
<b>Requests</b>	
New requests received	32
Total requests handled	36
Total requests completed at 30 June 2014	33
Outstanding at 30 June 2014	3
<b>Action on requests</b>	
Access in full	17
Access in part	11
Access refused	4
Access transferred in full	0
Request withdrawn	1
<b>Response times (excluding withdrawn)</b>	
0–30 days	29
31–60 days	3
61–90 days	0
90+ days	0
<b>Internal review</b>	
Requests received	3
Decision affirmed	2
Decision amended	1

Commonwealth Ombudsman activity

During 2013–14, Airservices received no formal requests for information from the Office of the Commonwealth Ombudsman.

Aircraft Noise Ombudsman activity

During 2013–14, Airservices received 14 formal requests for information from the Aircraft Noise Ombudsman and closed 26 requests including a number of longstanding requests.

Consultative arrangements

We welcome comment from other organisations and the public on our policies and practices.

We maintain several methods for consultation, including airport community aviation consultation groups and other forums, our website, the NCIS, telephone enquiry services, industry and pilot briefings and locally advertised public meetings.

Airservices representatives attend community aviation consultation groups to provide information on our activities. These meetings are conducted at federally leased airports and similar community forums at some non-federal airports.

During the year our representatives attended 76 Community Aviation Consultation Groups along with community noise forums and airport technical noise forums.

The fourth annual Industry Noise Forum was held in Canberra in February 2014. This event is jointly arranged by Airservices and the Australian Airports Association and brings together industry parties to help improve noise outcomes for communities.

Airservices is also a member of various Australian and international aviation and peak industry bodies. A detailed list of stakeholders and

forums we participated in during 2013–14 is at Appendix 8.

### **Categories of documents held by Airservices**

Documents in the categories listed below are held by our organisation as paper records or on optical, audio or digital media.

**Legal and ministerial:** legislation affecting the organisation; taxation working documents; treasury records; insurance files; ministerial briefing papers and correspondence; policy advice, instructions and working papers; legal records, documents, instruments, precedents and advice; freedom of information activity records.

**Financial:** planning and pricing records; airways charges collection data; financial statements; working papers, reporting documentation and records.

**Commercial:** corporate property files; policy documents and records; service charter documentation; general correspondence; media reports, responses and releases; tenders, bids and submissions; original contract documents; contracts, agreements and memorandums of association; contract precedent information.

**Management and governance:** board charter; board submissions, minutes and records; management meeting submissions; corporate and strategic plans; business management documents; business plans; cases and reports; service agreements.

**Internal procedures:** financial and resource management records; internal operating procedures; policy and procedures manuals and instructions; procurement guidelines; budget reports; general ledger records; project financial data; approvals, briefs, plans, designs and commissioning reports; project management policies, manuals, processes and procedures;

project records including schedules, contracts and financial records; project documentation; working party and committee reports; statistical information; information technology policy, procedures, specifications, instructions, manuals, standards, reports, maintenance and asset records; back-up tapes; quality management records.

**Employees:** workplace agreements; procedural manuals; employee and personnel management records; service and employment agreements; workplace health and safety records; equity and diversity records; internal staff publications; training and assessment records.

**Technical:** the Integrated Aeronautical Information Package containing the Aeronautical Information Publication; amendments; supplements; Notices to Airmen and aeronautical information circulars; communication systems handbooks; airways engineering instructions; drawings, reports, configuration documents and policy documents; operational policy and procedures manuals; communications, surveillance, navigation, testing and maintenance systems and engineering documents; specifications, instructions, manuals, standards, procedures, reports, maintenance records, plans and asset records; documentation of radar tapes and analyses; data communications operations manuals, maps, charts and research, and investigation records; statistics of airport operations; curriculum, syllabus, courseware and assessment records.

**Environment:** standards and procedures; records of assessment under Air Navigation (Aircraft Noise) Regulations; Australian noise exposure forecasts; exposure concepts, indices and related documents; noise and flight path monitoring system reports; reports on environmental assessments; records of telephone enquiries and aircraft noise complaints.

**Airspace:** airspace change proposals and associated data; change assessment guidelines;

procedures, standards and manuals; records in support of decisions; audit, monitoring and review procedures; plans and findings; consultation material; website subscription and stakeholder records.

**Air traffic control:** separation policy, guidelines, standards, instructions, agreements and manuals; training records, standards, curriculum, syllabus, courseware and assessment records; procedure development records; air traffic control and air traffic service daily logs and journals; audio tapes and personnel operational records; navigational maps and charts; aircraft movement data, operational documents and aeronautical charts for pilot navigation and flight planning; pilot education material; aeronautical information publications and operational charts and plates, including en route information and world aeronautical charts.

**Safety:** airport emergency planning documentation; safety standards procedures and documents; audit reports and records, including on safety cases; aviation accident, incident and investigation records; national operation standards; safety and surveillance system records; policies and manuals.

**Aviation rescue fire fighting:** operational, engineering, quality assurance and safety management procedures and instructions; documents and procedures on recruitment, occupational health and safety, environment, hazardous materials and fire safety; aviation fire fighting manual; curriculum, syllabus, courseware and assessment records; aviation rescue fire fighting systems training and instruction manuals; incident and investigation records.

**Superannuation:** our employer superannuation arrangements comply with the requirements of the *Superannuation Benefits (Supervisory Mechanisms) Act 1990* as prescribed by the Minister for Finance in Determination No.1 of 1994 made under that Act.

Employees are generally defined benefit or defined contribution members of the AvSuper fund. AvSuper's trustee, AvSuper Pty Ltd, holds a public offer Registrable Superannuation Entity (RSE) licence (L0000147). The AvSuper defined benefit scheme was closed to new members in 2002.

We are a Commonwealth Superannuation Scheme (CSS) approved authority under the Superannuation Approved Authority Declaration (1995). Approximately 169 employees are defined benefit members of the CSS, which is administered by the Commonwealth Superannuation Corporation (RSE licence L0001397).

The CSS was closed to new members on 1 July 1990. Except for members of the CSS and some non-collective agreement employment instruments, employees are able to select an eligible choice fund other than AvSuper to receive employer contributions.

## Appendix 5: Staff equity and diversity progress report

### Background

As a Commonwealth authority employer, Airservices is bound by the:

- *Equal Employment Opportunity (Commonwealth Authorities) Act 1987*
- *Human Rights Commission Act 1986*
- *Racial Discrimination Act 1975*
- *Sex Discrimination Act 1984*
- *Disability Discrimination Act 1992*
- *Age Discrimination Act 2004.*

This report to the Minister for Infrastructure and Regional Development is made under Section 9(2) of the *Equal Employment Opportunity (Commonwealth Authorities) Act 1987* (EEO Act 1987). The Act requires Airservices to report on the employment of women and people in designated groups—people with disability, Indigenous Australians and people from culturally and linguistically diverse backgrounds (CALD).

### Reporting obligations

The EEO Act 1987 requires Airservices to undertake the following actions as part of its equity and diversity program.

#### Informing employees – s. 6(a)

Employees are informed about Airservices equity and diversity initiatives through staff induction, the intranet (AvNet), executive briefings, Airservices staff magazine *Azimuth* and individual business group newsletters. Each year, diversity progress is detailed in our annual report and published on AvNet. Policies, procedures and information on fairness and diversity are accessible to employees on AvNet and updated information on diversity initiatives and amendments to policies and procedures is published through a range of internal communications.

#### Conferring responsibility – s. 6(b)

Overall accountability for the National Equity and Diversity Program has been conferred to the CEO and Executive Committee. The People and Culture business group is responsible for oversight and continuous review of the programme. Individual business groups are responsible for implementing programme strategies within their areas.

All employees have a responsibility to ensure their behaviour is compliant with the code of conduct which sets the standard for treating staff with fairness, equity and justice at all times.

#### Consultation with trade unions – s. 6(c)

Airservices consults with each trade union that represents its employees. These are:

- Professionals Australia
- the Communications, Electrical and Plumbing Union
- Civil Air
- the Community and Public Sector Union
- United Firefighters Union.

Airservices meets with the National Consultative Council twice a year to discuss relevant organisational and employee issues. The council is comprised of representatives from each trade union and members of the Airservices Executive Committee.

#### Consultations with employees – s. 6(d)

In 2013–14, Airservices continued with CEO and Executive visits and video conferences at metropolitan and regional sites to discuss current initiatives and address any areas of employee concern. The visits provide employees, particularly those in regional locations, with the opportunity to communicate directly with the Executive Committee.

### **Collection of statistics – s. 6(e)**

The EEO Act 1987 requires Airservices to collect and record statistics and related information about its employees, including the number and types of jobs undertaken by employees of either gender, and employees in designated groups.

New employees at Airservices are invited to provide their equity and diversity information when they commence employment. All employees are encouraged to update and maintain their own equity and diversity data within our Human Resource Information System. The provision of this data is voluntary due to privacy considerations.

The last Airservices Employee Opinion Survey was conducted in March 2013 and a pulse survey focusing on employee engagement was conducted during March and April 2014. The information gathered through the employee opinion and pulse survey will be used to guide and develop staff engagement.

### **Consideration of policies, examination of practices – s. 6(f)**

Airservices promotes a workplace that is free from discrimination by providing practices and policies that improve equity and diversity.

Every year our people systems, policies and procedures are reviewed and revised to reflect changes in the organisation or in the external environment, including legislative changes. Our people systems governing documents were updated in January 2014, to reflect the changes in legislation relating to bullying and harassment. This includes our Code of Conduct, the Code of Conduct Management Instruction, Code of Conduct Investigation Procedure, the Performance Improvement Procedure and the Process Review Procedure.

We also monitor the impact of legal decisions around anti-discrimination legislation.

### **Setting objectives and selecting indicators – s. 6(g)**

Airservices is committed to building the capability of its workforce and accessing the broader labour market. Initiatives relating to attraction, recruitment, development and advancement support the inclusion of diverse and previously under-represented groups.

During 2013–14, the Airservices Executive Diversity Council chaired by the CEO, met regularly to guide the delivery of diversity programmes and initiatives across the organisation. The meetings were held quarterly with the CEO attending three of those meetings.

The Diversity Council oversees the implementation of the *Workforce Diversity Strategy 2012–2016*. This was developed to recognise the value of diversity and provide a clear and coherent framework to integrate diversity into the organisation's culture, programmes and services.

The strategy incorporates diversity groups identified as having lower than average workforce participation rates in Airservices.

These are Indigenous Australians, women, people with disability, people from culturally and linguistically diverse backgrounds.

An action plan to identify priorities and develop initiatives relating to attraction, recruitment, development, advancement and creation of an appropriate work environment, will be developed over the life of the strategy.

During 2013–14 our *Reconciliation Action Plan 2012–2016* was progressed and a Gender Diversity Action Plan developed. Both documents guide activities to increase diversity and inclusion in these two areas. These action plans provide a framework to assist each business group to develop its own initiatives to improve diversity.

**Monitoring and evaluation – s. 6(h)**

The Workforce Diversity Strategy allocates responsibilities and sets performance indicators so objectives and strategies can be monitored.

The strategy is reviewed annually to ensure effectiveness and results are set against milestones and are presented to Airservices Diversity Council on a quarterly basis.

Workforce data about trends in the employment of women and the designated groups form the basis for monitoring and evaluating the strategy.

**Summary of progress**

We aim to create a work environment where all employees are supported and differences are embraced. We are committed to increasing the representation of Indigenous Australians, women, people with disability and people from cultural and linguistically diverse backgrounds, together with providing flexible working arrangements and supporting Airservices mature-aged workforce.

The *Workplace Diversity Strategy 2012–2016* clearly articulates our diversity priorities. It provides a framework to successfully manage workplace diversity to enhance the capability of employees and better deliver on Airservices purpose to provide safe, secure, efficient and environmentally responsible services to the aviation industry.

**Women**

Airservices is developing strategies to attract, recruit and develop our female employees. A Gender Diversity Action Plan has been published to focus on increasing the representation of women in senior leadership and operational roles.

Airservices is committed to improving the experiences of women using parental leave provisions and the action plan helps support employees and managers by focusing on flexible work practices and building a more

inclusive workplace that values women and their contribution to Airservices.

To date, 10 senior women have been sponsored by their business groups to attend the Women's Leadership Program run by Chief Executive Women. This is a 12-month networking development course to support continued career progression. It demonstrates Airservices commitment to improving the gender equity in its senior leadership team.

The Women in Airservices forums were launched in June 2014, and held events in three major centres which were attended by approximately 200 employees. This initiative enables staff to network and discuss the challenges and opportunities for women at all levels within Airservices.

**Indigenous Australians**

Airservices is reducing the gap in employment levels between the wider Australian population and Indigenous Australians. The *Airservices Reconciliation Action Plan 2012–2016* forms part of the Workforce Diversity Strategy.

During the past year Airservices has focused on building the foundations of sustainable employment. Following the establishment of a new Reconciliation Action Plan reference group and the development of a plan framework, we can now deliver other targets identified in the *Airservices Reconciliation Action Plan 2012–2016*.

We have reviewed the methods used to attract Indigenous Australians to employment opportunities as air traffic controllers and aviation rescue fire fighters. Our bulk recruitment activities are now advertised throughout Indigenous media including the *Koori Mail* and the *National Indigenous Times*.

We continue to build strong and respectful relationships with Indigenous communities throughout Australia. One example is the relationship formed with remote Indigenous

communities in Western Australia where we worked closely with Traditional Owners to decommission navigation equipment on traditional land.

Cultural awareness training is also being planned for all staff to continue building on our relationship with Indigenous Australians.

### **Employees from CALD backgrounds**

Airservices encourages and supports employees from CALD backgrounds. For example, a calendar of important diversity celebrations has been developed which highlights key days that are then celebrated through internal and external events promoted through AvNet, *Azimuth newsletter* and CEO Direct communications.

We have designated multi-purpose faith rooms in our major centres including Canberra, Brisbane, Melbourne, Perth and Adelaide to support employees who wish to observe religious practices while at work. In smaller centres such facilities will be made available as needed.

### **Employees with disability**

We recognise the skills and talents of people with disability and are committed to removing barriers to their participation in the workforce.

A number of programs have been implemented to improve workforce participation rates, including those to increase the skills of staff and managers in accommodating disability in the workplace. A specialist personnel company has been engaged to liaise with employees with disability and to ensure they have the support they need to excel in the workplace. This service also provides guidance to managers and staff ensuring they work and communicate effectively. This programme is currently being considered for expansion with other disability employment service providers.

### **Mature-aged workers**

Enhancing the contribution and job satisfaction of mature-aged employees is a priority and is being

achieved through succession management and knowledge transfer.

Airservices maintains strong connections with its retired workforce through our alumni network. Through this we are able to tap into the specialist skills of ex-employees, connect aviation enthusiasts, create knowledge sharing opportunities and build an extended community of expertise. To date there are 305 registered alumni members and regular events are held to maintain and build this network.

A large percentage of Airservices employees over the age of 50 remain in defined benefit superannuation funds such as the CSS, PSS and AvSuper Defined. Transition to retirement arrangements have been structured with AvSuper to facilitate ongoing employment once a member's defined benefits reach a maximum level. These arrangements allow Airservices to continue to employ people beyond their nominal retirement age.

## **Strategic achievements**

The *Airservices Workforce Plan 2013–2020* and the *Workforce Diversity Strategy 2012–2016*, encourage diversity across four key strategic areas:

- attraction
- recruitment
- development and advancement
- creating an inclusive work environment.

These four areas represent opportunities for Airservices to remove barriers for applicants, develop current employees and ensure the organisation is culturally aware and inclusive.

### **Attract**

Airservices continued targeted advertising campaigns to attract candidates to roles across the business, with a focus on under-represented

demographic groups in operational roles such as air traffic control and aviation rescue fire fighting.

The number of applications from women and Indigenous Australians continued to remain significantly higher than historical trends. A focus for the next 12 months will be further refinement of these strategies to continue to improve candidate pools.

### **Recruit**

Airservices reviewed the recruitment process for air traffic controllers and aviation rescue fire fighters. As well as improving performance efficiencies, the reviews examined the extent to which barriers to diversity have been redressed. Revised processes have been implemented and will be monitored over the coming year.

The training programme provided to selection panel members was also revised and matters such as the organisation's diversity strategy and awareness of possible impediments (such as selection panel member unconscious biases) have been reinforced.

### **Development and advancement**

The Management Essentials leadership programmes in 2013–14 continued to include compulsory modules on fairness and diversity. Other leadership development programmes are based on living our corporate value of 'inclusion'. There is a strong emphasis on understanding and respecting difference, as well as learning from peers with different backgrounds and from different generations.

A needs analysis for an organisation-wide cultural awareness training package has been completed with delivery of this to progress over the next financial year.

For new employees, Airservices Corporate Induction Program provides information on policies and procedures relating to fairness and diversity.

### **Creating an appropriate work environment, policies, procedures and information**

Airservices is committed to ensuring that all employees are treated fairly in the workplace, and that our work environment recognises and values diversity.

The *Workforce Diversity Strategy 2012–2016* will enable action plans to be developed to address specific issues relating to diversity groups. More general initiatives are also being implemented to encourage and support a stronger culture of diversity. This includes conducting an ongoing review of our recruitment and people processes, conducting cultural awareness training, researching and promoting flexible work arrangements, and developing a communication strategy to encourage understanding and support for diversity.

The goals of our current diversity initiatives are in line with the Airservices 'Our people, our future culture programme, which builds upon previous work done around the corporate values of excellence, cohesion, inclusion, initiative and courage. The programme aims to encourage staff behaviour that builds trust and supports the development of a stronger, more inclusive culture across the organisation.

## Equity and diversity statistics for 2013–14

### Enquiries and complaints

The number of complaints and enquiries regarding fairness and diversity for the reporting period are shown in Table 8. The statistics show that the total number of formal complaints has decreased.

## Diversity profile

The Airservices diversity profile has remained relatively stable over the past five financial years, although there has been a slight decrease in employees from CALD backgrounds as outlined in Table 9 and Table 10. The number of employees with disability and Indigenous employees has remained relatively stable during the reporting year.

**TABLE 8** Equity and diversity enquiries and complaints 2006 to 2014

	2006–07	2007–08	2008–09	2009–10	2010–11	2011–12	2012–13	2013–14
Employee numbers	2996	3130	3237	3462	3853	3991	4204	4475
Ethics Hotline enquiries <sup>1</sup>	35	10	1	4	6	6	3	3
Ethics Hotline disclosures <sup>2</sup>	6	3	0	1	4	4	17	21
Formal complaints	5	3	10	6	16	18	55 <sup>3</sup> 9 <sup>4</sup>	35 <sup>3</sup> 3 <sup>4</sup>

1. These relate to all enquiries received through the Ethics Hotline, which may include equity and diversity.

2. These relate to all formal disclosures received through the Ethics Hotline which may include equity and diversity.

3. These complaints were made via the Fair Treatment Review System in the first instance.

4. These relate to complaints reported via the Process Review Procedure in the first instance where an individual believes that an Airservices system, policy, or procedure has been applied incorrectly. It also includes any complaints that are escalated to the Grievance Board.

**TABLE 9** Representation of designated groups among permanent staff 2006 to 2014

Designated Groups*	2006–07 %	2007–08 %	2008–09 %	2009–10 %	2010–11 %	2011–12 %	2012–13 %	2013–14 %
Indigenous Australians*	1.3	1.2	1.1	1.0	0.9	0.9	0.9	0.9
People with disability	1.6	1.5	1.6	1.6	1.5	1.4	1.3	1.2
People from a culturally or linguistically diverse background	4.3	4.9	5.6	6.3	7.5	8.0	7.1	6.7

\*Note that disclosure is voluntary and not all staff provide equity and diversity data for these groups.

## Gender

At 30 June 2014, women made up 19.3 per cent of Airservices total workforce (863 women). The percentage of women in the workforce has decreased by 0.2 per cent since last financial year, down from 19.5 per cent. Table 11 shows the breakdown of gender by job classification. The number of women in management roles increased by 0.96 per cent since the last reporting period and includes four women senior executives out of a total of 10.

## Indigenous Australians

As outlined in Tables 9 and 10 the percentage of Indigenous Australian employees has remained relatively stable, although actual numbers increased from 37 to 41 during 2013–14. This includes new employees as well as existing employees who have chosen to identify themselves as Indigenous Australians as a result of the increased activity under the Airservices Reconciliation Action Plan. This may not reflect the actual number of Indigenous employees

**TABLE 10** Employment of permanent staff in designated groups by job classification

Job family	Indigenous employees		CALD background		Employees with disability	
	Total June 2013	Total June 2014	Total June 2013	Total June 2014	Total June 2013	Total June 2014
Air traffic controller	8	8	37	37	12	11
Air traffic controller (trainee)	0	0	5	3	2	0
Air traffic support specialist	3	2	7	9	2	2
Clerical administration	5	4	121	111	18	16
Executive manager	0	0	0	0	0	0
Fire fighter	7	13	12	13	2	2
Fire officer	6	5	2	1	1	1
Flight data coordinator	1	1	1	1	0	0
Flight information service officer	1	3	2	8	0	0
Flight service officer	0	0	0	0	0	0
Professional	0	0	8	8	1	1
Senior manager	0	0	11	12	0	1
Senior technical officer	0	0	0	0	0	0
Team leader	0	0	2	4	1	1
Technical manager	0	0	0	0	0	0
Technical officer	5	5	53	52	12	11
Technology professional	1	0	39	39	2	3
Trades and target generator officer	0	0	2	2	3	3
<b>Total</b>	<b>37</b>	<b>41</b>	<b>302</b>	<b>300</b>	<b>56</b>	<b>52</b>
<b>Percentage of workforce</b>	<b>0.9</b>	<b>0.9</b>	<b>7.1</b>	<b>6.7</b>	<b>1.3</b>	<b>1.2</b>

as some in this group choose not to identify themselves as Indigenous Australians.

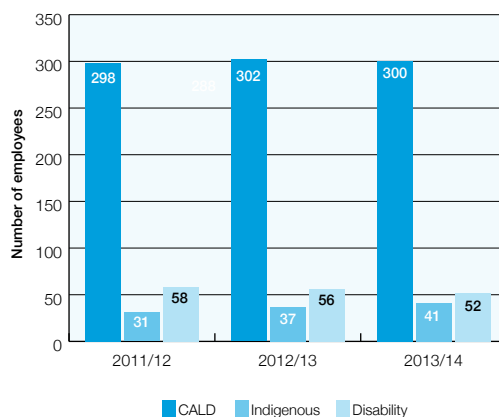
### People with disability

Table 10 and Figure 3 show a small decrease in employees reporting a disability over the year. It should be noted that legislated safety standards preclude those with a certain disability from holding some positions, for example air traffic controllers and aviation rescue fire fighters.

### CALD

Figure 3 shows that at 30 June 2014 there were 300 identified people from CALD backgrounds employed by Airservices, which represents 6.7 per cent of the total workforce.

**FIGURE 3** Headcount by designated group 2011–2014



**TABLE 11** Gender by job classification as at 30 June 2014

Job family	% Female	Female	Male
Air traffic control	11.62	125	951
Air traffic control trainee	19.15	27	114
Air traffic support	20.11	38	151
Aviation fire fighter	2.69	18	651
Clerical administration	51.42	471	460
Executive manager	40.00	4	6
Fire officer	1.09	2	182
Flight data coordinator	24.14	7	22
Flight information service officer	17.35	17	81
Professional	18.42	14	62
Senior manager	28.42	83	212
Team leader	11.59	8	61
Technical officer	5.05	20	376
Technology professional	11.06	26	209
Target generator officer	0.00	0	2
Trades	4.00	3	72
<b>Total</b>		<b>863</b>	<b>3612</b>

## Mature-aged employees

Airservices relies on mature-aged employees (45 years and over) whom in 2013–14 represented 45 per cent of the ongoing workforce. Implications of an ageing workforce are being addressed through initiatives including succession planning, workforce planning, knowledge and skills transfer, part-time working arrangements, and phased retirement plans. Additionally, employees approaching retirement age are provided with information on the superannuation benefits of deferred retirement.

## Work life balance

At 30 June 2014, there were 225 employees working in part-time roles at Airservices, or five per cent of the workforce. This number has increased since last financial year when there were 195 part-time employees.

**TABLE 12** Airservices employee age profile at 30 June 2014

Age range	Number of employees	Percentage of employees
Under 25	182	4.07
25–34	1045	23.35
35–44	1234	27.58
45–54	1250	27.93
55–64	686	15.33
65+	78	1.74

**TABLE 13** Number of staff, by classification and state, at 30 June 2014

Job role	State							
	ACT	NSW	NT	QLD	SA	TAS	VIC	WA
Air traffic control	12	151	6	406	56	12	352	81
Air traffic control trainee	1	2	0	24	0	0	111	3
Air traffic support	3	9	0	53	0	0	120	4
Aviation fire fighter	17	73	61	218	37	38	112	113
Clerical administration	523	37	1	164	1	0	193	12
Executive manager	10	0	0	0	0	0	0	0
Fire officer	8	20	16	61	11	10	30	28
Flight data Coordinator	0	0	0	15	0	0	14	0
Flight information service officer	40	0	0	56	0	0	2	0
Professional	17	1	0	28	0	0	29	1
Senior manager	183	9	1	44	2	0	44	9
Team leader	27	7	1	16	3	1	10	4
Technical officer	19	81	12	135	19	5	98	27
Technology professional	87	4	0	67	4	0	69	4
Target generator officer	0	0	0	2	0	0	0	0
Trades	5	11	1	20	8	0	20	10
<b>TOTAL</b>	<b>952</b>	<b>405</b>	<b>99</b>	<b>1309</b>	<b>141</b>	<b>66</b>	<b>1204</b>	<b>296</b>

## Appendix 6: Workforce plan progress report

The *Workforce Plan 2013–2020* includes a profile of Airservices workforce, the key challenges and risks we expect to occur over the next six years, as well as strategies Airservices is implementing to manage these risks.

Consistent with the Ministerial Statement of Expectations, Airservices is required to provide an annual update on implementation of the plan.

This Appendix provides an update on the activity undertaken in 2013–14.

In the past 12 months, the emphasis of workforce planning has been to make changes to how workforce planning activity is conducted in support of OneSKY Australia—a single national air traffic management system—and continued development and implementation of workforce strategies.

### Supporting OneSKY Australia

In support of transition to OneSKY Australia we have reviewed and improved our approach to enterprise workforce planning resulting in the following changes:

- Enterprise-wide resource planning has been established to improve the accuracy and consistency of our workforce forecasts as OneSKY planning continues. This will enable us to better understand and predict where our workforce capacity and capability gaps may be and where future issues may arise.
- Planned workforce accountabilities between our human resource function and the business groups have been updated. Clearer accountabilities and agreed milestones are resulting in more consistent workforce planning across the business. This will result in a more detailed level of accuracy in forecasting workforce demand and supply.
- Accountabilities of senior managers within each business group have been developed, focusing on the coordination of group resource planning and detailed resource forecasts. This specific focus in the business groups will increase the awareness and participation of workforce planning activities within Airservices, as we transition to OneSKY.
- We are implementing a flexible workforce model over the next 12 months that incorporates the impact of OneSKY and longer term workforce planning.

### Development and implementation of strategies

In the plan, a number of key workforce risks and associated strategies were identified.

The initiatives and activities that have taken place in the past year are summarised here. It should be noted that in many cases workforce strategies and the assessment of their effectiveness will have long lead times.

Workforce risk and mitigation strategies are outlined in Table 1. Where possible, comments on the effectiveness or current trends of our strategies have been provided. For most initiatives, we will continue to monitor and track our progress to assess their effectiveness.

Along with these initiatives, we have also undertaken the following activities:

- Designed, developed and implemented a Job Family Framework. This will be used to group similar positions together that have related skills, tasks and knowledge. It will form the basis for integrated management of job skills in the future.
- Established a standardised set of job roles, competencies and capabilities, and clarified

our understanding of current and future workforce needs.

- Consolidated and evaluated our critical roles to help make sure we prioritise our mitigation strategies and focus on those roles that are hardest to fill, core to our business, or have long lead times to competency.
- Implemented the Skills Framework for the Information Age in our Business Systems group (formerly the ICT business group). This describes the typical roles in information technology and the types and levels of skills required to fulfil them. This complements activity in determining workforce capability and helps determine the critical roles required by Business Systems in the future.
- Developed a visual management system that provides a network view of all air traffic control roster groups and shows the future workforce demand and supply requirements of each roster group. This builds on previous models and provides greater understanding of cross-functional requirements for air traffic control (terminal control areas, tower and en route) and supports longer term planning within our Learning Academy.

**TABLE 14** Airservices Workforce Risks, Strategies and Activities

Risk	Strategy	Activities
Ageing workforce, knowledge loss through retirement.	<ul style="list-style-type: none"> <li>Accommodate individual preferences and improve work-life balance through flexible working practices, job sharing, phased retirement, casual hours, part-time hours.</li> <li>Develop mentoring programs to transfer knowledge from potential retirees to identified successors.</li> <li>Maintain focus on entry-level recruitment to balance the ageing demographic.</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring of casual and part-time employees continues to indicate a positive trend, with around five per cent of the workforce employed with flexible conditions.</li> <li>A 12-month trial was undertaken in the Sydney basin to promote existing flexible working arrangements and improve information for air traffic control employees and managers.</li> <li>Mentoring programmes continue in the Projects and Engineering and the Air Traffic Control groups.</li> <li>Entry-level recruitment efforts are ongoing, resulting in more than 200 newly qualified starters across 20 locations to support Aviation Rescue Fire Fighting, Air Traffic Control and Projects and Engineering business groups.</li> <li>Improved training outcomes are being achieved through technology investment by Airservices Learning Academy. This includes the tower simulator and tablet trial programme for new trainees. The aim is to increase realism, reduce the time to certification and use the relevant technology to aid classroom learning. The trial program is underway and expected to be completed in 2015. The impact of the trial is being monitored and will be assessed on completion.</li> </ul>
Increased workforce mobility demand internally.	<ul style="list-style-type: none"> <li>Develop fit for purpose secondment and mobility policies.</li> <li>Develop employment conditions to facilitate mobility, particularly to remote geographic locations.</li> </ul>	<ul style="list-style-type: none"> <li>More than 50 secondments are in progress, providing subject matter expertise where needed and giving individuals broader exposure to Airservices business. Centralised monitoring implemented to track the effectiveness of this initiative.</li> <li>Secondment guidelines have been updated to increase awareness of available career development opportunities for air traffic controllers.</li> <li>Flexible employment opportunities are being implemented for aviation rescue fire fighters to support remote station staffing requirements, including Gladstone in Queensland and Newman in Western Australia.</li> <li>Own-time-own-expense relocation has been enabled 16 aviation rescue fire fighters across six locations to meet station demands.</li> <li>The first phase of the Job Family Framework—Workforce Capability Project is being implemented, to enable future identification and analysis of workforce skills.</li> </ul>

Risk	Strategy	Activities
Long tenure potential wave of impending staff retirements.	<ul style="list-style-type: none"> <li>Continue to implement succession planning and talent management.</li> <li>Continue to build leadership capability.</li> </ul>	<ul style="list-style-type: none"> <li>Management positions will be rotated in a number of business groups. This will provide development opportunities and ensure we identify talent and future leaders to develop a wider understanding of the business.</li> <li>Capacity and fast track officer training is being increased in the Aviation Rescue Fire Fighting group to provide future leaders in regional locations.</li> <li>Succession planning was extended in Projects and Engineering to include all employees over 55 years of age.</li> <li>Capability training is being implemented for aviation rescue fire fighters through leadership and skills coaching programmes. These programmes have been designed to ensure a consistent understanding of organisational goals and objectives, provide opportunities for future leaders in an appropriate context, and ensure suitable coaching is available.</li> </ul>
Turnover of short tenure, less than three years.	<ul style="list-style-type: none"> <li>Monitor and review career development plans matching individual goals with development opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Data for turnover of short tenure employees continues to show retention is improving and turnover is decreasing. Improved approaches to staff management and recruitment practices have contributed to this outcome.</li> </ul>
Diversity profile.	<ul style="list-style-type: none"> <li>Continue to build a diverse workforce through the employment of:               <ul style="list-style-type: none"> <li>Indigenous staff</li> <li>women</li> <li>people with disability</li> <li>CALD backgrounds.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Progress continues against the current Workplace Diversity Strategy (see Appendix 5).</li> </ul>

Risk	Strategy	Activities
Competitive market for specialist skills.	<ul style="list-style-type: none"> <li>Establish an organisational brand for current and prospective employees – an Employee Value Proposition. An Employee Value Proposition is both tangible and intangible rewards that an organisation offers current and prospective employees including remuneration, benefits, working environment and culture.</li> <li>Develop marketing and engagement strategies to access a wider range of candidates.</li> <li>Adopt recruitment strategies that reflect current labour market conditions with a focus on flexible working arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>Research has been undertaken on potential service providers to develop and implement the Employee Value Proposition.</li> <li>Recruitment process reviews have been undertaken for operational intakes and recommendations have been implemented.</li> <li>An external expert review has been undertaken on aviation rescue fire fighting physical requirements.</li> <li>Eligibility criteria have been increased for the air traffic control application process to improve intake and diversity.</li> <li>A cross-functional taskforce has been established to enhance recruitment and training outcomes for entry-level air traffic controller programmes.</li> <li>Our success rates under these initiatives are being monitored to assess their effectiveness.</li> <li>Planning of lead times for notification of recruitment activities reviewed to increase the time available to tailor recruitment campaigns.</li> <li>The graduate recruitment cycle will be brought forward to improve opportunities to source the best talent available in the graduate market.</li> </ul>
Government and regulatory changes.	<ul style="list-style-type: none"> <li>Review the current recruitment processes to ensure they are consistent with the changing external environment.</li> </ul>	<ul style="list-style-type: none"> <li>Airservices recruitment practices have been adjusted and all non-operational recruitment has been deferred unless approved by the CEO.</li> </ul>

## Appendix 7: Environmental sustainability report

This section is presented in accordance with the requirements of section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

### How Airservices applies ecologically sustainable development principles

Airservices develops and implements policies and programmes that protect and conserve the

natural environment and contribute to ecologically sustainable development.

The table below sets out how the organisation applies the principles of ecologically sustainable development.

Principles	Activities
<b>Integration principle.</b> Decision making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations.	<ul style="list-style-type: none"><li>▪ Undertaking environmental impact assessments for changes to aircraft operations (in accordance with the <i>Environment Protection and Biodiversity Conservation Act 1999</i> requirements) to minimise noise impacts associated with flights paths on communities.</li><li>▪ Continuing to examine ways to reduce Airservices environmental footprint and that of the aviation industry.</li><li>▪ Providing efficient routing options for our customers.</li><li>▪ Implementing Required Navigation Performance procedures.</li><li>▪ Participating in international initiatives to reduce emissions including the:<ul style="list-style-type: none"><li>- Asia and South Pacific Initiative to Reduce Emissions (ASPIRE)</li><li>- Indian Ocean Strategic Partnership to Reduce Emissions (INSPIRE).</li></ul></li><li>▪ Enhancing WebTrak, which provides public access to information about aircraft noise and operations around eight of Australia's busiest airports.</li></ul>
<b>Precautionary principle.</b> If there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation.	<ul style="list-style-type: none"><li>▪ Implementing an environment management plan for potential issues arising from the use of fire fighting foams containing fluorosurfactants at aviation rescue fire fighting training grounds.</li><li>▪ Continuing involvement in the CANSO environment working group.</li><li>▪ Implementing pre-departure tactical air traffic management.</li><li>▪ Implementing the Metron-Harmony traffic flow tool to reduce airborne holding at Sydney, Brisbane, Perth and Melbourne airports.</li></ul>

Principles	Activities
<b>Intergenerational principle.</b> The present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced, for the benefit of future generations.	<ul style="list-style-type: none"> <li>▪ Training staff on environmental issues, the environmental management system, risk management and staff accountabilities.</li> <li>▪ Promoting environmental awareness and initiatives (including Earth Hour and Greenfleet Tree Planting Day).</li> <li>▪ Ensuring the organisation's environmental management system is in line with ISO 14001 (the international standard for environmental management systems) and maintaining ISO14001 certification at two sites.</li> <li>▪ Supporting the preservation of Australia's aviation history through the Civil Aviation Museum and Civil Aviation Historical Society</li> <li>▪ Ensuring that the impacts of Airservices executive fleet and aviation rescue fire fighting vehicle operations are offset by membership of Greenfleet (trees are planted as carbon offsets).</li> <li>▪ Improving the system for ongoing monitoring of our greenhouse gas emissions and energy consumption and production to enable reporting in accordance with <i>National Greenhouse and Energy Reporting Act 2007</i> requirements for 2013–14.</li> <li>▪ Assessing of potential heritage values of aviation rescue fire fighting stations, towers and navigation aids.</li> </ul>
<b>Biodiversity principle.</b> The conservation of biological diversity and ecological integrity should be a fundamental consideration in decision making.	<ul style="list-style-type: none"> <li>▪ Undertaking environmental impact assessments in accordance with <i>Environment Protection and Biodiversity Conservation Act 1999</i> requirements in support of new and changing internal business processes for projects, property and operational procedures.</li> </ul>

## Environmental Performance of Operations

The Airservices *Environment Action Plan Update 2013–14* tracks our environmental performance against the *Environment Strategy 2011–2016*. The Board Environment Committee monitors the following aspects of its environmental performance:

**Services**—Aircraft emissions, aircraft noise and community engagement, aviation rescue fire fighting services.

**Infrastructure**—Infrastructure footprint, biodiversity, heritage and climate adaptation, pollution and contamination.

**People and processes**—Environmentally focused workforce, innovation, management and measurement.

In addition, Airservices environmental management system provides a framework for achieving sound environmental outcomes and ensuring the organisation meets its associated legislative and regulatory obligations. The system includes policy requirements and detailed procedures, and highlights that all staff are responsible for environmental management and managers are accountable for managing environmental risks and performance in their areas of responsibility.

This system is also in line with the international standard ISO 14001 and certified for ground-based operations at two sites—Gold Coast Airport and Gellibrand Hill Radar.

We review and update the system regularly to ensure it is fit for purpose, in line with best practice wherever practical, and effectively manages Airservices environmental aspects and risks.

# Appendix 8: Airservices stakeholders and industry partners

Airservices provides safe, environmentally responsible and efficient air traffic management and related aviation services.

We engaged with the following key organisations and participated in a series of major forums throughout 2013–14.

## Government departments and regulators

Australian Competition and Consumer Commission	Department of Infrastructure and Regional Development
Australian Maritime Safety Authority	Department of Environment
Aircraft Noise Ombudsman	Department of Defence
Australian Skills Quality Authority	Defence Materiel Organisation
Australian Transport Safety Bureau	Department of Finance
Bureau of Meteorology	Ministry of Communication and Aviation–Solomon Islands Government
Civil Aviation Safety Authority	Minister of Transport Civil Aviation–The Republic of Nauru
Council of Australian Government Industry and Skills Council	Rural and Regional Affairs and Transport Senate Committee
Department of Industry	

## Industry organisations

Aerial Agricultural Association of Australia	National Airports Safeguarding Advisory Group
Australian Airports Association	Pricing Consultative Committee
Australian Business Aircraft Association	Regional Airspace and Procedures Advisory Committee
Australasian Fire and Emergency Service Authorities Council	Regional Aviation Association of Australia
Airport Development Committee	
Australian and International Pilots Association	
Aircraft Owners and Pilots Association of Australia	
Airspace Protection Task Force	
Australian Strategic Air Traffic Management Group	
Board of Airline Representatives of Australia	
Industry and Skills Council Advisory Committee	

## International organisations

Abu Dhabi Department of Transport	Federal Aviation Administration
Abu Dhabi Airports Company	ICAO Somalia
AEROTHAI–State Enterprise under the Ministry of Transport	Indonesia–Air Nav
Aeronautical Radio of Thailand Ltd	International Airline Transport Association
Agence pour la Sécurité de la Navigation Aérienne en Afrique	International Aviation Fire Protection Association
Airports Council International	International Civil Aviation Organization
Airports Fiji Limited	Indian Ocean Strategic Partnership to Reduce Emissions
Air Traffic Management Bureau of Civil Aviation Administration of China	Japan Civil Aviation Bureau
Airways NZ	Kenya Civil Aviation Authority
Asia and South Pacific Initiative to Reduce Emissions	Maldives–Maldives Airports Company Limited and Maldives Civil Aviation Authority
Aircraft Rescue and Fire Fighting Working Group	Mauritius–Department of Civil Aviation
Airports Authority of India	Papua New Guinea Airservices Limited
Airports Vanuatu Ltd	Public Authority for Civil Aviation, Sultanate of Oman
Civil Aviation Authority of Singapore	UAE–General Civil Aviation Authority
Civil Air Navigation Services Organisation	Uganda–Air Navigation Services Civil Aviation Authority
Colombo–Airport and Aviation Services (Sri Lanka) Ltd	UK NATS
Department of Civil Aviation of Mauritius	University of Texas
Dubai Air Navigation Services	Seychelles Civil Aviation Authority
Eurocontrol	South Africa–Air Traffic and Navigation Services
	Timor–Leste Civil Aviation Department

## Employee associations

Civil Air Australia
Community and Public Sector Union
Electrical Trade Union
Professionals Australia
United Firefighters Union of Australia

**Airports**

Airservices interacts with the following airports because they are federally leased airports or have Airservices equipment or services

Adelaide	Hobart
Albury	Jandakot
Alice Springs	Karratha
Archerfield	Launceston
Avalon	Mackay
Ayers Rock	Melbourne
Ballina	Moorabbin
Bankstown	Mt Isa
Brisbane	Newman
Broome	Parafield
Cairns	Perth
Camden	Port Hedland
Canberra	Rockhampton
Coffs Harbour	Sunshine Coast
Darwin	Sydney
Essendon	Tamworth
Gladstone	Tennant Creek
Gold Coast	Townsville
Hamilton Island	Wagga Wagga

## Airports

Airports that are anticipated to require Airservices support in the future

Busselton	Onslow/Carnarvon
Emerald	Paraburdoo
Geraldton	Roma
Kalgoorlie	Taree
Lord Howe Island	Wellcamp
Mildura	Williamtown

## Airlines

Throughout 2013–14 Airservices worked with the following airlines

AirAsia X	Malaysia Airlines
Airlink	Qantas
Alliance	Qantaslink
Air India	Qatar Airways
Air Madagascar	Regional Express
Air New Zealand	Rex Airlines
British Airways	Scot
Cathay Pacific Airline	SkyWest
Cobham Aviation Services	Singapore Airlines
Delta	Singapore Cargo
Emirates Airline	South African Airways
Ethiopian Airlines	Thai Airways
Etihad Airways	Tiger
Jetstar	United Airlines
Kenya Airways	Virgin Australia
Korean Air	Vietnam Airlines

## Community organisations

Adelaide Airport Consultative Committee

Alice Springs Airport Community Aviation  
Consultation Group

Archerfield Airport Community Aviation  
Consultation Group

Bankstown Airport Community Aviation  
Consultation Group

Brisbane Airport Community Aviation  
Consultation Group

Cairns Airport Environmental  
Consultative Committee

Camden Airport Community Aviation  
Consultation Group

Canberra Airport Community Aviation  
Consultation Group

Darwin Airport Community Aviation  
Consultation Group

Essendon Airport Community Aviation  
Consultation Group

Gold Coast Airport Community Aviation  
Consultation Group

Gold Coast Airport Aircraft Noise Abatement  
Consultative Committee

Hobart Airport Community Aviation  
Consultation Group

Jandakot Community Aviation  
Consultation Group

Launceston Airport Community Aviation  
Consultation Group

Melbourne Airport Community Aviation  
Consultation Group

Melbourne Airport Noise Abatement Committee

Moorabbin Airport Community Aviation  
Consultation Group

Parafield Airport Consultative Committee

Perth Airport Aircraft Noise Management  
Consultative Committee

Perth Airport Community Aviation  
Consultation Group

Sunshine Coast Airport Community and Aviation  
Consultation Group

Sydney Airport Community Forum

Sydney Long Term Operating Plan  
Implementation and Monitoring Committee

Townsville Airport Community Aviation  
Consultation Group

## Forums and working groups

Airport Capacity Enhancement	Executive Steering Group Meetings
Air Traffic Services and Airline Safety Forum	Indian Ocean Strategic Partnership to Reduce Emissions forum
Air Traffic Flow Management Business Rules Forum	Informal South Pacific Air Traffic Services Coordinating Group
Airspace Protection Task Force	National Airports Safeguarding Advisory Group
Annual Industry Noise Forum	Planning Coordination Forum
Australian and Indonesian Air Traffic Services Coordination Group	Qantas Air Traffic Management Performance Group–Plenary Meetings
Australian Airports Association Annual Conference	Qantas Air Traffic Management Performance Group Meetings
Australian Strategic Air Traffic Management Group	Qantas Group Safety and Health Conference
Australian Civil–Military Air Traffic Management Committee	Regional Airports Association Annual Conference
Australian Runway Safety Group	Regional Airspace and Procedures Advisory Committee
Arabian Sea Indian Ocean Air Traffic Services Coordination Group	Regional Aviation Association of Australia
Asia and South Pacific Initiative to Reduce Emissions	Sydney Air Traffic Management Strategic Planning Group
Aviation Implementation Group	South West Pacific Safety Forum
Aviation Policy Group	Virgin Air Traffic Management Performance Group–Plenary Meetings
Arabian Sea Indian Ocean ATS Coordination Group Annual Conference	Virgin Air Traffic Management Working Group Meetings
Brisbane Airport Capacity Forum	Virgin Australia Operational Safety Forum
Civil Air Navigation Services Organisation Air Traffic Management Awards	Waypoint (Airservices annual industry conference)
Capacity and Services Improvement Forum	

## Other

Australian Firefighters Council

Australian Parachute Federation

Diploma of Aviation Steering Committee and Technical Advisory Group (via Transport and Logistics Industry Skills Council)

Enterprise Registered Training Organisation Association

Industry Skills Councils for Aviation and Public Safety

National Association of Testing Authorities

Riverina Technical and Further Education

Standards Consultative Committee

University of Canberra

University of New South Wales

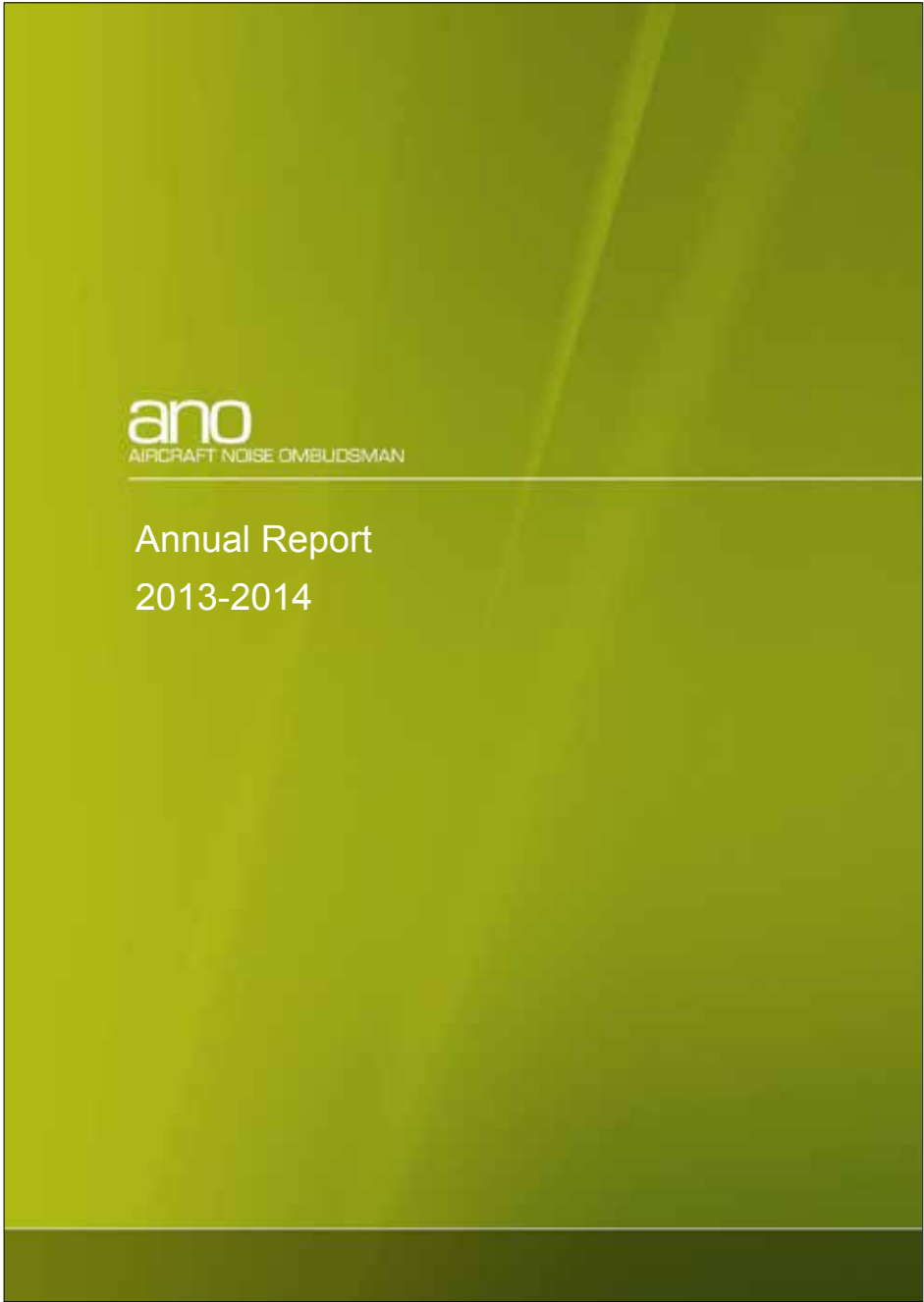
## Appendix 9: Noise Complaints and Information Service data

**TABLE 15:** Number of clients who contacted our Noise Complaints and Information Service in 2013–14 for eight major airports.

Airport	Clients
Adelaide	171
Brisbane	458
Cairns	28
Canberra	39
Gold Coast	204
Melbourne	333
Perth	1126
Sydney	1200
<b>Total</b>	<b>3559</b>

The majority of major airports had minor fluctuations in the number of clients from last year, however, Sydney increased by 46 per cent.

**Appendix 10: Aircraft Noise Ombudsman Annual Report**



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### ANO contact

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Email: [ano@ano.gov.au](mailto:ano@ano.gov.au)

Freecall: 1800 266 040

Write to: Aircraft Noise Ombudsman  
GPO Box 1985  
Canberra City ACT 2601

## 1 From the Ombudsman

*"The past 12 months have been highly satisfying, with positive progress in all areas of the ANO charter."*



1.1 I have been greatly encouraged by the steps taken in the past twelve months. This includes both with the way the ANO office is managing our activities and the way Airservices Australia (Airservices) is improving its management of aircraft noise issues.

1.2 Our key achievements in 2013-14 include implementation of our first software-based complaints management system, publication of another major review aimed at improving Airservices' management of complaints, and finalisation of a number of long-standing cases that were awaiting effective investigations by Airservices of potential noise improvements. Additionally, I am delighted that eight noise improvement opportunities have been finalised in these past 12 months as a response to complaints handled by the ANO office. I am equally pleased that Airservices is now more readily identifying noise improvement opportunities without our intervention.

*"Eight noise improvement opportunities have been finalised in these past 12 months"*

1.3 The ANO provides independent administrative reviews of Airservices' management of aircraft noise issues, specifically focussed on three areas:

- Complaint handling
- Information presentation and distribution
- Consultation

Our work with Airservices is consequently structured around these three areas, so I will briefly summarise the year for each below.

### **Complaint handling**

1.4 The number of complaints to the ANO office increased during 2013-14, with the average number of complaints per month rising from just over seven last year to almost nine per month, much closer to the longer term trend. Notably, a significantly larger number of the complaints received this year were able to be referred to Airservices for a direct response (34 compared with only 9 referred last year). In many cases these were referred because complainants had not fully explored their concerns with Airservices or had not gone back to Airservices with their new issues. It is also a reflection of the maturing of Airservices' complaint management culture that we can confidently ask complainants to go back to Airservices. **Attachment 1** provides a summary of the ANO complaint statistics for 2013-14.

1.5 As mentioned on the previous page, eight noise improvement opportunities have been finalised in these past 12 months as a response to complaints handled by the ANO office. Following our investigation, Airservices re-considered ways to manage the aircraft noise issues in an area, often in consultation with aircraft and/or airport operators. Of the opportunities explored, two resulted in no feasible change being identified in the near future, but in the remaining six a change could be made leading to a noise improvement (albeit often at the margins). All opportunities identified through complaints are reported in the ANO quarterly reports and a summary is available in **Attachment 2**.

1.6 Last year I was thrilled to be able to report a dramatic decrease in the number of contacts Airservices was receiving. I am pleased to see the drop in unnecessary repeat contacts from complainants has been sustained in 2013-14. Further discussion of this issue is available in sections 2.20 to 2.24 of this report. I look forward to further enhancements by Airservices in 2014-15 that will help to embed processes that discourage repeated contact by complainants on issues that have been fully addressed. The key benefits of this improvement are that it saves the complainant time and effort, and also frees up Airservices' resources to work on:

- improving responses to complaints
- identifying noise improvement opportunities
- enhancing the information available to the community about aircraft noise issues.

1.7 Airservices continues to make solid progress in complaint management. With the release of our *Case Studies in Complaint Management Review* in January 2014 we made six recommendations to the Board of Airservices aimed at improving Airservices' management of complaints across a range of issues. It seeks:

- reform in complaint record management
- better alignment of, and quality assurance in systems, processes and practices
- improved information provision and reporting based on complaint data.

Airservices has closed three parts of two recommendations. **Attachment 3** outlines the ANO's assessment of action on each recommendation.



***“Case Studies in Complaint Management Review made six recommendations aimed at improving Airservices’ management of complaints”***

### Consultation

- 1.8 ANO staff attend a variety of community and industry forums across Australia to monitor Airservices' consultation and information provision and to gather information about emerging aircraft noise issues.

**"ANO staff attend community and industry forums across Australia"**

- 1.9 As with previous years, we have not made any formal recommendations to Airservices on their consultation activities. We provide feedback as appropriate and monitor Airservices' consultation activities for alignment with its Communications and Consultation Protocol and community expectations.

### Information provision

- 1.10 Information provision is an important component of managing aircraft noise issues and is a key focus for the ANO. For this reason I accepted nomination as Chair of the Australian Standards committee reviewing the Australian Standard AS2021-2000: Acoustics — Aircraft noise intrusion — Building siting and construction. The review is limited in scope, however, I have also proposed, on behalf of the committee, the development of a Standards Australia guidance document about aircraft noise information provision. I am pleased that my proposal was approved by the Standards Australia Board and the guidance document will be developed in the coming year.



**"I have proposed development of a Standards Australia publication about aircraft noise information"**

- 1.11 Airservices has continued to work on actions to address the three recommendations from our *Assessment of Aircraft Noise Issues: Sydney, February 2012* that were not yet finalised at the start of the 2013-14 financial year. Two have now been finalised, with action well underway to address the last of these recommendations. **Attachment 3** outlines the ANO's assessment of action on each recommendation.
- 1.12 The successful implementation of the software-based ANO Complaints System (ANOCs) was a significant piece of work undertaken during 2013-14 in the ANO office. A great team effort led to a smooth transition process, with no interruption to the service provided to complainants. The new system has delivered beyond expectations, with significant efficiencies in time and administration effort in managing our complaints.

### **Final remarks**

1.13 To ensure that the ANO operates with independence and impartiality, the position reports directly to the Board of Airservices. It is not part of Airservices' executive or management structures. As the Ombudsman, I am not an employee of Airservices and I report directly to the Board under the terms of a contract and Charter that establish my role as independent from any form of direction, influence, or control beyond the terms of the ANO Charter.

***"The ANO operates with independence and impartiality"***

1.14 I am thrilled to have been reappointed at the end of 2013 to the role of Aircraft Noise Ombudsman for an additional three year term. When I reflect on the first three years I am proud of the achievements we have made. In particular I count the shift in Airservices' approach to complaints, Airservices' Strategic Noise Improvement Plan, and the noise improvements that have been pursued as a direct result of the ANO's interventions as key highlights.

1.15 In noting achievements, I must acknowledge the strong support provided by the Chair and Directors of the Board of Airservices, and the positive way that the staff and management of Airservices has engaged with the office. Further, we would not have achieved the significant outcomes we have without the continued commitment and professionalism of the small and dedicated ANO team. It is my honour and pleasure to work with this exceptional team and I commend them in the highest terms.

1.16 I remain both grateful for and inspired by the insights and contributions of community members. Through their complaints and engagement in the various community forums, we are able to work with Airservices and other stakeholders to analyse the issues raised and in some cases identify opportunities for aircraft noise improvements.

***"I am grateful for and inspired by the insights and contributions of community members"***

1.17 While we cannot fix every problem, and aircraft noise will continue to be an issue for many, I am continually heartened by the opportunities to help people. Even when the only thing we can do is to provide a resident with a clearer understanding of the noise situation in their area, I am confident that the information we provide can in some small way help them to better manage the noise issues they are experiencing. I look forward to continuing our work with Airservices, the community and other stakeholders as we look for better ways to manage the aircraft noise issues in Australia.



Ron Brent  
Aircraft Noise Ombudsman  
4 August 2014

## 2 Activities

### Complaints

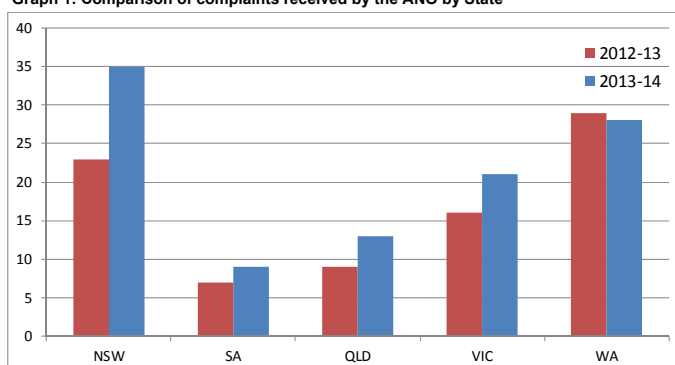
2.1 The ANO has received more complaints in 2013-14 than in the previous year.

Table 1: Comparative complaint statistics by financial year

	Total fin. year	Ave per month	% Change
Sep 2010-Jun 2011 (10 mths)	101	10.1	
Jul 2011-Jun 2012 (12 mths)	109	9.1	↓ 10.1%
Jul 2012-Jun 2013 (12 mths)	88	7.3	↓ 19.3%
Jul 2013-Jun 2014 (12 mths)	106	8.8	↑ 20.5%

2.2 This increase is in line with the almost 20% rise in the number of complainants that contacted Airservices Australia in 2013-14 compared to the previous 12 month period. We also looked into where the complaints were coming from and it can be seen from the graph below that there has been a general increase in complaints across all states (no complaints were received from the ACT, NT or Tasmania in 2013-14). The greater increase in the NSW region may reflect an increased public awareness of aircraft noise issues due to the media attention about a second Sydney Airport.

Graph 1: Comparison of complaints received by the ANO by State



- 2.3 We started the financial year with 22 open complaints and received a further 106 during the year, making the total number of complaints handled in the financial year 128. This is up a little on the 120 we had in the previous two financial years. Of these, 114 were closed, 75 of which were reviewed (that is, investigated in detail).

**Table 2: Outcome of complaints reviewed by the ANO in 2013-14**

<b>Complaints reviewed and closed:</b>	<b>75</b>	
No change possible - explanation provided	64	85.3%
Change adopted by Airservices Australia	5	6.7%
Change adopted by Airport operator	2	2.7%
Change adopted by Operator	4	5.3%

- 2.4 As with previous years, a majority of the complaints reviewed were closed without any change being possible (85.3%). In these cases, complainants are provided with comprehensive explanations of why no change is possible. Generally, this is because safety or other operational factors require aircraft to fly where they do, or because changing where the aircraft fly would simply move the noise impacts to other residents and would not provide an overall noise improvement.

- 2.5 Changes made this financial year by Airservices in response to complaints made to the ANO were all in the Perth region, responding to complaints about flights over Roleystone and Chidlow. Both areas were affected by a change to the airspace configuration implemented in November 2008, which resulted in new aircraft noise over these suburbs (among others):

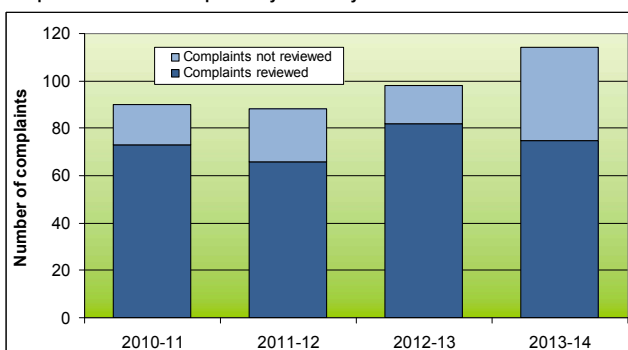
- For Roleystone and nearby suburbs, Airservices has implemented a 12 month trial flight path that has reduced the number of flights over Roleystone, particularly at night as it is the instrument approach path that was moved. Visual approaches will still overfly the area.
- For Chidlow, Airservices has explored a number of potential noise improvements, with several proving not feasible. One proposal has progressed to a three month trial of changed procedures for departing aircraft. The results are yet to be formally published, although the ANO has been advised the trial has improved noise outcomes in Chidlow.



- 2.6 The remaining 39 complaints were carefully considered however were not reviewed. In these cases, they were referred directly to Airservices for management, related to matters that fell outside our charter, or the complainant did not provide any further information to enable the investigation to proceed.

- 2.7 We closed more complaints this financial year than in previous years, due to the finalisation of a number of long-standing complaints and the number that we were able to refer to Airservices to respond directly to the complainant.

**Graph 2: ANO closed complaints by financial year**



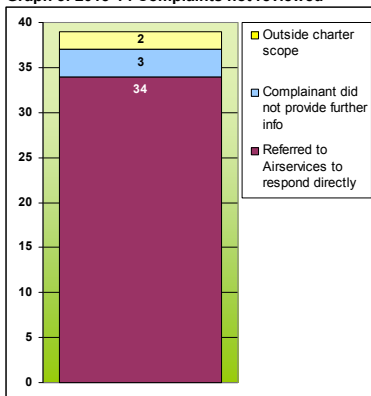
- 2.8 Decisions to review complaints are firstly based on whether or not the complaint is within our charter. If not, we endeavour to direct the complainant to the appropriate agency or organisation for their concerns. Just two complaints received in the 12 month period were outside of our charter scope.

- 2.9 For complaints that are in scope, we cannot review a complaint when a complainant does not provide sufficient information as requested to enable an investigation of the issues.

- 2.10 Additionally, we will refer the complaint back to Airservices to respond directly when:

- a complainant has not raised the specific issues with Airservices,
- a complainant has not allowed enough time for Airservices to respond, or
- we consider that Airservices is likely to be able to manage the complaint effectively.

**Graph 3: 2013-14 Complaints not reviewed**



Although there can be some significant work involved in the preliminary consideration of these complaints, we categorise them as “Not reviewed – referred to Airservices to respond directly”.

- 2.11 Fourteen complaints remained open at the end of the financial year and will be carried forward. **Attachment 1** summarises the year's complaint statistics.

***How long for complaints to be reviewed?***

- 2.12 For the 2013-14 financial year, the average number of days from the complaint received date to complaint closed date was 96 days (compared with the 2012-13 average of 59 days).
- 2.13 The significant increase is a result of a number of long-standing complaints being closed in this period – the longest of which was a complaint first lodged with the ANO office in early November 2010. The following provides some discussion and analysis of the 'days to closure' data for this financial year. Please note that throughout this section we refer to days to closure, which includes weekends and public holidays.

**Table 3: ANO complaints closed in 2013-14 by outcome category, with days to closure**

Reviewed complaints:	Number of complaints	Days to closure	
		Average	Range
No possible change: explanation given	64	82	21-655
Change adopted by Airservices	5	687	519-1071
Change adopted by Airport operator	2	191	21-361
Change adopted by Operator	4	162	28-427
<b>Complaints not reviewed:</b>			
Referred to Airservices to respond directly	34	30	21-59
Complainant did not provide further info	3	26	21-32
Outside Charter Scope	2	29	22-36

- 2.14 The table above shows the complaints closed in the period 2013-14 split by outcome category, within the two broad areas of complaints reviewed and complaints not reviewed. For each outcome category it shows both the average and the range of days to closure, meaning the number of days from the date the complaint was received to the date it was closed.

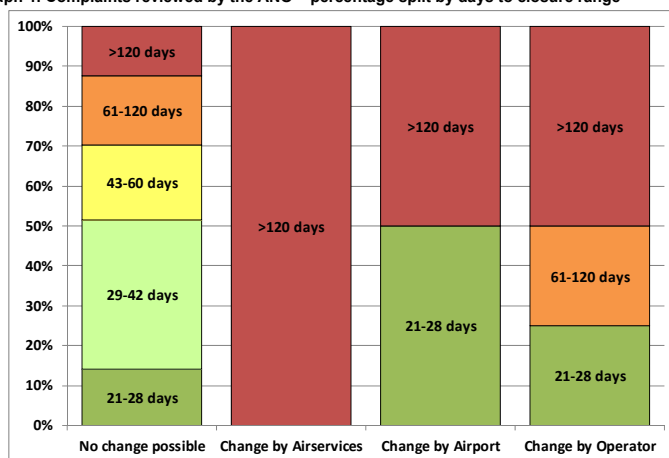
- 2.15 Complaints closed during the 2013-14 financial year include 21 of the 22 complaints that were open and carried forward from the 2012-13 financial year. Eleven of these had already been open for more than 120 days at the start of the financial year.

- 2.16 The ANO commits to responding to complaints within 21 days from acknowledgement of the complaint. Once a review is completed and a final response sent to the complainant, we keep the complaint file open for a further 21 days. This approach can be seen in the "range" data in the table above, which shows that the fewest number of days a complaint is open with the ANO is 21 days.

***"The ANO commits to responding to complaints within 21 days from acknowledgement"***

2.17 Of the 64 complaints reviewed where no practical short to medium term change was identified (the “No change possible” category in the graph below), 70% were closed within 60 days. Despite this, and that all cases not reviewed were closed inside 60 days from receipt, the very long-standing complaints have led to the overall average time for closure exceeding 90 days.

Graph 4: Complaints reviewed by the ANO – percentage split by days to closure range



2.18 Where a potential noise improvement opportunity is identified this can often require a detailed process of consideration. For example, it may involve the conduct of a trial for a change in procedures or flight paths, potentially requiring many months of design, planning, consultation, implementation and review. The ANO kept a number of complaints open until we were satisfied that Airservices had a process underway to properly explore the opportunity. In some instances, such long-term investigations result in no change being possible after all. This explains some of the cases in the “No change possible” category that took greater than 120 days to closure. Not surprisingly, the cases where changes were implemented (the three “Change” columns in Graph 4) were most commonly after extended periods.

#### Why does change take so long?

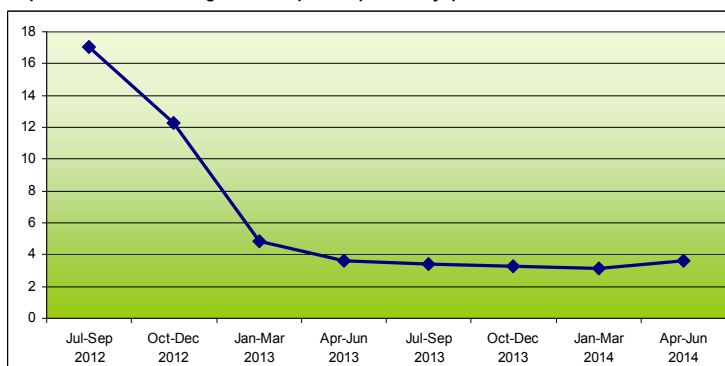
- **Safety:** Airservices and the aviation industry consider safety as the most important consideration. In this environment any change must be carefully considered and meticulously planned to assure safety at all times.
- **Consultation:** Airservices takes seriously its commitment to consult widely on changes. This includes with members of the community as well as with other aviation industry stakeholders. Such processes can take time.
- **New procedures and training:** For many changes there is a need for new procedures and training. Aeronautical publications run to a standard cycle. Training teams of shift workers can take time.

2.19 Another key factor is that, when opportunities were first identified, Airservices was not set-up to evaluate these opportunities and needed to establish new internal systems. With these processes and systems now well-established, including Airservices' Strategic Noise Improvement Plan (see section 3.3), noise improvement opportunities are being prioritised and managed in a more effective and timely way.

#### ***Reducing contacts to Airservices***

2.20 Last year we reported on the dramatic reduction in the number of contacts Airservices had received per complainant. We are pleased to report that Airservices' average contacts per complainant rate has continued at less than four over each of the four quarters of the 2013-14 financial year. This result is particularly promising given the number of complainants making contact with Airservices in the 2013-14 financial year was almost 20% higher than in the previous year (5,419 complainants in 2013-14 compared with 4,622 in the previous financial year).

**Graph 5: Airservices' average contacts per complainant by quarter: 2012-13 to 2013-14**



2.21 A low number of contacts per complainant is an indicator that complainants are receiving high quality first responses in a timely fashion. Even when a complainant is advised that no change is possible, when this is done well, and complainants' expectations are met in terms of the timeliness of responses, there is usually little cause for multiple contacts on the same issue.

2.22 Some have suggested that lodging many contacts about an issue lends weight by demonstrating how strongly the complainant feels about the issue. Our view is that a single contact should suffice for a complaint to be taken seriously and given proper attention. Equally, once a complaint has been fully considered, and a thorough and reasonable response provided, there is no value to either the complainant or Airservices in continuing to correspond on the issue.

- 2.23 We see the benefits of this approach as reducing the potential for complainants wasting their own time lodging many contacts on the same issues. In addition, we would prefer not to see Airservices' staff spending large amounts of time processing repeat contacts, but rather spending more of their resource effort on seeking better noise outcomes.
- 2.24 We will continue to work with Airservices to better manage those complainants that contact Airservices excessively on the same issue.

#### **Community and industry engagement**

- 2.25 ANO staff have attended community and aviation industry meetings across Australia during the past twelve months. Attending such meetings enables the ANO office to gain a first hand perspective of community and industry issues, monitor Airservices' information presentation and consultation activities, and identify emerging issues. It also provides an opportunity to increase public awareness of the ANO role, our recent activities, and the opportunities we are pursuing to improve noise outcomes.
- 2.26 This year the ANO attended or was represented at 16 Airport Community Aviation Consultation Group (or equivalent) meetings. Additionally, the ANO and staff met with individuals and representatives of community groups, members of parliament and aircraft and airport operators. Further, we attended various industry meetings, including the major annual conferences of the Australian Airports Association (AAA), the Regional Aviation Association of Australia (RAAA), the Australian Mayoral Aviation Council (AMAC), and the combined AAA-Airservices Aircraft Noise Forum. The ANO also chaired the committee that reviewed and revised Australian Standard AS2021-2000 (Acoustics: Aircraft Noise Intrusion – Building Siting and Construction).

***“By attending community and aviation industry meetings, the ANO can gain a first hand perspective of community and industry issues”***

#### **Professional training and development**

- 2.27 To keep abreast of developments in the profession of complaint investigation and management, the ANO office attended the biennial conference of the Australian and New Zealand Ombudsman Association (ANZOA) and presented at the annual Society of Consumer Affairs Professionals (SOCAP) symposium. We also maintain an active role in the Government Aviation Complaint Handling Forum and the SOCAP Government working group.

2.28 During 2013-14 we transitioned to our new ANO Complaints System (ANOCs). This was a smooth transition and seamless to our complainants. The new system has contributed to a dramatic reduction in the administrative workload in managing our complaints and has helped to streamline internal workflows and task management.



### 3 Achievements

#### Noise improvement opportunities

##### CASE STUDY 1 Can the planes climb further away?

Mr H contacted the ANO to complain that the parachute aircraft always climbed over the beach near his home in Coffs Harbour, disturbing the peace with the constant droning. Mr H asked why the planes couldn't climb further away where it didn't affect residential areas. The ANO looked into the existing climb arrangements, reviewed the climb areas in relation to residential areas and proposed that Airservices investigate alternatives with the operator. This process took time to reach a conclusion, but the ANO continued to press for small changes if possible.

Eventually it was identified that the planes could continue past the residential beach areas to climb further north, meaning that the noise experienced at the beach was just a passing noise not a constant drone. In addition, with a newer aircraft recently acquired by the operator the flights could fly further away from the shore over the sea and transit past more quickly, further reducing the noise impact on residences.

Mr H was delighted with the outcome, despite the delays and even though the changes were relatively minor in nature.

*Thank you for a wonderful job done. They still are overhead in the drop but the only thing I hear is the chutes opening. I'm glad for everybody involved, and their businesses, that it can just take a few changes and everyone's happy. Thanks again, massive improvement.*

- 3.1 Investigations into noise improvement opportunities that stem from an ANO review are tracked in our quarterly reports with brief descriptions of the change opportunity and the current status. These reports are available on our website.
- 3.2 **Attachment 2** summarises the noise improvement opportunities considered in the 2013-14 period. It should be noted that there is no direct correlation between the number of noise improvement opportunities explored and the number of complaints closed with a "Change adopted" outcome. This is due to a number of factors such as:
- Several complaints can relate to the same issue and each will be closed when a change is made. For example, the ANO had two complaints related to aircraft noise over Roleystone, which were addressed by Airservices' trial of a modified flight path. This one noise improvement led to two complaints closed with a "Change adopted" outcome.
  - Some noise improvement opportunities, despite detailed exploration of the potential, prove not to be feasible in the short to medium term. In these cases the complaint(s) will be closed with a "No change possible" outcome.
  - Some complaints are specifically about information provision, complaint handling or consultation systems and processes. A change to improve in these areas will not change the noise outcome in a particular area. However, the complaint in this case would be closed with a "Change adopted" outcome.

- 3.3 During the previous financial year, Airservices established a Strategic Noise Improvement Plan through which it records noise improvement opportunities, manages priorities, and tracks progress of investigations underway. The ANO is keen for as much information about the opportunities under consideration and already considered to be made available to the public in as open and transparent a manner as is practical. We have been pleased to see the further development of this in Airservices' quarterly Aircraft Noise Information Reports (available on the Airservices website, [www.airservicesaustralia.com](http://www.airservicesaustralia.com)).

#### **C** Flight paths can be changed

**A** Ms H contacted the ANO in November 2010, frustrated that no-one seemed prepared to answer her question of why can't the planes fly further east away from residential areas?" Airservices had made changes to the flight routes around Perth Airport that came into effect in November 2008, including establishing a new instrument approach path that flew directly over Ms H's suburb of Roleystone.

**S** The ANO sought information from Airservices, and were advised that it was technically feasible for the flight path to be relocated. At the time Airservices did not have any systems or processes in place to consider changes proposed to improve noise outcomes.

**T** The establishment of such systems took a long time and it wasn't until August 2013 that the trial of a relocated flight path was finally implemented. Both Airservices and the ANO office learnt a lot through this extended process.

**2**

*The trial of the modified flight path over Roleystone has now been operational for a week, and generally, it has seemed like heaven compared to the previous 4 years.*

*I would just like to say that, in my opinion, none of this would have been achieved without your tireless efforts on our behalf, and I would like to thank you most sincerely. I believe you have done a tremendous job under exceptionally difficult circumstances.*

#### **Case study review**

- 3.4 A key achievement of 2013-14 was delivery of the *Case Studies in Complaint Management review*. In this review we considered a small sample of complaints that Airservices had handled and that had not been escalated by the complainant to the ANO. The objective of the review was to identify any lessons to be learnt, or opportunities for improvement in Airservices' management of complaints.

3.5 In the report, submitted to the Board of Airservices in September 2013 and published in January 2014, we made six recommendations aimed at improving Airservices' management of complaints across a range of issues. It seeks:

- reform in complaint record management
- better alignment of, and quality assurance in systems, processes and practices
- improved information provision and reporting based on complaint data.

The Board of Airservices accepted all recommendation and Airservices since has closed three parts of two recommendations. **Attachment 3** outlines the ANO's assessment of action on each recommendation. The report is available on the ANO website: [www.ano.gov.au](http://www.ano.gov.au).

#### **Information provision**

3.6 Where changes cannot be made, it is important that communities have access to relevant information so that they can manage the noise issues they are experiencing. This might be in the form of helpful information about how to reduce noise impacts in their home, what the noise situation is like in different areas for those considering a move, how and why aircraft fly as they do, why different runways are selected and, importantly, why a change that seems reasonable cannot be made.

3.7 In the 2013-14 financial year, the ANO did not make any formal recommendations specifically about information provision, although the relationship with complaint handling is such that some of the recommendations made in the Case Studies review relate to information provision.

3.8 At the start of the financial year there were still three recommendations from the *Assessment of Aircraft Noise Issues: Sydney, February 2012* that were not yet completed. Airservices has refreshed their Aircraft Noise Information Reports and continued to enhance the information available on their website about aircraft noise issues. This has resulted in two of the remaining recommendations being closed in 2013-14.

#### **Publications**

3.9 During 2013-14 the ANO published the following, along with our quarterly reports and last year's annual report (available on our website):

- New on-line aviation resource – release
- Case studies in complaint management - Airservices Australia – report

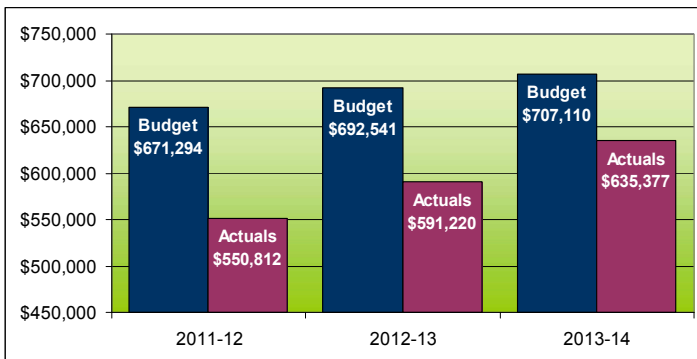
3.10 In addition to keeping our own website up-to-date, we have also contributed to the launching of two additional information resources:

- [www.aviationcomplaints.gov.au](http://www.aviationcomplaints.gov.au) to help people find the right place to make a complaint about an aviation issue, including aircraft noise
- [www.aircraftnoise.com.au](http://www.aircraftnoise.com.au) to provide information on the causes of aircraft noise, how the industry is working together to manage it and what people can do to reduce its impact.

## 4 Financial Results

- 4.1 The ANO operates autonomously in managing its financial accountabilities. In line with the ANO Charter, the ANO independently determines how funds and resources are allocated, within the budget provided by Airservices.
- 4.2 In 2013-14, the total operating expenditure of the office was \$635,377 against a budget of \$707,110. Costs include all staff salaries and entitlements, travel, and administrative overhead costs. The increase in costs from last year have been across the board, including slight increases in travel and staff costs, and the additional costs for maintenance and hosting of the new complaints system.

Graph 6: ANO budget and actual expenditure 2011-12 to 2013-14



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## Attachment 1 ANO complaint statistics

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The following summarises the ANO complaint statistics for 2013-14.

Complaints carried forward from 2012-13	22
Complaints received 2013-14	106
<b>Total complaints 2013-14</b>	<b>128</b>

### **Closed complaints - reviewed**

No change possible - explanation provided	64
Change adopted by Airservices Australia	5
Change adopted by Airport operator	2
Change adopted by operator	4
<b>Total complaints reviewed</b>	<b>75</b>

### **Closed complaints - not reviewed**

Referred to Airservices to respond directly	34
Complainant did not provide further information	3
Outside Charter scope	2
<b>Total complaints not reviewed</b>	<b>39</b>

<b>Complaints closed during 2013-14</b>	<b>114</b>
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<b>Complaints carried forward to 2014-15</b>	<b>14</b>
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It should be noted that there is no direct correlation between the number of noise improvement opportunities explored and the number of complaints closed with a "Change adopted" outcome. This is due to a number of factors as discussed in section 3.2 of this report.

## Attachment 2 Noise improvement opportunities

One of the core focuses of our investigations into complaints is to look for the potential to improve noise outcomes. There is currently one potential noise opportunity under investigation that stems directly from complaints to the ANO, as shown in the table below.

### Noise improvement opportunities identified during 2013-14, still under consideration

Complaint received by ANO	Description of initiative	Current status
May 2014	Gold Coast: flights over NSW residences during daylight saving hours	The ANO has asked Airservices to look into whether a better noise outcome can be achieved for NSW residents affected by flights departing Gold Coast Airport prior to 11pm QLD time (that is, prior to the curfew commencing), when the two states are on different zones. The difference means aircraft fly over NSW homes after 11pm NSW time.  Airservices has added this opportunity to their Strategic Noise Improvement Plan and has committed to considering it further.

The following table summarises the noise improvement opportunities stemming from complaints received by the ANO that were finalised during the 2013-14 financial year. Some changes have completed, while others are ongoing and will be monitored by the ANO.

### Noise improvement opportunities finalised during 2013-14

Complaint received by ANO	Description of initiative	Current status
Nov 2010	Perth – Can the flight path over Roleystone be relocated to an area that does not affect so many residences?	In Aug 2013, Airservices commenced a 12 month trial of an alternative flight path, following which Airservices will make a decision about permanent implementation.
Feb 2011	Canberra – Can parachute operations use the high noise corridor when possible to minimise overflying residential areas?	Airservices agreed to implement this change, and amended procedures accordingly. A subsequent ANO review identified that many aircraft were not complying with the new arrangements. Airservices advised that further internal documentation amendments were required to enact the change fully and that these would be completed in Aug 2013. The relevant documentation was completed in late Sep 2013. Airservices has provided data demonstrating an improvement in the level of compliance with the new arrangements in place, and advised that they will continue monitoring performance.
Apr 2012	Brisbane – Can some northbound and westbound departures from runway 19 depart on additional tracks to reduce the concentration of noise over current areas?	Airservices examined the option of a noise sharing approach, where a single departure track is replaced with multiple tracks to enhance noise sharing. Airservices identified that such an arrangement has not previously been trialled in Australia, however, Airservices intends to consider this approach in the future. Trials of this approach are not likely to be held in Brisbane initially due to the operational constraints of the airport. This type of trial is unlikely to commence elsewhere before 2015.

Complaint received by ANO	Description of initiative	Current status
May 2012	Perth – What is the plan to address the numerous issues and change requests associated with Chidlow?	Airservices has investigated several opportunities, including one that has led to a trial of a changed departure procedure. The trial ended in March 2014 and following analysis of the results Airservices has proposed to permanently adopt the changed departure procedure. Airservices is currently pursuing the appropriate change process, including environmental assessment and consultation.
Dec 2012	Coffs Harbour – Can parachute aircraft climb over areas that do not affect residential areas as much as the current climb locations do?	The ANO requested Airservices to consider better alternative areas for parachute climb, and if none possible, to explain why they must climb where they do. Airservices delayed consideration of this until the radar service was available again. The radar was commissioned in Aug 2013. Airservices explored opportunities for the parachute aircraft to climb further from residential areas, following which the complainant has reported a discernible improvement (see Case Study 1 in this report).
Mar 2013	Jandakot – Can training flights avoid flying over Baldivis and surrounding residential areas?	The ANO requested Airservices to explore with the local community forum and operators any options to reduce the flights over Baldivis and surrounding residential areas. With assistance from the ANO, Airservices has undertaken discussions with relevant stakeholders and is helping update the fly neighbourly agreement to specify residential areas to be avoided where possible, and minimum altitudes where over-flight cannot be avoided. The updated agreement is yet to be ratified by all parties and the ANO will keep monitoring until it is.
Jun 2013	Melbourne – Can changes be made to reduce the impacts of helicopters hovering at low levels during noise sensitive times?	Following several complaints to the ANO about this issue, Airservices investigated if any changes could be made. Operators have implemented changes that should see an improvement in the noise outcome.
Oct 2013 to Mar 2014	Fly Neighbourly Agreements – Tyagarah, Traralgon, Tyabb	The ANO is monitoring Airservices' management of noise issues in these locations, stemming from a number of complaints. Airservices has agreed to continue offering their assistance to the relevant local councils to establish fly neighbourly agreements with operators and to keep residents notified of progress.

It should be noted that there is no direct correlation between the number of noise improvement opportunities explored and the number of complaints closed with a "Change adopted" outcome. This is due to a number of factors as discussed in section 3.2 of this report.

### **Attachment 3 ANO assessment of action on recommendations**

During the 2013-14 financial year the ANO closed two of the remaining recommendations from the *Assessment of Aircraft Noise Issues: Sydney, February 2012*, and three parts of two recommendations from the *Case Studies in Complaint Management: January 2014* review, as per the following tables.

Sydney Review	
Recommendations	ANO assessment of Airservices' response
<b>Sydney Issues Recommendation 2:</b> Airservices should improve the clarity of maps produced in reports used to convey aircraft noise information.	Closed.
<b>Sydney Issues Recommendation 3:</b> Airservices should provide more textual and qualitative assessment of aircraft noise in reporting.	Closed.
<b>Sydney Issues Recommendation 7:</b> Airservices should explore the provision of a more timely (as well as historical) method for complainants to understand why a particular Runway Mode was in use, or why a preferred Runway Mode (noise sharing) was not able to be used at that time.	The ANO has met with Airservices' representatives about this and notes that action is underway.

Case Studies Review	
Recommendations	ANO assessment of Airservices' response
<b>Case Studies Recommendation 1:</b> Airservices should: a. amend its contact acknowledgement and reference numbering system. Complainants should not be notified of a new reference number for each and every contact made. Complainants advised that responses will not be made on a particular issue, should not be responded to on that issue. Airservices should clarify what the reference number provided to complainants actually means b. acknowledge the lack of timeliness, apologise and provide a brief explanation for the delay where service delivery standards are not met c. be mindful of balancing the resource burden with the value to the complainant when considering the provision of ongoing information, particularly if similar information has already been provided. Procedures or guidelines should be established to assist staff with making these decisions.	Airservices action plan finalised.

Case Studies Review	
Recommendations	ANO assessment of Airservices' response
<p><b>Case Studies Recommendation 2:</b></p> <p>Airservices should:</p> <ul style="list-style-type: none"> <li>a. as far as practicable, assign complaints to an airport, rather than a generic category</li> <li>b. provide reports to airports that provide sufficient detail to help identify meaningful issues and avenues for potential improvements</li> <li>c. be clear to complainants about what is, and is not, provided to airports about their complaint</li> <li>d. ensure that information provided to complainants is accurate and does not potentially misrepresent the situation, or contradict other information published by Airservices on their website</li> <li>e. consider opportunities to take the lead in consulting various stakeholders as part of the process to identify noise improvement outcomes, rather than refer complainants to those stakeholders with the expectation that the complainant will manage that consultation process.</li> </ul>	<p>Parts 2a and 2d completed.</p> <p>The ANO is aware that action is underway by Airservices to address the remaining parts of this recommendation.</p>
<p><b>Case Studies Recommendation 3:</b></p> <p>Airservices should:</p> <ul style="list-style-type: none"> <li>a. develop and implement processes to ensure all appropriate information about complainants is passed to other authorities when undertaking a transfer of a complaint</li> <li>b. clarify when a response will be provided. Information linked to the complaint form should explain that a response will be provided where specifically requested, where a question has been asked or where a response can provide useful and relevant information. The exception to this rule should be when a complainant has explicitly requested no response or when a complainant has been advised previously that the particular issue has been dealt with to finality.</li> </ul>	<p>Airservices action plan finalised.</p>
<p><b>Case Studies Recommendation 4:</b></p> <p>Airservices should:</p> <ul style="list-style-type: none"> <li>a. store all correspondence relating to a complaint in a single repository, accessible to all complaint handlers and, to the extent practicable, accessible through the relevant NCMS database record</li> <li>b. ensure complaint records are managed in compliance with the National Archives Act 1983 as well as relevant Australian Standards and Australian Government recommended practices.</li> <li>c. standardise the salutations, introductory text and sign-off styles used for correspondence with complaints</li> <li>d. carefully consider the expectations created by encouraging further contact and only do so when appropriate</li> <li>e. use other means to contact clients whenever details have been provided and the primary means of contact fails.</li> </ul>	<p>Part 4a completed.</p> <p>The ANO is aware that action is underway by Airservices to address the remaining parts of this recommendation.</p>
<p><b>Case Studies Recommendation 5:</b></p> <p>Airservices should routinely analyse complaints to identify common issues not yet addressed by the current suite of fact sheets and develop fact sheets or standard responses for residents raising the same issues.</p>	<p>The ANO is aware that action is underway by Airservices to address this recommendation.</p>

Case Studies Review	
Recommendations	ANO assessment of Airservices' response
<p><b>Case Studies Recommendation 6:</b></p> <p>Airservices should:</p> <ul style="list-style-type: none"> <li>a. establish clear protocols for when residents are to be referred directly to an external authority</li> <li>b. review its Guide and Protocols documents and current practices to ensure that documented procedures for managing unreasonable complainant behaviour are followed in practice, including consistent and timely application of management plans for persistent complainants, and ensuring that it is cases of unreasonable behaviour that are subject to 'formal restriction' not complainants</li> <li>c. check compliance with its Guide and Protocols in an internal audit/review process for complaint management.</li> </ul>	<p>Airservices action plan finalised.</p>

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## Glossary

AAA	Australian Airports Association
AC-MAC	Civil-Military Air Traffic Management Committee
ACCC	Australian Competition and Consumer Commission
ACE	Airport Capacity Enhancement
AFAC	Australasian Fire and Emergency Service Authorities Council
AIPA	Australian and International Pilots Association
AMSA	Australian Maritime Safety Authority
ANO	Aircraft Noise Ombudsman
ANSP	Air navigation services provider
AOPA	Aircraft Owners & Pilots Association of Australia
ARFF	Aviation Rescue Fire Fighting
ASIC	Aviation Security Identification Card
ASPIRE	Asia and South Pacific Initiative to Reduce Emissions
ASTRA	Australian Strategic Air Traffic Management Group
ATS	Air Traffic Service
ATSB	Australian Transport Safety Bureau
CACG	Community Aviation Consultation Group
CANSO	Civil Air Navigation Services Organisation
CASA	Civil Aviation Safety Authority
FAA	Federal Aviation Administration
GAAP	General Aviation Aerodrome Procedures
IAFPA	International Aviation Fire Protection Association
IATA	International Airline Transport Association
ICAO	International Civil Aviation Organization
ICT	Information communication technology
IFR	Instrument flight rules
IMS	Integrated management system
INSPIRE	Indian Ocean Strategic Partnership to Reduce Emissions
LoS	Loss of separation
MET	Mandatory enterprise training
NCIS	Noise Complaints and Information Services
NOTAMs	Notices to Airmen
ODAS	Operational Data and Analysis Suite
SMS	Safety management system
UPR	User Preferred Route

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