airservices

2016–17 Corporate Plan

Contents

INTRODUCTION

I, Air Chief Marshal Sir Angus Houston AK, AFC (Ret'd), as Chair of Airservices Australia, present the Airservices Australia 2016–17 Corporate Plan (the Plan), which covers the periods of 2016–17 to 2020–21, as required under section 35 of the *Public Governance, Performance and Accountability Act 2013* and Section 13 of the *Air Services Act 1995*.

ABOUT THIS PLAN

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

Manager, Enterprise Reporting and Analysis
Airservices Australia
GPO Box 367
Canberra City ACT 2601
Telephone (02) 6268 5721
Fax (02) 6268 4233

Web address of this report: www.airservicesaustralia.com/publications/corporate-publications/strategic-planning

Letter from the Chair

I am pleased to present the Airservices 2016–17 Corporate Plan in which we set the foundations to be recognised as the industry leader in safe and innovative air navigation services, and efficient and effective aviation rescue fire fighting services, now and into the future.

Our plan recognises the significant investment required by Airservices and the broader Australian aviation industry, and acknowledges that our financial performance over the last five years has been slowly declining. It includes a step change in the effectiveness and efficiency of our corporate operations through a new operating model.

This new model, to be delivered as part of the Airservices Accelerate Program, is built around our customers and includes two service areas—Aviation Rescue Fire Fighting Services (ARFFS) and Air Navigation Services (ANS). It defines how our people and processes work together to support our service delivery areas. The Accelerate Program also introduces new ways of managing assets and projects, along with the modernisation of our systems and technology. It will enable Airservices to become more responsive, agile and flexible, and to deliver increasing value for our customers.

Airservices is primarily funded through charges for our services levied on our customers. Our current long term pricing agreement expired on 30 June 2016, and to demonstrate our commitment to delivering value to our customers Airservices decided to freeze charges until July 2017 to allow the lower cost base achieved through the Accelerate Program to be considered as part of a future pricing proposal.

The global shift in air traffic management (ATM) towards collaborative information-based services creates a further opportunity for Airservices to provide greater value to our customers. Over the last year we demonstrated our ability to leverage information to provide collaborative and innovative solutions through a partnership with Qantas, Virgin Australia and Inmarsat to trial and evaluate the tracking of oceanic aircraft using existing Automatic Dependent Surveillance Contract (ADS-C) technologies. This plan outlines a number of innovative service delivery initiatives that are made possible through improved system wide information management (SWIM) including long range air traffic flow management (LR ATFM), Airport Collaborative-Decision Making (A-CDM) and remote service delivery.

Airservices continues to deliver the OneSKY Program. This is positioning Australia and Airservices at the forefront of global air navigation by introducing new capability, enhancing service provision and improving information management. This single harmonised

ATM system will enable common data sharing, greater airspace flexibility, improved resilience, contingency and business continuity, and common tools to manage air traffic. The establishment of a single flight information region, coupled with new service capability, will enhance overall network operations and translate to real service improvements and efficiency gains for our customers.

The Board, together with Airservices management and staff, is committed to delivering on the initiatives outlined in this plan and creating value for our customers in the year ahead.

Angus Houston
Chair

Airservices purpose

Our purpose is to provide safe, secure, efficient and environmentally responsible services that are valued by the aviation industry on behalf of our owner, the Australian Government.

We are a Commonwealth Statutory Authority, established by the *Air Services Act 1995*, and a government owned corporation.

Our primary purpose is to provide air navigation and aviation rescue fire fighting services for our customers under the regulatory supervision of the Civil Aviation Safety Authority (CASA). We are subject to independent investigation by the Australian Transport Safety Bureau (ATSB).

We are funded through charges levied on customers for our services and capital raised from debt markets. Our prices are set by the Airservices Board and subject to economic oversight by the Australian Competition and Consumer Commission (ACCC). Airservices does not receive any government appropriations.

The Government formally provides the Airservices Board with its Statement of Expectations and the Airservices Board responds with its formal Statement of Intent which is included at Appendix A.

We continue to engage with the Department of Infrastructure and Regional Development, CASA and the Department of Defence to enhance cooperation and coordination on aviation safety, capacity, efficiency and environmental issues. This coordinated approach informs aviation policy direction, regulatory reform and technology advancements.

Our ongoing contribution to a safe, reliable and sustainable Australian aviation sector also includes:

- a major infrastructure investment programme
- introducing new technology and procedures to improve operational efficiency and airspace use, and minimise traffic delays
- supporting greater civil-military aviation harmonisation
- minimising the environmental impacts of aviation operations.

VALUES AND CULTURE

Our values define our behaviours as we work together.

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.

We aspire to be recognised for excellence and value. Through the Accelerate Program we continue to build a strong organisation that is more customer-centric, commercially rigorous and ensures value for money. To make sure we are match fit we are focused on:

- building an accountable performance culture
- delivering on our promises
- investing in the right people, infrastructure and technology and achieving an appropriate return to enable re-investment.

Our strategy

We aspire for stakeholders to recognise us for excellence and value

Purpose

To provide safe, secure, efficient and environmentally responsible services that are valued by the aviation industry

Vision

We are valued and recognised as an industry leader in the provision of safe and innovative services

We are a valued provider of effective and efficient aviation rescue fire fighting services

Service delivery initiatives

ANS1 Promoting and supporting regulatory reform activities in the provision of air navigation services

ANS2 The Future Air Space Strategy (FAS)

ANS3 Airport Collaborative Decision-Making (A-CDM)

ANS4 Remote service delivery

ANS5 Long Range Air Traffic Flow Management (LR ATFM)

ARFFS1 Promoting and supporting regulatory reform activities in the provision of ARFF services

Capability initiatives

OneSKY Program

OneSKY1 Mobilisation to ensure readiness for contractual execution and operational delivery

Accelerate Program

ACC1 Transition to a new operating model

ACC2 Projects and assets refocus

ACC3 Technology enablement

Outcomes

Safe and secure
Our most important consideration is always the safety of air navigation

Valued and accountable
We deliver services that are valued by our customers and are environmentally responsible

Efficient and Commercial
We make customer-centric and commercially rigorous decisions

Innovative
We embrace and invest in innovation to build the Airservices of tomorrow

Values

We deliver value to our customers through our people
Excellence—Inclusion—Cohesion—Initiative—Courage

Operating environment

As the service provider of civil air navigation services in Australian airspace, Airservices supports our customers by providing services to over four million aircraft movements and 140 million regular passenger transport movements.

To ensure we continue to deliver services in a way that creates value for our customers, Airservices is vigilant of changes to our operating environment which informs our short and longer term planning. To achieve this we are:

- working with industry towards a fully integrated, collaborative information-based service. We will evolve the service delivery environment to optimise outcomes for three distinct operating environments:
  - high volume, time-critical operations primarily between the three major capital cities on Australia's east coast
  - long range, efficiency-critical trans-oceanic and trans-continental operations in the upper airspace
  - low to medium volume, cost-effective operations in regional Australia.
- reviewing our organisation and will improve our 'back of house' operations through the Accelerate Program to ensure we are match fit to deliver the services our customers require now and in the future.

ECONOMIC IMPACT OF AVIATION

Globally, the demand for air transport services, measured in revenue passenger kilometres (RPK), has increased tenfold over the past four decades. Domestically, Australia has experienced a sixfold increase in RPK since 1984.[1] Over this time, operational efficiencies and improvements in aviation technology have led to the real price of air transport halving, providing an economic benefit to consumers.

In terms of international trade, aviation transport carries nearly 21 per cent of Australia's freight by value. The volume of air freight flown to and from Australia has doubled over the last two decades and is anticipated to increase a further 120 per cent by 2030.[2]

In 2014, Sydney Airport handled more than half of Australia's total freight (around 517,000 tonnes, 408,000 tonnes of which was international) and facilitated the export of $14.6 billion worth of freight to international markets.[3]

To ensure a sustainable aviation industry supporting service providers, including air navigation service providers (ANSPs) such as Airservices, must ensure they continue to deliver increasing value in terms of operational efficiency and reduced cost to their customers, the airlines. We understand the need for our services to respond to the pace of change in technology and air traffic management (ATM) capability. This responsiveness allows us to provide value through improvements in capacity and efficiency while maintaining safety.

1 bitre.gov.au/publications/ongoing/files/domestic_aviation_activity_Domestic_Annual_Summary_1984_2015a.xls

2 infrastructure.gov.au/infrastructure/publications/files/Trends_Infrastructure_and_Transport_to_2030.pdf

3 2015, *The economic contribution of Sydney Airport*, Deloitte Access Economics.

KEY INDICATORS OF FUTURE DEMAND

Over the last 15 years, Australia has experienced some of the fastest population growth rates in the developed world. As one of the key indicators for growth in domestic aviation, forecast population increases over the next 15 years are expected to drive increases in demand for air transport services. According to the Australian Bureau of Statistics, Australia's population is set to grow from 22.7 million in 2012 to 30.5 million in 2031, an increase of 1.56 per cent a year.[4]

Across Australia's capital cities, Greater Sydney is expected to reach a population of 6.2 million by 2031 (a 34.7 per cent increase on 2011 population level) while Greater Melbourne anticipates a population increase of 43.5 per cent to almost 6 million over the same period. Greater Perth is predicted to experience the most dramatic increase in population, 77.2 per cent, growing from 1.8 million in 2011 to over 3.2 million in 2031.

Leisure travel is the main driver behind growth in international air transport demand. Tourism Research Australia anticipates inbound markets will increase by 4.9 per cent a year to 2019–20. Australia's top five inbound tourism markets are expected to continue to grow, contributing 59 per cent of this growth to 2019–20.[5]

AIRPORT GROWTH

Over the last two decades, Australian airports have experienced a combined average annual growth in passenger movements of 4.3 per cent.[6] Growth is expected to continue, with passenger movements across all Australian airports forecast to increase by 3.7 per cent a year to 2030–31.[7]

Sydney Airport, Australia's largest airport in terms of passenger and freight movements, is projected to experience passenger movement increases averaging 3.6 per cent a year in the next 20 years to reach 72.0 million in 2030–31. Although constrained geographically, and limited by a curfew on operations and an hourly cap on movements, Sydney is expected to continue to be the main destination for domestic and international traffic.

Western Sydney Airport will be the city's secondary airport and is expected to be operational by the mid-2020s. Initially the airport will operate from one runway with approximately five million passengers using it each year. It is anticipated that a second parallel runway will be required by 2050. We continue to be involved in the design phase for the airport and its airspace management arrangements with a focus on maximising safety and efficiency of aircraft operations while minimising aircraft noise impacts on the surrounding communities.

Australia's second largest airport by passenger movements, Melbourne Airport, is also forecast to increase its traffic over the next two decades. The total number of passenger movements through Melbourne Airport is expected to increase by 3.9 per cent to 60.4 million in 2030–31. The airport is investing in significant infrastructure upgrades. By 2035, parallel runways will be in operation and the airport is expected to be operating at or close to capacity during the peak morning and evening periods. It is expected that in the future, combined aircraft movements for the Melbourne basin will demand an integrated approach to managing traffic to the separate airports.

4 infrastructureaustralia.gov.au/policy-publications/publications/files/Background-paper-on-demographic-projections.pdf

5 State Of The Industry 2015, November 2015, page 12, http://www.tra.gov.au/research/State-of-the-Industry-2015.html

6 bitre.gov.au/publications/ongoing/airport_traffic_data.aspx

7 bitre.gov.au/publications/2012/report_133.aspx

Brisbane Airport passenger movements are projected to increase by 4.2 per cent every year to 45.1 million in 2030–31. By this time, parallel runways will be operating at Brisbane, however the airport is expected to be operating at or close to capacity during the peak morning and evening periods. Its neighbour, Gold Coast Airport, is projecting 4.4 per cent annual growth to 13.1 million movements in 2030–31.

In the west, Perth Airport is forecast to handle over 25.7 million passengers a year by 2030–31. The airport's third runway, running parallel to the existing main runway, is due to be finished within the next decade.

REMOTELY PILOTED AIRCRAFT SYSTEMS

While a relatively new technology remotely piloted aircraft systems (RPAS) are expected to have an increasingly significant role in the aviation industry within the next 20 years.

They are already impacting ATM operations in Australia and we have developed an Operational Concept for RPAS that specifies our responsibilities and the principles that underpin current processes and future developments for safe RPAS integration.

REDUCED EMISSIONS

In 2009 the aviation sector adopted an ambitious set of environmental commitments, including carbon neutral growth from 2020. In 2010 International Civil Aviation Organization (ICAO) adopted the goals to achieve a:

- global annual average fuel efficiency improvement of two per cent until 2020, and an aspirational global fuel efficiency improvement rate of two per cent a year from 2021 to 2050
- collective medium-term global aspirational goal to keep the global net carbon emissions from international aviation at the same level from 2020.

Realising these goals requires a whole-of-industry approach to improve and leverage aircraft technology and aviation infrastructure, as well as to deliver more efficient aircraft operations. We will play a key role in delivering more efficient ATM services through innovation in Australian airspace as well as providing support for our regional neighbours.

Service delivery 2035

To achieve our vision to be recognised as the industry leader in the provision of safe and innovative services now and into the future, Airservices has developed an outlook of the Australian ATM operating environment in 2035.

This outlook considers the rapidly evolving and maturing enabling technologies and capabilities, and is used to inform and frame programmes that will enhance capacity, flight efficiency, cost-effectiveness and environmental outcomes while maintaining the safety of air navigation as our most important consideration.

To effectively manage the forecast growth in air traffic, Australia requires a fully integrated, collaborative air and ground system that delivers aircraft consistently according to network optimised trajectories and agreed traffic schedules.

Our 20-year plan has been designed to consolidate current initiatives and to align with the global community through the framework established through ICAO. Our plan will allow us to leverage the work other ANSPs are currently undertaking in Europe, through the Single European Sky ATM Research (SESAR) initiative and in the United States, through the Federal Aviation Administration's (FAA's) NextGen Program.

The broad benefits of the 2035 ATM operating environment will be a resilient, safe and efficient ATM network managed with the full participation of stakeholders who are also able to influence ATM planning. The effective and predictive ATM network will improve operations through System Wide Information Management (SWIM) and provide the basis for sustainable growth beyond 2035.

SAFETY

Sustainable growth will be supported by advanced safety capabilities designed to increase capacity while maintaining or enhancing operational safety. By 2035 we will operate an advanced safety oversight system including predictive risk management that ensures safety in a real-time, collaborative decision-making environment, and includes international standardisation and collaboration, investment and safety information exchange.

THE FUTURE AIRSPACE SYSTEM (FAS)

Through the FAS we envisage that by 2035 Australian-administered airspace will be managed as a single flight information region applying common procedures and ATM techniques. Strategic and pre-tactical air traffic flow management will provide network operations within Australian-administered airspace and coordinate network operations between Airservices and other ANSPs.

HARMONISED CIVIL-MILITARY SYSTEM

Through the OneSKY Australia Program (OneSKY) Australia's civil and military air traffic control will come together under a single ATM, with transition of the Early Voice Communication System commencing in 2018. This will improve aviation efficiency and safety, and create a seamless flow of national and international air traffic. Airservices and Defence will share technology, information, and procedures. Australian aviation will remain at the forefront of technologically advanced air traffic management and safety, and be able to optimise advances in aircraft avionics and other new technologies to drive greater efficiencies and improve environmental outcomes for customers and the Australian community.

INTEROPERABLE SYSTEMS AND DATA

By 2035, much of the ATM system will involve complex interconnected relationships between different systems across a range of Collaborative Decision-Making (CDM) stakeholders and SWIM partners. A key challenge to an operating environment that is highly reliant on information access and sharing is ensuring the appropriate levels of information security to maintain performance reliability and continuity.

The future ATM network will rely on explicit and unambiguous information and system wide information exchanges. Information to ATM stakeholders, including airports and airlines, will be integrated through SWIM, providing data access to arrival and departure management, surface management and surveillance systems, turnaround processes, weather and aeronautical information services. This combined and consistent information exchange will provide an integrated picture of all information relevant to a flight within the ATM network.

The wide availability of data will also support post-analysis as a final stage of the trajectory lifecycle to identify improvements that can be made to the ATM Network Operations Plan. This will provide a monitoring capability to ensure the entire system maintains operations at the highest safety, capacity and efficiency levels, and allows a continuous improvement capability to be realised.

OPTIMISING CAPACITY AND EFFICIENCY

The 2035 outlook sees air traffic flow throughout Australian airspace optimised to the planned capacity within the ATM network. The flexible and dynamic use of airspace to support civil and Defence operations will improve conflict management, fuel consumption and emissions, arrival trajectory planning and airspace management.

There will be no defined air route structures within the en route operating environment. Airspace users will, in principle, fly their preferred trajectory, modified as required to ensure whole of ATM network capacity, without compromising safety and equity. Trajectory-based operations (TBO) will optimise customers' flight trajectories against their business or individual priorities within the constraints of the network. The accurate definition of the network-optimised four dimensional trajectories (4DT) through information sharing will improve predictability and efficiency of operations. Importantly, the network-optimised 4DT enables a considered trade-off between the most efficient flight profile for an individual flight and the maximisation of throughput at an airport.

USING TECHNOLOGY TO IMPROVE SERVICE DELIVERY

Based on the 2035 outlook, the ground-based navigation aid network will be rationalised, with a minimal ground-based network for redundancy. Aircraft operating within terminal areas for single and multiple airports will be on tightly defined three dimensional paths using performance-based navigation (PBN), Standard Instrument Departures (SIDs) and Standard Instrument Arrivals (STARs). The structure within terminal areas will be defined with appropriate required navigation performance (RNP) values allowing multiple SIDs and STARs to be separated by design.

NOISE

By 2035 community expectations on noise will be managed by design. The flexibility of RNP arrival and approach procedures will allow airspace design to position aircraft routes away from noise-sensitive areas, particularly at night, and enable better noise sharing or concentration options during busy periods of the day. More accurate noise abatement will be achieved through greater access to Optimum Descent Profile (ODP) and Optimum Climb Profile (OCP) procedures.

REGULATORY REFORM

The 2035 regulatory environment will be a more streamlined safety outcome-based form of regulation. This will enable us to improve service outcomes for air navigation and aviation rescue fire fighting services, and minimise regulatory overheads while maintaining the safety of air navigation as our most important consideration.

Performance

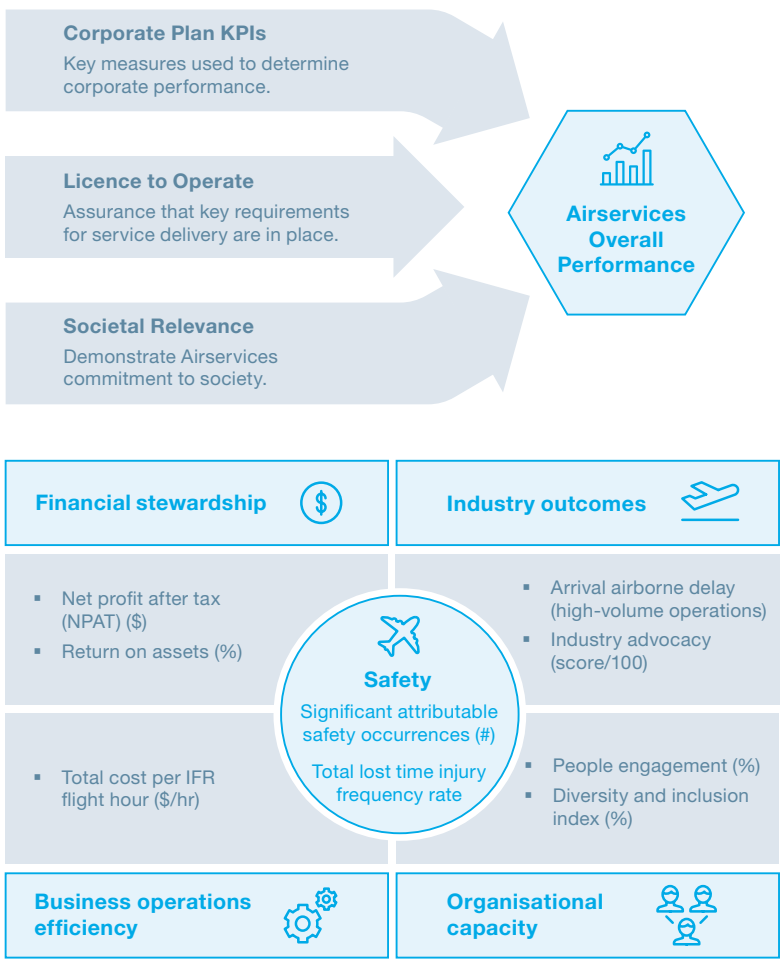
Our strategic performance outcomes support the Customer Value Framework agreed with our customers, and inform and drive our decision-making. This will ensure Airservices continues to work towards being recognised as an industry leader and a valued service provider.

Through the decisions we make, we ensure we are:

- **safe and secure**—our most important consideration is always the safety of air navigation
- **valued and accountable**—we deliver services that are valued by our customers and are environmentally responsible
- **efficient and commercial**—we make customer-centric and commercially rigorous decisions
- **innovative**—we embrace and invest in innovation to build the Airservices of tomorrow.

Our overall organisational performance is monitored and managed through the three prisms of our corporate plan key performance indicators (KPIs), our 'licence to operate', and societal relevance.

At the highest level our performance is focused on nine enterprise-wide KPIs, linked to the five dimensions of our balanced scorecard. These measures are cascaded through the organisation to focus our people and other resources on our purpose and vision.



CORPORATE KPIs

Safety KPIs	Target/trend 2016–17	Target/trend 2017–18	Target/trend 2018–19	Target/trend 2019–20	Target/trend 2020–21
Significant Attributable Safety Occurrences Air Navigation Services: A significant ANS attributable safety occurrence is any loss of separation (LoS) or Runway Incursion occurrence where the Risk Assessment Tool score is Category A. Aviation Rescue Fire Fighting Services: Any occurrence in which the response to an aircraft did not meet the regulated response time.	0	0	0	0	0
Total lost time injury frequency rate (TLTIFR) Lost time injury is defined as an occurrence that resulted in time lost from work of one day/shift or more, permanent disability or fatality.	5	3.5	2.5	1.5	<1
Financial stewardship KPIs	**Target/trend 2016–17**	**Target/trend 2017–18**	**Target/trend 2018–19**	**Target/trend 2019–20**	**Target/trend 2020–21**
NPAT Net Profit After Tax.	Planned	Planned	Planned	Planned	Planned
Return on Assets (RoA) Airservices annual earnings as a percentage of Airservices assets.	3.9%	6.9%	6.3%	5.7%	5.9%
Business operations/ efficiency KPIs	**Target/trend 2016–17**	**Target/trend 2017–18**	**Target/trend 2018–19**	**Target/trend 2019–20**	**Target/trend 2020–21**
Productivity Total operating cost per IFR flight hour ($/hr).	Baselined in July 2016		Downward trend in real terms		

Industry outcomes KPIs	Target/trend 2016–17	Target/trend 2017–18	Target/trend 2018–19	Target/trend 2019–20	Target/trend 2020–21
Arrival airborne delay (high-volume operations) The median (and 75th percentile) excess time incurred during the arrival airborne phase of flight in reference to the estimated time of arrival for high-volume operations. (High-volume operating environments defined as Brisbane, Melbourne, Perth and Sydney).	Reported as a trend against May 2016 baseline	Targets for the period 2017–18 to 2020–21 will be set post analysis			
Industry advocacy (score/100) Percentage of customers and stakeholders rating Airservices as very good or excellent as determined by survey. Analysis of qualitative input.	Baselined in quarter 1 2016–17	Targets for the period 2017–18 to 2020–21 will be set after baseline is established			
Organisational capacity KPIs	**Target/trend 2016–17**	**Target/trend 2017–18**	**Target/trend 2018–19**	**Target/trend 2019–20**	**Target/trend 2020–21**
People engagement survey – values focused Engagement score expressed as a percentage of satisfaction and specific values-related results.	75th percentile	75th percentile	75th percentile	75th percentile	75th percentile
Diversity and inclusion index Index expressed as a percentage of the extent to which employees feel that the work environment is inclusive of all employees and supportive of diversity in the workplace.	30th percentile	35th percentile	40th percentile	45th percentile	50th percentile

Service delivery initiatives

We engage with our customers through a range of forums that allow us to understand their desired performance outcomes and priorities for service improvements.

Service improvement over the 2016–17 period is focused on:

- promoting and supporting regulatory reform activities in the provision of air navigation and aviation rescue fire fighting services
- the Future Airspace System
- Airport Collaborative Decision-Making
- remote service delivery
- long range air traffic flow management.

CUSTOMER VALUE FRAMEWORK

We have worked with our customers to refine the way we measure performance and to ensure a clear customer-centric focus on what represents value.

Our Customer Value Framework is aligned to the key performance areas of Safety, Capacity, Efficiency and Environment identified through the FAS, and refined through industry working groups to assess changes and performance.

By using these four customer value focus areas, this framework is also aligned to ICAO's key performance areas (KPAs) articulated in the *Manual on Global Performance of the Air Navigation System (Doc. 9883).*

The performance level of our service delivery is agreed with, and reported to, our customers through the Airservices Services Charter.

Our service delivery and capability initiatives are focused on improving outcomes in one or more of the key result areas of our Customer Value Framework.

Customer value framework - key result areas

ANS1

Promoting and supporting regulatory reform activities in the provision of air navigation services (ANS).

Background and benefits

We provide ANS that have various regulatory requirements including Civil Aviation Safety Regulations (CASR). As part of our ongoing focus on improving the provision of safe and innovative services for industry, we will actively focus on promoting and supporting regulatory reform activities in the provision of ANS.

To innovate in the services we deliver, we need the support of our industry to focus on the adoption of regulation that ensures the safety of air navigation actively supports improved service outcomes and minimises regulatory overheads where possible.

Activity

CASA has signalled that it will be focusing on safety outcome-based regulation. This approach allows industry the flexibility to use the most appropriate systems and procedures to meet the safety outcomes intended.

Airservices as the service provider will be actively engaged in working with CASA and the broader industry to look for areas in which we can improve customer value outcomes through more streamlined safety outcome-based regulation.

The benefit of this focus is lower overheads for the services we deliver and greater flexibility to tailor services to our customers' needs, while improving safety outcomes for the aviation industry.

The deliverables for 2016–17 include:

- conduct a review of current regulatory requirements
- deliver a position paper on the evolution of regulations relevant to ANS.

Performance measurement and assessment

- Review of current regulatory requirements commenced
- Paper delivered on the evolution of regulations relevant to ANS.

ANS2

The Future Airspace System (FAS)

Background and benefits

We have a key role in growing and developing our operating environment to ensure that the needs of airports, airlines, the community and environment are considered at every stage to meet the challenges of growth.

FAS compiles, coordinates and links documents that together provide the basis for a standard operating environment for Australian airspace which will take it through the next decade and beyond.

Activity

We have delivered, and industry has endorsed, the FAS Operating Concept (Volume 1), Concept of Operations Terminal Airspace (Volume 2), Concept of Operations Enroute Airspace (Volume 3) and FAS Procedures (Volume 5).

In the coming year, the Regional Concept of Operations (Volume 4) will be delivered. This completes the initial high-level suite of concept documents for the key operating environments and marks the point at which the widespread focus moves to detailed plans for specific locations. While there will be ongoing work for all environments, the Brisbane Extended Manoeuvring Area will be the key priority in preparation for the commissioning of Brisbane Airport's new parallel runway.

When fully deployed, the FAS changes are expected to increase airspace capacity, reduce airborne delay, increase fuel efficiency, reduce total passenger delay, cut carbon dioxide emissions and increase safety.

The deliverables for 2016–17 include:

- developing the Brisbane Extended Manoeuvring Area preliminary design and airspace concept
- finalising the FAS Volume 4 – Regional Concept of Operations.

Performance measurement and assessment

- Completion of Brisbane Extended Manoeuvring Area preliminary design and airspace concept
- Completion of FAS Volume 4 – Regional Concept of Operations

ANS3

Airport collaborative decision-making (A-CDM)

Background and benefits

The implementation of A-CDM capability is an important step that integrates ground-based elements into the overall network management process. Our major customers experience A-CDM through operations in other markets and have identified this capability as a top priority to optimise ground operations during peak periods.

A-CDM is a concept which leverages data through SWIM to facilitate operational efficiency at airports by improving the predictability of events during the turnaround process. This reduces delays, enhances fuel savings and improves predictability across the entire network, while optimising resources and infrastructure.

Activity

A-CDM is a cross-industry initiative that requires active participation from airports, airlines and Airservices. The existing Air Traffic Operations governance structure has been used to agree a joint concept of operations for A-CDM that will form the basis for completing a market engagement activity to select an appropriate A-CDM capability solution. In parallel to this, we will work with the cross-industry A-CDM Program Management Group to develop an operating and governance framework that will outline how A-CDM will be governed and managed by the various stakeholders once implemented.

A cost benefit analysis conducted by Deloitte in 2015 indicated that once implemented, A-CDM would provide savings to airlines alone in net present value terms of $76 million over a ten year period due to reduced operating costs.

The deliverables for 2016–17 include:

- completing market engagement activity for an A-CDM capability solution
- securing endorsement from the industry Air Traffic Operations Executive Group for an operating and governance framework.

Performance measurement and assessment

- Market engagement activity for an A-CDM capability solution completed
- Operating and governance framework endorsed.

ANS4

Remote service delivery (RSD)

Background and benefits

We currently provide aerodrome control services for 29 aerodromes. We are also monitoring seven emerging airports for the demand triggers for the provision of control towers. Establishing a control tower requires substantial early and ongoing capital investment as well as significant ongoing operating expenditure. RSD is a flexible strategy that provides an appropriate service to ensure the safety of the travelling public. RSD takes advantage of new technologies such as ADS-B and remote 'smart towers' to develop solutions that are safe, efficient and cost-effective.

Activity

A 2014 trial of remote tower technology was undertaken at Alice Springs with cameras to stream high definition video to Adelaide Remote Tower Centre.

There have been further developments in the use of the technology since then, with the first 'live' remote tower being commissioned in Sweden in 2015 and numerous technology providers developing solutions to provide remote services.

The next step for Airservices is to develop a concept of operations for a deployable smart tower solution and a subsequent trial based on this concept.

Once deployed, RSD will deliver better safety outcomes through faster and higher service levels at emerging aerodromes, and at a reduced capital cost compared to traditional control tower solutions.

The deliverables for 2016–17 include:

- developing a concept of operations for a deployable smart tower solution
- commencing a smart tower solution trial.

Performance measurement and assessment

- Concept of operations developed for a deployable smart tower solution.
- Smart tower solution trial commenced and assessed.

ANS5

Long range air traffic flow management (LR ATFM)

Background and benefits

The implementation of a LR ATFM capability is part of Airservices overall CDM approach and will deliver new, more fuel efficient services to airspace users.

LR ATFM shifts some or all of the required airborne delay for long range flights from the arrival phase of flight to the en route phase, allowing less fuel to be burnt and improving the sequencing of arrival flows into our major airports.

Activity

Airservices has developed a concept of operations and a test platform to simulate the LR ATFM process. The next step in implementing the concept is live operational trials. These are planned for 2016 and 2017 and have the potential for significant savings in fuel burn and emissions.

If successful, these trials will be the basis of implementing the capability in coming years.

The deliverables for 2016–17 include:

- contracting a provider to jointly develop LR ATFM processes
- trialling of LR ATFM capability in Sydney during early morning arrival period.

Performance measurement and assessment

- Contract in place with a service provider to jointly develop processes.
- LR ATFM capability trial conducted in Sydney during early morning arrival period.
- Assessment of trial completed.

ARFFS1

Promoting and supporting regulatory reform activities in the provision of aviation rescue fire fighting services (ARFFS)

Background and benefits

We provide ARFFS in accordance with the requirements of CASR Part 139H. Our vision to be a valued provider of effective and efficient ARFFS and to realise real cost-savings for industry is constrained by the current regulatory model. A move to an outcomes and risk-based regulatory framework will enable Airservices to exploit improved flexibility to deliver efficient and customer-focused ARFFS while ensuring safety and risk are aligned.

As part of our continued focus on improving the provision of safe and innovative services, we will actively focus on promoting and supporting regulatory reform activities in the provision of ARFFS.

To continue to transform the way we deliver services, we require industry focus on the adoption of regulation that ensure the safety of air navigation actively supports improved service outcomes and minimises regulatory overheads where possible.

Activity

The Department of Infrastructure and Regional Development undertook an ARFFS regulatory policy review to consider future arrangements at Australian airports.

As the service provider we provided input into the review and will continue to work with the Department, CASA and other stakeholders to expedite the review of CASR Part 139H for the development of a fit-for-purpose regulatory framework.

It is expected that a revised regulatory framework will deliver improved value to customers through standards that support opportunities for efficiency and productivity gains, an improved ability to respond to technological and industry changes, and greater flexibility to tailor services to meet customers' needs while ensuring safety outcomes for the aviation industry.

The deliverables for 2016–17 include:

- submit discussion paper to CASA identifying current regulatory elements that inhibit the delivery of flexible, efficient and customer-focused ARFFS.

Performance measurement and assessment

- Acceptance by CASA of a discussion paper identifying current regulatory elements that inhibit the delivery of flexible, efficient and customer-focused ARFFS.

Capability

Our delivery of safe, secure, efficient and environmentally responsible services to the aviation industry is contingent on our key capabilities. To ensure we are fit to deliver our services today and match fit for our future, we are undertaking two strategic capability initiatives, the OneSKY Program and the Accelerate Program.

Over its lifetime, the OneSKY Program will develop and deliver a generational step-change in Australian ANS capability. This requires a holistic transformation of our organisation, people, systems, processes and services.

Over the 2016–17 financial year the Accelerate Program will transform the organisation to ensure we are fit to deliver our services today and match fit for our future by transitioning the organisation to a new operating model, refocusing our project and asset management, and leveraging value through technology enablement.

Key strategies underpinning these programmes are the Airservices Workforce Strategy 2015–2035 and our Information Management Strategy, which will drive capability development and allow our customers to work smarter and perform better by meeting their increasing demand for information-based ANS.

Workforce strategy

We value the pivotal role our people play in our drive for excellence and value, and through the Airservices Workforce Strategy 2015–2035 we are ensuring that we have the people capability to deliver our purpose and create value for our customers. The strategy articulates the required attributes and characteristics of our future workforce and enables us to plan purposefully for the future.

Information management strategy

We recognise that for our customers, value lies in the power of information. Our critical role in the aviation industry means we have access to information that could create new value for customers by helping them work smarter and perform better. Through the Accelerate Program and our broader Information Management Strategy, we will improve our capacity to integrate, maintain and provide information to inform decision-making across our business and industry. Effective use of our data and information assets will deliver greater value for our customers, including:

- enhanced data analytics—to draw new insights that will help us improve the efficiency and effectiveness of air navigation operations
- global standards—digital ATM implemented across SWIM and exchange of secure information with our partners
- interoperable systems—compliant with global ICAO direction to drive greater automation in whole-of-flight planning and management.

ACCELERATE PROGRAM

LONG TERM STRATEGY IMPLEMENTATION

Improved capability **Enhanced data analytics** **Global standards** **Interoperable systems** **Recognised leader**

ACCELERATE PROGRAM

Airservices performs a critical role connecting the aviation industry. We need to transform our business and put in place the right foundations to help us be more agile and efficient, and to be recognised by our customers for excellence and value.

Through the Accelerate Program, Airservices will be a leaner, more efficient provider of ANS and ARFFS by focusing our efforts on:

- a new operating model based on customer needs, with less bureaucracy and more accountability
- a new approach to managing our assets and projects so we deliver promised benefits efficiently and in a timely manner
- technology enablement so that we can benefit from automation and get ready for our future as an information-based service provider to the aviation industry.

ACC1

Transition to new operating model

Background and benefits

Airservices will transition to a new simpler operating model based on customer needs, with less bureaucracy and more accountability.

Activity

This will be achieved by:

- establishing a new operating model to refocus Airservices on our two service delivery lines of ANS and ARFFS and redefining the role of the corporate centre to better support them
- designing and implementing the future information management model to enable new ways of working and realising efficiencies through continuous improvement
- driving continuous improvement in the business and implementing new technology and information systems to embed efficiencies.

Performance measurement and assessment

- Completion of the above activities.

Assets and projects refocus

Background and benefits

We will manage our assets and projects with more discipline to ensure we apply commercial standards.

Activity

This will be achieved by:

- improving the design of portfolio, programme and project management to create a leaner and more effective approach to delivering capital projects and ensuring that our strategic risk appetite is appropriately considered
- rebuilding and driving asset management excellence within the organisation
- developing a plan to strategically manage the Airservices property portfolio.

Performance measurement and assessment

- Completion of the above activities.

Technology enablement

Background and benefits

We will improve the efficiency and effectiveness of our corporate centre by simplifying and standardising the corporate technology platform, automating workflow, reducing manual activity, and improving timeliness of service delivery.

Activity

This will be achieved by:

- an interim technology solution to configure enterprise resource planning data to reflect the new organisational model and support implementation of assets with transition data structures
- enabling enterprise integration to connect systems to a common platform
- implementing workflow and digitisation that delivers automation and optimisation of workflows and electronic forms
- improving technology around key business functions to enable benefits to be realised at key transition milestones and redundant information technology assets to be rationalised.

Performance measurement and assessment

- Completion of the above activities.

ONESKY PROGRAM

The OneSKY Australia Program (OneSKY) is a once-in-a-generation opportunity to create a unified solution for ATM needs and is a critical enabler for the transformation of national ATM. Working together, Airservices and Defence will deliver Australia's first harmonised civil and military air traffic management system (CMATS), the most advanced and integrated ATM system in the world.

While Australia's current ATM system is both safe and efficient, further improvement to ATM services will re-shape and evolve ATM operations so they are in line with and influence the changing trends in ATM.

CMATS will replace Airservices civil and Defence's military ATM systems that are reaching end-of-life, enabling enhancements and further efficiencies in our ATM services. Aligned to the Airservices Benefits Management Framework, the OneSKY Program will enable benefits in the areas of Efficiency, Environment, Capacity and Safety for the aviation industry, with a particular focus on:

- Route optimisation: supporting more efficient management of aircraft trajectories through common data available to all air traffic management facilities. This results in greater route availability and flexibility for airlines.
- Schedule and sequencing: reducing aircraft operating costs through more efficient flight times, and better use of aircraft through improved on-time performance and network management.
- Enhanced workload management: system efficiencies will enable more efficient use of air traffic controllers, increase service continuity and improve safety through shared situational awareness.
- System and service resilience: maximising system use to increase service continuity and maintain availability.
- Asset lifecycle management: avoiding increasing costs and complexities associated with maintaining and upgrading the current ageing ATM systems, and delivering an efficient support model for the new system.
- Single system and seamless operations: removing many procedural constraints and reducing operational complexity with the introduction of one, seamless airspace or flight information region for Australia.
- Security: CMATS is designed to be a secure system which meets the requirements of the Information Security Manual (ISM) and Protective Security Policy Framework (PSPF) to ensure the protection of information in the interest of national security.

OS1

Mobilisation to ensure readiness for contractual execution and operational delivery

Background and benefits

Leading up to the corporate planning period, we have achieved a number of milestones for OneSKY and its key dependent projects. Four Advanced Work Orders for OneSKY, enabling the critical path of the programme to be maintained, are in execution, and Public Works Committee and Airport Major Development Plan approvals have been received for the critical facilities projects including Air Traffic Service Centre (ATSC) extensions and OneSKY equipment rooms.

With OneSKY transition activities beginning in 2018, the primary focus for the programme over the next year is mobilising to ensure readiness for contractual execution and operational delivery.

The completion of the OneSKY Program contractual negotiations for system Acquisition and Support signals the need for the OneSKY Program to commence readiness for contractual execution and subsequent operational delivery.

Activity

During the next 12 months, the organisational structure and operating model for the OneSKY Program will be realigned to support future programme phases, ensuring it is match fit for operational delivery, with appropriate capabilities to facilitate an efficient and effective programme environment.

The new operating model for the OneSKY Program will be aligned to, and will support the outcomes of, Airservices Accelerate Program. In particular, it will reflect Airservices new approach to portfolio, programme and project management, (P3M), and key dependent projects delivering the facilities and technology that support CMATS will be moved into the OneSKY Program. This will deliver greater alignment with best practice methodologies and our partner, the Department of Defence.

Performance measurement and assessment

The success of the programme readiness will be indicated by:

- our ability to enter into, and achieve, contract execution
- our readiness to commence the operational delivery of CMATS post contract execution.

Five-year corporate financial plan

This five-year financial plan supports the delivery of our strategy.

It recognises the significant investment required to support long-term-growth in the Australian aviation industry and acknowledges that our financial performance has been slowly declining. It includes a step change in the effectiveness and efficiency of our operations through the introduction of a new operating model.

In comparison to our previous plan, this plan delivers cost savings underpinned by our transformation over 2016–17 through the Accelerate Program.

Through this reset in the organisation's cost base, overall financial outcomes will be returned to normal levels of return while at the same time improving value to industry through real price reductions of around 12 per cent over the next five years. To achieve these reductions, upfront restructure costs of $155 million will be incurred covering redundancies and asset impairments as the organisation reshapes over the next 12 months.

The capital programme has been realigned to ensure continued investment in critical safety infrastructure and to prioritise delivery of key service improvements including through the OneSKY Program as it replaces our core ATM systems.

The five-year operating projections and performance measures are shown in Table 1.

PRICING

Airservices sets our prices with our customers for core airways services under Long Term Pricing Agreements (LTPA).

Under the provisions of the *Competition and Consumer Act 2010* any increase in prices must be notified to the Australian Competition and Consumer Commission (ACCC) for its review.

Airservices established the current LTPA in October 2011. It allowed us to recover all reasonably incurred costs (including a return on capital employed) relating to the delivery of our services. It also provided price certainty for customers through to June 2016. Reflecting the delivery of a more efficient operating cost base through our new operating model, this plan delivers our customers real price decreases and improved service value through to 2020–21.

OPERATING PERFORMANCE

The five-year operating and performance projections are provided in Table 1. These financial outcomes are heavily influenced by the business transformation through our Accelerate Program.

While this programme will improve cost efficiency over the long term, one-off cost increases are needed to restructure the organisation and transition to our new business operating model. These cost increases are forecast to reduce financial performance during 2015–16 and 2016–17.

Once the Accelerate Program is implemented, it is forecasted to drive financial performance through more efficient business structures, improvements in asset management and project delivery, and the enablement of corporate technology platforms.

From 2017–18 to 2020–21 return on assets (RoA) and net profit after tax (NPAT) are forecast to lift to an average of 6.0 per cent and $61.9 million a year respectively.

Through these efficiencies we have been able to remove the price increases incorporated in the previous plan. This has resulted in an overall reduction in planned levels of revenue. Offsetting cost savings have enabled rates of return to be maintained in line with estimated price regulatory benchmark rates.

Some moderate rates of traffic growth have also been incorporated over the next five years. This assumes that the domestic airline market will continue to recover gradually. It also forecasts a softer international aviation sector with current levels of growth, driven by the lows in airfares and fuel prices, unlikely to be sustained.

Costs incorporated in the previous plan for the expansion of ARFFS and ANS into new regional locations have also been revised. With the slow-down in mining sector traffic it is unlikely that any new regional services will be required over the planning period though this will be influenced by the outcomes of the current regulatory review.

Costs associated with capability readiness, transition activities, and overlapping support for old and new systems required as part of the implementation of the new ATM system have also been included in the middle planning years.

TABLE 1: Five-year operating and performance projections

Description	2016 Forecast ($ million)	2017 Plan ($ million)	2018 Plan ($ million)	2019 Plan ($ million)	2020 Plan ($ million)	2021 Plan ($ million)
Airways revenue	1001.0	1018.4	1037.1	1057.7	1080.9	1105.1
Other revenue	25.6	26.3	27.1	27.8	28.6	29.5
Total revenue	1026.6	1044.7	1064.2	1085.5	1109.5	1134.6
Staff costs	805.1	672.0	625.8	640.1	654.2	664.8
Supplier costs	217.5	185.2	196.2	196.1	209.5	213.7
Depreciation	136.4	138.1	138.9	142.3	143.6	146.0
Total expenses before interest and tax	1159.0	995.3	960.9	978.5	1007.3	1024.5
Performance						
Earnings before interest & tax (EBIT)	(157.5)	48.2	102.0	105.9	100.9	108.8
EBIT/revenue	(15.4%)	4.6%	9.6%	9.8%	9.1%	9.6%
Return on assets	(11.8%)	3.5%	6.5%	6.1%	5.5%	5.7%
Net profit after tax	(120.9)	20.6	61.6	63.8	58.4	63.7
Return on equity after tax	(19.5%)	3.6%	10.3%	9.9%	8.5%	8.7%
Gearing*	48.9%	52.4%	51.9%	51.7%	50.0%	47.1%
Returns						
Dividends	3.0	3.1	12.3	18.8	18.3	18.3

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

Forecast depreciation cost increases reflect growth in capital expenditure, primarily driven by OneSKY investment.

CAPITAL EXPENDITURE

The five-year capital investment projections are provided in Table 2. This investment profile incorporates some re-phasing of expenditure across the planning years with total investment levels estimated at just over $1.1 billion over the next five years.

This investment programme incorporates the impact of the Accelerate Program which will refocus the way projects are delivered and improve efficiency of capital investment.

This has resulted in some refinements to individual programme line items. However, overall the programme continues to be driven by OneSKY activities and associated enabling projects, as well as key service improvement projects agreed with customers to deliver tangible benefits.

Over the five-year planning period, OneSKY and its enabling projects account for $568 million, or 51 per cent, of the total programme spend.

The remainder of the programme comprises $553 million (49 per cent) of investment to improve services and sustain current infrastructure as well as to support new parallel runway operations at Brisbane.

RETURNS, DIVIDENDS AND GEARING

The five-year returns, dividends and gearing projections are provided in Table 1. Over the term of the plan:

- earnings before interest and tax will average $93 million a year
- returns over revenue are forecast at an average annual rate of nine per cent.

With capital expenditure funding requirements remaining high, this plan maintains current dividend payout ratios at 30 per cent of net profit after tax. This is projected to return an average of $14.2 million in dividends each year.

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

TABLE 2: Five-year capital investment projections

Description	2017 Plan ($ million)	2018 Plan ($ million)	2019 Plan ($ million)	2020 Plan ($ million)	2021 Plan ($ million)	TOTAL 5 Years ($ million)
OneSKY and enabling projects	97.8	138.8	134.8	98.0	98.2	567.6
ANS and ARFF Services Investment	82.4	85.5	107.5	92.7	70.5	438.6
Information Management Technology and Corporate Investment	22.7	29.6	22.1	20.3	20.0	114.7
Total Program	202.9	253.9	264.4	211.0	188.7	1120.9

Risk oversight and management

Airservices promotes a culture of active risk management with robust governance oversight. The Board's risk appetite statement supports effective risk management and decision-making processes through better understanding the level of risk that Airservices is willing to accept.

Airservices, through the implementation of our Enterprise Risk Management Framework, proactively identifies and treats risk to within acceptable tolerances in our operations and operating environment. The framework identifies accountability and responsibility for managing risk across all levels of the organisation.

All risk management in Airservices is consistent with the Commonwealth Risk Management Policy and International Standard ISO 31000:2009, Risk Management–principles and guidelines.

In 2016–17 we will continue to embed our enterprise risk management approach as we support the implementation of the OneSKY Australia Program and the Accelerate Program. Stronger integration of all risk management activities will help us to:

- achieve our purpose and meet our commitments to our stakeholders
- deliver the OneSKY Program and realise the benefits that the new capability will bring for civil and military air traffic management. In 2016–17, this will be facilitated through detailed planning and design activities to achieve the required capability
- realise the benefits and efficiencies of the Accelerate Program, while effectively managing the risks of transition
- review and develop fit-for-purpose risk management processes across all specialist risk areas including operational safety, security, work health and safety, environmental, legal and projects
- effectively manage our human capital, technology, information and financial resources
- plan for the future and ensure we are match fit for future challenges.

Appendix A
The Board's Statement of Intent

The Airservices Board's Statement of Intent responds to the Statement of Expectations* (July 2015 to June 2017) and states our formal commitment to meeting our Minister's expectations.

Statement of Expectations (SOE)	Statement of Intent (SOI)
Items 1 and 2 – Legislative and Governance Reporting 1. Ensure that Airservices acts in accordance with the Air Services Act 1995, Public Governance, Performance and Accountability Act 2013 (and associated regulations) as well as other relevant legislation legal instruments. 2. Keep me and the Secretary of the Department of Infrastructure and Regional Development (the Department), 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.	The Airservices Board will continue to keep the Minister fully informed about all expectations through regular reporting including Board reports, quarterly reports and annual reporting in a timely manner.
3. Stakeholder Engagement Continue to 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.	Acknowledging that our most important consideration is always the safety of air navigation, we will continue to effectively consult with community, industry and Government throughout the development and implementation of any significant changes to our service provision.
4. Implementing relevant Government Air Traffic Initiatives Continue to implement Government air traffic management and other airspace policy initiatives (in conjunction with the Department, the Australian Transport Safety Bureau (ATSB), the Civil Aviation Safety Authority (CASA) and the Department of Defence) including those arising out of the Government's response to the Aviation Safety Regulation Review Report.	We will continue to work cooperatively with the Department and other Government agencies through the Aviation Policy Group and other forums to implement relevant air traffic management and other airspace policy initiatives. We support regulatory changes to facilitate continued innovation to improve service outcomes and minimise regulatory overheads, while ensuring safety of air navigation. As part of our work to support the outcomes of the Government's response to the Aviation Safety Regulation Review Report over 2016–17 Airservices will: ▪ commence a review of current regulatory requirements ▪ deliver a position paper on the evolution of regulations relevant to Air Navigation Services.

* www.legislation.gov.au/Details/F2015L00861

Statement of Expectations (SOE)	Statement of Intent (SOI)
5. Provision of Information, Assistance or Advice Engage constructively in processes where it can provide information, assistance or advice for policy formulation, implementation and regulation undertaken by Government agencies, both within and outside my portfolio.	We will continue to support other Government agencies in the performance of their regulatory and policy functions through the provision of information, assistance or advice. Over 2016–17 this will include: ▪ Western Sydney Airport development ▪ the Future Airspace System ▪ regulatory reform for the provision of air navigation services ▪ regulatory reform for the provision of Aviation Rescue Fire Fighting services (ARFFS) ▪ perfluorinated compound (PFC) residues ▪ integration of Remotely Piloted Aircraft Systems (RPAS) ▪ capability building in Indonesia and Papua New Guinea.
6. Environmental Responsibilities Assist in implementing the Government's environmental initiatives including: (a) supporting the ongoing role of the independent Aircraft Noise Ombudsman (ANO) and implementation of agreed recommendations made by the ANO; (b) the appropriate resourcing of the Noise Complaints Unit to continue to improve the flow and quality of information to noise affected communities; (c) providing and reporting against an annual environmental work plan which outlines Airservices key initiatives in managing and monitoring the environmental effects of aircraft operations; (d) the ongoing commitment to the Sydney Airport Long Term Operating Plan; and (e) the wider use of Required Navigation Performance (RNP) approaches, as appropriate, at Australian airports following consultation with other Government agency, community and industry stakeholders.	Airservices plays a key role in supporting the Government's initiatives in relation to the management of environmental impacts of aircraft operations, including aircraft noise. We continue to support the role of the ANO by: ▪ maintaining an independent ANO Office ▪ implementing recommendations made by the ANO ▪ improving noise complaint management through the Noise Complaints Information Service. We continue to focus on delivering new and improved air traffic services including performance-based navigation, to improve capacity and efficiency while also improving environmental outcomes. Over 2016–17 Airservices is focused on: ▪ long range air traffic flow management (LR ATFM) ▪ the Future Airspace System (FAS) ▪ Airport Collaborative Decision-Making (A-CDM). We will continue to report against our annual environmental work plan which outlines initiatives to manage and monitor the environmental effects of aircraft operation.

Statement of Expectations (SOE)	Statement of Intent (SOI)
7. Airport Planning Contribute to a coordinated approach to airport planning including appropriate participation in, and providing information to, planning coordination forums, community aviation consultation groups, and the National Aviation Safeguarding Advisory Group.	We will continue to contribute to a coordinated approach to airport planning. This includes through ongoing participation in the National Aviation Safeguarding Advisory Group (NASAG) to support a national land use planning framework that improves: ▪ community amenity by minimising aircraft noise-sensitive developments near airports ▪ safety outcomes by ensuring aviation safety requirements are recognised in land use planning decisions. We will also continue to engage and consult with concerned community groups through: ▪ airport-led planning coordination and consultation forums ▪ Airservices-led technical noise working groups.
8. Provision of Aviation Rescue and Fire Fighting Services (ARFFS) 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*. (Memorandum of Agreements with State and Territory fire authorities removed.)	We will continue to deliver ARFFS in accordance with the criteria set out in aviation safety regulations. The current prescriptive regulatory model inhibits Airservices ability to continue to provide safe ARFFS and realise cost efficiencies for industry. Over 2016–17 we will engage with stakeholders to facilitate and promote changes towards a risk-based regulatory framework for the provision of ARFFS.
9. Joint Civil and Military Aviation Harmonisation Progress the implementation of agreed joint civil and military aviation harmonisation initiatives with the Department of Defence including Airservices acting as the lead agency on the future joint air traffic control system project.	Airservices continues to act as lead agency with the Department of Defence to deliver a harmonised civil and military air traffic management system through the OneSKY Australia Program. With OneSKY transition activities planned to commence in 2018, the primary focus for the programme in 2016–17 is mobilising to ensure readiness for contractual execution and operational delivery.
10. Future Investment in Technology and Infrastructure Continue investment in future infrastructure upgrades and replacement programmes as demonstrated in a detailed capital expenditure programme, including enhanced air traffic and surveillance services at regional airports.	We continue to work collaboratively with customers and other industry stakeholders to develop and implement enhanced air traffic and surveillance services at regional airports that are safe, efficient and cost-effective. We are investigating opportunities to leverage new technologies for remote service delivery through ‘smart towers’ which enable flexibility and reduce capital investment. Over 2016–17 we will develop a concept of operations for a deployable smart tower solution and commission a trial.

Statement of Expectations (SOE)	Statement of Intent (SOI)
11. Efficient Capital Programme Ensure the efficient, on budget and timely delivery of Airservices capital expenditure programme.	With a clear focus on the future Airservices embraces and invests in innovation through customer-centric and commercially rigorous decisions. To ensure the efficiency, effectiveness and accountability of our capital expenditure programme, over 2016–17 we will refocus our asset and project management through the Accelerate Program.
12. Sustainable Workforce Planning Commit to a strong focus on human resource issues, consistent with government workplace policies, including publication of an annual update of the Airservices Australia Workforce Plan, and the development and implementation of proactive recruitment, training and retention policies.	We will develop and implement an integrated end-to-end human resource management cycle that is aligned to organisational strategic direction and consistent with government workplace policies. This will: ▪ enable us to focus our people on delivering service and operational excellence to our customers and stakeholders ▪ support government workplace priorities including diversity. In addition to implementing a new operating model through the Accelerate Program, over 2016–17 we will work to improve: ▪ participation by Indigenous Australians in our workforce ▪ representation of women in leadership positions.
13. Asia-Pacific Regional Aviation Safety Continue to support the Government's safety initiatives in the Asia-Pacific region.	We will continue to support the Australian Government's safety initiatives in the Asia-Pacific region to improve safety outcomes. In particular, over 2016–17 we will assist air navigation service providers in Indonesia and Papua New Guinea to build their capability to manage greater air traffic. This includes through sustainable programmes that deliver safe, harmonised and integrated outcomes that are aligned with their neighbouring States, including Australia.
14. Public Sector Professionalism and Accountability Adhere to values and a code of conduct that maintains high standards of professionalism, customer service, probity, reporting, accountability and transparency, consistent with the Government's aim of excellence in the public sector.	We will continue to adhere to values and a code of conduct that maintain high standards of professionalism, customer service, probity, reporting, accountability and transparency. Over 2016–17 the Accelerate Program will help us: ▪ simplify our operating model, reduce bureaucracy, and increase accountability ▪ improve the efficiency and effectiveness of our corporate centre through technology enablement.

Appendix B
Ministerial Directions

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

List of acronyms

Acronym	Definition
4DT	Four-dimensional trajectories
ACCC	Australian Competition and Consumer Commission
A-CDM	Airport collaborative decision-making
ANO	Aircraft Noise Ombudsman
ANS	Air navigation services
ANSP	Air navigation service provider
ARFFS	Aviation rescue fire fighting services
ATM	Air traffic management
ATS	Air traffic services
ATSB	Air Transport Safety Bureau
ATSC	Air Traffic Services Centre
CASA	Civil Aviation Safety Authority
CDM	Collaborative decision-making
CDO	Continuous Descent Operations
CMATS	Civil military air traffic management system
ERP	Enterprise resource planning
FAA	Federal Aviation Administration
FAS	Future Airspace System
FIR	Flight information region
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
IFR	Instrument flight rules
KPAs	Key performance areas

Acronym	Definition
KPIs	Key performance indicators
LoS	Loss of separation
LR ATFM	Long range air traffic flow management
NASAG	National Aviation Safeguarding Advisory Group
NPAT	Net profit after tax
OCP	Optimum Climb Profile
ODP	Optimum Decent Profile
OneSKY	OneSKY Australia Program
P3M	Project, Program, Portfolio Management
PBN	Performance-based navigation
PFC	Perfluorinated compound
RNP	Required navigation performance
RoA	Return on assets
RPAS	Remotely piloted aircraft systems
RPK	Revenue passenger kilometres
RSD	Remote service delivery
SESAR	Single European Sky ATM Research
SID	Standard Instrument Departure
SSP	State Safety Programme
STAR	Standard Instrument Arrival
SWIM	System Wide Information Management
TBO	Trajectory-based operations
TLTIFR	Total lost time injury frequency rate

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