



Corporate Plan 2014–19



connecting australian aviation



About this plan

This plan describes Airservices Australia's strategic agenda and future direction for the period 2014–19. It is designed to ensure that Airservices meets the Government's and the Australian public's aviation safety and service delivery expectations. The plan positions Airservices to contribute more effectively and efficiently to the management of aviation safety risks and improving relationships with the key industry participants within a strong governance framework.

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

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Letter of transmittal



Chair

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The Hon Warren Truss MP
Deputy Prime Minister
Minister for Infrastructure and Regional Development
Parliament House
CANBERRA ACT 2600

Dear Deputy Prime Minister

Corporate Plan 2014-19

The Board of Airservices Australia is pleased to submit to you the Airservices Australia Corporate Plan for the period 1 July 2014 to 30 June 2019.

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

Yours sincerely

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

Air Chief Marshal Angus Houston AC, AFC (Ret'd)
Chair
26 May 2014

connecting australian aviation

From the Chair

As the Chair of Airservices Australia I am delighted to present the organisation's 2014-19 Corporate Plan. This plan sees the organisation maintain a clear focus on achieving Airservices 2020 Vision, 'Connecting the Australian aviation industry to deliver world best industry performance' and is underpinned by Airservices ongoing commitment to deliver safe, customer focused, efficient and environmentally sustainable air navigation and aviation rescue fire fighting (ARFF) services.

I am pleased with Airservices ongoing safety performance. The organisation was ranked second in an international safety benchmarking study undertaken by the Civil Air Navigation Services Organisation which assessed fifty individual air navigation service providers' performance against a range of metrics including loss of separation, runway incursion statistics and safety management system (SMS) maturity.

This result is reflective of the continual improvement, review and validation approach that Airservices applies to its operations and procedures to ensure the ongoing safety of the Australian aviation industry. This was supported this year by a comprehensive Normal Operations Safety Survey (NOSS) program, and the establishment of a taskforce to review and implement a range of new initiatives to prevent loss of separation events.

A new Work Health and Safety (WHS) strategy was also launched which simplifies processes and paperwork, reinforces principles of 'safety by design' and drives initiatives that are delivering improved outcomes to Airservices workers with a focus on wellbeing at work as well as a reduction in incidents.



The organisation along with the Department of Defence continues to evaluate tenders for the joint delivery of a world-leading, civil-military harmonised national Air Traffic Management (ATM) system by 2020, with a successful respondent to be announced next financial year. The new system will ensure that Australian aviation remains at the forefront of technology and a global leader in ATM service delivery.

To get ready for this significant change we are focused on transformational changes to not only the organisation's operational systems, but also its workforce capability, future business operations and the way in which it works with industry partners to align future interests and needs.

Recognising the importance of its people in realising these changes Airservices has embarked on a long-term 'Our People Our Future' program. This program continues current leadership development and will align organisational culture to facilitate an improved customer-centric ethos driven by customer value and industry collaboration.

Airservices has an increased focus on delivering environmentally responsible services which appropriately consider aircraft emissions and noise management. Significant improvements to the way community issues are managed, as well as Airservices ability to deploy a range of tools to better understand the impacts that changes to aircraft operations may have, continue to be progressed in this plan.

By way of example, following wide consultation Airservices is trialling a modified flight path in Perth to reduce the impact of aircraft noise on more than 4000 Roleystone residents by moving the flight path over mostly rural areas. The noise impacts of the moved flight path will be assessed before deciding whether to make the change permanent.

To meet the significant challenge of the ATM network-wide increase in demand over the next five years and beyond Airservices continues to reform its operations to optimise the management of Australia's airspace and aerodromes and the use of aviation infrastructure.

Airservices is highly cognisant of the financial constraints within which industry participants operate. Through increased collaborative decision-making, the introduction of tailored procedures, user preferred routes and improved flow management Airservices continues to strive to provide the required services in a way that enhances efficiency and improves cost-effectiveness.

In December 2013 Airservices celebrated the 10th anniversary of the use of Flex Tracks between Dubai and Sydney. Airservices now produces 17 Flex Tracks between Australia and airports in Asia and the Middle East, resulting in significant fuel savings for airlines and a significant reduction in CO₂ emissions.

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

As Airservices initiatives begin to remove constraints from the Australian ATM system, we are also working to reduce the constraints of the physical airspace route structures to enable our customers to better realise benefits.

Unprecedented growth in both passenger numbers and aircraft movements presents a significant challenge. Air traffic growth, combined with the introduction of larger, more modern aircraft fleets, has triggered legislated

requirements to provide five new ARFF services as well as category increases at Adelaide, Mackay, Launceston, Brisbane and Perth. This service line expansion is forecast to continue in this plan.

As a Registered Training Organisation Airservices relies on internal skill development for the specialist and operational roles it performs and the Airservices Learning Academy has responded to the challenge of increased air traffic control and aviation rescue fire fighting workforce demands by increasing the volume of trainees. In 2013–14 there was a 31 per cent and 150 per cent increase in scheduled courses respectively, on the previous financial year's approved forward training schedule.

The unprecedented demand for ARFF trainee fire fighters grew 76 per cent, increasing from 68 recruits in 2012–13 to 120 for 2013–14 in response to new ARFF services supporting regional growth and maintaining safety standards, which we have catered for through a \$35 million training infrastructure program.

Airservices continues to work with a range of government agencies and industry to deliver the Government's long term policy objectives as well as meet operational expectations. I am pleased with the progress that Airservices has made to strengthen its positive relationship with both the regulator and the investigator to facilitate productive improvements for the industry while maintaining required safety levels.

The Board and I look forward to helping Airservices professional and dedicated employees to achieve the organisation's 2020 Vision.

Angus Houston
Chair



Airservices role

Airservices is a Government owned corporation and a monopoly service provider of air navigation services across Australian and oceanic airspace, covering 11 per cent of the earth's surface, for over 4 million aircraft movements and 140 million regular passenger transport movements each year.

Airservices manages the safe and efficient passage of aircraft from two major centres in Melbourne and Brisbane and locally at 29 international and regional airports across Australia. These services are supported by a national network of communications, surveillance and navigation facilities and infrastructure. We also provide aviation rescue fire fighting (ARFF) services at 22 of Australia's busiest airports.

Airservices is funded through charges levied on our customers and borrowings from debt markets. Our prices are set by the Board and subject to economic oversight by the Australian Consumer and Competition Commission. Airservices does not receive any Government appropriations.

Mission

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

Airservices is a Commonwealth statutory authority established by the *Air Services Act 1995*.

In exercising our powers and performing our functions, we are required to have safety of air navigation as our most important consideration. Airservices primary role is to provide air navigation and ARFF services under the regulatory supervision of the Civil Aviation Safety Authority

and subject to independent investigation by the Australian Transport Safety Bureau.

Our air navigation services are subject to the provisions of the Civil Aviation Safety Regulations 171, 172 and 173. The organisation adopts a performance-based air traffic management (ATM) framework that is aligned with International Civil Aviation Organization standards and focuses on enhancing performance in safety, minimising environmental impacts, matching traffic demand and capacity, optimising flight efficiency and improving cost effectiveness.

ARFF services are subject to the provisions of Civil Aviation Safety Regulation 139H and are equipped to respond to aircraft incidents and fires at aviation-related facilities at major Australian airports.

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

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



Vision

Connecting the Australian aviation industry to deliver world best industry performance

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

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

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

Values

Excellence, Inclusion, Cohesion, Initiative, Courage

Airservices values define the behaviours it seeks from its people in its goal to connect the Australian aviation industry and to deliver world best industry performance. These behaviours support the development of a high-performance culture that places the customer at the centre of all our activities and ensures we work as one team while investing in and engaging our people.

Courage has been added to the organisational values. The value of Courage supports a culture of doing what is right, supports openness and honesty, and importantly supports our people to have the courage to think boldly, to push for change and to make a difference.

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.



Outlook

Growth

It is expected that air traffic passenger numbers will grow at similar rates to real gross domestic product (GDP), which is in line with the historical correlation between aviation activity and economic growth. Based on forecast GDP growth, air traffic volumes are projected to grow at around 3 per cent over the life of the plan.

While the outlook is for steady growth over the longer term, there is some volatility risk from year to year. Although we expect continued growth from international air operations, there is some uncertainty about the extent to which domestic growth will ease in comparison to previous periods, and we are now seeing competition for domestic market share and resources-led growth soften, impacting previously high levels of new capacity.

Domestic growth has been soft over the past 12 months and we expect that trend to continue over the life of the plan. Major domestic carriers are looking to improve business performance, and we expect some reductions in services as a result of airline plans now underway to change and reduce fleets and routes to maximise revenue load factors. We expect that carriers will look to maintain their domestic market share and preserve services capacity, which will offset some of the planned service reductions.

Throughout 2013–14, international traffic operations in Australia have continued to outperform previous growth forecasts.

While activity in the Australian international aviation market is primarily driven by the performance of operations through Asia, in the past twelve months growth in international traffic has been led by the Middle East, India and

New Zealand markets. There is some risk to the international aviation market outlook, depending on the growth in the China market.

In the short term, however, lead indicators such as the performance of air cargo activity and Asian carrier planned activities to expand fleets and services to Australia suggest that growth in air activity and air traffic passenger movements will continue.

Air passenger movements through Australian airports are projected to grow by 50 per cent over the next 20 years.¹ The challenge for the aviation industry is to work together to accommodate this growth safely and taking on the challenges of existing airport and surveillance infrastructure by improving efficiency and capacity, while investing in new and improved infrastructure and services to meet the industry's long term needs.

Safety and service

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

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

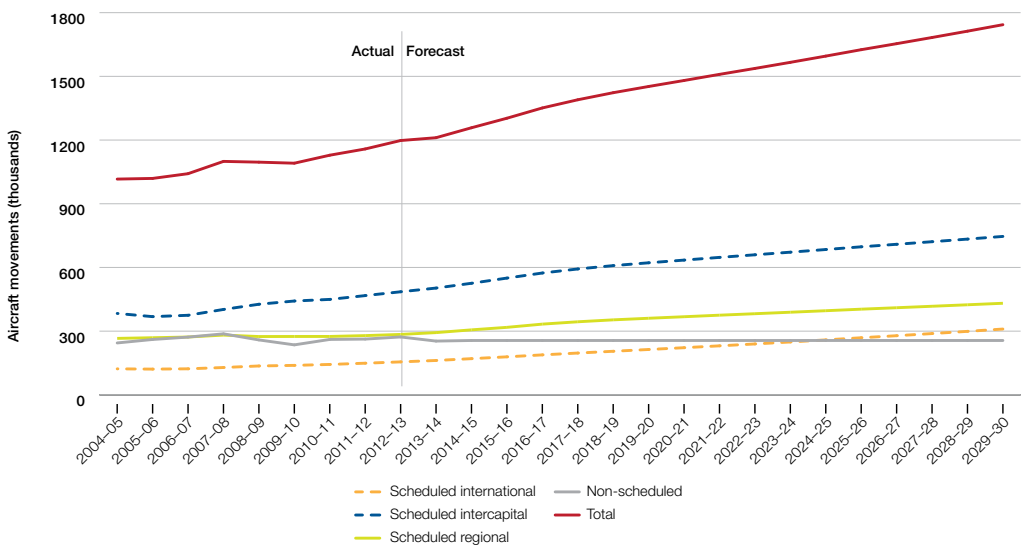
National aviation policy

The Government's aviation policy has set out a number of important measures to develop an Australian aviation sector that is safe, reliable, efficient and competitive.

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



Figure 1: Aircraft movements through Australian airports



Source: Bureau of Infrastructure, Transport and Regional Economics and Airservices data.²

² http://www.bitre.gov.au/publications/2012/files/report_133.pdf, pg. 63

Combined with the current Ministerial Statement of Expectations, Airservices has been contributing to a number of these measures through a range of initiatives that are contained in this and previous plans including:

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

Future Service Delivery

The Future Service Delivery group (FSD) was established in July 2013 to deliver and realise Airservices future air traffic management capability. FSD is responsible for the planning, development and implementation of our next-generation services, including the future civil-military ATM system through the OneSKY Australia program, which is a joint activity with the Department of Defence.

FSD is leading the fundamental organisational and industry transformation required to maximise the benefits and value of the future joint ATM system expected by our customers and other stakeholders. The group is assisting Airservices and its industry partners to prepare for the future transition to the new operating system and to operate in what will continue to be a very complex aviation landscape.

Through stakeholder engagement and strategic planning, acquisition and implementation, FSD will enable us to deliver a world-leading harmonised national ATM system to ensure that Australian aviation remains at the forefront of technologically advanced ATM and a global leader in ATM service delivery.

Operations

The significant challenge to Airservices over the next five years and beyond will be the ability to cope with an ATM network-wide increase in demand.

Projected air traffic growth and increased complexity in the operating environment, presents challenges to Airservices to meet aviation safety, demand and capacity requirements in a timely and cost efficient manner while minimising environmental impacts and planning for future capabilities.

In response, Airservices continues to reform its operations to optimise the management of Australia's airspace, aerodromes and use of aviation infrastructure.

To effectively manage forecast air traffic growth over the next two decades, Airservices ATM network will be moving towards a fully integrated, collaborative air and ground system that consistently manages aircraft according to network optimised trajectories and agreed traffic schedules. Airservices will continue to collaborate with industry to achieve this approach.

Airservices will continue to build on the Airport Capacity Enhancement (ACE) program initiatives already implemented at Brisbane, Melbourne and Perth airports.

Additionally, Airservices will collaborate with the Sydney Airport Strategic Planning Group to identify and deliver initiatives to access latent capacity in the Sydney ATM system and respond to any future developments in Sydney Basin airport capacity.

The key to the safety, capacity and efficiency of Australia's airspace and airports infrastructure is the management of the flow of traffic and the balance of demand and capacity. Airservices is working collaboratively with airlines and airports on a broad range of initiatives to manage demand and capacity strategically (when schedules are developed), pre-tactically (up to 24 hours ahead when accurate weather forecasts are able to

predict the capacity of the airspace and airport) and tactically (when the flight is underway).

One example is our collaboration with airports on the concept of airport collaborative decision-making (A-CDM). A-CDM aims to improve operational efficiency at airports by improving the predictability of events during the turnaround process by sharing accurate and timely operational information and adapting and connecting operational procedures and systems. This results in improved efficiency, reduced taxi time, fuel savings and better schedule reliability for airline passengers.

As Airservices initiatives begin to remove constraints from the Australian ATM system, we continue to work to reduce the constraints of our physical airspace route structures to enable our customers to better realise the benefits. Airport upgrades and new airports will further drive the need for unconstrained route models.

Airservices is developing the Future Airspace Strategy Deployment plan (FAS-d) with input from stakeholders, including air traffic control, airlines, airports and the Civil Aviation Safety Authority to ensure a consistent and clear focus on safe, efficient service delivery. FAS-d will describe the architecture required to minimise constraints and remove operational choke points, as well as the process to achieve those goals.

Unprecedented growth in both passenger numbers and aircraft movements also presents a significant challenge for our airport services.

Air traffic growth, combined with the introduction of larger, more modern aircraft fleets, has triggered legislated requirements to provide:

- new ARFF services at two remote locations (Newman and Port Hedland) and three regional areas (Gladstone, Coffs Harbour and Ballina)
- category increases at Adelaide, Mackay, Launceston and Brisbane and an increase to a Category 10 service at Perth during 2014.

As a consequence, Airservices:

- is constructing new ARFF facilities
- has increased the number of fire trucks (by 19 per cent), supporting vehicles and vessels (the introduction of Category 10 services triggers the requirement for specialist vehicles)
- has undertaken additional fire fighter recruitment and training
- has delivered more Certificate IV and diploma training courses for fire officers.

To inform a continuous improvement approach to our services, we engage with leading international ARFF service providers to understand and contribute to international trends in the provision of ARFF services.

Domestically, Airservices participates actively in airport emergency planning committees to improve emergency response procedures. We also perform an advisory role for airport operators where ARFF services are required but not yet established.

Labour market

Airservices must develop as an innovative, learning organisation to meet the challenges of growth, technological change, workforce changes and economic pressures. To meet these challenges, Airservices is committed to building workforce capability by attracting, developing and retaining our people for the future.

As a high-performing organisation, we will deliver the organisation's objectives and services by having a highly skilled, capable, diverse and flexible workforce able to achieve the highest standards of safety and excellence.

We employ around 4200 staff, including approximately 1050 air traffic controllers and 850 fire fighters (which makes the organisation one of the world's largest providers of ARFF services). Our staff includes around 900 qualified technical and operational professionals to maintain existing infrastructure and deliver our extensive capital assets program.

Airservices expects the composition of the workforce over the next five years to be influenced by increased service provision at new locations, the ongoing delivery of new capital assets, technology changes and the delivery of a civil-military harmonised ATM system.

In line with broader Australian employment market trends, significant segments of our workforce are mature-aged. We are focused on building and enhancing our workforce planning, talent management, leadership development and workforce capability strategies to secure and retain talent in an increasingly competitive market. The Airservices Workforce Plan 2013–20 identifies key workforce risks, controls and strategies to mitigate current and future challenges.

Airservices is committed to fostering and increasing the diversity of its workforce. Consistent with the Airservices Diversity Strategy 2012–2016, initiatives to address these issues include:

- identifying and removing barriers to the progression of women into senior positions and improving the proportion of women in operational roles
- implementing the Airservices Reconciliation Action Plan (RAP), which acknowledges and celebrates a range of culturally significant events and is being progressed under guidance from the RAP Reference Group
- through our Diversity Council, providing leadership on diversity and promoting accountability for improved diversity outcomes across each business group.

Strategy

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

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

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

These themes and the respective core outcomes inform the development of Airservices key initiatives aimed at meeting the Government's aviation policy and current

Ministerial Statement of Expectations, meeting customer expectations, delivering process improvements and efficiency as well as continuing the development of its people and systems.

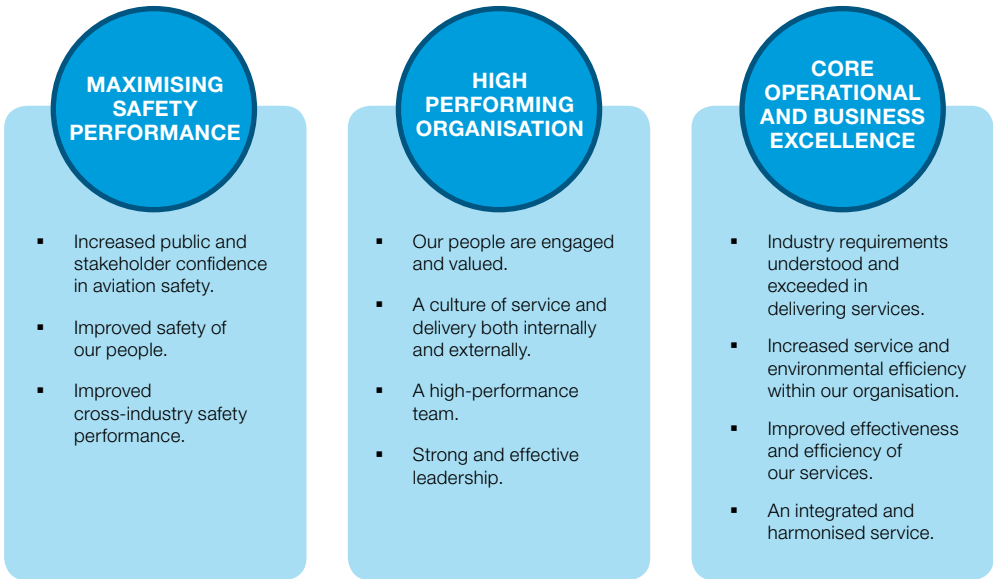
The themes, the core outcomes and the key initiatives are described in detail in the following pages.

Key achievements for the past 12 months are set out in the 'Performance against previous plan' section.

Figure 2: Airservices corporate strategy map



Connecting the Australian aviation industry to deliver world best industry performance



Government's expectations

Consistent with the current Statement of Expectations (Appendix A) and the Government's aviation policy, Airservices aims to efficiently and effectively perform its statutory functions to deliver safe and high-quality air navigation and related services for the benefit of the Australian community.

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

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

The relationship between the Statement of Expectations and specific initiatives within the plan is described in Appendix B.

The Government's aviation policy will also be delivered through the strategic initiatives set out in this plan. These include:

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

Objectives

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

- maintaining safety as the highest priority in the delivery of its services and performance of its functions
- delivering efficient and effective operations
- maintaining a financially viable and sustainable organisation
- minimising the environmental impact of aircraft operations.

01 Maximising safety performance

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

Airservices strategic theme of maximising safety performance continues to build on the two high level themes to reduce the risk associated with key operational and workplace hazards and to deliver targeted safety benefits to the travelling public, the aviation industry and communities located near airport operations.

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

Initiatives under this theme also emphasise the importance of continually improving work health and safety (WHS) culture and outcomes.

Airservices manages a diverse range of WHS risks through its corporate integrated reporting and risk information system.

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

A key foundation of our operational and workplace safety approach is risk management. We use our risk management framework to identify hazards and threats to safety and actively implement mitigation strategies to manage those risks to as low a level as is reasonably practicable.

Core outcomes

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

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

Key initiatives and indicators

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

| Key initiatives | |
|-----------------|--|
| 1.1 | Continual optimisation of localised airspace design to enhance operational safety, efficiency and environmental outcomes. |
| 1.2 | Continual improvement to safety at regional aerodromes through the delivery of new services (Surveillance Arrangements For Regional Airports - SAFRA). |
| 1.3 | Improve awareness and confidence in Airservices safety performance. |
| 1.4 | Collaborate locally and internationally to support the integrity of our operations and whole-of-industry safety outcomes. |
| 1.5 | Enhance our safety management system (SMS) and safety culture. |
| 1.6 | Enhance hazardous material management. |

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

| Key indicators | Target | Trend |
|---|-----------------------|-------------------------------|
| ATS attributed en route LoS rate Air Traffic Service attributed number of en route loss of separation occurrences (LoS) per 100,000 flight hours. | 0 | Improvement on current levels |
| ATS attributed terminal area LoS rate Air Traffic Service attributed number of terminal area loss of separation occurrences (LoS) per 100,000 movements. | 0 | Improvement on current levels |
| ATS attributed tower LoS rate Air Traffic Service attributed number of tower loss of separation occurrences (LoS) per 100,000 movements. | 0 | Improvement on current levels |
| ATS attributed runway incursions Number of ICAO Class A or B Airservices Air Traffic Service attributable runway incursions. | 0 | Improvement on current levels |
| ATS attributed aircraft in critical proximity Number of Air Traffic Service attributable instances where evasive action required (within 250 feet/150 metres). | 0 | Improvement on current levels |
| Lost time injury frequency rate 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. | 0 | Improvement on current levels |
| WHS incident rate Occurrences per 100 staff per month. | 0 | Improvement on current levels |
| Safety management system maturity benchmark External assessment of the maturity of Airservices' Safety Management System (SMS) against the Civil Air Navigation Service Organisation (CANSO) Standard of Excellence in SMS. | Top industry quartile | Not applicable |

02 High-performing organisation

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

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

Over the next five years, our staff numbers are expected to increase modestly in net terms in response to demographic trends and industry growth demands. The organisation also faces challenges to maintain skilled and capable staff as its age profile produces an increasing rate of retirements.

The Airservices Workforce Plan 2013–20 builds on earlier work to focus on critical roles in order to identify potential skills and capability gaps. Evidence-based workforce planning, combined with internal capability building through targeted recruitment and training, is needed to ensure that the workforce supply matches current and future demands.

As a Registered Training Organisation, Airservices delivers nationally recognised and accredited qualifications in air traffic control, aviation rescue fire fighting and management through the Airservices Learning Academy. These technical, operational, safety and corporate training requirements support our highly specialised and skilled workforce.

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

Core outcomes

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

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

Key initiatives and indicators

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

| Key initiatives | |
|-----------------|--|
| 2.1 | 'Our People, Our Future' program to align culture and business imperatives. |
| 2.2 | Improve the alignment of key systems, processes and accountabilities through an integrated management system (IMS). |
| 2.3 | Develop and implement an organisation productivity framework. |
| 2.4 | Implement the Airservices Training and Education Strategy. |
| 2.5 | Implement the Airservices Diversity Strategy. |
| 2.6 | Refine and improve the workforce model. |
| 2.7 | Enhance management and leadership capability. |
| 2.8 | Continue to collaborate with the Department of Defence to progress harmonisation opportunities under the Australian Civil–Military ATM Committee (AC-MAC). |

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

| Key indicators | Target | Trend |
|--|--------------------|--|
| Employee engagement survey – values focused Engagement score expressed as a percentage of satisfaction and specific values related results. | 75% | Not applicable |
| Increased diversity Increase in the number of women in non-traditional roles Increase in the participation of Airservices workforce by Indigenous Australians and people with disabilities. | > increase | Improvement on current levels |
| Training demand Number of qualifications issued against accredited training (ARFF) Number of ATS recruits endorsed (ATC). | ARFF 175 ATC 80 | ARFF 90% of target ATC 100% of target |

03 Core operational and business excellence

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

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

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

This focus will enable us to better meet domestic, international and regional demand while concurrently improving efficiency and safety.

The key considerations include:

- the need for flexible services in remote locations (particularly driven by the resources sector)

- demand exceeding capacity at capital city airports.

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

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

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

Core outcomes

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

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

Key initiatives and indicators

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

| Key initiatives | |
|-----------------|--|
| 3.1 | Implement a harmonised core ATM system in collaboration with the Department of Defence. |
| 3.2 | Deliver new regional ARFF services. |
| 3.3 | Develop and implement demand and capacity management capabilities. |
| 3.4 | Improve capacity management through Airport Capacity Enhancement (ACE). |
| 3.5 | Implement aircraft noise management to support ATM service delivery. |
| 3.6 | Improve environmental measurement, modelling and reporting. |
| 3.7 | Optimise procurement outcomes through supplier category management (SCM) and supplier relationship management (SRM). |
| 3.8 | Improve the environmental management system and reduce energy, water and waste footprint. |
| 3.9 | Improve alignment in airport master planning outcomes. |
| 3.10 | Improve the delivery of the CAPEX project delivery. |
| 3.11 | Develop an aligned strategic planning framework. |
| 3.12 | Investigate scalable core service delivery options. |
| 3.13 | Implement an aligned global sustainability reporting framework. |
| 3.14 | Implement an information management framework and data model. |
| 3.15 | Develop sustainable facilities and site master plans for key locations. |
| 3.16 | Embed an integrated Airservices assurance framework. |
| 3.17 | Deliver the Technology and Materiel Strategy and roadmap. |

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

| Key indicators | Target | Trend |
|---|--|----------------|
| Capital Project Delivery Percentage of major and significant other projects delivered on time, within budget and within scope. | > 90% | Not applicable |
| ATS availability Hours of Air Traffic Service availability as a percentage of total hours of coverage. | > 99.9% | Not applicable |
| Aircraft holding Percentage total of airborne holdings compared to ground holding at all locations where a ground delay program has been introduced. | 40% : 60% | Not applicable |
| ATS attributable delays Total number of Air Traffic Service attributable flight delay events (where the delay is greater than 10 minutes, and demand is less than airport capacity). | < 7 per quarter | Not applicable |
| Runway capacity achieved Percentage of maximum runway movement capacity delivered during peak periods. | > 95% | Not applicable |
| ARFF operational preparedness Percentage of time ARFF resources were available to meet required category according to the regulated service category for the aerodrome. | > 99.9% | Not applicable |
| ARFF response time Percentage of total responses to aircraft incidents on the aerodrome movement area within 3 minutes. | 100% | Not applicable |
| NCIS compliance Noise Complaints and Information Service (NCIS) compliance to prescribed response times for complaints and enquiries. | ≥ 95% | Not applicable |
| Noise Improvements Investigated Number of noise improvement proposals Investigated. | 25 annually | Not applicable |
| Noise Information Aircraft Noise Information and Complaint Reports made available to the community and industry. | Reports for 10 locations every quarter | Not applicable |
| Stakeholder satisfaction Percentage of key stakeholders across international and domestic airlines, airports, government agencies and key industry bodies who are satisfied to very satisfied with their relationship with Airservices and the organisation's service delivery. | > 80% satisfaction >75% response rate | Not applicable |



Financial plan

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

Updates have been incorporated to reflect the latest economic outlook. Key capital investment activities remain focussed on the replacement of Airservices core air traffic management system. Whilst additional resources have been added into the plan to support the transition to the new system, the OneSKY transition costs and staffing requirements are not yet known and will be subject to the final systems design and implementation rollout that will be negotiated with the final successful tender. These costs have been largely offset by revenue growth experienced over the last 18 months. On balance, this plan maintains the financial rates of return forecast in the previous plan.

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

Pricing

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

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

Table 1: Five-year operating and performance projections

| Description | 2014 forecast ¹ (\$ million) | 2015 plan (\$ million) | 2016 plan (\$ million) | 2017 plan (\$ million) | 2018 plan (\$ million) | 2019 plan (\$ million) |
|---|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Airways revenue | 974.3 | 1,019.4 | 1,057.2 | 1,140.3 | 1,178.0 | 1,216.7 |
| Other revenue | 32.1 | 33.0 | 33.8 | 34.7 | 35.6 | 36.6 |
| Total revenue | 1,006.4 | 1,052.4 | 1,091.0 | 1,175.0 | 1,213.6 | 1,253.3 |
| Staff costs | 633.7 | 668.7 | 695.2 | 715.1 | 734.6 | 750.9 |
| Supplier costs | 184.7 | 192.4 | 197.9 | 204.0 | 210.2 | 216.1 |
| Depreciation | 114.3 | 121.1 | 126.7 | 136.1 | 141.6 | 144.0 |
| Total expenses before interest and tax | 932.7 | 982.2 | 1,019.8 | 1,055.2 | 1,086.4 | 1,111.0 |
| Performance | | | | | | |
| Earnings before interest and tax (EBIT) | 69.0 | 65.9 | 67.0 | 115.5 | 123.1 | 138.0 |
| EBIT/revenue | 6.9% | 6.3% | 6.2% | 9.9% | 10.2% | 11.1% |
| Return on assets | 7.0% | 4.9% | 4.5% | 6.9% | 7.1% | 7.9% |
| Net profit after tax | 37.1 | 33.7 | 31.0 | 63.6 | 69.7 | 83.7 |
| Return on equity after tax | 7.3% | 6.4% | 5.6% | 10.8% | 10.9% | 12.1% |
| Gearing ² | 43.2% | 50.2% | 53.0% | 51.7% | 48.2% | 41.0% |
| Returns | | | | | | |
| Dividends | 20.0 | 10.6 | 9.7 | 14.2 | 20.0 | 23.0 |

1. February 2014 forecast

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

Beyond the expiration of the Long Term Pricing Agreement, pricing increases have been factored into the plan from 2017 to target Airservices ACCC regulated rates of return.

Operating performance

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

Financial performance is projected to achieve an average 6.3 per cent return on assets and a 9 per cent per annum average return on equity.

Revenue growth performed strongly throughout 2013–14 driven by international air traffic operations. Over the same period growth in domestic air traffic has remained soft. The plan anticipates that domestic growth will continue to be slow over the planning period with the revenue performance being driven by international aviation activity.

The plan incorporates operational expenditure increases to deliver new ARFF and ATC services

to support regional operations in the resources sector. The timing of some of the new ARFF services has been brought forward as a result of high passenger growth experienced in the last 18 months. New ATC services have been added to the plan alongside these ARFF operations to address traffic growth. Overall four new aviation rescue fire fighting services will be established at Gladstone, Newman, Coffs Harbour and Ballina during 2014–15 and 2015–16. Four new tower services are planned to be established at Port Hedland in 2015–16 and at Gladstone, Ballina and one other location to be determined over the 2017–18 to 2019–20 financial years.

Costs for the impact of training and transiting to a new air traffic management system have been included in the plan. The cost impact of transitioning to the new system will be refined once the tender evaluation process is finalised.

With capital investment cycles reaching their peak midway through this plan as major infrastructure replacement projects complete, the level of investment and depreciation costs are projected to flatten over the latter half of the plan.

Table 2: Five-year capital expenditure projections

| Description | 2014 forecast ¹ (\$ million) | 2015 plan (\$ million) | 2016 plan (\$ million) | 2017 plan (\$ million) | 2018 plan (\$ million) | 2019 plan (\$ million) | Total 5 years (\$ million) |
|-------------------------------------|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|----------------------------------|
| ARFF | 60.33 | 10.8 | 8.4 | 10.1 | 16.0 | 5.0 | 50.3 |
| Airways IT | 35.17 | 48.6 | 81.7 | 111.5 | 82.0 | 42.0 | 365.7 |
| Infrastructure | 13.38 | 52.3 | 32.6 | 8.5 | 1.0 | 4.0 | 98.4 |
| Building and Property | 13.99 | 78.8 | 63.5 | 30.8 | 20.0 | 27.0 | 220.1 |
| Business Applications | 9.66 | 16.7 | 13.6 | - | - | 6.0 | 36.3 |
| Communications | 8.30 | 21.1 | 21.2 | 35.5 | 27.9 | 4.9 | 110.6 |
| Navigation | 21.40 | 16.8 | 3.5 | - | - | - | 20.3 |
| Surveillance | 20.08 | 20.3 | 5.0 | 4.8 | 3.8 | 2.8 | 36.7 |
| Medium/Minor and Asset Purchases | 23.13 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 50.0 |
| Total program | 205.4 | 275.3 | 239.5 | 211.2 | 160.7 | 101.7 | 988.3 |

1. February 2014 forecast

Capital expenditure

The five-year capital expenditure projections are provided in Table 2.

Capital investment has been held in line with the previous plan with expenditure of \$1.0 billion planned over the next five years.

The capital investment profile includes a number of large rolling programs, some that commenced a number of years ago. These involve significant investment in back-up navigation aids, surveillance equipment upgrades, communications, infrastructure, buildings/services refurbishments (including control towers and fire stations) and IT platforms renewal.

The sequencing and interdependencies of projects related to OneSKY Australia program have been a key consideration in the planning of the program. The program includes a total of 37 additions totalling \$231 million (23 per cent) to support new initiatives such as provision of a new service or product. It also includes \$485 million (49 per cent) for asset renewals including replacement or improvement projects to enhance operational capability.

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 \$102 million per annum
- returns over revenue are forecast at an average annual rate of 9 per cent
- returns over assets are projected at 6 per cent per annum.

With a continuing substantial capital expenditure program, this plan proposes to maintain current dividend payout ratios at 30 per cent of net profit after tax. This is projected to return an average of \$15 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 49 per cent over the term of the plan, declining to 41 per cent by 2018–19.



Governance and risk management

Governance

Airservices is accountable to the Australian Parliament through the Minister for Infrastructure and Regional Development and our operations are regulated by the Civil Aviation Safety Authority (CASA).

The Minister provides a Statement of Expectations (Appendix A) and ministerial directions (Appendix C), which are a notice of strategic direction concerning the operation and performance of Airservices. Airservices Statement of Intent (Appendix B) and this plan respond to the Australian Government's expectations by identifying the organisation's key strategic priorities and initiatives.

The Board of Airservices oversees a functionally based business structure:

- The two operational groups, Air Traffic Control and Aviation Rescue Fire Fighting, are supported by the Projects and Engineering group and corporate support groups.
- The Board Audit and Risk Committee and Board Safety Committee provide oversight on the integrity and safety of Airservices operations.
- The Board Environment Committee provides oversight on environmental compliance and initiatives, environmental regulatory functions and organisational strategy to address environmental issues.
- The Board Remuneration and Human Resources Committee provides oversight of staffing-related matters and remuneration of executives.

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

Risk management

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

Risks and their associated management activities are centrally recorded, and are subject to quarterly review and acceptance at the group and executive levels. These reviews focus on ensuring that controls commensurate with the level of risk are in place and effective, and that the risk is acceptable. A risk report, comprising of the enterprise risk profile and details of changes in the preceding period, is provided to the Board Audit and Risk Committee quarterly.

Table 3: Major loss event categories

| Major loss event | Risk type | Significant controls/mitigation |
|-------------------------------|---|---|
| Operational safety | Airservices manages the identification and management of hazards within the Air Traffic Management and Aviation Rescue Fire Fighting Services groups that have potential to result in loss of life or injury due to an aircraft accident. | A comprehensive safety management system and associated safety practices exist within the organisation. This includes operational risk assessments, safety change management, safety controls assurance, safety training and certification, audit, safety incident investigations, cross-industry safety groups and forums. |
| Work Health and Safety | Airservices manages a diverse range of risks for Work Health and Safety associated with our work locations, nature of work and workforce. High-risk work includes construction, electrical works, work at heights, emergency rescues and remote works. | Work Health and Safety is managed under a strategic systematic improvement program. Process controls are governed through the Safety Management System. Specialist resources support managers to address risks. Monitoring and management review programs (for risks and health of workers) identify any deficiencies and improvement opportunities. |
| Environment | Airservices manages a diverse range of environmental risks associated with the facilitation of national aviation (e.g. noise and aircraft emissions) and with Airservices operational installations (e.g. site management). | A comprehensive environment management system (EMS) provides governance for the management of Airservices environmental obligations. This includes assessment of changes to aircraft operations, development and review of environmental site plans, management of site-specific environmental hazards, delivery of training and conduct of assurance reviews. In relation to noise management, a national Noise Complaint and Information Service is staffed, an independent Aircraft Noise Ombudsman has been in place since September 2010 and a range of community and airport noise consultation forums are participated in on a regular basis. |
| Finance | Financial exposures may arise through a potential loss of revenue via a decline in traffic volumes as a consequence of economic conditions; the ongoing requirement to support defined benefit superannuation fund liabilities; foreign exchange fluctuations; lease and contract commitments; and the need to support a substantial capital works program. | Airservices maintains a financial strategy that identifies areas of expenditure that could be deferred to support Airservices cash position should the economy experience significant shocks. In addition, ongoing monitoring and review occurs on all known financial exposures to ensure that appropriate hedging or mitigation strategies are in place. |
| Service delivery | Airservices must identify and control the potential for disruption of air traffic control, aviation navigation and fire and rescue services and their associated impact on our key stakeholders. | Through its strategic planning, Airservices ensures that it continues to provide a professional service to the aviation industry. Airservices continues to invest in aviation infrastructure through its capital works program. |
| Reputation | Management of reputation risk is concerned with the identification and treatment of risks to Airservices and the Government's reputation through consideration of the potential to adversely impact on stakeholder relations and loss of goodwill. | Airservices is committed to open and timely communication with our stakeholders and the community. This is managed through a strategic approach, which utilises multiple communication channels including a comprehensive communication and consultation protocol. |

Performance against previous plan

Airservices *Corporate Plan 2013–18* outlined three strategic themes:

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

In addition to providing an update against the key initiatives by strategic theme in the *Corporate Plan 2013–18*, this section outlines other major achievements for 2012–13.

01 Maximising safety performance

Update against key initiatives in the *Corporate Plan 2013–18*

Optimise localised airspace design to enhance operational safety and efficiency.

Airservices completed several airspace review processes aimed at improving air traffic safety and efficiency including consultation for the Adelaide Basin Airspace and the first phase of the Brisbane Basin Airspace review, with the second phase underway.

The Future Airspace Strategy Deployment plan (FAS-d) is under development replacing what was previously known as the Common Operating Plan for Terminal Airspace (COPTA). It will describe the architecture required to minimise constraints and remove operational choke points as well as describing the process to achieve this end state.

Improve safety at regional aerodromes through the delivery of new services (Surveillance Arrangements For Regional Airports - SAFRA).

Airservices has implemented the following:

- Surveillance Advisory Service (SAS) commenced for Sunshine Coast in November 2013 and for Alice Springs in December 2013 with the NAVAID monitoring section commissioned on 31 March 2014 and 30 April 2014 respectively.

- Regional Approach Service (RAPPS) introduced radar approach services in Mackay in January 2014 and additionally implemented the combined console for Rockhampton and Mackay.
- Traffic growth risk assessments have been undertaken for Albury, Alice Springs, Broome, Coffs Harbour, Hamilton Island, Karratha and Tamworth.

Improve awareness and confidence in Airservices safety performance.

Airservices continues to upgrade its external website to improve public access to safety performance information, and has also:

- developed and delivered an 'Air Traffic Control (ATC) 101' education program which promotes the activities of the organisation. The program was delivered to key airline and airport communications staff as well as targeted media outlets.
- delivered an awareness campaign to industry on the Automatic Dependent Surveillance Broadcast (ADS-B) technology mandates.

Collaborate locally and internationally to support the integrity of our operations and whole-of-industry safety outcomes.

Airservices continues to deliver safety and capacity-building programs to air navigation services providers (ANSPs) in our region through ongoing support and direct provision of services.

This year there was a renewed focus by Australia and Indonesia on safety collaboration and boundary coordination. This has included:

- both organisations signing a memorandum of cooperation on safety and a letter of agreement on the exchange of safety information in Jakarta in July 2013
- the development of a shared safety investigation framework and implementation of the Safety Management System
- positive discussions on potential expansion of our ADS-B data-sharing arrangements to increase surveillance coverage on our airspace boundary.

Additionally the Indonesia Transport Safety Assistance Package, an Australian Government funded initiative supported by Airservices is designed to improve transportation safety within Indonesia. We have supported the transition to the single ANSP, Air Nav Indonesia, which was formed on 16 January 2013. Key activities have included:

- supporting the transfer of staff and assets
- facilitating a corporate planning workshop, which supported the establishment of one and five-year plans as well the key objectives for the new organisation.

Airservices continues to support Papua New Guinea (PNG) through a memorandum of understanding for cooperation. In September 2013, we began a review of the Maintenance, Engineering and Project Management Unit of PNG Air Services Ltd (PNGASL). The review will determine PNGASL's future capability needs and support its infrastructure modernisation program.

Airservices participated in the 10th South West Pacific Safety Forum, which was hosted by PNGASL in Papua New Guinea. The objective of the forum was to maintain and improve the safety and services of civil aviation in the region and respond to the changing needs of the aviation industry. Other participating countries included Fiji, Nauru and Solomon Islands.

The forum reviewed ATS occurrences for each country to identify and develop solutions to improve ATS coordination. During the forum, new terms of reference were signed and the standing agenda was amended to include workshops on safety-related topics.

Airservices continues to provide upper airspace management throughout the region under a:

- ten-year agreement with the government of the Republic of Nauru. The agreement renews arrangements for the provision of upper airspace management services in the Nauru Flight Information Region from our Brisbane centre.
- five-year agreement with Solomon Islands that renews the arrangement for the provision of upper air space management in the Honiara (Solomon Islands) Flight Information Region from our Brisbane centre. Under the agreement, Airservices will assist the Solomon Islands Government with the development of capability to deliver lower level airspace services.

Airservices has also replaced the Aeronautical Fixed Telecommunications Network gateways access system with a Comsoft Aeronautical Data Access System (CADAS) for the neighbouring states of Nauru, Solomon Islands, Timor-Leste and Vanuatu. This upgrade provides capability for new ICAO flight plan formatting, reduces compliance problems for Airservices interfaces and fulfils commitments to the countries involved and the ICAO Regional Office.

Enhance operational analysis through development of predictive tools and reporting frameworks.

Airservices has focused on delivering baseline capability to create a unified and tested source of data during the first phase which is designed to enhance Airservices capability to undertake complex operational analysis. Progress has specifically been made on flight, sector and route metrics for reporting on ATC workload, emissions, fuel burn, airspace operational risk and airspace usage.

Improve Workplace Health and Safety (WHS) culture and outcomes.

The new WHS strategy launched in July 2013 is designed to improve our risk management approach and further engage our workforce.

A focus has been on reducing the lost time injury frequency rate, with particular emphasis on ARFF through the ARFF Injury Reduction and Recovery Program.

Enhance our safety management system (SMS) and safety culture.

In the continuous improvement of our SMS, Airservices has reviewed the system, and we are in the process of implementing agreed actions, including:

- progressing assurance tools, including Normal Operations Safety Survey observations, across more than a hundred radar tower operations
- ensuring that safety training programs are fit for purpose. Several generic and role-based safety training courses have been revised or launched and the safety training matrix has been updated.

Other major achievements

Runway safety program

Airservices has commenced a significant runway safety program and has been leading work with industry partners (including ICAO and CANSO) to improve runway safety globally. This has included Airservices chairing the Australian Runway Safety Group in order to facilitate the implementation of local runway safety teams at aerodromes and to produce a range of safety promotions and educational material to improve runway safety.

As part of the runway safety program, Airservices sponsored the Australian International Pilots Association to conduct an airline liaison representative course in Perth in August 2013. The course was developed to train pilots about aerodrome and airport operations to enable them to assist airports with their safety and operational enhancement programs. The course was well received by 23 participants from Airservices, major airports, general aviation, major and regional airlines, the Royal Australian Air Force and the Civil Aviation Safety Authority (CASA).

Normal Operations Safety Survey

Following the success of the Normal Operations Safety Survey in 2012–13, Airservices rolled out a similar program in 2013–14 for the ATC towers in Sydney, Brisbane, Perth, Adelaide and Cairns.

In association with ICAO and the University of Texas, we developed best-practice methodology to proactively capture threats to safety that arise during everyday operations as they occur. The threats are captured by a series of observations of normal ATC operations over a specific period of time by specially trained controllers.

Airservices obligations and compliance

Airservices launched a new Corporate Integrated Reporting and Risk Information System (CIRRIS) module centred on obligation and compliance management in September 2013. This module is a key component of our legal compliance framework and, with the launch, CIRRIS is a fully integrated system for managing legal and regulatory obligations and risks within Airservices.

Operational Implementation of Flight Plan Conflict Function

Flight Plan Safety Net Alert (FPSNA) 2 was implemented into Upper Airspace (UAS) East during December 2013. This software tool is used by UAS air traffic controllers to automate flight path conflict detection between aircraft, providing early notification about present or possible conflicts.

Formation of Operation Skysafe Safety Taskforce

Following Loss of Separation (LOS) and Loss of Separation Assurance (LOSA) occurrences in August and September 2013, Airservices established Operation Skysafe, a taskforce designed to examine the systemic defences already in place and where necessary, initiate action to improve defences and rectify deficiencies.

Stakeholder engagement and forums

Airservices has regularly engaged with its major airline customers and the industry throughout the year. Key areas of focus have included:

- working with the CASA and industry to finalise the fitting of ADS-B avionics to aircraft, particularly business jets, prior to the December 2013 deadline
- consulting with industry on NAVAID and surveillance service outages associated with the programs of equipment upgrades and replacement
- commencing a collaborative decision-making forum with industry for meteorological forecasts that affect daily airport traffic rates.

Airservices hosted the 30th Air Traffic Services/ Airline Safety Forum in Sydney on 1 August 2013. This forum provides an opportunity to engage with airline partners through discussions and presentations. The theme for the forum, which was attended by representatives from more than 20 airlines, was 'Analysis to Action', focusing on data modelling and capability, linking causal factors with risk analysis.

02 High-performing organisation

Update against key initiatives in the *Corporate Plan 2013-18*

To improve the alignment of key systems, processes and accountabilities through an integrated management system (IMS).

Phase 1 of the IMS for the Projects and Engineering group and Safety, Environment and Assurance groups have been approved for commissioning and Phase 2 of the project has been approved to proceed.

Training in using the IMS has been delivered, including workshops on process improvement.

Update the Services Charter.

The Services Charter was updated following a review and comprehensive consultations with key stakeholders. The updated charter was endorsed by the Pricing Consultative Committee in early 2014.

Reform the forward training program.

To progress the reform of the forward training program Airservices has:

- developed an Education and Training Strategy that will establish a framework to ensure education and training is prioritised, appropriately sourced and aligned to core operational and business requirements
- reviewed the mandatory corporate training requirements for the organisation and developed a Mandatory Enterprise Training (MET) framework to manage these requirements. Courses under the MET framework continue to be validated with consideration to initial and refresher training requirements based on a cost, benefit and risk analysis
- completed the Safety Role to Training Matrix, which assigns training outcomes to roles and maps them to a defined and prioritised training program

- developed the Airservices Leadership Strategy, framework and fit-for-purpose programs in alignment with Airservices Cultural Program 'Our People, Our Future'.

Review the end-to-end training model (ATC and ARFF).

The review of the ATC and ARFF end-to-end training model was conducted during the year and initially focused on the recruitment processes and trainee/student attributes required for selection to ATC and ARFF accredited courses. The results of this work have been analysed and used to inform improvements. The revised training models have been endorsed by the Airservices Board of Training and work is now focused on improving the performance measurement and reporting framework to identify and understand program efficiencies for ATC and ARFF accredited courses.

Improve operational training program for ARFF, ATC and Projects and Engineering (P&E).

Improvements were made throughout the year to the operational training program for ARFF, ATC and P&E:

- the scope of operational training for 2013–14 was finalised. Work was then done with ATC, ARFF and P&E to finalise the scope of training required for 2014–15
- the review of the roles and accountabilities required for ATC operational training has been completed and individual portfolios have been developed and published, based on areas of expertise
- the Learning Academy Hot Fire Training Ground simulator was commissioned in April 2013 at a cost of \$22 million. It is being used at 100 per cent of design capacity, which is 48 weeks of the year (with four weeks set aside for planned maintenance)
- transition to full en route practical simulation in the Academy Eurocat Simulator was achieved in February 2014. The first ab initio course to

undertake all practical training in the simulator has begun.

Enhance and execute the Airservices Diversity Strategy.

As part of the enhancement and implementation of the Airservices Diversity Strategy:

- a Reconciliation Action Plan (RAP) progress report was prepared and delivered to Reconciliation Australia in March 2014
- Airservices participated in the Chief Executive Women's Group, an external forum
- the draft Gender Action Plan was tabled at the Airservices Diversity Council meeting in April 2014
- the Diversity Council roles and functions within Airservices have been consolidated and streamlined.

Align employee relations strategy to the business strategy.

Work to align the Airservices employee relations strategy to the business strategy included the following:

- an employee relations strategy reference group was established following consideration by the Executive Transformation Steering Committee
- an Airservices award modernisation application was submitted to the Fair Work Commission in December 2013. The application is expected to be considered after the Australian Public Service award modernisation application during 2014
- consultations with relevant unions have continued
- following approval from the Minister, the Air Traffic Control Line Manager Enterprise Agreement was provided for consideration by staff in March 2014 and subsequently for consideration by the Fair Work Commission.

Develop and implement an ethics and fraud strategy.

Key policy documents and plans were reviewed and developed as part of the ongoing improvement of the ethics and fraud strategy:

- the Fraud Control Policy and Ethics and Fraud Control Plan were reviewed and updated along with the terms of reference for the Ethics and Fraud Committee, which meets at least quarterly to review ethics and fraud-related matters
- an anti-bullying policy and procedure were published in December 2013 to assist employees and managers ahead of changes to the Fair Work Act, which are now in effect.

Refine and improve the workforce model.

Airservices published its Workforce Plan 2013–20, whilst the overall Airservices approach to workforce planning is being reviewed for alignment with Transformation Program and Future Services Delivery requirements.

Enhance and implement management and leadership capability.

Airservices has implemented a range of measures to enhance management and leadership capability:

- the 'Our people, our future' program was launched throughout the organisation by the Executive in February 2014
- Airservices Senior Leadership Team underwent a 360-degree feedback evaluation as part of ongoing internal management and leadership capability development
- internally delivered management and leadership development programs have been enhanced with the addition of a pilot program for high-performance teams.

Collaborate with the Department of Defence to identify and progress opportunities for harmonisation under the Australian Civil-Military ATM Committee (AC-MAC).

Airservices continued to collaborate with the Department of Defence to identify and progress opportunities for harmonisation, including:

- progress on the Australian Super Hornet communications project
- an agreement for the continued provision of ATC approach services at RAAF Base Richmond
- completion of site surveys for the establishment of new ARFF facilities in Townsville
- formalisation of support arrangements at a number of locations.

Other major achievements

Airservices re-accreditation as a registered training organisation

On 7 November 2013 the Australian Skills Quality Authority formally notified Airservices that its application for re-registration as a registered training organisation was granted. The registration has been approved for five years, until 30 November 2018.

Training demand

Airservices Learning Academy is responding to the challenge of increased ATC and ARFF workforce demands by increasing the volume of trainees. There were 21 ATC and 5 ARFF recruit courses planned for 2013–14, which represents a 31 per cent and 150 per cent increase, respectively, on the previous financial year's approved forward training schedule.

The demand for ARFF trainee fire fighters has grown by 76 per cent, increasing from 68 recruits in 2012-13 to 120 in 2013-14 in response to new ARFF services supporting regional growth and maintaining safety standards.

Technical trainees

In 2013-14, 13 new trainees graduated from the Riverina Institute of TAFE in Wagga Wagga as part of the Airservices technical trainee program; six with a Diploma of Engineering in Electronics and Communications and seven with a Diploma in Electrical Engineering.

The technical trainee program is customised to Airservices core needs in communications, navigation and surveillance, and has seen 54 people graduate since it commenced in 2009. The 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.

International recognition

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, recognising Airservices approach and international standing in air traffic operations, particularly air traffic controller staffing, workforce planning and training, the Committee of the United States National Academy of Sciences invited us to present our approach for determining air traffic controller staffing levels. This will be used by the committee as part of an international benchmarking exercise.

03 Core operational and business excellence

Update against key initiatives in the *Corporate Plan 2013-18*

Implement a harmonised core ATM system in collaboration with the Department of Defence.

To deliver a system that addresses the growing demand of aviation traffic within Australia and across its international boundaries, and leverages enhanced navigation and communications capabilities, Airservices is implementing a civil-military harmonised core ATM system in partnership with the Department of Defence:

- the tender for the OneSKY project closed on 30 October 2013. The tender evaluation commenced on 1 November 2013 and is ongoing
- work has begun on developing a coordinated plan for the dependencies before the commissioning of the joint civil-military ATM system occurs through the OneSKY Australia Program.

Deliver new regional ARFF services.

Air traffic growth (in both passenger numbers and aircraft movements) and the introduction of larger, more modern aircraft fleets have resulted in the requirement to establish ARFF services at two remote areas (Newman and Port Hedland) and three regional areas (Gladstone, Coffs Harbour and Ballina):

- site works for the Newman and Port Hedland permanent facilities have begun. The facilities are expected to be commissioned by the end of the first quarter of 2014–15
- in Gladstone, construction is progressing to schedule. The modular station is almost complete and the facility is scheduled to be operational by July 2014
- the contracts for the construction of the Coffs Harbour and Ballina facilities have been established. The facilities are expected to be commissioned in the first half of 2014–15

- we provided category increases at Launceston, Mackay, Adelaide and Brisbane airports. Perth Airport is scheduled to service A380 aircraft in early 2014, which also triggers a need for specialist vehicles.

The introduction of new services and higher categories of services has also:

- increased recruitment of fire fighters and the training and development of fire officers (more than 100 people attended Airservices Learning Academy recruit courses)
- led to the delivery of more Certificate IV and diploma training courses for fire officers
- required the acquisition of further fire vehicles to be allocated to new services expected in Australia in the first quarter of 2014–15.

Develop and implement demand and capacity management capabilities.

By developing demand and capacity management capabilities, Airservices is able to more strategically build on the improvements being made through the Air Traffic Flow Management (ATFM) project, in conjunction with Metron Aviation, and through the collaborative decision making (CDM) program:

- the ATFM project team is reviewing long-range ATFM concepts development
- the Perth departures manager program was established in March 2014
- the Melbourne ground delay program was introduced in March 2014
- the development of the concept of operations for airport CDM is being reviewed by Melbourne, Sydney, Brisbane and Perth airports
- the upgrade of the Metron Harmony for ANSPs (previously known as Metron Air Traffic Flow) software application, which is used to implement ground delay programs in Sydney, Perth and Brisbane, was upgraded in March 2014. The upgrade delivered significant enhancements to user profile and password

management, as well as enabling the above Perth departure management capability

- meteorological CDM trials in Sydney and Brisbane were completed.

Improve capacity management through Airport Capacity Enhancement (ACE).

Agreed activity under the ACE program is targeted at releasing latent airport capacity:

- ACE strategic plans for Brisbane, Perth and Melbourne airports have been developed in response to work conducted by each airport's ACE management team and steering group
- the terms of reference of the cross-industry Sydney Airport Air Traffic Management Strategic Planning Group were agreed at an inaugural meeting held on 12 September 2013. Efforts are being made to expedite the delivery of a strategic plan that will drive improvements in operational efficiencies at the airport
- the development of dependent runway operations procedures (DROPs), an ACE program initiative that will allow concurrent operations on Runway 19 and Runway 14 at Brisbane, is progressing in line with expectations. The procedures are planned to be implemented in November 2014
- Airservices is working with experts in the field to deliver a capacity declaration as a critical input to Runway Demand Management Scheme planning for the northern winter in 2014.

Implement a new aircraft noise management strategy.

The Airservices Aircraft Noise Management Strategy was approved by the board and provided to the Department of Infrastructure and Regional Development. It will be implemented through the application of the Airservices Commitment to Aircraft Noise Management and the Aircraft Noise Management Roadmap.

Our Commitment to Aircraft Noise Management was publicly launched at Airservices Waypoint industry conference in November 2013.

Improve environmental measurement, modelling and reporting.

Improved environmental measurement, modelling and reporting will enable Airservices to identify target areas to improve ATM efficiency and improve predictive modelling of changes to determine noise and emissions impacts.

- the Aviation Emissions Working Group was established as a cross functional group in January 2014. The group assessed the accuracy and reliability of existing emissions models and found that the internally developed Dali trajectory model provides the best capability for CO₂ emissions analysis
- Aircraft Emissions Design Tool (AEDT2) licences were purchased, which will support future noise and emissions modelling.

Improve the environmental management system and reduce energy, water and waste footprint.

Energetics was commissioned to undertake a pilot program for Airservices facilities at Canberra and Gold Coast airports and to report on the verification of forecast cost savings by the end of the 2013–14 financial year.

The pilot program includes the installation of energy-efficient lighting, low-flow water devices and solar photovoltaic systems and improvements

to existing heating, venting and air-conditioning systems. The results of this work will inform future planning for wider application across the property portfolio. Detailed requests for quotations for the equipment and work required at the two pilot sites are being developed.

Optimise acquisition of goods and services through Supplier Category Management (SCM).

Airservices has introduced SCM and the ongoing implementation is beginning to deliver efficiencies in a number of priority categories of expenditure, including:

- reducing building repairs, maintenance and other occupancy costs
- a better commercial strategy for ICT
- property operations and facility management commercial strategies.

Enhance supplier performance through implementation of a Supplier Relationship Management (SRM) Framework.

To enhance supplier performance and enable better outcomes from critical suppliers through the alignment of strategies and reporting, Airservices is working to implement and embed a SRM framework.

- formal relationship management arrangements are in place for Thales, SAAB Traffic Management, INDRA, Aeropearl and NSW TAFE Riverina Institute
- a further four arrangements are currently being negotiated.

Implement the information communication technology (ICT) business reform program.

For Airservices to meet the challenges of the future, particularly from growth in aviation, it is important to have an integrated approach to technology. We have brought together the Information Communication Technology (ICT) and Projects and Engineering business groups to

deliver the ICT business reform program as part of the Integrated Technology and Materiel Strategy and Roadmap.

- contracts for the desktop standard operating environment upgrade have been signed with the successful tenderer, Datacom, and the project is progressing through Phase 1 (analysis and design)
- the ICT Strategy is being revised to incorporate the airways ICT components
- Canberra Data Centre network connectivity has been fully established, and the first system successfully relocated.

Improved alignment in airport planning outcomes.

Guidelines to improve the development assessment process and to better protect Airservices facilities from the impact of building developments are under consideration by the National Airports Safeguarding Advisory Group. The guidelines will provide greater protection for aircraft operators, Airservices assets and ATM procedures.

Airservices continues to work with all airports (federally leased and regional) to develop a proactive process for providing advice and information during the development phase of a master plan to ensure that no last-minute issues result in costly delays.

Align future technology acquisition and deployment with 'Service Plans'.

Following a review of the Strategic Services Plan and Roadmap, in conjunction with the drafting of a planning framework, the development of a sustainable workforce plan, and the long-term visions for ATC and ARFF facilities and vehicles, Airservices has finalised its Integrated Technology and Materiel Strategy and Roadmap. The revised plan:

- sets out the parameters supporting current and longer term services and technology

requirements for air traffic management (ATM) and business operations

- incorporates all aspects of information, communications and technology and recognises the introduction of the OneSKY technical solution.

Enhance the efficiency and effectiveness of Property Management.

To improve the efficiency and effectiveness of property management and the transition and maintainability of infrastructure projects within Airservices, a new internal property services structure was established:

- a forward program has been developed for the management and remediation of sites containing hazardous materials, and work on the removal of asbestos has progressed at a number of sites
- pilot programs for Coolangatta and Canberra airports have been established to pursue sustainability initiatives
- improvement programs for establishing programmed maintenance and condition assessments of building assets are underway
- location master planning for assets at Brisbane, Melbourne and Cairns has begun. Sydney and Adelaide are the next sites to be assessed
- contract documentation and an acquisition strategy for trade waste and general waste management are nearing finalisation and will be released to industry.

Other major achievements

Alternate flight path over Roleystone

Following a recommendation by the Aircraft Noise Ombudsman in a November 2012 report on aircraft noise at Perth, Airservices is trialling a modified flight path in Perth to reduce the impact of aircraft noise on more than 4000 Roleystone residents. This 12 month trial began on 22 August 2013.

Before the trial, Airservices consulted widely with the local community through a series of public information sessions as well as through the Perth Airport Community Aviation Consultation Group and the Perth Airport Aircraft Noise Management Consultative Committee. Airservices will assess the noise impacts of the moved flight path before any permanent change.

New towers

New ATC towers were commissioned in Adelaide in May 2013 and Melbourne on 23 November 2013. Both towers operate Integrated Tower Automation Suite (INTAS) technology, a fully digital system that integrates flight and operational data, surveillance and voice communications into a single sophisticated tower-specific design.

Other major infrastructure projects

Other major infrastructure projects include:

- Completion of the Perth Control Tower Life Extension project, which is the fifth tower to be completed under the program
- Establishment of a video link between Alice Springs Tower and the Adelaide Terminal Control Unit as part of the Remote Tower Technology Evaluation project supporting the provision of flexible and efficient tower services
- Commissioning of the Cecil Park Radar which provides improved surveillance coverage of the Sydney basin
- A new Brisbane enroute radar and the Round Mountain radar were commissioned as part of the Enroute Radar Replacement Project
- Two new ADS-B ground stations at Point Lookout, NSW and Mt Hardgrave QLD to 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

-
- Commissioning the category II instrument landing system on Melbourne runway 16
 - Commissioning of the Brisbane Advanced Surface Movement Guidance and Control System.

Demand and Capacity Forums - Brisbane Airport Corporation

Airservices and Brisbane Airport jointly hosted the second Demand and Capacity Forum in February 2014. The objective of the forum was to follow up on initiatives that have been designed to improve efficiencies without compromising safety.

Ongoing rollout of Required Navigation Performance (RNP)

Sunshine Coast runway 18 and Ballina Required Navigation Performance Authorisation Required (RNP AR) procedures became operational on 12 December 2013. Hamilton Island tailored procedures for Jetstar became operational on 6 February 2014. These procedures are available to any CASA approved operator.

Flex Tracks

Airservices and Emirates Airline celebrated the 10th anniversary of Emirates' first use of Flex Tracks in Australian airspace on 1 December 2013. Over the past 12 months, Emirates has saved over 3800 tonnes of fuel and reduced CO₂ emissions by more than 12 000 tonnes through the use of Flex Tracks on daily flights to Adelaide, Brisbane, Melbourne, Perth and Sydney.

Airservices now produces 17 Flex Tracks daily between Australia and airports in Asia and the Middle East. In November 2013, an average of 31 flights per day used Flex Tracks.

Establishment of the Arabian Sea Indian Ocean User Preferred Route

As a result of the collaboration of a number of ANSPs, airlines and IATA, the Arabian Sea Indian Ocean User Preferred Route was established on 17 October 2013. This user preferred route zone which is in airspace covering a majority of the Indian Ocean and incorporating 10 flight

information regions, will make a significant contribution to the global effort to minimise the environmental impact of aviation by reducing CO₂ emissions by an estimated 19 000 tonnes per year.

On 4 March the Arabian Sea/Indian Ocean ATS Coordination Group/Indian Ocean Strategic Partnership to Reduce Emissions (ASIOACG/INSPIRE) won the IHS Jane's ATC Award in the category of service provision.

New aircraft noise website

Airservices, in conjunction with the Australian Airports Association, launched a new aircraft noise website (aircraftnoise.com.au). Airservices also launched our formal commitment to managing aircraft noise at Waypoint in November 2013.

The website provides easy-to-understand information about aircraft noise and its impacts, as well as aircraft noise policies and procedures that are in place at airports to minimise the impact of aircraft noise.

Appendix A:

Minister's 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.

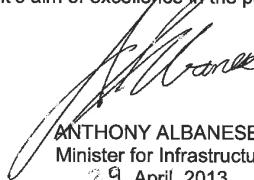
I expect that the Board of Airservices will:

- 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 B:

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

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

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

| Statement of Expectations | Statement of Intent | 2014–15 initiatives |
|---|--|---|
| 1. Stakeholder Engagement Undertake effective consultation with the community, industry and Government on the development and implementation of significant changes by Airservices to air traffic and aviation rescue and fire fighting services. | Airservices will consult with key stakeholders in Government and industry and participate in relevant community, industry and Government forums to support the integrity of operations and whole-of-industry safety outcomes. | 1.3 Improve awareness and confidence in Airservices safety performance. 3.5 Implement aircraft noise management to support ATM service delivery. |
| 2. Government Aviation Policy Perform its functions in a manner that supports Government policy, specifically the following three aviation goals: <ul style="list-style-type: none"> ▪ safety remains the highest priority ▪ a responsible approach to managing the environmental impacts of aviation ▪ a coordinated approach to airport planning and investment. | Airservices will ensure that safety system enhancements and infrastructure replacement programs optimise safety benefits. Airservices will meet or exceed safety and performance benchmarks established in the Corporate Plan. In addition, Airservices will develop initiatives to improve the environmental performance of operations. Airservices will focus on connecting the component parts of the Australian aviation industry to enable the best business outcomes for individual participants. Airservices will create and deliver new value to the industry through innovation and the delivery of new services, products and technology particularly with respect to ground surveillance at airports and air traffic flow management. | 1.1 Continual optimisation of localised airspace design to enhance operational safety, efficiency and environmental outcomes. 1.2 Continual improvement to safety at regional aerodromes through the delivery of new services (Surveillance Arrangements For Regional Airports - SAFRA). 1.4 Collaborate locally and internationally to support the integrity of our operations and whole-of-industry safety outcomes. 1.5 Enhance our safety management system (SMS) and safety culture. 2.2 Improve the alignment of key systems, processes and accountabilities through a integrated management system (IMS). 3.2 Deliver new regional ARFF services. 3.6 Improve environmental measurement, modelling and reporting. 3.8 Improve the environmental management system and reduce energy, water and waste footprint. 3.9 Improve alignment in airport master planning outcomes. |

| Statement of Expectations | Statement of Intent | 2014–15 initiatives |
|--|--|--|
| 3. Implementing relevant Government Air Traffic Initiatives Continue to implement Government air traffic management and other airspace policy initiatives (in conjunction with the Department, the Australian Transport safety Bureau (ATSB), the Civil Aviation Safety Authority (CASA) and the Department of Defence). | Airservices will continue to work cooperatively with the Department and Government agencies through the Aviation Policy Group and other forums to implement relevant air traffic management and other airspace policy initiatives. | 1.2 Continual improvement to safety at regional aerodromes through the delivery of new services (Surveillance Arrangements For Regional Airports - SAFRA). 1.4 Collaborate locally and internationally to support the integrity of our operations and whole-of-industry safety outcomes. 3.1 Implement a harmonised core ATM system in collaboration with the Department of Defence. 3.5 Implement aircraft noise management to support ATM service delivery. 3.9 Improve alignment in airport master planning outcomes. |
| 4. Provision of Information, Assistance or Advice Engage constructively in processes where it can provide information, assistance or advice for policy formulation, implementation and regulation undertaken by Government agencies, both within and outside my portfolio | In line with the Government's policy, Airservices will coordinate and foster aviation industry relationships. Airservices will continue to participate in cross-agency forums and provide technical advice to assist with policy formulation in areas such as safety, airspace policy, airport planning and aviation environmental impacts. | 1.3 Improve awareness and confidence in Airservices safety performance. 1.4 Collaborate locally and internationally to support the integrity of our operations and whole-of-industry safety outcomes. 3.9 Improve alignment in airport master planning outcomes. |

| Statement of Expectations | Statement of Intent | 2014–15 initiatives |
|--|---|--|
| <p>5. Environmental Responsibilities</p> <p>Assist in implementing the Government's environmental initiatives in relation to climate change and aircraft noise management, including:</p> <ul style="list-style-type: none"> supporting the ongoing role of the independent Aircraft Noise Ombudsman (ANO) and implementation of agreed recommendations made by the ANO the appropriate resourcing of the Noise Complaints Unit to continue to improve the flow and quality of information to noise affected communities continuing the annual update of a detailed environment work plan which outlines Airservices initiatives in managing, monitoring and reporting on the environmental effects of aircraft the ongoing commitment to the Sydney Airport Long Term Operating Plan the wider use of Required Navigation Performance (RNP) approaches, as appropriate, at Australian airports to enhance safety and efficiency, reduce emissions, and minimise noise impacts, following consultation with community and industry stakeholders. | <p>Airservices will continue to develop air traffic management and aviation rescue fire fighting initiatives to improve the environmental performance of operations.</p> <p>Airservices will implement an Environment Strategy with an action plan with particular emphasis on the management of aircraft noise and its impact on affected communities. Specifically, Airservices will:</p> <ul style="list-style-type: none"> consult with the community on aircraft noise issues enhance management of the Noise Complaints Information Service to enable improved complaints handling maintain an independent Aircraft Noise Ombudsman's Office implement the recommendations of the Aircraft Noise Ombudsman. <p>Airservices will focus on implementing a range of new systems and tools across the core air traffic management suite that support optimal operations, including performance based navigation, to improve capacity, enhance safety, improve cost effectiveness, realise environmental benefits and meet customer needs.</p> | <p>3.3 Develop and implement demand and capacity management capabilities.</p> <p>3.4 Improve capacity management through Airport Capacity Enhancement (ACE).</p> <p>3.5 Implement aircraft noise management to support ATM service delivery.</p> <p>3.6 Improve environmental measurement, modelling and reporting.</p> <p>3.8 Improve the environmental management system and reduce energy, water and waste footprint.</p> |
| <p>6. Airport Planning</p> <p>Contribute to a coordinated approach to airport planning including appropriate participation in, and providing information to, planning coordination forums, community aviation consultation groups, and the National Aviation Safeguarding Advisory Group.</p> | <p>Airservices will continue participation in the National Aviation Safeguarding Advisory Group and other relevant forums and maintain a high level of stakeholder and community satisfaction.</p> | <p>3.5 Implement aircraft noise management to support ATM service delivery.</p> <p>3.9 Improve alignment in airport master planning outcomes.</p> |

| Statement of Expectations | Statement of Intent | 2014–15 initiatives |
|---|---|---|
| 7. Air Traffic Management Policy Support the Government's Air Traffic Management (ATM) Policy through the development and implementation of an ATM Services and Facilities Plan. | Airservices will develop and implement an ATM Services and National Facilities Plan that delivers long-term tangible improvements in safety, capacity management, flexibility and resource efficiency. Airservices will review service requirements in key traffic growth areas such as Western Australia. | 3.3 Develop and implement demand and capacity management capabilities. 3.4 Improve capacity management through Airport Capacity Enhancement (ACE). 3.12 Investigate scalable core service delivery options. 3.15 Develop sustainable facilities and site master plans for key locations. 3.17 Deliver the Technology and Materiel Strategy and roadmap. |
| 8. Provision of Aviation Rescue and Fire Fighting Services (ARFFS) Provide a clearly defined Aviation Rescue and Fire Fighting Services (ARFFS) for civil operations at civil and joint-user airports that meet the establishment criteria in the Civil Aviation Safety Regulations 1998, and continue to develop and implement Memorandum of Agreements with State and Territory fire authorities. | Airservices Aviation Rescue 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 Continual improvement to safety at regional aerodromes through the delivery of new services (Surveillance Arrangements For Regional Airports - SAFRA). 3.2 Deliver new regional ARFF services. 3.12 Investigate scalable core service delivery options. |
| 9. Joint Civil and Military Aviation Harmonisation Progress the implementation of agreed joint civil and military aviation harmonisation initiatives with the Department of Defence including Airservices acting as the lead agency on the future joint air traffic control system project. | Airservices act as lead agency with the Australian Department of Defence to harmonise civil and military air traffic management operations to improve operational efficiency and cost effectively manage increasingly complex civil-military airspace integration requirements. | 2.8 Continue to collaborate with the Department of Defence to progress harmonisation opportunities under the Australian Civil–Military ATM Committee (AC-MAC). 3.1 Implement a harmonised core ATM system in collaboration with the Department of Defence. 3.17 Deliver the Technology and Materiel Strategy and roadmap. |
| 10. Future Investment in Technology and Infrastructure Continue investment in future infrastructure upgrades and replacement programs as demonstrated in a detailed capital expenditure program, including enhanced air traffic and surveillance services at regional airports. | Airservices will work collaboratively across the industry to anticipate, understand and plan for future needs. Airservices will develop a long-term plan for the replacement of the core air traffic management system to deliver operational flexibility and robust business continuity while meeting capacity growth and increasing flexibility. | 1.6 Enhance hazardous material management. 3.9 Improve alignment in airport master planning outcomes. 3.10 Improve the delivery of the CAPEX project delivery. 3.11 Develop an aligned strategic planning framework. 3.15 Develop sustainable facilities and site master plans for key locations. 3.17 Deliver the Technology and Materiel Strategy and roadmap. |

| Statement of Expectations | Statement of Intent | 2014–15 initiatives |
|---|--|---|
| 11. Sustainable Workforce Planning Commit to a strong focus on human resource issues, including publication of an annual update of the Airservices Australia Workforce Plan, and the development and implementation of proactive recruitment, training and retention policies. | <p>Airservices will attract and retain talent, deliver a flexible, empowered and engaged workforce that is supported by strong leadership.</p> <p>Airservices will develop leaders who are focussed on guiding and motivating the organisation's workforce to deliver future outcomes and will create opportunities for individuals to develop and excel and to ensure the workforce as a whole is ready to take on challenges of the future.</p> <p>Airservices will provide an annual Workforce Plan update, with specific emphasis on increasing workforce diversity, and developing a values based culture that does not tolerate bullying and harassment.</p> | <p>1.5 Enhance our safety management system (SMS) and safety culture.</p> <p>2.1 'Our People, Our Future' program to align culture and business imperatives.</p> <p>2.4 Implement the Airservices Training and Education Strategy.</p> <p>2.5 Implement the Airservices Diversity Strategy.</p> <p>2.6 Refine and improve the workforce model.</p> <p>2.7 Enhance management and leadership capability.</p> |
| 12. Asia-Pacific Regional Aviation Safety Continue to support the Government's aviation safety initiatives in the Asia-Pacific region. | <p>Airservices will collaborate internationally with neighbouring partners and support the Australian Government's aviation safety initiatives in the Asia Pacific region to improve the safety outcomes for the industry across the region.</p> <p>In particular, Airservices will assist air navigation service providers in Indonesia and Papua New Guinea to build air traffic service capability to facilitate increased safety, harmonisation and integration of air traffic management with Australia's adjoining airspace.</p> | <p>1.3 Improve awareness and confidence in Airservices safety performance.</p> <p>1.4 Collaborate locally and internationally to support the integrity of our operations and whole-of-industry safety outcomes.</p> <p>2.8 Continue to collaborate with the Department of Defence to progress harmonisation opportunities under the Australian Civil–Military ATM Committee (AC-MAC).</p> |
| 13. Public Sector Professionalism and Accountability Adhere to values and a code of conduct that maintains high standards of professionalism, customer service, probity, reporting, accountability and transparency, consistent with the Government's aim of excellence in the public sector. | <p>Airservices will continue to maintain a high level of compliance with relevant legislative requirements, policy and guidelines and will provide regular reporting to industry with performance KPIs embedded in the Service Charter. This will be supported by a comprehensive internal audit program.</p> <p>Airservices will maintain integrated management systems that support and promote excellence.</p> | <p>2.2 Improve the alignment of key systems, processes and accountabilities through a integrated management system (IMS).</p> <p>2.3 Develop and implement an organisation productivity framework.</p> <p>3.7 Optimise procurement outcomes through supplier category management (SCM) and supplier relationship management (SRM).</p> <p>3.8 Improve the environmental management system and reduce energy, water and waste footprint.</p> <p>3.11 Develop an aligned strategic planning framework.</p> <p>3.13 Implement an aligned global sustainability reporting framework.</p> <p>3.14 Implement an information management framework and data model.</p> <p>3.16 Embed an integrated Airservices assurance framework.</p> |

Appendix C:

Current ministerial directions

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

List of acronyms

| | |
|---------|--|
| ACCC | Australian Competition and Consumer Commission |
| ACE | Airport Capacity Enhancement |
| AC-MAC | Australian Civil-Military ATM Committee |
| A-CDM | airport collaborative decision making |
| ADS-B | Automatic Dependent Surveillance Broadcast |
| AEDT2 | Aircraft Emissions Design Tool |
| ANO | Aircraft Noise Ombudsman |
| ANSP | air navigation service provider |
| ARFF | Aviation Rescue Fire Fighting |
| ARFFS | Aerodrome Rescue and Fire Fighting Services |
| ATC | Air Traffic Control |
| ATFM | air traffic flow management |
| ATM | air traffic management |
| ATS | air traffic service |
| ATSB | Australian Transport Safety Bureau |
| BITRE | Bureau of Infrastructure, Transport & Regional Economics |
| CADAS | Comsoft Aeronautical Data Access System |
| CANSO | Civil Air Navigation Service Organisation |
| CASA | Civil Aviation Safety Authority |
| CIRRIIS | Corporate Integrated Reporting and Risk Information System |
| COPTA | Common Operating Plan for Terminal Airspace |
| DROPs | dependent runway operations procedures |
| EBIT | earnings before interest and tax |
| EMS | environment management system |
| FAS-d | Future Airspace Strategy Deployment plan |
| FPCF | flight plan conflict function |
| FPSNA | Flight Plan Safety Net Alert |
| FSD | Future Service Delivery |
| GDP | gross domestic product |
| HF | high frequency |
| IATA | International Air Transport Association |

| | |
|--------|--|
| ICAO | International Civil Aviation Organization |
| ICT | information communication technology |
| ILS | instrument landing system |
| IMS | integrated management system |
| INTAS | integrated tower automation suite technology |
| LoS | loss of separation |
| LOSA | loss of separation assurance |
| LTPA | Long Term Pricing Agreement |
| MET | Mandatory Enterprise Training framework |
| NATS | national air traffic systems |
| NAVAID | Navigation Aid |
| NCIS | Noise complaints and information service |
| NOSS | Normal Operations Safety Survey |
| P&E | Projects and Engineering |
| PNG | Papua New Guinea |
| PNGASL | PNG Air Services Ltd |
| RAP | Reconciliation Action Plan |
| RAPPS | regional approach service |
| RNP | required navigation performance |
| RNPAR | required navigation performance authorisation required |
| RTO | Registered Training Organisation |
| SAFRA | Surveillance Arrangements for Regional Airports |
| SAS | Surveillance Advisory Service |
| SCM | supplier category management |
| SMS | safety management system |
| SOE | Statement of Expectations |
| SRM | supplier relationship management |
| UAS | upper airspace |
| WHS | work health and safety |



