



Corporate Plan 2011–16



About this plan

This plan describes Airservices Australia's strategic agenda and future direction for the period 2011–16. 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



Chairman

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

Dear Minister

Corporate Plan 2011-2016

The Board of Airservices Australia is pleased to submit to you the *Airservices Australia Corporate Plan* for the period 1 July 2011 to 30 June 2016.

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 dark ink, appearing to read "David Forsyth".

David Forsyth
Chairman
22 August 2011

connecting australian aviation



From the Chairman

I am pleased to present the 2011–16 Corporate Plan which outlines Airservices continued commitment to delivering safe, customer focused, efficient and environmentally sustainable air navigation, aviation rescue and fire fighting services.

Over the last 12 months, Airservices has continued to invest heavily in aviation infrastructure and we improved our capability to deliver the major capital works program. New air traffic control services were commissioned in Broome and Karratha in response to strong growth in mining traffic in north-western Australia. Major upgrades were made to telecommunications and VHF radio networks. New Terminal Area Radars, Automatic Dependent Surveillance–Broadcast, Wide Area Multilateration and Instrument Landings Systems were installed. A new fire station was commissioned in Perth, fire service category increases occurred at number of locations and the fire vehicle replacement program continued.

One of the challenges of the forecast growth in aviation activity, of nearly 60 per cent over the next 20 years, is the impact on the environment

of aircraft emissions and noise. Consequently, Airservices is pursuing a range of opportunities to utilise new technologies and create more efficient flight paths, optimise sector flight times, and assist airlines to reduce fuel burn (and their consequent emissions). With respect to aircraft noise, Airservices has implemented the Government's National Aviation Policy White Paper initiative of appointing an independent Aircraft Noise Ombudsman to improve interaction with the community and, where possible, to pursue opportunities to limit noise impacts on communities.

Airservices continues to implement a number of other Government initiatives contained in the White Paper. One of those initiatives is the once in a generation opportunity to harmonise the civil and military air traffic control activities and systems. This has been progressing well.

Airservices continues to strengthen its relationships with industry. Airservices is in a unique position compared to other parts of the world as it is responsible for all of the component parts of air traffic control and aviation rescue and fire fighting services throughout Australia. As



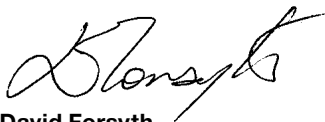
such, the organisation is ideally placed to help the Australian aviation industry, by playing a pivotal coordination role, in bringing the various industry players together to deal more cohesively with the challenges of growth, including efficiency, the environment and safety. Thus our 2020 Vision is 'Connecting the Australian aviation industry to deliver world best industry performance'.

An important development with our airline customers is the newly released Services Charter. This enables our customers, and the public, to monitor our performance against key industry priorities and projects. Regular public reporting of our performance is an important discipline for Airservices, and is aimed at demonstrating to our airline customers the benefits we say we will deliver and providing the public with confidence that we are focused on issues important to them.

None of this can be achieved without good people. Our goal is to create a high performing organisation and to build a 'new workforce' that can meet industry needs into the future. Airservices continues to develop the capability

of our people through improved training and better workforce planning. It is essential that Airservices progresses initiatives to attract the next generation of employees, to ensure good people are retained and to improve the diversity of the workforce and the culture of the organisation.

Underpinning all of these initiatives is our continued vigilance and focus on safety as our number one priority.



David Forsyth
Chairman

Airservices role

Each year Airservices provides services for over three million aircraft movements carrying 75 million passengers across Australian and oceanic airspace covering 11 per cent of the earth's surface.

Airservices manages the safe and efficient passage of aircraft from two major centres in Melbourne and Brisbane and locally at 28 towers and terminal control units at international and regional airports across Australia. These services are supported by a national network of communications, surveillance and navigation facilities and infrastructure.

Airservices aviation rescue and fire fighting (ARFF) services are provided at 21 of Australia's busiest airports.

Mission

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

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

Airservices primary role is to provide air navigation and aviation rescue and fire fighting services, subject to regulation by the Civil Aviation Safety Authority (CASA), and independent investigation by the Australian Transport Safety Bureau.

In exercising its powers and performing its functions, Airservices regards the safety of air navigation as the most important consideration.

Airservices air navigation services are delivered according to Civil Aviation Safety Regulations 171 and 172, and the organisation adopts a performance based air traffic management (ATM) framework that is aligned with International Civil Aviation Organization standards and aimed at enhancing performance in safety,

the environment, capacity, flight efficiency and cost effectiveness.

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

Vision

Connecting the Australian aviation industry to deliver world best industry performance

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

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

By 2020, Airservices aims to efficiently connect the component parts of the Australian aviation industry to allow all airspace users to enjoy the benefits of safe, efficient and cost effective passenger and freight movement.

Values

Excellence, Inclusion, Cohesion, Initiative

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

Vision

Connecting the Australian aviation industry to deliver world best industry performance

Mission

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

Values

Excellence

We are the best we can be

Inclusion

We are diverse and involved

Cohesion

We are working together

Initiative

We are making a difference





Outlook

Growth

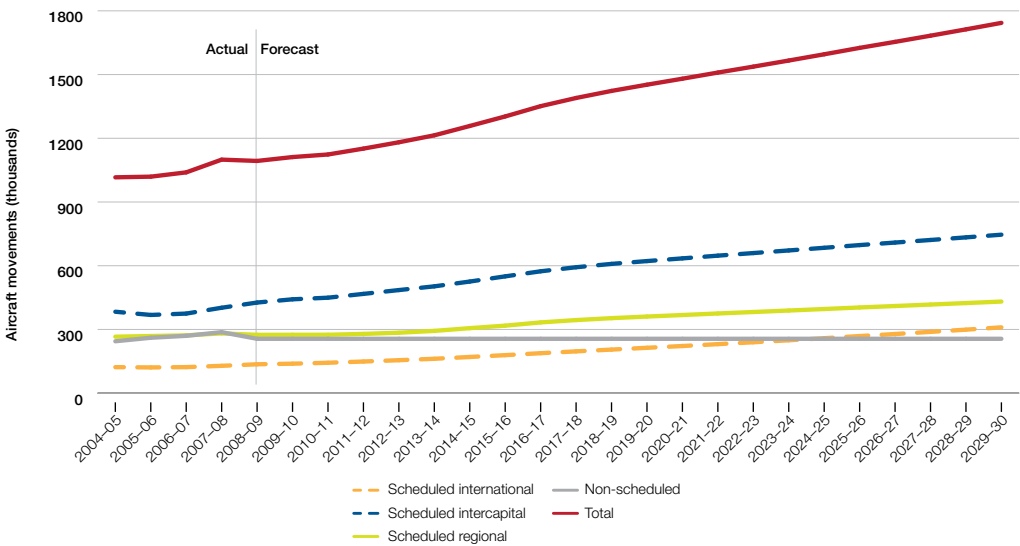
The rate of technology development and innovation in aviation is evolving faster today than ever before. Global forecasts of traffic growth predict a 4 to 6 per cent compound growth in traffic numbers over the next five years. This global growth is being fuelled by the emergence of substantial aviation markets led by India and China. In Australia, aviation activity is predicted to increase by more than 60 per cent over the next 20 years as new markets open up as a consequence of domestic economic growth and low cost carrier route expansion. A large part of the growth is being led by the mining industry in Western Australia and, increasingly, in other states, which will see Airservices provide new services and a further investment in new infrastructure.

As represented in figure 1, activity growth is forecast to have an unprecedented impact on the number of aircraft movements through Australia's capital city airports. This forecast growth in demand presents the industry with some significant challenges with respect to capacity management to avoid greater congestion at airports and growing airspace complexity, in conjunction with pressures for higher environmental standards (aircraft noise and emissions).

National Aviation Policy

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

Figure 1: Aircraft movements through all capital city airports



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

are contained in both the previous plan and in this plan and significant progress has been made over the last 12 months in collaboration with a number of government agencies and industry to deliver these objectives.

An important White Paper initiative was the establishment of an Aircraft Noise Ombudsman who commenced on 1 September 2010. The ombudsman has published two quarterly reports and the outcomes of a review assessing the performance of Airservices in the handling and management of noise complaints. The recommendations outlined in the report have been accepted by Airservices and form an important component of the environmental performance measures outlined in this plan.

Another important White Paper initiative is a move towards greater harmonisation of civil and military air traffic management, with the objective of developing a joint operational concept. In 2010, Airservices and the Department of Defence made significant progress in this area, agreeing on a joint operational concept. This initiative is a key deliverable in this plan and reinforced in our Statement of Intent to the Minister for Infrastructure and Transport.

Other White Paper initiatives that are well advanced include the development of aviation skills training in regional Australia, and assistance to neighbouring air navigation services providers to improve air traffic management systems and capability in the region.

Airservices commitment to the Government's aviation safety agenda in the Asia-Pacific region is reinforced by key initiatives in this plan and again features in Airservices Statement of Intent. Significant progress has been made in this area, including the signing of an agreement with the Indonesian air navigation services provider to share ADS-B data in September 2010 and, more recently, the commissioning of a new communications data link between Port Moresby

and Brisbane air traffic control centres.

Finally, Airservices has committed to investing more than \$900 million to renew, replace and build national aviation infrastructure over the next five years.

Operations

Over the past 60 years the technology and procedures used for managing air traffic have evolved gradually to deal with increased traffic load and complexity. This incremental approach in the development of air navigation technology and operating procedures is not likely to be sufficient to keep up with the projected annual growth in demand.

Additionally, as competition in the global aviation market intensifies, Airservices customers are experiencing greater pressure for more timely services, greater scrutiny over operating costs and increased demand for emissions reductions.

Airservices is preparing to meet these future demands by reforming its operations to improve the management of Australia's airspace. These changes will incorporate improved synchronisation of traffic flows to improve safety and efficiency, implementation of enhanced conflict management, and the seamless management of services across all phases of flight and with adjoining air navigation service providers.

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

In projecting a replacement of the air traffic system a major generational opportunity exists to harmonise the next generation of Airservices air traffic management system with the Department

of Defence. This has Airservices working collaboratively with the Department of Defence towards the delivery of Australia's next generation ATM system.

Labour market

Over the next five years Airservices staff numbers are expected to increase modestly in response to demographic trends, industry growth and the ongoing delivery of new capital infrastructure. Based on the current age profile, and using historical patterns of labour turnover and retirements, it is predicted that Airservices will lose up to an average of 7 per cent of its workforce per annum over the next five years.

Analysis of forecast changes to the available workforce over the next 20 years indicates Airservices will need to be more innovative and flexible to attract and retain its staff in, what is expected to be, a shrinking labour market in Australia.



Strategy

Airservices corporate strategy map (figure 2) outlines the means by which the organisation intends to progress towards its 2020 vision over the next five years.

This strategy map is a significant enhancement in Airservices planning by providing a clear line of sight through the vision, outcomes and deliverables to performance measurement.

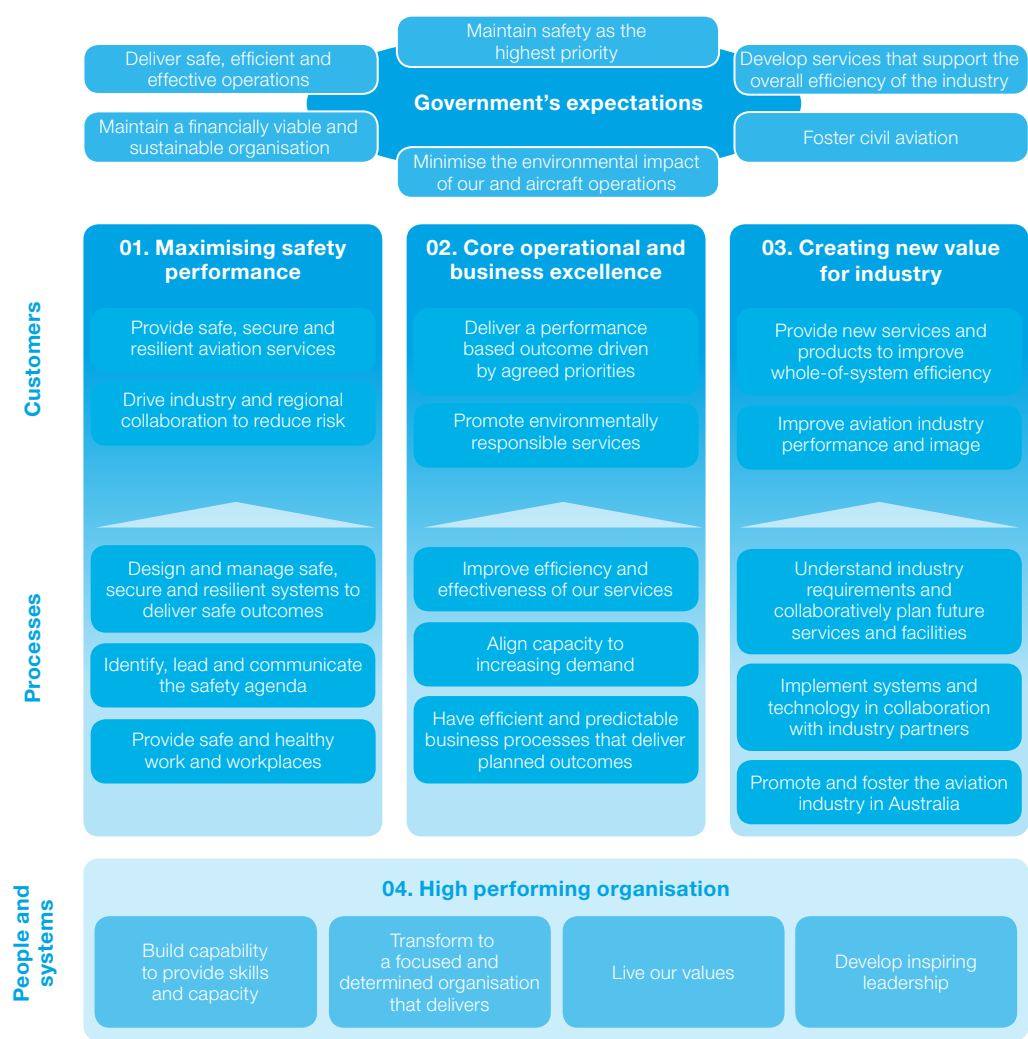
The key objectives are derived from the Statement of Expectations of the Minister for Infrastructure and Transport and the expectations of Airservices customers and key stakeholders.

The objectives are arranged under four strategic themes:

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

Performance against objectives within the four strategic themes will be measured by a number of key performance measures and key initiatives and a more detailed explanation of the content of each theme is detailed in the following four sections.

Figure 2: Airservices corporate strategy map





Government's expectations

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

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

Ultimately, in performing its functions, Airservices

regards the safety of air navigation as the most important consideration.

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

National Aviation Policy White Paper initiatives will also be delivered through the strategic initiatives set out in this plan. These include: continuing civil-military harmonisation; a \$961 million infrastructure investment program; new technologies and procedures to improve operational efficiency; minimising the impact of aircraft noise; and clarifying ARFF roles and responsibilities.

Objectives

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

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

01 Maximising safety performance

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

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

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

Airservices aims to deliver safety benefits that will maintain or improve current levels of safety. These benefits are achieved through actions that optimise the performance of its current systems or introduce new system attributes (technology, process and human related).

Airservices long-term safety strategy:

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

Objectives

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

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



Key initiatives

- 1.1 Implement and communicate a Long Term Safety Strategy that is cognisant of changing environmental factors in order to proactively lead a robust safety agenda.
- 1.2 Continue to improve operational regulatory compliance through effective and efficient monitoring, analysis and reporting to ensure our systems are delivering safe outcomes.
- 1.3 Integrate business continuity and national crisis response procedures to ensure our services are resilient and secure in the face of planned and unplanned risks and threats.
- 1.4 Continue to enhance our safety culture through effective safety training, programs and communications.
- 1.5 Systematically identify and resolve health and safety risks in the workplace, including fatigue risk management, to maintain the wellbeing of our people.
- 1.6 Effectively engage with community, industry and Government stakeholders through collaborative forums and programs to support the integrity of our operations and whole-of-industry safety outcomes.
- 1.7 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.

Key indicators

Target (2011–12)

ATS attributed en route BoS rate

Air Traffic Service attributed number of en route breakdowns of separation (BoS) per 100,000 flight hours. < 1.13

ATS attributed terminal area BoS rate

Air Traffic Service attributed number of terminal area breakdowns of separation (BoS) per 100,000 movements. < 1.1

ATS attributed tower BoS rate

Air Traffic Service attributed number of tower breakdowns of separation (BoS) per 100,000 movements. < 1.0

ATS attributed runway incursions

Number of ICAO Class A or B Airservices Air Traffic Service attributable runway incursions. 0

Serious personal injury rate

Number of medically treated injuries per 1,000,000 hours worked. 0

OHS incident rate

Occurrences per 100 staff per month. 0.2

02 Core operational and business excellence

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

The delivery of safe, efficient and effective air traffic and aviation rescue and fire fighting operations is core to Airservices operations. Airservices operational strategy has a focus on system and software architecture design, increased automation and the implementation of a range of new systems and tools across the organisation's air traffic management system.

The strategy includes a structured investment framework to replace and renew communications, navigation and surveillance facilities and infrastructure that support optimal operations. This will be achieved through the transition to satellite based technology and Collaborative Decision Making (CDM) tools to improve network efficiency and optimise congested and complex airspace.

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

Airservices environment strategy commits to a set of environmental actions that balance positive environmental outcomes with legislated and other obligations, community expectations, commitment to government policy and efficiency improvement sought by industry. The two key environmental imperatives for Airservices are the management of aircraft emissions and aircraft noise.

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

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

Objectives

Airservices will deliver core operational and business excellence by:

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

Key initiatives

2.1	Identify, prioritise and implement operational services and service upgrades to deliver tangible safety and operational benefits to the industry.
2.2	Implement an Environmental Strategy and associated environment work program.
2.3	Improve consultation with the community on aircraft noise issues, manage complaints better and support an independent Aircraft Noise Ombudsman's office.
2.4	Continue to work with other Government agencies and industry to improve compliance with the cap and curfew at Sydney airport.
2.5	Continuously monitor and improve the efficiency of our business operations.
2.6	Continue to develop our systems engineering framework and capability, including enhanced enterprise architecture.
2.7	Effectively engage with stakeholders on performance outcomes set out in an agreed Services Charter and the collaborative implementation of service changes.
2.8	Develop a sustainable financial platform, underpinned by a long term pricing agreement (LTPA).
2.9	Develop and implement a sustainable infrastructure replacement program.
2.10	Support Government policy through the implementation of relevant air traffic management and other airspace policy initiatives in the National Aviation Policy White Paper.

Key indicators

Target (2011–12)

Aircraft holding	
Percentage total of airborne holding to ground holding at Sydney, Melbourne and Brisbane.	40% : 60%
ATS attributable delays	
Total number of Air Traffic Service attributable flight delay events (where the delay is greater than 10 minutes, and demand is less than airport capacity).	< 7 per quarter
Runway capacity improvement	
Percentage increase in maximum hourly runway movement capacity through new Air Traffic Service initiatives at major aerodromes (excluding movement capped aerodromes).	≥ 3%
Runway capacity achieved	
Percentage of maximum runway movement capacity delivered during peak periods.	> 95%
Noise Enquiry Unit compliance	
Noise Enquiry Unit compliance to prescribed response times for complaints and enquiries.	≥ 95%
Noise complaints	
Percentage reduction in the number of annual complainants per 100,000 movements.	2%
Consultation on noise issues	
Number of procedural changes implemented without consultation in accordance with Airservices Communication and Consultation Protocol (excluding those implemented to address immediate safety issues).	0
Noise abatement	
Adherence to noise abatement procedures at all noise monitored aerodromes (an allowance has been made in the target against a 100% compliance for uncontrollable events such as weather).	90%
ARFF operational preparedness	
Percentage of time ARFF resources were available to meet required capacity according to the regulated service category for the aerodrome.	> 99.9%
ATS availability	
Hours of Air Traffic Service availability as a percentage of total hours of coverage.	> 99.9%

03 Creating new value for industry

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

Airservices has access to a vast range of whole-of-system performance information which can be used to better identify opportunities for improvements in safety, service and ultimately efficiency.

Analysing, and importantly sharing, this information between all participants provides a unique opportunity to create a much better connection between aircraft, airports, air traffic management and navigation services and systems.

Airservices aims to successfully connect the relevant component parts of the Australian aviation industry with the goal of optimising performance. This means that the benefits of improved safety and a more efficient and cost effective passenger and freight movement can be enjoyed by all airspace users and the infrastructure which is core to Airservices functions is being used efficiently.

Airservices aspirations are to:

- Deliver CDM through the direct exchange of data between ground applications and airborne systems where flights will be managed from inception until arrival at destination parking position
- Facilitate dynamic optimisation of four dimensional flight trajectories (dynamic airborne re-routing procedures) taking into account traffic complexity, weather, physical environment, regulatory constraints and community expectations regarding noise and emissions
- Deploy performance based navigation through global navigation satellite systems
- Trial and apply newly emerging technologies, tools, procedures and services that provide cost effective solutions for Australia's diverse industry and geography
- Supporting this aspiration, Airservices will seek to facilitate and support regulatory change, harmonisation and cross-border alliances.

Objectives

Airservices will create new value for industry by:

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



Key initiatives

- | | |
|-----|--|
| 3.1 | Undertake research, development and trials in the deployment of enhanced and cost effective procedures, tools, technologies and systems. |
| 3.2 | Develop and implement an ATM Services and Facilities Plan based on safety that delivers long-term tangible improvements in capacity management, flexibility and resource efficiency. |
| 3.3 | Develop a long-term holistic plan for the replacement of the core ATM system to deliver operational flexibility and robust business continuity while meeting capacity growth and increasing complexity. |
| 3.4 | Collaborate domestically and internationally to develop long-term solutions that maintain safety, improve operational efficiency and are environmentally responsible. |
| 3.5 | Support the promotion and reputation of the aviation industry. |
| 3.6 | Collaborate with the Department of Defence to harmonise civil and military ATM operations to improve operational efficiency and cost effectively manage increasingly complex civil military airspace integration requirements. |

Key indicators

Target (2011–12)

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%
Air traffic fuel efficiency initiatives	
Number of new fuel efficiency initiatives implemented.	≥ 10
Departure/arrival procedures review	
Number of aerodrome Standard Instrument Departure (SIDs), Standard Terminal Arrival Route (STARs) and approach procedures reviewed.	≥ 3
Consultative forums	
Number of industry consultative forums run during the year to enhance industry alignment.	≥ 4

04 High performing organisation

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

Air traffic management, aviation rescue and fire fighting and other critical roles performed by Airservices rely heavily on internal skill development. Careful workforce planning is needed to ensure that the workforce supply matches current and future demands.

Over the next five years, the organisation's current staff numbers are expected to increase modestly in response to demographic trends (increased retirements) and industry growth demands.

In a competitive and potentially shrinking available labour market, Airservices requires a sound recruitment and retention strategy.

To address these challenges, Airservices will need to, as outlined in its workforce plan:

- Provide the skills and capacity required to support current and future technology and services
- Diversify the workforce in order to provide opportunities for under-represented groups and to be competitive in a contracting and changing labour market
- Create opportunities for individuals to develop and excel
- Align the organisation's values to the expectations of an industry and travelling public that demands safe and effective services while acknowledging the need for continuous improvement and change
- Develop strong leaders who are focused on guiding and motivating the workforce to deliver future outcomes
- Provide a work environment that values and respects individuals and diversity.

Objectives

Airservices will operate as a high performing organisation by:

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



Key initiatives

- | | |
|-----|---|
| 4.1 | Deliver a leadership development program with a focus on service enhancement. |
| 4.2 | Review the people management systems and revise the performance management framework. |
| 4.3 | Deliver a strategic workforce plan. |
| 4.4 | Implement programs to ensure awareness and alignment with Airservices values. |
| 4.5 | Continue to enhance workforce capability and capacity. |
| 4.6 | Enhance the change management framework, processes and systems. |
| 4.7 | Establish a knowledge management strategy. |
| 4.8 | Develop and implement proactive training and retention policies. |

Key indicators

Target (2011–12)

Targeted retention rate for key specialised areas (excluding retirements) Percentage of specialist skills retained.	> 95%
Employee survey – values focussed Engagement score expressed as a percentage of satisfaction and specific values related results.	> 60%
Increased diversity Percentage improvement in the number of women, indigenous Australians and people with disabilities participating in Airservices workforce in non-traditional roles.	> 10%
Employee disputes Percentage of employee complaints resolved through the use of the fair treatment review system.	> 98%
Employee initiated separation Number of employee initiated separations per year as a percentage of Airservices workforce.	< 5%



Financial plan

This five-year financial plan supports Airservices strategic objectives and builds on the financial outcomes programmed in previous corporate plans. The five-year operating projections and performance measures are set out in table 1.

This plan incorporates the latest economic outlook and projects current conditions to continue into the future. Key assumptions underpinning the plan include the introduction of a new pricing agreement in 2011, the easing of top-up funding requirements for Airservices defined benefit superannuation fund and staffing and investment growth to support the delivery of new services and capital projects.

These planning assumptions have largely maintained the financial performance rates forecast in the previous plan.

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.

In 2005 Airservices set its prices with airlines and other customers using a five-year long term pricing agreement (LTPA). Endorsed by the ACCC, the LTPA allows pricing to recover all reasonably incurred costs (including a return on capital employed) relating to the delivery of services. This agreement expired in December 2009.

Whilst the 2005 LTPA was scheduled to be renewed in January 2010, the establishment of a new agreement was put on hold as the prevailing market volatility associated with the global financial crisis created significant uncertainty about future projections. As a result, prices were maintained at current levels.

The development of a new LTPA has been an ongoing process and has followed the release of two industry pricing discussion papers and a draft pricing proposal to industry in December 2010. Based on the industry feedback received Airservices submitted a Draft Price Notification to the ACCC in March 2011. Following the outcome of the ACCC review process Airservices has forecast the introduction of new charges in September 2011.

Table 1: Five-year operating projections and performance measures

Description	2011 Forecast ¹ (\$ million)	2012 Plan (\$ million)	2013 Plan (\$ million)	2014 Plan (\$ million)	2015 Plan (\$ million)	2016 Plan (\$ million)
Airways revenue	794.1	894.0	932.1	974.4	1,020.0	1,056.6
Other revenue	29.5	24.7	25.4	26.1	26.8	27.5
Total revenue	823.6	918.7	957.5	1,000.5	1,046.8	1,084.1
Staff costs	491.3	530.6	560.6	585.7	614.8	643.2
Supplier costs	147.7	157.1	163.4	168.6	174.3	179.0
Depreciation	91.7	109.5	115.3	127.5	129.2	134.8
Total expenses before Interest and Tax	730.7	797.2	839.3	881.8	918.3	957.0
Performance						
Earnings before interest & tax (EBIT)	92.4	121.5	118.2	118.7	128.5	127.1
EBIT/revenue	11.3%	13.2%	12.3%	11.9%	12.3%	11.7%
Return on assets	8.2%	10.6%	9.5%	9.0%	9.2%	8.6%
Net profit after tax	53.8	72.2	67.9	67.5	74.2	73.7
Return on equity after tax	14.1%	16.5%	13.4%	11.8%	11.7%	10.8%
Gearing ²	36.6%	39.0%	37.0%	35.3%	33.1%	30.8%
Returns						
Dividends	25.8	18.9	21.0	20.3	21.3	22.2

1. March 2011 forecast

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

Operating performance

Overall financial performance measured by return on equity and return on earnings before interest and tax (EBIT) have continued to track closely within the previous plan range of 11 per cent to 12 per cent per annum.

Revenue growth continued to improve throughout 2010-11 and airways traffic volumes are forecast in line with long-term average growth rates over the term of the plan. This projection is consistent with Airservices long term pricing proposal which also provides for pricing increases to fund the introduction of new services and growth in capital investment.

Revenue streams from other commercial activities have been revised and provide a flat revenue projection over the term of this plan.

Increases in project resourcing and additional ATC staff required to support new services, including the introduction of surveillance services into regional areas, have contributed to operational expenditure increases. In accordance with the previous plan, depreciation costs continue to trend upwards in line with the capital expenditure plan.

Capital expenditure

Capital investment is projected to continue in line with the previous plan with expenditure of \$961 million planned over the next five years (table 2).

Underpinning this investment profile are a number of large rolling programs that were identified in the previous plan which make a significant investment in tower infrastructure and technology, back-up navigation aids and surveillance equipment upgrades. In the final two years of this plan funding has been included to replace and upgrade Airservices core air traffic management system, The Australian Advanced Air Traffic System (TAAATS), which will reach its end of life in the second half of the decade.

Table 2: Five-year capital expenditure projections

Description	2011 Forecast ¹ (\$ million)	2012 Plan (\$ million)	2013 Plan (\$ million)	2014 Plan (\$ million)	2015 Plan (\$ million)	2016 Plan (\$ million)	Total 5 years (\$ million)
ARFF - Fire Service	17.0	27.9	16.0	20.8	25.7	21.3	111.7
Airways IT	45.7	45.4	42.7	69.2	87.2	95.7	340.2
Building and property	70.5	56.4	27.2	19.0	9.5	24.7	136.8
Business IT	7.8	17.0	13.3	8.1	5.4	3.5	47.3
Communications	16.4	5.8	9.7	15.3	18.8	15.5	65.1
Infrastructure	7.4	6.6	16.7	13.4	15.2	6.7	58.6
Navigation	12.5	19.2	16.2	13.8	1.9	6.7	57.8
Surveillance	15.2	26.2	43.8	32.9	21.4	9.5	133.8
Corporate	2.0	1.9	1.9	1.9	1.9	1.9	9.5
Total Regulated	194.5	206.4	187.5	194.4	187.0	185.5	960.8

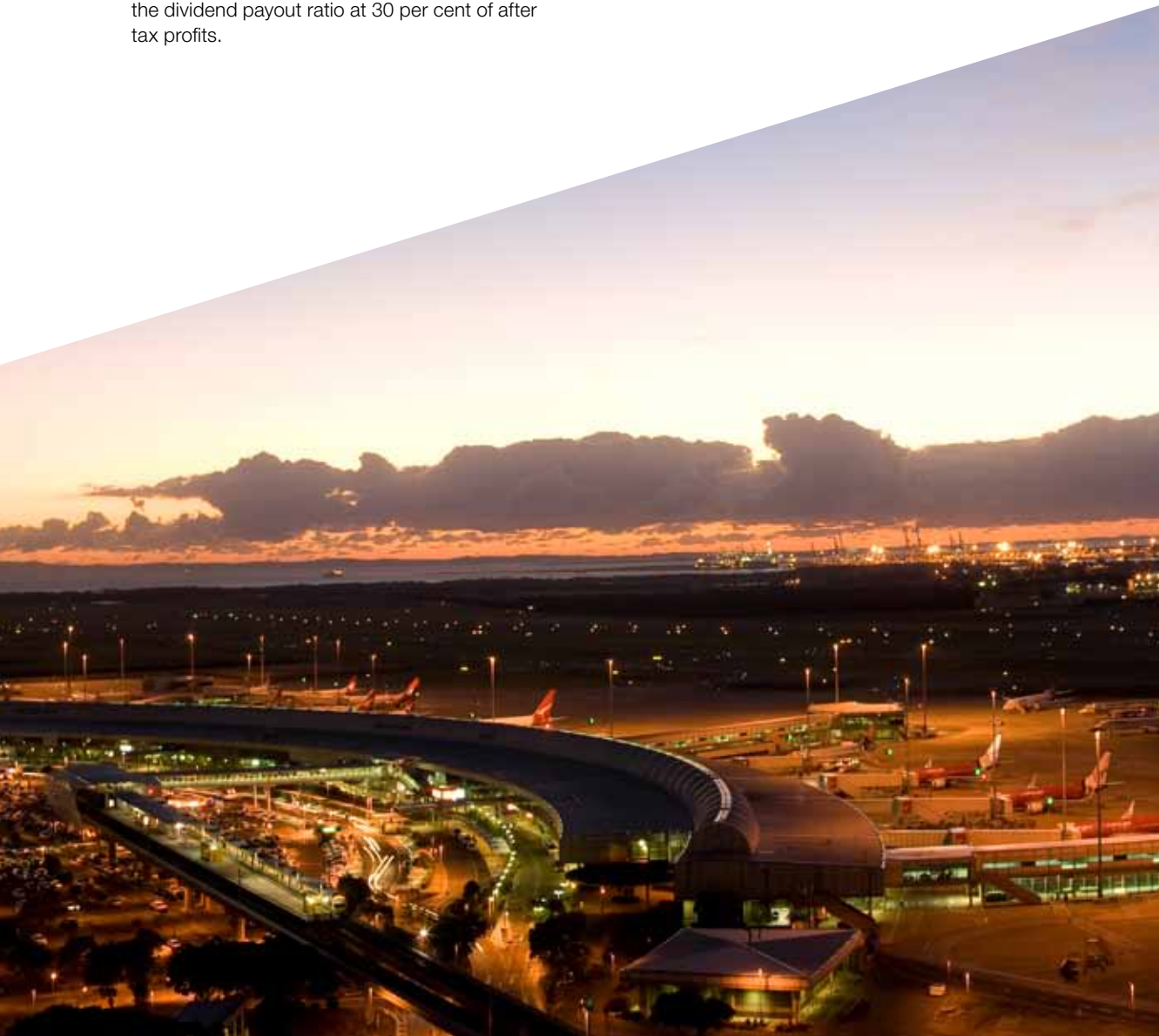
1. March 2011 forecast

Returns, dividends and gearing

Over the term of the plan, EBIT will average \$122.8 million per annum and provide an average return over revenue of 12 per cent and a return on assets of 9 per cent. From 2012, profits are projected at normal levels, reflecting the introduction of the new LTPA which will realign prices for the full recovery of service delivery costs.

Profits are projected to return an average of \$20 million in dividends each year. Having considered the requirement for high levels of capital expenditure funding and the potential continuing volatility in superannuation funding requirements, this plan proposes to maintain the dividend payout ratio at 30 per cent of after tax profits.

Improved profitability and a balanced capital investment and dividend plan are projected to bring gearing back to target levels over the next five years. The reversal of some equity write-backs, originally made in 2008–09 to recognise a decline in the value of the Airservices Defined Benefit Superannuation Fund, is also planned to reduce gearing. With debt levels forecast to peak mid-way through the term, gearing is planned to decrease from 40 per cent in 2012 to an average 36 per cent per annum.





Governance and risk management

Governance

Airservices is accountable to the Australian Parliament through the Minister for Infrastructure and Transport and its operations are regulated by the Civil Aviation Safety Authority.

The Minister provides Ministerial Directions (Appendix A) and a 'Statement of Expectations' (Appendix B) which represents a notice of strategic direction concerning the operation and performance of Airservices.

Airservices 'Statement of Intent' (Appendix C) and this plan respond to the Government's expectations by identifying the organisation's key strategic priorities and deliverables.

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

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

Risk management

Airservices applies risk management through an organisational-wide integrated framework which provides structure to all risk management processes across the organisation. Airservices Risk Management Framework establishes a structured and consistent approach to risk management with the aim of assisting the organisation achieve its business objectives.

Risks and their management are recorded across the organisation and subject to quarterly review at the group and executive levels.

Airservices Enterprise Risk Profile and Risk Report are provided to the Board Audit Committee quarterly. Each risk is supported by specific controls and resolution strategies.

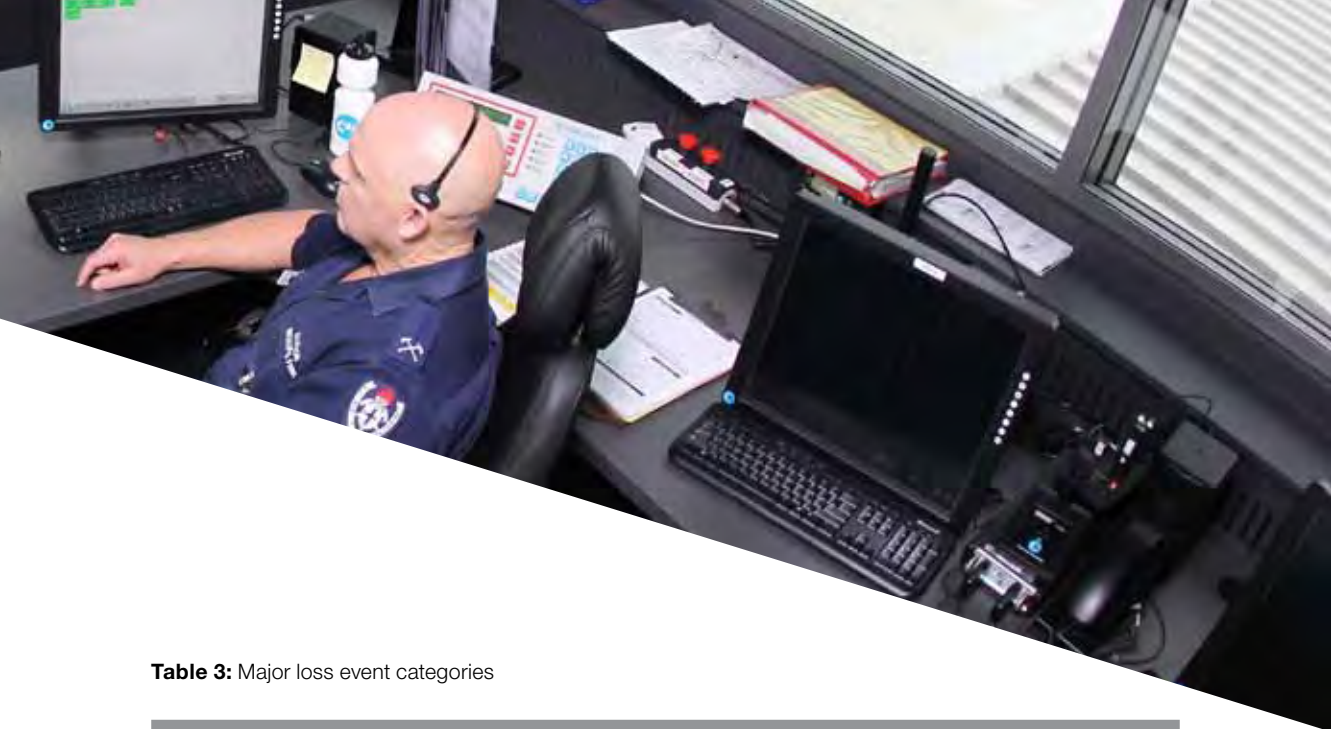


Table 3: Major loss event categories

Major loss event	Risk type	Significant controls/mitigation
Financial	Financial exposures may arise through a potential loss of revenue via a decline in traffic volumes as a consequence of general economic conditions; the ongoing requirement to support defined benefit superannuation fund liabilities; foreign exchange fluctuations; lease and contract commitments and the need to support a substantial capital works program.	To maintain a financial strategy that identifies areas of expenditure that could be deferred to support Airservices cash position should the economy experience significant shocks. In addition, ongoing monitoring and review occurs on all known financial exposures to ensure that appropriate hedging or mitigation strategies are pursued.
Safety and service delivery	Airservices manages airspace which covers 11 per cent of the world's surface, providing air traffic operations for around 75 million passengers on more than 3 million domestic and international aircraft movements every year. The organisation must identify and control hazards which could result in either loss of life or injury due to an accident, or an inability to provide services.	A comprehensive safety management system and associated safety practices exist within the organisation. These practices include operational risk assessments, training and certification, audit, incident investigations, cross-industry safety groups and forums.
Workplace safety	Airservices employs 3,850 staff, these staff are engaged in a variety of jobs some of which carry inherent risks due to the nature of the work, its location (e.g. remote sites) or the work condition (e.g. extreme heat). Other potential hazardous exposures include such things as working from heights, confined spaces, chemicals, asbestos, waste materials and fatigue.	Occupational, health and safety is supported by a workplace safety strategy underpinned by site surveys, training, incident reporting and monitoring.
Environmental	Airservices provides air traffic and aviation rescue and fire fighting services at 31 major locations across Australia and maintains assets, which can range from navigation equipment to air traffic control towers, at over 1,100 sites. Environmental risks associated with Airservices operation range from the impact of aircraft noise to chemical contamination associated with fire fighting foams and potential diesel spills.	An environmental management system is supported by assessment of changes to air routes, local environmental site plans, local disposal agreements and hazardous material training. In relation to noise monitoring, an enquiry unit is staffed, an independent Aircraft Noise Ombudsman has been appointed and a range of community and airport noise consultation forums are conducted.

Performance against previous plan

Airservices previous Corporate Plan 2010–15 outlined three strategic priorities:

1. Delivering excellent core performance
2. Building a high-achieving organisation
3. Delivering the future.

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

The major achievements for 2010–11 are outlined next.

Delivering excellent core performance

Achievements against this strategic priority in 2010-11 included:

- The introduction of new air traffic control tower services at Broome and Karratha
- The introduction of a new daytime Sydney to Singapore Flextrack that provides significant fuel and flight time reductions
- The launch of a new real-time website feature displaying the current conditions, significant service disruptions, weather related issues or delays at all major Australian airports
- Formalising of the Indian Ocean Strategic Partnership to Reduce Emissions
- The facilitation of a cross-industry aircraft noise working group to improve industry's approach to managing aircraft noise issues and consultation with the community
- Continued emphasis on localised airport and global safety industry meetings to share best practice and resolve safety critical issues.





Building a high-achieving organisation

Achievements against this strategic priority in 2010–11 included:

- The release of an industry Services Charter to monitor performance against key industry priorities and projects
- The commissioning of a major telecommunications infrastructure network replacement project that provided greater capability for air-ground-air communications and surveillance
- The commissioning of a major upgrade of Airservices very high frequency (VHF) radio network
- The commissioning of new instrument landing systems (ILSs) at Sydney and Wagga Wagga and a major upgrade of the ILS at Cairns
- The commissioning of a secondary surveillance terminal area radar in Darwin and a terminal area radar in Melbourne
- The introduction of six new ultra-large fire vehicles at Hobart and Launceston
- The commissioning of the new Perth fire station
- The increase in employee engagement by 5 per cent to 60 per cent and a further increase in stakeholder satisfaction from the previous year
- The commencement of construction of new air traffic control towers at Adelaide, Rockhampton and Melbourne
- The commencement of construction of a new technical services building in Melbourne.

Delivering the future

Achievements against this strategic priority in 2010–11 included:

- The commissioning of a new satellite communications data link between Port Moresby and Brisbane, considerably enhancing aircraft safety in the region
- The establishment of an operational agreement with Indonesia to share automatic dependant surveillance – broadcast (ADS-B) data, improving safety at the airspace border
- The execution of a new agreement on radar data sharing and regulatory arrangements with the Department of Defence
- The strengthening of the organisation's partnership with Airways New Zealand to align air traffic control operations and staff exchanges.

Appendix A:

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
2001	24 December	Reimbursement of en route charges to operators covered by government en route subsidy
2002	14 May	Limitations to the use of Precision Runway Monitor at Sydney
2004	31 August	Provision of approach radar services at specific airports

Appendix B:

Minister's Statement of Expectations



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

Reference: 01420-2011

2 MAY 2011

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

CHAIRMAN

04 MAY 2011

RECEIVED

Dear Mr Forsyth

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

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

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

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

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

Yours sincerely

ANTHONY ALBANESE

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

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

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

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

As the Board of Airservices, I expect that you:

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

My expectations are that Airservices will:

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

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



ANTHONY ALBANESE
Minister for Infrastructure and Transport

2 May 2011

EXPLANATORY STATEMENT

AIRSERVICES AUSTRALIA – STATEMENT OF EXPECTATIONS

Statement of Expectations – Airservices Australia

Outline

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

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

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

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

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

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

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

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

Airservices was consulted in finalising the Statement.

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

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

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

ATTACHMENT

Details of the Statement of Expectations

Item 1 – Stakeholder Engagement

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

Item 2 – Government Policy

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

Item 3 – Implementing Relevant White Paper Initiatives

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

Item 4 – Provision of Information, Assistance or Advice

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

Item 5 – Environmental Responsibilities

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

Item 6 – Airport Planning

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

Item 7 – Air Traffic Management Policy

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

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

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

Item 9 – Joint Civil and Military Aviation Harmonisation Initiatives

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

Item 10 – Future Investment in Technology and Infrastructure

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

Item 11 – Sustainable Workforce Planning

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

Item 12 – Harmonisation, Regional Safety

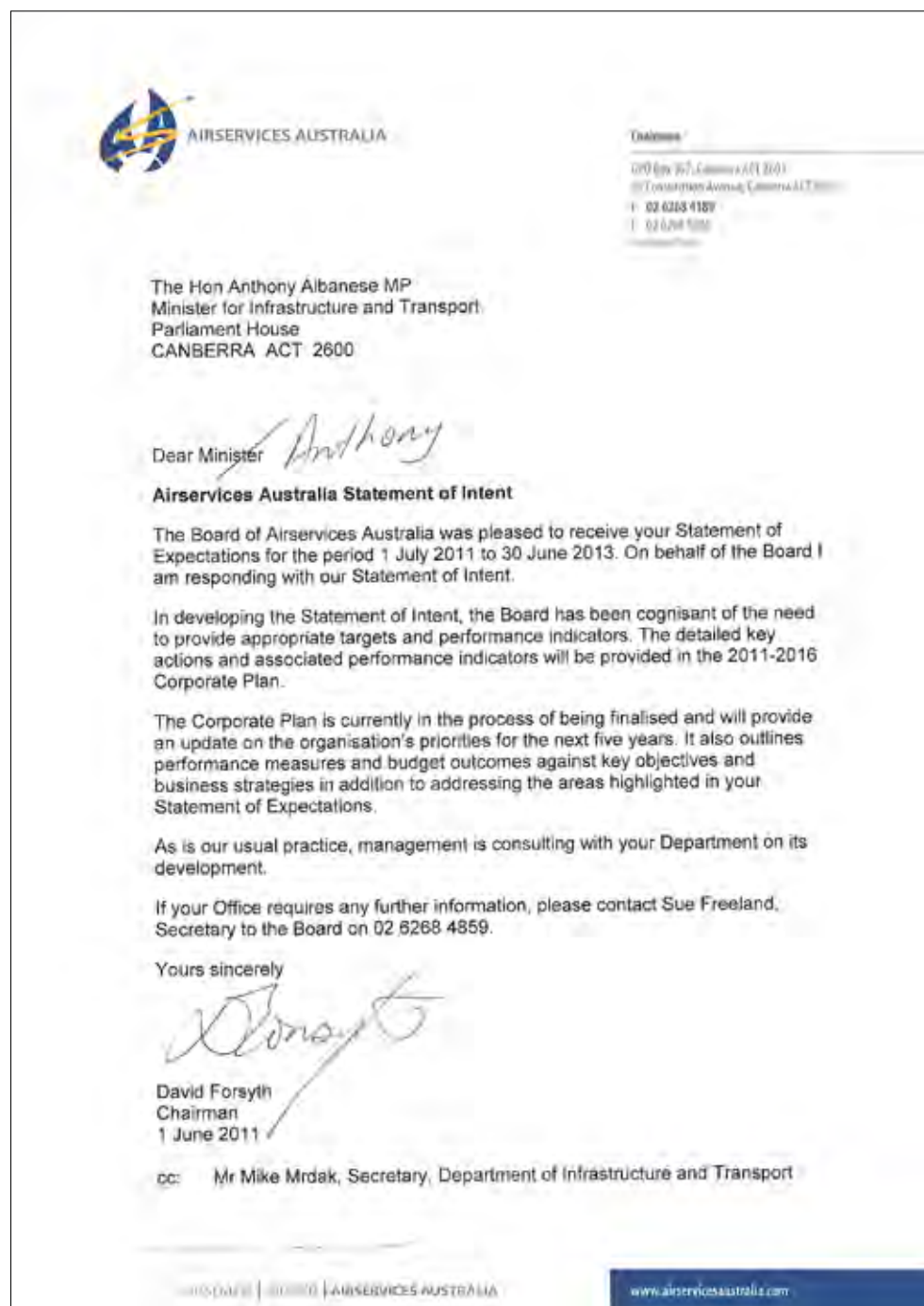
Australia has an important role to play in assisting our regional partners to meet their air traffic management responsibilities. Airservices will continue to support the Australian Government's aviation safety initiatives in the Asia Pacific region.

Items 13 – Public Sector Professionalism and Accountability

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

Appendix C:

Board's Statement of Intent



Airservices Australia

Statement of Intent

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

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

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

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

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

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

Appendix D:

Minister's Statement of Expectations / Key Initiatives

Statement of Expectations	Corporate Plan initiatives
1. Stakeholder Engagement	<p>1.6 Effectively engage with community, industry and Government stakeholders through collaborative forums and programs to support the integrity of our operations and whole-of-industry safety outcomes.</p> <p>2.6 Effectively engage with stakeholders on performance outcomes set out in an agreed Services Charter and the collaborative implementation of service changes.</p>
2. Government Policy	01 Maximising Safety Performance theme initiatives.
3. Implementing Relevant White Paper Initiatives	2.9 Support Government policy through the implementation of relevant Government air traffic management and other airspace policy initiatives in the National Aviation Policy White Paper.
4. Provision of Information, Assistance or Advice	1.6 Effectively engage with community, industry and Government stakeholders through collaborative forums and programs to support the integrity of our operations and whole-of-industry safety outcomes.
5. Environmental Responsibilities	<p>2.2 Implement an Environmental Strategy and associated environmental work program.</p> <p>2.3 Improve consultation with the community on aircraft noise issues, manage complaints better and support an independent Aircraft Noise Ombudsman's office.</p> <p>3.1 Undertake research, development and trials in the deployment of enhanced and cost-effective procedures, tools, technologies and systems.</p>
6. Airport Planning	<p>1.6 Effectively engage with community, industry and Government stakeholders through collaborative forums and programs to support the integrity of our operations and whole-of-industry safety outcomes.</p> <p>2.1 Identify, prioritise and implement operational services and service upgrades to deliver tangible safety and operational benefits to the industry.</p> <p>2.3 Improve consultation with the community on aircraft noise issues, manage complaints better and support an independent Aircraft Noise Ombudsman's office.</p>

Statement of Expectations	Corporate Plan initiatives
7. Air Traffic Management Policy	3.2 Develop and implement an ATM Services and Facilities Plan based on safety that delivers long-term tangible improvements in capacity management, flexibility and resource efficiency.
8. Provision of Aerodrome Rescue and Fire Fighting Services (ARFFS)	2.1 Identify, prioritise and implement operational services and service upgrades to deliver tangible safety and operational benefits to the industry.
9. Joint Civil and Military Aviation Harmonisation Initiatives	3.6 Collaborate with the Department of Defence to harmonise civil and military ATM operations to improve operational efficiency and cost effectively manage increasingly complex civil military airspace integration requirements.
10. Future Investment in Technology and Infrastructure	2.8 Develop and implement a sustainable infrastructure replacement program.
11. Sustainable Workforce Planning	04 High Performing Organisation theme initiatives, including 4.3 'Deliver a strategic workforce plan'.
12. Harmonisation, Regional Safety	1.7 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.
13. Public Sector Professionalism and Accountability	4.4 Implement programs to ensure awareness and alignment with Airservices values.

Glossary

ACCC	Australian Competition and Consumer Commission
ADS-B	Automatic Dependent Surveillance–Broadcast
ARFF	Aviation Rescue and Fire Fighting
ATC	Air Traffic Control
ATM	Air Traffic Management
ATS	Air Traffic Service
ATSB	Australian Transport Safety Bureau
BoS	Breakdowns of Separation
CASA	Civil Aviation Safety Authority
CDM	Collaborative Decision Making
EBIT	Earnings before interest and tax
ICAO	International Civil Aviation Organization
ILS	Instrument Landing System
KPI	Key Performance Indicator
LTOP	Long Term Operating Plan
LTPA	Long Term Pricing Agreement
OHS	Occupational Health and Safety
RNP	Required Navigation Performance
SIDs	Standard Instrument Departures
STARs	Standard Terminal Arrival Routes
TAAATS	The Australian Advanced Air Traffic System
VHF	Very High Frequency
WAM	Wide Area Multilateration



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