



# 2019–20 Corporate Plan



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## 1

# Letter from the Chairman



I am proud to present the Airservices 2019–20 Corporate Plan, my first as Chairman of Airservices Australia. I consider it a great honour to chair this organisation as we move towards a different future for both Airservices and Australia's aviation industry.

Air traffic continues to grow, with Australia's capital cities forecast to more than double their conventional aircraft movements over the coming two decades. The nature of air traffic is changing and becoming more complex as remotely piloted and unmanned aircraft systems—such as drones—and other innovators enter our airspace. As a nation we are investing heavily in the airport and aviation infrastructure required to support this growth. Meanwhile, the continuing rate of acceleration of technological change is transforming aviation at all levels.

This year's plan builds on the themes of the previous three years of industry leadership, service innovation, service excellence and organisational agility. Our work program is very much focused on delivering outcomes for our customers and industry, while minimising the community and environmental impacts of our operations.

We also remain committed to evolving as an organisation. We are becoming more agile and maintaining productive operations to ensure that we can continue to deliver safe and efficient services to all who make use of Australia's changing skies.

The work we have done internally since 2017 to make Airservices more efficient is now helping to support the long-term growth of Australia's aviation industry. I am pleased to announce that on 1 July 2019 we passed on a price reduction of two per cent, following several years of zero price increases. For our customers, this represents a real price decrease of 20 per cent by the end of this plan.

In 2019–20 we will once again waive up to approximately \$2.5 million in annual service charges for Australia's not-for-profit aeromedical providers. These operators provide vital services in remote parts of Australia and we are always pleased to offer our support.

While delivering these financial benefits for the industry, we are continuing to execute our \$1.2 billion capital investment program. This is underpinned by OneSKY but also supports delivery of new airport infrastructure, services to regional Australia and the digital transformation of our operations.

OneSKY remains the cornerstone of our commitment to deliver world-class air traffic management services into the future. Airservices is working closely with our partners in the Department of Defence, as together we introduce a truly harmonised civilian and military air traffic management system. This will transform air traffic management in Australia and improve the safety and efficiency of our skies for the benefit of industry and the Australian economy. In the coming year our focus is on harnessing the benefits of our new voice communication switch, ensuring our new air traffic services centres are ready for installation, and concluding the system design review, as we prepare for the new system to go live during the five-year life of this plan.

OneSKY's customer service delivery benefits will be complimented by programs to enhance our network air traffic flow management, including airport collaborative decision making (A-CDM) and long-range air traffic flow management (LR-ATFM).

A-CDM will provide Airservices, our customers and industry partners—including airports—with real-time operational data, which will help reduce delays and operating costs. The program will track towards service readiness in 2019–20.

Meanwhile, LR-ATFM is on-track for implementation at Melbourne Airport in late 2020, with Brisbane, Sydney and Perth airports to follow. This initiative will deliver a range of operational, economic and environmental benefits, including reduced aircraft fuel burn and enhanced air traffic predictability.

We have established a program of work to ensure that our aviation rescue fire fighting service is well positioned for the future, as we bring on a new fire service at Whitsunday Coast Airport in 2019–20.

We are managing the introduction of remotely piloted and unmanned aircraft systems—as well as other low-altitude airspace entrants into Australian airspace—safely and efficiently. We have commenced a program to rapidly assess the capability and functionality of unmanned traffic management (UTM) systems, and to understand how we must adapt to accommodate the rapidly changing landscape of low altitude airspace.

This organisation's proven ability to deliver safe and efficient services, coupled with our vision for Australia's high-tech aviation future, leaves us well-positioned to meet the challenges that lie ahead for the industry. This plan outlines how we intend to rise to those challenges in the coming year and beyond, and how we will ensure that all those using our skies remain safe.

As Chairman of Airservices Australia, I present the *Airservices Australia 2019–20 Corporate Plan*, which covers the period of 2019–20 to 2023–24, according to s.35(1)(b) of the *Public Governance, Performance and Accountability Act 2013* (Cth) and s.13 of the *Air Services Act 1995* (Cth).



John Weber

## Our Values

Our values reflect what is important to us at Airservices. Embedded and shared, our values guide our daily interactions with our customers, community and each other.

Who we are today:



### **We are proud of our people and our contribution**

We recognise, acknowledge and celebrate our achievements and milestones

We take pride in the contribution we make and are confident in the capability of our people

We speak up to ensure we are just as safe and secure tomorrow as we are today



### **We build relationships on trust and respect**

We are professional in our work and interactions

We encourage diversity and value the difference it makes to our organisation

We actively listen to, communicate with and care for each other

We support each other to learn, grow, challenge and change



### **We innovate for customer value**

We put our customers at the centre of services and we work to deliver customer value and community benefit

We empower our people to exercise good judgement and develop better ways of working

We are resilient, flexible and we learn from mistakes to find solutions for our customers and community



### **We achieve more together**

Our collective efforts are more powerful than any individual

We cooperate across organisational boundaries to achieve the best outcome

We share knowledge through clear communication, foster collaboration and work towards a common goal



### **We are authentic in our actions**

We are committed to our vision

We act with integrity while delivering on our promises

We know our roles and accountabilities and how they contribute to our success

We take responsibility and are honest when making tough decisions



## Our Purpose

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



**Significant global traffic growth**



**Increasing airspace complexity**



**Value of data growing exponentially**



**Automation, digitalisation and intelligent systems**



**Evolving transportation ecosystem and value chain**



**Environmental and community consequences of aviation operations**



## Industry Leadership

Promoting opportunities to enhance the safe and secure growth of the aviation industry, anticipating future needs.



## Service Innovation

Investing to deliver enhanced and new service offerings, valued by our customers and the community now and into the future.



## Service Excellence

Delivering our services to a standard of excellence, while improving safety and efficiency for our customers and the community.



## Organisational Agility

Operating efficiently and effectively, while remaining agile to meet and exceed our customer, industry and community expectations.



## Our Values

We are proud of our people and our contribution



## Our Ambition

To be the industry partner for keeping skies safe and delivering distinctive value



Promoting industry growth



Strategic partnerships



Modernising airspace for complexity and growth

Fostering and Promoting Aviation

International Capability  
Development Program

Airspace Modernisation



Enhanced Air Traffic Flow Management Services



Low-level airspace integration



Digital  
Aerodrome  
Services



Low-level  
airspace traffic  
management  
services

Network Management Airport  
Collaborative Decision Making and Long  
Range Air Traffic Flow Management

Digital Aerodrome Services

Unmanned Aerial Vehicle Integration  
and Management Services



Delivering ATM  
and ARFF service  
excellence



Transition from  
navigation  
services to traffic  
management  
services



Community  
engagement



Evolving satellite  
based surveillance  
and navigation  
systems



Civil Military  
harmonisation

OneSKY

Airport Development Support Program

Aviation Rescue Fire Fighting Services  
Modernisation Program

Air Navigation Services Readiness Program



People capability development



Information strategy implementation



Digital capability and cyber resilience



Leveraging industry capabilities

People

Digital and Information Capability

Enterprise Network  
Modernisation Program

Cyber Resilience

We build  
relationships on  
trust and respect

We innovate for  
customer value

We achieve more  
together

We are authentic  
in our actions



As the global aviation industry continues to change, we must continue to evolve and adapt to ensure we achieve our purpose and ambition.

The global air traffic management (ATM) operating environment is changing at a rapid pace. Our primary focus is ensuring safe air travel and supporting our customers with efficient and innovative services.

Aviation continues to grow—by 2037, it is estimated that global air traffic passenger numbers will double to 8.2 billion.<sup>1</sup>

The wider Asia–Pacific region is forecast to record the largest growth of all regions globally in the next two decades, with an additional 2.35 billion passengers expected to travel each year<sup>2</sup>. Passenger movements at Australia’s capital city airports will reach 235 million<sup>3</sup> a year by 2030.

<sup>1</sup> IATA Forecast Predicts 8.2 billion air travellers in 2037, IATA, Accessed March 2019, <https://www.iata.org/pressroom/pr/Pages/2018-10-24-02.aspx>

<sup>2</sup> Ibid.

<sup>3</sup> Aviation aircraft movements through capital city airports to 2029–30, Australian Government Department of Infrastructure, Transport, Regional Development and Local Government, 2010

The Oceania region is also expected to record significant growth, including an increase from approximately 17 million international arrivals in 2018 to 26 million by 2028<sup>4</sup>. The biggest growth will come from China (5.6 per cent), followed by the rest of Asia (3.5 per cent) and North America (4 per cent)<sup>5</sup>.

Based on stable global economic growth, the forecast for the aviation industry is bright. Yet as with all global businesses, the industry's operating environment is sensitive to global market changes influenced by economic conditions, technology, government policies, mining production, and global events. These variables can significantly impact the long-term forecast figures. With the environment changing at a rapid pace, there will be periods of slowed growth—evidenced by past events—based on supply and demand, requiring the industry to navigate challenges as they arise.

Meanwhile, community expectation in relation to minimising the effects of aviation on communities and the environment will continue to grow.

## Unmanned Aerial Vehicles and Low-level Airspace Management

The global market for unmanned aerial vehicles (UAV)—known as drones—is expanding exponentially. By 2031 more than 24 million drones are predicted to populate our skies globally, compared to 150,000 drones in 2016.<sup>6</sup>

The unmanned traffic management (UTM) market is valued at approximately US\$538 million and is expected to expand at a compounded annual growth rate of over 20 per cent during the period 2019–2025.<sup>7</sup>

Air navigation service providers (ANSPs) have been the primary source of oversight for safe, secure and efficient air travel for decades. The growth of non-traditional vehicles brings specific challenges to the global aviation industry. One critical challenge is integrating a safe and sustainable system that supports the forecast growth in the emerging air mobility industry sector, while keeping our skies and communities safe.

With the accelerating pace of change we are continually monitoring international developments to ensure we are responsive to this shifting environment.

4 Travel and tourism – Economic Impact 2018 Oceania, World Travel & Tourism Council, Accessed March 2019, <https://www.wttc.org/-/media/files/reports/economic-impact-research/regions-2018/oceania2018.pdf>

5 Ibid.

6 ICAO finishes up its 'unmanned aviation week' as drones continue to rise in popularity, Blue Swan Daily, Accessed March 2019 <https://blueswandaily.com/icao-finishes-up-its-unmanned-aviation-week-as-drones-continue-to-rise-in-popularity/>

7 "Global Unmanned Traffic Management Market 2018-2025: Requirement of UTM Solutions to Integrate Autonomous Aerial Vehicles into Commercial Airspace". Research and Markets. June 04, 2018. <https://www.prnewswire.com/news-releases/global-unmanned-traffic-managementmarket-2018-2025-requirement-of-utm-solutions-to-integrate-autonomous-aerial-vehicles-into-commercialairspace-30-0658122.html>, Accessed May 14, 2019.

## Six Key Trends Impacting the Aviation Industry



### Airspace increasing in complexity

Over the next decade, traditional (including ultra-long haul) and non-traditional vehicles will operate alongside each other, increasing the congestion and complexity of airspace. New models of air traffic are likely to emerge, including models based on the principle of a sharing economy.

The emergence of unmanned aerial vehicles (UAVs) in low altitude airspace—such as aerial taxis and delivery drones—will accelerate uptake of new models and force air navigation service providers (ANSPs) to rethink how they deliver their current service offerings.

There is a growing requirement to integrate controlled and uncontrolled airspace to ensure safe air traffic operation in increasingly congested skies.

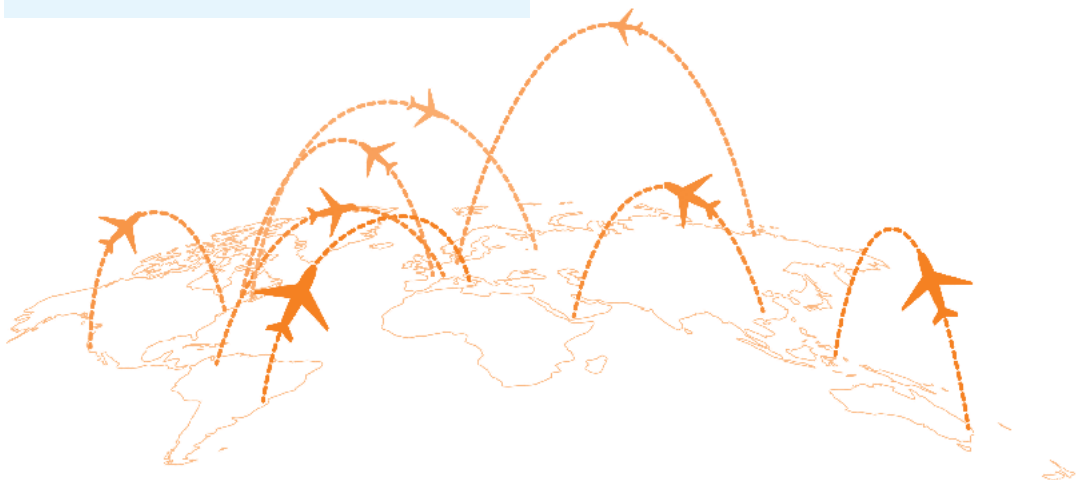
ANSPs must work effectively with regulatory bodies to form forward-looking policies and regulatory change. They need to accommodate anticipated growth, maintain safety, and ensure resilience and security.



### Significant global traffic growth

Continued increases in flight volumes will require airspace harmonisation across flight information regions to improve efficiency. Air navigation service provision will be based on operational needs, rather than constraints of national boundaries. Enhanced cooperation will be required between states and industry.

Ongoing support will be needed for airport infrastructure projects to increase airport capacity. The environmental and societal impacts of an increasingly congested airspace must be managed closely.





### Value of data growing exponentially

As data is able to be more readily captured and analysed, it is becoming increasingly critical in supporting operational efficiency and effectiveness across all areas of aviation. Accordingly, information infrastructure and architecture capability needs to be enhanced to support the continued growth of data.

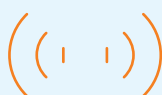
Information management, and the insights it captures, will form core value propositions to organisations.



### The evolving transportation ecosystem and value chain

New entrants are bringing unique propositions and business models to the global aviation market. Incumbents are looking to expand along the value chain, as seen by aerospace manufacturers working with other players to co-develop self-navigating technology. Strategic partnerships will become critical for air navigation service provider success, as future service delivery will require new capabilities and ways of working.

Industry will race to provide end-to-end customer experiences through vertical integration of travel. Organisations will need data—and the business insights it provides—to create hyper-personalised services for customers.



### Automation, digitisation and intelligent systems

Artificial intelligence, the Internet of Things and virtual technology have the potential to significantly increase operating efficiency. Leveraging new technology will create opportunities to improve overall performance, productivity, and safety, and to facilitate innovation. Integrating these technologies with existing capability requires a measured transition between old and new systems to achieve intended benefits.



### Environmental and community consequences of aviation operations

Community awareness and expectations continue to grow around minimising the effects of aviation on communities and the environment.

Increasing traffic growth, flight path changes to support the introduction of new technology and airport infrastructure, and the increasing prevalence of quicker aircraft all impact on community experience of aircraft noise.

## We are Prepared

Our five year strategy explores the opportunities and challenges these trends bring to our customers, industry and the community. Our programs and deliverables are tailored to capitalise on opportunities to ensure we deliver on our purpose and ambition.



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

We are positioned to be the industry partner for keeping skies safe and for delivering distinctive value to our customers and stakeholders.

Our primary role, as defined under the *Air Services Act 1995* (Cth), is to:

- provide facilities and services for the safety, regularity and efficiency of air navigation within Australian-administered airspace. This includes providing air traffic services, aviation rescue fire fighting services, aeronautical information, radio navigation and telecommunications services.
- promote and foster civil aviation in Australia and overseas.

We operate in accordance with the *Air Services Act 1995* (Cth), the *Australian Airspace Policy Statement 2018*, the *Public Governance, Performance and Accountability Act 2013* (Cth) and the *Minister's Statement of Expectations*.

# Strategic Pillars

Our four strategic pillars are the foundation of our value proposition to our customers, industry and the community.



## Industry Leadership

Promoting opportunities to enhance the safe and secure growth of the aviation industry, anticipating future needs.



## Service Innovation

Investing to deliver enhanced and new service offerings, valued by our customers and the community now and into the future.



## Service Excellence

Delivering our services to a standard of excellence, while improving safety and efficiency for our customers and the community.



## Organisational Agility

Operating efficiently and effectively, while remaining agile to meet and exceed our customers, industry and the community expectations.

We are focused on what our customers, the community and other stakeholders value and expect, in navigating the challenges and opportunities of technology and trends in aviation and air safety globally.

The success of our programs and deliverables outlined in this section are measured by our key performance indicators (page 29).

Our program deliverables will ensure that we are:

- safe and secure
- valued and accountable
- efficient and commercial
- innovative.



## Industry Leadership

### Promoting opportunities to enhance the safe and secure growth of the aviation industry, anticipating its future needs.

Our key legislative obligations under the *Air Services Act 1995* (Cth) include providing facilities and services for safety, regularity and efficiency of air navigation in Australian administered airspace and to foster and promote civil aviation.

Our role in fostering and promoting civil aviation challenges us, as an industry leader, to continually look for ways to improve the aviation ecosystem. We exemplify leadership by anticipating changes rather than responding, and bringing together stakeholders from across our industry and community to navigate inevitably complex issues. This collaboration will support industry growth, as together we create an environment in which the aviation industry thrives.

We will ensure representation of all layers of our industry—airlines, regional operators, general aviation users, commercial and non-commercial drone operators—as well as the communities and citizens we ultimately protect.

## Programs

### Fostering and Promoting Aviation

In fostering and promoting civil aviation, we place critical importance on not being an economic or operational impediment to industry growth. That is why we held our prices in 2015 and embarked on a transformation program to improve our efficiency, and position the organisation for future success. In 2017–18 we waived our charges for many not-for-profit aeromedical services. Following successive years of zero price growth, from 1 July 2019 we provided a price reduction for our customers of two per cent. This translates to a real price reduction of 20 per cent for our customers from 2015 through to 2023–24.

### International Capability Development Program

We enhance the safety of air transport in our region by helping our neighbours improve their operations and internal capability. Airservices works closely with the Australian Government to provide this international assistance.

## Airspace Modernisation Program

Airspace modernisation is critical to support continued safe air traffic growth while catering for the proliferation of new airspace entrants such as drones.

The program will deliver a series of enhancements over the next five years to improve safe and efficient service outcomes and increase airspace access for the aviation industry. It will be primarily achieved through national standardisation and leveraging the benefits of increased surveillance coverage, while ensuring that the safety of air navigation provided by Automatic Dependent Surveillance – Broadcast (ADS-B) remains the most important consideration.

The tranches of the program are:

- Tranche 1: Nationally standardise enroute and tower airspace management arrangements at regional air traffic control tower locations
- Tranche 2: Increase and nationally standardise upper enroute Class C and Class E controlled airspace
- Tranche 3: Nationally standardise the use of Class E controlled airspace at regional air traffic control tower locations
- Tranche 4: Introduce the higher service level Class B controlled airspace at major capital city locations such as Sydney and Melbourne
- Tranche 5: Replace uncontrolled Class G airspace with controlled Class E airspace at regional locations outside of air traffic control tower operating hours
- Tranche 6: Modify controlled airspace to allow for environmentally efficient Continuous Descent Approaches.

# Deliverables

|                                                     | 2019–20                                                                                                                                                | 2020–21                                                                         | 2021–22                                                                                                                                                | 2022–23                                                     | 2023–24 |
|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|---------|
| <b>Fostering and Promoting Aviation</b>             | <ul style="list-style-type: none"><li>• 2% price reduction</li></ul>                                                                                   |                                                                                 |                                                                                                                                                        |                                                             |         |
| <b>International Capability Development Program</b> | <ul style="list-style-type: none"><li>• Indonesia Transport Safety Assistance Program</li><li>• Papua New Guinea Memorandum of Understanding</li></ul> |                                                                                 | <ul style="list-style-type: none"><li>• Indonesia Transport Safety Assistance Program</li><li>• Papua New Guinea Memorandum of Understanding</li></ul> |                                                             |         |
| <b>Airspace Modernisation Program</b>               | <ul style="list-style-type: none"><li>• Tranche 2</li></ul>                                                                                            | <ul style="list-style-type: none"><li>• Tranche 3</li><li>• Tranche 4</li></ul> | <ul style="list-style-type: none"><li>• Tranche 5</li></ul>                                                                                            | <ul style="list-style-type: none"><li>• Tranche 6</li></ul> |         |

## Performance Assessment

Our programs and deliverables outlined under Industry Leadership, help us to be ‘valued and accountable’, ‘efficient and commercial’ and ‘innovative’.

We will measure success against our core key performance indicators (page 29).



**Industry  
Leadership**



**Service  
Innovation**



**Service  
Excellence**



**Organisational  
Agility**



Strategic  
partnerships



Promoting  
industry growth



Modernising airspace  
for complexity  
and growth



Digital Aerodrome  
Services



Community  
engagement



Evolving satellite  
based surveillance  
and navigation  
systems



People capability  
development





## Service Innovation

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Investing to deliver enhanced and new service offerings, valued by our customers and the community now and into the future.

We are focused on optimising our value to customers and the aviation industry now and into the future.

We innovate to develop valued services for our customers, while providing the flexibility they need for success in an ever changing and growing industry.

To anticipate and keep pace with change, we continually explore and identify ways to keep our skies safe and deliver distinctive value. By embracing opportunities to work in new ways, we add value to our customers and industry with improved safety, economic and operational outcomes.

We recognise the impact of aviation on communities and the environment. Our engagement with communities minimises the potential impact of our operations.

### Programs

#### Network Management

We play an important role in the efficient and effective management of the national aviation network. We are collaborating with industry to continuously improve our network management and minimise the impact of air traffic disruptions on the travelling public.

Our two programs of work are:

- **Airport Collaborative Decision Making (A-CDM)**

A-CDM is a cross-industry initiative with the potential to realise major efficiencies for the aviation industry over the next decade. Following completion of the foundational work, 2019–20 will see the A-CDM system go-live at Brisbane and Sydney Airports.

- **Long Range Air Traffic Flow Management (LR-ATFM)**

LR-ATFM shifts some or all of the required airborne delay for long range flights from the arrival phase of the flight to the enroute phase. The resulting benefits for airlines are less fuel burn and improved predictability of arrival flows into our major airports. LR-ATFM will go live at Melbourne Airport during this reporting period, with other airports to follow in 2020–21.

#### Digital Aerodrome Services (DAS)

We are introducing DAS—known as digital air traffic control towers—to help our air traffic controllers enhance service delivery and improve safety outcomes for the aviation industry and travelling public.

Trials to be conducted during 2019–20 and 2020–21 will help us determine the technology's suitability to meet our stringent operational and safety standards and deliver the expected benefits.

The trials will cover a range of possible applications:

- back-up facility for service continuity and resilience purposes (to be trialled at Sydney)
- a control tower service where there is the need for a future replacement of the current air traffic control tower (to be trialled at Canberra)
- the introduction of a service at an aerodrome that does not currently have an air traffic control tower, but may require an air traffic control service in the future (Ballina).

Subject to the successful outcome of the trial, we will progress to operational implementation supported by the appropriate safety analysis, business case, and necessary regulatory approvals.

## Unmanned Aerial Vehicles (UAV) Integration and Management Services

The UAV integration and management services program is designed to rapidly assess the maturity, capability and functionality of emerging unmanned traffic management (UTM) systems. It will also provide test-and-learn opportunities to understand how we must adapt our approaches to airspace design to accommodate the changes occurring in the emerging landscape for low altitude airspace.

As part of this program, we are working with industry to pilot operational concepts for UTM services and to integrate with conventional airspace users, while maintaining a safe and secure environment for all.

The objectives of the pilots are to:

- rapidly assess the maturity, capability and functionality of emerging UTM systems and their providers
- accelerate our understanding of the aeronautical data requirements needed to support low-altitude operations
- inform approaches to boundary management between ATM and UTM systems, to assure segregated operations between conventional and low-altitude airspace segments
- provide test-and-learn opportunities to understand how we must adapt our approaches to airspace design to accommodate urban environment complexity.

## Deliverables

|                                                                           | 2019–20                                                                                                                                                                                                                                                         | 2020–21                                                                                                                                                                                                                                                                                                                                                           | 2021–22                                                                                                          | 2022–23 | 2023–24 |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|---------|---------|
| <b>Network Management – A-CDM and LR-ATFM</b>                             | <ul style="list-style-type: none"><li>• A-CDM operational at Sydney and Brisbane airports</li><li>• LR-ATFM operational at Melbourne airport</li></ul>                                                                                                          | <ul style="list-style-type: none"><li>• A-CDM operational at Melbourne and Perth airports</li><li>• LR-ATFM operational at Sydney, Brisbane and Perth airports</li></ul>                                                                                                                                                                                          |                                                                                                                  |         |         |
| <b>Digital Aerodrome Services</b>                                         | <ul style="list-style-type: none"><li>• Trial of contingency operation completed</li><li>• National deployment roadmap completed</li></ul>                                                                                                                      | <ul style="list-style-type: none"><li>• Trial of current air traffic control tower service completed</li><li>• Trial of new regional air traffic control service completed</li></ul>                                                                                                                                                                              | <ul style="list-style-type: none"><li>• Commission a digital operational contingency service in Sydney</li></ul> |         |         |
| <b>Unmanned Aerial Vehicles (UAV) Integration and Management Services</b> | <ul style="list-style-type: none"><li>• Pilot 1 – detection, tracking and UAV surveillance trial completed</li><li>• Pilot 2 – UAV surveillance system integration trial completed</li><li>• Pilot 3 – UTM ecosystem data integration trial completed</li></ul> | <ul style="list-style-type: none"><li>• Pilot 4 – Real time warning for ATC of UAV in exclusion zone trial completed</li><li>• Pilot 5 – Evaluation of airspace flight rules for urban air mobility trial completed</li><li>• Pilot 6 – Urban air corridor design trial completed</li><li>• Pilot 7 – Emergency services prioritisation trial completed</li></ul> |                                                                                                                  |         |         |

## Performance Assessment

Our programs and deliverables outlined under Service Innovation, help us to be ‘efficient and commercial’ and ‘innovative’.

Our investment in this space is focused on adapting to industry changes and growth. We will continue to build valued capabilities that provide the operational flexibility that our customers need to be successful and minimise the impact of our operations on the environment and communities. We will measure success against our core key performance indicators (page 29).





## Service Excellence

Delivering our services to a standard of excellence, while improving safety and efficiency for our customers and the community.

While the aviation industry operates in an environment of significant growth, unprecedented change and complexity, we remain focused on delivering service excellence to our customers. This means doing what we do now—well—while continuously improving the safety and efficiency of our service delivery to meet and exceed our customers' expectations.

We understand our obligation to protect the environment and community from the effects of aircraft operations.

We reward the trust placed in us by communities, industry and the Government by ensuring that the safety of air navigation remains our most important priority and fulfilling our environmental and other legislated obligations.

### Programs

#### OneSKY

The OneSKY program will deliver a harmonised civil and military air traffic management system for Australia and remains our key priority.

The program includes investment in critical air traffic infrastructure, facilities and services to enhance the safety, efficiency and capacity of the Australian air traffic network. It is the most complex transformation of air traffic management in Australian aviation history, delivering over \$1 billion in economic benefits and enabling us to meet Australia's future air traffic management needs, maintain Defence capability, and meet national security imperatives.

Over the coming financial year the benefits enabled by the new voice communication system commissioned in 2019 will be delivered to our customers.

## Airport Development Support Program

We continue to support industry expansion and aviation infrastructure investment across Australia. This program delivers essential communications, navigation, surveillance and aviation rescue fire fighting services across Australian airports to support the safe and secure growth of air traffic.

We are establishing new Aviation Rescue Fire Fighting Services (ARFFS) at the Whitsunday Coast Airport. To enhance safety at the aerodrome while the new fire station is constructed, an early service will be introduced by the end of September 2019. The new fire station will be operational by the end of June 2020.

To support the new parallel runway at Brisbane Airport, a second fire station, Brisbane West, will be commissioned in 2020.

We are supporting planned developments at Sunshine Coast, Melbourne, Perth and Western Sydney airports with airspace design flight paths and infrastructure.

Our airspace and flight path design work is essential to realising the safety, economic and passenger benefits of airport infrastructure investment. We will engage with communities as we seek to minimise the impact of aircraft operations on the environment.

## Aviation Rescue Fire Fighting Services Modernisation Program

The ARFFS Modernisation Program will ensure ARFFS is 'fit for the future' and positioned to leverage technology developments that will enhance our service delivery. The program—which also supports the Industry Leadership, Service Innovation and Organisational Agility pillars—is structured around six work streams:

- organisation design
- leadership and management
- personnel
- vehicles and equipment
- facilities and training
- support.

## Air Navigation Services Readiness Program

This program will prepare our air traffic operations capability to transition to OneSKY. The program is structured around four work streams:

- organisation design
- people, leadership and capability
- systems and processes
- change management.

# Deliverables

|                                           | 2019–20                                                                                                                                                                                                                                                                                                                                                                                      | 2020–21                                                                                                                                                                                                                                         |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| OneSKY                                    | <ul style="list-style-type: none"><li>• Preliminary Design Review completed</li><li>• Critical Design Review completed</li><li>• Melbourne Air Traffic Services Centre ready for installation</li></ul>                                                                                                                                                                                      | <ul style="list-style-type: none"><li>• Perth Terminal Control Unit refurbished and ready for installation</li><li>• Simulator and training system commissioned</li><li>• Brisbane Air Traffic Services Centre ready for installation</li></ul> |
| Airport Development Support Program       | <ul style="list-style-type: none"><li>• Whitsunday Coast early ARFFS service in operation</li><li>• Whitsunday Coast ARFFS Category 6 service in operation</li><li>• Sunshine Coast runway program completed</li><li>• Brisbane new parallel runway infrastructure program complete, including new ARFFS station west</li><li>• Western Sydney Airport airspace preliminary design</li></ul> |                                                                                                                                                                                                                                                 |
| ARFFS Modernisation Program               |                                                                                                                                                                                                                                                                                                                                                                                              | <ul style="list-style-type: none"><li>• ARFFS Modernisation Program completed</li></ul>                                                                                                                                                         |
| Air Navigation Services Readiness Program | <ul style="list-style-type: none"><li>• Air Navigation Services Readiness Program completed</li></ul>                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                 |

## Performance Assessment

Our programs and deliverables outlined under Service Excellence, help us to be ‘safe and secure’, ‘valued and accountable’ and ‘efficient and commercial’.

We aim to do what we do now—well—while continuously improving our effectiveness and efficiency to meet and exceed our customers, community and other stakeholders’ expectations. We will measure success against our core key performance indicators (page 29).

| 2021–22                                                                                                                                                                                                                           | 2022–23                                                                                                                                                                           | 2023–24                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• New Sydney Air Traffic Service Centre ready for installation</li> <li>• Technical Operations Centre commissioned</li> <li>• Site commissioning for software release zero (Rz)</li> </ul> | <ul style="list-style-type: none"> <li>• System Acceptance for software release zero (Rz)</li> <li>• Site commissioning for software release one (R1) commences</li> </ul>        | <ul style="list-style-type: none"> <li>• System acceptance of software release one (R1)</li> <li>• System verification for software release two (R2)</li> </ul> |
| <ul style="list-style-type: none"> <li>• Western Sydney Airport airspace design finalised</li> </ul>                                                                                                                              | <ul style="list-style-type: none"> <li>• Melbourne Airport airspace design finalised</li> <li>• Melbourne Airport new ARFFS and air navigation infrastructure in place</li> </ul> | <ul style="list-style-type: none"> <li>• Perth new parallel runway infrastructure program commenced</li> </ul>                                                  |
|                                                                                                                                                                                                                                   |                                                                                                                                                                                   |                                                                                                                                                                 |
|                                                                                                                                                                                                                                   |                                                                                                                                                                                   |                                                                                                                                                                 |
|                                                                                                                                                                                                                                   |                                                                                                                                                                                   |                                                                                                                                                                 |



## Organisational Agility

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Operating efficiently and effectively, while remaining agile to meet and exceed our customer, industry and community expectations.

Our organisational capability and capacity underpins everything we do. We need to continue to set the internal conditions for service delivery and innovation to thrive, as we aim to be a more agile organisation with the capability and capacity to respond to a rapidly changing and complex environment.

### Programs

#### People

Our *People Strategy* identifies the requirement to evolve—and in some areas transform—our workforce over the short and long term. Over the planning period we will ensure that our organisation design and people practices build, develop, engage and retain the people capability that is essential to deliver service excellence and innovation for our customers and community.

We will further develop and sustain an inclusive workplace, where differences in our people are valued and utilised to support our innovation and change agenda.

We will continue to identify, develop and deploy our current and future leaders to ensure they are ready to deliver on our strategic initiatives and optimise service delivery.

#### Digital and Information Capability

Advancements in technology has meant an exponential growth in data. To leverage the value of this data and to provide improved services in an increasingly complex environment, we need new capabilities focused on data and analytics.

Our digital program has three work streams:

- Develop a digital services platform to enhance our aeronautical information management (AIM) services through a customer focused approach to our information-based products and services.
- Develop a 'digital twin' of our operation to support the delivery of optimised network management through improved collaborative decision making.
- Using the 'digital twin' to optimise air traffic controller work load as well as traffic complexity and air route design.

#### Enterprise Network Modernisation Program

This program will ensure that the Airservices network has the capacity, availability, flexibility and security to manage the current and future bandwidth requirements of all our critical aviation equipment and systems.

## Cyber Resilience

Investment in cyber security continues to improve our cyber resilience and security posture through the implementation of a comprehensive security framework that is consistent with the Australian Government's Protective Security Policy Framework. We promote a positive security culture that evolves along with our systems to meet technology's rapid advancements.

## Deliverables

|                                                 | 2019–20                                                                                                              | 2020–21                                                                                                                                   | 2021–22                                                                                                                        | 2022–23                                                                                             | 2023–24                                                                                             |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| <b>People Capability</b>                        | <ul style="list-style-type: none"><li>Implementation of people capability and engagement program commenced</li></ul> | <ul style="list-style-type: none"><li>Leadership development refresh implemented</li></ul>                                                |                                                                                                                                |                                                                                                     |                                                                                                     |
| <b>Digital &amp; Information Capability</b>     | <ul style="list-style-type: none"><li>Air traffic network simulation prototype developed</li></ul>                   | <ul style="list-style-type: none"><li>Customer portal launched (digital marketplace)</li></ul>                                            | <ul style="list-style-type: none"><li>Digital transformation of existing aeronautical information products completed</li></ul> |                                                                                                     |                                                                                                     |
| <b>Enterprise Network Modernisation Program</b> | <ul style="list-style-type: none"><li>Program transition stage commenced</li></ul>                                   | <ul style="list-style-type: none"><li>Program design and build commenced</li></ul>                                                        | <ul style="list-style-type: none"><li>OneSKY core enabling activities completed</li></ul>                                      | <ul style="list-style-type: none"><li>Program design and build completed</li></ul>                  | <ul style="list-style-type: none"><li>Program transition completed</li></ul>                        |
| <b>Cyber Resilience</b>                         | <ul style="list-style-type: none"><li>Readiness baseline 1 achieved</li></ul>                                        | <ul style="list-style-type: none"><li>Readiness baseline 2 achieved</li><li>Annual certification and remediation plan completed</li></ul> | <ul style="list-style-type: none"><li>Annual certification and remediation plan completed</li></ul>                            | <ul style="list-style-type: none"><li>Annual certification and remediation plan completed</li></ul> | <ul style="list-style-type: none"><li>Annual certification and remediation plan completed</li></ul> |

## Performance Assessment

Our programs and deliverables outlined under Organisational Agility, help us to be 'safe and secure', 'valued and accountable', 'efficient and commercial' and 'innovative'.

An agile, fit-for-purpose organisation underpins our successful achievements across all our pillars and programs. We will measure success against our core key performance indicators (page 29).

# 5

## Performance

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2019–20 Corporate Plan



Our strategic performance measures ensure that we continue to be recognised as an industry leader and valued service provider.

We are driven to succeed by our people, technology, investments and the decisions we make.

We monitor our performance against a set of key performance indicators as outlined in table 1.

Our performance indicators are balanced against the broad criteria of safety, financial stewardship, operational efficiency, industry outcomes, and organisational capacity. They support, inform and drive our decision-making.

Through the decisions we make we ensure we are:

### safe and secure

our most important consideration is always the safety of air navigation

### valued and accountable

we deliver services that are valued by our customers and community that are environmentally responsible

### efficient and commercial

we make customer-centric and commercially rigorous decisions and commit to continually improving the way we do business

### innovative

we embrace and invest in innovation to build the Airservices of tomorrow

# Performance Criteria

Table 1: Key Performance Indicators



## Safety

|                                                     | 2019–20 | 2020–21 | 2021–22 | 2022–23 | 2023–24 |
|-----------------------------------------------------|---------|---------|---------|---------|---------|
| Significant attributable safety occurrences (ATM)   | 0       | 0       | 0       | 0       | 0       |
| Significant attributable safety occurrences (ARFFS) | 0       | 0       | 0       | 0       | 0       |
| Lost time injury frequency rate                     | <1.5    | <1      | <1      | <1      | <1      |



## Financial Stewardship

|                           | 2019–20 | 2020–21 | 2021–22 | 2022–23 | 2023–24 |
|---------------------------|---------|---------|---------|---------|---------|
| Net profit after tax (\$) | 55.7m   | 53.5m   | 54.9m   | 51.3m   | 51.4m   |
| Return on Assets          | 5.9%    | 5.2%    | 5.0%    | 4.3%    | 3.7%    |



## Business Operations/Efficiency

|                                                                | 2019–20 | 2020–21 | 2021–22 | 2022–23 | 2023–24 |
|----------------------------------------------------------------|---------|---------|---------|---------|---------|
| Productivity: Total operating cost per IFR flight hour (\$/hr) | 347     | 349     | 349     | 351     | 351     |



## Industry Outcomes

|                                                                           | 2019–20 | 2020–21 | 2021–22 | 2022–23 | 2023–24 |
|---------------------------------------------------------------------------|---------|---------|---------|---------|---------|
| Arrival airborne delay (minutes)—Median (high-volume operations)          | 0.6     | 0.6     | 0.6     | 0.4     | 0.4     |
| Arrival airborne delay (minutes)—75th percentile (high-volume operations) | 3.3     | 3.2     | 3.1     | 3.1     | 3.1     |
| Customer satisfaction                                                     | ≥70%    | ≥70%    | ≥80%    | ≥80%    | ≥80%    |



## Organisational Capability

|                           | 2019–20          | 2020–21          | 2021–22          | 2022–23          | 2023–24          |
|---------------------------|------------------|------------------|------------------|------------------|------------------|
| Employee engagement index | > 2018–19 Result | > 2019–20 Result | > 2020–21 Result | > 2021–22 Result | > 2022–23 Result |
| Inclusion index           | > 2018–19 Result | > 2019–20 Result | > 2020–21 Result | > 2021–22 Result | > 2022–23 Result |

# Five-year Corporate Financial Plan



This five-year financial plan supports our strategy, delivers price reductions to our customers, and funds key investment and services improvement programs to enhance safety and deliver value to industry.

The financial plan continues to deliver value to industry to support the long term growth of aviation across Australia.

This plan passes on savings that Airservices has achieved through a customer price reduction of 2 per cent. It also returns \$200 million in capital to the Government while continuing to fund \$1.1 billion in capital investment and new and enhanced services.

The investment program remains focused on customer service improvements through programs such as OneSKY, supporting airport infrastructure projects while continuing to enhance safety and business resilience. The five-year operating projections and performance measures are shown in table 2 (page 32). The plan reflects the latest economic outlook and airways traffic projections.

## Pricing

We set our prices in consultation with our customers for core airways services under Long Term Pricing Agreements. Under the provisions of the *Competition and Consumer Act 2010* (Cth) any increase in prices must be notified to the Australian Competition and Consumer Commission for its review.

The current prices were established in October 2011 allowing us to recover all reasonably incurred costs (including a return on capital employed) relating to the delivery of our services. Under this agreement the last Airservices pricing change occurred on 1 July 2015.

Following successive years of zero price growth, from 1 July 2019 Airservices delivered a price reduction of 2 per cent. This delivers price certainty to our customers through to 2023–24 and a real price decrease of 20 per cent since 2015.

## Operating Performance

Financially, we have sustained our new operating model and continue to build on our financial strength. This ensures the capacity for reinvestment in key programs and services to support industry growth into the future.

We anticipate that our returns will come under pressure in the latter years of the plan due to increased investment and costs associated with delivery of our strategy.

Over the planning horizon, Return on Assets and Net Profit After Tax are forecast at an average of 5 per cent and \$53 million a year respectively.

These returns are marginally below regulatory benchmark rates acknowledging the peak in investments associated with implementing the future air traffic management services through OneSKY.

Revenues over the period reflect the planned price reduction and grow in line with projected traffic growth.

Signs of slowing traffic across the international aviation sector are starting to emerge following successive years of strong growth across Asian and Middle Eastern services. The outlook for domestic market growth still remains soft as major domestics continue to manage capacity and improve yields through increased load factors. On balance traffic is expected to grow at average of 3 per cent a year.

Expenses are forecast to grow in line with inflation and then lift. This uplift will support the expansion of our core services to new regional locations and parallel runway operations at major airport locations. It will also support required transition and capability readiness activities, and provide overlapping support for old and new systems as part of OneSKY's implementation.

To deliver information services for the future, the financial plan funds costs associated with developing these services, as well as modernisation of our networks and information platforms to ensure timely and secure delivery information and data services in an ever challenging cyber environment.

Allowances have also been made for per- and poly-fluoroalkyl substances (PFAS) site testing, containment and monitoring work.

**Table 2: Operating Projections and Performance Measures**

| Description                                          | 2018–19<br>Forecast<br>(\$million) | 2019–20<br>Plan<br>(\$million) | 2020–21<br>Plan<br>(\$million) | 2021–22<br>Plan<br>(\$million) | 2022–23<br>Plan<br>(\$million) | 2023–24<br>Plan<br>(\$million) |
|------------------------------------------------------|------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Airways Revenue                                      | 1,103.0                            | 1,108.9                        | 1,141.8                        | 1,179.1                        | 1,218.7                        | 1,259.0                        |
| Other Revenue                                        | 30.6                               | 30.8                           | 30.9                           | 31.0                           | 31.2                           | 31.3                           |
| <b>Total Revenue</b>                                 | <b>1,133.6</b>                     | <b>1,139.7</b>                 | <b>1,172.7</b>                 | <b>1,210.1</b>                 | <b>1,249.9</b>                 | <b>1,290.3</b>                 |
| Staff Costs                                          | 639.2                              | 658.9                          | 682.1                          | 700.5                          | 724.3                          | 750.0                          |
| Supplier Costs                                       | 228.3                              | 225.1                          | 239.4                          | 256.2                          | 277.2                          | 283.2                          |
| Depreciation                                         | 146.7                              | 154.4                          | 155.0                          | 155.0                          | 155.0                          | 169.6                          |
| <b>Total Expenses before<br/>interest and Tax</b>    | <b>1,014.1</b>                     | <b>1,038.4</b>                 | <b>1,076.5</b>                 | <b>1,111.7</b>                 | <b>1,156.6</b>                 | <b>1,202.8</b>                 |
| <b>Earnings Before<br/>Interest &amp; Tax (EBIT)</b> | <b>117.0</b>                       | <b>92.4</b>                    | <b>90.3</b>                    | <b>92.6</b>                    | <b>87.4</b>                    | <b>81.7</b>                    |

| Performance<br>Description | 2018–19<br>Forecast<br>(\$million) | 2019–20<br>Plan<br>(\$million) | 2020–21<br>Plan<br>(\$million) | 2021–22<br>Plan<br>(\$million) | 2022–23<br>Plan<br>(\$million) | 2023–24<br>Plan<br>(\$million) |
|----------------------------|------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| EBIT/Revenue               | 10.4%                              | 8.2%                           | 7.7%                           | 7.7%                           | 7.0%                           | 6.4%                           |
| Return on Assets           | 7.6%                               | 5.9%                           | 5.2%                           | 5.0%                           | 4.3%                           | 3.7%                           |
| Net profit after tax       | 72.3                               | 55.7                           | 53.5                           | 54.9                           | 51.3                           | 51.4                           |
| Return on Equity after tax | 9.7%                               | 8.1%                           | 8.7%                           | 8.6%                           | 7.8%                           | 7.6%                           |
| Gearing                    | 25.2%                              | 44.5%                          | 44.9%                          | 44.8%                          | 46.1%                          | 45.2%                          |
| <b>Returns</b>             |                                    |                                |                                |                                |                                |                                |
| Dividends                  | 9.8                                | 22.1                           | 32.7                           | 32.5                           | 31.9                           | 30.8                           |

## Capital Expenditure

The five-year capital investment projections are provided in table 3. This investment profile incorporates the funding required to deliver on our strategy across the planning years with total investment levels estimated at \$1.2 billion over five years.

The OneSKY program accounts for approximately 60 per cent of the total expenditure. The program also supports the delivery of runway developments, establishes two new regional services and continues the expansion of surveillance services to improve safety and support industry growth.

**Table 3: Capital Investment Projections**

| Description                            | 2019–20<br>Plan<br>(\$million) | 2020–21<br>Plan<br>(\$million) | 2021–22<br>Plan<br>(\$million) | 2022–23<br>Plan<br>(\$million) | 2023–24<br>Plan<br>(\$million) | TOTAL<br>5 years<br>(\$million) |
|----------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------|
| Air Traffic Management Services        | 15.4                           | 34.8                           | 35.7                           | 42.1                           | 33.7                           | <b>161.6</b>                    |
| Aviation Rescue Fire Fighting Services | 21.6                           | 16.5                           | 27.1                           | 43.9                           | 48.4                           | <b>157.5</b>                    |
| Future Services                        | 167.6                          | 146.5                          | 137.7                          | 141.0                          | 151.9                          | <b>744.6</b>                    |
| Enabling Services                      | 15.3                           | 33.8                           | 39.5                           | 35.6                           | 15.4                           | <b>139.6</b>                    |
| <b>Total Program</b>                   | <b>219.9</b>                   | <b>231.6</b>                   | <b>239.9</b>                   | <b>262.5</b>                   | <b>249.4</b>                   | <b>1,203.3</b>                  |

## Returns, Dividends and Gearing

Through sustained levels of profitability, dividend planning and management of capital expenditure funding, Airservices is in a position to make a \$200 million capital repayment to the government.

The five-year returns, dividends and gearing projections are provided in Table 2. Over the term of the plan:

- earnings before interest and tax (EBIT) will average \$89 million a year

- EBIT returns over revenue are forecast at an average annual rate of 7 per cent.

Dividends are forecast to be paid out at a rate of 60 per cent of after tax profits returning an average of \$30 million in dividends each year.

Gearing is projected to remain within target levels and average 45 per cent over the term of the plan.

# Risk Oversight and Management



With unprecedented disruption, effective risk management is integral to our success.

## Our Positive Risk Culture

We are committed to developing and promoting a culture of active risk management supported by robust and transparent governance oversight. Our Board Risk Appetite Statement promotes risk-based decision making driven by a sound understanding of our risk environment. This supports our commitment to better practice risk management and to meeting our obligations according to s.16 of the *Public Governance, Performance and Accountability Act 2013* (Cth) and in accordance with the *Commonwealth Risk Management Policy*.

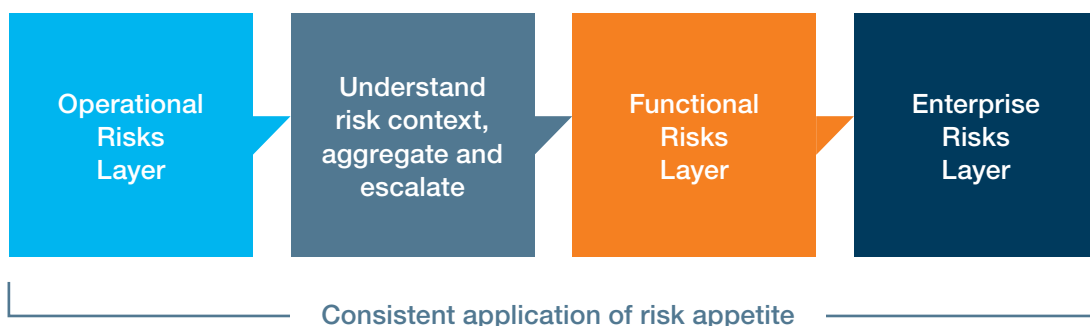
## Our Approach to Risk

We take a continuous improvement approach towards risk management that aligns with best practice principles and is consistent with the International Standard ISO 31000:2018 *Risk Management – Guidelines*. The Board's Risk Appetite Statement supports effective risk management and decision-making processes through clear articulation of risk tolerance and the level of risk that we are willing to accept as an organisation. To keep pace with the exponential change within the aviation industry, during the last fiscal period we refreshed and released our new enterprise risk matrix. This aligns with our risk appetite for embracing innovation and taking advantage of new opportunities while maintaining safety as our most important consideration.

Through the implementation of our Risk Management Standard, as a part of the *Governance, Risk and Compliance Framework*, we proactively embed and integrate risk management practices into our organisational frameworks to identify and treat risks to within acceptable tolerances.

Our day-to-day operational risks are managed in accordance with the risk management processes we have embedded in our organisational frameworks. These clearly articulate the accountability, responsibility and delegation for managing risks. We have established appropriate and effective mechanisms to communicate and escalate risk information for management attention and decision making.

Our risk management approach comprises three layers of risk management activities. This is illustrated below.



## Our Risk Environment

We perform an integral role in the Australian aviation industry and operate in an inherently complex environment. While exposure to risk is a key part of our operations, effective risk management contributes to enhanced risk-based decision making. Our external risk considerations include our regulators, emerging technologies, changes to the domestic and international economic environment, and our role in the broader commercial aviation industry. We have a wide range of risks associated with our operational activities.

Responding to these diverse risks requires us to ensure the integrity of our safety and environment management systems and service delivery to maintain long term sustainability. We continuously improve our operating systems, embrace innovation and engage with technology to remain responsive to changes.

Risks identified in the 2019–20 Enterprise Risk Profile include:

- **Strategic risks** such as delivery of value to customers, geopolitical uncertainties and innovation opportunities arising from technological disruption.
- **Business risks** such as the delivery of safe, efficient and environmentally responsible air traffic management and aviation rescue firefighting services, as well as provision of supporting functions which enable service delivery.
- **Transitional risks** such as delivery of our OneSKY Program and ongoing management of PFAS contamination.

## Risk Oversight and Assurance

The Enterprise Risk Report is reviewed by the Chief Executive Officer and Executive Team each quarter. The report draws risk intelligence from a range of assurance activities, internal insights and external trends.

A quarterly governance, risk and compliance report containing enterprise risk information is also presented to the Board Audit and Risk Committee (BARC) for review and oversight. Effective reporting and oversight helps our leaders make strategic decisions to address major threats and to seize opportunities openly and transparently.

In addition, we apply the three lines of defence model to provide assurance that our key controls are effective in managing risk. Assurance activities are layered across the three lines of defence and embedded into our processes. These assurance activities provide the leadership team, the BARC and our stakeholders with a high level of comfort that risks are being managed, compliance obligations are being met and corporate objectives are being achieved.

# Appendix A:

# Ministerial Expectations

The portfolio Minister regularly issues a Statement of Expectations (SOE) as a notice of strategic direction to the Airservices Australia Board according to s.17 of the *Air Services Act 1995* (Cth). This—together with the Board’s Statement of Intent—is provided within this section.

## Airservices Board Statement of Intent 2019–21

| Statement of Expectations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Statement of Intent                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Overview</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p>This instrument is the Statement of Expectations for Airservices Australia for the period 15 July 2019 to 30 June 2021.</p> <p>This instrument commences on 15 July 2019 and expires at the end of 30 June 2021 as if it had been repealed by another instrument.</p> <p>This instrument puts in place a new Statement of Expectations (SOE) which serves as a notice to Airservices Australia (Airservices) under section 17 of the <i>Air Services Act 1995</i> (the Act).</p> <p>The new SOE formalises the Government’s expectations concerning the operations and performance of Airservices.</p> | <p>The Airservices Board’s Statement of Intent responds to each element of the Statement of Expectations and states Airservices’ commitment to meeting the Minister’s expectations.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>Airservices should perform its functions in accordance with the Act, which requires that Airservices must regard the safety of air navigation as the most important consideration.</p> <p>Airservices should also perform its functions in accordance with the Public Governance, Performance and Accountability Act 2013 (PGPA Act) as well as other relevant legislation.</p>                                                                                                                                                                                                                        | <p>Airservices provides safe, secure, efficient and environmentally responsible services that are valued by the aviation industry and community on behalf of our owner, the Australian Government.</p> <p>When performing our functions, we adhere to all relevant legislation including the Air Services Act and the PGPA Act.</p> <p>The Board and the Chief Executive Officer make decisions consistent with their legislated responsibilities and the responsibilities resulting from our industry funding arrangements, relating to the objectives, strategies and policies to be followed by Airservices to ensure that we perform our functions in a proper, efficient and effective manner. In accordance with the Act, the safety of air navigation is Airservices’ most important consideration.</p> |

Statement of Expectations

Statement of Intent

Governance

I expect that the Board and the Chief Executive Officer (CEO) will continue to work to enable Airservices to operate as a world-best-practice Air Traffic Control (ATC) and Aviation Rescue and Fire Fighting Service (ARFFS) provider.

I expect the Board to ensure Airservices has the necessary resources and capabilities in place to effectively manage Airservices' strategic direction, risks and corporate planning.

I expect the CEO to be responsible for managing the operations of Airservices, its organisational capacity and the exercise of its functions.

I expect the Board to keep the Secretary of my Department and me fully informed of Airservices' actions in relation to the requirements stated in this SOE, and promptly advise of any events or issues that may impact on the operations of Airservices, including through quarterly progress reports from the Board against the Corporate Plan and this SOE.

Airservices will ensure that its annual Corporate Plan positions the organisation to continue to provide safe, secure, efficient and environmentally responsible services that are valued by the aviation industry and community.

Airservices will monitor, focus and report on the effective delivery of Corporate Plan initiatives to ensure that we deliver the benefits to our customers.

Airservices will innovate to maintain its position as a leading air navigation service provider, with initiatives including the **Network Management Program** (including Airport Collaborative Decision Making and Long Range Air Traffic Flow Management), and the **Digital Aerodrome Services Program**.

Our **People Strategy** will ensure that we continue to invest in our workforce capability to provide an appropriately skilled workforce to deliver on our service objectives.

The Board and the Chief Executive Officer will ensure the Department and Minister are fully informed of all actions relating to these expectations through regular reporting including quarterly progress reports and annual reporting.

### Key Aviation Initiatives

I expect Airservices, in conducting its responsibilities as the air navigation and aviation rescue and fire fighting services provider, will focus on the following key aviation initiatives:

(a) progress the timely, on-budget and effective implementation of the civil-military air traffic management program, known as OneSKY, including harmonisation initiatives with the Department of Defence (Defence) and advise me on the progress and achievement of program milestones.

b) work closely with my Department and the Civil Aviation Safety Authority (CASA) to ensure the safe integration of Unmanned Aircraft Systems (UAS) into Australian airspace, including the development and implementation of a UAS traffic management system that complements the Government's broader approach to this sector.

(c) work with my Department and CASA on modernising airspace management, including:

- progressing Australia's airspace protection policy;
- enhancing the safety and efficiency of Australian controlled airspace including at major regional airports;
- continuing to apply adequate resources to manage airspace planning and design including for Western Sydney Airport; and
- continuing the implementation of Performance Based Navigation in Australia following consultation with other Government agencies, community and industry stakeholders

The **OneSKY Program** remains the cornerstone of our commitment to deliver world-class air traffic management services into the future. Airservices will continue to work closely with the Department of Defence to deliver a harmonised civil military air traffic management system for Australia.

Airservices will update the Minister quarterly on the progress of OneSKY and achievement of program milestones.

We have also established the **Air Navigation Services Readiness Program**, which will prepare our air traffic operations for the future transition to OneSKY.

Airservices will continue to work with the Department and CASA to ensure the safe integration of Unmanned Aircraft Systems (UAS) into Australian airspace.

As part of our **Unmanned Aerial Vehicle Integration and Management Services Program** we will deliver a pilot program to assess unmanned traffic management (UTM) systems and identify options for integration of UAS with conventional airspace users while maintaining a safe and secure environment for all.

We will engage with government agencies through established forums and working groups to ensure the implementation of UAS traffic management aligns with the Government's policies and approach to this sector.

We will support Australia's airspace protection policy by working cooperatively with the Department and CASA and providing timely information to assist with policy and regulatory initiatives.

Airservices' **Airspace Modernisation Program** will enhance the safety and efficiency of Australian airspace and increase access to airspace for the aviation industry, through national standardisation and leveraging increased surveillance to enhance service provision.

Airservices' **Airport Development Support Program** will deliver essential supporting infrastructure and services in support of aviation industry expansion, including airspace planning and design at Western Sydney Airport.

Airservices will continue the transition to Performance-Based Navigation (PBN) as the primary means of navigation in line with the global aviation industry in consultation with government agencies, the community and other stakeholders.

## Statement of Expectations

- (d) assist in implementing the Government's environmental initiatives including:
- minimising the impact of aircraft operations on communities where practicable;
  - supporting the ongoing role of the independent Aircraft Noise Ombudsman (ANO) and implementation of agreed recommendations made by the ANO;
  - appropriate resourcing of the Noise Complaints and Information Service to continue to improve the flow and quality of information to noise affected communities;
  - ongoing commitment to the Sydney Airport Long Term Operating Plan as required by the Ministerial direction dated 30 July 1997 (F2009B00158);
  - providing and reporting against an annual environment work program which outlines Airservices ongoing and new initiatives in managing, monitoring and alleviating, where safe and practicable, environmental effects of aircraft operations; and
  - working with the Department and industry on issues related to environmental contamination, including taking action on per- and poly-fluoroalkyl substances (PFAS) in line with Government expectations on this issue.

- (e) continue to work with the Department and CASA on implementing the Government's ARFFS policy.

- f) maintain international and regional aviation safety engagement through effective engagement in the International Civil Aviation Organization (ICAO) and safety and capability building initiatives in the Asia-Pacific region.

## Statement of Intent

In designing airspace and flight paths, Airservices seeks to minimise the impact of aircraft noise on communities as far as practicable. We engage with communities when we make changes that will impact them.

Airservices will continue to support the role of the ANO and implement all agreed recommendations.

Airservices' Noise Complaints and Information Service will continue to be resourced to provide quality information and manage noise complaints to a high standard.

The 1997 Ministerial Direction relating to the Sydney Long Term Operating Plan will continue to guide the operation of Sydney Airport.

Airservices' initiatives to manage and monitor the environmental effects of aircraft operations are outlined in an annual environmental work plan, with quarterly progress reports provided to the Minister.

Airservices will continue to implement a risk-based national PFAS management program, including site investigations, containment and monitoring as appropriate.

Airservices will work closely with Government agencies and industry on issues related to PFAS in line with Government expectations, including participating in the Commonwealth inter-departmental committee.

Airservices will continue to work with the Department and CASA to implement the Government's ARFFS policy. We support the planned shift from the current prescriptive regulatory framework to a more outcomes based approach.

Airservices' **ARFFS Modernisation Program** will ensure ARFFS is 'fit for the future' and positioned to leverage new technology to enhance service delivery, with a program of work focused around our people, facilities, vehicles, equipment and training.

Airservices will continue to support the Australian Government's safety initiatives in the Asia-Pacific region. Our international capability development program enhances the safety of air transport in our region by helping our neighbouring air navigation service providers in Indonesia and Papua New Guinea to build their capability and improve their operations.

Airservices is an active participant in ICAO forums and works closely with the Department and CASA to ensure that Australia's ICAO responsibilities are met.

**Stakeholder Engagement**

I expect Airservices will continue to:

- a) undertake effective and productive engagement with the community and industry based on mutual understanding and respect.
- b) communicate clearly and regularly with my Department and CASA, industry and the community on the development and implementation of significant changes to air navigation and ARFFS.
- c) proactively provide information, assistance and advice to Government agencies for policy formulation, implementation activities and regulation purposes.
- d) contribute in the coordinated approach to airport planning including appropriate participation in planning coordination forums, community aviation consultation groups, and the National Airports Safeguarding Advisory Group.
- e) work closely with my Department and other Government agencies, including the Australian Transport Safety Bureau, CASA and Defence to deliver integrated and comprehensive advice to the Government, the aviation industry and the community.

Airservices engages with industry on its service delivery, strategic planning, pricing and other key initiatives via direct engagement with customers and stakeholders, engagement with industry bodies and participation in established industry forums such as ASTRA. Airservices engages with the community when we make changes that will impact them.

Airservices has established mechanisms to share information with CASA in relation to the performance of its regulatory functions.

Airservices keeps the Department and Minister informed through regular reporting including quarterly progress reports and annual reporting and responds to requests for assistance and advice from government agencies.

Airservices is committed to ongoing participation in the National Aviation Safeguarding Advisory Group and engaging via airport-led planning coordination and consultation forums and technical noise working groups.

We will work closely with the Department and other agencies to deliver integrated and comprehensive advice to the Government and other stakeholders on emerging issues affecting aviation regulation and policy including airspace management and protection, UAS and UTM, ARFFS and aviation infrastructure planning and implementation.

# Ministerial Directions

The Minister has also issued the following Ministerial Directions:

| Year | Date      | 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                  |



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