



2021 2022

A large, semi-transparent graphic of the years "2021" and "2022" is centered on the page. The numbers are filled with a light blue color and contain a photograph of a white commercial airplane flying through a blue sky with scattered white clouds. The airplane is positioned as if it is flying through the "0" of "2021" and the "0" of "2022".

ANNUAL REPORT



We acknowledge and embrace a culture that celebrates diversity, inclusion, and equality for all. In making this statement we acknowledge Aboriginal and Torres Strait Islander peoples as the Traditional Owners and Custodians of the country on which we operate, now called Australia.



Publication details

Published by Airservices Australia.

© Airservices Australia 2022

PUB 001 - Airservices Australia Annual Report 2021-22

ISSN 1325-2755 (hard copy/print)

ISSN 2207-5925 (online)

ABN 59 698 720 886

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Publication acknowledgments

We proudly support small businesses and thank them for their contributions to the publication of this report.

Graphic design: Prodigy Plus

Digital design: OSKY Interactive

Print publication: Instant Colour Press

Annual Performance Statement

Airservices Australia, as a corporate Commonwealth entity, presents its 2021-22 Annual Performance Statement (APS) as prepared in accordance with section 39 of the *Public Governance Performance and Accountability Act 2013* (Cth) (PGPA Act).

In accordance with section 16F of the *Public Governance Performance and Accountability Rule 2014* (Cth) (PGPA Rule), the APS accurately presents how we have performed against our strategic initiatives and key performance areas in meeting our purpose, as outlined in our 2021-22 Corporate Plan.

Digital access

Online access is available at:

www.airservicesaustralia.com/corporate-publications

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The Hon Catherine King MP
Minister for Infrastructure, Transport, Regional Development and Local Government
Parliament House
CANBERRA ACT 2600

Dear Minister,

Airservices Australia Annual Report 2021-22

On behalf of the Board of Airservices Australia, I am pleased to submit to you the Airservices Australia Annual Report for the financial year 2021-22 as required under section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

During 2021-22 we were accountable to the Australian Parliament and to the Australian Government through your portfolio as the Minister for Infrastructure, Transport, Regional Development and Local Government. The Board, as the accountable authority of Airservices Australia, is responsible for preparing and submitting this report to you. It was endorsed at our meeting on 23 September 2022.

The report has been prepared in accordance with the requirements of the *Air Services Act 1995*, the PGPA Act, the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) and other relevant legislation.

This report outlines the achievements and milestones met by Airservices, and includes a review of operations and financial statements for the year ending 30 June 2022.

The performance statement has been prepared to demonstrate our performance over the 2021-22 period against the Airservices Corporate Plan. It reports against our key performance measures and initiatives articulated within the Plan. The appropriateness of the performance statement was reviewed by the Airservices Board Audit and Risk Committee at its meeting on 6 September 2022.

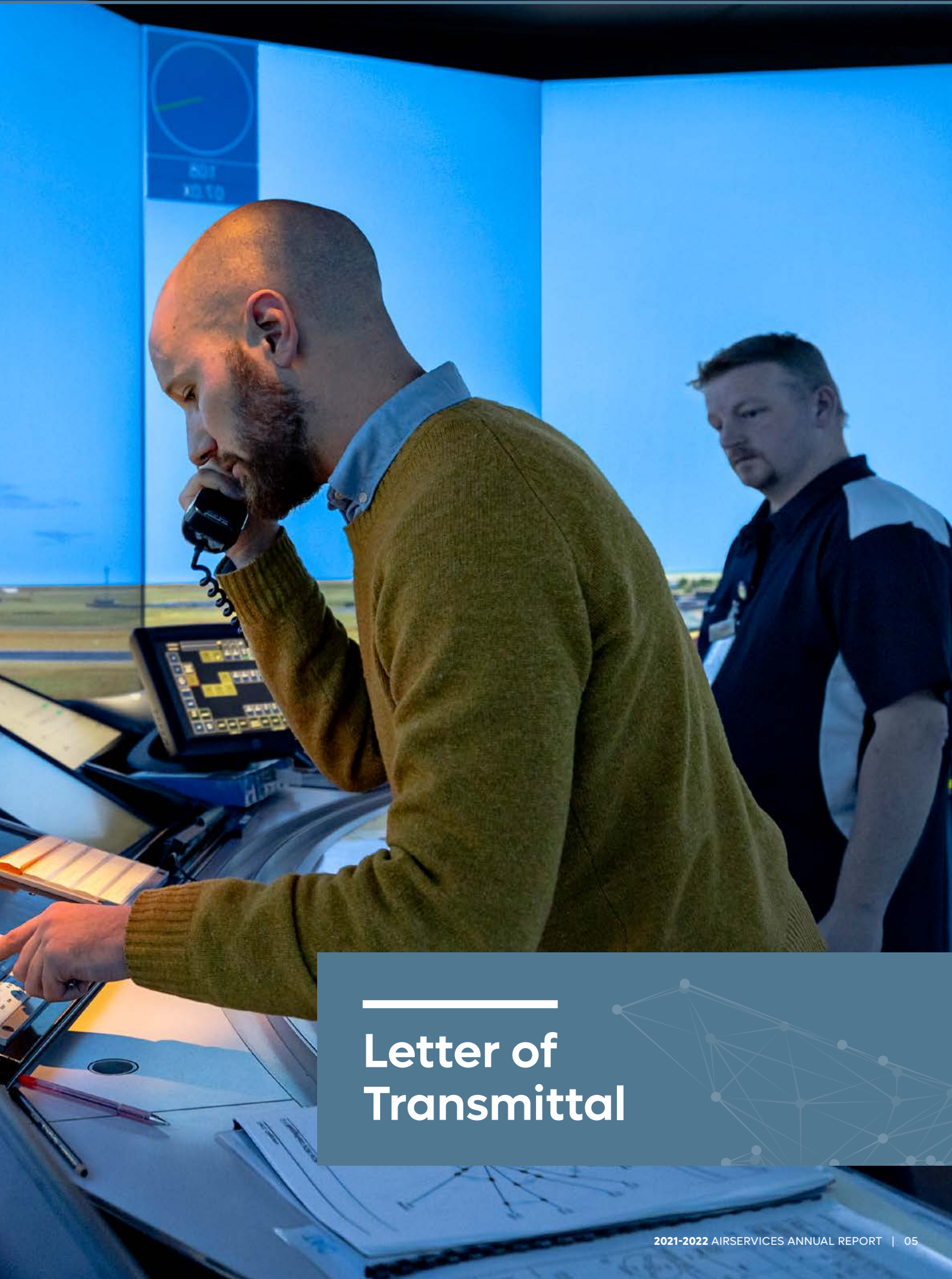
In the Board's opinion, the annual performance statements are based on properly maintained records, accurately reflect the performance of the entity, and comply with subsection 39(2) of the PGPA Act and section 16F of the PGPA Rule.

Yours sincerely,

A handwritten signature in black ink, appearing to read "John Weber".

John Weber
Chairman
23 September 2022

connecting australian aviation



Letter of Transmittal

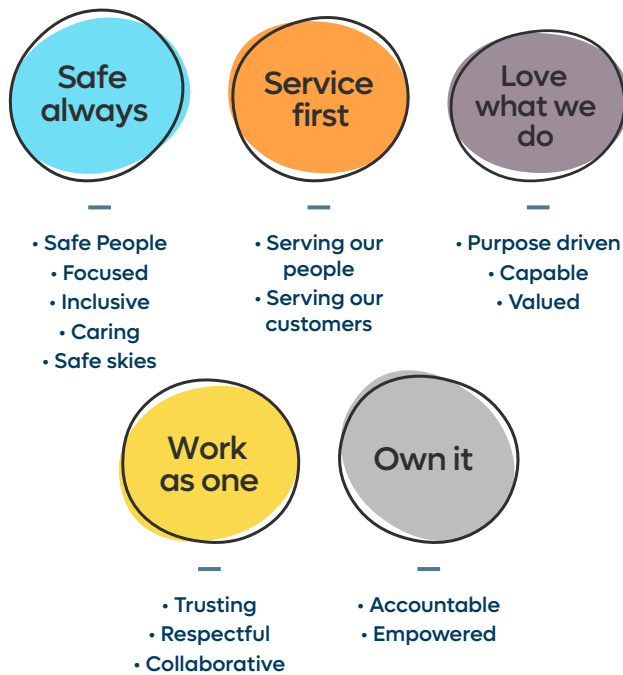
About Us

We are our nation’s air traffic management and aviation rescue fire fighting provider, operating at 29 of Australia’s major airports and managing 11% of the world’s airspace, including the upper airspace for Nauru and the Solomon Islands.

We connect people with their world safely through our world-class services – linking family and friends, generating economic activity, creating jobs, and facilitating trade and tourism.

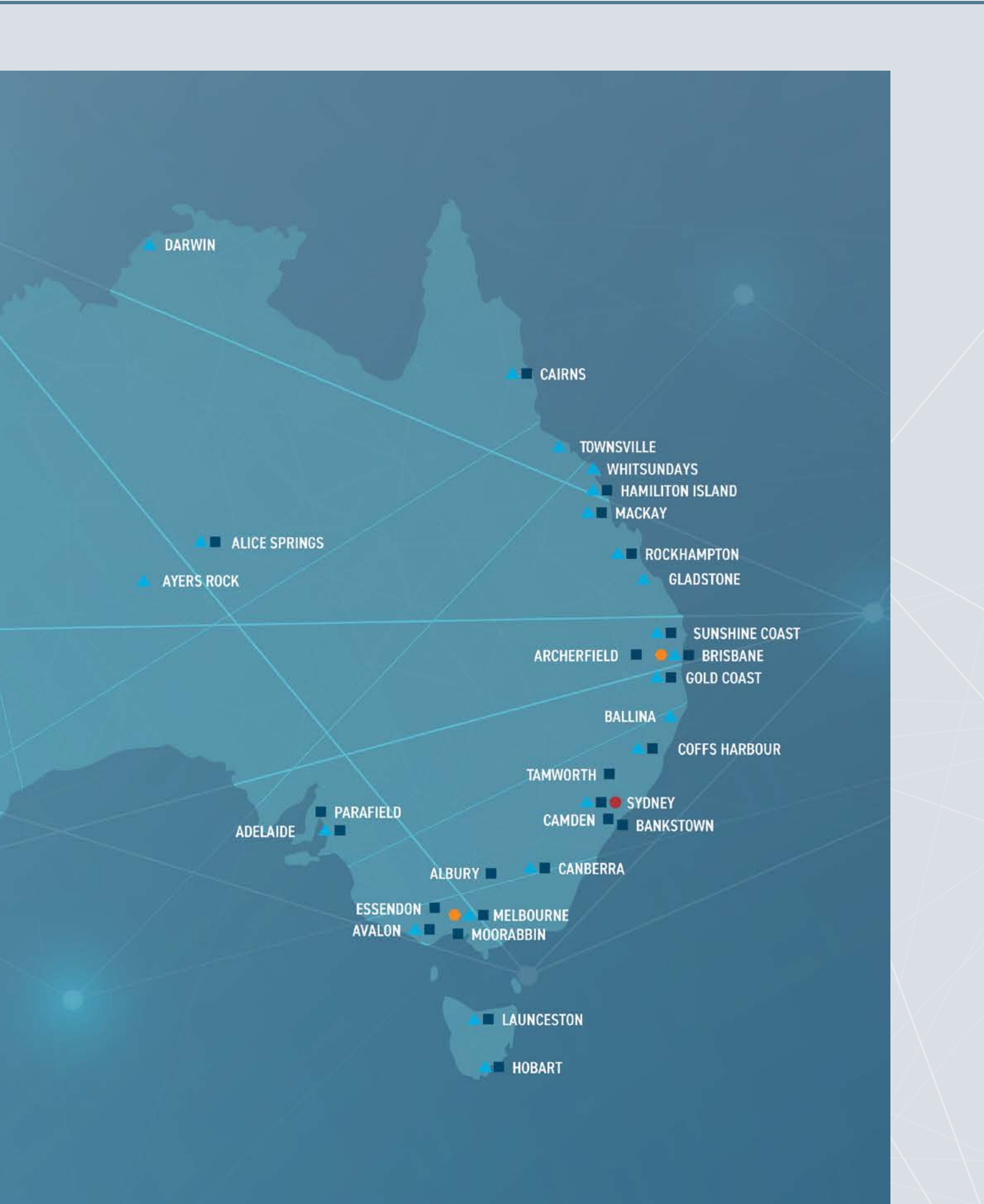
As our skies get busier and more complex, we are committed to making aviation safer, more efficient and cleaner.

We do so by living our Values:



Our Locations





Our Role

We are a government-owned organisation established by the *Air Services Act 1995* (the Act). We are a designated corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Our primary role, as defined under the Act, 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.

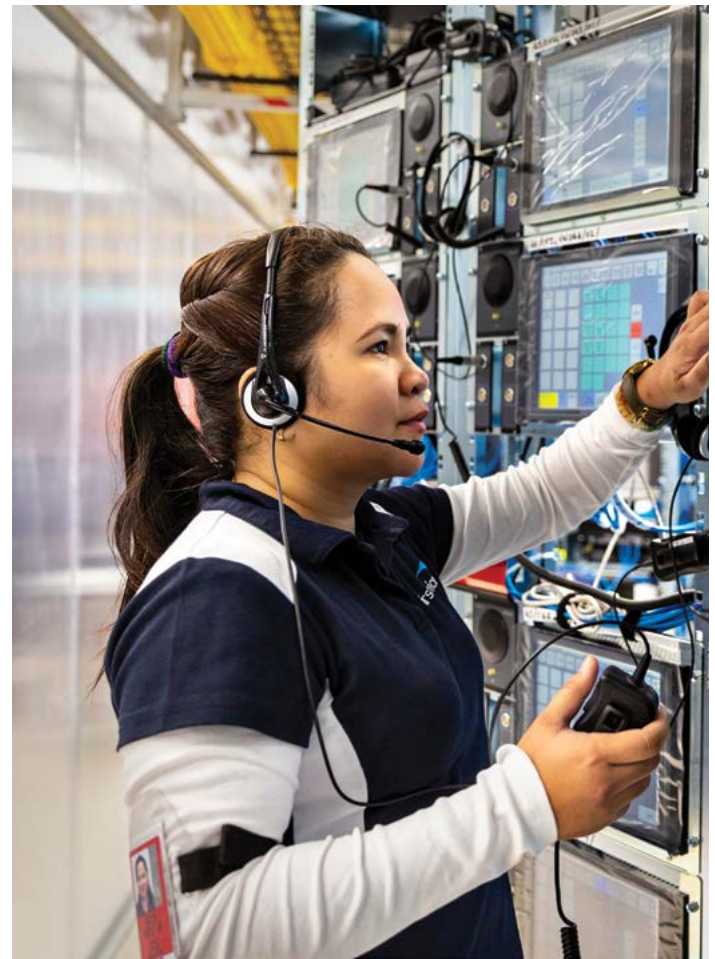
We operate in accordance with the Act, the *Australian Airspace Policy Statement 2018*, the PGPA Act and the Minister's Statement of Expectations. In addition, a range of other legislation informs our operations.

We are funded through customer charges for our services and by capital raised from debt markets. Our Board set our prices after extensive consultation with industry and oversight by the Australian Competition and Consumer Commission (ACCC).

The government funding we received in the previous year ensured we continued to provide our services and offset a significant reduction in our revenue as the aviation industry continued to be impacted by the COVID-19 pandemic.

In undertaking our functions, we regard the safety of air navigation as our most important consideration, and we protect the environment as far as practicable from the effects of aircraft operations.

More information is available at www.airservicesaustralia.com/about-us/our-governance/





Chairman and CEO's Report



John Weber
Chairman



Jason Harfield
Chief Executive Officer

As we reflect on another year that saw COVID-19 continue to challenge so many, Airservices continues to deliver on its purpose – to connect people with their world safely – adapting to meet the needs of the aviation industry, without compromise to our safety record.

When the pandemic began in early 2020, we faced the immediate challenge of maintaining safe service delivery and looked forward to the return of pre-pandemic conditions. Some 2 years on, COVID-19 and the associated disruption is still very much with us, and we have more than adjusted to operating in the continuing volatile environment.

We began the year with the east coast of Australia in lockdown, along with three-quarters of our employee base, and saw the arrival of the Omicron COVID-19 variant just as state border restrictions began to ease. By March, the first Omicron peak had passed, travel hesitancy eased, domestic air traffic was rebounding, and international commercial air traffic was beginning to return.

Through it all, we have delivered a continuous service to the nation, ensuring the safe, reliable and efficient use of airspace for all users, while at the same time protecting the health and wellbeing of our people.

The international market accounted for half of our revenue pre-pandemic. While we continued to deliver our services across the same proportion of airspace, with fewer carriers and limited routes, we saw our costs outweigh revenue at a rate that the domestic market could not offset. Noting that the industry was still recovering, we continued to share their pain and have sustained and built on our cost saving efforts from last year, as well as relying of the financial support provided from the government last year to ease our funding shortfalls. For the year, we recorded a net loss after tax of \$347.6 million excluding restructuring costs. This has allowed us to continue to deliver safe, regular and efficient services, and to continue to invest in our transformation.

We maintain our focus on transforming and repositioning our organisation to meet the future needs of the industry and all those who use our skies.

Our OneSKY Program, in conjunction with Department of Defence, is central to this and will deliver a world-first harmonised civil and military air traffic management system (CMATS) for Australian airspace in 2026, unlocking an associated \$1.2 billion in economic benefits for the aviation industry over the next 2 decades. During the year, the program entered formal testing for the initial release of the system and installation began at number of sites.

To support and enable the OneSKY Program and our future aviation services, we are modernising our critical telecommunications network infrastructure as part of our Enterprise Network Modernisation Program (ENMP), with the network design process progressing well.

Digitalising and automating our service is similarly an important focus. We are implementing the use of remote digital tower technology at 2 sites – Canberra Airport and Western Sydney International Airport (WSIA), with testing to begin at Canberra Airport later this year.

As we increasingly see Uncrewed Aircraft Systems (UAS), such as drones and advanced air mobility, operate in Australia's low-level airspace, we have progressed the development of a Flight Information Management System (FIMS) prototype to unlock the benefits of an increasingly integrated airspace environment. The FIMS will serve as the interface that underpins the safe and efficient integration of these emerging aerospace users.

Our Airspace Modernisation Program is delivering enhanced safety through a range of initiatives including the introduction of a Surveillance Flight Information Service (SFIS) at Ballina, a Safety Alerting Service (SAS) at Mangalore and surveillance approach services at Hobart, Launceston, Mackay and Rockhampton airports.

Many of these programs will also support service provision for several significant, once-in-a-generation, aviation infrastructure investments planned for Western Sydney, Melbourne and Perth airports, adding new aviation capacity to support the economy, businesses and the travelling public, while also creating jobs.

As this infrastructure prepares to come online, we play an important role in the design of new safe and efficient flight paths that will feed into the airports. A key part of this involves carefully considering and balancing the needs of all stakeholders, including airports, airlines and communities.

Our experience designing flight paths for the new parallel runway at Brisbane Airport has demonstrated the standards expected for best practice community engagement. In response, we are committed to improving our approach, including revising our Community Engagement Framework to better reflect contemporary community engagement processes, models and practices. In Brisbane, we have also sought expert advice to ensure we meet community expectations, engaging global air traffic management adviser Trax International, to independently review and make improvement recommendations across all aspects of the Post Implementation Review (PIR) of Brisbane airspace. As we progress the PIR, we are committed to ensuring that the views of all stakeholders are appropriately considered and that opportunities for any improved noise outcomes, assessed as being safe and feasible, are progressed.

Minimising the impact of aviation noise on communities where practicable is one of the 4 goals set out in our Environmental Sustainability Strategy 2021–2026. The strategy recognises that sustainability is a key driver of future success for our organisation and also aims to facilitate aircraft emission reductions; preserve biodiversity health; and ensure sustainable and resilient operations whilst reducing our environment footprint. Implementation of the strategy places our organisation on a trajectory to achieve net zero carbon emissions by 2050.

Ensuring the safe, reliable and efficient use of airspace for all users.

Airservices is a people-centric organisation and our people are critical to our success. In a volatile operating environment, further exacerbated by elevated levels of illness as a result of COVID-19 and flu, our people have adapted to meet the varying needs of our customers and ensure the continued, safe delivery of our service.

Our commitment to building a thriving purpose and values-led organisation continues to be a focus across the organisation. With the recommended actions of the 2019 Review of Culture at Airservices Australia undertaken by Elizabeth Broderick and Co. now implemented, we are building on this foundational work with further initiatives to foster diversity and inclusion, develop our leaders, promote health and wellbeing, as well as recognise and celebrate team members that live our values.

On behalf of the Board and Executive, we extend our thanks to all for their commitment, resilience and hard work through another challenging year.

It is a privilege to present the Airservices 2021-22 Annual Report and to provide an update on the progress we have made over the past year. While the complex challenges in our operating environment continue, we remain committed to connecting people with their world safely, linking family and friends, generating economic activity, facilitating trade and tourism and creating jobs.



John Weber
Chairman



Jason Harfield
Chief Executive Officer

Our Year in Review

We have continued to keep our skies safe and deliver efficient services.



TOTAL MOVEMENTS

+3.6M

2019-20

3.0M

2020-21

3.1M

2021-22

CHANGE FROM 2020-21

↑ 17%

Domestic airline traffic

↑ 48%

International airline traffic

↑ 9%

General aviation



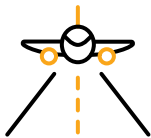
0 Significant attributable safety occurrences

ATM
since 2010-11

ARFF
since 2015-16



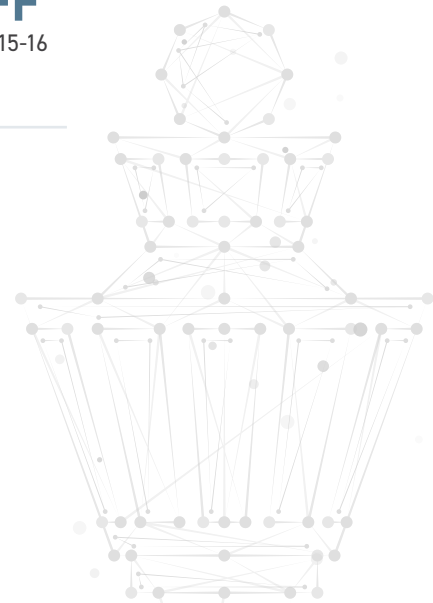
3108 Total ARFF callouts



325 Aviation incidents responded to by ARFF



3 Lives saved



FINANCIALS

Like many across the aviation sector, our financial performance has been significantly impacted.

↑ 68.5%

Increase in airways revenue to \$551M compared to 2020-21

\$358M

Underlying net loss after tax

Additional

\$495M

in Government support requested and pending budget approval

\$100M

Cost savings delivered

\$534

Cost per IFR flight hour

-26.3%

Return on assets

Finished the FY at

90%

pre-COVID domestic capacity and 50% international

CUSTOMER

We support a range of customers who derive value from our services.



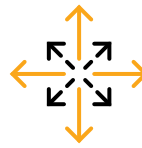
81%

Customer Satisfaction Score



\$171M

In Capital Investment for 2021-22



Civil Military Air Traffic Management System (CMATS) – formal testing of CMATS Release Zero Block One now complete



Transferred approach services provided at Hobart, Launceston, Mackay and Rockhampton to our Melbourne and Brisbane Services Centres



Significant progression of Digital Aerodrome Services (DAS) with a contract executed for the Visual Reproduction System (VRS)



Surveillance Flight Information Service (SFIS) implemented successfully at Ballina and Mangalore

PEOPLE

We are continuing our culture transformation journey to build a safe and inclusive workplace for all.



68%

People Engagement Index

(Average of 4 quarterly results for 2021-22)



65

Welcomed Air Traffic Controllers

Bringing new and increasingly diverse talent into our service delivery teams



24

Welcomed Aviation Rescue Fire Fighters



Annual Performance Statement

As the world transitions away from restricted movements brought about by the COVID-19 pandemic, Airservices continues to support the ongoing recovery of the aviation industry.





On behalf of the Airservices Board, I present Airservices 2021-22 Annual Performance Statement (APS), prepared in accordance with section 39(1)(a) of the *Public Governance Performance and Accountability Act 2013* (PGPA Act). It is our opinion that the statement accurately presents Airservices performance in the reporting period and complies with subsection 39(2) of the PGPA Act.

John Weber

Chairman

Our Performance

We remain committed to reshaping our business through the increased use of digitalisation and automation, which will enable us to better support the aviation industry, while fulfilling our purpose to *connect people with their world safely*.

We remain focused on the following objectives:

- Match the needs of our customers with scalable service provisions, while maintaining safety as the first priority.
- Become a thriving, purpose and values-led workplace.
- Transition to a more flexible cost structure, with lower operating costs, emboldened by the \$100 million in cost savings achieved throughout 2021-22.
- Continue to focus on the introduction of digitised services across the network to prepare for future operating environments and improve productivity.
- Transform our asset base to align capability to service demand and shift capital commitments to operating expenses through partnerships with managed service providers.

This section provides a detailed assessment of our 2021-22 performance against our key performance indicators (KPIs) and corporate plan initiatives, balanced against 3 strategic pillars: Customers, People and Owner.

Strategic Pillars



CUSTOMER

Understand our industry's needs and enhance our services to deliver a better experience with more value for those that consume our services.

By 2024-25 we will have a comprehensive understanding of our industry's needs and offer valued services to both existing and new customers. This will involve challenging the assumptions behind what we offer today, digitising and upgrading our systems, automating much of our manual and routine work, introducing new offerings, and using data and relationships to continually improve the customer experience.

Initiative

Service Performance Outcomes Matched to the Needs of Our Customers

Develop a safe and efficient graduated service offering for each customer segment.

Deliver essential supporting infrastructure and services in support of aviation industry expansion, including the opening of a significant new international and domestic airport in Western Sydney, and new runways in Melbourne and Perth, alongside Brisbane's recently commissioned parallel runway.

OneSKY Program

Significant program to deliver a harmonised civil military air traffic management system that enables us to meet Australia's air traffic management needs into the future, maintain defence capability and meet national security imperatives.

New Digital Capabilities to Drive Efficiency

Accelerate digitalisation and automation of services and solutions to prepare for future operating scenarios and improve unit cost efficiency.

Enterprise Network Modernisation Program

Ensure we have the capacity, availability, flexibility and security to manage current and future telecommunication network demands. It is a key dependency for the OneSKY Program and is critical to maintain the reliability and availability of the national airways system.



PEOPLE

Create a thriving purpose and values-led organisation.

By 2024-25, our organisation will be recognised as one of the leading places to work in Australia.

Initiative

Realigned Operating Model Efficiency Improvements

Redesign our operating model to operate as an efficient customer value chain, while driving the right behaviours and culture across the organisation.

Aligned Strategic Workforce and Talent

Develop a sustainable strategic workforce planning approach and framework, and identify ongoing skill and capability requirements (skills, culture and mindset).

Aligned Values, Leadership and Behaviours

Our work towards a culture of trust, care and accountability continues to be a priority. To progress our culture, we will continue to develop leadership capability to meet our Leadership Standard, and embed our purpose and values across Airservices.

We will also improve our ways of working to ensure the value chain operating model is effective in the delivery of customer outcomes.



OWNER

Create the value that is expected of us by our owner and community.

By 2024-25 we will be on our way to be a financially and environmentally sustainable organisation, and at the same time help improve the environmental and financial sustainability across the aviation ecosystem.

Initiative

Environmental Sustainability

We are uniquely positioned to play a leading role to improve environmental sustainability across the aviation ecosystem. We will partner with the aviation industry to reduce aircraft emissions and noise and meet our own organisational commitments to preserve biodiversity, promote health, minimise pollution and reduce our total environmental footprint.

Community Engagement

Minimise the impact of aviation noise on communities where practicable through improved balancing of competing flight path design constraints, the expansion of flight path monitoring data and Continuous Descent Operations benefits through OneSKY.

Cost-saving Measures

Sustain and build on the savings in 2020-21 by reducing demand-driven expenditure and identifying process changes to ensure that expenditure is minimised as air traffic returns.

Supplier Engagement

Work with suppliers to find appropriate solutions to harvest incremental and sustainable savings. Establish scalable and flexible cost structures to move away from static cost structures.

Liquidity Management/Gearing Strategy

Agree acceptable financial KPIs/ratios, focused on sustainable debt and liquidity, during the pandemic and through the recovery phase to ensure ongoing financial sustainability.

Customer Performance

Understand our industry's needs and enhance our services to deliver a better experience with more value for those that consume our services.

KPI Results		2019-20	2020-21	2021-22	
		Result	Result	Target ¹	Result
Significant Attributable Safety Occurrences	Number of Loss of Separation or Runway Incursion occurrences where the Risk Assessment Tool score is Category A.	0	0	0	0
	Number of occurrences where the response to an aircraft did not meet the regulated response time.	0	0	0	0
On Time Performance (%) On Time Performance is measured as the number of flights operating on time as a percentage of the number of flights operated.		77% ³	86% ³	>80%	76% ²
Customer Satisfaction Expressed as a percentage of satisfaction with our services. Prior to 2019-20 we measured our customer advocacy as determined by the net promoter score.		On Hold	71%	≥71%	81%

1 Source: Airservices 2021-22 Corporate Plan, page 17.

2 On Time Performance Data is supplied by the Bureau of Infrastructure and Transport Research Economics.

3 On Time Performance was adopted as a Corporate KPI for 2021-22, prior results are provided for reference only.

Analysis

We continued to deliver safe and reliable Air Traffic Management and Aviation Fire Fighting Rescue services throughout the year. We did this throughout the ongoing volatility in service demand due to continued border closures, which started to ease in the latter half of the financial year, with domestic activity ramping up very quickly in the last 4 months of the year. Our reliable service delivery continued even while we, as most other service industries, managed the flow-on effects to staffing and supply chains resulting from COVID-19 and one of the worst flu seasons seen in years.

Our industry continues to face unprecedented disruption as a result of illness and skill shortages, as seen in the lower On Time Performance (OTP) as a cross-industry performance metric compared to long-term historical trends. We are focused on adapting our capacity and service delivery approach in support of industry recovery, and working closely with our customers to strengthen resilience in responding to our changing operating environment.

Our annual Customer Satisfaction Survey result was 81%. We received positive feedback from our customers, including all major domestic operators. They appreciated the continued safety and resilience service outcomes being delivered, particularly in relation to flight planning and operations as well as emergency support, despite the trying circumstances caused by the pandemic.

Outcomes Achieved

Customer Initiatives

Service Performance Outcomes Matched to the Needs of Our Customers

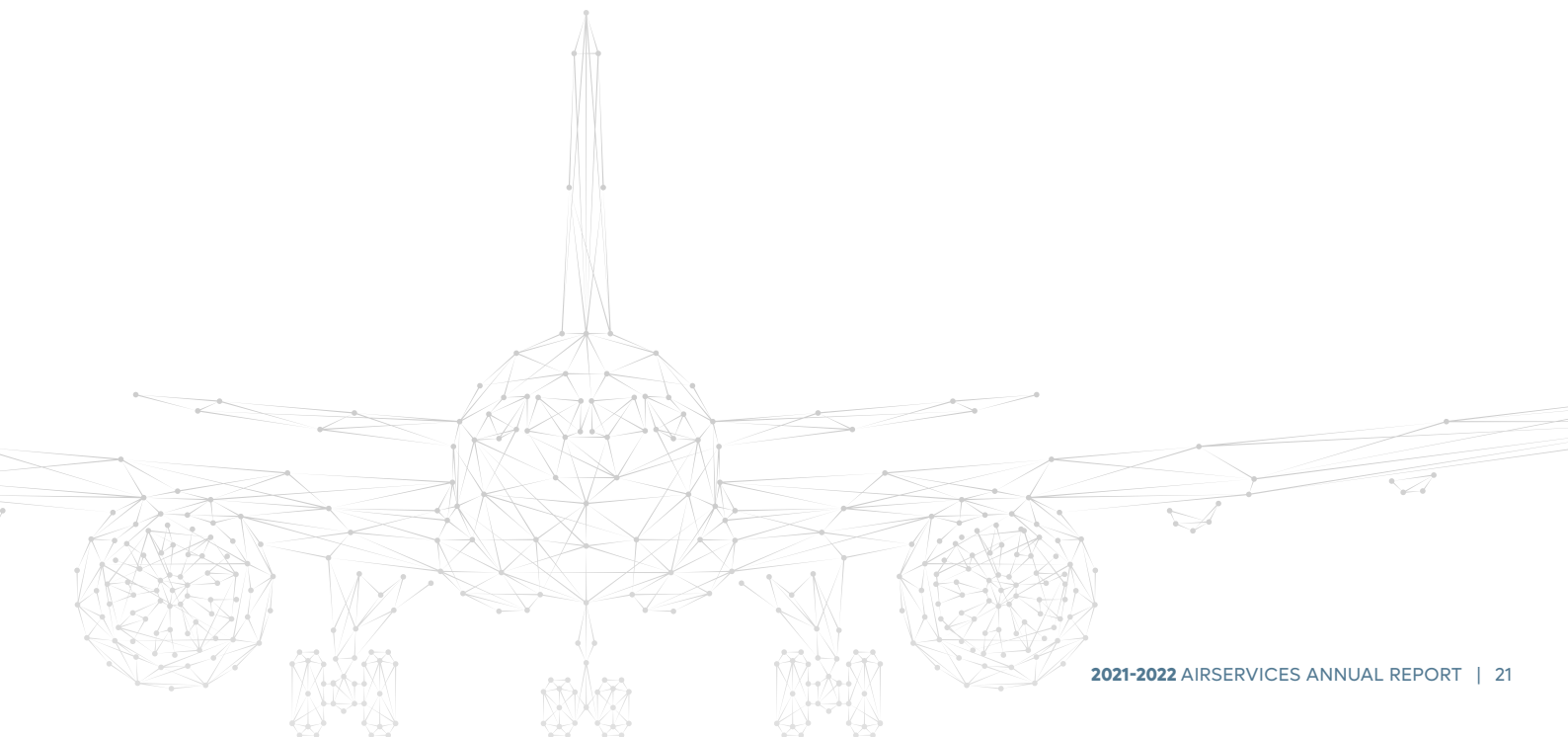
Develop a safe and efficient graduated service offering for each customer segment. Deliver essential supporting infrastructure and services in support of aviation industry expansion, including the opening of a significant new international and domestic airport in Western Sydney, and new runways in Melbourne and Perth, alongside Brisbane's recently commissioned parallel runway.

OneSKY Program

Significant program to deliver a harmonised civil military air traffic management system that enables us to meet Australia's air traffic management needs into the future, maintain Defence capability and meet national security imperatives.

Achievements

- We delivered 4 surveillance approach services at Hobart, Launceston, Mackay and Rockhampton airports, in addition to the successful implementation of Surveillance Flight Information Service (SFIS) at Ballina and Mangalore in August 2021. Reviews have been completed for Ballina, with our airline customers providing positive feedback on the safety enhancement through SFIS delivery.
- We have finalised the proposed design for lowering the base of Class E airspace along the East Coast between Cairns and Melbourne. The supporting safety and economic analyses is being finalised. We are planning to submit the airspace change proposal to CASA in late 2022.
- We have developed our service design and integrated program in collaboration with Western Sydney Airport. We have aligned our investment and program delivery with the airport's operational milestones and timelines.
- We made significant progress in the OneSKY Program during the financial year, including:
 - Completion of the Preliminary Design Review and the design of the Benefits Enabling Program.
 - Significant progress on the Test Readiness Review, which will be achieved in early 2023.
 - Formal system testing of CMATS Release Zero Block One is now complete, and work has commenced on the transformation of workforces in preparation for CMATS Release Zero at the Joint Software Support Facility (JSSF) in Melbourne.
 - To date, the program has delivered over \$200 million of critical infrastructure to enable deployment of CMATS (Civil Military Air Traffic Management System).
- New Air Traffic Services Centres at Melbourne, Perth and Brisbane are on track for completion by the end of 2022.
- OneSKY will be delivered through a sequence of system releases to conclude in 2027. This is a 18-24 month delay compared to the original 2025 timeframe, driven by supply chain challenges for critical components as a result of COVID-19. However, we remain focused on delivering the program and industry benefits as soon as possible. We are working with airlines to commence a trial of Continuous Descent Operations in Melbourne. We established the operating procedures and metrics with airlines participating in the trial.



Outcomes Achieved (continued)

Customer Initiatives	Achievements
<p>New Digital Capabilities to Drive Efficiency Accelerate digitalisation and automation of services and solutions to prepare for future operating scenarios and improve unit cost efficiency.</p>	<p>We are working towards transforming the customer journey and better aligning our services to our customers' needs through multiple projects, with outcomes including:</p> <ul style="list-style-type: none"> – Execution of a contract agreement with the preferred vendor for the Digital Aerodrome Services (DAS) visual reproduction system. An Early Test and Evaluation Platform is planned for deployment at Canberra Airport with a number of cameras to be distributed around the existing tower space. – The Digital Aerodrome Services (DAS) technology is on track to meet the preliminary design review milestone by the end of Q1 2022-23. – Finalisation of an agreement to conduct a trial of the Integrated Drone Surveillance System at Sydney Airport. The trial outcomes will assist us to determine the kinds of UAS surveillance that may be required and will help inform our continued collaborative engagement with the Department of Infrastructure, Transport, Regional Development and Communications and the Arts on the National Drone Detection Network. – Development of a prototype for the Flight Information Management System (FIMS) that will support the safe integration of uncrewed aircraft and advanced air mobility into our airspace. – We are working towards delivering the digital replica of Australia's airspace, our Digital Twin, for our controllers to more accurately predict, collaborate and respond to our customers changing requirements and needs.
<p>Enterprise Network Modernisation Program Ensure we have the capacity, availability, flexibility and security to manage current and future telecommunication network demands. It is a key dependency supporting the OneSKY Program and is critical to maintaining the reliability and availability of the national airways system.</p>	<ul style="list-style-type: none"> – We have initiated the early works to prepare sites ahead of Enterprise Network Modernisation Program (ENMP) network installation, starting with the core sites which are major airports and data centres. – The ENMP has completed the System Requirements Review that has enabled the program to move into the design phase. – Copper-based service remediation work continues to make progress and is well-supported, ensuring our service continuity while we manage global supply chain impacts while transitioning to replacement services.

CASE STUDY

Airspace Modernisation

In conjunction with the Civil Aviation Safety Authority and the Department of Infrastructure, Transport, Regional Development and Communications and the Arts, Airservices is modernising airspace management to boost safe and equitable access to Australian skies.

This has included enhancing the safety and efficiency of Australian-controlled airspace at major regional airports through national standardisation and leveraging increased surveillance.

In June 2022, we launched Surveillance Approach Services at 4 locations across Australia – Hobart (YMHB), Launceston (YMLT), Mackay (YBMK) and Rockhampton (YBRK). This service sees procedural approach control from the airport tower move to a centralised surveillance approach control from our Air Traffic Service Centres. The service supports the needs and safety of our customers and ensures we are prepared for projected traffic levels into the future. It was designed based on the following:

Change principles

- Class of airspace needs to match service level to manage level of risk
- Leverage air traffic management (ATM) technologies to improve safety, mitigate risk and enhance access to airspace for all airspace users
- National consistency and standardisation of airspace procedures

Service outcomes

- Efficiencies associated with reduced separation standards between instrument flight rules (IFR)-to-IFR aircraft in the Terminal Manoeuvring Area
- Use of surveillance, ATM system maps, charts and conflict alerts by the approach controller for all airspace users equipped with transponders or ADS-B
- Rationalising the low-level Class E airspace at Rockhampton (YBRK) and Mackay (YBMK) and low-level Class D airspace at Launceston (YMLT) and Hobart (YMHB) outside tower hours to enable IFR aircraft to become airborne without a clearance
- Reallocating resources from surveillance approach service outside hours to during tower hours to align with the risk associated with traffic mix and density at these locations
- Allowing the tower controller to focus on critical stages of flight, circuit area, take-off and landing



Our goal is to enhance the safety and efficiency of Australian airspace. 



People Performance

Create a thriving purpose and values-led organisation.

KPI Results

	2019-20	2020-21	2021-22	
	Result	Result	Target ¹	Result
<p>Total Recordable Injury Frequency Rate (TRIFR) Total Recordable Injury Frequency Rate is defined as occurrences per million hours worked, resulting in an injury that requires either or both, medical treatment from a legally qualified medical practitioner; or a person to be absent for any complete day or shift, subsequent to the day upon which the injury occurred.</p>	Measure transitioned from Lost Time Injury Frequency Rate	Measure transitioned from Lost Time Injury Frequency Rate	<4.5	8.5
<p>Employee Engagement Employee Engagement score reflects employee satisfaction with the statement "I am happy working at Airservices" expressed as a percentage.</p>	Independent Review	60% ²	>60	68

¹ Source: Airservices 2021-22 Corporate Plan, page 17.

² Launch of new Continuous Feedback platform (Glint) in October 2020.

Analysis

We continue to focus and drive a safe always culture across our organisation. Our Leaders are fully committed to providing a safe working environment and as such our TRIFR performance was unacceptable for the financial year. There were several factors contributing to the TRIFR result, including injuries resulting from operational physical training of our Aviation Rescue Fire Fighters and ergonomic-related injuries amongst our employees working from home. Initiatives to proactively manage these occurrences have commenced, while we continue to promote injury management and early intervention action.

These include:

- significant improvements in supporting the health and fitness of our Aviation Rescue Fire Fighters
- review and take action to improve our safety capability and our safety culture at all levels of the organisation
- improve how we communicate and consult on how to reduce risks
- a significant focus on mental health and wellbeing and supporting flexible work
- improve the way in which we manage workplace injuries when they do occur.

We transitioned from measuring Lost Time Injury Frequency Rate to Total Recordable Injury Frequency Rate as our people safety performance indicator as it provides a more comprehensive indication of impact on our people and better facilitates cross-organisational benchmarking.

We remain focused on building a high-performance culture and have continued to progress on all our commitments following the Review of Culture at Airservices Australia by Elizabeth Broderick in 2020.

Last year, we transitioned to a quarterly staff engagement survey to enable more regular insights into our workplace environment and culture. The above-target result for employee engagement reflects our leaders' focus on sustaining a positive culture in our workplace. We have seen significant improvements in many areas of our People Engagement Survey results, including areas such as "Speak my mind", "Safety" and "Wellbeing".

CASE STUDY

Supporting our industry and the next generation

We're committed to supporting our industry and the next generation of aviation enthusiasts. Since 2019, we have proudly offered professional development training and commercial and recreational flying scholarships. We also sponsor many careers events and expos to support the broader aviation industry.

In 2021-22, we proudly sponsored and funded:

- Recreational Aviation Australia – 10 flight training scholarships for young pilots
- Royal Federation of Aero Clubs of Australia – 2 scholarships for aviation students
- Royal Aeronautical Society (RAeS) – Corporate partner sponsor
- Civil Aviation Historical Society and Airways Museum (CAHS) – Corporate sponsor

- Australian Women Pilots Association (AWPA) – 4 scholarships for women
- Aviation Aerospace Australia – 10 student tickets to a social event

In April 2022, student pilot, Lorenzo Benedetto, was a recipient of a \$7,700 Airservices-funded scholarship through the Royal Federation of Aero Clubs of Australia. Lorenzo used the scholarship to be one step closer to his dream of becoming a flight instructor and upgrading his private licence to a commercial licence.

"The scholarship is fantastic – one of the most expensive parts about flying is all the lessons – and because I'm going into the commercial realm, I have to fly bigger and more complex aircraft – I'm now flying in a 4-seater with retractable landing gear," Lorenzo said.

"I grew up in Gladstone near the airport – I've always wanted to fly. I've got about 3 years to go before I can start teaching lessons.

"The Airservices scholarship money has helped phenomenally."

“

The Airservices scholarship money has helped phenomenally. ”

Lorenzo Benedetto, Student Pilot

Outcomes Achieved

People Initiatives	Achievements
<p>Realigned Operating Model Efficiency Improvements Redesign our operating model to create an efficient customer value chain while driving the right behaviours and culture across the organisation.</p>	<ul style="list-style-type: none"> — We introduced several new ways of working across the organisation to improve leadership alignment in delivering customer outcomes, including implementing an integrated planning process, introducing Quarterly Business Reviews (QBR) and kicking off the back office enabling digital transformation. — Established a Strategy Execution Office (SEO) capability to enable our transformation and help us develop, sequence, and deliver the outcomes from our comprehensive change program over the next number of years.
<p>Aligned Values, Leadership and Behaviours Deliver actions in response to the recommendations from the Review of Culture at Airservices Australia, and enhance leadership to build a foundation of trust, care and accountability.</p>	<ul style="list-style-type: none"> — We completed a Post Implementation Review (PIR) of Safe Place, a recommendation of the Review of Culture at Airservices Australia by Elizabeth Broderick. Safe Place provides essential psychological, wellbeing and investigative support to all Airservices employees. — We have delivered a number of leadership talent activities, including expanding the Lifestyles Inventory (LSI) 360-degree leadership program, which has now been delivered to 159 of our frontline leaders, with results and feedback delivered for action. — We continued to prioritise the delivery of Inclusive Facilities, such as parent and reflection rooms, at 18 sites across Australia. Further tranches of work focused on change rooms to be completed by the end of Q4 2022-23. — We have launched our Peer Support Program (PSP) / Peer Assistance Network. PSP is highly effective in the aviation sector globally and encapsulates social, emotional, occupational, health and personal peer to peer support. We have partnered with an external provider to pilot groups of operational ARFFS and ATC team members over the next 12 months.
<p>Aligned Strategic Workforce and Talent Develop a sustainable strategic workforce planning approach/framework, and identify ongoing skill and capability requirements (skills, culture, mindset).</p>	<ul style="list-style-type: none"> — We implemented a refreshed Air Traffic Controller attraction and selection strategy, with new candidates already progressing through the selection process. — We matched our services to customer needs throughout the pandemic by implementing a Retirement Incentive Scheme (RIS). With traffic returning we are optimising our workforce plan and training pipeline to match the needs of our customers. — We have made significant improvement in diversity metrics and intakes, broadening our employee base. — We have welcomed 65 new air traffic controllers and 24 fire fighters throughout the year, bringing new and increasingly diverse talent into our service delivery teams.

CASE STUDY

Career for the Future

We're building a stronger aviation industry for our customers and the community by recruiting new aviation rescue fire fighters and air traffic controllers across the country. Meet 2 recruits who have joined Airservices.

“ I feel so proud waking up every morning and putting on the ARFF uniform. ”

Rachel Arnold, Aviation Rescue Fire Fighter RC96



Rachel Arnold

Aviation Rescue Fire Fighter Recruit RC96

A former regional flight attendant for 10 years, Rachel sought a new and exciting aviation career after having kids.

“When I was a flight attendant flying around in the little Saab 340 aircraft in Adelaide, I looked out the window one day and saw the ARFF doing their drills – and from that day on, I decided I was sitting in the wrong seat. I did my research and found out that this career has so much more to offer than the everyday job,” Rachel said.

Rachel soon after joined the RC96 group. “I found my ARFF training incredibly challenging but rewarding at the same time. I feel so proud waking up every morning and putting on the ARFF uniform.”



Kristian Palich

Air Traffic Controller Trainee

“Becoming an air traffic controller is my dream job. I've loved aviation since the age of 3, when my dad used to take me to see the small planes and gliders at the local airstrip,” Kristian said.

Kristian has had to overcome COVID-19 training delays – along with the added stress of raising a young family – to reach the stage of transitioning from field training into the busy and complex operational environment at Sydney Kingsford Smith International Airport.

“Everyone in my training group was improving so much, week-by-week – for me, this was the major driver that kept pushing me forward amid all the hard work.”

He says passion, determination and the ability to conquer self-doubt are vital attributes on the rewarding journey to becoming an air traffic controller.

Owner Performance

Reform our revenue, cost model and financing structure to be more efficient, flexible and sustainable.

KPI Results

	2019-20	2020-21	2021-22	
	Result	Result	Target ¹	Result
Cost per Instrument Flight Rules Flight Hour Our cost per instrument flight rules (IFR) flight hour (\$/hour)	\$367	\$568	\$525	\$534
Return on Assets (RoA) Airservices annual earnings as a percentage of assets	- 1.3%	- 2.1%	- 0.1% ²	- 26.3%
Total Environmental Footprint			Set Baseline	241,510 tCO2e

¹ Source: Airservices 2021-22 Corporate Plan, page 17.

² The 2021-22 Return on Assets (RoA) target was updated to -20.4% after the publication of the Corporate Plan to reflect the decision to report the \$550m in Government revenues in last financial year.

Analysis

Our financial performance reflects the adverse impact on revenue of reduced traffic associated with state-imposed lockdowns and domestic and international border closures during the COVID-19 Delta variant outbreak. These restrictions, experienced during the first three-quarters of the year, have had a dramatic impact on demand and revenue.

Throughout the year we have achieved \$100 million in cost savings as a result of the implementation of our new operating model team designs, Retirement Incentive Scheme and other cost saving measures.

Domestic traffic has improved throughout the year to almost 90% capacity and forecast to remain relatively strong, however international is only at 50% of pre-COVID capacity, and we anticipate that the path to the aviation market recovery will be ongoing until 2024-25. Therefore, further Government equity funding is being sought to make our balance sheet stronger so that we can continue to fund our services and deliver our future investments.

Work to support our aspirations to become carbon neutral is continuing, with our environmental footprint (energy, waste and emissions profiles) baseline being calculated at 241,510 tCO2e per annum. This also establishes and aligns our reporting and calculations with leading practices.

Outcomes Achieved

Owner Initiatives	Achievements
<p>Environmental Sustainability We are uniquely positioned to play a leading role in improving the environmental sustainability across the aviation ecosystem. We will partner with the aviation industry to reduce aircraft emissions and noise, and strengthen our own organisational commitments to preserve biodiversity, promote health, minimise pollution and reduce our total environmental footprint.</p>	<ul style="list-style-type: none"> – We launched our environmental sustainability strategy, defining and baselining our environmental footprint by site so that all future resource use reduction initiatives can be measured against the baseline and with real time data about our energy consumption. – The Per- and Poly-fluoroalkyl substances (PFAS) program continues to actively implement management actions, advancing its Site Characterisation Workstream with the award of multiple "Tranche 2" Detailed Site Investigations contract. We continue to develop risk-based remediation strategies to address PFAS at our airport leased areas. – As part of the Per- and Poly-fluoroalkyl substances (PFAS) program, we have continued to reinforce and strengthen our relationships with key stakeholders including the Department of Infrastructure, Transport, Regional Development and Communications and the Arts including its Airport Environmental Officers, Airport Operators and State/Territory regulators and agencies and other interest groups, as we seek to manage existing PFAS contamination.
<p>Community Engagement Minimise the impact of aviation noise on communities where practicable through improved balancing of competing flight path design constraints, the expansion of flight path monitoring data and Continuous Descent Operations benefits through OneSKY.</p>	<ul style="list-style-type: none"> – We made significant progress in the rollout of our 'Aircraft in Your Neighbourhood' initiative across the Melbourne, Sunshine Coast, Gold Coast and Hobart areas, as well as further expanded across the Sydney basin to cover Camden and Bankstown. – We are well progressed with our Post Implementation Review (PIR) of flight paths and airspace changes associated with Brisbane Airport's new parallel runway. The PIR process included extensive community engagement opportunities, including the consideration of community-suggested measures to mitigate aircraft noise. We appointed global air traffic management advisor, Trax International, to independently review and make improvement recommendations across all aspects of the design and conduct of the PIR or Brisbane airspace. The interim report has been received and the improvement options are currently under review. – The Aircraft Noise Ombudsman (ANO) report on the Brisbane New Parallel Runway Multiple Complaints Investigation was received in August 2021. A Management and Board response accepting the recommendations has been published, with all actions currently being implemented. – We continue to apply our Flight Path Design Principles and the Community Engagement Framework to improve community outcomes.
<p>Cost-saving Measures Sustain and build on the savings in 2021-22 by reducing demand-driven expenditure and identifying process changes to ensure that expenditure is minimised as air traffic returns.</p>	<ul style="list-style-type: none"> – We achieved \$100 million in underlying savings for the financial year compared to our pre-COVID corporate plan.
<p>Supplier Engagement Work with suppliers to find appropriate solutions to harvest incremental and sustainable savings. Establish scalable and flexible cost structures to move away from static fixed cost structures.</p>	<ul style="list-style-type: none"> – Throughout the year we successfully negotiated \$5 million in annualised savings with our major suppliers, with negotiations set to continue.
<p>Liquidity Management / Gearing Strategy Agree acceptable financial KPIs/ratios, focused on sustainable debt and liquidity, during the pandemic and through the recovery phase to ensure ongoing financial sustainability.</p>	<ul style="list-style-type: none"> – The financial loss for the year and the slow recovery of international traffic resulted in us increasing our debt despite delivering further savings. Further Government equity funding is being sought to make our balance sheet stronger so that we can continue to fund our services and deliver our future investments.

CASE STUDY

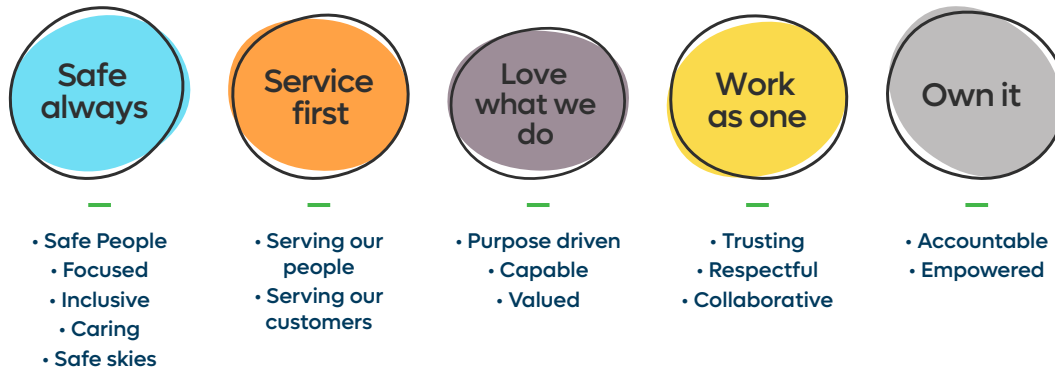
Our Culture Journey

We're transforming our culture to one of trust with inclusion at its heart.

Amplifying the voices of our people, establishing new human-centred policy frameworks, overhauling recruitment processes, building new inclusive facilities and lifting accountability to the executive level has boosted engagement, positive sentiment and attendance.

We continue to transform our culture to support our future through the launch of our new purpose and values, leadership standard "know me, focus me, value me", creation of employee networks, wellbeing initiatives, connectivity platforms and a SafePlace for complaints.

Our Values



With the launch of our values and an emphasis of inclusion at the forefront, our senior female leaders have increased by 7%, our new people-centred complaints frameworks were developed and 3 inclusive employee networks were established: ELEVATE, Women@Airservices and Yakka Bunji.

The following key milestones were achieved in 2021-22:

- Launch of new employee values supported by the Living Our Values recognition program has seen more than 120 employees nominated and recognised
- Establishment of SafePlace, built on best-practice framework for reporting bullying and harassment
- 159 leaders participated in the Human Synergistics Lifestyles Inventory (LSI) leadership development
- New HR operating model including a tier-one employee support team
- New talent attraction and recruitment strategy to drive diverse candidates
- Implementation of Workplace by Facebook, an open internal communications platform to increase cross-functional collaboration
- Launch of new Support Program to support mental wellbeing
- Champions of Change Coalition for gender equality



**We are transforming
our culture to support
our future.**





Financial Statements

For the year ended 30 June 2022.



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Audit Report

For the year ended 30 June 2022.



INDEPENDENT AUDITOR'S REPORT

To the Minister for Infrastructure, Transport, Regional Development and Local Government

Opinion

In my opinion, the financial statements of the Airservices Australia (the Entity) for the year ended 30 June 2022:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2022 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following statements as at 30 June 2022 and for the year then ended:

- Statement by Chairman, Chief Executive Officer and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Directors are responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under the Act. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Directors are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

Audit Report

For the year ended 30 June 2022.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Colin Bienke
Audit Principal

Delegate of the Auditor-General

Canberra
27 September 2022

Statement by Chairman, Chief Executive Officer and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2022 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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

This statement is made in accordance with a resolution of the Board.



John Weber
Chairman



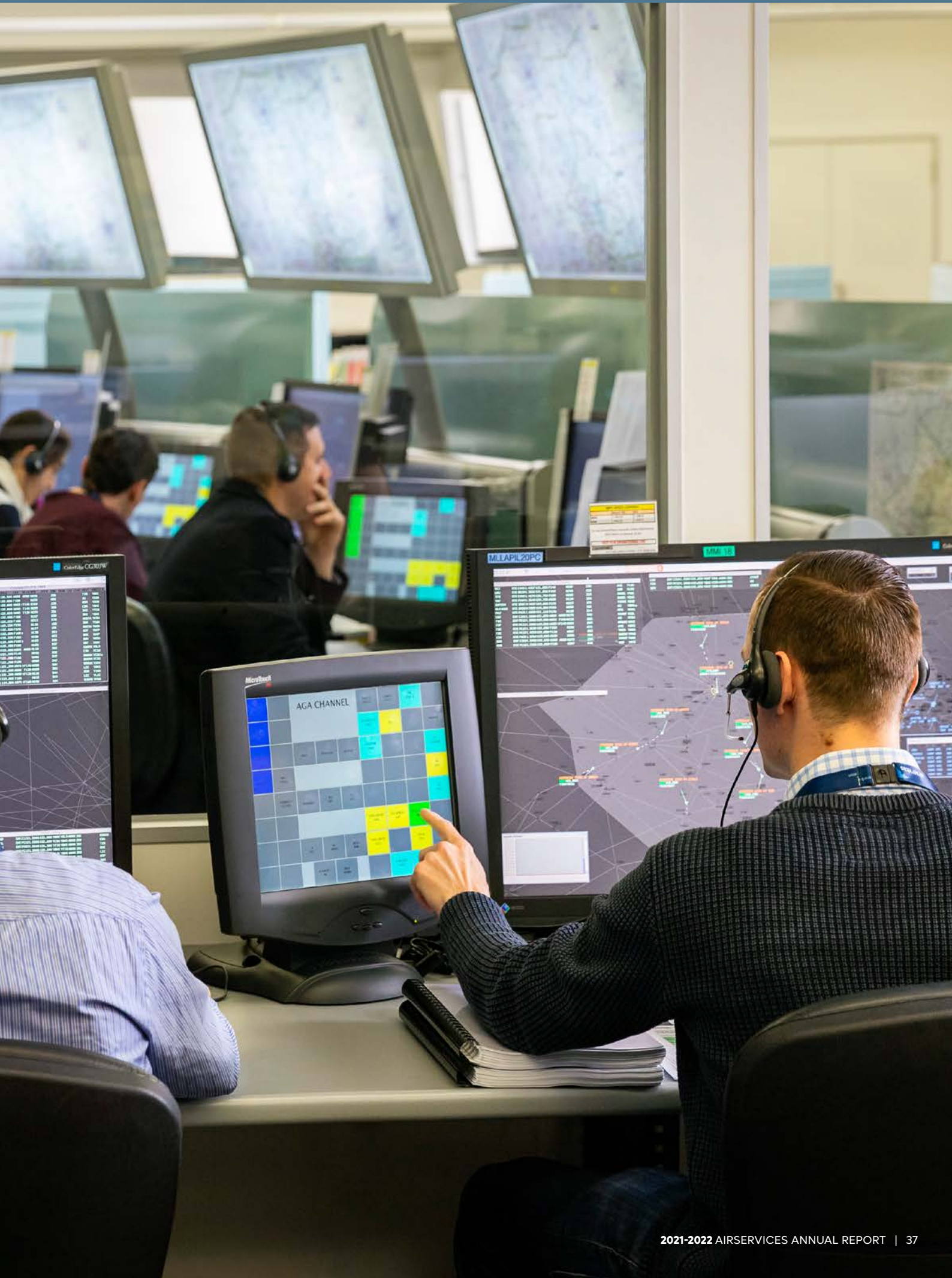
Jason Harfield
Chief Executive Officer



Paul Logan
Chief Financial Officer

Canberra, 23 September 2022.





Statement of Comprehensive Income

For the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
CONTINUING OPERATIONS			
INCOME			
Airways revenues	1.1	550,791	326,952
Finance income	1.1	963	1,026
Reversal of previous asset write-down	1.1	18,138	-
Other business revenue		21,547	21,552
Net gain on disposal of non-current assets	1.1	-	659
Government grants	1.1	-	1,131,833
Other income		1,560	86
TOTAL INCOME		592,999	1,482,108
EXPENSES			
Employee benefits	1.2	688,100	652,478
Suppliers	1.2	236,741	187,811
Depreciation and amortisation	2.3	129,441	141,475
Finance costs	1.2	27,538	31,014
Impairment loss on financial instruments	1.2	80	5,924
Write-down and impairment of other assets	1.2	7,513	4,555
Net loss on disposal of non-current assets	1.2	190	-
TOTAL EXPENSES		1,089,603	1,023,257
(LOSS)/PROFIT BEFORE INCOME TAX		(496,604)	458,851
Income tax expense/ (benefit)	1.3	149,042	(137,675)
(LOSS)/PROFIT AFTER INCOME TAX		(347,562)	321,176
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Changes in asset revaluation reserve		14,793	267
Actuarial gain on defined benefit fund	4.2	95,323	61,610
Income tax on items that will not be reclassified to profit or loss		(33,035)	(18,563)
Items that may be reclassified subsequently to profit or loss			
Gain/(loss) on foreign exchange hedges		2,673	(1,619)
Income tax on items that may be reclassified to profit or loss		(802)	486
TOTAL OTHER COMPREHENSIVE INCOME NET OF TAX		78,952	42,181
TOTAL COMPREHENSIVE INCOME		(268,610)	363,357

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2022

	Notes	2022 \$'000	2021 \$'000
CURRENT ASSETS			
Cash and cash equivalents	3.1	257,837	791,556
Trade and other receivables	2.1	80,611	66,725
Prepayments		11,359	13,919
Inventories		2,734	2,127
Assets classified as held for sale	2.2	-	45
Other current financial assets	2.6	1,325	100
TOTAL CURRENT ASSETS		353,866	874,472
NON-CURRENT ASSETS			
Prepayments		25,337	18,828
Property, plant and equipment	2.3	814,903	882,750
Intangible assets	2.3	64,647	76,084
Assets under construction	2.3	787,324	624,176
Deferred tax assets	1.3	130,926	15,794
Defined benefit fund asset	4.2	262,893	185,600
Other non-current financial assets	2.6	10,085	8,738
TOTAL NON-CURRENT ASSETS		2,096,115	1,811,970
TOTAL ASSETS		2,449,981	2,686,442
CURRENT LIABILITIES			
Trade and other payables	2.5	115,474	107,045
Employee provisions	4.1	172,117	203,271
Income tax payable		139,466	155,927
Other provisions	2.5	46,089	26,662
Borrowings	3.3	384,348	134,855
Other current financial liabilities	2.6	1,702	1,895
Other current liabilities	2.7	16,062	13,445
TOTAL CURRENT LIABILITIES		875,258	643,100
NON-CURRENT LIABILITIES			
Employee provisions	4.1	32,191	38,425
Other provisions	2.5	74,409	78,871
Borrowings	3.3	723,246	922,245
Other non-current financial liabilities	2.6	23,032	17,481
Other non-current liabilities	2.7	129,951	125,948
TOTAL NON-CURRENT LIABILITIES		982,829	1,182,970
TOTAL LIABILITIES		1,858,087	1,826,070
NET ASSETS		591,894	860,372
EQUITY			
Retained earnings		442,276	722,623
Reserves		127,428	115,559
Contributed equity		22,190	22,190
TOTAL EQUITY		591,894	860,372

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Changes In Equity

For the year ended 30 June 2022

	Retained earnings		Asset revaluation reserve	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Opening balance				
Balance carried forward from previous period	722,623	355,798	118,408	120,434
Adjustment for changes in accounting policies	(1)	4	-	-
Adjusted opening balance	722,622	355,802	118,408	120,434
Comprehensive income				
Defined benefits actuarial gains - gross	95,323	61,610	-	-
Defined benefits actuarial gains - income tax effect	(28,597)	(18,483)	-	-
Net revaluation - gross	-	-	14,793	267
Net revaluation - income tax effect	-	-	(4,438)	(80)
Profit/(Loss) for the period	(347,562)	321,176	-	-
Total comprehensive income	(280,836)	364,303	10,355	187
Transactions with owners				
Returns on capital				
Dividends	-	-	-	-
Capital returns	-	-	-	-
Transactions with owners	-	-	-	-
Transfers between equity components				
Revaluation reserve - disposals	510	3,160	(510)	(3,160)
Revaluation reserve - disposals (income tax effect)	(20)	(642)	153	948
Revaluation reserve - impairments (net of tax)	-	-	-	(1)
Closing balance	442,276	722,623	128,406	118,408

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Foreign exchange hedge reserve		Total reserves		Contributed equity		Total equity	
2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
(2,849)	(1,716)	115,559	118,718	22,190	22,190	860,372	496,706
-	-	-	-	-	-	(1)	4
(2,849)	(1,716)	115,559	118,718	22,190	22,190	860,371	496,710
-	-	-	-	-	-	95,323	61,610
-	-	-	-	-	-	(28,597)	(18,483)
2,673	(1,619)	17,466	(1,352)	-	-	17,466	(1,352)
(802)	486	(5,240)	406	-	-	(5,240)	406
-	-	-	-	-	-	(347,562)	321,176
1,871	(1,133)	12,226	(946)	-	-	(268,610)	363,357
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(510)	(3,160)	-	-	-	-
-	-	153	948	-	-	133	306
-	-	-	(1)	-	-	-	(1)
(978)	(2,849)	127,428	115,559	22,190	22,190	591,894	860,372

Cash Flow Statement

For the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received			
Receipts from customers (inclusive of GST)		636,635	333,665
Government grants		-	1,131,833
Interest received		771	1,239
Total cash received		637,406	1,466,737
Cash used			
Payments to employees		(699,854)	(652,645)
Payments to suppliers (inclusive of GST)		(282,119)	(236,797)
Borrowing costs		(23,032)	(21,640)
Interest payments on lease liabilities		(1,582)	(2,075)
Income tax paid		(15,961)	(386)
Total cash used		(1,022,548)	(913,543)
Net cash flows from/(used by) operating activities	3.2	(385,142)	553,194
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant, equipment and intangibles		401	2,118
Proceeds from sales of assets held for sale		45	445
Total cash received		446	2,563
Cash used			
Purchase of property, plant, equipment and intangibles		(181,170)	(171,348)
Total cash used		(181,170)	(171,348)
Net cash flows from/(used by) investing activities		(180,724)	(168,785)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received			
Proceeds from borrowings		90,000	275,000
Total cash received		90,000	275,000
Cash used			
Repayments of borrowings		(40,000)	(370,000)
Principal payments of lease liabilities		(17,853)	(15,661)
Total cash received		(57,853)	(385,661)
Net cash flows from/(used by) financing activities		32,147	(110,661)
Net (decrease)/increase in cash and cash equivalents		(533,719)	273,748
Cash and cash equivalents at the beginning of the reporting period		791,556	517,808
Effect of exchange rate movements on cash and cash equivalents at the beginning of the reporting period		-	-
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	3.1	257,837	791,556

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Notes to and Forming Part of the Financial Statements

Overview

Airservices is an Australian Government owned for-profit entity. The financial statements are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and are general purpose financial statements for the year ended 30 June 2022.

The financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and Financial Reporting Rules (FRR) made under the PGPA Act.

The financial statements were authorised for issue in accordance with a resolution of the Board on 23 September 2022.

Significant matters in the current reporting period

Coronavirus (COVID-19) Impact

The impact of COVID-19 continues to evolve and, where applicable, Airservices has considered the impact of COVID-19 and other market volatility in preparing its financial statements and measurement of its assets and liabilities at the reporting date. Whilst the specific areas of judgement have not changed, the impact of COVID-19 has resulted in the application of further judgement within certain areas and is discussed below and in each of the related notes.

Impact of COVID-19 on estimation uncertainty

The preparation of financial statements requires the use of certain critical accounting estimates and exercise of judgment in the process of applying Airservices accounting policies. Airservices processes to determine the impact of COVID-19 for these financial statements is consistent with the processes disclosed and applied in its 30 June 2021 financial statements. The ongoing COVID-19 pandemic has influenced certain accounting judgements and estimates in the preparation of these financial statements. The estimation uncertainty is associated with:

- the impact of any future travel restrictions and border closures arising from the actions by government, airlines, businesses and consumers to contain the spread of the virus; and
- volatility surrounding key economic factors such as Consumer Price Inflation (CPI), GDP, and rates of unemployment.

As a result of the impact of COVID-19, the factors above resulted in continued judgment being required in the assessment of expected credit losses for impairment of receivables (Note 2.1), impairment of non-financial assets (Note 2.3) and salary growth assumptions applied in valuation of employee benefits (Notes 4.1 and 4.2).

As there is a higher than usual degree of uncertainty associated with these assumptions and estimates, actual outcomes may differ to those forecasted which may impact the accounting estimates included in these financial statements. Other than adjusting events that provide evidence of conditions that existed at the end of the reporting period, the impact of events that arise after the reporting period will be accounted for in future reporting periods.

Impact of COVID-19 on Airservices Financial Performance

To ensure continuity of critical air navigation and aviation rescue fire-fighting services, the Government supported Airservices financially through the provision of government grants and other revenue substitution measures, including a lump sum \$550m upfront funding (received 28 June 2021) recognised as part of the FY2021 results. Payment up-front to Airservices provided certainty for ongoing operations and planning, including for reserves to support cash flow and management of supplier costs.

Refer Table 1 below for reconciliation of statutory profit after tax to an underlying Net Loss after Tax (NLAT) position. NLAT is a non-statutory measure used by management to provide a meaningful and consistent representation of the underlying performance of Airservices. There were no government grants received during the current year, resulting in no difference between statutory profit after tax and underlying Net Loss after Tax (NLAT).

Notes to and Forming Part of the Financial Statements

Table 1: Reconciliation of statutory loss after tax to underlying NLAT

	2022 \$'000	2021 \$'000
STATUTORY PROFIT/ (LOSS) AFTER INCOME TAX	(347,562)	321,176
<i>Less: Government Grants- COVID assistance</i>		
Government Grant (Budget 2020-21)	-	(581,333)
Government Grant (Budget 2021-22 received 28 June 2021)	-	(550,000)
<i>Less: prima-facie tax impact at 30%</i>	-	339,550
Total items not included in underlying NLAT	-	(792,283)
UNDERLYING NET LOSS AFTER TAX	(347,562)	(471,107)

Items not included in Underlying NLAT are government grants received for revenue substitution or relating to support for future business activities.

- Government Grants received (\$581.3m) include revenue substitution for Airservices as a result of waiving 100% of air service charges for eligible domestic flight operators for the period February to December 2020.
- Government Grants received (\$550m) in late June 2021 through the Budget 2021-22 measures represented payments upfront to provide certainty for ongoing operations and planning, support the continued provision of critical air services and the waiver of domestic air services and provide reserves to support cash flow and management of supplier costs.

Going concern

Airservices reported a net loss of \$347.6m in the financial year ended 30 June 2022 compared to a net profit of \$321.2m in the previous financial year. Airservices also reported a net current liability position of \$496.1m at 30 June 2022 compared to a net current asset position of \$250.2m at 30 June 2021. This contraction was driven by the sustained effects of COVID-19 quarantine and lockdown measures on the aviation industry, creating lost revenues and tight supply chains, which in turn brought an increase in operating costs. This has been partially offset by government flight waivers during the current year and the receipt of government grants in the previous period.

Nevertheless, the Board consider Airservices to be a going concern and able to meet its debts and obligations as they fall due, on the following basis:

- Airservices has a number of short and long-term debt facility arrangements, which will provide the ability to balance our short and long-term funding needs. Total unused debt facilities at 30 June 2022 were \$1,440m. Refer to Note 3.4 Standby Arrangements and Unused Credit Facilities for further details.
- Airservices is a legislated monopoly over air traffic control services in Australia.
- Relaxation of travel restrictions has resulted in a strong return of domestic traffic and revenue, with international travel also picking up significantly in the last quarter of the 2022 financial year. Forecasted cash flows are based on expert advice which indicate domestic travel recovering to pre-COVID levels around 2023, with international traffic recovering around 2025. If air travel does not return in line with expectations, Airservices will continue to adjust our cost base and investments to match the new levels of revenue.

Basis of preparation

Historical cost convention

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

Compliance with IFRS

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

Notes to and Forming Part of the Financial Statements

Foreign currency translation

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Translation differences on financial assets and liabilities carried at fair value, and non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

Taxation

Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST) is applicable to Airservices. Refer to Note 1.3 Taxation for further information relating to income tax.

Use of estimates, assumptions, and judgements

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the following notes:

– Recoverability of Trade and Other Receivables	Note 2.1
– Valuation of Property, Plant, Equipment and Intangibles	Note 2.3
– Valuation of Other Financial Assets and Other Financial Liabilities	Notes 2.4 and 2.6
– Measurement of Lease Liabilities	Note 2.7
– Long Service Leave and Early Retirement Benefits	Note 4.1
– AvSuper Defined Benefits	Note 4.2

New Accounting Standards

Adoption of new Australian Accounting Standard requirements

There are no new standards that were issued prior to the sign-off date and applicable to the current reporting period that had a material effect, nor any that are expected to have a future material effect on the entity's financial statements. No accounting standard has been adopted earlier than the application date as stated in the standard.

Notes to and Forming Part of the Financial Statements

1 Our Financial Performance

This section analyses the financial performance of Airservices Australia for the year ended 2022.

1.1 Revenue

	2022 \$'000	2021 \$'000
Airways revenue		
Gross Airways revenue	551,004	415,683
Fee waivers granted ¹	(45,541)	(159,245)
Recovery from government for fee waivers ²	45,328	70,514
	550,791	326,952

¹ Waivers provided for domestic aviation charges of \$45.5m (2021: \$159.2m) under the Government's COVID-19 relief package during FY2022 ceased by 31 December 2021.

² \$45.3m was received from the government representing an almost 100% recovery of the fee waivers provided to domestic passenger and aeromedical operations for Airservices charges. Refer Government Grant note below for fee waiver recoveries prior to 1 January 2022.

Domestic Flight Waivers

On 18 March 2020 the Minister for Infrastructure, Transport and Regional Development announced a relief package for the Australian aviation industry to refund and waive a range of charges, including Airservices charges on domestic aircraft operations. This relief package continued through FY2021 and FY2022, during which time the scope of the program was reduced to target passenger carrying and aeromedical services. For FY2022, flight waivers provided under this program totalling \$45.5m (2021: \$159.2m) have been recognised and this program ceased on 31 December 2021.

Economic dependency

Airservices is dependent on airline activity in the Australian aviation industry, of which the Qantas and Virgin Groups are the dominant operators. Of the airways revenue earned during the year 40% (2021: 39%) related to the Qantas Group including the Jetstar Group and 16% (2021: 14%) related to Virgin. In lieu of revenue foregone from waiving domestic aviation charges for passenger and aeromedical services, the Government provided Airservices funding reimbursements of \$45.3m.

Accounting Policy

Airways Revenues

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

Notes to and Forming Part of the Financial Statements

1.1 Revenue (continued)

This section analyses the financial performance of Airservices Australia for the year ended 2022.

	2022 \$'000	2021 \$'000
Government grant		
Revenue grant 1 ¹	-	150,000
Revenue grant 2 ²	-	431,833
Revenue grant 3 ³	-	550,000
	-	1,131,833

Government Grant

- 1 \$150m was received on 14 July 2020 and related to the balance of the first Grant established in FY2020 under the COVID-19 Response Package – Aviation Support established through the *Appropriation (Coronavirus Economic Response Package) Act (No. 1) 2019-2020 (No.25, 2020)*. This includes revenue substitution measures for recovery of the 100% fee waivers provided to domestic passenger and aeromedical operations for Airservices charges.
- 2 \$431.8m was received progressively throughout FY2021 under the second revenue Grant provided under the COVID-19 Response Package - Aviation Support established in Budget 2020-21. This included revenue substitution measures for recovery of the 100% fee waivers provided to domestic passenger and aeromedical operations for Airservices charges up to 31 December 2020.
- 3 In June 2021, the Australian Government provided an additional third revenue Grant of \$550m (received on 28 June 2021) to support Airservices during the next stages of its recovery during the COVID-19 pandemic. This third grant was facilitated through Advance to the Finance Minister (AFM) determination (No. 8 of 2020-2021) and represented upfront payment to provide certainty for ongoing operations and planning, including for reserves to support cash flow and management of supplier costs.

Accounting Policy

Government grants

Grants from the government are recognised at fair value where there is a reasonable assurance that the grant will be received and Airservices will comply with all attached conditions.

Where the grants have attached conditions and/or are project specific, they are recognised at their fair value and initially credited to deferred income upon receipt, then recognised in the Statement of Comprehensive Income over the period necessary to match them with the costs that they are intended to compensate. Where those grants relate to expenditure that is to be capitalised, they are credited to the Statement of Comprehensive Income on a straight-line basis over the expected lives of the related assets from the date of commissioning. Grants that compensate Airservices for expenses incurred are recognised in the Statement of Comprehensive Income on a systematic basis in the periods in which the expenses are recognised.

Where the grants have no attached conditions, or there is a lack of clarity from the grantor in relation to the intent of costs to be compensated, and the timeframes thereof, the grant will be recognised in the Statement of Comprehensive Income upon receipt.

Notes to and Forming Part of the Financial Statements

1.1 Revenue (continued)

	2022 \$'000	2021 \$'000
Finance income		
Deposits	807	920
Cash at bank	136	106
Other	20	-
Total finance income	963	1,026

Accounting Policy

Finance income

Finance income is recognised using the effective interest method as set out in AASB 9 Financial Instruments. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

	2022 \$'000	2021 \$'000
Net gain on disposal of non-current assets		
Property, plant and equipment:		
Proceeds from sale	-	2,118
Written down value of scrapped assets	-	(1,459)
Net gain on disposal of non-current assets	-	659

	2022 \$'000	2021 \$'000
Reversal of previous asset write-down		
Reversal of doubtful debt provisions	17,143	-
Reversal of previous asset write-down	995	-
Total Reversal of previous asset write-down	18,138	-

Notes to and Forming Part of the Financial Statements

1.2 Expenses

	2022 \$'000	2021 \$'000
Employee benefits		
Wages and salaries	429,369	453,248
Superannuation (defined contribution funds)	51,593	52,528
Leave and other entitlements	129,796	95,833
Separation and redundancies - other	59,205	31,066
Employee benefits (excluding defined benefit superannuation expense)	669,963	632,675
Net defined benefit superannuation expense recognised in employee benefits		
Current service cost	23,641	23,804
Net interest expense	(5,504)	(4,001)
Defined benefit superannuation expense	18,137	19,803
Total employee benefits	688,100	652,478
Supplier expenses		
Goods and services supplied or rendered		
Contractor, consultancy and compliance costs	58,535	26,557
IT and telecommunication costs	63,111	62,131
Infrastructure costs	60,613	34,330
Restructuring costs	-	6,781
Other occupancy costs	28,823	29,599
Other	20,484	18,833
Total goods and services supplied or rendered	231,566	178,231
Other expenses		
Operating lease rentals ¹	372	2,440
Short-term leases	6	23
Low value leases	4,443	4,565
Variable lease payments	354	346
Loss on lease modifications	-	2,206
Total other supplier expenses	5,175	9,580
Total supplier expenses	236,741	187,811
Impairment loss on financial instruments		
Impairment on trade and other receivables	-	5,777
Bad debts written off	80	147
Total impairment loss on financial instruments	80	5,924
Write-down and impairment of other assets		
Impairment of property, plant and equipment	7,387	4,555
Revaluation decrements/(increments)	126	-
Total write-down and impairment of other assets	7,513	4,555

Notes to and Forming Part of the Financial Statements

1.2 Expenses (continued)

	2022 \$'000	2021 \$'000
Net loss on disposal of non-current assets		
Proceeds from disposal of non-current assets	(401)	-
Written-down value of disposed non-current assets	591	-
Proceeds from disposal of assets held for sale	(45)	-
Written-down value of disposed assets held for sale	45	-
Net loss on disposal of non-current assets	190	-

¹ The 'operating lease rentals' line item includes any non-lease components not included in the measurement of the lease liability.

The above lease disclosures should be read in conjunction with the accompanying Notes 2.3 and 2.7.

Accounting Policy

Employee Benefits

Accounting policies for employee-related expenses are contained in the Our People section (refer to Section 4).

Short-term leases and leases of low-value assets

The Entity has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The entity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to and Forming Part of the Financial Statements

1.3 Taxation

	2022 \$'000	2021 \$'000
Income tax (benefit)/expense		
Current tax (benefit)/expense ¹	(208)	155,497
Deferred tax (benefit)/expense	(148,834)	(17,822)
Income tax (benefit)/expense attributable to profit from continuing operations	(149,042)	137,675
Reconciliation of income tax (benefit)/expense to prima facie tax payable		
Loss/(Profit) from continuing operations before income tax expense	(496,604)	458,851
Prima facie income tax (benefit)/expense at 30%	(148,980)	137,656
Tax effect of amounts which are not deductible/assessable in calculating taxable income:		
Non-deductible legal costs	8	1
Prior year over provision of tax	(160)	(446)
Other non-deductible/(assessable) expenditure	90	464
Income tax (benefit)/expense	(149,042)	137,675

¹ The movement in income tax (benefit)/expense is a result of the movement in the profit/loss figure in the current and prior reporting period. This movement was driven by the receipt and recognition in revenue of additional Government Grants in the prior reporting period.

Accounting Policy

Income tax

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

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

Notes to and Forming Part of the Financial Statements

1.3 Taxation (continued)

	2022 \$'000	2021 \$'000
Deferred tax asset/(liability)		
The balance comprises temporary differences attributable to:		
<i>Amounts recognised in the statement of comprehensive income</i>		
Depreciation for accounting purposes	14,628	6,928
Provision for doubtful debts	3,280	8,422
Employee benefits	59,012	65,743
Provision for revenue to be returned to customers	187	187
Provision for legal costs	-	71
Other provisions	36,955	30,190
Accruals	1,062	1,178
Government grants	-	158
Tax losses	146,588	-
	261,712	112,877
<i>Amounts recognised directly in equity</i>		
Foreign exchange hedge reserve	419	1,221
Revaluation of land, buildings, plant and equipment	(56,174)	(51,868)
Defined benefit (asset)/liability	(72,369)	(43,774)
AASB 16 Leases	(2,662)	(2,662)
	(130,786)	(97,083)
Net deferred tax (liability)/assets	130,926	15,794
Movements:		
Opening balance at 1 July	15,794	15,743
Charged to the statement of comprehensive income	148,834	17,823
Credited to equity	(33,702)	(17,772)
Closing balance at 30 June	130,926	15,794

Tax losses

A deferred tax asset of \$146.6m has been recognised for income tax losses (2021: Nil). Based on management's forecast of future taxable profit and the reversal of taxable temporary differences, Airservices considers it probable the tax losses will be fully utilised.

Airservices has capital losses of \$4.8m (2021: \$4.9m) that are available indefinitely for offset against future capital gains. Deferred tax assets have not been recognised in respect of these losses as management has evaluated and concluded that it is not probable that future capital gains will be available, against which Airservices can utilise these losses in the foreseeable future.

There were no other unrecognised deferred tax assets at 30 June 2022 (2021: nil).

Notes to and Forming Part of the Financial Statements

1.3 Taxation (continued)

Accounting Policy

Deferred tax assets and liabilities

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

Deferred tax assets are recognised for deductible temporary differences and carry forward tax losses only if it is probable that future taxable temporary differences or profits will be available to utilise those deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

1.4 Dividends

Dividends paid

No final dividend for the year ending 30 June 2022 was paid (2021: Nil). No interim dividends for the years ending 30 June 2022 and 30 June 2021 were paid.

Franking credits

Franking credits available for subsequent financial years based on a tax rate of 30% (2021: 30%) are \$356.6m (2021: \$340.3m).

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

Accounting Policy

Dividends

A provision is made for the amount of any dividend approved by the Board but unpaid, prior to the end of the year.

Notes to and Forming Part of the Financial Statements

2 Our Asset Base

This section analyses Airservices Australia's assets used to generate financial performance and the operating liabilities incurred as a result. Employee-related information is disclosed in the Our People section.

2.1 Receivables

	2022 \$'000	2021 \$'000
Trade and other receivables		
Trade receivables, net of waivers (a)	89,533	93,208
Less impairment loss allowance (b)	(10,932)	(28,075)
	78,601	65,133
Accrued revenue and interest	1,807	1,403
Other receivables	203	189
Total receivables	80,611	66,725
(A) AGEING ANALYSIS OF TRADE RECEIVABLES		
Current	73,082	60,206
Overdue by:		
1 to 30 days	5,491	3,494
31 to 60 days	443	622
61 to 90 days	571	534
90 + days	9,946	28,352
Total receivables	89,533	93,208
Trade and other receivables (net) expected to be recovered		
No more than 12 months	80,611	66,725
More than 12 months	-	-
Total trade and other receivables (net)	80,611	66,725
(B) RECONCILIATION OF THE IMPAIRMENT LOSS ALLOWANCE		
Opening balance	28,075	22,298
Movement recognised in net profit/(loss)	(17,143)	5,777
Closing balance	10,932	28,075
The provision for impairment of receivables is aged as follows:		
Current	642	457
Overdue by:		
1 to 30 days	361	217
31 to 60 days	102	132
61 to 90 days	207	217
90 + days	9,620	27,052
Total provision for impairment of receivables	10,932	28,075

Credit terms for goods and services are 28 days (2021: 28 days).

Notes to and Forming Part of the Financial Statements

2.1 Receivables (continued)

Notes:

Domestic Flight Waivers

On 18 March 2020 the Minister for Infrastructure, Transport and Regional Development announced a relief package for the Australian aviation industry to refund and waive a range of charges including Airservices charges on domestic airline operations. Refer to Note 1.1 Revenue for further information.

Provisions for expected credit losses (ECL)

In prior years, COVID-19 had a significant impact on global and domestic economies and as such, many of Airservices customers. The relaxed travel restrictions during 2021-22 resulted in increased domestic and international travel within the aviation industry and has resulted in a decrease in the provision for Expected Credit Loss (ECL) to \$10.9m (2021: \$28.1m).

Modelled provision for ECL

The modelled provision for ECL is a probability weighted estimate of multiple scenarios using the roll-rate approach based on historical analysis of receivable balances, provisioning, and delinquencies. A further average probability of default measurement for our key customers' receivables of 3.61% was applied. Together this is representative of Airservices view of the forward-looking distribution of potential loss outcomes. The movement in provisions as a result of changes in modelled ECL are reflected through the line item "movement recognised in net profit/(loss)".

COVID-19 overlay

Whilst the impacts on the economy and travel sector generally are included in the assumptions used in the model and the weightings applied to the scenarios, the general economic shocks do not reflect the specific impact on individual customers as a result of the sustained unpredictable impact of COVID-19. This continues to pose a risk to the business for potential delinquencies, downgrades and defaults. Airservices has assessed the impact of any future likely downgrades currently not captured in the model assumptions and assessed that the modelled provision of \$10.9m is sufficient and complete.

Airservices will continue to reassess this treatment as the situation evolves and the longer-term impacts of the COVID-19 pandemic become clearer. Beyond the specific COVID-19 Government support packages received this year, it is likely that some airline customers will continue into general hardship arrangements and thus will represent an increased credit risk.

2.2 Assets classified as held for sale

The carrying amount of the assets held for sale amounts is \$nil (2021: \$0.05m). Two land assets classified as assets held for sale in the prior year were disposed of in this financial year.

Notes to and Forming Part of the Financial Statements

2.3 Property, plant and equipment and intangibles

Non-current assets - property, plant, equipment and intangibles

	Land \$'000	Building \$'000 s	Plant and equipment \$'000
As at 1 July 2021			
Gross book value	64,218	521,068	777,270
Accumulated depreciation and impairment	(6,867)	(115,010)	(357,929)
Net book value 1 July 2021	57,351	406,058	419,341
Additions			
Purchased	-	-	-
Internally developed	-	-	-
Commissioned assets under construction	-	1,028	6,452
Right-of-use (ROU) assets additions	5	36,116	4,996
Revaluations and impairments recognised in other comprehensive income	2,069	13,593	-
Revaluations recognised in profit and loss	-	-	-
Impairments - recognised in profit and loss	-	-	-
Depreciation/amortisation expense	-	(29,425)	(69,447)
Depreciation on right-of-use assets	(3,665)	(10,472)	(3,610)
Other movements	-	-	(1,303)
Other movements of right of use assets	(7,982)	(5,599)	33
Disposal of ROU assets	-	-	-
Disposals - other	(469)	(3)	(164)
Transferred to assets held for sale	-	-	-
Net book value 30 June 2022	47,309	411,296	356,298
Net book value as of 30 June 2022 represented by:			
Gross book value	57,841	529,239	786,270
Accumulated depreciation and impairment	(10,532)	(117,943)	(429,972)
	47,309	411,296	356,298
Carrying amount of right-of-use assets	22,381	92,472	3,628

1 Total property, plant and equipment includes right-of-use assets leased to third-parties as an operating lease is \$0.2m at 30 June 2022.

2 Total Assets under Construction is broken down as follows:

AUC Component	FY2021	Major Assets/Projects
Buildings	\$173.7m	Melbourne, Brisbane and Perth ATSC extension and Canberra Fire Station Upgrade
Plant and Equipment	\$105.8m	Civil-Military Air Traffic Management System (CMATS) solution and OneSKY CMATS
Intangibles	\$507.9m	CMATS solution and OneSKY CMATS
Total	\$787.3m	

Notes to and Forming Part of the Financial Statements

Total property, plant and equipment ¹ \$'000	Internally developed software \$'000	Other intangible assets \$'000	Total intangibles \$'000	Assets under construction ² \$'000	Total \$'000
1,362,556	354,906	81,365	436,271	624,176	2,423,003
(479,806)	(280,492)	(79,695)	(360,187)	-	(839,993)
882,750	74,414	1,670	76,084	624,176	1,583,010
-	-	-	-	179,202	179,202
-	689	-	689	(689)	-
7,480	-	696	696	(8,176)	-
41,117	-	-	-	198	41,315
15,662	-	-	-	-	15,662
-	-	-	-	-	-
-	-	-	-	(7,387)	(7,387)
(98,872)	(11,857)	(965)	(12,822)	-	(111,694)
(17,747)	-	-	-	-	(17,747)
(1,303)	-	-	-	-	(1,303)
(13,548)	-	-	-	-	(13,548)
-	-	-	-	-	-
(636)	-	-	-	-	(636)
-	-	-	-	-	-
814,903	63,246	1,401	64,647	787,324	1,666,874
1,373,350	349,656	80,737	430,393	787,324	2,591,067
(558,447)	(286,410)	(79,336)	(365,746)	-	(924,193)
814,903	63,246	1,401	64,647	787,324	1,666,874
118,481	-	-	-	198	118,679

Notes to and Forming Part of the Financial Statements

2.3 Property, plant and equipment and intangibles (continued)

Non-current assets - property, plant, equipment and intangibles

	Land \$'000	Building \$'000 s	Plant and equipment \$'000
As at 1 July 2020			
Gross book value	68,189	490,665	755,625
Accumulated depreciation and impairment	(3,405)	(74,135)	(279,084)
Net book value 1 July 2020	64,784	416,530	476,541
Recognition of right of use asset on initial application of AASB 16			
Adjusted total as at 1 July 2020	64,784	416,530	476,541
Additions			
Purchased	-	-	-
Internally developed	-	-	-
Commissioned assets under construction	-	19,425	20,593
Right-of-use (ROU) assets additions	-	11,540	689
Revaluations and impairments recognised in other comprehensive income	267	-	-
Revaluations recognised in profit and loss	-	-	-
Impairments - recognised in profit and loss	-	-	-
Commissioned assets under construction	-	-	-
Depreciation/amortisation expense	-	(31,980)	(78,518)
Depreciation on right-of-use assets	(3,462)	(9,288)	(4,690)
Other movements of ROU assets	(3,403)	-	4,694
Disposals - other	(1,235)	(165)	(59)
Transfers to assets held for sale	400	-	-
Transfers - other	-	(4)	91
Net book value 30 June 2021	57,351	406,058	419,341
Gross book value	64,218	521,068	777,270
Accumulated depreciation and impairment	(6,867)	(115,010)	(357,929)
	57,351	406,058	419,341
Carrying amount of right-of-use assets	34,023	72,427	2,209

1 Total property, plant and equipment includes right-of-use assets leased to third-parties as an operating lease is \$0.3m at 30 June 2021.

2 Total Assets under Construction is broken down as follows:

AUC Component	FY2021	Major Assets/Projects
Buildings	\$146.3m	Melbourne and Brisbane ATSC extension
Plant and Equipment	\$72.3m	Civil-Military Air Traffic Management System (CMATS) solution and OneSKY CMATS
Intangibles	\$405.6m	CMATS solution and OneSKY CMATS
Total	\$624.2m	

Notes to and Forming Part of the Financial Statements

Total property, plant and equipment ¹ \$'000	Internally developed software \$'000	Other intangible assets \$'000	Total intangibles \$'000	Assets under construction ² \$'000	Total \$'000
1,314,479	353,749	82,330	436,079	501,036	2,251,594
(356,624)	(268,182)	(80,524)	(348,706)	-	(705,330)
957,855	85,567	1,806	87,373	501,036	1,546,264
-	-	-	-	-	-
957,855	85,567	1,806	87,373	501,036	1,546,264
-	-	-	-	170,048	170,048
-	2,310	-	2,310	(2,310)	-
40,018	-	25	25	(40,043)	40,018
12,229	-	-	-	-	12,229
267	-	-	-	-	267
-	-	-	-	-	-
-	-	-	-	(4,555)	(4,555)
-	-	-	-	-	-
(110,498)	(12,584)	(953)	(13,537)	-	(124,035)
(17,440)	-	-	-	-	(17,440)
1,291	-	-	-	-	1,291
(1,459)	-	-	-	-	(1,459)
400	-	-	-	-	400
87	(879)	792	(87)	-	-
882,750	74,414	1,670	76,084	624,176	1,583,010
1,362,556	354,906	81,365	436,271	624,176	2,423,003
(479,806)	(280,492)	(79,695)	(360,187)	-	(839,993)
882,750	74,414	1,670	76,084	624,176	1,583,010
108,659	-	-	-	-	108,659

Notes to and Forming Part of the Financial Statements

2.3 Property, plant and equipment and intangibles (continued)

(a) Revaluation of land, buildings, plant and equipment

The valuation basis for land, buildings, plant and equipment is fair value as outlined in Note 2.4.

Airservices engaged accredited valuers Marsh to value its land and buildings. The effective date of the revaluation was 30 June 2022.

(b) Contractual commitments for the acquisition of property, plant, equipment and intangible assets

Capital commitments for property, plant, equipment and intangibles was \$777.1m (2021: \$717.2m) and includes GST where relevant.

(c) Impairment

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

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

	2022 \$'000	2021 \$'000
Land		
At cost	1,824	1,850
	1,824	1,850
Buildings		
At cost	601,884	600,680
Accumulated depreciation	(293,974)	(294,398)
Net book amount	307,910	306,282
Plant and Equipment		
At cost	1,349,608	1,361,931
Accumulated depreciation	(887,743)	(908,810)
Net book amount	461,865	453,121

(e) Borrowing Costs

The total borrowing costs capitalised at 30 June 2022 is \$24.8m (2021: \$20.9m) of which \$4.4m (2021: \$4.2m) were capitalised during the year and \$0.2m were transferred to fixed assets. As Airservices borrows money generally to fund both operating and capital expenditure, the weighted average cost of borrowings of 3.49% (2021: 3.59%) was used as the capitalisation rate.

Notes to and Forming Part of the Financial Statements

2.3 Property, plant and equipment and intangibles (continued)

Accounting Policy

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases less than \$5,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Cost and valuation

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

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

All costs associated with repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Revaluations

Following initial recognition at cost, property, plant and equipment (excluding ROU Assets) are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Independent valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the reporting date. Revaluations are conducted by an independent qualified valuer.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the Statement of Financial Position unless it reverses a revaluation decrease of the same asset previously recognised in the Statement of Comprehensive Income, in which case the increase is recognised in profit or loss.

Any revaluation deficit is recognised in the Statement of Comprehensive Income, except that a decrease offsetting a previous surplus for the same asset is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset. The revaluation surplus is accounted for net of deferred tax in the asset revaluation reserve.

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

Leased Right of Use (ROU) Assets

At inception of a contract, Airservices assesses whether an arrangement is, or contains, a lease. An arrangement contains a lease if a customer has the right to control the use of an identified asset for a period in exchange for consideration. Airservices is a party to lease contracts for the following ROU asset classes – land, building, plant and equipment at 30 June 2022.

Airservices has elected not to separate non-lease components and account for its lease and non-lease components as a single lease component only if immaterial, as allowed by the Department of Finance.

Leased ROU assets are capitalised at the commencement date of the lease and comprise the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

If the lease transfers ownership of the underlying asset to Airservices by the end of the lease term, or if the costs of the ROU asset reflects that Airservices will exercise a purchase option, the asset will be depreciated from the commencement date to the end of the useful life of the underlying asset.

These assets are accounted for as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

Following initial application, an impairment review is undertaken for any ROU lease asset that shows indicators of impairment and an impairment loss is recognised against any ROU lease asset that is impaired. Leased ROU assets continue to be measured at cost after initial recognition in Airservices financial statements.

Notes to and Forming Part of the Financial Statements

2.3 Property, plant and equipment and intangibles (continued)

Accounting Policy (continued)

De-recognition and disposal

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

Impairment of non-financial assets

The carrying values of property, plant and equipment (including ROU assets) are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable and, as a minimum, at least annually. All assets were assessed for impairment as at 30 June 2022.

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

Recoverable amount of non-current assets

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

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

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

Depreciation

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

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

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

	2022	2021
Buildings (e.g. control towers, fire stations, commercial property)	10-45 years	10-45 years
Building equipment	3-40 years	1-40 years
Other Assets (e.g. airways technical equipment, vehicles)	2-40 years	2-40 years

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Spares

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

Notes to and Forming Part of the Financial Statements

2.3 Property, plant and equipment and intangibles (continued)

Accounting Policy (continued)

Decommissioning and site rehabilitation

Where Airservices has an obligation to incur site rehabilitation costs and the requirements outlined below in Note 2.5 Other Provisions and Payables have been met, the estimated cost to make good the site has been recorded as a provision.

The net present value of the make-good obligation is measured by discounting using market yields at the reporting date on high quality corporate bonds (AA and AAA rated bonds only) with terms to maturity that match, as closely as possible to the estimated future cash-flows of the related make-good obligation.

Intangible assets

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

Research costs associated with in-house developed intangible assets are expensed as incurred. Costs incurred on development projects (relating to the design and testing of new improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technical feasibility and its cost can be measured reliably. The carrying value of development costs is reviewed for impairment annually or more frequently if there is evidence to suggest that the carrying value may not be recoverable. All intangibles were assessed for indicators of impairment as at 30 June 2022.

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

Borrowing costs

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

Notes to and Forming Part of the Financial Statements

2.4 Fair value disclosure

The following tables provide an analysis of assets and liabilities that are measured at fair value. The remaining assets and liabilities disclosed in the Statement of Financial Position do not apply the fair value hierarchy.

The different levels of the fair value hierarchy are defined below.

Level 1:	Level 2:	Level 3:
Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.	Unobservable inputs for the asset or liability.

Fair value measurements

Fair value measurements at 30 June 2022 by hierarchy for assets and liabilities

	Fair value measurements at the end of the reporting period				
	2022 \$'000	2021 \$'000	Category (Level 1, 2, or 3)	Valuation technique	Inputs used
Financial assets					
Forward exchange contracts	1,742	232	2	ADCF	[1]
Interest rate swaps	9,588	8,366	2	ADCF	[2]
Total financial assets at fair value	11,330	8,598			
Non-financial assets					
Land	24,929	23,328	2	DC	[3]
Buildings	318,826	333,631	3	DRC	[4]
Plant and equipment	352,668	417,132	3	DRC	[5]
Assets held for sale	-	45	2	DC	[3]
Total non-financial assets at fair value	696,423	774,136			
Total fair value measurements of assets	707,753	782,734			
Financial liabilities					
Forward exchange contracts	3,139	4,331	2	ADCF	[1]
Interest rate swaps	21,595	15,045	2	ADCF	[2]
Total financial liabilities at fair value	24,734	19,376			
Total fair value measurements of liabilities	24,734	19,376			
Financial Liabilities not measured at fair value in the statement of financial position					
Medium Term Notes	621,190	709,585	2	DC	[6]
Commercial Paper	184,223	134,949	2	DC	[6]
Standby Cash Advances	250,000	250,248	2	DC	[6]
Total financial liabilities not measured at fair value	1,055,413	1,094,782			

Notes to and Forming Part of the Financial Statements

2.4 Fair value disclosure (continued)

Notes:

DC Direct Comparison

DRC Depreciated Replacement Cost (Cost Approach)

ADCF Adjusted Discounted Cash flows

[1] Current foreign exchange market rates.

[2] Current market interest rates.

[3] Land assets were assessed by adopting a high-level desk review only. These were assessed by direct comparison to wider market conditions for their locality and subjected to professional judgement to determine fair value, taking into account tenure, encumbrances, town planning, location, size and shape.

[4] Buildings asset class subject to high-level desk review only. Historical capitalised costs are adjusted to current date by the application of specific indices (range used: +0.58% - +2.15%). Indices adopted have no material movement compared to 2021.

[5] Plant and equipment asset class subject to high-level desk review only. Historical capitalised costs are adjusted to current date by the application of specific indices considered appropriate to specific Enterprise Asset Management Framework (EAMF) categories (range used: -1% - +2%). Indices adopted have no material movement compared to 2021.

[6] Medium term notes, standby cash advances and commercial paper fair values reflect the price that an existing investor is prepared to receive if they were to sell their investment in the secondary market.

Airservices engages external, independent and qualified valuers to assess the fair value of Airservices property, plant and equipment on an annual basis. Highest and best use is the same as current use.

Land

The fair value of the freehold land assets have been determined through a high-level desk review whereby general and local market conditions, in conjunction with recent sales data, was analysed to determine fair value movement. The high-level desk review includes the confirmation of legal descriptions including limitations, interests, encumbrances, and notifications. Additional information utilised in the high-level desk review includes resources management whereby land assets were analysed in line with their zoning and development control constraints.

Buildings

Buildings and site improvements are subject to high-level desk review and have been valued on the basis of the Cost Approach (depreciated replacement cost). This has been determined by first establishing the estimated cost to replace a current asset with an equivalent new asset, less depreciation for their physical, functional, and economic obsolescence.

For this year's high-level desk review, the assets' replacement values were updated to reflect current construction cost in line with, and adjusted to, national and local indices including, where applicable, additional replacement cost loading for remote locations. The high level assessment of building assets included the appropriate adjustment of remaining useful life periods to derive fair value.

Plant and Equipment (P&E)

These assets represent a specialised group of assets integrated to perform the control, monitoring, and safety requirements of air and ground movement of commercial aircraft and airport support vehicles within Australia. Generally, the plant and equipment assets are typical at each airport and only vary subject to the operational requirements of each airport. Airservices assets include navigational aids, en-route surveillance systems, airport infrastructure, and fire and rescue vehicles. As such, all plant and equipment assets are considered to be specialised and for 2022 were valued using the Cost Approach (depreciated replacement cost). For the current assessment year, P&E assets were subject to a high-level desk review and the cost indices were reviewed, indicating that there were no material movements in costs to current date. As such, net book values are considered to reflect fair value.

Notes to and Forming Part of the Financial Statements

2.4 Fair value disclosure (continued)

Reconciliation for recurring Level 3 fair value measurements

Recurring Level 3 fair value measurements - reconciliation for assets

	Non-financial assets		
	Buildings 2022 \$'000	Plant and equipment 2022 \$'000	Total 2022 \$'000
Opening balance	333,631	417,132	750,763
Total gains/(losses) recognised in Statement of Comprehensive Income (1)	13,593	-	13,593
Commissioned	1,029	6,452	7,481
Disposals	(3)	(164)	(167)
Depreciation	(29,425)	(69,447)	(98,872)
Other movements	-	(1,303)	(1,303)
Closing balance	318,825	352,670	671,495

Notes to and Forming Part of the Financial Statements

2.5 Other provisions and payables

	2022 \$'000	2021 \$'000
Current payables and other provisions		
Current trade and other payables		
Trade payables	14,419	12,409
Employees		
Salaries and wages	17,339	15,785
Superannuation	1,840	1,781
Tax payables		
Accrued payroll tax	3,829	7,730
Net goods and services tax payable	7,440	6,910
Group tax payable	-	5,924
Revenue received in advance	1,869	598
Interest payable	2,667	2,863
Other accrued expenses	66,071	53,045
Total current trade and other payables	115,474	107,045
Current other provisions		
Revenue to be returned to customers	622	622
ARFFS decontamination ¹	32,629	12,285
Litigation and legal costs	-	236
Makegood on leasehold assets	2,457	825
Other ²	10,381	12,694
Total current other provisions	46,089	26,662
Total current provisions and payables	161,563	133,707
Non-current other provisions		
ARFFS decontamination ¹	45,124	46,223
Makegood on leasehold assets	27,753	30,780
Other ²	1,532	1,868
Total non-current provisions	74,409	78,871

Description of provisions

1 Aviation Rescue and Fire Fighting (ARFF) services decontamination

The provision relates to the assessment, management, and containment of possible contaminated ARFFS training sites as outlined in Note 5.1 Contingent Liabilities.

2 Other provision

The other provision includes on-costs associated with recreation leave and long service leave, such as workers compensation and payroll tax. This is classified as separate provisions to employee benefits in accordance with section 24 of the FRR and the total amount for 30 June 2022 is \$11.1m (2021: \$13.1m). The remaining balance relates to asbestos remediation.

Notes to and Forming Part of the Financial Statements

2.5 Other provisions and payables (continued)

Accounting Policy

Provisions

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

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

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

Accounting Judgements and Estimates

ARFFS decontamination provision

An estimate of expected future costs has been used to establish the provision for the assessment, management and containment.

	2022 \$'000	2021 \$'000
Movements in provisions		
(i) Revenue to be returned to customers (Current)		
Carrying amount at start of period	622	622
Additional provisions made	-	-
Carrying amount at end of period	622	622
(ii) ARFFS decontamination (Current/Non-current)		
Carrying amount at start of period	58,508	59,309
Additional provisions made	30,553	7,675
Payments	(11,308)	(8,476)
Carrying amount at end of period	77,753	58,508
(iii) Litigation and legal costs (Current)		
Carrying amount at start of period	236	1,288
Additional provisions made	(236)	216
Payments	-	(1,268)
Carrying amount at end of period	-	236
(iv) Makegood on leasehold assets (Current/Non-current)		
Carrying amount at start of period	31,605	27,772
Additional provisions made	(1,353)	3,839
Payments	(42)	(6)
Carrying amount at end of period	30,210	31,605

Notes to and Forming Part of the Financial Statements

2.5 Other provisions and payables (continued)

	2022 \$'000	2021 \$'000
(vi) Other (Current/Non-current)		
Carrying amount at start of period	14,562	15,991
Additional provisions made	(2,457)	435
Payments	(192)	(1,864)
Carrying amount at end of period	11,913	14,562

2.6 Other financial assets and liabilities

	2022 \$'000	2021 \$'000
Other current financial assets		
Interest rate swaps	45	-
Forward exchange contracts	1,280	100
Total other current financial assets	1,325	100
Other non-current financial assets		
Interest rate swaps	9,543	8,366
Forward exchange contracts	462	132
Other financial assets	80	240
Total other non-current financial assets	10,085	8,738
Other current financial liabilities		
Interest rate swaps	488	504
Forward exchange contracts	1,214	1,391
Total other current financial liabilities	1,702	1,895
Other non-current financial liabilities		
Interest rate swaps	21,107	14,541
Forward exchange contracts	1,925	2,940
Total other non-current financial liabilities	23,032	17,481

Refer to Note 2.4 for basis of fair value measurement.

Notes to and Forming Part of the Financial Statements

2.7 Other assets and other liabilities

	2022 \$'000	2021 \$'000
Other current liabilities		
Lease liability		
Land	2,668	3,286
Buildings	10,339	8,875
Plant and equipment	3,055	1,284
Total other current liabilities	16,062	13,445
Other non-current liabilities		
Lease liability		
Land	19,615	30,555
Buildings	85,808	68,104
Plant and equipment	443	791
Other ¹	24,085	26,498
Total other non-current liabilities	129,951	125,948
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	17,351	15,074
Between 1 to 5 years	59,997	53,998
More than 5 years	97,182	78,647
Total leases	174,530	147,719

¹ This represents the excess of amounts received from the Department of Defence under the On-Supply Agreement, from Defence's share of work conducted by Thales under the Civil-Military Air Traffic Management System (CMATS) acquisition contract.

The above lease disclosures should be read in conjunction with the accompanying Notes 1.2 and 2.3.

Notes to and Forming Part of the Financial Statements

2.7 Other assets and other liabilities (continued)

Accounting Policy

Lease liabilities

For all new contracts entered into, Airservices considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or Airservices incremental borrowing rate.

The lease liability is measured at the present value of future lease payments, discounted using the Implicit Interest Rate (IIR), if available, otherwise the Incremental Borrowing Rate (IBR) is used. The discount rate represents Airservices borrowing rate with the asset portfolio adjusted for the profile of the underlying asset (and its securitisation), currency and the tenure.

Where the IBR is used, Airservices will reference a 30-year Australian Medium-Term Note (MTN) corporate bond yield curve which has been built to reflect our costs of borrowings. The curve can be used to represent the entity's borrowing rate across asset categories and tenures.

Lease payments to be included in the measurement of the lease liability comprise fixed payments (including in-substance fixed payments) less any lease incentives; variable lease payments that depend on an index or a rate; the exercise price of a purchase option if reasonably certain of exercise; amounts expected to be payable under a residual value guarantee; and any payments of penalties for terminating the lease if the lease term reflects the lessee exercising an option to terminate the lease.

Lease payments not included in the initial measurement of the lease liability are recognised directly in profit and loss. Overall, the variable payments constitute up to 3% of Airservices entire lease payments at 30 June 2022. Airservices expects this ratio to remain constant in the future years. Refer to Note 1.2 Expenses for further detail.

The lease term determined comprises the non-cancellable period of lease contracts, periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Subsequent to initial measurement, the lease liability will be reduced to reflect lease payments made, and increased to reflect interest on the lease liability.

Airservices remeasures the lease liability whenever there is a change in future lease payments arising from change in an index or rate, if there is a change in the entity's estimate of the amount expected to be payable under a residual value guarantee, or if the entity changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, the corresponding adjustment is reflected in the ROU asset or profit and loss depending on the nature of the reassessment or modification.

Notes to and Forming Part of the Financial Statements

3 Our Funds Management

This section identifies Airservices Australia's funding structure.

3.1 Cash and cash equivalents

	2022 \$'000	2021 \$'000
Cash and cash equivalents		
Cash at bank and in hand	52,137	222,756
Deposit at call	185,700	448,800
Term deposits	20,000	120,000
Total cash and cash equivalents	257,837	791,556

(a) Cash at bank and in hand

Cash at bank has a floating interest rate of 1.05% (2021: 0.30%) for balances up to \$25m. For balances greater than \$25m, the interest rate is 0.85% (2021: 0.10%). Cash in hand and some non-interest-bearing bank accounts have a zero interest rate.

(b) Deposits at call

The deposits at call have a weighted average floating interest rate of 1.00% (2021: 0.10%). These 11am cash deposits are rolled over daily.

(c) Term deposits

The term deposit has an interest rate of 1.29% (2021: 0.22%) and matures on 18 August 2022.

Accounting Policy

Cash and cash equivalents

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

Notes to and Forming Part of the Financial Statements

3.2 Reconciliation of cash and cash equivalents

	2022 \$'000	2021 \$'000
Reconciliation of net profit/(loss) after income tax to net cash flows from operations		
Net profit/(loss) after income tax	(347,562)	321,176
Adjustments for:		
Depreciation expense	129,441	141,475
Impairment recognised for property, plant and equipment	7,387	4,555
Reversal of previous asset write-downs	(995)	-
Net gain on sale/write-down of non-current assets	-	(659)
Net loss on sale/write-down of non-current assets	316	(2,026)
AvSuper defined benefit contributions movement (after tax)	66,726	43,127
Change in assets		
(Increase)/decrease in gross receivables	3,417	(39,999)
(Increase)/decrease in inventories	(607)	(36)
(Increase)/decrease in prepayments	(3,949)	3,506
(Increase)/decrease in other assets	(2,732)	8,771
(Increase)/decrease in deferred tax	(115,132)	(51)
Change in liabilities		
Increase/(decrease) in employee benefits	(113,068)	(40,576)
Increase/(decrease) in allowance for impairment	(17,143)	5,777
Increase/(decrease) in legal provisions	(236)	(1,052)
Increase/(decrease) in other liabilities	(21,772)	119,981
Increase/(decrease) in other provisions	15,201	1,603
Increase/(decrease) in creditors and accruals	15,566	(12,378)
Increase/(decrease) in revenue to be returned to customers provision	-	-
Net cash flow from operating activities	(385,142)	553,194

Notes to and Forming Part of the Financial Statements

3.3 Borrowings

	2022 \$'000	2021 \$'000
Unsecured borrowings		
Current ¹	384,348	134,855
Non-current ²	723,246	922,245
Total borrowings	1,107,594	1,057,100

1 This represents amounts issued under a \$300m commercial paper program and a \$1,500m medium term note program. It includes \$40m maturing 29 July 2022, \$30m maturing 2 August 2022, \$75m maturing on 20 October 2022, \$30m maturing 21 November 2022, \$10m maturing 6 December 2022 and \$200m maturing 15 May 2023.

2 This represents amounts issued under a \$1,500m medium term note program and a \$250m bilateral cash advance facility. It includes \$250m maturing on 17 November 2023, \$200m maturing on 15 May 2026 and \$275m maturing on 15 May 2030.

3.4 Standby arrangements and unused credit facilities

	2022 \$'000	2021 \$'000
Unused credit facilities - bank overdraft	5,000	5,000
Borrowing facilities		
Commercial paper program	300,000	300,000
Medium term note program	1,500,000	975,000
Committed standby cash advance facilities	750,000	775,000
Uncommitted 11am borrowing	-	40,000
Total borrowing facilities	2,550,000	2,090,000
Amount utilised	(1,110,000)	(1,060,000)
Total borrowings	1,440,000	1,030,000

Notes to and Forming Part of the Financial Statements

3.5 Financial instruments

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

Financial assets and liabilities – classification and measurement

Cash and cash equivalents

Airservices cash and cash equivalents are overnight or short term deposits that are held to maturity and have cash flows that solely represent principal and interest. All cash and cash equivalents are classified under AASB 9 as financial assets at amortised cost.

Trade and other receivables

All Airservices trade receivable cash flows solely represent principal and interest payments and are classified under AASB 9 as financial assets at amortised cost. When measuring its trade and other receivables, Airservices has adopted the AASB 9 simplified approach to measure the impairment loss allowance at an amount equal to the lifetime expected credit loss.

Committed standby cash advances

Airservices standby cash advances are bank loans that are held to maturity and have cash flows that solely represent principal and interest. All committed standby cash advances are classified under AASB 9 as financial liabilities at amortised cost.

Medium term notes and commercial papers

Airservices financial liabilities include medium term notes and commercial papers, which are initially measured at fair value less transactions costs and subsequently remeasured using the effective interest method. Under AASB 9 these instruments are all classified as financial liabilities at amortised cost.

Trade and other payables

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

Derivative financial instruments – hedge accounting under AASB 9

Airservices uses derivative financial instruments, such as Forward Exchange Contracts (FECs) and Interest Rate Swaps (IRSs) to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value on reporting date. Derivatives are carried as current or non-current financial assets when the fair value is positive and as current and non-current financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion, which is recognised in other comprehensive income

Notes to and Forming Part of the Financial Statements

3.5 Financial instruments (continued)

Fair value measurements

The fair values of Airservices FECs and IRSs are calculated using a credit adjusted discounted cash-flow methodology. FEC and IRS contracted rates are compared to current market rates to calculate future cash flows, which are then discounted to arrive at a present value. Airservices uses only observable market data as inputs.

Airservices does not apply netting to the fair values of its financial assets and liabilities. The Statement of Financial Position separates the fair values into current and non-current financial assets and liabilities. However, as at 30 June 2022, if netting was applied to the FEC portfolio then FEC financial assets of \$1,741,516 would have been reduced by FEC financial liabilities of \$3,138,972 to the net liability amount of \$1,397,456 (2021: FEC financial assets of \$232,532 would have been reduced by FEC financial liabilities of \$4,331,170 to the net liability amount of \$4,098,638).

If netting was applied to the IRS portfolio then IRS financial assets of \$9,588,085 would have been reduced by IRS financial liabilities of \$21,595,432 to the net liability amount of \$12,007,347 (2021: IRS financial assets of \$8,365,730 would have been reduced by IRS financial liabilities of \$15,045,010 to the net liability amount of \$6,679,280).

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

There is no secondary market for committed standby cash advances as they are executed under bilateral agreements with bank counterparties. As a result their fair value is equal to the carrying amount.

Refer to Note 2.4 for fair value measurement basis of these instruments.

	AASB 9 accounting classification	Carrying amount 2022 \$'000	Fair value 2022 \$'000	Carrying amount 2021 \$'000	Fair value 2021 \$'000
Assets					
Forward exchange contracts	FVTPL	1,742	1,742	233	233
Cash and cash equivalents	AC	257,837	257,837	791,487	791,487
Receivables	AC	80,611	80,611	66,725	66,725
Interest rate swaps	FVTPL	9,588	9,588	8,366	8,366
Other financial assets	AC	80	80	240	240
Total assets		349,858	349,858	867,051	867,051
Liabilities					
Forward exchange contracts	FVTPL	3,139	3,139	4,331	4,331
Interest rate swaps	FVTPL	21,595	21,595	15,045	15,045
Medium Term Notes	AC	672,894	621,190	672,246	709,585
Trade and other payables	AC	115,474	115,474	107,045	107,045
Commercial Paper	AC	184,700	184,223	134,855	134,949
Standby cash advances	AC	250,000	250,000	250,000	250,000
Total liabilities		1,247,802	1,195,621	1,183,522	1,220,955

Notes:

AC Amortised Cost

FVTPL Fair Value Through Profit and Loss

Notes to and Forming Part of the Financial Statements

3.5 Financial instruments (continued)

Financial risk

The financial risk management policy is aligned to Airservices risk appetite statement. The policy identifies financial risks and provides effective guidance on how Airservices manages the risks faced by the organisation. It sets the risk limits, identifies the controls and determines the process for monitoring and adhering to limits. The policy is designed to add value without adding to the overall risks of the organisation.

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

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

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

Credit risk

Credit risk represents the risk that one party to a transaction will fail to discharge an obligation and cause the other party to suffer a financial loss. Airservices invests money and enters into financial derivative contracts with authorised counterparties whose long term credit rating is at, or above, A- (Standard and Poor's) or A3 (Moody's). There are currently only four approved counterparties. The maximum credit limit for each approved counterparty is currently \$250m. Counterparty credit exposure is assessed using the principles of the 'Current Exposure Method'. As at 30 June 2022, the maximum risk exposure to all authorised counterparties after applying the Current Exposure Method was \$298.2m (2021: \$641.4m).

Airservices is exposed to credit risk arising from potential default of debtors. This is equal to the total amount of trade and other receivables (2022: \$80.7m and 2021: \$66.7m). Airservices considers debtors to be in default when the debtor is unlikely to pay its amount owing in full. This is determined to be when a payment is greater than 90 days past due. Airservices has assessed the risk of default on payment, based on days past due, and has allocated \$10.9m in 2022 (2021: \$28.1m) as an allowance for impairment.

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

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

	Not past due nor impaired 2022 \$'000	Not past due nor impaired 2021 \$'000	Past due or impaired 2022 \$'000	Past due or impaired 2021 \$'000
Receivables	73,082	60,206	16,451	33,002
Total	73,082	60,206	16,451	33,002

Airservices is exposed to concentration of risk, by customer, with respect to trade receivables. 56% (\$308.6m) of revenues earned are from the following dominant operators: Qantas Group (including Jetstar) and Virgin Group.

Notes to and Forming Part of the Financial Statements

3.5 Financial instruments (continued)

Liquidity risk

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

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

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

2022	Average interest rate %	Floating interest rate \$'000	1 year or less \$'000	1 to 5 years \$'000	More than 5 years \$'000	Non- interest bearing \$'000	Total \$'000
Financial liabilities							
Non-derivative							
Trade and other payables	-	-	-	-	-	115,474	115,474
Standby cash advances	0.81	-	2,025	251,021	-	-	253,046
Commercial paper	0.56	185,000	-	-	-	-	185,000
Medium term notes	2.78	-	218,050	243,700	293,150	-	754,900
Derivative							
Interest rate swaps ¹	-	-	(508)	(9,909)	(379)	-	(10,796)
Interest rate swaps ²	-	-	2,091	14,669	8,566	-	25,326
Net financial liabilities		185,000	221,658	499,481	301,337	115,474	1,322,950

1 weighted average interest rates at 30 June were pay fixed at 2.33% and receive float at 1.80%.

2 weighted average interest rates at 30 June were pay float at 1.80% and receive fixed at 1.78%.

2021	Average interest rate %	Floating interest rate \$'000	1 year or less \$'000	1 to 5 years \$'000	More than 5 years \$'000	Non- interest bearing \$'000	Total \$'000
Financial liabilities							
Non-derivative							
Trade and other payables	-	-	-	-	-	107,045	107,045
Standby cash advances	0.81	-	2,025	253,046	-	-	255,071
Commercial paper	0.33	135,000	-	-	-	-	135,000
Medium term notes	2.25	-	18,050	455,700	299,200	-	772,950
Derivative							
Interest rate swaps ³	-	-	(3,878)	(4,656)	4,412	-	(4,122)
Interest rate swaps ⁴	-	-	5,023	6,537	(257)	-	11,303
Net financial liabilities		135,000	21,220	710,627	303,355	107,045	1,277,247

3 weighted average interest rates at 30 June were pay float at 0.10% and receive fixed at 1.78%.

4 weighted average interest rates at 30 June were pay fixed at 2.45% and receive float at 0.10%.

Notes to and Forming Part of the Financial Statements

3.5 Financial instruments (continued)

Market Risk

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

Interest rate sensitivity analysis is calculated on a 'reasonably possible' basis with reference to the key drivers of interest rates, market expectations and historical data. In analysing interest rate sensitivities Airservices has adopted to vary actual interest rates by +/- 0.79% (2021: +/- 0.74%).

Airservices has adopted a simplified approach to calculate market risk sensitivities for foreign exchange contracts. A standard sensitivity variable of +/- 8.31% (2021: +/- 7.89%) has been applied to all currencies. Airservices acknowledges that it is necessary to monitor annual movements in currencies to ensure the relevance of using a single constant rate.

2022	Carrying amount \$'000	Change in risk variable +/-%	Effect of positive movement		Effect of negative movement	
			Profit and loss \$'000	Equity \$'000	Profit and loss \$'000	Equity \$'000
Currency risk						
Buy USD forward contracts	1,413	8.31	-	(2,204)	-	2,327
Buy EUR forward contracts	(2,810)	8.31	-	(1,576)	-	1,261
Interest rate risk						
Cash and cash equivalents	257,837	0.79	2,010	-	(2,010)	-
Medium term notes	672,894	-	-	-	-	-
Standby cash advances	250,000	-	-	-	-	-
Interest rate swaps	(12,007)	0.79	(1,806)	-	1,967	-
Commercial paper	184,700	0.79	(1,146)	-	1,146	-

2021	Carrying amount \$'000	Change in risk variable +/-%	Effect of positive movement		Effect of negative movement	
			Profit and loss \$'000	Equity \$'000	Profit and loss \$'000	Equity \$'000
Currency risk						
Buy USD forward contracts	(521)	7.89	-	(1,517)	-	1,439
Buy EUR forward contracts	(3,578)	7.89	(29)	(2,717)	27	2,067
Interest rate risk						
Cash and cash equivalents	791,556	0.74	5,858	-	(5,858)	-
Medium term notes	672,246	-	-	-	-	-
Standby cash advances	250,000	-	-	-	-	-
Interest rate swaps	(6,679)	0.74	31	-	(23)	-
Commercial paper	134,855	0.74	(122)	-	122	-

Notes to and Forming Part of the Financial Statements

3.5 Financial instruments (continued)

Forward exchange contracts

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

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

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

	Sell Australian Dollars		Average Exchange Rate	
	2022 \$'000	2021 \$'000	2022 EURO/\$1	2021 EURO/\$1
Buy EUROs				
Maturity				
3 months or less	807	2,833	0.5758	0.5820
Greater than 3 months but less than 1 year	5,735	4,581	0.5576	0.5715
Greater than 1 year	14,483	26,967	0.5383	0.5496

	Sell Australian Dollars		Average Exchange Rate	
	2022 \$'000	2021 \$'000	2022 US/\$1	2021 US/\$1
Buy US Dollars				
Maturity				
3 months or less	5,429	4,449	0.7106	0.7034
Greater than 3 months but less than 1 year	15,946	5,987	0.7229	0.7050
Greater than 1 year	4,761	8,752	0.7583	0.7638

Capital management

Airservices is a price regulated government-owned corporate commonwealth entity with a capital management strategy that currently targets a minimum standalone/independent credit rating of BBB and allows for sufficient flexibility in gearing to enable Airservices to absorb a short-medium term shock to traffic levels of +/-70% through the COVID-19 pandemic.

When managing capital structure, Airservices considers its current and forecast net debt and shareholder's equity positions to develop funding and liquidity strategies that achieve the longer term optimal capital structure and provide a balance between cost and risk. These strategies are then incorporated into the annual planning cycles.

Airservices reviews its optimal capital structure on a regular basis, there were no changes to Airservices approach to capital management during the year.

Notes to and Forming Part of the Financial Statements

4 Our People

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

4.1 Employee provisions

	2022 \$'000	2021 \$'000
Current employee provisions		
Employee benefits		
Recreation leave	50,572	46,475
Long service leave	119,967	150,141
Separations and redundancies	1,383	6,396
Pre-Comcare Workers compensation	195	259
Total current employee provisions	172,117	203,271
Non-current employee provisions		
Employee benefits		
Long service leave	26,403	31,688
Separations and redundancies	4,212	4,664
Pre-Comcare Workers compensation	1,576	2,073
Total non-current employee provisions	32,191	38,425

Description of provisions

Employee benefits:

Workers compensation

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

Separations and redundancies

This includes \$5.2m (2021: \$5.8m) in early retirement benefits, which have been elected to be taken by employees as a lump sum on retirement, and \$0.4m (2021: \$3.6m) for redundancy provisions.

The provision for early retirement benefits includes \$4.9m (2021: \$5.5m) for ATC employees who were employed by Airservices on 1 July 1998 and continue to meet the eligibility requirements under the relevant enterprise agreement.

Notes to and Forming Part of the Financial Statements

4.1 Employee provisions (continued)

Accounting Policy

Employee benefits

Salaries, wages and termination benefits

Liabilities for short-term employee benefits and termination benefits expected to be wholly settled within 12 months of the end of the reporting period are measured at their nominal amounts. Liabilities for salary and wages are recognised, and are measured as the amount unpaid at the reporting date at pay rates, which will be applicable when paid, in respect of employees' services up to that date.

Recreation leave

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

Long service leave and early retirement benefit

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

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

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds (AA and AAA rated bonds only) with terms to maturity that match, as closely as possible, the estimated future cash outflows.

On-costs associated with recreation leave and long service leave are classified as separate provisions from employee benefits, in accordance with section 24 of the FRR and is recognised in Other Provisions, Note 2.5.

Notes to and Forming Part of the Financial Statements

4.2 Defined benefit fund asset

Superannuation plan

Airservices is the principal sponsor of the superannuation fund, AvSuper. The plan has a defined benefit scheme and a defined contribution section. The defined benefit section provides benefits based on the length of service and final average salary. The defined contribution section receives fixed contributions and Airservices legal or constructive obligation is limited to these contributions.

The following sections set out details relating only to the defined benefits section of the Plan. Note that the defined benefits section has been closed to new members since 2002. The valuation is based on estimated member data at 30 April 2022 using member data as at 30 June 2021 with exits removed and salaries increased at the salary increase rate. The Plan's liabilities and assets have been rolled up to 30 June 2022. Allowance is made for outstanding contributions and tax reserves when estimating the asset value.

	2022 \$'000	2021 \$'000
Benefit asset		
The amounts recognised in the statement of financial position are determined as follows:		
Present value of the defined benefit obligation	(462,122)	(679,738)
Fair value of defined benefit plan assets	725,015	865,338
Net benefit asset - non-current	262,893	185,600
Categories of plan assets		
The major categories of plan assets are as follows:		
Cash	29,802	134,478
Equity instruments	444,422	407,772
Debt instruments	101,981	110,964
Other assets	148,810	212,124
	725,015	865,338
Reconciliations		
<i>Reconciliation of the present value of defined benefit obligation:</i>		
Balance at the beginning of the year	679,738	698,840
Current service cost	23,641	23,804
Contribution by members	6,258	8,790
Interest cost	19,005	18,180
Remeasurements		
Effect of changes in financial assumptions	(96,371)	33,065
Effect of experience adjustments	(25,031)	(25,829)
Benefits paid	(145,118)	(77,112)
Balance at the end of the year	462,122	679,738
<i>Reconciliation of the fair value of plan assets:</i>		
Balance at the beginning of the year	865,338	842,378
Interest Income	24,509	22,181
Remeasurements		
Return on plan assets (excluding interest income)	(26,079)	68,846
Contribution by Airservices	107	256
Contribution by members	6,258	8,790
Benefits paid	(145,118)	(77,113)
Balance at the end of the year	725,015	865,338

Notes to and Forming Part of the Financial Statements

4.2 Defined benefit fund asset (continued)

Net amount recognised in the Statement of Comprehensive Income

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

	2022 \$'000	2021 \$'000
i. Defined benefit cost recognised in profit or loss		
Current service cost	23,641	23,804
Interest on the net defined benefit asset	(5,504)	(4,001)
Total included in employee benefits expense	18,137	19,803
ii. Remeasurements (recognised in Other Comprehensive Income)		
Effect of changes in financial assumptions	(96,372)	33,065
Effect of experience adjustments	(25,031)	(25,829)
Return on plan assets (excluding interest income)	26,080	(68,846)
Total remeasurements included in Other Comprehensive Income - (gain)/ loss	(95,323)	(61,610)
iii. Total defined benefit (gain)/ loss recognised in the Statement of Comprehensive Income	(77,186)	(41,807)
Actual return on plan assets	(3,394)	100,956

Principal actuarial assumptions

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

	2022 \$'000	2021 \$'000
Discount rate	5.30%	2.90%
Future salary increases – short term	4.00%	2.90%
Future salary increases – long term	4.90%	3.90%

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

- a discount rate of 5.30% p.a. derived by applying the yield curve reported by Milliman to the expected cash flows of AvSuper and equating this to a single equivalent rate.
- the salary increase rate assumption is equivalent to a liability weighted single rate assumption of 4.80% p.a.

Sensitivity analysis

A sensitivity analysis for the key actuarial assumptions, holding other assumptions constant, and their potential impact on the defined benefit obligation are shown below.

2022	2022 \$'000	2021 \$'000
Discount rate (0.5% movement)	23,351	(27,919)
Future salary increases (0.5% movement)	(25,874)	21,676
	Increase	Decrease
2021	2022 \$'000	2021 \$'000
Discount rate (0.5% movement)	37,812	(36,928)
Future salary increases (0.5% movement)	(33,769)	35,836

Notes to and Forming Part of the Financial Statements

4.2 Defined benefit fund asset (continued)

Maturity profile

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

2022	2022 \$'000	2021 \$'000
Undiscounted Benefit Payments		
1 year or less	34,237	45,214
2 to 5 years	168,873	215,427
5 to 10 years	224,840	242,846
Greater than 10 years	770,564	762,597
Total expected payments	1,198,514	1,266,084

The average duration of the defined benefit plan obligation at the end of the reporting period is nine years (2021: 9 years).

Employer contributions

Employer contribution rates are reviewed by the Employer as required under the Trust Deed. The Trustee receives advice on contribution rates with each actuarial investigation of the Plan undertaken for the Trustee. The Employer also reviews contributions rates as required if the financial position of the plan deteriorates. An actuarial investigation of the Plan is made each year (current practice), and the last such assessment was made as at 30 June 2021. This disclosed a surplus of \$245.4m. An actuarial investigation meeting requirements of the *Superannuation Industry (Supervision) Act 1993* is undertaken every three years.

For the year ended 30 June 2022 the employer contribution rate was:

- 3% of gross salary for those employees who remain members of the Commonwealth Superannuation Scheme (CSS category) (2020-21: 3%);
- From 1 July 2018, a contribution holiday was applied for other Airservices employees who are full members (FULL) accruing a defined benefit under Division 2 of the Trust Deed.

The Employer and Trustee have an agreement regarding contributions required should the Fund's financial position become unsatisfactory.

The objectives in setting the contribution rate are to ensure:

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

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

Employer contributions expected to be paid by Airservices for the year ending 30 June 2022 are \$0.1m due to the contribution holiday for FULL members, not including any additional contributions required.

Net Financial position of the plan

In accordance with AASB 1056 Superannuation Entities, the Plan's net financial position is determined as the difference between the present value of the accrued benefits and the fair value of Plan assets. This was determined as at the date of the most recent financial report of AvSuper (2021), when a surplus of \$245.4m was reported. Last year in these financial statements, Airservices recognised a defined benefit asset of \$185.6m at 30 June 2021. The difference between the amounts is due to the different accounting treatment of the net financial position for the employer under AASB 119, and the Plan under AASB 1056.

As at 30 June 2022 these financial statements disclose a defined benefit asset of \$262.9m (2021: \$185.6m). AvSuper's net financial position for the Plan under AASB 1056 will not be available until after these financial statements have been signed.

Notes to and Forming Part of the Financial Statements

4.2 Defined benefit fund asset (continued)

Accounting Policy

Superannuation

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

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

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

Accounting Judgements and Estimates

AvSuper defined benefit plan

Various actuarial assumptions are required when determining Airservices obligations under the AvSuper defined benefit plan. The assumptions relied on for the period to 30 June 2022 are discussed above.

Long Service Leave and Early Retirement Benefits

Various actuarial assumptions are required when determining Airservices obligations for long service leave and the early retirement benefit scheme. The long-term employee benefit assumptions relied on for the period to 30 June 2022 are based on enterprise agreements that were applicable during the financial year. These include a 4.0% annual salary increase for the first four years and 4.9% p.a. thereafter, staff turnover rates ranging from 7% to 19% (depending on period of service), and average long service leave taken of 45 days per annum. The Discount Rate is derived from a yield curve based on interpolation of high quality corporate bonds (AA and AAA rated bonds only) based on the durations that reflect the estimated mean term of the liabilities, as follows:

Liability	Mean term	Corporate Bonds	Discount Rate
Defined Benefits	9.0 years	Discount rate derived by applying Milliman's yield curve to expected cash flows of AvSuper and equating this to a single rate	5.3% p.a.
Long Service Leave	6.5 years	7 year and 8 year	5.1% p.a.
Early Retirement Benefit	3.6 years	3 year and 4 year	4.6% p.a.
Recreation leave	0.8 years	Discount rate derived by applying Milliman's short term yield curve (1 year and 2 year)	4.0% p.a.

Notes to and Forming Part of the Financial Statements

4.3 Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Airservices, directly or indirectly, including any Board member. Key management personnel remuneration is reported in the table below:

	2022 \$'000	2021 \$'000
Key executive remuneration expense for the reporting period		
Board		
Short-term employee benefits:		
Salary	777	723
Allowances and other benefits	19	17
Total short-term employee benefits	796	740
Post-employment benefits:		
Superannuation (post-employment benefits)	79	70
Total post-employment benefits	79	70
Total Board remuneration	875	810

The information about non-executive Board member included in the table above relates to 9 individuals (2021: 10 individuals)

	2022 \$'000	2021 \$'000
Key Executive Management		
Short-term employee benefits:		
Salary ¹	3,823	3,387
Allowances and other benefits	39	174
Total short-term employee benefits	3,862	3,561
Post-employment benefits:		
Superannuation (post-employment benefits)	272	310
Total post-employment benefits	272	310
Other long-term benefits:		
Long service leave	90	79
Total other long-term benefits	90	79
Total Key Executive Management remuneration	4,224	3,950
Total Key Management Personnel remuneration²	5,099	4,760

¹ Salary includes recreation leave paid and the net movement in recreation leave balance in the current reporting period. Prior year comparative for recreational leave has moved from other long-term benefits to short-term employee benefits.

² The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

Airservices has determined the key management personnel to be the Board members, Chief Executive Officer and eight Executive General Managers. The information about executives in the table above relates to 8.05 Full Time Equivalents (FTEs) (2021: 7.30 FTEs).

Notes to and Forming Part of the Financial Statements

4.4 Related party transactions

(a) Board members

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

	Status	Commenced	Finished
Chairman			
John Weber	On-going	6 April 2017	Current
Deputy Chair			
Mark Binskin	Ceased	13 September 2018	31 July 2021
Greg Hood	On-going	8 September 2021	Current
Board members			
Anne Brown	On-going	4 December 2019	Current
Sue-Ellen Bussell	On-going	4 December 2019	Current
Eileen Doyle	On-going	21 April 2021	Current
Marlene Kanga	On-going	4 September 2017	Current
David Marchant	On-going	21 July 2014	Current
Lawrence Turner	On-going	3 March 2021	Current
Chief Executive Officer			
Jason Harfield	On-going	11 August 2015	Current

(b) Executives

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

Executives	Title	Commenced	Finished
Peter Curran	Chief Customer Experience and Strategy Officer	6 May 2019	Current
Michelle Bennetts	Chief Service Delivery Officer	16 April 2018	Current
Nicole Devlin	Chief Communications Officer	29 March 2021	Current
Lucinda Gemmell	Chief People and Culture Officer	1 June 2020	Current
Paul Logan	Chief Financial Officer	2 July 2015	Current
Mark Hind	Chief Technology Enablement Officer	27 April 2020	Current
Claire Marrison	Chief Safety and Risk Officer	3 November 2018	5 July 2022
Christian Patten	Chief Strategy Execution Officer	13 June 2022	Current

Notes to and Forming Part of the Financial Statements

4.4 Related party transactions (continued)

(c) Transactions with related parties

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

2022

- Airservices provided payments to Dimeo Cleaning Services amounting to \$617.61 for the period 1 July 2021 to 30 June 2022 during which time John Weber was Chairman of the Airservices Board and was a Director at Dimeo Group.
- Airservices provided payments to Recreational Aviation Australia amounting to \$27,500 for the period 1 July 2021 to 31 December 2021. Mark Binskin was both Deputy Chair of the Airservices Board and a member of Recreational Aviation Australia for the period 1 July 2021 to 31 August 2021.
- Airservices provided payments to the Civil Aviation and Safety Authority amounting to \$42,880 for the period 1 July 2021 to 31 December 2021. Mark Binskin was both Deputy Chair of the Airservices Board and Chair-designate of the Civil Aviation and Safety Authority for the period 19 August 2021 to 31 August 2021.
- Airservices provided payments to the Civil Aviation and Safety Authority amounting to \$86,860 for the period 1 September 2021 to 30 June 2022 during which time Greg Hood was Deputy Chair of the Airservices Board and their domestic partner was an employee of the Civil Aviation and Safety Authority.
- Airservices received payments from the Temora Aviation Museum amounting to \$22.78 for the period 1 July 2021 to 31 December 2021. Mark Binskin was both Deputy Chair of the Airservices Board and a governing committee member of the Temora Aviation Museum for the period 1 July 2021 to 31 August 2021.
- Airservices provided payments to Harris Communications Australia amounting to \$18,007,349.25 for the period 1 September 2021 to 30 June 2022 during which time Greg Hood was Deputy Chair of the Airservices Board and had a personal relationship with the Chief Executive Officer of Harris Communications Australia.
- Airservices provided payments to Klynveld Peat Marwick Goerdeler (KPMG) under a standing panel arrangement amounting to \$275,863.41 for the period 1 July 2021 to 30 June 2022 during which time Sue Bussell was a board member of Airservices Australia and held a contract with KPMG to undertake work on an ad hoc basis through her own business, DAIS.
- Airservices provided rent payments to Sydney Water Corporation amounting to \$22,894.37 for the period 1 July 2021 to 30 June 2022 during which time Dr Marlene Kanga was both a Board member of Airservices Australia and a Board member of the Sydney Water Corporation.
- Airservices provided rent payments to Queensland Rail Limited amounting to \$77,700.07 for the period 1 July 2021 to 30 June 2022 during which time David Marchant was both a Board member of Airservices Australia and Chair of Queensland Rail Limited.
- Airservices provided rent and electricity payments to Port Authority of New South Wales amounting to \$16,933.15 for the period 1 July 2021 to 30 June 2022 during which time David Marchant was both a Board member of Airservices Australia and Chair of Port Authority of New South Wales.
- Airservices provided payments to Santos Limited amounting to \$27,002.09 for the period 1 July 2021 to 30 June 2022 during which time Eileen Doyle was both a Board member of Airservices Australia and Non-Executive Director at Santos Limited.
- Airservices received payments from Santos Limited amounting to \$165 for the period 1 July 2021 to 30 June 2022 during which time Eileen Doyle was both a Board member of Airservices Australia and Non-Executive Director at Santos Limited.
- Airservices received payments from the Australian Warbirds Association amounting to \$404.89 for the period 1 July 2021 to 31 December 2021. Mark Binskin was both Deputy Chair of the Airservices Board and a member of the Australian Warbirds Association for the period 1 July 2021 to 31 August 2021.
- Airservices provided payments to the Starlight Foundation amounting to \$690 for the period 1 July 2021 to 30 June 2022 during which time Lucinda Gemmell was both Chief People and Culture Officer of Airservices Australia and Non-Executive Director at the Starlight Foundation.
- Airservices provided payments to CDRU NSW Pty Ltd, a subsidiary of Digital Lifecycle Group, amounting to \$136,400 for the period 1 July 2021 to 30 June 2022 during which time Lawrence Turner was both a Board member of Airservices Australia and a Director of Digital Lifecycle Group.

Notes to and Forming Part of the Financial Statements

4.4 Related party transactions (continued)

2021

- Airservices provided payments to the Civil Aviation Safety Authority amounting to \$182,369 for the period 1 July 2020 to 30 June 2021 during which time Mark Binskin was Deputy Chair of the Airservices Board and was a Chair-designate of the Civil Aviation Safety Authority from 19 August 2021.
- Airservices provided payments to Recreational Aviation Australia amounting to \$25,000 for the period 1 July 2020 to 30 June 2021 during which time Mark Binskin was both Deputy Chair of the Airservices Board and a member of Recreational Aviation Australia.
- Airservices received payments from the Australian Warbirds Association amounting to \$384 for the period 1 July 2020 to 30 June 2021 during which time Mark Binskin was both Deputy Chair of the Airservices Board and a member of the Australian Warbirds Association.
- Airservices provided payments to Klynveld Peat Marwick Goerdeler (KPMG) under a standing panel arrangement amounting to \$161,007 for the period 1 July 2020 to 30 June 2021 during which time Sue Bussell was a board member of Airservices Australia and held a contract with KPMG to undertake work on an ad hoc basis through her own business, DAIS.
- Airservices provided rent payments to Sydney Water Corporation amounting to \$22,032 for the period 1 July 2020 to 30 June 2021 during which time Dr Marlene Kanga was both a Board member of Airservices Australia and a Board member of the Sydney Water Corporation.
- Airservices provided rent payments to Queensland Rail Limited amounting to \$144,476 for the period 1 July 2020 to 30 June 2021 during which time David Marchant was both a Board member of Airservices Australia and Chair of Queensland Rail Limited.
- Airservices provided rent and electricity payments to the Port Authority of New South Wales amounting to \$15,114 for the period 1 July 2020 to 30 June 2021 during which time David Marchant was both a Board member of Airservices Australia and Non-Executive Director of the Port Authority of New South Wales.

To the extent permitted by law, Airservices provides indemnities to its Board members and officers that complements insurance arrangements in place.

The Board adheres to a strict Conflict of Interest Protocol that includes a review of Board members' personal interests at each Board meeting. The management of any conflict is dependent on its nature and severity and may include the exclusion of Board members from receiving related material or withdrawal from discussion or decision making.

Notes to and Forming Part of the Financial Statements

5 Managing Uncertainties

This section analyses how Airservices Australia manages financial risks within its operating environment.

5.1 Contingent liabilities

Airservices had contingent liabilities at 30 June 2022 in respect of:

Aviation Rescue Fire Fighting (ARFF) services potential contaminated site management

Airservices has identified a number of sites around the country that may have been contaminated with Per- and poly-fluoroalkyl substances (PFAS) chemicals contained in firefighting foams formerly used by Airservices. Airservices continues to manage issues arising from the use of these firefighting foams, since it became aware of concerns about PFAS in the early 2000s. These firefighting foams were widely used around the world because of their superior performance.

Significant investment continues to be made to enable site investigations, site specific management actions including research and development, and stakeholder engagement activities. During the 2021-22 financial year, Airservices has continued to progress site investigations to understand the extent of PFAS contamination due to Airservices past operations; to identify potential practicable solutions to manage existing contamination for which Airservices is responsible; and to continue working with Commonwealth and State/Territory agencies and regulators to manage PFAS contamination at airports at which Airservices operates.

To facilitate this work and continued PFAS-related activity, a sum of \$77.8m has been provided at 30 June 2022 (2021: \$58.5m).

As site investigations progress, further investigations and site-specific management and remediation actions are likely to be required to address identified risks. The cost of these actions cannot be quantified at this time as the extent of any Airservices obligations are not known or otherwise cannot be estimated with sufficient reliability to be provisioned.

Legal claims

Brisbane Airport Corporation (BAC) has commenced proceedings against Airservices in the Queensland Supreme Court seeking, amongst other things, compensation for alleged PFAS contamination by Airservices at Brisbane Airport. The proceedings are continuing. At the time of writing Airservices is waiting to receive all of BAC's lay and expert evidence. Given the stage of the proceedings, Airservices is not able to quantify any potential liability.

Australia Pacific Airports (Launceston) Pty Ltd (APAL) has commenced proceedings against Airservices for declarations and orders requiring Airservices to issue a PFAS Management Plan (PMP) as required by the terms of the lease. Following mediation, Airservices is finalising the PMP in accordance with the terms of the lease. Given the nature of APAL's claim and the stage of the proceedings, Airservices is not able to quantify any potential liability.

Accounting Policy

Contingent liabilities and contingent assets

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

Notes to and Forming Part of the Financial Statements

6. Other Information

6.1 Current/non-current distinction for assets and liabilities

	2022 \$'000	2021 \$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	257,837	791,556
Trade and other receivables	80,611	66,725
Prepayments	11,359	13,919
Inventories	2,734	2,127
Assets held for sale	-	45
Other current financial assets	1,325	100
Total no more than 12 months	353,866	874,472
More than 12 months		
Prepayments	25,337	18,828
Property, plant and equipment	814,903	882,750
Intangible assets	64,647	76,084
Assets under construction	787,324	624,176
Deferred tax assets	130,926	15,794
Defined benefit fund asset	262,893	185,600
Other non-current financial assets	10,085	8,738
Total more than 12 months	2,096,115	1,811,970
Total assets	2,449,981	2,686,442
Liabilities expected to be settled in:		
No more than 12 months		
Trade and other payables	115,474	107,045
Employee provisions	172,117	203,271
Income tax payable	139,466	155,927
Other provisions	46,089	26,040
Borrowings	384,348	134,855
Other current financial liabilities	1,702	1,895
Other current liabilities	16,062	13,445
Total no more than 12 months	875,258	642,478
More than 12 months		
Employee provisions	32,191	38,425
Other provisions	74,409	79,493
Borrowings	723,246	922,245
Other non-current financial liabilities	23,032	17,481
Other non-current liabilities	129,951	125,948
Total more than 12 months	982,829	1,183,592
Total liabilities	1,858,087	1,826,070

Notes to and Forming Part of the Financial Statements

6.2 Remuneration of auditors

	2022 \$'000	2021 \$'000
Remuneration of auditors		
Auditing services provided by the Australian National Audit Office	341,000	341,000

6.3 Monies held on behalf of third parties

Airservices has been contracted by the Solomon Islands Civil Aviation Authority and the Republic of Nauru to provide airspace management and accounts receivable services. The contracts require Airservices to retain cash received and to remit funds at a later date to the Solomon Islands and Nauru Governments as required under the respective agreements. At balance date, the money held on behalf of third parties totalled \$0.48m (2021: \$0.36m) for the Solomon Islands and \$0.03m (2021: \$0.03m) for Nauru.

6.4 Events after the Reporting Date

On 29 August 2022 Perth Airport Pty Ltd commenced proceedings against Airservices in the Federal Court of Australia in relation to the historical use of fire fighting foams containing PFAS at Perth Airport. Airservices is not in a position to quantify any potential liability at this stage.

Governance and Accountability

Our Board

Under the *Air Services Act 1995*, our Board is responsible for deciding the objectives, strategies and policies followed by Airservices and ensuring that Airservices performs its functions in a proper, efficient and effective manner.

The functions of our Board are set out in Section 21 of the Act. Our Board is the 'accountable authority' under the *Public Governance, Performance and Accountability Act 2013*.

The following information outlines the Board and Board Committees' memberships, the functions of Board Committees, meeting attendance for 2021-22, and other governance and accountability arrangements. Further information about our corporate governance is available on our website at www.airservicesaustralia.com/about-us/our-governance





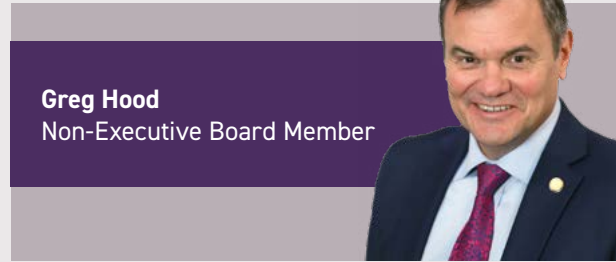
John Weber
Chairman
LLB, MAICD

John Weber has been a member of Airservices Board since April 2017 and was appointed as Chairman on 3 June 2018. He is a non-executive Board member and his current term expires on 2 June 2024.

Mr Weber served as the Australian managing partner of DLA Piper, one of the world's largest law firms, from 2014 to 2017. He was also a member of DLA Piper's international executive. Prior to that, he was chief executive of Minter Ellison, a leading Australian law firm, for 6 years and a member of its executive management team for 11 years. He has worked extensively in the transport sector (rail and aviation), health, financial services and defence/security sectors for both industry and government.

Mr Weber is a Board member of the Western Sydney Airport Corporation, Board member of the Australian Maritime Systems Group, a director of the Dimeo Group and a director of the European Australia Business Council.

Mr Weber was previously also a director of the Council of the Asia Society, the ABCN Foundation and the Horizons Foundation.



Greg Hood
Non-Executive Board Member

Deputy Chair, Chair of the Safety Committee

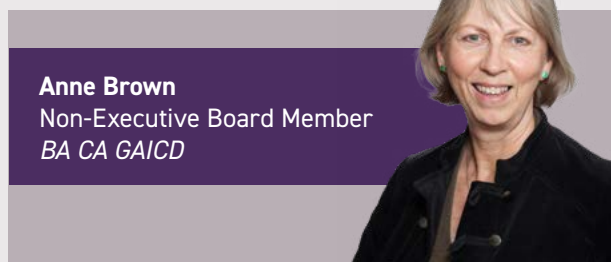
Greg Hood was appointed Deputy Chair of the Board on 8 September 2021. He is Chair of the Board Safety Committee and a member of the Technology and Investment Committee and People, Culture and Remuneration Committee, Mr Hood is a Non-Executive Board member, and his current term expires on 7 September 2024.

Mr Hood has more than 40 years' experience in the transport industry, beginning his career as an air traffic control officer with the Royal Australian Air Force (RAAF) in 1980. Since then, Mr Hood has had extensive experience at senior executive and CEO levels across a number of organisations, including Executive Manager Operations with the Civil Aviation Safety Authority (CASA), Executive General Manager Air Traffic Control with Airservices Australia and more recently, Chief Commissioner and Chief Executive Officer at the Australian Transport Safety Bureau (ATSB).

During his tenure at the ATSB, Mr Hood was also appointed for two terms as the Chair of the International Transportation Safety Association (ITSA), a global association of safety investigation agencies. Mr Hood is a former board member of Safeski's Australia and past president of the Canberra Philharmonic Society. Mr Hood has also served as a member of the business advisory council for World Vision.

Mr Hood currently sits as a member of the Steering Committee for Australia's Marine National Facility (MNF). The MNF Steering Committee assists the CSIRO Board to fulfil its governance responsibilities by providing high level advice on the ongoing delivery of ocean research capabilities for the nation. He has also been a champion for the St. Vincent de Paul CEO sleep-out raising funds for Australia's homeless, a judge for Canberra's community arts Ovation Awards, a voluntary guide at the Australian War Memorial, and a crisis supporter for Lifeline.

In addition to holding qualifications as a glider and powered aircraft pilot, Mr Hood is a Fellow of the Royal Aeronautical Society, a Freeman in the Honourable Company of Air Pilots, and a Life Member of the Qantas Founders Museum.



Anne Brown
Non-Executive Board Member
BA CA GAICD

Chair, Board Audit and Risk Committee

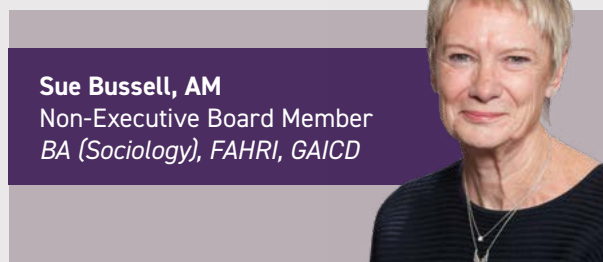
Anne Brown was appointed to the Board on 4 December 2019. She is Chair of the Audit and Risk Committee and a member of the People, Culture and Remuneration Committee. She is a non-executive Board member and her current term expires on 3 December 2022.

Ms Brown has substantial knowledge and practical experience of Australian and international exchange traded financial markets and related infrastructure, risk management, governance and regulatory environments. She was previously Chief Risk Officer with ASX Limited (ASX), following its merger with SFE Corporation Limited (SFE).

Ms Brown also represented ASX as an executive committee member and then Chair of CCP12, an influential global industry association involving all major international clearing houses. Prior to the ASX-SFE merger, she was a general manager with SFE and previously worked with KPMG in both Edinburgh and Sydney.

Ms Brown is a non-executive Director of AEMO Services Ltd, a member of the Markets Disciplinary Panel at the Australian Securities and Investments Commission and a member of the Finance and Risk Committee of Monte Sant' Angelo Mercy College Ltd. She is also a former Board member of the Clean Energy Regulator and former Chair of the Australian Life Code Compliance Committee.

Ms Brown holds a double major degree in accountancy and computer science from Heriot-Watt University, Edinburgh. She is a member of the Institute of Chartered Accountants of Scotland and a graduate member of the Australian Institute of Company Directors.



Sue Bussell, AM
Non-Executive Board Member
BA (Sociology), FAHRI, GAICD

Chair, Board People, Culture and Remuneration Committee

Sue Bussell was appointed to the Board on 4 December 2019. She is Chair of the Board People, Culture and Remuneration Committee and a member of the Environment and Community Committee. She is a non-executive Board member and her current term expires on 3 December 2022.

Ms Bussell was a partner at KPMG from January 2017 to January 2020 where she led the Workplace Advisory practice.

Prior to KPMG, Ms Bussell was a senior executive at Qantas Airways and held positions including HR, Commercial and was for many years Executive Manager Industrial Relations, responsible for industrial relations for the Qantas Group. Prior to Qantas, she was a commissioner in the Victorian Industrial Relations Commission, a consultant with the Australian Industry Group and held a management position with Ansett Airlines.

Ms Bussell is an Honorary Associate at Sydney University Business School and was a member of the Work and Organisational Studies Advisory Board, 2011 to 2019. She was a Board Member of Odyssey House, 2006 to 2008, and the Macquarie University Faculty of Business and Economic Industry Advisory Board, 2009 to 2017.

Ms Bussell was awarded a member of the Order of Australia in 2014 for significant service to industrial relations, as a supporter of women in business, and to the aviation sector. She is a graduate member of the Australian Institute of Company Directors.



Eileen Doyle was appointed to the Board on 21 April 2021. She is a member of the Audit and Risk Committee, the Technology and Investment Committee and the Environment and Community Committee. She is a non-executive Board member and her current term expires on 20 April 2025.

Dr Doyle has had extensive experience at senior executive and CEO levels across a number of industries. She is an experienced non-executive director and is on the Board of Santos Ltd, Next DC Ltd, Swoop Analytics and DBI Infrastructure Ltd. Dr Doyle is a former Chairman of PWCS, Deputy Chairman of the CSIRO. Dr Doyle was Australia's first Fulbright Scholar in Business and had the opportunity to study and work in New York.

Dr Doyle is a Foundation Fellow of The Australian Association of Angel Investors, a Fellow of the Australian Academy of Technological Sciences and Engineering and a Fellow of the Australian Institute of Company Directors.



Chair, Board Environment and Community Committee

Marlene Kanga was appointed to the Board on 4 September 2017. She is Chair of the Board Environment and Community Committee and a member of the Board Safety Committee. Her current term expires on 3 September 2024.

Dr Kanga has had extensive experience in process safety systems engineering in the oil and gas and energy industry. She is an experienced non-executive director and is on the Board of Sydney Water Corporation, Business Events Sydney, Standards Australia and a past member of the boards of Innovation Science Australia and Engineers Australia, where she was Chair and National President in 2013. She is Past President of the World Federation of Engineering Organisations. She is a director of iOmniscient Pty Ltd which has developed autonomous video analytic technologies and Chair of the international Institution of Chemical Engineers Safety Centre, providing leadership in complex safety systems.

Dr Kanga is an Honorary Fellow of Engineers Australia, an Honorary Fellow of the Institution of Chemical Engineers (UK), a Fellow of the Australian Academy of Technological Sciences and Engineering and a Fellow of the Australian Institute of Company Directors.

Dr Kanga was the Engineers Australia 2018 National Professional Engineer of the Year and has been listed among the Top 100 Women of Influence in Australia and the Top 100 Engineers in Australia. She is an Officer of the Order of Australia in recognition of her distinguished service to engineering, particularly as a global leader and role model to women.



David Marchant, AM
Non-Executive Board Member
GAICD

Chair, Board Technology and Investment Committee

David Marchant was appointed to the Board on 21 July 2014. He is Chair of the Board Technology and Investment Committee and a member of the Audit and Risk Committee. He is a non-executive Board member and his current term expires on 20 July 2023.

Mr Marchant has extensive experience in the transport industry. He is the Chair of Queensland Rail and QR Ltd, as well as Chair of the Port Authority of NSW. He is a former Managing Director and Chief Executive Officer of Australian Rail Track Corporation Ltd and Director and Chair of the Australasian Railways Association. Mr Marchant also served as a Director of the Rail Industry Safety and Standards Board.

Mr Marchant has worked as Managing Director of Lend Lease Engineering and Managing Director of Lend Lease Infrastructure Services, and was a director of the Hunter Valley Coal Chain Coordination Company Pty Ltd.

Mr Marchant was appointed a member of the General Division of the Order of Australia in 2013 for significant service to the rail industry through national structural reform and infrastructure upgrades and is a graduate member of the Australian Institute of Company Directors.



Lawrence (Lawrie) Turner
Non-Executive Board Member
GAICD

Lawrie Turner was appointed to the Board on 3 March 2021. He is a member of the Technology and Investment Committee and Safety Committee. He is a non-executive Board member and his current term expires on 2 March 2024.

Mr Turner has held the position of Chief Information Officer in airline, retail, telecom and rail industries. He has over 20 years' experience in the aviation industry having worked at executive levels in Qantas Airways, Virgin Australia Airlines and internationally with Sabre Corporation of the USA. Mr Turner developed the strategy and then led the integration of commercial IT systems supporting the merger of Qantas and Australian Airlines, and represented Qantas in the formation of the Oneworld Alliance. As Vice President for Sabre's Sirena-3 program in Russia, Mr Turner led the team which implemented the first multi-host airline reservations system in the country. At Virgin Australia, Mr Turner held the roles of Chief Information Officer, acting Chief Operating Officer and Group Executive Business Services.

Mr Turner has carried out strategic technology-related consulting assignments for organisations including the Department of Defence's Chief Information Officer Group and Newcrest Mining. Mr Turner is a Fellow of the Royal Aeronautical Society and a member of the Australian Institute of Company Directors.



Jason Harfield
Chief Executive Officer
EMBA, FAICD, FRAeS

Appointed Chief Executive Officer (CEO) in March 2016, Jason Harfield leads a geographically dispersed team of more than 3,000 people and is responsible for the safety and efficiency of Australia's airspace.

Mr Harfield began his career as a Flight Data Officer in Adelaide in 1989, contributing his more than 30 years of knowledge and experience in aviation and the air traffic management industry to Airservices operational and strategic outcomes.

Mr Harfield has been a member of the Airservices Executive Leadership Team since 2005 and preceding his appointment as CEO, held executive leadership roles including leading the safety and future services functions and the transformation of the air traffic services operations.

Prior to this, Mr Harfield held operational and senior management positions, including Australia's Head Air Traffic Controller and Australian Airspace Regulator.

Mr Harfield has an EMBA from Melbourne Business School (Mt Eliza) and has completed the Advanced Management Program at Harvard Business School. He is also a fellow of both the Australian Institute of Company Directors and Royal Aeronautical Society and is a qualified pilot.

Former Board Members

The terms of the following Board members concluded during 2021-22

Air Chief Marshal Mark Binskin, AC (Ret'd)
Deputy Chair
GAICD, FRAeS

Deputy Chair; Chair, Board Safety Committee

Air Chief Marshal Mark Binskin (Ret'd) was appointed Deputy Chair of the Board on 13 September 2018. He resigned from the Board effective 31 July 2021. At the conclusion of his term, he was serving as Chair of the Safety Committee and a member of the People, Culture and Remuneration Committee and Technology and Investment Committee. He was a non-executive Board member.

Air Chief Marshal Binskin (Ret'd) is a highly decorated and respected senior executive and leader in the national security, defence and aerospace sectors, most recently as Chief of the Defence Force of Australia from 2014-2018, and earlier as Vice Chief of the Defence Force (2011-2014) and Chief of Air Force (2008-2011). He is currently Deputy Chair of the Sir Richard Williams Foundation, on the Boards of the Western City and Aerotropolis Authority and the Australian International Military Games (Invictus Games Sydney 2018) and is non-executive director defence and national security policy with BAE Systems Australia.

As Chief of Defence, Air Chief Marshal Binskin (Ret'd) successfully led the Australian Defence Force, comprising 80,000 permanent and reserve personnel, to significantly improve capabilities and responses to major global events and championed organisational change across areas of national security, culture, diversity and leadership performance. He oversaw the First Principles Review of Defence and delivered the successful implementation of the One Defence approach.

Air Chief Marshal Binskin (Ret'd) has provided specialist advice to the highest levels of governments, industry leaders and international stakeholders and his aerospace knowledge and expertise is extensive. He has over 3,500 hours in single seat fighter aircraft including the A-4G Skyhawk, Mirage 1110, F-16C and F/A-18 Hornet, and continues to be active in general aviation, is a warbird owner and holds Commercial, Remote and Recreational Aviation Australia pilot licences.

Air Chief Marshal Binskin (Ret'd) has completed the Harvard Business School Advanced Management Program, is a graduate member of the Australian Institute of Company Directors and a Fellow of the Royal Aeronautical Society.

Board Committees

The **Safety Committee**, which assists our Board to ensure that we meet our operational safety, and work, health and safety obligations. It also monitors organisational preparedness to counter security threats. The Committee has at least 3 non-executive Board members, plus the Chairman and CEO as ex-officio committee members.

The **Audit and Risk Committee**, which assists the Board in maintaining objective and reliable financial and performance reporting, and effective systems for risk management and internal control. It helps our Board ensure that we comply with all relevant legislative and other regulatory obligations. These include obligations under the *Air Services Act 1995* and the *Public Governance, Performance and Accountability Act 2013*. The Committee has at least 3 members, all of whom must be independent non-executive Board members.

The **People, Culture and Remuneration Committee**, which assists our Board in overseeing strategy, policies and practices relating to the management of our people and culture. It also reviews the performance, remuneration and succession plans for our CEO and Executive team. The Committee has at least 3 non-executive Board members, plus the Chairman and CEO as ex-officio committee members.

The **Technology and Investment Committee**, which assists the Board in overseeing our technology, systems engineering and information technology (IT) strategies and policies. It also oversees the strategic direction and policies of business systems, operational technology and IT security and monitors the development and delivery of the capital investment program. It has responsibility for overseeing the execution of the OneSKY Program. The Committee has at least 3 non-executive Board members, plus the Chairman and CEO as ex-officio committee members.

The **Environment and Community Committee**, which assists the Board in overseeing our strategy to address the impact of operations on the environment and the community, environmental obligation compliance, community engagement, and the implementation of the recommendations of the Aircraft Noise Ombudsman. The Committee has at least 3 non-executive Board members, plus the Chairman and CEO as ex-officio committee members.

Each Board Committee has been established with its charter, which is available on our website www.airservicesaustralia.com/wp-content/uploads/Board-Charter.pdf

Board Committees comprise only of Board members.

In 2021-22, Board members were remunerated in accordance with the Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination 2020 and did not receive additional remuneration for membership of any Board committee.

Meeting Attendance

The number of meetings of the Board and Board Committees held during the period ended 30 June 2022, along with the corresponding attendance by each Board member, are shown in the tables below.

Table 1 - The Board

Board members	No. of possible meetings	No. of meetings attended
Mr John Weber	10	10
Air Chief Marshal Mark Binskin AC (Ret'd)	1	1
Ms Anne Brown	10	10
Ms Sue Bussell AM	10	10
Dr Eileen Doyle	10	10
Dr Martene Kanga AO	10	9
Mr David Marchant AM	10	10
Mr Lawrence Turner	10	10
Mr Greg Hood	8	8
Mr Jason Harfield	10	10

Notes:

1. Mark Binskin resigned from the Board effective 31 July 2021.
2. The term of Greg Hood commenced on 8 September 2021.

Table 2 - Safety Committee

Committee members	No. of possible meetings	No. of meetings attended
Air Chief Marshal Mark Binskin AC (Ret'd)	1	1
Mr Greg Hood	3	3
Dr Marlene Kanga AO	5	5
Mr Lawrence Turner	5	5
Mr John Weber	5	5
Mr Jason Harfield	5	5

Notes:

1. Mark Binskin served as Committee Chair from 17 September 2020 to 31 July 2021.
2. Mark Binskin resigned from the Board effective 31 July 2021.
3. Marlene Kanga served as Acting Committee Chair from 3 September to 16 September 2020.
4. The membership of Greg Hood commenced on 8 September 2021.
5. Greg Hood Commenced as Committee Chair from 17 September 2020.

Table 3 - Audit and Risk Committee

Committee members	No. of possible meetings	No. of meetings attended
Ms Anne Brown	4	4
Mr David Marchant AM	4	4
Dr Eileen Doyle	4	3

Notes:

1. Anne Brown served as Committee Chair from 1 July 2021 to 30 June 2022.

Table 4 - People, Culture and Remuneration Committee

Committee members	No. of possible meetings	No. of meetings attended
Ms Sue Bussell AM	5	5
Air Chief Marshal Mark Binskin AC (Ret'd)	1	1
Ms Anne Brown	5	5
Mr Greg Hood	3	3
Mr John Weber	5	5
Mr Jason Harfield	5	5

Notes:

1. Sue Bussell served as Committee Chair from 1 July 2021 to 30 June 2022.
2. Mark Binskin resigned from the Board effective 31 July 2021.
3. The membership of Greg Hood commenced on 8 September 2021.

Table 5 - Technology and Investment Committee

Committee members	No. of possible meetings	No. of meetings attended
Mr David Marchant AM	6	6
Air Chief Marshal Mark Binskin AC (Ret'd)	1	1
Mr Greg Hood	4	4
Mr Lawrence Turner	6	6
Dr Eileen Doyle	5	4
Mr John Weber	6	6
Mr Jason Harfield	6	6

Notes:

1. David Marchant served as Committee Chair from 1 July 2021 to 30 June 2022.
2. Mark Binskin resigned from the Board effective 31 July 2021.
3. The membership of Eileen Doyle commenced on 8 September 2021.
4. The membership of Greg Hood commenced on 8 September 2021.

Table 6 - Environment and Community Committee

Committee members	No. of possible meetings	No. of meetings attended
Dr Marlene Kanga AO	4	4
Ms Sue Bussell AM	4	4
Dr Eileen Doyle	4	3
Mr John Weber	4	4
Mr Jason Harfield	4	4

Notes:

1. Marlene Kanga served as Committee Chair from 1 July 2020 to 30 June 2021.

Benefits and Interests in Contracts with Airservices Australia

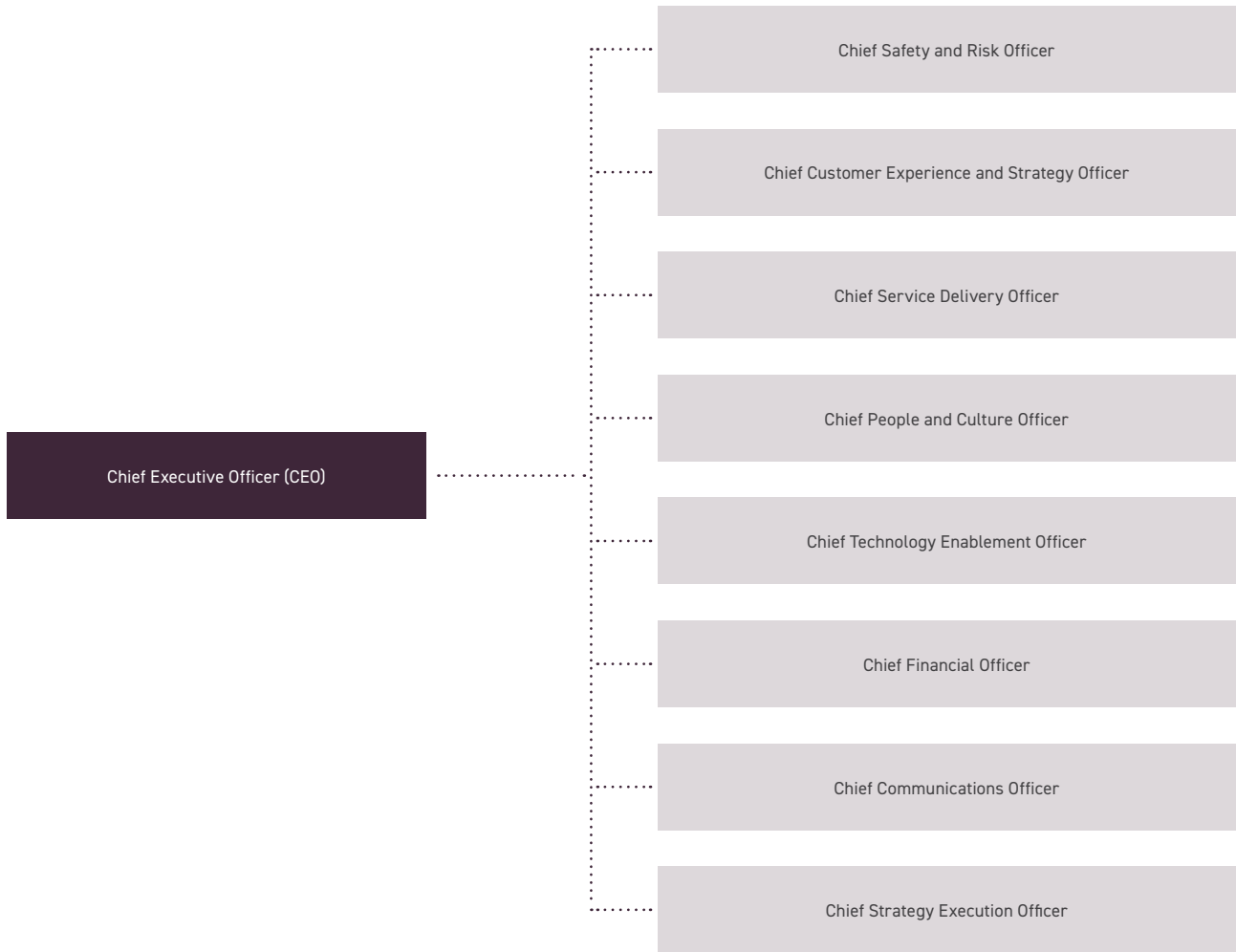
Details of Directors' benefits and interests in contracts with Airservices are set out in notes 4.3 and 4.4 of the financial statements.

Directors' and Officers' Indemnities and Insurance

In 2021-22, we held a Directors' and Officers' liability insurance policy. It is a condition of this policy that the nature of the Directors' and Officers' indemnities and insurance, including the limits of liability and the premium payable, are not disclosed to third parties, except to the extent required by law or the insurer consents in writing to such disclosure.

Our Business Structure

The diagram below outlines our organisational structure as of 30 June 2022.



Our Governance

As a corporate Commonwealth entity, we comply with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) to ensure the effective, efficient, economical and ethical use of our resources. The Board articulates its expectations through 11 organisational policies that are operationalised through 15 established governance frameworks. These governance frameworks embed legal and regulatory obligations aligned to better practice frameworks and work together to support the delivery of our corporate objectives. The overarching Governance, Risk and Compliance (GRC) Framework directs our GRC accountabilities and actions while promoting continuous improvement across all our governance frameworks. Ongoing assurance is also provided to the Board and Executive that GRC accountabilities are being effectively applied.

Risk Management

We support a culture of proactive risk management by embedding sound risk management practices across our frameworks and functions. Our risk management approach meets the requirements of Section 16 of the PGPA Act and is aligned to *ISO 31000:2018 Risk Management Guidelines* and the *Commonwealth Risk Management Policy*.

Our *Risk Appetite Statement* is reviewed regularly to ensure it continues to drive effective risk management and consistent decision making through a common understanding of the level of risk that we are willing to accept. It also articulates our need to maintain the safety of air navigation as the most important consideration while delivering value and innovative services for our customers and the aviation industry.

Compliance Management

We have a fundamental responsibility to ensure ongoing compliance with applicable legal and regulatory obligations. Our compliance management approach is aligned to *ISO 19600:2015 Compliance Management Systems Guidelines*.

We maintain comprehensive compliance obligation registers that are supported by legislative monitoring processes, active compliance management activities, and reporting. The Three Lines assurance model continues to direct and inform compliance insights and performance.

Ethical Standards and Fraud Control

We promote the highest standards of ethical behaviour and do not tolerate any fraudulent conduct, including corruption and bribery. We maintain strong and effective fraud control arrangements consistent with Section 10 of the Public Governance, Performance and Accountability Rule 2014 (PGPA Fraud Rule).

The Executive monitors, advises and provides assurance over the implementation of our *Fraud Control Plan*, including for ethical matters. Performance against ethical standards and fraud control is reported to the Board through the People, Culture and Remuneration Committee and Board Audit and Risk Committee.

Our *Ethics and Fraud Control Policy and Bullying, Harassment and Discrimination Policy*, supported by the *Code of Conduct Policy*, inform employees, contractors and consultants about ethical standards and our approach to fraud control. All alleged incidents of fraud, corruption and bribery are managed in accordance with our *Handling Suspected Misconduct Procedure*, as well as the *Public Interest Disclosure Procedure* (where 'disclosable conduct' under the *Public Interest Disclosure Act 2013* is reported). This covers investigations and any actions undertaken, including reporting alleged wrongdoing that is potentially criminal or illegal to the appropriate law enforcement agency. We continually review fraud risks and monitor controls for effectiveness. All reasonable measures are undertaken to prevent, minimise and investigate incidents of fraud, with the recovery of fraud losses also occurring wherever possible.

Resilience

We have continued to demonstrate our commitment to organisational resilience with our ongoing response to the COVID-19 pandemic over the 2021-22 period, with a focus on keeping our people safe and minimising impacts to our service delivery. Whilst the pandemic continues to be monitored via normal business processes, the COVID Response Team has now been stood down but remains primed to reactivate at any point if required.

A governance review of resilience documentation is underway to address the preliminary outcomes of an internal audit into our business resilience. This will involve further clarification of our organisational resilience approach as we aim to embed resilience principles into business-as-usual activities.

In addition to the COVID-19 response and governance review underway, the annual exercise program was also conducted to validate existing plans and focus on capability uplift amongst key roles responsible for response activities within Airservices Crisis Response Arrangements. This focus on awareness and capability uplift will be a continued theme throughout next year's Resilience program, incorporating lessons identified from real-life responses and exercising, to further strengthen our arrangements response capability.

Security

We take physical, personnel, information and cyber security seriously and are committed to providing a secure and resilient environment through the application of our Security Framework. This includes a risk-based approach to the dynamic security threat environment in which we operate.

Our *Security Plan* demonstrates how we align with the core requirements of the Australian Government's Protective Security Policy Framework (PSPF) and meet legislative requirements and international standards specific to the aviation security sector. It also outlines how we will implement recommendations arising from an external review of physical security conducted during the latter half of 2021, support Project OneSKY, embed security requirements into change activities and asset management, and improve cyber resilience.

As an Aviation Industry Participant (AIP), we maintain a Transport Security Program (TSP) and an associated Aviation Security Identification Card (ASIC) program, both of which are governed by the requirements of the Department of Home Affairs (the Regulator). Hundreds of national security clearances will be required to meet the requirements of our OneSKY program, representing a substantial increase to our current posture.

Significant investment into both the security risk and personnel security functions has occurred in 2022, with an expansion of the staffing footprint and profile, a re-start of site security surveys across our facilities, a deep dive into governance, and continuous improvement in business processes to pursue more efficiencies, including cost recovery and digitisation opportunities.

Our Internal Audit Performance

Internal Audit's role is to provide independent assurance that our risk management, governance and internal control processes are operating effectively. It is the third line in the Three Lines assurance model, which we use to monitor the operation of controls and risk-mitigation activities to assure the effective and efficient performance of our business processes. During 2021-22, our internal audit team performed 18 business audits, 5 of which were supported by external subject matter experts, and 7 were conducted by external independent contractors. Additionally, 8 audits on compliance with the Civil Aviation Safety Regulations 1998 were performed.

All corrective actions arising from our internal audits are tracked, and their implementation progress is overseen by the Board Audit and Risk Committee.

External Audits

During 2021-22 we were not the subject of any external performance audits by the Australian National Audit Office.



Transparency Performance

Privacy

We promote a culture of privacy that values and protects personal information. It is supported by the steps we take to ensure compliance with the Notifiable Data Breach Scheme (NDBS) and the Australian Government Agencies Privacy Code (the Code), including the use of our Privacy Threshold and Impact Assessments so we can identify, manage and mitigate any privacy concerns that may arise in our proposed projects and activities.

During 2021-22, no privacy breaches were identified.

Our Privacy Policy is available at www.airservicesaustralia.com/privacy-policy/

Freedom of Information (FOI)

We are required to publish information as part of the Information Publication Scheme (IPS) in accordance with the *Freedom of Information Act 1982* (FOI Act).

During 2021-22, we received 37 FOI requests and completed 22 requests.

Our FOI disclosure log lists information that has been released in response to FOI access requests. The disclosure log and IPS are available at www.airservicesaustralia.com/aboutus/freedom-of-information/

Information is not published on the disclosure log or the IPS if it:

- contains personal or business details, rendering it unreasonable to publish
- is exempt from release under the FOI Act
- has been published or released outside the FOI Act

Ongoing training has been established to ensure our people's continuing awareness of FOI requirements, including introductory FOI training as part of the new employee induction and refresher training for existing employees, with follow-up FOI training to increase our people's understanding of the operation of the FOI Act.

During 2021-22, there were no requests made to the Office of the Australian Information Commissioner (OAIC) to review any of our decisions made under the FOI Act.

Commonwealth Ombudsman Activity

In November 2021, the Commonwealth Ombudsman finalised its own motion investigation into a number of Commonwealth agencies' administration of, and compliance with the *Public Interest Disclosure (PID) Act 2013*. Airservices was selected in their sample and the Ombudsman concluded that Airservices had a well-established PID function and well-developed suite of resources to guide decision-makers and practitioners who administer the scheme. Eight continuous improvement recommendations and 6 suggestions for better practice were identified. Airservices has committed to addressing all recommendations and suggestions for better practice.

Fair Work Commission (FWC)

No enterprise agreements were submitted to the FWC for review or approval during the reporting period.

Judicial Decisions and Reviews by Outside Bodies

No judicial or tribunal decisions were made during the reporting period that has had, or may have a significant effect on our operations.

Adverse Effect of Non-Commercial Commitments

No non-commercial commitments were recorded in 2021-22.





Our Work Health and Safety Performance

This section is presented in accordance with the *Work Health and Safety Act 2011 (WHS Act)*.

Work Health and Safety – Executive Commitment

Throughout 2021-22, our Board and Executive continued their ongoing commitment to Work Health and Safety (WHS), with the health and wellbeing of our people deemed essential to our continued success.

Our priorities have centred on minimising our risk exposure in line with the Board's *Risk Appetite Statement* through targeted risk reduction initiatives. Supporting the mental health and protecting the physical health of our people during the ongoing COVID-19 pandemic has also remained a key focus throughout the year.

Work Health and Safety Initiatives

Ongoing Support during the COVID-19 Pandemic

As the management of COVID-19 throughout Australia has evolved, we have adapted our approach to appropriately manage the impact to the industry and our organisation, while our primary focus has remained on the safety of our people.

We continue to actively monitor and respond to the COVID-19 pandemic by aligning to the latest advice provided by State, Territory and Federal Governments.

Our COVID Response Plan, Business Continuity Plans and the COVID Safe workplace protocols are key controls that are continually reviewed to manage the risk of COVID-19 to our operations and our people. We continue to embed initiatives and provide up to date hazard and risk management advice to our staff to transition our workforce to new ways of working.

We continue to engage with our people throughout this transition, both through direct leader-led discussions and engagement surveys, to support our hybrid model while providing appropriate platforms for our people to remain engaged and connected.

Hazard and Risk Management

We have continued to embed our strategic and tactical work health and safety management plans to reduce our exposure across the business, with a particular focus on critical risk. During the year, we also enhanced our focus on improving risk management through operational learning, and enhancing the understanding and application of our procedural risk controls through a focus on user-centred design.

Electrical Safety

Work has continued to address electrical safety risk with programs focused on addressing arc-flash risk, as well as strengthening controls within project and contractor management with regards to electrical safety by design.

Driving and Vehicle Safety

Work commenced to fit-out our vehicle fleet with In-Vehicle Monitoring Systems following successful consultation with our workforce. The full fleet upgrade is in progress and will be completed in the 2022-23 financial year.

Health and Wellbeing of our People

Annual engagement activities such as Men's Health Week, Mental Health Month, Women's Health Week were prioritised through collaboration with internal communications, Diversity and Inclusion and external partnerships. Social connectivity and support continued to be a focus with regular utilisation of the 'Workplace' media platform and investment in the Peer Assistance Network (PAN). Annual initiatives, social connectivity measures and support programs were key considerations within our wellbeing digital platform and application improvement project, which anticipates a 2022 roll out.

Targeted Injury Risk Reduction

Initiatives to gain deeper insight into the body stress risk of our aviation fire fighters, through a research and injury reduction program commenced in two locations (Canberra and Perth). These programs are designed to understand the physical loads and exposure points of our fire fighters as part of their roles, and to design rehabilitation and exercise programs designed to enhance the physical resilience of workers.

Work Health and Safety Reporting

Our total recordable injury frequency rate (TRIFR) for 2021-22 was 8.5. Focus continues on TRIFR reduction initiatives, which are targeted to prioritise our people's wellbeing and focus on targeted hazard and risk reduction activities. In comparison to the previous financial year, we saw a reduction in the number of serious injury or illness events and dangerous incidents that we are required to notify to Comcare. This reflects our increased focus on improvements to the management of work health and safety hazards that have a credible fatality or serious injury consequence.

Consultation and Health and Safety Committees

Local Health and Safety Committee meetings were held in Brisbane, Sydney, Canberra and Melbourne, to consult on and work to resolve local work health and safety issues at those sites.

During 2022-23 we initiated a new approach to regional Health and Safety Committees, and expanded their coverage to capture regional sites to ensure all our people have this additional avenue to raise, review and find local solutions for safety-related issues.

Workers' Compensation Premium

Our Comcare premium for 2022-23 has been reduced to 0.67% of payroll, in comparison to 0.72 in 2021-22 and remains lower than the Commonwealth's scheme average of 0.83. This result is attributable to a reduction in the number and cost of claims over the assessment period.

Improvement Notices and Comcare Investigations

During 2021-22, we received no improvement notices and were not the subject of any investigations.

Table 7: Work Health and Safety Occurrences and Hazards 2017-18 to 2021-22

Incident category	2017-18	2018-19	2019-20	2020-21	2021-22
Reported work-related WHS occurrences	250	251	167	142	160
Reported work-related WHS hazards	335	1368	1203	552	413
Workplace fatality	0	0	0	0	0
Serious Injury or Illness requiring Comcare notification	3 ¹	3	1	3 ³	2 ⁴
Dangerous Incidents requiring Comcare notification	18 ²	11	8	9	5 ⁵

1 One reported serious injury or illness was recoded as non-work related based on a pre-existing health condition.

2 Five reports recoded to non-dangerous incidents based on further information received.

3 One report recoded to non-dangerous incident based on further information received.

4 One report notification was for workplace transmission of COVID-19 in NSW.

5 One dangerous incident did not arise out of the conduct of Airservices business, however, was required to be reported under cross-jurisdiction obligations.

Our Equity and Diversity Approach

We are committed to creating a diverse and inclusive workplace where people feel safe, respected and valued. Work continues to progress across the business to improve the way we support our people's physical and psychological health and safety.

As a Commonwealth authority employer, we are bound by the following legislation:

- *Equal Employment Opportunity (Commonwealth Authorities) Act 1987*
- *Human Rights Commission Act 1986*
- *Racial Discrimination Act 1975*
- *Sex Discrimination Act 1984*
- *Disability Discrimination Act 1992*
- *Age Discrimination Act 2004*

The below table outlines the annual program report in accordance with the requirement set out in section 6 of the *Equal Employment Opportunity (Commonwealth Authorities) Act 1987* (EEO Act).

Table 8: Equity and Diversity Reporting

EEO Act (1987)	2021-22 Activities
<p>Informing employees – s.6 (a) Without limiting the generality of the definition of program in subsection 3(1), the program of a relevant authority shall provide for action to be taken:</p> <p>(i) to inform employees of the contents of the program and of the results of any monitoring and evaluation of the program under paragraph (h).</p>	<p>We developed a comprehensive and future-focused People Plan, including priorities for increasing diversity and fostering inclusion across the organisation.</p> <p>Our people are informed of equity and diversity programs through CEO and leader communications, the employee intranet, the Workplace social media platform, induction and development training, and our annual and quarterly reports.</p> <p>Internal and external awareness events are prominent in our communications plan and reflect the importance of significant days, in the workplace and the community.</p> <p>Our Cultural Reform Board meets each month to drive and oversee our cultural change. The board plays an important role in informing our priorities for diversity, inclusion and culture transformation.</p>
<p>Conferring responsibility – s.6 (b) To confer responsibility for the development and implementation of the program (including a continuous review of the program), on a person or persons having sufficient authority and status within the management of the relevant authority to enable the person or persons properly to develop and implement the program.</p>	<p>In 2021-22, our Chief People and Culture Officer held responsibility for diversity and inclusion within the organisation.</p> <p>Furthermore, all leaders throughout the organisation, without exception, are responsible for creating a safe and inclusive environment for their teams where everyone is treated with respect and dignity. They are supported by ongoing training, development and awareness events.</p>
<p>Consultation with trade unions – s.6 (c) To consult with each trade union having members affected by the proposal for the development and implementation of the programme in accordance with this Act.</p>	<p>We consult with our people and their representative organisations prior to the implementation of new policies and procedures relating to employment matters. These organisations include Civil Air, the United Firefighters Union, Professionals Australia, the Community and Public Sector Union, and the Communications, Electrical and Plumbing Union.</p> <p>Our National Consultative Council also provides a mechanism for ensuring ongoing dialogue about specific employee-related issues with our employee organisations.</p>
<p>Consultations with employees – s.6 (d) To consult with employees of the relevant authority, particularly employees who are women or persons in designated groups.</p>	<p>We consult with employees, as appropriate, through the Workplace social media platform, webinars, site visits, newsletters and videos. In addition, regular employee surveys are conducted, helping us to identify matters that should be considered in our diversity and inclusion initiatives. In addition, our employee network groups Elevate (LGBTIQ), Yakka Bunji (Indigenous employees) and Women@Airservices (women) are each sponsored by a member of the Executive team who drives progress and desired outcomes.</p>
<p>Collection of statistics – s.6 (e) For the collection and recording of statistics and related information concerning employment by the relevant authority, including the number of, and the types of jobs undertaken by, or job classifications of:</p> <p>(i) employees of either sex; and</p> <p>(ii) persons in designated groups;</p>	<p>Please refer to Tables 9-15 for more information on our employee diversity profile, including employees by gender, demographic group and job family. In addition to capturing demographic data through our human resource systems, we also collect attitudinal data on perceptions of diversity and inclusion practices through our employee surveys.</p>



EEO Act (1987)

2021-22 Activities

Consideration of policies, examination of practices – s.6 (f)

To consider policies, and examine practices, of the relevant authority, in relation to employment matters to identify:

- (i) any policies or practices that discriminate against women or persons in designated groups; and
- (ii) any patterns (whether ascertained statistically or otherwise) of lack of equality of opportunity in respect of women or persons in designated groups;

We review our people policies and processes to maintain inclusive, fit-for-purpose and contemporary working principles, processes and standards. This includes our *Bullying, Harassment and Discrimination Policy* and publication of a refreshed *Code of Conduct*.

Setting objectives and selecting indicators – s.6 (g)

To set:

- (i) the particular objectives to be achieved by the program; and
- (ii) the quantitative and other indicators against which the effectiveness of the program is to be assessed;

Our People Plan outlines the particular objectives to be achieved and indicators against which the effectiveness will be assessed. Additionally, we commenced implementation of our 'Innovate' *Reconciliation Action Plan (RAP) 2021-23*. It defines the key objectives and actions to be undertaken. The RAP Working Group provides oversight of the implementation of actions defined in the RAP. Our Cultural Reform Board, comprising members of diverse backgrounds, experiences and perspectives from across our organisation, also has oversight responsibility for monitoring the progress of our cultural transformation program.

Monitoring and evaluation – s.6 (h)

To monitor and evaluate the implementation of the program and:

- (i) to assess the achievement of those objectives;
- (ii) to assess the effectiveness of the programme by comparing statistics and information collected and recorded under paragraph (e) with the indicators against which the effectiveness of the program is to be assessed.

We have a program of regular reporting to our Executive and Board on diversity and inclusion matters, including quantitative and qualitative indicators of progress. This includes demographic workforce data, progress against gender targets for specific workforce segments, evaluation data and information about our people's experience of inclusion and culture.

Diversity and Inclusion Achievements

In 2021-22, we achieved the following:

- Commenced our 'Innovate' *Reconciliation Action Plan (RAP) 2021-23*, which outlines our vision and commitments for Reconciliation. We launched a First Nations employment program within our Aviation Rescue and Fire Fighting service, increased our focus on the significance of observing cultural protocols and introduced new resources for procuring goods and services from Indigenous-owned businesses.
- Developed and launched recruitment diversity action plans to support increasing the diversity of our workforce, with a focus on attracting and retaining female and Aboriginal and Torres Strait Islander candidates throughout the recruitment process. A team of recruitment ambassadors has been formed to consult on our recruitment strategy and to promote careers at Airservices. We continued our partnership with CareerTrackers to support Aboriginal and Torres Strait Islander university students to create meaningful career pathways through paid internships.
- Strengthened the frameworks established for Safe Place, which provides essential psychological, wellbeing and investigative support to all our staff.
- Our Elevate Network for LGBTIQ+ employees and allies launched a multi-year strategy to build awareness and foster connection. We hosted ally awareness training sessions, and celebrated Wear It Purple, IDAHOBIT, Mardi Gras and Pride Month with online events and team gatherings.
- Advanced efforts towards gender equality through deepening our partnerships with the Champions of Change Coalition and not-for-profit organisation Girls on Fire which aims to inspire more young women to pursue careers in fire fighting. We held Listen and Learn sessions about Everyday Respect in the workplace and 16 of our front-line leaders completed the Leadership Shadow to reflect on their leadership of gender equality issues.
- We recognised International Women's Day with online forums, local events, employee profiles and merchandise giveaways. This was led by our Women@Airservices network which continues to grow its membership and is active in promoting, professional connections and development opportunities for women across our organisation. The network's focus is to inspire and develop women at all levels and promote Airservices as a great place to work.
- Celebrated and recognised significant days including Harmony Week, National Reconciliation Week, NAIDOC Week, and RUOK Day.

Diversity Profile

Our diversity profile has remained relatively stable over the past 5 reporting periods.

Women in the workforce has increased to 20.2%, with women in senior leadership increasing to 31.6%, up from 25.1% in 2020-21.

Table 9: Representation of Designated Groups in Overall Headcount 2017-2022

Designated groups ¹	2017-18	2018-19	2019-20	2020-21	2021-22
Indigenous Australians	1.6%	1.7%	1.7%	1.6%	1.9%
People with a disability	0.9%	0.7%	0.9%	1.0%	1.0%
People from a culturally or linguistically diverse background	6.3%	6.0%	6.1%	5.9%	23.0% ²
Female employees	16.9%	17.7%	17.8%	17.2%	20.2%

¹ Note that disclosure is voluntary, and not all employees provide equity and diversity data for these groups.

² Definition updated to meet the MCIMA Minimum Core Set of Standards for reporting culturally and linguistically diverse statistics.

Table 10: Employees in Diversity Groups by Job Role Classification as at 30 June 2022

Job family	Aboriginal and Torres Strait Islander	Culturally and Linguistically Diverse	Disability
Air Traffic Management	12	238	7
Aviation Rescue Fire Fighting services	31	95	7
Engineering	1	58	1
Technical and Trade	3	63	5
Information and Communications Technology	2	42	1
Enabling Professions	12	203	12
Senior Leadership	0	45	1
Total by diversity groups	61	744	34
Percentage of workforce	1.9%	23%¹	1.0%

Personal information, as recorded in our Human Resources Information System (HRIS), is treated confidentially according to the Privacy Act 1988.

¹ Definition updated to meet the MCIMA Minimum Core Set of Standards for reporting culturally and linguistically diverse statistics.

Table 11: Gender by Job Role Classification as at 30 June 2022

Job family	Female by percentage	Female by number	Male by number
Air Traffic Management	17.7%	209	974
Aviation Rescue Fire Fighting services	4.6%	36	749
Engineering	13.3%	18	117
Technical and Trade	7.0%	17	227
Information and Communications Technology	18.9%	18	77
Enabling Professions	47.6%	303	334
Senior Leadership	31.6%	49	106
Total by gender	20.1%	650	2584

Table 12: Employee Age Profile as at 30 June 2022

Age range	Under 25	25-34	35-44	45-54	55-64	65+
Number of employees	59	614	1072	1045	413	31
Percentage of employees	1.8%	19.0%	33.1%	32.3%	12.8%	1.0%

Table 13: Average Retirement Age

Data at 30 June 2022	2017-18	2018-19	2019-20	2020-21	2021-22
Average Retirement Age	61.0	61.3	60.2	62.9	65.7

Table 14: Part-Time Employees by Age Bracket

Flexibility	Under 25	25-34	35-44	45-54	55-64	65+	Total
Permanent part-time	0	10	54	54	15	2	135
Temporary part-time	1	3	1	3	2	2	12
Casual	3	1	0	0	3	4	11

Table 15: Employee Location

	Male			Total Male	Female			Total Female	Total
	Full-time	Part-time	Casual		Full-time	Part-time	Casual		
NSW	294	4	1	299	50	3	0	53	352
QLD	877	21	5	901	197	29	2	228	1129
SA	88	1	0	89	8	4	0	12	101
TAS	61	0	1	62	2	0	0	2	64
VIC	711	16	1	729	156	34	0	190	919
WA	226	1	0	227	17	3	1	21	248
ACT	202	4	0	206	113	27	0	140	346
NT	71	0	0	71	4	0	0	4	75
Total	2530	47	8	2584	547	100	3	650	3234

Environmental Management and Performance

This section of the report meets the requirements of section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (EPBC Act) and describes our environmental performance and how we contribute to ecologically sustainable development (ESD).

Environment Management Approach

Environmental Management System

We operate an Environment Management System (EMS) to manage our organisational environmental performance and achieve the ESD principles under the EPBC Act.

Our EMS is aligned to ISO 14001:2015, an internationally recognised framework for effective organisational environmental management. In alignment with ISO 14001, we certify 2 airport sites annually against the requirements of the standard. We also take a continuous improvement approach over the governance of the EMS, as required by ISO 14001.

Our EMS, supported by the environmental policy, embeds a framework of hierarchical standards, procedures and controls that clearly govern how we:

- Manage our environmental impacts
- Comply with regulatory obligations
- Achieve positive environmental outcomes

Environmental Sustainability Strategy

To progress our Environmental Sustainability Strategy and achieve our goals, an environmental sustainability plan was developed for financial year 2022-23 with the following program of activities:

- Route Optimisation
- Shared use airspace and trajectory-based operations
- Expansion of noise monitoring data
- Improved balancing of competing flight path design constraints
- Continuous decent operations
- Unscrewed aircraft system Traffic Management (UTM): Flight Information Management System (FIMS)
- Biodiversity protection prioritisation
- Waste protection measures
- Environmental management plans (EMP)
- Resource profiling
- Opportunity discovery
- Waste process efficiency and reduction
- Climate change assessment
- Sustainable procurement practices
- Resource efficiency performance enhancement
- Promotional and engagement program
- Governance and reporting
- Establish pillar interim targets

Environmental Performance

Our activities and services may have a number of impacts on our environment, including on ecosystems, communities, natural and physical resources, and heritage. The EMS prescribes the necessary requirements for the organisation to manage and mitigate potential environmental impacts arising from our activities. Our conformance with the framework ensures compliance with our environmental obligations, demonstrates the effectiveness of controls implemented and provides insights for future continuous improvement.

Effectiveness of Managing Environmental Impacts

Table 16 presents key environmental impacts, specific control measures and methods to ensure impacts are minimised. Table 17 details aspects of our performance which are specifically measured to provide insight into the effectiveness of our management.

Table 16: Key Potential Environmental Impacts and Associated EMS Control Measures and Assurance Mechanisms

Theme	Activity Impact	Measures taken to minimise environmental impacts	Ongoing Assurance
Community, and Social amenity	Aircraft noise and emissions impacts from flight path changes	<p>Aircraft noise</p> <ul style="list-style-type: none"> – Application of <i>Environmental Management of Changes to Aircraft Operations</i> standard, which requires: <ul style="list-style-type: none"> • targeted environmental impact and risk assessment of proposed changes • seeking the Commonwealth Environment Minister’s advice under the Environment Protection and Biodiversity Conservation Act 1999 (the EPBC Act) for changes deemed to trigger potential ‘significant impact’ • iterative flight path design principles, used to help minimise environmental impacts. – Social impact analysis and community engagement for proposed changes. – Provision of a Noise Complaints and Information Service, which: <ul style="list-style-type: none"> • receives and responds to complaints through a dedicated call centre • investigates and actions complaints • reports complaints statistics to senior management. – Environmental awareness training. – Investigation of externally derived noise improvements. <p>Aircraft emissions</p> <ul style="list-style-type: none"> – Implementation of the Airspace Change Process to imbed airspace performance and flight efficiency assessments. There have been no significant changes to airspace or flight paths during this reporting period. 	<p>Internal assurance reviews and audits undertaken across three lines of defence.</p> <p>External reviews/audits undertaken by:</p> <ul style="list-style-type: none"> – ISO 14001 auditors – External stakeholders as required (including the Aircraft Noise Ombudsman and the Civil Aviation Safety Authority). <p>Several improvement opportunities were identified during key assurances undertaken for aircraft noise, including:</p> <ul style="list-style-type: none"> – A Post Implementation Review (PIR) with activities continuing for Brisbane, Sunshine Coast, Hobart, and Townsville Airspace Design. – Ongoing assurance on Brisbane PIR, Sunshine Coast PIR, Hobart PIR, Gold Coast PIR. – Technical endorsement of Australian Noise Exposure Forecast (ANEF) to provide on-going assurance in minimising aircraft noise.
Ecosystems, Biodiversity and Heritage	Impacts from on-ground changes - including construction projects	<ul style="list-style-type: none"> – Application of <i>Environmental Management of Changes to On-Ground Activities</i> standard, which requires: <ul style="list-style-type: none"> • targeted environmental impact and risk assessment of proposed changes • investigation and acquittal of all approval and permitting requirements • documentation and implementation of specific project controls, including construction environmental management plans. – Application of other subsidiary EMS standards and procedures (including publication of <i>Contamination Management and Assessment procedure</i>), including our infrastructure management standard, incident management standards, environmental occurrence response procedures and chemical management procedures. – Environmental awareness training. 	<p>Internal assurance reviews and audits undertaken across three lines of defence.</p> <p>External reviews/audits undertaken by:</p> <ul style="list-style-type: none"> – ISO 14001 auditors – Stakeholders as required (e.g. Airport Lessee Company Environmental Officers and Airport Environment Officers (AEOs) of DITRDCA).

Table 16: Key Potential Environmental Impacts and Associated EMS Control Measures and Assurance Mechanisms (continued)

Theme	Activity Impact	Measures taken to minimise environmental impacts	Ongoing Assurance
Ecosystems, Biodiversity and Heritage	Legacy contamination from the historic use of fire fighting foams containing PFAS	<ul style="list-style-type: none"> – Implementation of the Enterprise Per- and Poly-Fluoroalkyl Substances (PFAS) Program Management Plan, including: <ul style="list-style-type: none"> • Preliminary, targeted and detailed site investigations of our lease areas and environs to confirm the presence and determine the nature (depth, lateral extent) of PFAS contamination and understand the behaviour (movement) of PFAS mass through the development of Conceptual Site Models • Conduct of PFAS-related risk assessments • Identify and implement management actions to contain PFAS mass in situ reducing efflux from our lease areas • Identify and implement remedial actions to remove PFAS mass from source or otherwise treat it in situ (e.g., chemical binding) • Undertake research and development and trial activities to establish the effectiveness and efficacy of PFAS treatment technologies • Engage with Commonwealth, State and Territory regulatory departments and agencies in regards to our approach to and progress in PFAS management • Engage with our communities to inform of our activities, to hear of their concerns and to respond to these. – Progressive development of airport-specific PFAS management plans inclusive of airport-specific stakeholder engagement and consultation plans and remediation action plans. – Application of EMS standards and procedures including incident management, environmental occurrence response procedures and chemical management procedures as required. – PFAS and general environmental awareness training. – Enterprise governance reporting. – Application of other subsidiary EMS standards and procedures (including incident management, environmental occurrence response procedures and chemical management procedures, contamination management and assessment, and ARFFS environmental management procedure). – Environmental awareness training, including Environmental legal obligations and management of on-ground operational activities. 	<ul style="list-style-type: none"> – Regular review of PFAS-related Enterprise (T2) Risk and Control Actions (CIRRIIS) – Internal assurance reviews and audits – External reviews/audits: <ul style="list-style-type: none"> • ISO 14001 auditors • Stakeholders as required (e.g. Airport Environment Officers). – General environmental monitoring (surface water, groundwater, etc.).
	Impacts from on-ground operational activities	<ul style="list-style-type: none"> – A program to review <i>Operational Environment Management Plans</i> (OEMPS) at 36 airports across Australia to align with current operating practices and regulatory requirements. – Application of the <i>Environmental Performance Requirements and Controls for Airservices Infrastructure</i> standard, which prescribes objectives and key controls for managing each lifecycle stage of infrastructure development (including the operational phase). – Application of Aviation Rescue Fire Fighting (ARFF) and Air Traffic Management (ATM) environmental management instructions and other subsidiary Environmental Management System (EMS) standards and procedures (including fuel and hazardous materials storage procedures, environmental occurrence response procedures, chemical management procedures and weed and pest control guidelines). – Undertake review of sites with potential heritage values as per heritage strategy directives. 	<p>Internal assurance reviews and audits undertaken across three lines of defence.</p> <p>External reviews/audits undertaken by:</p> <ul style="list-style-type: none"> – ISO 14001 auditors – Stakeholders as required (e.g. Airport Lessee Company Environmental Officers and Airport Environment Officers (AEOs) of DITRDCA). – A triennial Heritage Report to the Minister of Climate Change, Energy, the Environment and Water on the performance of the Heritage Strategy. – External service provider engaged to carry out impartial heritage value assessments for possible inclusion in the heritage register.

Theme	Activity Impact	Measures taken to minimise environmental impacts	Ongoing Assurance
Natural Resources	Use of natural resources result in an increase in resource usage, such as water or fuel, or waste generation (including energy, and wastewater)	<ul style="list-style-type: none"> Application of <i>Environmental Performance Requirements and Controls</i> for Airservices Infrastructure standard requires incorporation of resource efficient and sustainable technologies in the development and refurbishment of infrastructure. <i>Environmental Sustainability Strategy 2021-2026</i> outlines our key goals and outcomes, including sustainable resource management. 	Internal assurance reviews and audits undertaken across three lines of defence.

Table 17: Environmental Performance Indicators for 2021-22

Theme	Performance Measure	Indicator	Result
Community and Social amenity	Complainants	Number of residents who have contacted the NCIS for the 10 major airports	2,545 (decrease of 1% complainants against 2020-21 complainants)
	Emissions	Total reduction of aircraft emissions from flight path changes (cubic tonnes)	No major flight path changes were introduced in 2021-22 and therefore no change in emissions reported
Ecosystems, Biodiversity	Occurrences	Number of major environmental occurrences	No major environmental occurrences were reported in 2021-22
Heritage	Compliance with EPBC Heritage obligations	Development and implementation of the Heritage Strategy with continual review	Minister of Climate Change, Energy, the Environment and Water's approval and publishing of updated Heritage Management Plans undertaken for Hobart, Launceston, and Parafield ATC towers
Natural Resources	Energy	Amount of electricity consumed (kWh) ¹ Amount of greenhouse gases produced (tonnes) ¹	39,304,381 kWh 31,859 tCO ₂ e
	Waste	Amount of waste going to landfills (tonnes) Amount of waste going to recycling facilities (tonnes)	Waste to landfill = 1,978.24 tonnes ² Waste for recycling = 2198.40 tonnes ²
	Water	Amount of rainwater captured and re-used (L) Amount of recycled water used (L)	Total water consumption = 84,777 kL ³ Total recycled water = 1,529 kLkL ⁴

1 These are data for 2020-21.

2 Data sourced from Cleanaway.

3 Rainwater re-used for toilet flushing at Melbourne airport.

4 Estimate based on data from Melbourne Learning Academy Hot Fire Training Ground.



Ecologically Sustainable Development

We are aligned to the National Strategy for Ecologically Sustainable Development through our ecological protection measures encompassed within our EMS. The ESD principles are embedded into our operational activities to ensure these are undertaken in an environmentally sustainable way through meeting the requirements of the EMS, which is underpinned by our environmental policy and corporate plan.

ESD alignment and contribution

Key improvements for 2021-22, which accord with ESD principles under the EPBC Act, are described in Table 18.

Table 18: Key ESD Aligned Activities in 2021-22

Ecologically Sustainable Development Principles	Activities in accordance with ESD Principles
<p>Integration principle: Decision-making processes should effectively integrate both long and short-term economic, environmental, social and equitable considerations.</p>	<p>Airspace change requires a careful balance of ensuring safety, operational efficiency, protecting the environment and minimising the effects of aviation noise on the community, wherever practicable.</p> <p>Since the implementation of the Flight Path Design Principles (FPDP) in 2020, Airservices strives to ensure these principles are clearly defined for all airspace change. In 2021 we implemented a design review prior to any design work taking place to ensure community, safety and environmental impacts are understood and incorporated accordingly.</p> <p>The data received from Aircraft Noise Monitors has improved our ability to respond to community aircraft noise complaints and associated monitoring requests. It aims to reduce uncertainty around aviation noise impacts on the community while ensuring we provide safe and efficient air traffic management.</p> <p>In 2021, we also overhauled our change management governance to ensure all flight path and airspace changes are being managed and approved through a consistent process. This also involved a review of our Environmental Management of changes to Aircraft Operations and a streamlined process to screen changes based on their impact.</p>
<p>Precautionary principle: If there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation.</p>	<p>We continue to progress implementation of the Per-and Poly-fluoroalkyl substances (PFAS) Program Management Plan. This includes:</p> <ul style="list-style-type: none"> – Increasing the number of completed Site Investigations – Increasing the number of PFAS Manage Actions – Increasing the number of completed airport specific PFAS Management Plans including: <ul style="list-style-type: none"> • Airport-specific Stakeholder Engagement and Consultation Plans • Remediation Action Plans – Continuing to investigate and trial new PFAS treatment technologies – Maintaining and improving relationships with Government, Airports and Communities.



Ecologically Sustainable Development Principles

Activities in accordance with ESD Principles

Intergenerational principle:

The present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations.

We revised our *Environmental Sustainability Strategy* (the Strategy), placing greater emphasis on the environmental sustainability of our organisation, and how we intend to assist airspace users in reducing their emissions and noise profile within the Australian Flight Information Regions.

The Strategy also establishes goals, objectives, and targets for improvement in environmental performance to meet government and industry policy and community expectations, including addressing obligations under the Climate and Disaster Risk Direction Statement.

We continue to evolve and develop the EMS with the:

- publication of a Contamination Management procedure that provides key controls for preventing contamination,
- delivery of the 36 *Operational Environment Management Plans* (OEMPs), and
- improved organisational incident management processes and procedures.

We continue to promote environmental awareness and train key staff on environmental issues while undertaking a targeted audit and assurance program to check and improve our performance.

We worked with the Civil Aviation Historical Society and other stakeholders to preserve Australia's aviation history. We continued to support 'Connecting the Nation' portal, sponsorship of the Airways Museum based at Essendon Fields Airport, and industry partnership with the Australian Research Council for the Heritage of the Air Project (a research project investigating how aviation has transformed Australian society over the last 100 years).

We reviewed and updated our Heritage Strategy for the period 2021-2023, in accordance with Section 341ZA of the EPBC Act.

We continue to work towards improving the monitoring of greenhouse gas emissions, energy consumption and production. We reported in accordance with *National Greenhouse and Energy Reporting Act 2007* requirements for 2019-20.

Biodiversity principle:

The conservation of biological diversity and ecological integrity should be a fundamental consideration in decision making.

The protection of biodiversity values is a key requirement of the EMS, with associated controls built into the management of all our activities (from flight path changes to on-ground operations).

The soon to commence mapping of the environmental values surrounding our unmanned navigational aid sites and key airport sites is set to inform our organisation's targeting of further risk controls where needed most. Our revised requirements for flight path change management includes additional quantitative and qualitative measures for assessing biodiversity impacts. Our internal standards for infrastructure development includes targeted controls to protect flora and fauna values throughout projects and operational activities.

Valuation principle:

Improved valuation, pricing and incentive mechanisms should be promoted.

We developed and released our Environmental Sustainability Strategy, which outlines how we will contribute to the wider international aviation sustainability agenda over 2021-2026. It focuses on achieving better environmental outcomes within;

- Aircraft Emissions
- Aircraft Noise space
- Ecological Sustainability
- Sustainable Resource Management

Additionally, a program of decommissioning of unmanned nav aid sites (with asbestos lined interiors) is being delivered which will help reduce our environmental footprint further.

Noise Complaints and Information Service

The total number of residents contacting the Noise Complaints and Information Service (NCIS) in 2021-22 was 4,634. This was 598 less than the 5,232 recorded in 2020-21 (Australia wide).

With COVID-19 border restrictions easing over the last 6 months, the domestic aviation industry has returned to near pre COVID-19 levels. Complainant numbers slightly dropped but individual contact numbers increased.

The total number of contacts the NCIS received in 2021-22 was 30,865. This was 5,289 more than the recorded 25,576 in 2020-21 (20% increase in contacts Australia wide).

At major airports, the most frequently raised issue continued to be the use of standard flight path corridors. Concerns included the increase in frequency of movements, a perception that something had changed the location of the flight path, and questions about the altitudes of aircraft on arrival and departure. While we investigate concerns about standard flight paths, few opportunities exist to mitigate noise for residential areas in close proximity to the major airports.

Table 19 shows that during 2021-22, 6 major airports had an increase in the number of residents making complaints, with significant increases at Sydney, Melbourne and Adelaide Airports. The number of residents concerned about activities at the 10 major airports was 11% lower than 2020-21. The number of residents concerned about activities at Sydney, Melbourne and Adelaide airports was 82% higher than 2020-21. The main contributor to the increase is the easing of border restrictions increasing flight traffic to near pre COVID-19 levels.

Brisbane Airport also had a significant increase in contacts towards the end of 2021-22. The NCIS received 1,079 contacts in quarter 3 (January to March), compared to 1,892 in quarter 4 (April to June). Multiple factors attributed to the sudden spike in contacts within the last quarter of 2021-22. These were mainly the implementation of noise improvement trials, the Trax International independent review, easing of COVID-19 border restrictions and the Australian Federal Election.

While not listed in the 10 major airports, Sunshine Coast Airport complainant numbers reduced in 2021-22. There were 148 noise complainants, compared to 596 in 2020-21. That is a 73% decrease from 2020-21. The number of complainants in 2021-22 is similar to that of 2019-2020 and indicates that the increased complainant numbers in 2020-21 was due to anticipated concerns regarding the operation of the new runway. The current lower complainant numbers likely reflects that some anticipated concerns were not realised as well as community understanding that solutions to noise issues are being reviewed through the Post Implementation Review process.

Bankstown Airport complainant numbers increased to 336 in 2021-22 compared to 237 in 2020-21. That is a 41% increase. We attribute this to increased community interest in aircraft operations due to the increased number of emergency services aircraft operating due COVID-19 restrictions in NSW.

Table 19: Number of Residents Who Contacted the NCIS for the 10 Major Airports

Airport	2018-19	2019-20	2020-21	2021-22
Adelaide	89	76	89	183
Brisbane	252	292	1709	1308
Cairns	30	22	12	19
Canberra	30	10	14	20
Darwin	5	6	8	4
Gold Coast	231	138	128	92
Hobart	293	67	15	21
Melbourne	160	220	88	162
Perth	716	282	178	156
Sydney	713	388	331	580
Total	2519	1501	2572	2545



Appendices

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Appendix A:

Ministerial Expectations

The Portfolio Minister regularly issues a Statement of Expectations (SOE) as a notice of strategic direction to the Airservices Board according to section 17 of the *Air Services Act 1995*. In addition to the SOE, the Minister can issue directions which inform the performance of our functions. These, together with the Board's Statement of Intent, are provided within this section.

Ministerial Directions

Four ministerial directions remain current:

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

Our Statement of Intent 2021–2023

Statement of Expectations	Statement of Intent
<p>Overview</p> <p>This instrument is the <i>Statement of Expectations for Airservices Australia for the period 1 July 2021 to 30 June 2023</i>. This Statement of Expectations (SOE) applies in respect of the period commencing 1 July 2021 and ending 30 June 2023 and replaces the previous SOE issued on 4 July 2019. This SOE serves as a notice to Airservices Australia (Airservices) under section 17 of the <i>Air Services Act 1995</i> (the Act) and formalises my expectations concerning the operations and performance of Airservices.</p> <p>Airservices should perform its functions in accordance with the Act, the <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act) as well as other relevant legislation. I reiterate the Government's expectations that Airservices resources be used in an efficient, effective, economical and ethical way, following best practice principles and guidelines.</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 connects people with their world safely by providing safe, secure, efficient and environmentally responsible services that are valued by the aviation industry and community on behalf of our owner, the Australian Government. When performing our functions, we adhere to all relevant legislation including, the <i>Air Services Act 1995</i> and the PGPA Act. 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 in accordance with section 21 of the Act.

I expect the CEO to be responsible for managing the operations of Airservices, its organisational capacity and the exercise of its functions in accordance with section 35 of the Act.

I expect the Board to keep the Secretary of the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (Department) and myself fully informed of Airservices actions in relation to the requirements stated in this SOE, and promptly advise of any events or issues that may materially impact on the operations of Airservices, including through quarterly progress reports from the Board against the Corporate Plan and this SOE.

Airservices will continue to implement its transformation agenda to ensure we deliver world-best practice Air Traffic Management (ATM) and Aviation Rescue and Fire Fighting (ARFF) services.

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.

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.

Airservices will ensure that we provide a service that meets our customers' needs and is consistent with Australia's international obligations. We actively participate in international forums including ICAO and work closely with the Department and Civil Aviation Authority (CASA) to ensure that Australia continues to influence the future of aviation in line with government policies.

Key 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 initiatives:

(a) progress the timely, on-budget and effective implementation of the OneSKY Australia Program and the Civil Military Air Traffic Management System (CMATS), and advise me on the progress and achievement of programme milestones.

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 (Defence) to deliver a harmonised civil military air traffic management system for Australia. Airservices, in consultation with the Department and Defence, will provide comprehensive reporting on the progress of OneSKY to the Aviation Policy Group, quarterly reports to the Minister and other government reporting processes which will include early identification of risks to delivery and achievement of programme milestones.

(b) work closely with the Department and the Civil Aviation Safety Authority (CASA) to ensure the integration of Remotely Piloted Aircraft Systems (RPAS) into Australian airspace. This includes supporting the development and progression of initiatives outlined in the National Emerging Aviation Technologies (NEAT) Policy Statement, including supporting trials that further the Government's policy objectives.

Airservices will continue to work with the Department and CASA to ensure the safe integration of RPAS into Australian airspace. We will continue to support the development and progression of initiatives outlined in the NEAT Policy Statement, including supporting trials that further the Government's policy objectives.

(c) develop and implement a flight information management system (FIMS) consistent with the Government's policy objectives, Government decisions on Unmanned Aircraft System Traffic Management (UTM) architecture and the approach outlined in the NEAT Policy Statement.

Airservices will continue the development and implementation of a FIMS to ensure the safe integration of RPAS in Australian airspace. The ongoing engagement with government agencies and key stakeholders through existing forums will ensure the FIMS will deliver a capability for Australia that is consistent with the Government's policy objectives and decisions on UTM architecture and the approach outlined in the NEAT Policy Statement.

Statement of Expectations	Statement of Intent
<p>Key Initiatives</p>	
<p>(d) work with the Department and CASA on modernising airspace management, consistent with the Australian Airspace Policy Statement, including:</p> <ul style="list-style-type: none"> • shaping Australia's future airspace protection policy and regulatory framework; • regularly reviewing instrument flight procedures to ensure they are current, and reflect changing aircraft navigational capabilities; • enhancing the safety and efficiency of Australian controlled airspace including at major regional airports; and • continuing to apply adequate resources to manage airspace planning and design including for Western Sydney Airport. 	<p>We will work cooperatively with the Department and CASA and provide timely information to assist with the shaping of Australia's airspace protection policy and regulatory framework.</p> <p>We will regularly review our instrument flight procedures and continue the transition to Performance Based Navigation (PBN) as the primary means of navigation in line with the global aviation industry and in consultation with government agencies, the community and other stakeholder.</p> <p>The objective of our Airspace Modernisation Program is to enhance the safety and efficiency of Australian airspace, including at major regional airports and to increase access to airspace for the aviation industry, through national standardisation and leveraging increased surveillance to enhance service provision.</p> <p>Airservices Aerodrome Program will deliver essential infrastructure and services to support aviation industry expansion, including airspace planning and design at Western Sydney Airport.</p>
<p>(e) assist in implementing the Government's environmental initiatives including:</p> <ul style="list-style-type: none"> • 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 Airservices 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. 	<p>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 Aircraft Noise Ombudsman (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.</p>
<p>(f) continue to work with the Department and CASA on implementing the Government's approach to ARFFS.</p>	<p>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 programme of work focused around our people, facilities, vehicles, equipment and training.</p>
<p>(g) commence an independent review of Airservices implementation and governance relating to the recommendations of the Broderick Review, by June 2022.</p>	<p>Airservices will commence an independent review by June 2022.</p>
<p>(h) ensure that necessary steps are taken in minimising the financial impacts of COVID-19 in accordance with the 'One Airservices' Business Plan.</p>	<p>'One Airservices' Plan initiatives have been incorporated into the Corporate Plan. Airservices will continue to manage its costs and reposition itself to minimise the financial impacts of COVID-19 while ensuring we are ready to support the aviation industry's ongoing recovery.</p>

Statement of Expectations

Statement of Intent

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.

Airservices engages with industry on its service delivery, strategic planning, pricing and other key initiatives via direct engagement with customers and key industry bodies. We continue to engage with other key industry stakeholders through participation in established industry forums.
 Airservices recognise that aviation operations, and updates or changes to these operations, can impact communities in various ways. With that in mind, our aim is to design any changes to minimise these impacts. Where the community will be impacted we will engage with the community and respond to their concerns appropriately.

(b) communicate clearly and regularly with the Department and CASA, industry and the community on the development and implementation of significant changes to air navigation and ARFFS.

Airservices has established mechanisms to regularly share information with CASA in relation to the performance of its regulatory function and key government priorities, including Australia's UTM ecosystem.

(c) proactively provide information, assistance and advice to Government agencies for policy formulation, implementation activities and regulation purposes.

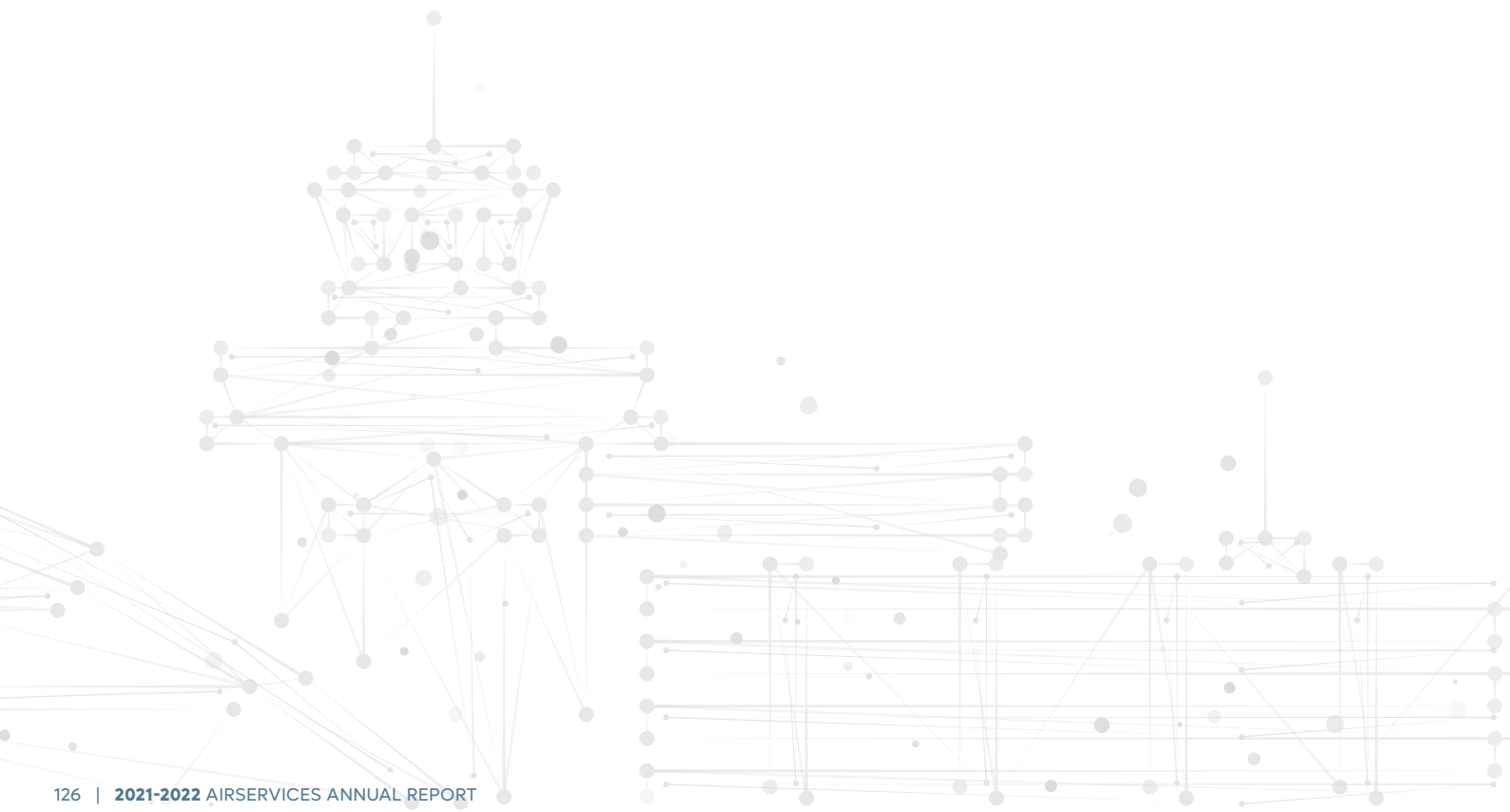
Airservices will proactively keep the Department and Minister informed through regular meetings and ongoing reporting including quarterly progress reports and annual reporting. We will ensure timely assistance and advice is provided to requests made by government agencies.

(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.

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.

(e) work closely with the Department and other Government agencies, including the Australian Transport Safety Bureau, CASA and the Department of Defence to deliver integrated and comprehensive advice to the Government, the aviation industry and the community.

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, airport planning, UAS and UTM and ARFF.



Appendix B:

Airservices Remuneration Report 2021–22

2021-22 Remuneration Report

The purpose of this section is to summarise the:

- remuneration for Board Members
- performance outcomes and remuneration of the Executive
- remuneration for leadership roles (other than the Executive) and other staff who were remunerated over \$235,000.

The Board of Airservices uses a remuneration strategy and industry-based remuneration model for the Chief Executive Officer (CEO) and the Executive that directly aligns to Airservices performance and the achievement of organisational strategic objectives and customer value.

Board Members and Executive

Board Members

We are governed by a Board that consists of a Chair, Deputy Chair, six non-executive members and the CEO. The Board, other than the CEO, is appointed by the Minister. The CEO is appointed by the Board.

The Board is responsible for determining the corporate objectives, strategies and policies, and ensuring that we perform our functions in a proper, efficient and effective manner.

Table 1: Board Members

Name	Position	Term
John Weber	Chair	Full Year
Mark Binskin	Deputy Chair	Part Year – Finished 31 July 2021
Greg Hood	Deputy Chair	Part Year – Appointed 8 September 2021
Anne Brown	Board Member	Full Year
Sue-Ellen Bussell	Board Member	Full Year
Eileen Doyle	Board Member	Full Year
Marlene Kanga	Board Member	Full Year
David Marchant	Board Member	Full Year
Lawrence Turner	Board Member	Full Year
Jason Harfield	Chief Executive Officer	Full Year

Table 2: Executives

The Executive is accountable for leading, planning and managing Airservices operations, activities and performance in pursuit of our mission.

Name	Position	Term
Michelle Bennetts	Chief Service Delivery Officer	Full Year
Peter Curran	Chief Customer Experience and Strategy Officer	Full Year
Nicole Devlin	Chief Communications Officer	Full Year
Lucinda Gemmell	Chief People and Culture Officer	Full Year
Mark Hind	Chief Technology Enablement Officer	Full Year
Paul Logan	Chief Financial Officer	Full Year
Claire Marrison	Chief Safety and Risk Officer	Full Year
Christian Patten	Chief Strategy Execution Officer ¹	Part Year – Appointed 13 June 2022

¹ The Chief Strategy Execution Officer was a newly created position during the year with a single occupant of this role.

Remuneration Strategy and Settings

Short Term Incentive Removal

In August 2021, the Australian Public Service Commission (APSC) released new guidance for all Commonwealth entities and companies on the principles governing the use of performance bonuses. Based on this guidance, our performance bonus (STI) plan was removed in its entirety from our remuneration in September 2021 for all eligible employees.

Our STI plan allowed the potential for a maximum of 10% of Total Fixed Remuneration (TFR) payment for the Executive members and for a maximum of 20% of TFR for the CEO. The awarding of STI payments was at the sole discretion of the Board, paid at a standard rate and assessed annually against achievement of the Corporate Performance Scorecard.

The APSC guidance recommended that Commonwealth entities that remove or reduce bonuses, consider buy-outs, partial rolling into salary, allowing existing arrangement to expire, or a combination of transitional strategies.

In determining our STI removal approach, we considered the options of a buy-out and a partial roll in. However, a buyout had a much higher upfront cost, was more complex to negotiate / administer, and in an environment where our STI was a relatively low percentage of remuneration, with a relatively low historical payout, a buyout was determined not to be a cost-effective option.

A transitional arrangement was also determined not to be necessary given our small STI target level relative to other Government owned entities. This level meant it was feasible for us to implement our transition away from performance bonuses wholly within this year, allowing us to be compliant with the Guidance immediately.

In deciding the percentage of TFR increase to allow for partial rolling into salary of our STI plan, we considered the history of performance bonus percentage payouts, which was an average of 56% (5.6% of TFR) over the past three payments. A one-off increase of 6% (60% of target) was provided, which we determined was appropriate given the theoretical maximum lost.

Executive Remuneration

The responsibility of our Executive and other leaders is to create value for customers while maintaining and enhancing aviation safety, and build a workforce that is customer-oriented with an accountable performance culture.

Within this setting, the industry-based remuneration strategy ensures our Executive individually and collectively contribute to and drive sustained organisational performance for the long term.

Each Executive role is independently evaluated to determine internal and external relativities of the position's level of work value, size and complexity, accountability, and expertise and judgement required to be successful.

The position is benchmarked against a comparator group for Airservices comprising a blend of industry and sector relevant private and public sector organisations. The remuneration is subsequently set using a combination of the 50th percentile of the Mercer National General Market (MNGM) and individual executive position benchmarking. The MNGM comprises comprehensive data from over 750 organisations with over 330,000 data points across multiple industries, sectors and job families to provide an overall representation of the market. Other factors considered include the Remuneration Tribunal data and guidance.

Following the removal of a 20% (CEO) and 10% (other Executive) STI target made by a partial roll in to Total Fixed Remuneration with a one-off increase of 6%, our Executive Remuneration is made up of Total Fixed Remuneration only.

Total Fixed Remuneration

The Total Fixed Remuneration includes cash salary, employer contributions and any salary sacrifice component. It is reviewed annually against the remuneration benchmarking data and corporate performance, with a focus on maintaining a commercially responsible position.

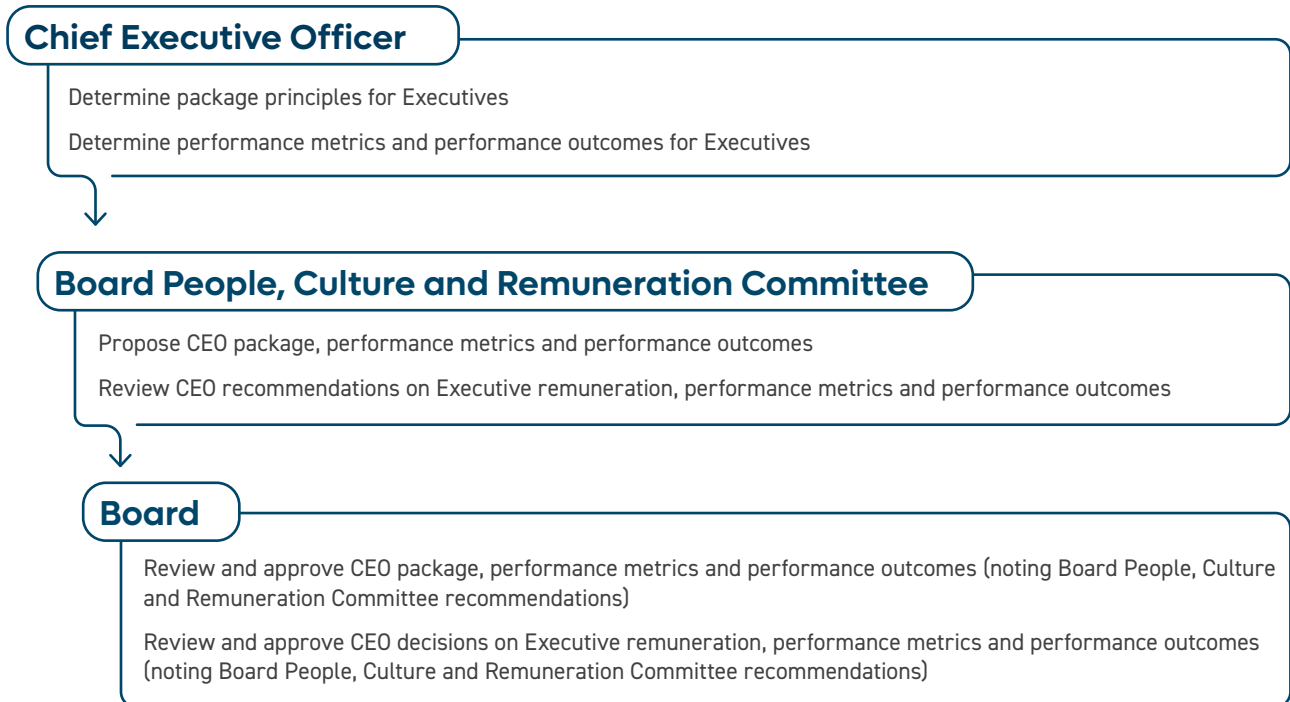
Remuneration Governance

A key objective of the Board People, Culture and Remuneration Committee is to review matters relating to the remuneration and performance of the CEO and Executive.

The Committee comprises at least 3 non-executive Board Members, with one appointed as the Chair. In addition, the Board Chair and CEO are ex-officio members of the Committee.

In 2021-22, the Committee Chair was Sue Bussell. The non-executive Board members were Anne Brown, Greg Hood (commenced 8 September 2021), and John Weber.

Remuneration Governance Framework



Annual Fees and Allowances for Board Members

Annual fees and allowances for our part-time Chair, Deputy Chair and Board Members are determined by the Commonwealth Remuneration Tribunal. In setting remuneration, the Tribunal considers a range of matters including workload and value of the office, fees in the private sector, and wage and other economic indices.

There were no changes to non-Executive Board members' remuneration during 2021-22.

Corporate Performance Outcomes 2021-22

The scorecard comprised key corporate performance indicators and initiatives under the pillars of our Customer, People and Owner milestones.

Table 3: Corporate Performance Scorecard

Corporate Metrics				
Pillar	Key Performance Indicators	2021-22 Target	2021-22 Actual	Assessment
Customer	Significant Attributable Safety Occurrences – ATM and ARFF	0	0	Met
	On-Time Performance	≥ 80%	76%	Not Met
	Customer Satisfaction Score	≥ 71%	81%	Met
People	Total Recordable Injury Frequency Rate	≤ 4.5	8.5	Not Met
	Employee Engagement	≥ 60%	68%	Met
Owner	Cost per Instrument Flight Rules Flight Hour (\$/hr)	≤ 525	534	Not Met
	Return on Assets	≤ (20.4%)	(26.3%)	Not Met
	Total Environmental Footprint	Set baseline	241,510 tCO2e	N/A
Corporate Initiatives				
Pillar	Initiative / Outcomes	Assessment		
Customer	Service performance outcomes matched to the needs of our customers	Met		
	New digital capabilities to drive efficiency	Met		
	OneSKY Program	Substantially Met		
	Enterprise Network Modernisation Program (ENMP)	Met		
People	Realigned operating model efficiency improvements	Substantially Met		
	Aligned values, leadership and behaviours	Met		
	Aligned strategic workforce and talent	Met		
Owner	Short-term cost savings / Supplier engagement / Liquidity management / gearing strategy	Met		
	Environmental Sustainability	Substantially Met		
	Community Engagement	Substantially Met		

Board Member Remuneration

The following table outlines the remuneration earned and accrued by Board Members throughout 2021-22.

Table 4: Board Remuneration

Name	Position Title	Short-term benefits			Post-employment benefits	Other long term benefits			Total Remuneration \$
		Base salary \$	Bonuses \$	Other benefits / allowances ¹ \$	Superannuation contributions \$	Long service leave \$	Other long-term benefits \$	Termination benefits \$	
John Weber	Chair	166,214	-	5,271	16,899	-	-	-	188,384
Greg Hood	Deputy Chair	100,823	-	321	10,546	-	-	-	111,690
Mark Binskin	Deputy Chair	10,929	-	-	1,038	-	-	-	11,967
Anne Brown	Board member	83,112	-	3,034	8,450	-	-	-	94,596
Sue-Ellen Bussell	Board member	83,112	-	1,098	8,450	-	-	-	92,660
Eileen Doyle	Board member	83,112	-	2,299	8,450	-	-	-	93,861
Marlene Kanga	Board member	83,112	-	1,997	8,450	-	-	-	93,559
David Marchant	Board member	83,112	-	1,398	8,450	-	-	-	92,960
Lawrence Turner	Board member	83,112	-	3,034	8,450	-	-	-	94,596
TOTAL		776,638	-	18,452	79,183	-	-	-	874,273

¹ Includes Board Committee membership and travel allowances.

Executive Remuneration

The following table outlines the remuneration earned and accrued by the Executive in 2021-22.

Table 5: Executive Remuneration

Name	Position Title	Short-term benefits			Post-employment benefits	Other long term benefits			Total Remuneration \$
		Base salary ¹ \$	Bonuses ² \$	Other benefits / allowances ³ \$	Superannuation contributions \$	Long service leave \$	Other long-term benefits \$	Termination benefits \$	
Jason Harfield	Chief Executive Officer	817,175	-	8,000	82,276 ⁴	22,457	-	-	929,908
Michelle Bennetts	Chief Service Delivery Officer	474,875	-	8,000	22,782	12,605	-	-	518,263
Peter Curran	Chief Customer Experience and Strategy Officer	493,672	-	8,000	22,683	9,705	-	-	534,060
Nicole Devlin	Chief Communications Officer	402,321	-	-	22,874	7,077	-	-	432,272
Lucinda Gemmell	Chief People and Culture Officer	485,708	-	-	23,180	9,288	-	-	518,175
Mark Hind	Chief Technology Enablement Officer	384,955	-	8,000	23,180	8,871	-	-	425,005
Paul Logan	Chief Financial Officer	437,497	-	6,681	42,600 ⁴	11,122	-	-	497,900
Claire Marrison	Chief Safety and Risk Officer	309,825	-	-	31,959 ⁴	8,723	-	-	350,507
Christian Patten	Chief Strategy Execution Officer ⁵	16,703	-	-	809	-	-	-	17,512
TOTAL		3,822,733	-	38,681	272,343	89,847	-	-	4,223,604

1 Base Salary includes annual leave paid and reflects the adjustment for change in accrued annual leave in accordance with RMG 138 Commonwealth entities' executive remuneration reporting guide for annual reports. Increases to Base Salary for 2021-22 are directly related to the roll in of the performance bonus plan.

2 No bonus eligibility as plan removed in order to comply with APSC guidance. Full details can be found under Short Term Incentive Removal.

3 Includes motor vehicle allowances.

4 Member of AvSuper defined benefit superannuation scheme.

5 The Chief Strategy Execution Officer was a newly created position during the year with commencement in June 2022.

Leadership Roles (Other Than Executive) Remuneration

The following table outlines the average remuneration earned and accrued by non-Executive leaders in 2021-22.

Table 6: Other Leaders Remuneration¹

Total Remuneration Bands	Number of other leaders	Short-term benefits			Post-employment benefits	Other long term benefits		Termination benefits	Total remuneration
		Average Base salary ² \$	Average Bonuses ³ \$	Average Other benefits / allowances ⁴ \$	Average Superannuation contributions \$	Average Long service leave \$	Average Other long-term benefits \$	Average Termination benefits \$	Average Total Remuneration \$
\$0 - \$220,000	61	148,221	-	37	16,242	3,815	-	3,534	171,849
\$220,001 - \$245,000	38	201,717	-	-	22,737	5,915	-	-	230,370
\$245,001 - \$270,000	29	216,956	-	-	21,209	5,419	-	14,781	258,365
\$270,001 - \$295,000	17	254,946	-	-	23,323	5,061	-	-	283,330
\$295,001 - \$320,000	6	253,899	-	1,401	28,969	17,979	-	-	302,247
\$320,001 - \$345,000	4	299,458	-	-	30,444	5,434	-	-	335,336
\$345,001 - \$370,000	1	320,652	-	8,137	26,750	6,587	-	-	362,126
\$370,001 - \$395,000	1	144,986	-	-	18,129	3,293	-	215,597	382,005
\$395,001 - \$420,000	1	371,187	-	-	23,568	5,270	-	-	400,025
	158	2,212,022	-	9,575	211,371	58,773	-	233,912	2,725,653

1 Individuals who form part of the Senior Leadership Team, including new hires and leavers during the year.

2 Base Salary includes annual leave paid and reflects the adjustment for change in accrued annual leave. Increases to Base Salary for 2021-22 are directly related to the roll in of the performance bonus plan.

3 No bonus eligibility as plan removed in order to comply with APSC guidance. Full details can be found under Short Term Incentive Removal.

4 Includes early retirement benefit payments and fly in fly out, living away from home and home purchase/sale allowances to eligible employees.

Other Highly Paid Staff Remuneration

The following table outlines the average remuneration earned and accrued by other highly paid staff in 2021-22.

Table 7: Other Highly Paid Staff Remuneration

Total Remuneration Bands	Number of other highly paid staff	Short-term benefits			Post-employment benefits	Other long term benefits		Termination benefits	Total remuneration
		Average Base salary ¹ \$	Average Bonuses ² \$	Average Other benefits / allowances ³ \$	Average Superannuation contributions \$	Average Long service leave \$	Average Other long-term benefits \$	Average Termination benefits ⁴ \$	Average Total Remuneration \$
\$235,001 - \$245,000	93	198,802	-	1,534	28,112	5,951	-	5,649	240,048
\$245,001 - \$270,000	311	214,836	-	93	30,200	6,030	-	6,337	257,497
\$270,001 - \$295,000	224	233,702	-	1,557	32,093	6,064	-	7,475	280,893
\$295,001 - \$320,000	82	237,202	-	4,422	30,466	5,677	-	28,477	306,245
\$320,001 - \$345,000	35	197,937	-	5,140	23,439	6,185	-	96,960	329,661
\$345,001 - \$370,000	37	121,579	-	14,032	14,265	5,559	-	203,305	358,740
\$370,001 - \$395,000	32	89,839	-	6,353	13,404	4,817	-	267,367	381,780
\$395,001 - \$420,000	9	105,366	-	15,116	15,758	2,727	-	264,243	403,209
\$420,001 - \$445,000	9	95,783	-	23,407	11,041	2,594	-	299,098	431,922
\$445,001 - \$470,000	6	134,382	-	-	11,603	4,406	-	308,106	458,497
\$470,001 - \$495,000	9	166,370	-	-	24,090	4,291	-	290,201	484,952
\$495,001 - \$520,000	6	160,661	-	-	20,558	4,663	-	321,180	507,061
\$520,001 - \$545,000	4	188,431	-	-	19,336	5,330	-	319,464	532,561
\$545,001 - \$570,000	6	215,547	-	150	13,006	5,720	-	322,639	557,061
\$570,001 - \$595,000	9	222,247	-	49	25,138	5,836	-	330,728	583,998
\$595,001 - \$620,000	8	251,170	-	-	25,774	5,677	-	331,985	614,606
\$620,001 - \$645,000	-	-	-	-	-	-	-	-	-
\$645,001 - \$670,000	1	212,861	-	71,501	54,048	6,240	-	313,320	657,971
\$670,001 - \$695,000	3	283,187	-	-	31,910	4,965	-	358,813	678,875
\$695,001 - \$720,000	2	268,587	-	64,175	30,558	6,240	-	338,248	707,809
\$720,001 - \$745,000	-	-	-	-	-	-	-	-	-
\$745,001 - \$770,000	1	345,325	-	-	33,907	6,240	-	370,971	756,443
\$770,001 - \$795,000	-	-	-	-	-	-	-	-	-
\$795,001 - \$820,000	1	388,428	-	-	48,330	6,240	-	370,971	813,969
	888	4,332,242	-	207,529	537,036	111,452	-	5,155,537	10,343,798

1 Includes 809 staff employed under the Air Traffic Control and Supporting Air Traffic Services Enterprise Agreement, 13 staff employed under the Air Traffic Control Line Manager Enterprise Agreement and 3 staff employed under the Aviation Rescue Fire Fighting Enterprise Agreement.

2 No bonus eligibility as plan removed in order to comply with APSC guidance. Full details can be found under Short Term Incentive Removal.

3 Includes early retirement benefit payments and fly in fly out, living away from home and home purchase/sale allowances to eligible employees.

4 During 2021-22 a Retirement Incentive Scheme (RIS) was open to operational enterprise agreement staff aged over 56 on 30 June 2021 and who left during the year. The AT0 made a class ruling [CR2021/43] allowing for concessional tax treatment of RIS incentive payments. 240 staff left under the RIS which directly attributes to the higher number of large termination payments and number of other highly paid staff.

Appendix C:

Compliance Index

The annual report has been prepared in accordance with section 46 of the *Public, Governance, Performance and Accountability Act 2013* (PGPA) the *Public, Governance, Performance and Accountability Rule 2014* and subsequent amendments, including the *Public, Governance, Performance and Accountability Amendment (Annual Reporting) Rule 2019*. These requirements were approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit on 4 April 2019.

PGPA Rule Reference	Part of report	Description	Requirement
17BE	Contents of annual report		
17BE(a)	Our Role	Details of the legislation establishing the body	Mandatory
17BE(b)(i)	Our Role	A summary of the objects and functions of the entity as set out in legislation	Mandatory
17BE(b)(ii)	About Us	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory
17BE(c)	Letter of Transmittal	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory
17BE(d)	Ministerial Expectations	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, mandatory
17BE(e)	Ministerial Expectations	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(f)	Not applicable	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period, or (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act.	If applicable, mandatory
17BE(g)	Annual Performance Statement	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	Mandatory
17BE(h), 17BE(i)	Not applicable	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non compliance	If applicable, mandatory
17BE(j)	Our Board	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory
17BE(k)	Our Business Organisational Structure	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory
17BE(ka)	Our Equity and Diversity Approach	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees (b) statistics on part-time employees (c) statistics on gender (d) statistics on staff location.	Mandatory
17BE(l)	About Us	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory
17BE(m)	Governance and Accountability	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory
17BE(n), 17BE(o)	Transactions with Related Parties	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): (a) the decision making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate value of the transactions.	If applicable, mandatory

PGPA Rule Reference	Part of report	Description	Requirement
17BE(p)	COVID impacts reported throughout	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory
17BE(q)	Not applicable	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	If applicable, mandatory
17BE(r)	Transparency Performance	Particulars of any reports on the entity given by: (a) the Auditor General (other than a report under section 43 of the Act), or (b) a Parliamentary Committee, or (c) the Commonwealth Ombudsman, or (d) the Office of the Australian Information Commissioner.	If applicable, mandatory
17BE(s)	Not applicable	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report	If applicable, mandatory
17BE(t)	Directors' and Officers' Indemnities and Insurance	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	If applicable, mandatory
17BE(taa)	Board Committees	The following information about the audit committee for the entity: (a) a direct electronic address of the charter determining the functions of the audit committee (b) the name of each member of the audit committee (c) the qualifications, knowledge, skills or experience of each member of the audit committee (d) information about each member's attendance at meetings of the audit committee (e) the remuneration of each member of the audit committee.	Mandatory
17BE(ta)	Remuneration Report 2020-21	Information about executive remuneration	Mandatory

Additional statutory requirements

Statutory reference	Part of report	Description
<i>Environment Protection and Biodiversity Conservation Act 1999 (section 516A)</i>	Environmental Management and Performance	Ecologically sustainable development and environmental performance
<i>Work Health and Safety Act 2011 (Schedule 2, Part 4)</i>	Our Work Health and Safety Performance	Work Health and Safety
<i>Equal Employment Opportunity Act (Commonwealth Authorities) Act 1987 (section 9)</i>	Our Equity and Diversity Approach	Equity and Diversity progress report
<i>Air Services Act 1995 (section 51)</i>	Not applicable	Adverse effect of non-commercial commitments
<i>Modern Slavery Act 2018</i>	Not applicable	Airservices reports on the risks of modern slavery in their operations and supply chains and actions to address those risks.



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