

22
23

CORPORATE PLAN



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.



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Airservices Australia 2022-23 Corporate Plan

Effective 1 July 2022 for the period of 5 financial years ending 30 June 2027.

Endorsement

I, John Weber, as Airservices Australia Chairman, present the 2022-23 Corporate Plan which covers the 5-year period until 30 June 2027, as required under section 35 (1)(b) of the *Public Governance, Performance and Accountability Act 2013* and section 13 of the *Air Services Act 1995*.



John Weber
Airservices Australia Chairman



We provide safe,
secure, efficient and
environmentally
responsible services to
the aviation industry
and community.

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 per cent 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.



Legend

- Air Traffic Towers – 29 Locations
- ▲ Aviation Rescue Fire Fighting Stations – 27 Locations
- Terminal Control Units – 2 Locations
- Air Traffic Services Centres – 2 Locations



Purpose

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 Purpose

Our purpose, as defined in the *Air Services Act 1995*, is to:

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

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

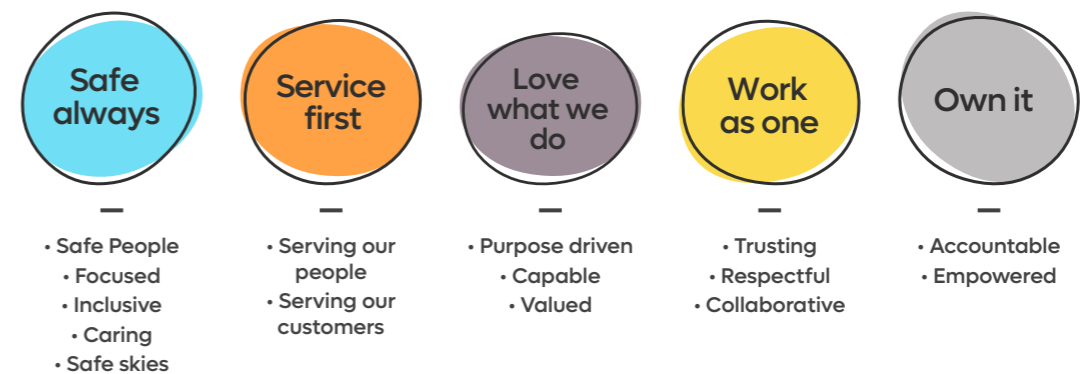
In simple terms, we exist to connect people with their world safely.

Our People and Culture

Airservices is a diverse and inclusive community, where we proudly celebrate the cultures and traditions of our people. We are committed to ensuring our workplaces are diverse, caring and respectful.

Core to this commitment is building a culture of care, trust and accountability where all our people feel included and can bring their whole selves to work. Our aspiration is to reflect a reconciled and inclusive Australian society where all our employees, our customers and our communities live and grow together in harmony.

Our Values



Our values guide our journey, describing how we deliver on our purpose in our individual roles to build an inclusive culture and a great place to work.



Operating Context

Resilience is key to our success as we look to the future.

Outlook

As the world transitions to living with COVID-19 and borders open both domestically and internationally, the industry's operating environment and recovery have entered a new phase.

While our 'new normal' continues to be characterised by ongoing volatility across the industry, there are positive indicators underpinning industry recovery, including the relaxation of COVID-19 isolation requirements and improving traveller sentiment, partially offset by emerging geopolitical and economic factors.

In this environment, we are focused on supporting industry recovery and faster growth through the provision of safe, efficient and sustainable services, to deliver on our purpose to connect people with their world safely - linking family and friends, generating economic activity, creating jobs, and facilitating trade and tourism.

Looking ahead, we expect Australian domestic air traffic to recover to pre-pandemic levels during the second half 2022-23, however the international market is likely to take significantly longer to recover with inflation and fuel costs driving up travel prices, and cost of living pressures impacting consumer discretionary spending.

The international market accounted for 50% of our revenue pre-pandemic. We continue to deliver our safe and efficient services across the same proportion of airspace, however, with fewer carriers and limited routes, we continue to see cost outweigh revenue at a rate that the domestic market cannot offset.

Nevertheless, the global aviation market continues to change, bringing with it new technologies, long-term growth, complexity and opportunities. We are focused on embracing change and volatility with flexibility and resilience, as we harness these changes to diversify our service offering.

We continue to make progress on key initiatives that create value and align services to customer needs. Given the emergence of new airspace users, new aerodromes and a range of new crewed and uncrewed aircraft, we are working closely with our customers and the community, as we adapt our service offerings to cater to these new and diverse aviation ecosystem participants, ensuring we continue to keep our skies safe while balancing our environmental and social responsibilities.

Our purpose – connecting people with their world safely – is more important than ever, supporting 5 key macro trends affecting the aviation industry that we will proactively navigate over the life of this Corporate Plan.



International and Domestic borders reopening



Travel projected to reach pre-COVID-19 levels domestically late 2022-23



New airspace entrants



Increased fuel prices

Long-Term Trends



Intelligent Systems

Intelligent systems have the potential to increase situational awareness and use these insights to deliver business acumen that help create hyper-personalised services for customers. Cloud technologies can be harnessed to bring together inputs from a range of different systems and assets; process large scale data sets and simulate millions of 'what if' scenarios. Meanwhile, the impact of digital twins is expanding beyond the optimisation of individual assets and systems to drive improvements at the organisational level. We will leverage these technologies to transform our customer journeys while reducing the cost to serve.



Increasing Airspace Complexity

Traditional and emerging aircraft will operate alongside each other, increasing the congestion and complexity of airspace. Examples of this include the emergence of uncrewed aerial vehicles (UAVs) in lower-altitude airspace and new users edging into higher-altitude airspace. Demand for services that can be provided by autonomous vehicles will continue to grow. Drone deliveries and uncrewed aerial taxis will be increasingly valued as people move to online delivery shopping models and traffic congestion continues to worsen. We are working to integrate and facilitate operations in all parts of our airspace to ensure the continued safe and efficient operation of air traffic. Government, regulators, air navigation service providers and industry need to collaborate and innovate to support the recovery, maintain safety, and ensure resilience and security.



Long-Term Growth with Short-Term Volatility

While the short-term growth outlook remains volatile for commercial aviation, long-term industry growth is expected. We have seen a large uptick in domestic aviation as we exited from COVID-19 pandemic restrictions, coupled with strong competition in the domestic market; but new headwinds from rising fuel prices and interest rates, and potential economic slowdowns are set to put a brake on growth rates. International travel demand is rising slowly, however more fuel-efficient aircraft, like the Airbus A350, A220 and Boeing 787, will drive recovery of ultra-long haul international flights, opening new markets. The outlook however remains uncertain and we continue to build a future based on scalable, flexible, safe and efficient service provision.



Environment and Community

Expectations in relation to environmental protection are evolving, with the impacts of aircraft emissions, aircraft noise and the industry's reliance on natural resources, increasingly being called out at a global, national and community level. In response, the aviation industry is seeking to improve its sustainability, while also looking to address significant disruption.

We recognise the important role we have in minimising the impact of aviation operations on the environment and community. Our sustainability ambition centres on 2 distinct areas - the first is working with Airlines and Airports to help them become more efficient and environmentally sustainable. Secondly we manage community expectations in relation to noise. Our own organisation's performance is to achieve net zero carbon emissions by 2050.



Evolving Transport Ecosystem and Value Chain

The transport value-chain ecosystem, based on historically stable demand and supply profiles, no longer exists. Instead, we are managing a 'new normal' landscape where volatility suddenly and dramatically changes the profile of demand for transport services. More than ever, decision-making up and down the value chain will be reliant on real-time data. While incumbents are racing to provide end-to-end customer experiences through vertical integration of travel, new entrants will also face obstacles as the volatility drives passenger choices. Service providers will need to adapt or risk losing relevance. Responsiveness will become increasingly important as the industry evolves and new technologies and innovations challenge the status quo, including a completely new set of customers in non-traditional areas.



3



Key Activities

We are driving transformational outcomes through our 3 lines of business to deliver on our purpose – connecting people with their world safely.

Our Lines of Business

Our 3 lines of business – Aerospace Services, Aviation Rescue Fire Fighting Services, and Enabling Services – support our ability to deliver services for our stakeholders.

Aerospace Services

Safely and sustainably delivering customer and community needs in our airspace

Our Aerospace Services reflect the changing nature of our service provision integrating new airspace users, uncrewed aircraft, stratospheric operations, space launch and recovery, in addition to traditional users of our airspace.

Aviation Rescue Fire Fighting (ARFF) Services

The valued first responder at Australian aerodromes

Our Aviation Rescue Fire Fighting Services continue to be optimised to match customer needs, with our first responder teams leveraging emerging technologies to deliver effective, efficient and sustainable services, while keeping our people safe and reducing our environmental footprint.

Enabling Services

Digitally enabled business powering internal outcomes and customer performance

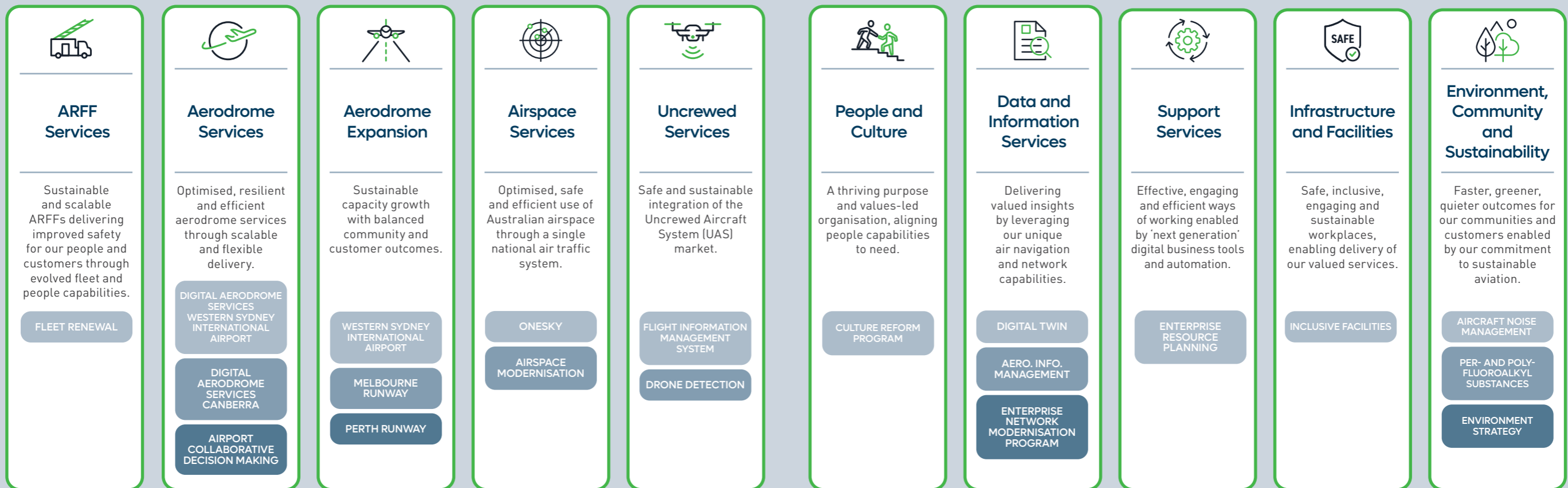
Our Enabling Services provide the infrastructure and services necessary for us to deliver on our ARFF and Aerospace services. We are transforming our enabling functions through automation and digitising our business to improve the speed and success of collaboration. We will be delivering a highly engaged workforce through our people and trusted partners. We will use advanced analytics and data that informs our decision making and the underlying networks.

Connecting people with their world safely

Lines of Business



Transformation Investment Outcomes



Performance Domains and Headline KPIs



Our Transformation Outcomes

We are driving 10 transformational outcomes to deliver the aspirations for our 3 lines of business – Aerospace Services, Aviation Rescue Fire Fighting Services and Enabling Services – as we connect people with their world safely.



ARFF Services

Sustainable and scalable ARFFs delivering improved safety for our people and customers through evolved fleet and people capabilities.

Key initiatives:

- **Fleet Renewal:** A transformation of our vehicle capabilities that drives both efficiencies in operations and safety for our people, includes trials to test, pilot and prove feasibility of new technologies, including remote and/or autonomous vehicle technology, electric vehicles, innovative fire fighting consumables, and digital systems. This ensures sustainability and long-term growth of ARFF services, through strong focus matching services to customer needs.



Aerodrome Services

Optimised, resilient and efficient aerodrome services through scalable and flexible delivery.

Key initiatives:

- **Digital Aerodrome Services:** The introduction of digital air traffic operations at both Canberra and Western Sydney International Airports.
- **Airport Collaborative Decision Making (A-CDM):** Optimise airport operations through enhanced collaboration with customers by sharing real-time data and insights.



Aerodrome Expansion

Sustainable capacity growth with balanced community and customer outcomes.

Key initiatives:

- Deliver a balanced outcome for all stakeholders while supporting industry expansion and infrastructure investment at Melbourne and Perth airports and the new Western Sydney International Airport.



Airspace Services

Optimised, safe and efficient use of Australian airspace through a single national air traffic system.

Key initiatives:

- **OneSKY Program:** Deliver a harmonised civil and 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.
- **Airspace Modernisation:** Improve aviation safety and efficiency through national standardisation and leveraging the benefits of increased surveillance coverage.



Uncrewed Services

Safe and sustainable integration of the Uncrewed Aircraft System (UAS) market.

Key initiatives:

- **Flight Information Management System:** Testing, piloting, and proving technical feasibility to safely integrate uncrewed services into our existing operations servicing the aviation industry. We are advocating for Australia's requirements in this emerging market through active engagement with standards and international harmonisation forums.
- **Drone Detection:** Increasing the safety and efficiency of our industry by building the foundations for drone surveillance around Australian airports.



People and Culture

A thriving purpose and values-led organisation, aligning people capabilities to need.

Key initiatives:

- **Culture Reform Program:** We will be a leading place to work in Australia, through our 4 key initiatives. Promoting a safe and inclusive place to work, embedding a culture of trust, care, and accountability, cultivating courageous and authentic leadership, and strategically optimising our workforce and talent.



Data and Information Services

Delivering valued insights by leveraging our unique air navigation and network capabilities.

Key initiatives:

- **Digital Twin:** Ecosystem insights and decision support through artificial intelligence (AI) that simulates and evaluates real-time data to improve both the network capacity utilisation and recovery from disruption.
- **Aeronautical Information Management:** Customers will receive interoperable, real-time, intuitive data harnessing automation and digitalisation of our Aeronautical Information Service (AIS).
- **Enterprise Network Modernisation Program:** Developing a next generation telecommunications network architecture for service expansion to deliver greater network resilience and reliability for our industry. This is a key dependency for the OneSKY Program.



Support Services

Effective, engaging and efficient ways of working enabled by 'next generation' digital business tools and automation.

Key initiatives:

- **Enterprise Resource Planning:** Deliver a digitally enabled set of core business processes supported by modern enterprise resource planning tools improving the efficiency and efficacy of our enabling functions.



Infrastructure and Facilities

Safe, inclusive, engaging and sustainable workplaces, enabling delivery of our valued services.

Key initiatives:

- **Inclusive facilities:** Modernised facilities that improve the inclusiveness and safety for our people.



Environment, Community and Sustainability

Faster, greener, quieter outcomes for our communities and customers enabled by our commitment to sustainable aviation.

Key initiatives:

- **Aircraft Noise Management:** Minimise the impact of aviation noise on communities through safe and feasible options in consultation with community and industry.
- **PFAS Management including Wastewater Management:** Address the pollution legacy of our past use of fire fighting agents which included per- and poly-fluoroalkyl substances (PFAS).
- **Environment Strategy:** Reduced total environmental footprint by minimising our resource usage, reduced emissions and sustainable practices. Protection of our heritage sites.

4



Performance

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

Our Performance Domains

Achieving our ambitions through our transformation investment outcomes, can be measured through 4 focused performance domains and targeted supporting KPIs, which are outlined in the Performance section.

Transforming the Customer Journey Transform the end-to-end experience for all those who use Australia's skies	Reducing our Cost to Serve Reduce our transaction costs to deliver greater value from our services
Fostering a High Performing Culture Create a workplace of highly engaged people living our values	Facilitating Sustainable Aviation Balance community and environmental interests with industry performance

Our Key Performance Indicators

Our strategic performance is focused on 8 enterprise-wide key performance indicators (KPIs). These indicators will monitor how we are progressing in achieving our performance outcomes and ensure we continue to be recognised as an industry leader and valued service provider. The baseline is set using our most recent performance metrics and our targets drive improvement in our performance over time.

TABLE 1: Corporate Plan KPIs

PERFORMANCE OUTCOMES	KPI	BASELINE	FY2022-23 to FY2026-27 TARGETS
Transforming the Customer Journey	Significant Attributable Safety Occurrences	0	No significant attributable safety occurrences
	Planned Capacity Delivered as Percentage of Time*	75%	Meet planned capacity greater than 75% of time as traffic grows
	Customer Satisfaction Score	81%	Improve satisfaction to 85% or above by 2027
Reducing the Cost to Serve	Real Price Growth (5-year trend)	Less than 0%	Price growth to stay below inflation
	Return On Assets	-25.5%	Improve our return to match a reasonable rate over time
Fostering a High Performing Culture	People Engagement	69%	Improve engagement to be greater than 75% over time
	Total Recordable Injury Frequency	7.0	Drive TRIFR performance downward year on year towards zero
Facilitating Sustainable Aviation	Total Environmental Footprint	241,510 tCO ₂ e	Reduce our footprint by 10% by 2025-26

*This metric better represents Airservices contribution to industry capacity and replaces On Time Performance.

Our Five Year Financial Plan

This financial plan ensures the ongoing funding of our critical and essential services whilst building on the strategy and programs established in previous plans, to transform our business and support the recovery and rebalancing of industry to a new operating environment.

In the wake of growth shown toward the back end of 2020-21, operating conditions during 2021-22 continued to be impacted by the effects of the COVID-19 pandemic. Both the Delta and Omicron variants interrupted industry's recovery in succession and whilst the recent easing of travel restrictions provided a welcome boost to traffic and revenues, overall, our financial performance has continued to suffer, with revenues operating well below sustainable levels.

We continue to see positive steps along the path to recovery. However, volatility is forecast to continue over the next 2 years as our customers restore service capacity. Our plan assumes that domestic traffic will rebalance during 2022-23, and restrictions on international travel will continue to ease with the market recovering by 2024-25.

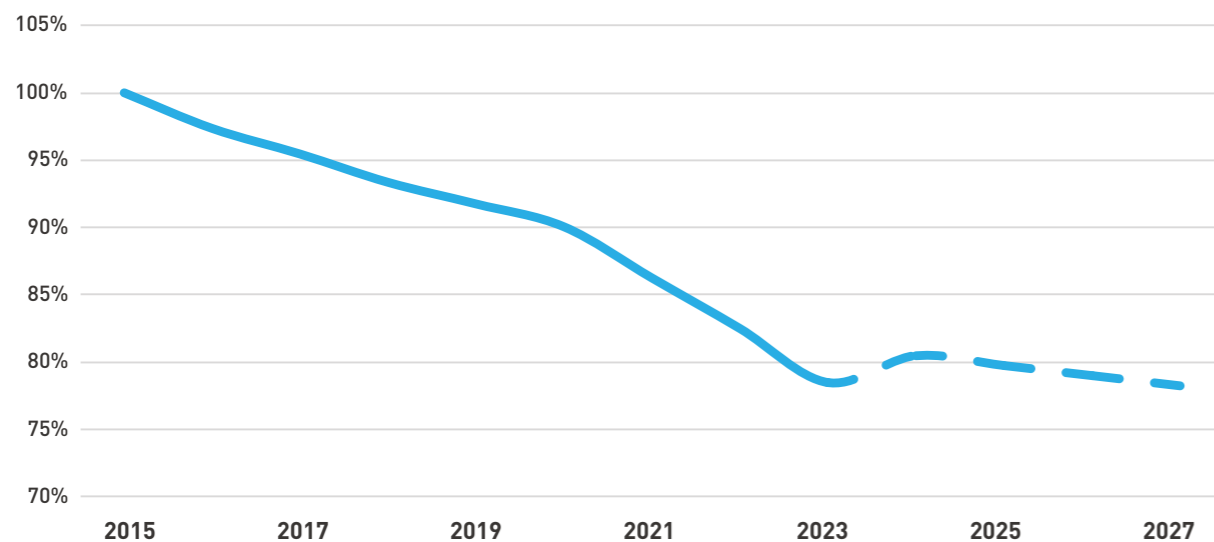
We continue to prioritise our investment in key strategic programs and will fund \$1.4 billion over the 5 years in delivering our transformation ambition. The 5-year operating projections and performance measures are shown in **Table 2**.

Our Pricing

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

We last increased our prices on 1 July 2015 and have therefore delivered a 17% price reduction in real terms as at 2021-22. The plan assumes price increases in line with inflation from 2023-24 onwards, as we see successful industry recovery and align our cost base and services to match the new industry demand. We will deliver a further 4% real price reduction to customers through to 2026-27 for our current services, reflecting a realignment of our underlying cost base to match a 15% reduction in traffic assumptions compared to our pre COVID-19 plan.

Real Airways Price Change 2015 - 2027



Our Financial Operating Performance

With industry still recovering, we will continue to transform our services and cost structures to ensure we foster and enable the growth of the aviation industry. This means lower levels of financial performance over the next 5 years.

The ongoing delivery of cost savings and key transformations in the way we deliver our services leveraging increased automation and digitalisation, will improve the efficiency of our cost base and our long-term financial sustainability. However inflationary pressures are projected to impact wages and supply chains over the planning horizon and adversely impact previously planned profits.

The continued financial support from the Government has been vital in easing funding shortfalls through the recovery and helping strengthen our balance sheet. This has allowed us to continue to deliver safe, regular and efficient services, and allowed us to continue to invest in our transformation.

The plan proposes to start paying dividends from 2026-27 as we start making reasonable returns.

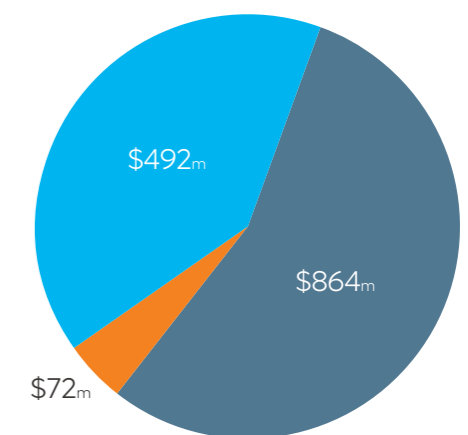
TABLE 2: Operating Projections and Performance Measures

(\$ million)	FY2022 FORECAST	FY2023 PLAN	FY2024 PLAN	FY2025 PLAN	FY2026 PLAN	FY2027 PLAN
Revenues	540.1	924.7	1,075.8	1,140.1	1,200.2	1,298.2
Staff Costs	726.0	690.6	663.0	642.7	671.7	699.3
Supplier Costs	225.6	290.1	322.4	336.7	327.2	315.5
Depreciation	122.8	125.1	130.7	141.6	146.0	164.2
Total Expenses Before Interest & Tax	1,074.4	1,105.8	1,116.0	1,120.9	1,144.9	1,179.0
Earnings Before Interest & Tax (EBIT)	(534.3)	(181.1)	(40.2)	19.2	55.3	119.2
Net Profit After Tax (NPAT)	(376.5)	(147.9)	(53.1)	(19.8)	0.3	40.5
	FY2022 FORECAST	FY2023 PLAN	FY2024 PLAN	FY2025 PLAN	FY2026 PLAN	FY2027 PLAN
Gearing	64%	51%	58%	60%	62%	61%
Return on Assets	(26%)	(9%)	(2%)	1%	2%	5%
Return on Equity After Tax	(56%)	(22%)	(7%)	(3%)	0%	5%
Dividends (\$ million)	0.0	0.0	0.0	0.0	0.0	12.2

Our Investment

To deliver our strategy and improve customer services into the future, this plan funds the delivery of \$1.4 billion in investment over the next 5 years. This is driven by our continuing investment in OneSKY, the delivery of new aerodrome services at Western Sydney, Perth and Melbourne, and enabling work to modernise our network communications infrastructure and support new technologies and the ongoing transformation of our business for our customers.

- Aerospace
- Enabling Services
- Aviation Rescue Fire Fighting Services



5



Risk Oversight & Management

We are committed to promoting and enhancing a culture of proactive risk management, supported by robust and transparent governance and oversight.

Risk Oversight & Management

Our Positive Risk Culture

Our Risk Appetite Statement supports effective risk management and decision-making processes through clear articulation of the level of risk that we are willing to accept as an organisation. This supports our commitment to better practice risk management, in alignment with s.16 of the *Public Governance, Performance and Accountability Act 2013* and the *Commonwealth Risk Management Policy*.

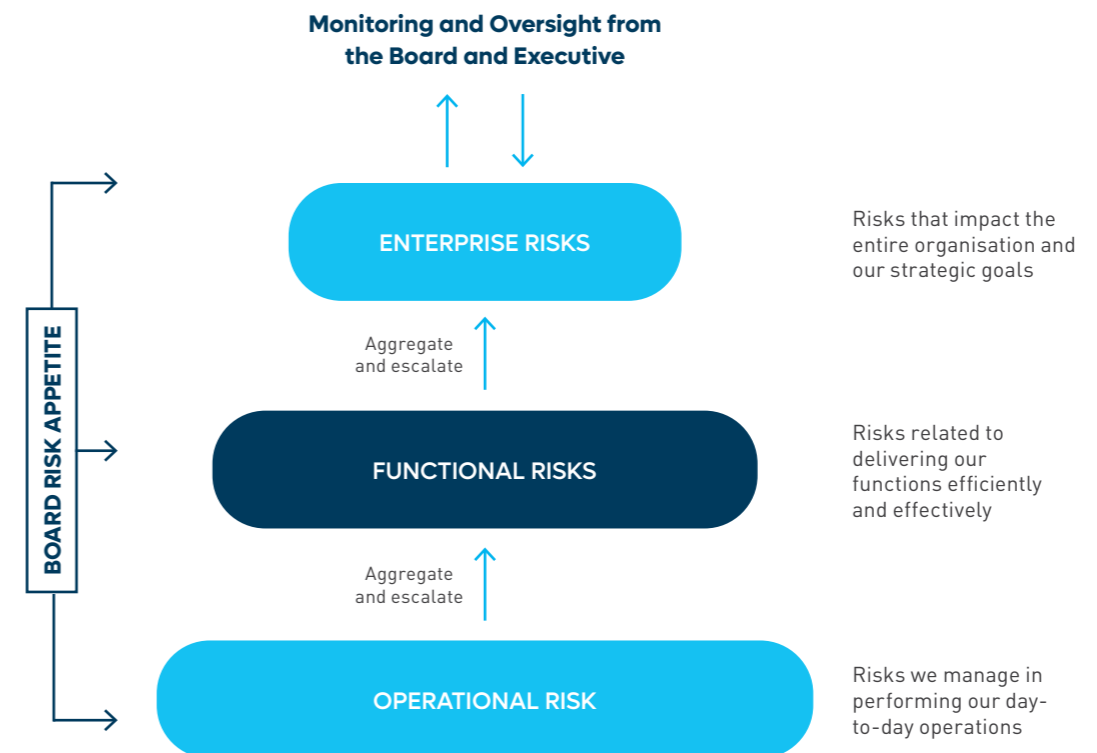
Our Approach to Risk

We take a continuous improvement approach towards risk management that aligns with better practice principles and is consistent with the International Standard ISO 31000:2018 Risk Management— Guidelines.

We embed risk management practices into our organisational frameworks through implementing our Risk Management Standard to identify and treat risks to within acceptable levels. Our day-to-day operational risks are managed in accordance with the risk management processes that are embedded into our organisational frameworks. These clearly articulate the accountability, responsibility, and delegation for managing risks within each risk domain.

We have also established appropriate and effective mechanisms to communicate, escalate and report risk information for management attention and decision-making. Our risk management approach comprises 3 layers of risk management activity as illustrated below.

The framework encompasses the risk governance structure across Airservices, the risk strategy and appetite, risk culture and behavioural expectations, and supporting framework and processes governing risk assessment, monitoring and reporting.





Our Risk Environment

We perform an integral role in the Australian aviation industry and continue to operate in an inherently volatile, uncertain, and complex environment. While exposure to risk is an inherent part of our operations, effective risk management contributes to enhanced risk-based decision-making. We also acknowledge that there are strategic risks that we need to proactively manage in order to achieve our objectives. Our risk appetite reflects that need, particularly around embracing and investing in new and innovative services and solutions to meet community and industry changes. Our external risk considerations include climate change, evolving regulations, emerging technology

trends, changes to the domestic and international economic environment, and our role in the broader aviation industry. Daily, we proactively manage a wide range of risks associated with our operational activities.

Responding to these diverse risks requires us to ensure the integrity of our safety and environment management systems and service delivery to maintain long-term sustainability. We continuously improve our operating systems, embrace innovation to unlock economic growth, and invest in new services, infrastructure and technologies to support the recovery of the aviation industry.

Risk Oversight and Assurance

The Enterprise Governance, Risk and Compliance reporting to the Executive Committee draws together the pillars of good governance, risk intelligence, and compliance management across our lines of business, performance domains and transformation investment outcomes, supported by a range of assurance activities, internal insights and external trends. In addition, deep dives into enterprise risks are also presented periodically, driving risk transparency, constructive challenging and a positive risk culture from the executive level.

Quarterly reporting to the Board Audit and Risk Committee for review and oversight assists our leaders make decisions to address major threats and to seize opportunities in a timely manner.

In addition, we apply the 3 lines of assurance model to ensure our key controls are effective in managing risk. Assurance activities are layered across the 3 lines and embedded within our organisational frameworks. These assurance activities provide confidence to the leadership team, the Board Audit and Risk Committee and our stakeholders that risks are being managed, control deficiencies are being addressed, and compliance obligations are being met.

Appendix

Appendix A

MINISTERIAL EXPECTATIONS

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

STATEMENT OF EXPECTATIONS

STATEMENT OF INTENT

Overview

This instrument is the *Statement of Expectations for Airservices Australia for the period 1 July 2021 to 30 June 2023*.

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 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 *Air Services Act 1995* (the Act) and formalises my expectations concerning the operations and performance of Airservices.

Airservices should perform its functions in accordance with the Act, the *Public Governance, Performance and Accountability Act 2013* (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.

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.

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 *Air Services Act 1995* 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.

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 and Communications (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.

I expect Airservices to perform its functions consistent with Australia’s international obligations where appropriate, including the requirements of the International Civil Aviation Organization (ICAO).

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.

STATEMENT OF EXPECTATIONS	STATEMENT OF INTENT
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:	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 program milestones.
(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 of the project, including early identification of risks to delivery, and achievement of program 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.
(d) work with the Department and CASA on modernising airspace management, consistent with the Australian Airspace Policy Statement, including:	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. 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. 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.
<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 for Western Sydney Airport. 	Airservices Aerodrome Program will deliver essential infrastructure and services to support aviation industry expansion, including airspace planning and design at Western Sydney Airport.

STATEMENT OF EXPECTATIONS	STATEMENT OF INTENT
Key Initiatives	
(e) assist in implementing the Government's environmental initiatives including:	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.
<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. 	
(f) continue to work with the Department and CASA on implementing the Government's approach to ARFFS.	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 ARFF Service Needs Alignment Program will ensure ARFFS are 'fit for the future' and positioned to leverage new technology to enhance service delivery, with a program of work focused around our people, facilities, vehicles, equipment and training.
(g) commence an independent review of Airservices' implementation and governance relating to the recommendations of the Broderick Review, by June 2022.	Airservices will commence an independent review by June 2022.
(h) ensure that necessary steps are taken in minimising the financial impacts of COVID-19 in accordance with the 'One Airservices' Business Plan.	'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.

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

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

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

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

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

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

Appendix B

MINISTERIAL DIRECTIONS

The Minister has also issued the following Ministerial Directions:

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

Appendix C

ACRONYMS

A-CDM	Airport Collaborative Decision Making
AI	Artificial Intelligence
AIS	Aeronautical Information Service
ANO	Aircraft Noise Ombudsman
ARFF	Aviation Rescue Fire Fighting
ARFFs	Aviation Rescue Fire Fighting Service
ATC	Air traffic control
ATM	Air Traffic Management
CASA	Civil Aviation Safety Authority
CEO	Chief Executive Officer
CMATS	Civil Military Air Traffic Management System
DAS	Digital Aerodrome Services
EBIT	Earnings Before Interest and Tax
ENMP	Enterprise Network Modernisation Program
ERP	Enterprise Resource Planning
FIMS	Flight Information Management System
ICAO	International Civil Aviation Organization
KPI	Key Performance Indicator
NPAT	Net Profit After Tax
NEAT	National Emerging Aviation Technologies
PBN	Performance Based Navigation
PFAS	Per- and Poly- fluoroalkyl substances
PGPA	Public Governance, Performance and Accountability
RPAS	Remotely Piloted Aircraft Systems
SOE	Statement of Expectations
TRIFR	Total Recordable Injury Frequency
UAS	Uncrewed Aircraft System
UAV	Uncrewed Aircraft Vehicle
UTM	Uncrewed Aircraft System Traffic Management
WSIA	Western Sydney International Airport

Appendix D

LIST OF REQUIREMENTS

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