

# Appendix F: Governance and accountability

## Corporate governance

The Airservices Board is responsible, under the *Air Services Act 1995 (Cth)* (the Act), for deciding the objectives, strategies and policies to be followed by Airservices, and ensuring that we perform our functions in a proper, efficient and effective manner. The functions of the Board are set out in Section 21 of the Act.

Further information about our corporate governance is available on our website at [www.airservicesaustralia.com/about/our-governance](http://www.airservicesaustralia.com/about/our-governance).

## Risk management

### Our approach to risk management

We support a culture of proactive risk management by ensuring Governance, Risk and Compliance (GRC) practices are embedded in our business. Our risk management practices meet the requirements of Section 16 of the *Public Governance, Performance and Accountability Act 2013* and are aligned to *ISO31000:2018 Risk Management* and the *Commonwealth Risk Management Policy*. We also apply the *Airspace and Air Traffic Management Risk Management Policy Statement* that outlines the Australian Government's aviation agencies commitment to adopting a common approach to risk management in relation to the assessment of airspace and air traffic management.

The Board's Risk Appetite Statement drives effective risk management and decision making processes through better understanding of the level of risk that we are willing to accept. It 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.

Risk management is integral to the achievement of our organisational objectives, and all employees are responsible for identifying, assessing and reporting risks, as well as complying with our regulatory obligations, policies and procedures as appropriate in the context of their roles.

### Compliance risk management

Regulatory compliance obligation registers, supported by legislation monitoring processes, have been embedded into the business to manage ongoing compliance risks. Non-compliance management reporting processes have been implemented to assure transparency and drive proactive remediation of compliance issues. The three lines of defence model continues to be embedded through assurance mapping and execution of assurance activities across the organisation.

### Maturing risk management

During 2018-19, we implemented a revised enterprise risk classification matrix, which better supports application of our Risk Appetite Statement and is aligned to our business strategy. Particular focus was placed on the development of improved consequence criteria to focus on service provision to our customers, from both safety and efficiency perspectives. Implementation of the revised risk matrix was supported by a comprehensive transition plan.

## Internal audit

Internal audit has a unique role in the organisation and is a key part of our governance framework. It supports our commitment to be a learning organisation, to add value and improve our operations.

It helps us accomplish our objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process.

During 2018–19, our internal audit team conducted 21 business audits with 10 conducted by external independent contractors. We additionally conducted 14 *Civil Aviation Safety Regulations 1998* (CASR) site locations audits.

No significant issues were identified, only continued ongoing improvement recommendations were made. Recommendations arising from these audits are tracked and reported to the Board Audit and Risk Committee.

## Ethical standards and fraud control

We promote and uphold the highest standards of ethical behaviour and does not tolerate fraudulent behaviour, including corruption and bribery. We maintain strong and effective fraud control arrangements that are consistent with section 10 of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Fraud Rule).

The Executive Ethics and Fraud Committee monitors, advises and provides assurance on the maintenance and implementation of our Ethics and Fraud Framework.

The Ethics and Fraud Control Plan 2018–2020, Ethics and Fraud Framework, Fraud Control Policy, 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 including ‘disclosable conduct’ under the *Public Interest Disclosure Act 2013 (Cth)* are managed in accordance with this framework and policy. This covers investigation and any action taken, including reporting alleged wrongdoing that is potentially criminal or illegal in nature, to the appropriate law enforcement agency.

We routinely review fraud risks and monitor controls for effectiveness. All reasonable measures are undertaken to minimise and investigate incidents of fraud, with recovery of fraud losses also occurring wherever possible.

Our processes promote, assist and support individuals in reporting wrongdoing through their management channels and other confidential means including an externally serviced Ethics Hotline.

## Resilience

Organisational resilience is defined within ISO 22316:2017 (Security and Resilience – Organisational resilience – Principles and attributes) as “the ability of an organisation to absorb and adapt in a changing environment”. During 2018–19, we continued to embed the principles of ISO 22316:2017 and ISO 22301:2017 within the Resilience Program. Efforts were focused on supporting the implementation of business impact analysis tools, the conduct of an annual enterprise exercise program and an external assessment of the maturity of our approach (Level 3 – Defined, on a 5 level scale).

We also actively supported the Australian Government’s preparations for the Asia Pacific Economic Cooperation summit in Port Moresby in November 2018 with airspace management planning.

## Security

Our Board and leadership are committed to protecting our people, information and assets to deliver safe operational services to our customers. We achieve this by identifying and managing our security threats and aligning our security risk management processes to the *Protective Security Policy Framework (PSPF)* and the *Information Security Manual (ISM)*.

During 2018–19, security risk management was streamlined by integrating enterprise level cyber and protective security risks to facilitate a holistic overview of the security control environment. This facilitated improved performance reporting with the introduction of security dashboards, refined qualitative key performance and risk indicators. A range of assurance activities were conducted to support the effectiveness of security controls.

An external maturity assessment was conducted to rate our management against the 16 core principles of the PSPF which confirmed our progress to reach control effectiveness in line with the new Cyber Security Plan. Further governance improvements were made, resulting in the appointment of a Chief Security Officer to manage the oversight of all security domains of protective, aviation and cyber security.

We manage our security threats using a threat and risk-based, outcomes-focused approach. As an aviation industry participant, we maintain a Transport Security Program and associated Aviation Security Identification Card Program. The programs are approved by the Aviation & Maritime Security Division, Department of Home Affairs, as required under the *Aviation Transport Security Act 2004* and the *Aviation Transport Security Regulations 2005*. We are active participants in various government and industry security forums, including local airport security committees, personnel security forums, PSPF Communities of Practice and working groups. We actively engage with both law enforcement and intelligence agencies to ensure our threat intelligence is current and commensurate with our National Security Alert Plan.

## Privacy

We continue to promote a culture of privacy that values and protects information. Our culture of privacy is championed by the steps we take ensuring compliance with the Notifiable Data Breach Scheme (NDBS) and the Australian Government Agencies Privacy Code (the Code).

These steps include:

- appointment of a Privacy Champion, who advocates privacy as a core priority—for 2018–19 the Chief Financial Officer was appointed Privacy Champion
- trained and appointed eight Privacy Officers across our business, providing an initial point of contact for advice on privacy matters
- a Privacy Management Plan identifying specific measurable goals and targets
- Privacy Impact and Privacy Threshold Assessments, setting recommendations for assessing, managing, mitigating or eliminating potential impacts our projects may have on privacy of individuals
- a Privacy Impact Assessment on our website
- a Data Breach Response Plan to record, manage and mitigate data breaches, and preventing similar breaches in the future
- a Data Breach Response Team, who puts our Data Breach Response Plan into action
- regular communication to all employees in relation to privacy matters, and conducting an Privacy Impact Assessment during Privacy Awareness Week.

During 2018–19 we identified five suspected privacy breaches. Only one breach was assessed to meet the NDBS criteria, whereby the Office of the Australian Information Commissioner (OAIC) was informed.

In the five incidences, a Privacy Officer was notified who conducted a preliminary investigation into the suspected breach. The Privacy Breach Response Team (PBRT) is convened to consider the facts and if a privacy breach did actually occur. If the PBRT determines a breach occurred, it assesses the breach against the NDBS criteria.

During 2018–19, the OIAC did not undertake any investigations under section 40 of the *Privacy Act 1988* in relation to our activities.

Our Privacy Policy is available at [www.airservicesaustralia.com/terms-copyright-privacy](http://www.airservicesaustralia.com/terms-copyright-privacy).

## Freedom of Information (FOI)

We are required to publish information to the public as part of the *Freedom of Information Act 1982* (FOI Act) *Information Publication Scheme* (IPS). The IPS replaces the former annual report requirements in section 8 of the FOI Act.

During 2018–19, we received 65 FOI requests and completed 68 requests. Three requests were received prior to 1 July 2018.

These requests are published on our website in accordance with the IPS requirements—[www.airservicesaustralia.com/about/information-publication-scheme](http://www.airservicesaustralia.com/about/information-publication-scheme)

The only requests not published are where information:

- contain personal or business details which would be unreasonable to publish
- access was refused or exempt from release under the FOI Act
- has been published or released outside the FOI Act.

Our Office of Legal Counsel maintain the primary response to FOI requests. Processing FOI requests within timeframes is achieved through the support of FOI Action Officers across our business.

We continue to increase our employee's awareness to FOI requirements through regular communication through fact sheets and facilitating FOI and Privacy Information sessions.

During 2018–19, the OIAC did not review any requests for review under the FOI Act.

## Commonwealth Ombudsman activity

During 2018–19, we received no formal requests for information from the Office of the Commonwealth Ombudsman.

## Fair Work Commission (FWC)

The FWC reviewed and approved the following:

- *Aviation Rescue and Fire Fighting Enterprise Agreement 2018–2021*
- *Airservices Australia Enterprise Agreement 2019–2022*.

These came into effect on 7 December 2018 and 13 May 2019 respectively.

## Judicial decisions and reviews by outside bodies

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

## External audits

We were subject to two performance audits by the Auditor General during 2018–19, being:

- *OneSKY: Contractual Arrangements—Report 4 of 2019–20*
- *Implementation of ANAO and Parliamentary Committee Recommendations—Report 6 of 2019–20.*

Both reports were tabled in early 2019–20 and are available on <https://www.anao.gov.au>.

## Adverse effect of non-commercial commitments

No non-commercial commitments were recorded in 2018–19.