

2023–24

Annual Report





Airservices Australia acknowledges the Traditional Owners of Country of the lands on which we operate. We pay our respects to Aboriginal and Torres Strait Islander cultures; and to Elders past and present.

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Annual performance statement

Airservices Australia, as a corporate Commonwealth entity, presents its 2023-24 annual performance statement 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 annual performance statement accurately presents how we have performed against our strategic initiatives and key performance areas in meeting our purpose, as outlined in our 2023-24 Corporate Plan.

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Introduction and overview

Letter of transmittal



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 2023-24

On behalf of the Board of Airservices Australia, I am pleased to submit to you the Airservices Australia Annual Report for the financial year 2023-24 as required under section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

During 2023-24 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. The Board endorsed the report at our meeting on 3 October 2024.

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 2024.

The performance statement has been prepared to demonstrate our performance over the 2023-24 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 3 September 2024.

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 blue ink, appearing to read "John Weber".

John Weber
Board Chair
3 October 2024

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About us

We are Australia's air traffic management and aviation rescue fire fighting provider operating at 29 air traffic control towers and 27 fire stations across Australia with more than 600 remote and regional sites.

In our vital role we manage 11% of the world's airspace, including the upper airspace for Nauru and the Solomon Islands.

Our people go above and beyond every single day to safeguard lives and livelihoods. **We connect people with their world safely** through our first-class services – linking families and friends, generating economic activity, creating jobs, and facilitating trade and tourism.

Airservices Australia acknowledges the Traditional Owners and Custodians of Country throughout Australia and acknowledges their continuing connection to land, waters, skies and community. We pay our respects to their people, cultures and Elders past, present and emerging.

This map names the Traditional Owner groups for each Airservices site across Australia.

We are committed to reconciliation and envision a future where our organisation is enriched by collaboration, engagement and alignment with Aboriginal and Torres Strait Islander peoples and with First Nations communities across our vast national footprint.



Legend

- Air traffic towers 29 locations
- ▲ Aviation rescue fire fighting stations 27 locations
- Air traffic services centres 4 locations



Our purpose

Airservices Australia is a government-owned organisation established by the *Air Services Act 1995* (the Act). We are a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and operate in accordance with the Australian Airspace Policy Statement and the minister's Statement of Expectations.

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.

In performing our functions and in accordance with the Act, we must:

- regard the safety of air navigation as the most important consideration
- as far as practicable, protect the environment from the effects of, and the effects associated with, aircraft operations.

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

We are funded through customer charges for our services and by capital raised from debt markets. Our Board sets our prices after extensive consultation with industry and oversight by the Australian Competition and Consumer Commission (ACCC). We did not receive funding from the government during the financial year.

Our people and culture

Airservices is committed to ensuring our workplaces are diverse, inclusive and respectful. We proudly celebrate the culture and traditions of our people.

Core to this commitment is our cultural transformation: continuously improving and building a culture in which 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.

One way we understand our people and culture is through our people engagement score, which measures levels of motivation and enthusiasm towards Airservices.

Environment, social and governance

We are further embedding environmental, social and governance (ESG) principles into our ways of working to ensure we are stewards of the environment, good corporate citizens, and are led by accountable leadership with transparent and robust governance.

Our commitment, as far as practicable, is to protect the environment from the effects of, and the effects associated with, aircraft operations.

Our aspiration is to foster an Australian aviation industry which maintains its social licence to operate, and where all stakeholders benefit from the value aviation brings to our nation.

We recognise that aircraft noise can have detrimental impacts on communities. We are committed to genuine and transparent engagement with our communities and industry stakeholders to shape sustainable solutions for managing aircraft noise.

Our commitment extends to responsible management of the environmental effects of our historical operations including per- and poly-fluoroalkyl substances (PFAS) and asbestos-contaminated sites.

We have a robust corporate governance model with a focus on evolving in response to obligations and expectations from our owner, our customers and communities.

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



Our values



Safe skies
Safe people
Focused
Inclusive
Caring



Serving our
people
Serving our
customers



Purpose driven
Capable
Valued



Trusting
Respectful
Collaborative



Outcome focused
Accountable
Empowered

Our values reflect what is important to us at Airservices Australia. Embedded and shared throughout the organisation, they guide our daily interactions with our customers, communities and each other.

Board Chair and Interim CEO's report

Reflecting on the 2023–24 financial year, it is evident that this has been a period marked by complexity, challenges, and major shifts in both the global and local aviation landscape. Airservices Australia remains committed to fulfilling its critical role in ensuring the safety and efficiency of Australia's airspace, while minimising the impact of flight operations on the environment and community.

This year saw our industry confront new and ongoing pressures. Post-pandemic recovery in the aviation sector has been uneven. The effects of global economic uncertainty, fluctuating demand, and evolving community expectations have required us to respond with flexibility and resilience. Throughout these difficulties, Airservices has stayed focussed on maintaining the safety of Australian skies and the effective delivery of air traffic management services.

Safety continues to be the bedrock of everything we do at Airservices. In 2023–24, we maintained our strong safety performance, with zero significant attributable safety occurrences recorded. This achievement does not signal complacency. Safety, particularly in a rapidly evolving aviation sector, is not a static measure but an ongoing commitment.

This year air traffic movements increased by 2.5% including a 29% rise in international. This rapid growth placed pressure on our resources and capacity during periods of heightened demand, particularly during December 2023 and January 2024, requiring us to manage increased traffic under challenging circumstances. Demand is less predictable and more diffuse than before the pandemic, with 70 new domestic routes added to the network this year.

We have worked to build flexibility into our operations and enhance capacity. As a result, both cancellations and ground delays attributable to Airservices trended down through the year.

Our Aviation Rescue and Fire Fighting services maintained service availability of 99.7% across our network. This high level of performance is a testament to our team's dedication and professionalism, putting safety and reliability at the forefront of all that they do.

The sharp decline in air traffic during the pandemic resulted in significant financial challenges from which we are still recovering. In 2023–24, we recorded an underlying net loss after tax of \$162 million, representing a 21% improvement year on year. Our return on assets for the year was -8.1%, below our target of -7%, as we continued to navigate volatility in traffic volumes and increasing operational costs.

In response to these financial pressures, we have taken decisive steps to manage our costs while continuing to invest in future services. Our strategic investments, particularly in infrastructure, operational resilience, and sustainability initiatives, are key to our future performance and reliability. We are confident that, as the industry stabilises, these forward-looking investments will enable us to achieve greater financial stability while delivering enhanced value to our customers and stakeholders.

Technology and innovation will play a critical role in shaping the future of air traffic management. One of the key areas of focus this year has been the development of digital and automated services. The Western Sydney International (WSI) Airport project is central to these efforts, as we work with stakeholders towards a planned opening in late 2026. WSI will be Australia's first airport built without a traditional air traffic control tower, instead using state-of-the-art cameras to provide offsite air traffic controllers with an enhanced 360° view. We are also deploying this technology at Canberra Airport, with operations scheduled to begin in 2025.

We continue to work towards operationalising uncrewed services, a crucial step in safely integrating unmanned aerial systems such as drones and electric air taxis into Australian airspace. In preparation for this, we are developing the Flight Information Management System (FIMS), a digital platform that will be the backbone of our safe and efficient uncrewed aircraft traffic management ecosystem.

A key program shaping future operations for Australian aviation is OneSKY. In partnership with Thales Australia, the development of the Civil Military Air Traffic Management System (CMATS), will provide a shared view of Australian-administered airspace to both Defence and civilian controllers. This year we have executed the CMATS remediation plan, with significant milestones being reached. The scope is vast, covering national infrastructure upgrades, air traffic management technology, and the transition of our workforce onto new technology.

This coordinated approach to air traffic management is critical for future-proofing our systems and ensure Airservices remains at the forefront of aviation management, not just in Australia but globally.

Our commitment to achieving net-zero carbon emissions by 2050 remains central to our long-term strategy. This year we delivered targeted initiatives, particularly within our core facilities with installation of solar panels at the Brisbane Air Traffic Services Centre allowing us to partially offset our electricity consumption. In the coming years, we will continue to invest in renewable energy, optimise flight path planning for fuel efficiency, and explore other opportunities to further decrease our environmental footprint.

Airservices operates at the intersection of industry performance and community expectations, and we take seriously the need to engage with the public on the environmental and social impacts. Over the past year, aircraft noise has remained a central concern for communities living near major airports. While noise is an inherent by-product of aviation operations, it is our responsibility to minimise its impact wherever possible and engage in open dialogue with affected residents.

In 2023–24, we made important progress in this area, particularly through the development and implementation of the Noise Action Plan for Brisbane. Developed in close consultation with local stakeholders, it aims to address community concerns related to Brisbane's parallel runway operations. The plan includes initiatives to reduce the use of specific flight paths during sensitive times, and its implementation will be phased in over the coming year. We also continued to engage with communities in other regions, particularly Perth, Melbourne, Hobart and Sydney, where airspace and flight path changes are being considered.

These engagements are part of our broader efforts to ensure that community concerns are not only heard but are reflected in the decisions we make.

In 2023–24 we negotiated with our teams and their representatives to secured new enterprise agreements with our corporate, air traffic control (ATC) and aviation rescue fire fighting (ARFF) services employees that recognise their hard work while providing certainty for coming years.

We have strengthened our leadership capabilities by offering tailored programs to help our leaders navigate the complexities of modern air traffic management. We also continue to monitor and respond to the mental health needs of our workforce, recognising the importance of psychological safety alongside physical safety in creating a resilient organisation.

However, there are still areas where we must improve. Our employee engagement score, which came in at 59%, fell short of our 70% target. This result is a reminder that there is more work to be done to create a workplace where employees feel engaged and supported. We continue to invest in our people with a focus on tangible improvements in workplace culture.

As we look toward the future, it is clear that the aviation industry is in a period of significant transformation. The ongoing recovery in traffic volumes, coupled with increased demand for more sustainable operations and rising community expectations, presents both challenges and opportunities for Airservices Australia.

We extend our sincere thanks to our workforce, whose dedication and resilience have been critical in maintaining service continuity during a challenging period. We also acknowledge the support of our stakeholders, including our industry partners, regulators, and the Federal Government.



John Weber
Board Chair



Rob Sharp
Interim Chief Executive Officer



Our year in review

We continue to keep our skies safe
and to deliver efficient services.

Total movements



0

Significant attributable safety occurrences

Air traffic management (ATM) – since 2010-11
Aviation rescue fire fighting (ARFF) service – since 2015-16

3.1m

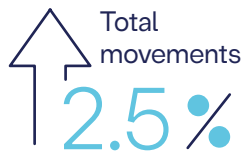
2021-22

3.8m

2022-23

3.9m

2023-24



compared to 2022-23

Top 4 airports combined increased by **8.9%** comprising:

10.8% increase in Melbourne

5.4% increase in Sydney
 (Kingsford Smith)

10.0% increase in Brisbane

12.0% increase in Perth

Change from 2022-23



Domestic aviation traffic

2% increase

From pre-pandemic (2018-19)



International aviation traffic

5% reduction

From pre-pandemic (2018-19)



General aviation

10% reduction

From pre-pandemic (2018-19)



4,403

Total ARFF service callouts



366

Aviation-related incidents responded to by ARFF service



20

Lives saved

Service performance

Traffic patterns improved across the Australian aviation network during the year, and we prioritised our focus on improving service performance while delivering our services safely and efficiently.

We recognised that our service reliability did not consistently meet the high standards expected by our customers and stakeholders, nor the standards we expect of ourselves.

Throughout the year, we worked on building our service resilience and adding flexibility to increase operational capacity. We invested in infrastructure and frontline service improvements to strengthen our service delivery capabilities, building resilience to meet the needs of our owner, customers and communities.

83% 

Planned capacity delivered as percentage of time

(Top 4 airports monthly average)

99.7% 

ARFF service availability

(% Service availability at published category [unless impacted by an unforeseeable contingency])

67 

Ground delay (hours) attributable to Airservices

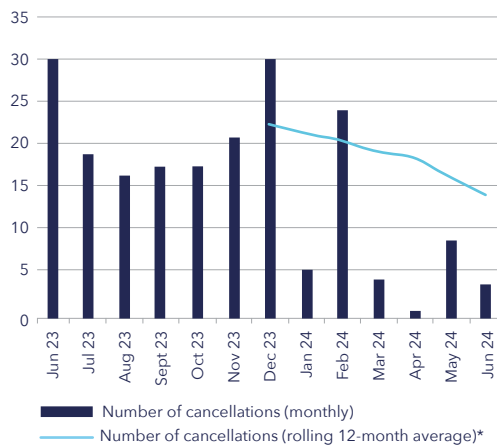
(Top 4 airports monthly average)

14 

Cancellations attributable to Airservices

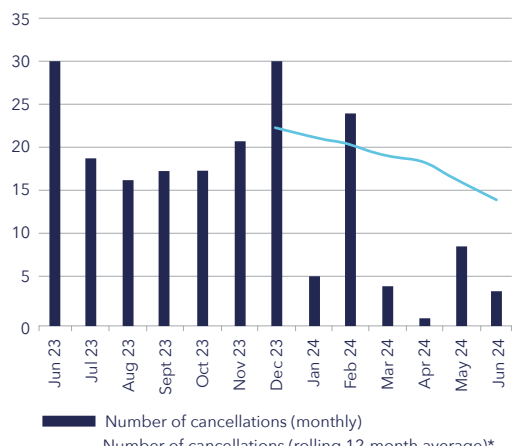
(Top 4 airports monthly average)

Improving trend in Airservices attributable cancellations



*Cancellations data available from January 2023

Improving trend in Airservices attributable cancellations



*Cancellations data available from January 2023

Financial performance

Like other organisations within the aviation sector ecosystem, our financial performance continues to remain challenging, with some volatility in traffic recovery during the year.

-8.1%
Return on assets

\$162m
Underlying net loss after tax
(21% improvement compared to 2022-23)

\$404
Cost per instrument flight rules flight hour

Fostering a high performance culture

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

53 
New endorsed air traffic controllers
(Includes both newly licensed and experienced air traffic controllers)

45 
New aviation rescue fire fighters

503 
Leaders completed the Propel Leadership Program
(99% target audience)

80% 
Cultural review initiatives are now complete or in progress



Annual performance statement

Airservices continues to support the long-term growth of the aviation industry in the national interest.



On behalf of the Airservices Board, I present Airservices' 2023–24 Annual Performance Statement, 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.

A handwritten signature in green ink that reads "John Weber". The signature is fluid and cursive, with a large loop at the end.

John Weber
Airservices Australia Board Chair

Our performance

This section provides a detailed assessment of our 2023–24 performance against our key performance indicators (KPIs) and initiatives across our performance areas.

Performance summary

During the year we achieved 17 of our 25 key performance indicators (68%), including our key operational safety and environment metrics, along with the majority of our service performance metrics.

While we did not achieve the overall level of performance we strived for during the year, our efforts to prioritise safety and service performance ensured we maintained our ‘safe always’ focus across our air traffic management and ARFF services.

We recognise we have more work to do to achieve a balanced outcome for all our stakeholders.

Factors influencing performance and key achievements include:

- We regard safety as our highest priority as required by our Act. There were no significant attributable safety occurrences recorded.
- Traffic volatility continued to shape our industry. We saw significant growth in international traffic particularly from China contrasted by operations suspending for Air Vanuatu, Bonza and Rex Airlines jet operations.
- We are engaged with our customers and the Australian Competition & Consumer Commission (ACCC) on the need for a modest price increase in the national interest.
- During the year we reset our focus to prioritise service performance, including organisational change, while negotiating 3 enterprise agreements (Corporate, ATC and ARFF services).
- Adverse weather impacted our operations. Following Tropical Cyclone Jasper in December, our Cairns ARFF operations has been negatively impacted by the effects of major flooding, operating in a limited capacity and resulting in service variations to industry.
- Throughout the year we targeted improved levels of injury reporting and access to early intervention treatment programs. This reflects a positive reporting culture and is likely to be a contributing factor to the elevated injury rates experienced.
- The increasing traffic combined with concerns about the flightpath associated with Brisbane Airport made up a significant portion of monthly complainants. We have continued to proactively engage the Brisbane community, progressing with our Noise Action Plan for Brisbane.

Summary of performance areas

Performance area	Key performance indicators	2023-24 Target ¹	2023-24 Actual	Assessment
Significant attributable safety occurrences	Significant attributable safety occurrences	0	0	Met
Planned aerodrome capacity	Planned capacity delivered as percentage of time²	>82%	83%	Met
	Sydney	>78%	81%	Met
	Melbourne	>79%	79%	Met
	Perth	>82%	83%	Met
	Brisbane	>93%	89%	Not met
	Airservices attributable cancellations - Top 4 airports²	<24	14	Met
	Sydney	<17	9	Met
	Melbourne	0	0	Met
	Perth	<1	1	Met
	Brisbane	<6	4	Met
	Airservices attributable ground delay (hours) - Top 4 airports²	<109	67	Met
	Sydney	<70	36	Met
	Melbourne	0	1	Not met
	Perth	<1	7	Not met
Brisbane	<38	23	Met	
Reduction in Cost to Serve	Real price growth (5-year trend)	< 0%	< 0%	Met
	Return on assets	> -7.0%	-8.1%	Not met
People engagement	People engagement	70	59	Not met
Fostering the drive towards zero harm	Total recordable injury frequency rate (TRIFR)	<10	10.4	Not met
	Lost time injury frequency rate (LTIFR)	<4	5.0	Not met
Net zero emissions by 2050	Net carbon emissions	<221,746tCO ₂ e	150,596tCO ₂ e ³	Met
	Significant environmental events	0	0	Met
Community acceptance of the value of aviation	Total annual change in movements vs complainants	To reduce number of complainants relative to movements	2.7% increase in movements, 4.1% increase in complainants	Not met
	Aircraft Noise Ombudsman complaints investigations initiated	To reduce number of complaints investigated	22% decrease in ANO complaints	Met

1 Source: Airservices 2023-24 Corporate Plan, page 21

2 Monthly average result

3 The 2022-23 result is the latest available at the time of publication. These emissions do not include those of the aviation industry resulting from adjustments and efficiencies in flightpath design, or operational changes of Airservices. The result for the 2023-24 period will be available in late 2024.

Our strategy

Strategic themes



Outstanding people and culture



Safest and efficient airspace



Safest and effective aviation first response



Foster and promote sustainable growth



Digitalised service provision



Areas

Performance

1

Significant attributable safety occurrences

2

Planned aerodrome capacity

3

Enabling 30% increase in Australian air traffic movements

4

People engagement

5

Fostering the drive towards zero harm

6

Reduction in cost to serve

7

Community acceptance of the value of aviation

8

Net zero emissions by 2050



Change portfolio plan

Change programs



OneSKY and aerospace



Western Sydney International Airport



ARFF capability uplift



People and culture



Facilities and environment



Support services



Operational technology and cyber



Enterprise network modernisation



Community engagement



Uncrewed services





Performance areas and KPIs

Our strategic performance is focused on medium-term enterprise-wide key performance indicators (KPIs). While immediate service performance and safety remain our priorities, these indicators will monitor how we have progressed across the reporting period, and how we are achieving our performance areas to ensure we continue to be recognised as an industry leader and valued service provider.

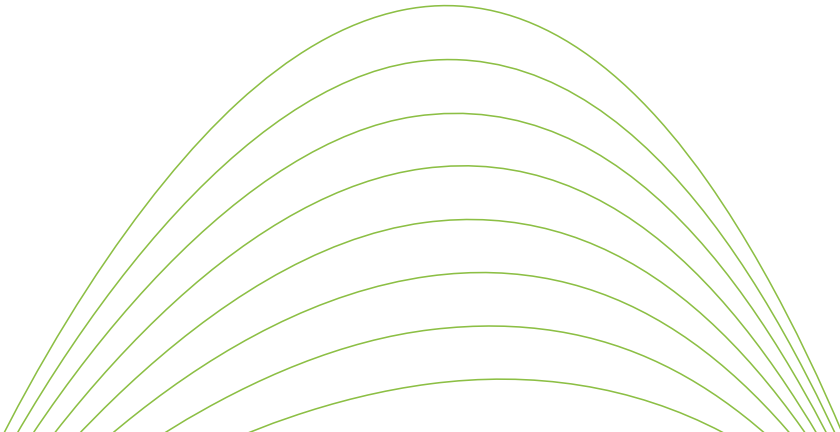
Performance area: Significant attributable safety occurrences

Key performance indicator		2021-22 Result	2022-23 Result	2023-24 Target ¹	2023-24 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 incident did not meet the regulated response time.	0	0	0	0

¹ Source: Airservices 2023-24 Corporate Plan, page 21.

Analysis

We operate with a 'safe always' focus with no significant attributable safety occurrences recorded for our aerospace and aviation rescue fire fighting services during the year. We have a mature safety management system and culture, and regard safety as our highest priority as required by our Act.





Case study

Safety campaign at Metro D

Airservices is committed to delivering our services safely. We work in collaboration with industry partners to develop and deliver safety awareness and promotional materials, along with engagement activities, to support our air traffic risk-management efforts.

Throughout the year, we focused on reducing operational deviations among Metropolitan Class D (Metro D) based pilot communities. We used a variety of channels to achieve this, including face-to-face workshops, web content and short-form animations. Our local tower and approach controllers played an essential role by ensuring that the content was relevant to the local areas. They collaborated closely with local operators to maintain discussions about operational procedures and clarify best practices.

Key messaging in our materials emphasised the importance of familiarisation with the current aeronautical information products (AIP), effective communication with air traffic control (ATC), and the supportive role that ATC plays in ensuring safety. The response to our online engagement initiatives has consistently been positive. Recipients found the messaging both worthwhile and relevant, which has

supported our direct discussions with operators. Collaborating with local operators and controllers has been instrumental in growing the level of engagement and ensuring that our safety messaging is both effective and memorable.

In maintaining safety performance, our ATM critical controls continue to effectively manage any risk-bearing events and prevent the margins of safety from being compromised. Where the margins of safety have been compromised (a rare event), the effectiveness of our critical controls is mostly impacted because of the limited time controllers have to intervene, largely due to sudden pilot deviations. Continued monitoring, development and delivery of safety awareness and promotional materials through industry engagement activities is critical to supporting our air traffic risk-management efforts.

Performance area: Planned aerodrome capacity

Key performance indicator	Location	2021-22 Result	2022-23 Result	2023-24 Target ¹	2023-24 Result ²
Planned capacity delivered as a percentage of time(%)*	Top 4 Airports		82%	>82%	83%
Achieved capacity (throughput) on day of operations in comparison to what was planned the previous day, measured for our top 4 airports (Sydney Kingsford-Smith, Melbourne, Brisbane and Perth).	Sydney	Measure transitioned from on-time performance	n/a	>78%	81%
	Melbourne		n/a	>79%	79%
	Perth		n/a	>82%	83%
	Brisbane		n/a	>93%	89%
Cancellations attributable to Airservices	Top 4 Airports		n/a	<24	14
Cancellations of arrivals into Sydney, Melbourne, Brisbane and Perth attributable to Airservices service variations. Arrival cancellations are attributed to Airservices when the cancelled flight was planned to arrive during a period where, as a result of Airservices service variations, capacity was reduced resulting in unmet demand.	Sydney	n/a	n/a	<17	9
	Melbourne		n/a	0	0
	Perth		n/a	<1	1
	Brisbane		n/a	<6	4
Ground delay (hours) attributable to Airservices	Top 4 Airports		n/a	<109	67
Total ground delay (hours) incurred by flights into Sydney, Melbourne, Brisbane and Perth caused by Airservices. The attributable ground delay is determined by assessing the reduction in capacity as a result of Airservices service variations. Ground delay (hours) non-attributable to Airservices includes impacts of weather and airport restrictions (such as runway/taxiway works).	Sydney	n/a	n/a	<70	36
	Melbourne		n/a	0	1
	Perth		n/a	<1	7
	Brisbane		n/a	<38	23

* This metric better represents Airservices contribution to industry capacity and replaces on-time performance.

¹ Source: Airservices 2023-24 Corporate Plan, page 21.

² Monthly average result.

Analysis

Aviation traffic patterns have broadly grown across the Australian network during the financial year despite volatility on some routes. We continued to work closely with our industry partners and customers to improve service delivery and increase resilience, while improving service performance outcomes.

Although we delivered on our overall planned capacity, cancellations and ground delay commitments for the financial year, our services' reliability did not consistently meet the high standards expected by our customers and stakeholders, nor the standards we expect of ourselves. At times, particularly during December 2023 and January 2024, the network was affected by our operational challenges.

In addition to our overall KPIs (Top 4 Airports in aggregate) for planned capacity, cancellations and ground delay, our location specific KPIs enable us to gather a more detailed representation of our performance and help to measure our reliability

and consistency across the 4 busiest airports in Australia. Despite performing well at most locations, we saw challenges in Brisbane with the end of year result being 4% below target for planned capacity. We also exceeded the ground delay target at Perth by 6 hours. Although Melbourne also exceeded its ground delay KPI target, service impacts were low with ground delay (hours) averaging 1 hour per month. Analysis to determine the cause across these locations, is mainly down to staffing challenges.

The second half of the financial year saw significant improvements in our service performance. This was driven by our focus on additional layers of service resilience, flexibility and increasing the number of operational air traffic controllers, which have stabilised our operational capacity and established a trend of improving performance as we look to improve trust in our services.

Key initiatives

OneSKY and aerospace

OneSKY delivers 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. We will be replacing the current independent civil and military air traffic management systems with a single advanced system through the Civil Military Air Traffic Management System (CMATS), that will improve aviation safety and efficiency through a standardised, modernised national airspace, and transition our aerodromes to a digital platform.

Achievements

We have made considerable progress in this reporting period with the ongoing development of CMATS including implementing a revised streamlined CMATS Delivery Strategy in December 2023, which prioritises national benefits and simplifies the design, development and delivery process.

CMATS capabilities will be incrementally developed, rigorously verified, and seamlessly integrated into the National Airways System (NAS), marking a significant step towards our goal to manage Australian airspace safely and efficiently as a national resource for both civil and military operations.

The testing campaign for incremental software builds have commenced and will continue until 2026, followed by operationalisation from 2027. The new CMATS facilities at all Airservices sites are complete and a plan has been developed to sequentially transition Australian airspace sectors from the current air traffic management system to the new CMATS environment.

The Project of Concern (POC) process continues to provide a top-level focus and strong commitment from all parties, strengthening our approach to deliver a unified next-generation air traffic management system for Australia.

A number of POC summits have been held, bringing together all parties to successfully develop and implement remediation actions relating to the schedule, governance and performance measures.

Enterprise network modernisation

The Enterprise Network Modernisation Program (ENMP) supports the development of 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 and Western Sydney International (WSI) airport programs. The ENMP will enable a digitised service with a next-generation telecommunications and surveillance network that is highly resilient, dependable, flexible and secure.

Achievements

We made substantial progress during the year to enhance the reliability and performance of our telecommunications network by migrating 70 obsolete copper services to more advanced technology, with over 83% of services now remediated. We have successfully repointed over 105 impacted sites in response to the unexpected retirement of the satellite service supporting the backup network and have upgraded telecommunication services from the legacy 3G platform to new solutions.

We have completed 5 out of 7 capital city installations for the new network build and will be increasing network diversity by utilising services from multiple telecommunication providers. This will increase network capability by enhancing resilience, building capacity and reducing the potential risk for service interruptions.

Building on our progress in network design, we have entered the test and evaluation phase to provide assurance that the network solution is suitable for future operations. The new network design will significantly improve our telecommunications network performance and resilience, creating an operating platform for WSI airport, CMATS and other digital capabilities. Upon completion of testing, we anticipate moving into implementation over the course of 2024-25.

Key initiatives

Operational technology and cyber

Improve our capabilities in timely decision-making, effective delivery of our services and gaining efficiencies in managing our aviation network, while maintaining a sufficient level of cyber-resilience to meet our needs in a changing environment.

Airport collaborative decision-making (A-CDM) is designed to facilitate enhanced collaboration of teams across the network by ensuring all airport partners have access to the same data to help their operations run at full capacity. A-CDM provides common situational awareness and supports the flow of traffic to effectively minimise delays, enable fuel savings and improve overall passenger experience. A-CDM will optimise airport operations through enhanced collaboration with customers by sharing real-time data and insights.

Achievements

We have secured formal agreements from our industry partners and devised a 2-stage deployment strategy to implement A-CDM into Brisbane, Perth, Sydney and Melbourne airports.

In September 2023, we reached our first significant milestone by making the A-CDM platform available to our industry partners to enable enhanced situational awareness. We will continue to support our partners as they build their interfaces to transfer data directly into the platform ahead of the operational deployment for the first airport in the second half of 2024-25.

We continued to collaborate with our broader stakeholder group through awareness campaigns and by establishing local airport working groups. Once A-CDM has been delivered, this proven technology will support the optimised use of airport capacity and improved predictability of operations at our 4 busiest airports.

Aviation rescue fire fighting (ARFF) service capability uplift

Fleet replacement: Transform our ways of working by employing new and emerging technologies in the aviation rescue fire fighting environment. This will improve safety for our people, be financially and environmentally sustainable, and be scalable to cater for customer and industry requirements.

The fleet replacement program will transform our vehicle capabilities and drive efficiencies in both operations and safety of our people to ensure sustainability, resilience and long-term growth of ARFF services, with a strong focus on matching services to customer needs.

Achievements

We continued to progress replacement of our national fleet of ultra-large fire fighting vehicles (ULFVs) during the year. We commenced market evaluations for the first order of new ULFVs and have formally approached the market for proposed offerings. The composition of the future fleet is designed to meet both current and future needs of our people, industry, customers and the travelling public. We aim to incorporate the latest aviation fire fighting technology to ensure our ARFF service has vehicles that support our innovation, sustainability and service delivery targets.

Case study

ATC recruitment

During 2023–24, we introduced 53 new, endorsed air traffic controllers into our operations and we are continuing to recruit and train new controllers with an additional 37 anticipated to be endorsed by the end of December 2024.

These positive recruitment achievements are part of a holistic program of work to further improve our service performance, supported by enhancements to our training, rostering and accreditation processes.

We have commenced an international experienced controller recruitment campaign and it is anticipated that we will recruit and train international experienced controllers to supplement our recruitment and training pipeline of ab initio trainees.

We are also seeking to introduce functional endorsements to enhance resilience by increasing the number of air traffic controllers who can control airspace in periods of low volume and complexity, particularly overnight.



Performance area: Enabling 30% increase in air traffic movements

Analysis

The Australian aviation network recorded 3.7 million aircraft movements¹ in 2023–24, consistent with pre-pandemic levels, and with 70 new domestic routes delivering more direct connectivity to the travelling public. Over the medium to long-term, we expect growth in both domestic and international traffic to return to more stable and sustainable traffic patterns. New growth opportunities are likely to be driven by new technologies and aircraft types entering the market.

To support sustainable industry expansion we will invest in capabilities and infrastructure to provide new services and establish essential services to match our customer needs while balancing outcomes for all our stakeholders. Planning for the proposed Perth runway expansion is underway. We will be delivering enhancements to build safer aircraft operations in and around Ballina. We are also exploring opportunities in the Pilbara region to enhance our capabilities and operations to improve safety in Western Australia.

Key initiatives

Western Sydney International Airport

We are establishing essential service delivery and supporting infrastructure for Western Sydney International (WSI) airport. This will help position WSI airport as a digitally enabled international gateway and increase the aviation capacity of the Sydney basin.

WSI airport will be the first publicly funded Australian airport to be built without a traditional air traffic control tower. We will leverage state-of-the-art cameras positioned at the airfield to provide air traffic controllers with an enhanced 360° view displayed on a panorama of screens, supported by real-time operational data to manage arrivals and departures from a remote location.

We will deliver a balanced outcome for all stakeholders while supporting industry expansion and infrastructure development at WSI airport, including the establishment of a 24-hour digital aerodrome service (DAS) and ARFF services.

Achievements

The Australian Government is investing \$5.3 billion to provide a new international airport in Western Sydney. We are supporting WSI airport in their aim to be a world-class smart airport, built to service 10 million passengers per year from opening day in late 2026. This brand new, state-of-the-art airport will offer domestic, international and freight services, providing a significant economic boost to the region and increasing the aviation capacity of the Sydney basin.

We are collaborating closely with our stakeholders to ensure we remain on schedule to provide aerodrome and ARFF services at WSI airport in time for its opening. This includes close engagement with the Civil Aviation Safety Authority (CASA), Western Sydney Airport (WSA Co) and the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department).

Our digital aerodrome services have undergone a system requirements and design review (SRDR) to ensure the technology is fit for purpose before it is built. We have also secured data centre sites and selected partners for the digital infrastructure and operational technology at both DAS locations at WSI airport and Canberra airport, which will be the first location in Australia to be serviced by DAS.

We completed the preliminary design review for the surface movement surveillance system in March 2024 and are working closely with our supplier to introduce the instrument landing system at WSI airport.

The construction on the Green Star-designed ARFF facility at WSI airport will commence in the first half of 2024–25. Our partner has also commenced production of hybrid fire fighting vehicles selected for their advanced safety and reduced environmental impact features for our ARFF services at WSI airport.

During the year we supported the Department-led community consultation sessions for the draft environmental impact statement (EIS) for the preliminary flightpath and airspace changes released in October 2023. In addition, following the release of the EIS, we supported the Department by reviewing the significant volume of submissions received during the process, with summary feedback published in May 2024. Following the approval of the EIS, Airservices will lead detailed design and implementation of the WSI airport flightpath and airspace, which will include further community engagement guided by our Community Engagement Standard.

¹ An aircraft movement describes an aircraft departing or landing at an airport under Australian jurisdiction. Domestic flights are therefore counted as 2 movements while international flights are counted as one movement due to only departing or arriving at an Australian airport.

Uncrewed services

Preparing our skies for the safe integration of uncrewed services. We are investing to deliver first-of-its-kind, digital and automated capabilities and services that will foster growth of uncrewed aircraft in shared airspace. Collectively, these capabilities will shape the future of our entire air traffic management system, ensuring we are prepared to manage the increasing growth and complexity of new airspace users.

We will operationalise uncrewed services in Australian airspace through the design and deployment of a flight information management system (FIMS) with digital and automated capabilities. This will be the backbone of Australia's uncrewed aircraft system (UAS) traffic management (UTM) ecosystem, delivering valuable data to match the needs of UAS operators, enhancing existing surveillance capabilities for detecting UAS around airports, and helping to safely manage airspace.

Achievements

In December 2023, we engaged our strategic partner for the delivery of foundational FIMS capabilities and are on track for delivery of these initial capabilities in late 2025.

In February 2024, we released our market analysis report 'Sizing the future drone and advanced air mobility market in Australia', containing projections for the growth of commercial drones and advanced air mobility in Australian skies over the next 2 decades. This has been a great source of information for industry, Government and Airservices to better understand expected growth.

We completed our concept of operations for an enhanced airspace surveillance service in partnership with external stakeholders including Defence, the Civil Aviation Safety Authority (CASA), the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department) and the Australian Federal Police to monitor UAS operations in the vicinity of our 29 controlled airports.

We continued to focus on engaging industry stakeholders through the Uncrewed Services Advisory Network (USAN), which provides a key platform for direct industry engagement to ensure our uncrewed services align with industry expectations.

We established the Automated Airspace Authorisations (AAA) working group under the USAN to help inform the further rollout of the AAA trial capability to additional airports. This initiative is helping UAS operators by providing faster access to airspace around controlled airports, reducing processing times from weeks to seconds.

By taking a leading role in this evolving industry, we are ensuring our preparedness to manage the continued growth of uncrewed aircraft traffic in Australia safely and efficiently.

Performance area: Reduction in cost to serve

Key performance indicator	2021-22 Result	2022-23 Result	2023-24 Target ¹	2023-24 Result
Real price growth (5-year trend)*				
Cumulative annual weighted average price change less consumer price index (CPI). Where price growth stays below inflation, we are providing customers with real savings.	< 0%	< 0%	< 0%	< 0%
Return on assets (RoA)[#]				
Our annual earnings as a percentage of our assets.	-26.3%	-13.2%	>7.0%	-8.1%

¹ Source: Airservices 2023-24 Corporate Plan, page 21.

+ Calculated over the preceding 5 years.

Annual forecast.

Analysis

Our financial performance remained challenging during the year, which resulted in a below target return on assets (RoA) due to our net loss after tax. This was primarily driven by continued volatility within the aviation industry and slower than expected domestic traffic recovery. In addition, we continued to invest heavily in infrastructure and frontline service improvements that will strengthen our service delivery in the medium to long-term at the cost of profitability in the interim period.

Domestic traffic remained stable in the first half of the year but fell short of anticipated levels from December 2023 due to a slower recovery in business travel, lingering at 102% of pre-pandemic levels at the end of June 2024. As airlines expand domestic routes to meet demand, leisure travel is expected to improve in the next 12 months. However, there is uncertainty around the impact on competition and demand from airline collapses such as Bonza and Rex Airlines jet operations.

International traffic has continued to grow and accounted for 51% of our revenue for the financial year. It has stabilised at 93% of pre-pandemic levels which is consistent with forecast. From December 2023 we saw an increase in traffic from China, which has historically been our biggest inbound market. We expect Australian international air traffic to recover to pre-pandemic levels by 2024-25. However, the Australian aviation network continued to face substantial volatility in both domestic and international traffic, leading to increased uncertainty, such as Air Vanuatu suspending operations.

We have not increased our charges since July 2015, including a 2% reduction in 2019, equating to a 24% price reduction in real terms for our customers to 2023-24. We are currently engaging with our customers and the Australian Competition & Consumer Commission (ACCC) for modest price changes in the national interest. This will allow us to continue to fund our ongoing transformational investment programs and invest for future growth.

Key initiative

Support services

Build new capabilities across our support services and bring new opportunities for our people as we provide a more scalable and streamlined support for our front-line services.

The back-office enabling services transformation (BEST) delivers a digitally enabled set of core business processes supported by a modern enterprise resource planning tool, improving the efficiency and efficacy of our enabling services.

Achievements

We commenced a detailed design for our enterprise resource planning (ERP) processes in February 2024. We successfully transitioned our assessments to a digital platform in June 2024 for a small group of air traffic services (ATS) students. The digital platform will improve efficiency in exam processing and results management and will be rolled out to all ATS students throughout 2024.

The BEST program continued to standardise and optimise existing processes and data structures, and digitise manual workflows – particularly in the 'Hire to Retire' space – setting the foundations for the future implementation of robust digital platforms.



Performance area: People engagement

Key performance indicator	2021-22 Result	2022-23 Result	2023-24 Target ¹	2023-24 Result
People engagement				
People engagement score reflects employee satisfaction with the statement 'I am happy working at Airservices'	68	65	70 ²	59

1 Source: Airservices 2023-24 Corporate Plan, page 21.
 2 Target for 2023-24 was 70 with long-term goal to improve engagement to be greater than 80 over time.

Analysis

Although the overall people engagement result did not meet our target, we have seen an improvement in participation rates, from 44% to more than 50% of employees. While we have more work to do to increase people engagement, the feedback received is valuable and reinforces the areas on which we need to focus. We have seen improvement in some areas, with the survey highlighting key strengths such as connection to purpose, employee wellbeing and safety.

During the financial year we continued to implement our Engagement and Participation Plan, with initiatives to support leaders to act on employee feedback, through tangible, practical leader-led initiatives. These include our Propel Leadership Program and introduction of employee focus groups which will support prioritisation and co-design of new initiatives. Leaders have been 'action planning' with their teams on how to improve the workplace experience at the local level. More than 40 leaders (40% from frontline operations) participated in formal sessions to share successes and best practice to improve employee engagement.

During 2022-23 we invited Elizabeth Broderick & Co. to facilitate a progress review of our culture journey and commitments 2 years after their initial findings. This progress report, *Charting Cultural Transformation: A Progress Review of Airservices Cultural Reform Journey*, was published in September 2023. While the progress review noted our commitment to progress and transparency, the key findings demonstrated that further work was required to create a more inclusive, respectful and safe work environment. As with the initial Broderick review, we have published the progress report in full and committed to implementing all recommendations.

Key initiative

People and culture

People are our greatest asset and the key to our future success. We will enhance our offering as an employer of choice in a fast-paced digital world by revolutionising the employee lifecycle and attracting, retaining, and developing outstanding talent with digital capabilities. We will make sure our people are equipped to achieve our transformation goals and will strive to create an environment where people are proud to work – a place where everybody can reach their potential.

Leadership and culture: We aim to be a leading place to work in Australia, through promoting a safe and inclusive place to work, cultivating courageous and authentic leadership, and strategically optimising our workforce and talent.

Achievements

We continued to focus on transforming our culture and have made progress towards completing the recommendations and initiatives outlined in our Cultural Response Plan. We completed our recruitment campaign for an independent chairperson for the Cultural Reform Board (CRB), which attracted many high calibre candidates. Our newly appointed CRB Chair was announced publicly in August 2024 and will play a key role in the development and governance of future culture-change work.

We commenced an external and independent review of Safe Place, appointing an expert external advisor and establishing a steering committee, guiding the review. Work is expected to conclude during the September 2024 quarter with recommendations to be considered by the Executive in October 2024. There will be extensive engagement across the organisation to increase transparency and build trust with our people.

We continued to invest in strengthening existing leadership capability, in addition to increasing the number of potential future leaders. Courses delivered included a new Aspiring Leaders program, psychological safety workshops and expansion of the Propel leadership program, which has been completed by 503 leaders across the organisation. These efforts will provide our leaders with the critical skills they need to lead through the complexity of change. We also launched an external online learning platform, providing curated learning paths and access to over 20,000 courses.

The focus on enhancing the wellbeing of our people continued with the launch of the 'wellbeinghub' and 'wellness webinars' series to embed our suite of wellbeing offerings. The wellbeing initiatives offer tools and resources to support the health, wellbeing and leadership of our people.

We implemented the peer assistance network (PAN), a peer support program that improves psychological safety, emotional support, risk identification and injury prevention. There are now 88 accredited volunteers, which exceeds the 1:35 industry benchmark. The PAN is a key pillar in our efforts to improve psychological safety.



Case study

Peer Assistance Network (PAN) Priority – peer support program

Wellbeing is a vital component of employee health and critical for fostering a healthy, productive and engaged workforce.

We focus on building strong peer relationships and fostering a culture of mutual assistance and understanding among employees, to create a positive and resilient work environment that drives organisational success. We encourage open communication to reduce feelings of isolation and ensure all employees feel valued and supported.

PAN Priority is our peer support program that aims to improve psychological safety, emotional support, risk identification and injury prevention. Through a network of trained employees, the program acknowledges and uses the power of lived experience to support individual self-determination and have a positive influence on culture. Benefits of the program include reduction in absenteeism, improved retention and engagement, and support for recovery from mental injury.

We have 85 highly trained volunteers across the network, who provide support across the organisation, breaking down employment-related stigma and fostering a culture of connection and care – truly living up to our value of ‘work as one’.

Our volunteers:

- provide confidential emotional support and expression
- provide confidential low-level psychological intervention
- conduct triage and facilitate pathways to professional help
- identify colleagues who may be at risk to themselves or others
- detect early wellbeing risks
- diffuse and debrief post critical incidents or potential critical incidents
- monitor the wellbeing of peers.

What’s next?

Airservices aspires to lead the aviation industry in workplace mental wellbeing and safety initiatives. We have partnered with CASA to develop a specialised arm of the network called Supportive Occupational Airservices Rehabilitation (SOAR) to support our people to stay at work and return to work in a safe and sustainable way. The SOAR program will form part of CASA’s medical framework where those who have reduced or no operational capacity will be provided wellbeing support through our PAN Priority network.

Performance area: Fostering the drive towards zero harm

Key performance indicator	2021-22 Result	2022-23 Result	2023-24 Target ¹	2023-24 Result
Total recordable injury frequency rate (TRIFR)²				
Total recordable injury frequency rate is defined as occurrences per million hours worked, resulting in an injury that requires medical treatment from a legally qualified medical practitioner, or a person to be absent for any complete day or shift, after the day upon which the injury occurred, or both.	8.5	10.4	<10.0 ²	10.4
Lost time injury frequency rate (LTIFR)³				
Lost time injury frequency rate is the number of lost time injuries (LTIs) per million hours worked within a given reporting period and includes all work-related injuries that have resulted in one or more days/shifts' work absence.	n/a	n/a	<4.0 ³	5.0

1 Source: Airservices 2023-24 Corporate Plan, page 21.

2 Target for 2023-24 was <10.0 with long-term goal to reduce TRIFR to less than 4 over time.

3 Target for 2023-24 was <4.0 with long-term goal to reduce LTIFR to zero over time.

* Rolling 12 month result.

Analysis

Total recordable injury frequency rate (TRIFR) and lost time injury frequency rate (LTIFR) were both higher than target for 2023-24. A key contributing factor to the elevated injury rates within our workforce is the inherent physical requirements of some roles, particularly our physical field-based roles. Most injuries are associated with body stressing resulting from physical and operational training of our aviation rescue fire fighters.

Throughout the year we have focused on increasing the levels of injury reporting and on having a 'humanistic' approach to injuries. We have early intervention programs available that focus on people having rapid access to treatment while an injury is still minor. This reflects a positive reporting culture and is likely to be a contributing factor to the elevated rates we have experienced.

Our initiatives to reduce injuries and the associated risk factors that contribute to injuries have continued into 2023-24, including programs that will reduce injury through prevention and safety in design. These included identification of opportunities to reduce the impact of hazardous manual tasks such as through fleet redesign, facilities upgrades, review of personal protective clothing and equipment, and health and wellbeing programs designed to boost worker resilience and reduce the risk of musculoskeletal injuries. In addition to these changes to the physical workplace, we introduced a health and wellbeing initiative for aviation rescue fire fighters to provide increased health and strength, conditioning and fitness support, as well as a Psychosocial Risk Improvement Program to determine treatments at a system level based on data from multiple sources.

Key initiative

Aviation rescue fire fighting (ARFF) service capability uplift

Fit for growth: Refresh our ways of working to enhance the safety of our people, ensure we are financially and environmentally sustainable, yet scalable and flexible enough to cater for the evolving needs of the industry and our customers.

Achievements

The primary focus of this initiative is to develop a health and wellbeing program tailored to the needs of our fire fighters, which prioritises the safety of our people and provides holistic wellbeing offerings. We collaborated with research partners to establish a benchmark of the physical capacity requirements for our people relative to operational tasks, using research-based and scientifically validated metrics. We are assessing how this data can be used to mitigate injury risks and improve overall performance by enhancing team readiness.

Case study

Pioneers in safety and excellence



Our ARFF service has a rich history, tracing its roots back to the early days of commercial aviation. Established in response to the growing need for specialised fire fighting and rescue services at airports across Australia, ARFF has grown from a small team of dedicated emergency responders to a robust service renowned for its expertise and commitment to safety.

In 2024, ARFF celebrated its 70th anniversary, marking 7 decades of dedication to aviation safety and excellence. This significant occasion is linked to another notable accomplishment - the completion of 100 recruit courses since the official count began in 1977.

Following World War II, numerous unofficial and unorganised emergency response teams operated at various airports. However, these teams did not constitute a dedicated fire service. In 1954, Air Marshal Richard Williams, the Director-General of the Department of Civil Aviation, issued a directive stating the need for a formally organised fire service. This directive marked the official inception of ARFF in Australia.

The inaugural recruit course took place some 20 years later, and since then we have consistently trained and equipped dedicated fire fighters to respond to emergencies. Each recruit is equipped with the highest level of skills and knowledge, and over the years these courses have evolved to incorporate award-winning fire fighting technology, response techniques and safety protocols.

As ARFF looks to the future, these milestones are a testament to Airservices' continuous efforts to ensure the safety of the communities we serve. This is not just a celebration of the past but also a reaffirmation of ARFF's ongoing mission to protect and serve with distinction, and to set new standards in aviation rescue and fire fighting for the decades to come.



Performance area: Net zero emissions by 2050

Key performance indicators	2021-22 Result	2022-23 Result	2023-24 Target ¹	2023-24 Result
Net carbon emissions^{2,3}				
Net carbon emissions refers to the impact on environment as defined by Scope 1, 2 and 3 emissions. These emissions mainly derive from support to aviation industry, our operations, procurement, and infrastructure improvements (measured annually).	241,510 tCO ₂ e	221,746 tCO ₂ e	<221,746 tCO ₂ e	150,596⁴ tCO ₂ e
Significant environmental events	n/a	n/a	0	0

1 Source: Airservices 2023-24 Corporate Plan, page 21.

2 Results are reported for the prior period due to the extensive time required to perform the calculation. For example, the calculation for the 2022-23 period was completed in December 2023 and is reported as the 2023-24 result.

3 The 2018-19 result reported in 2021-22 was set as baseline being the most recent non-COVID affected year of operations.

4 The 2022-23 result is the latest result available at the time of publication. These emissions do not include those of the aviation industry resulting from adjustments and efficiencies in flightpath design, or operational changes of Airservices. The result for the 2023-24 period will be available in late 2024.

Analysis

We continued to progress our aspiration to become net zero by 2050. We commenced a comprehensive review of our sustainability strategy with a particular focus on updating our existing carbon emissions targets. This review aims to align our carbon emission targets with the Commonwealth Net Zero targets. Additionally, we continue to incorporate climate change considerations more holistically into our strategy to ensure a resilient and forward-thinking approach.

Our environmental footprint (energy, waste and emissions profiles) result was calculated at 150,596 tCO₂e. This is a 37.6% reduction from our 2019 baseline figure of 241,510 tCO₂e and is a 32% year-on-year reduction from the prior year result.

This reduction in emissions was mainly attributable to enhanced data quality and assessment. A small proportion of this reduction was also linked to the implementation of key initiatives to reduce electricity consumption at our facilities through the installation of more efficient equipment, and activation of solar electricity at our Brisbane Air Traffic Services Centre.

We demonstrate our commitment to environmental stewardship and our role in mitigating climate change by working towards a more ambitious target in the reduction of our carbon emissions.

We are also integrating climate risk assessments and adaptation measures to better prepare for and respond to the impacts of climate change.

Key initiatives

Facilities and environment

Provide a safe, inclusive, engaging and sustainable work environment. Demonstrate our commitment to our people and the environment which contributes to overall engagement, and the importance of both in delivering our valued services. We will leverage technology and data to automate processes and improve the management of our facilities.

PFAS

PFAS management including wastewater management: Address the pollution legacy of our past use of fire fighting agents that contained per- and poly- fluoroalkyl substances (PFAS).

Achievements

We continued to develop comprehensive risk-based management actions and remediation strategies to address legacy impacts from the historic use of PFAS-containing Aqueous Film Forming Foam (AFFF) at our airport leased areas. To advise on what is required, site investigations have been initiated across 20 airports nationally, with nearly all investigations now coming to conclusion. Information from these investigations is allowing us to commence consideration of remedial action. The development of site-specific PFAS Remediation Action Plans for 8 of the aforementioned 20 sites; Avalon, Brisbane, Canberra, Karratha, Mackay, Melbourne, Perth and Rockhampton, are progressing.

The Public Works Committee approved remediation works at the former fire training ground at Launceston in March 2024 and preparations are underway for on-ground works to facilitate the remediation commencing in August 2024. We have removed stockpiles of PFAS-impacted soil at the fire training grounds in Sydney, Avalon and Alice Springs. We completed wastewater trials across 3 separate sites and are progressing the installation of wastewater treatment at suitable locations during the second half of 2024.

Environmental sustainability

Reduce our total environmental footprint by minimising our resource usage, reducing emissions and adopting sustainable practices.

Achievements

We progressed our sustainability strategy to align our carbon emission targets to the Commonwealth Net Zero target. We continue to integrate climate risk assessments and adaptation measures to better prepare for and respond to the impacts of climate change, and to ensure we adopt a resilient and forward-thinking approach to all our activities. These include the implementation of additional user-preferred routes and noise monitoring data, continuous descent operations (predictable sequencing), hybrid fire trucks for WSI airport and use of solar at the new Brisbane Air Traffic Services Centre.



Case study

Enabling greener skies with more flexible flight options

In June 2023, Australian Class A airspace was declared as user-preferred route (UPR) airspace, allowing more aircraft pilots to fly their preferred path, unrestricted by published routes.

This significant change allows more flexibility for our airline customers to optimise routes for fuel efficiency and timely arrivals, while also reducing carbon emissions.

Our customers are increasingly taking advantage of this enhanced flexibility, adopting UPRs instead of the fixed published routes.

In the 2023–24 financial year, airlines had saved about 35,000 metric tonnes of carbon dioxide (CO₂) through UPRs. This is equivalent to the emissions associated with 3,200 typical flights between Sydney and Melbourne.¹

We are collaborating with air navigation service providers (ANSP) and airline operators from New Zealand, Indonesia and Singapore to trial an initiative that will allow pilots on selected international flights to choose their own routes between destinations to take advantage of prevailing winds and shorten travel times, save fuel and reduce carbon emissions.

In a significant development for cross-border collaboration, 4 ANSPs, as well as national flag carriers Qantas, Air New Zealand, Garuda Indonesia and Singapore Airlines, have partnered to trial

user-preferred routing on 38 different scheduled routes between Australian/New Zealand and Indonesian/Singaporean airspace.

As well as designating all Class A airspace as UPR airspace, we have established time-activated UPR exclusion zones in high-density areas. Further flight-path optimisation will be made available with the expansion of dynamic airborne reroute procedures (DARP) aligned to the delivery of the Civil Military Air Traffic Management System.

To simplify flight planning and reduce complexity, the future electronic Aeronautical Information Publication (eAIP) will incorporate off-air route-planning ruleset modifications. These changes benefit both major carriers and smaller operators, allowing more efficient and environmentally conscious operations.

By enabling more efficient flights through expanded UPRs, we are actively working with airlines to drive environmental sustainability and operational efficiency in the aviation ecosystem.

¹ Sydney/Melbourne flight comparison is based on a typical fuel burn of 3.5 metric tonnes in a B737.

Performance area: Community acceptance of the value of aviation

Key performance indicators	2021-22 Result	2022-23 Result	2023-24 Target ¹	2023-24 Result
Total annual change in movements vs complainants*				
Represents the year-on-year change in the number of movements managed by Airservices annually, including regular passenger transport (RPT), general aviation (GA), freight and medical flights, compared with the year-on-year change in complainant numbers recorded by the Noise Complaints & Information Services (NCIS).	n/a	n/a	To reduce number of complainants relative to movements	2.7% increase in movements 4.1% increase in complainants
Aircraft Noise Ombudsman (ANO) complaints investigations initiated²				
Represents the number of new complaint investigations initiated by the Aircraft Noise Ombudsman.	n/a	n/a	To reduce number of complaints investigated	22% decrease in ANO complaints

¹ Source: Airservices 2023-24 Corporate Plan, page 21.

* Rolling 12-month result.

Analysis

Complainant numbers have increased at a greater rate than movements during the year on a 12-month rolling basis. This increase is primarily driven by Brisbane airport operations and the ongoing work to minimise noise impacts for communities. The ongoing increase in air traffic movements combined with concerns about the flightpath associated with Brisbane’s new parallel runway make up a significant portion of monthly complainant contact.

We have continued to proactively engage the Brisbane community on change options identified during 2023, moving these forward to detailed design and potential implementation. This included flightpath changes that will support greater use of simultaneous opposite direction parallel runway operations (SODPROPS) during daytime hours, and will more fairly share overland operations between the 2 runway communities when in contingency runway modes.

We are committed to increasing the use of SODPROPS mode as a priority where weather and operating conditions allow by 30 November 2024, in accordance with our Noise Action Plan for Brisbane and the 'Air Services (Use of Simultaneous Opposite Direction Parallel Runway Operations at Brisbane Airport) Direction 2024' from the Minister.

This will result in communities close to Brisbane Airport benefiting from greater use of SODPROPS mode where final stage of departures and final stage of arrivals are over Moreton Bay.

We have seen a reduction in complaints investigations initiated by the ANO during the year and fewer actions resulting from the investigations.

Key initiatives

Community engagement

Transform our operations to be more resilient, clean and reliable to provide better outcomes for our communities through innovative designs, intelligent systems and best practice community engagement. Increase the capacity at our aerodromes to support the next 30 years of Australian economic growth, enabling an additional 73 million passenger movements per year.

We will deliver best practice community engagement in line with evolving community and societal expectations, and our community engagement standard. This includes engaging with communities on Perth and Melbourne proposed airport developments.

Achievements

During the year, we continued with initiatives to improve our community engagement practices and capabilities, applying these to the Brisbane Noise Action Plan and WSI airport environmental impact statement (EIS), which are our priorities.

In addition, we published our new Community Engagement Standard in September 2023, which outlines how Airservices will engage with the community on flightpath and airspace change proposals. The standard is the result of nationwide consultations with the community and industry. Around 560 people participated during the 8-week period, providing more than 800 individual comments which have been considered in the final standard. The new standard provides a clearly defined process for engaging with the public on flightpath and airspace changes of varying scope, scale and complexity. Importantly, it establishes a benchmark to measure our performance against.

The standard is part of the ongoing evolution of our flightpath and airspace change community engagement practices, which commenced with the release of our flightpath design principles in October 2020 and our Community Engagement Framework in August 2021. It has been shaped by recent Aircraft Noise Ombudsman (ANO) findings, learnings from our engagement activities, feedback from the communities, and an independent review to identify global best-practice standards for community engagement. The new standard applies to all future engagements in addition to our ongoing program of flightpath and airspace changes.

During the year, we improved the information we provide via our noise and flightpath reporting tools, including expanding the coverage of WebTrak and providing more weather data to support community understanding of aircraft operations. Improvements were made to the Aircraft In Your Neighbourhood website to provide more information on complaints, complainant locations and complaint themes.

Noise Action Plan for Brisbane

Identify opportunities to improve noise and operational outcomes in relation to Brisbane airport airspace changes, to inform future changes, and to contribute to the continual improvement of our flight-path and airspace change-management process.

Achievements

The Noise Action Plan for Brisbane has been a priority for us throughout 2023-2024. We have a dedicated team working on the development, assessment and engagement on options responding to the 4 packages of work and 11 recommendations. We have progressed development of Package 3 options to reduce the frequency and concentration of operations on communities. Engagement on initial concepts will commence in August 2024. Work on Package 4 also commenced, which is reviewing the wider Brisbane airspace system.

During the year, we delivered improvements without requiring flightpath changes, which are subject to longer lead times. These include:

- removing early morning non-jet operations from new runway communities.
- turning early morning non-jet aircraft after take-off to avoid legacy runway communities climbing over water instead.
- shifting over water departures to the west from the new runway to follow a pre-existing legacy runway flightpath and removing overflight of Bribie Island.
- expanded simultaneous opposite direction parallel runway operations (SODPROPS) hours on weekend mornings (6am to 8am) and Saturday evenings (8pm to 10pm).

We also delivered improved reporting on adherence to noise abatement procedures including SODPROPS use where conditions allow. More complex changes requiring new flightpath will be delivered by 30 November 2024 to enable greater use of SODPROPS where weather and operating conditions allow.



Financial statements

for the year ended 30 June 2024

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

In my opinion, the financial statements of Airservices Australia (the Entity) for the year ended 30 June 2024:

- (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 2024 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 as at 30 June 2024 and for the year then ended:

- Statement by the Chairman, Interim Chief Executive Officer and Chief Financial and Performance 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 material accounting policy information 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 their 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 Board of Directors is 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 Accountable Authority is also responsible for such internal control as the Accountable Authority determines 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 Accountable Authority is 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 Accountable Authority is 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.

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



Jeffrey Hobson

Executive Director

Delegate of the Auditor-General

Canberra

4 October 2024

Statement by Board Chair, Interim Chief Executive Officer and Chief Financial and Performance Officer

In our opinion, the attached financial statements for the year ended 30 June 2024 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
Board Chair



Rob Sharp
Interim Chief
Executive Officer



Paul Logan
Chief Financial and
Performance Officer

Canberra, 3 October 2024



Statement of Comprehensive Income

for the year ended 30 June 2024

	Notes	2024 \$'000	2023* \$'000
Continuing operations			
Income			
Airways revenues	1.1	1,006,915	862,629
Finance income	1.1	15,112	25,328
Reversal of previous asset write-down	1.1	-	2,570
Other business revenue		29,879	28,203
Other income		1,929	138
Total income		1,053,835	918,868
Expenses			
Employee benefits*	1.2	733,400	646,326
Suppliers*	1.2	361,601	392,557
Depreciation and amortisation	2.3	120,628	127,296
Finance costs	1.2	51,337	41,233
Impairment loss on financial instruments	1.2	4,007	4,047
Write-down and impairment of other assets	1.2	14,689	-
Net loss on disposal of non-current assets	1.2	327	498
Total expenses		1,285,989	1,211,957
(Loss) before income tax		(232,154)	(293,089)
Income tax benefit	1.3	70,115	87,324
(Loss) after income tax		(162,039)	(205,765)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in asset revaluation reserve - net of tax		9,451	10,165
Actuarial gain/(loss) on defined benefit fund - net of tax	4.2	27,534	(49,173)
Items that may be reclassified subsequently to profit or loss			
(Loss)/gain on foreign exchange hedges - net of tax		(245)	2,344
Total other comprehensive income net of tax		36,740	(36,664)
Total comprehensive (loss)		(125,299)	(242,429)

* To ensure consistency, the 2022-23 comparative for employee and suppliers expense has changed from that published in the 2022-23 Annual Report. Refer to Note 1.2 for further detail.

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

Statement of Financial Position

for the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	3.1	323,223	516,610
Trade and other receivables	2.1	112,990	155,224
Prepayments		18,034	14,572
Inventories		2,986	2,639
Assets classified as held for sale	2.2	-	5
Other current financial assets	2.6	1,128	1,514
Total current assets		458,361	690,564
Non-current assets			
Prepayments		26,919	33,212
Property, plant and equipment	2.3	840,294	775,606
Intangible assets	2.3	42,124	52,093
Assets under construction	2.3	1,150,704	968,157
Deferred tax assets	1.3	286,050	231,675
Defined benefit fund asset	4.2	146,789	114,782
Other non-current financial assets	2.6	10,309	13,431
Total non-current assets		2,503,189	2,188,956
Total assets		2,961,550	2,879,520
Current liabilities			
Trade and other payables	2.5	147,833	180,953
Employee provisions	4.1	217,337	192,256
Other provisions	2.5	80,518	91,474
Borrowings	3.3	82,846	284,3v88
Other current financial liabilities	2.6	540	192
Other current liabilities	2.7	29,038	13,167
Total current liabilities		558,112	762,430
Non-current liabilities			
Employee provisions	4.1	30,753	32,701
Other provisions	2.5	67,691	82,931
Borrowings	3.3	1,496,912	1,072,005
Other non-current financial liabilities	2.6	19,419	20,739
Other non-current liabilities	2.7	121,989	116,747
Total non-current liabilities		1,736,764	1,325,123
Total liabilities		2,294,876	2,087,553
Net assets		666,674	791,967
Equity			
Retained earnings		53,014	187,441
Reserves		148,971	139,837
Contributed equity		464,689	464,689
Total equity		666,674	791,967

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2024

	Retained earnings		Asset revaluation reserve	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Opening balance				
Balance carried forward from previous period	187,441	442,276	138,471	128,406
Adjustment for changes in accounting policies	-	(1)	-	-
Adjusted opening balance	187,441	442,275	138,471	128,406
Comprehensive income				
Defined benefits actuarial gain/(loss) - gross	39,334	(70,247)	-	-
Defined benefits actuarial gain/(loss) - income tax effect	(11,800)	21,074	-	-
Net revaluation - gross	-	-	13,502	14,522
Net revaluation - income tax effect	-	-	(4,051)	(4,357)
(Loss) for the period	(162,039)	(205,765)	-	-
Total comprehensive income	(134,505)	(254,938)	9,451	10,165
Transactions with owners				
Capital distribution	-	-	-	-
Equity injection	-	-	-	-
Total transactions with owners	-	-	-	-
Transfers between equity components				
Revaluation reserve - disposals	102	144	(103)	(143)
Revaluation reserve - disposals (income tax effect)	(24)	(40)	31	43
Closing balance	53,014	187,441	147,850	138,471

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	
2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
1,366	(978)	139,837	127,428	464,689	22,190	791,967	591,894
-	-	-	-	-	(1)	-	(2)
1,366	(978)	139,837	127,428	464,689	22,189	791,967	591,892
-	-	-	-	-	-	39,334	(70,247)
-	-	-	-	-	-	(11,800)	21,074
(350)	3,349	13,152	17,871	-	-	13,152	17,871
105	(1,005)	(3,946)	(5,362)	-	-	(3,946)	(5,362)
-	-	-	-	-	-	(162,039)	(205,765)
(245)	2,344	9,206	12,509	-	-	(125,299)	(242,429)
-	-	-	-	-	(52,500)	-	(52,500)
-	-	-	-	-	495,000	-	495,000
-	-	-	-	-	442,500	-	442,500
-	-	(103)	(143)	-	-	(1)	1
-	-	31	43	-	-	7	3
1,121	1,366	148,971	139,837	464,689	464,689	666,674	791,967

Cash Flow Statement

for the year ended 30 June 2024

	Notes	2024 \$'000	2023* \$'000
Cash flows from operating activities			
Cash received			
Receipts from customers (inclusive of GST)		1,164,688	923,805
Interest received		20,710	14,427
Defined benefit surplus asset repatriation		-	77,500
Total cash received		1,185,398	1,015,732
Cash used			
Payments to employees*		(703,363)	(622,792)
Payments to suppliers (inclusive of GST)*		(474,766)	(386,708)
Borrowing costs		(43,699)	(40,631)
Interest payments on lease liabilities		(1,983)	(1,589)
Defined benefit surplus payment to CASA		-	(1,500)
Income tax paid		-	(136,033)
Total cash used		(1,223,811)	(1,189,253)
Net cash flows (used by) operating activities	3.2	(38,413)	(173,521)
Cash flows from investing activities			
Cash received			
Proceeds from sales of property, plant, equipment and intangibles		22	14
Proceeds from sales of assets held for sale		10	-
Total cash received		32	14
Cash used			
Purchase of property, plant, equipment and intangibles		(359,440)	(242,071)
Total cash used		(359,440)	(242,071)
Net cash flows (used by) investing activities		(359,408)	(242,057)
Cash flows from financing activities			
Cash received			
Contributed equity		-	495,000
Proceeds from borrowings		760,500	830,000
Total cash received		760,500	1,325,000
Cash used			
Repayments of borrowings		(537,500)	(580,000)
Capital returns		-	(52,500)
Principal payments of lease liabilities		(18,566)	(18,149)
Total cash used		(556,066)	(650,649)
Net cash flows from financing activities		204,434	674,351
Net (decrease)/increase in cash and cash equivalents		(193,387)	258,773
Cash and cash equivalents at the beginning of the reporting period		516,610	257,837
Cash and cash equivalents at the end of period	3.1	323,223	516,610

* To ensure consistency, the 2022-23 comparative for payments to employees and suppliers has changed from that published in the 2022-23 Annual Report. Refer to Note 1.2 for further detail.

The above Cash Flow Statement 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 2024.

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 3 October 2024.

Significant matters in the current reporting period

Going concern

The financial statements have been prepared on a going concern basis which assumes Airservices will be able to realise its assets and discharge its liabilities in the normal course of business. For the financial year ended 30 June 2024, Airservices reported a net loss of \$162m, working capital deficiency of \$99.8m and negative operating cashflow position of \$38.4m. 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:

- Continued increase to passenger servicing capacities with Airways revenues approximately 92% of pre-COVID levels, with domestic services averaging 97% and international services averaging 87% of pre-COVID revenues over the 12 months.
- Cash and cash equivalents of \$323.2m and a positive net asset position of \$666.7m. In addition, Airservices has several 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 2024 were \$767m, refer to Note 3.4 'Standby arrangements and unused credit facilities' for further details.
- Support from our portfolio department - the Department of Infrastructure, Transport, Regional Development, Communications, and the Arts. No government support was received in the current year, in 2022-23, the portfolio Department provided a \$495m equity injection as a part of the government's assistance towards the recovery of the industry.

No adjustments have been made to the financial statements relating to the recoverability and classification of the recorded asset amounts or the amounts and classification of liabilities that might be necessary should Airservices not continue as a going concern.

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.

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
ARFF decontamination provision	Note 2.5
Recoverable amount of other financial assets	Note 2.6
Measurement of lease liabilities	Note 2.7
Long service leave & early retirement benefits	Note 4.1
Aviation Super defined benefits	Note 4.2
ARFF contingent liability	Note 5.1

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 are 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.

Comparative figures

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year.

Reclassification - Prior period error: Labour hire expenses have been reclassified from employee to suppliers to correctly reflect the requirements of AASB 119. The reclassification has no impact on the operating result and statement of financial position.

Account	Previously reported	Adjustment	Restated
Employee expenses	\$681,767	(\$35,440)	\$646,326
Supplier expense	\$357,116	\$35,440	\$392,557
Cash used - employees	\$658,232	(\$35,440)	\$622,792
Cash used - suppliers	\$351,268	\$35,440	\$386,708

1. Our financial performance

This section analyses the financial performance of Airservices for the year ended 2024.

1.1 Revenue

	2024 \$'000	2023 \$'000
Airways revenue		
Gross Airways revenue	1,006,915	862,629
	1,006,915	862,629

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 44% (2023: 40%) related to the Qantas Group including the Jetstar Group and 17% (2023: 17%) related to Virgin.

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.

1.1 Revenue (continued)

	2024 \$'000	2023 \$'000
Finance income		
Deposits	7,919	17,178
Cash at bank	6,985	4,015
Interest rate swap fair value gain	-	4,069
Other	208	66
Total finance income	15,112	25,328

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.

	2024 \$'000	2023 \$'000
Reversal of previous asset write-down		
Reversal of doubtful debt provisions	-	1,861
Reversal of previous asset write-down	-	709
Total reversal of previous asset write-down	-	2,570

1.2 Expenses

	2024 \$'000	2023* \$'000
Employee benefits		
Wages and salaries*	471,576	435,838
Superannuation (defined contribution funds)	61,363	55,465
Leave and other entitlements*	141,145	111,765
Separation and redundancies - other	7,757	5,099
Other employee related expenses*	44,231	36,275
Employee benefits (excluding defined benefit superannuation expense)	726,072	644,442
Net defined benefit superannuation expense recognised in employee benefits		
Current service cost	14,053	15,994
Net interest expense	(6,725)	(14,110)
Defined benefit superannuation expense	7,328	1,884
Total employee benefits	733,400	646,326
Supplier expenses		
Goods and services supplied or rendered		
Contractors and consultants*	58,229	41,076
Compliance costs	24,422	96,283
IT services	65,974	52,179
Infrastructure costs	81,166	85,765
Operational service costs	13,888	13,121
Other occupancy costs	22,796	17,137
Repairs and maintenance	25,535	24,961
Telecommunications	21,195	18,599
Travel	22,437	18,084
Other*	22,463	20,014
Total goods and services supplied or rendered	358,105	387,219
Other expenses		
Operating lease rentals ¹	11	10
Short-term leases	13	389
Low value leases	3,178	4,651
Variable lease payments	294	288
Total other supplier expenses	3,496	5,338
Total supplier expenses	361,601	392,557
Finance Costs		
Borrowing costs	47,169	39,644
Interest rate swap fair value loss	2,185	-
Interest on lease liabilities	1,983	1,589
Total finance costs	51,337	41,233

Continued overleaf

Notes to and forming part of the financial statements

1.2 Expenses (continued)

	2024 \$'000	2023* \$'000
Impairment loss on financial instruments		
Impairment on trade and other receivables	1,417	-
Bad debts written off	2,590	4,047
Total impairment loss on financial instruments	4,007	4,047
Write-down and impairment of other assets		
Impairment of property, plant and equipment	8,850	-
Revaluation decrements/(increments)	5,839	-
Total write-down and impairment of other assets	14,689	-
Net loss on disposal of non-current assets		
Proceeds from disposal of non-current assets	(22)	(14)
Written-down value of disposed non-current assets	354	512
Proceeds from disposal of assets held for sale	(10)	-
Written-down value of disposed assets held for sale	5	-
Net loss on disposal of non-current assets	327	498

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

* The 2022-23 comparative has been revised from that published in the 2022-23 Annual Report. An amount of \$35.4m was reclassified to Suppliers expense in the comparative year along with a reclassification within this note between the identified line items above. The reclassification is to conform to the current year presentation of accounts that are more aligned to supplier expenses rather than an employee expense.

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 is contained in Note 4. Our people.

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.

1.3 Taxation

	2024 \$'000	2023 \$'000
Income tax benefit		
Deferred tax benefit	70,115	87,324
Income tax benefit attributable to profit from continuing operations	70,115	87,324
Reconciliation of income tax (benefit)/expense to prima facie tax payable		
(Loss) from continuing operations before income tax expense	(232,154)	(293,089)
Prima facie income tax benefit at 30%	69,646	87,927
Tax effect of amounts which are not deductible/assessable in calculating taxable income:		
Non-deductible legal costs	(6)	(7)
Prior year over provision of tax	489	(464)
Other non-deductible/(assessable) expenditure	(14)	(132)
Income tax benefit	70,115	87,324

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.

1.3 Taxation (continued)

	2024 \$'000	2023 \$'000
Deferred tax asset		
<i>The balance comprises temporary differences attributable to:</i>		
Amounts recognised in the statement of comprehensive income		
Depreciation for accounting purposes	4,794	18,720
Provision for doubtful debts	3,146	2,721
Employee benefits	99,461	89,844
Other provisions	43,176	51,490
Accruals	3,118	(315)
Tax losses	263,164	184,284
	416,859	346,744
Amounts recognised directly in equity		
Foreign exchange hedge reserve	(480)	(585)
Revaluation of land, buildings, plant and equipment	(64,572)	(60,527)
Defined benefit (asset)/liability	(63,095)	(51,295)
AASB 16 Leases	(2,662)	(2,662)
	(130,809)	(115,069)
Net deferred tax assets	286,050	231,675
Movements:		
Opening balance at 1 July	231,675	130,926
Charged to the statement of comprehensive income	70,115	87,324
Credited to equity	(15,740)	15,717
Movement in booked losses/tax offsets - transferred from tax payable	-	(2,292)
Closing balance at 30 June	286,050	231,675

Tax losses

A deferred tax asset of \$263.2m has been recognised for income tax losses (2023: \$184.3m). 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 (2023: \$4.8m) 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.

Consistent with 2023, there were no other unrecognised deferred tax assets at 30 June 2024.

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 carried 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 2024 was paid (2023: Nil). No interim dividend for the years ending 30 June 2024 and 30 June 2023 were paid.

Franking credits

Franking credits available for subsequent financial years based on a tax rate of 30% (2023: 30%) are \$496.0 (2023: \$496.0m).

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.

2. Our asset base

This section analyses Airservices' 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

	2024 \$'000	2023 \$'000
Trade and other receivables		
Trade receivables, net of waivers (a)	118,334	136,755
Less impairment loss allowance (b)	(10,488)	(9,071)
	<u>107,846</u>	<u>127,684</u>
Accrued revenue and interest	3,924	8,984
Other receivables	1,220	18,556
Total receivables	<u>112,990</u>	<u>155,224</u>
a. Ageing analysis of trade receivables		
Current	101,695	89,503
Overdue by:		
1 to 30 days	7,730	39,663
31 to 60 days	2,651	831
61 to 90 days	1,620	377
90 + days	4,638	6,381
Total trade receivables	<u>118,334</u>	<u>136,755</u>
Trade and other receivables (net) expected to be recovered		
No more than 12 months	112,990	155,224
More than 12 months	-	-
Total trade and other receivables (net)	<u>112,990</u>	<u>155,224</u>
b. Reconciliation of the impairment loss allowance		
Opening balance	9,071	10,932
Movement recognised in statement of comprehensive income	1,417	(1,861)
Closing balance	<u>10,488</u>	<u>9,071</u>
The provision for impairment of receivables is aged as follows:		
Current	3,232	678
Overdue by:		
1 to 30 days	435	2,158
31 to 60 days	587	182
61 to 90 days	555	139
90 + days	5,679	5,914
Total provision for impairment of receivables	<u>10,488</u>	<u>9,071</u>

Credit terms for goods and services are 28 days (2023: 28 days).

Provisions for expected credit losses (ECL)

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 customer's receivables of 0.54% was applied. Together this is representative of Airservices' view of the forward-looking distribution of potential loss outcomes. The increase in provisions as a result of changes in modelled ECL are reflected through the line item 'increase recognised in net loss'.

2.2 Assets classified as held for sale

There are no assets held for sale in 2024. In 2023, one parcel of land was identified as surplus to requirements of Airservices and was classified as held for sale. Disposal was completed during 2023-24. The carrying amount of the asset held for sale was \$5,000 and was sold for \$10,000.

2.3 Property, plant and equipment, and intangibles

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

	Land \$'000	Buildings \$'000	Plant and equipment \$'000
As at 1 July 2023			
Gross book value	69,667	548,294	807,619
Accumulated depreciation and impairment	(14,178)	(140,098)	(495,698)
Net book value 1 July 2023	55,489	408,196	311,921
Additions			
Purchased	-	-	-
Commissioned assets under construction	-	119,494	26,586
Right-of-use (ROU) assets additions	2,348	15,317	1,320
Revaluations and impairments recognised in other comprehensive income	(194)	13,696	-
Revaluations recognised in profit and loss	(12)	(5,827)	-
Impairments - recognised in profit and loss	-	-	-
Depreciation/amortisation expense	-	(33,209)	(60,562)
Depreciation on right-of-use assets	(3,638)	(10,384)	(2,111)
Other movements	-	-	479
Other movements of right of use assets	521	1,196	27
Disposals - other	(20)	(7)	(332)
Transfers - other	-	(335)	335
Net book value 30 June 2024	54,494	508,137	277,663

Net book value as of 30 June 2024 represented by:

Gross book value	72,310	675,393	834,263
Accumulated depreciation and impairment	(17,816)	(167,256)	(556,600)
	54,494	508,137	277,663
Carrying amount of right-of-use assets	29,460	97,218	4,302

1 Total property, plant and equipment includes right-of-use assets leased to third-parties as an operating lease \$0.12m at 30 June 2024.

2 Total Assets under Construction is broken down as follows:

AUC component	FY2023-24	Major assets/projects
Buildings	\$96.9m	Perth and Brisbane ATSC extension, Sydney KSA Tower and CMATS building support facilities
Plant and equipment	\$249.8m	CMATS solution, ENMP, ARFF radio communication replacement and digital twin
Intangibles	\$804.0m	CMATS solution, OneSKY CMATS, ENMP
Total	\$1,150.7m	

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
1,425,580	346,302	79,238	425,540	968,157	2,819,277
(649,974)	(295,208)	(78,239)	(373,447)	-	(1,023,421)
775,606	51,094	999	52,093	968,157	1,795,856
-	-	-	-	338,232	338,232
146,080	32	723	755	(146,835)	-
18,985	-	-	-	-	18,985
13,502	-	-	-	-	13,502
(5,839)	-	-	-	-	(5,839)
-	-	-	-	(8,850)	(8,850)
(93,771)	(10,430)	(294)	(10,724)	-	(104,495)
(16,133)	-	-	-	-	(16,133)
479	-	-	-	-	479
1,744	-	-	-	-	1,744
(359)	-	-	-	-	(359)
-	-	-	-	-	-
840,294	40,696	1,428	42,124	1,150,704	2,033,122
1,581,966	333,988	76,019	410,007	1,150,704	3,142,677
(741,672)	(293,292)	(74,591)	(367,883)	-	(1,109,555)
840,294	40,696	1,428	42,124	1,150,704	2,033,122
130,980	-	-	-	-	130,980

2.3 Property, plant and equipment, and intangibles (continued)

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

	Land \$'000	Buildings \$'000	Plant and equipment \$'000
As at 1 July 2022			
Gross book value	57,841	529,239	786,270
Accumulated depreciation and impairment	(10,532)	(117,943)	(429,972)
Net book value 1 July 2022	47,309	411,296	356,298
Recognition of right of use asset on initial application of AASB 16	-	-	-
Adjusted total as at 1 July 2022	47,309	411,296	356,298
Additions			
Purchased	-	-	-
Internally developed	-	-	-
Commissioned assets under construction – Gross Value	-	13,726	19,430
Right-of-use (ROU) assets additions	8,478	1,175	5,059
Revaluations and impairments recognised in other comprehensive income	321	14,201	-
Revaluations recognised in profit and loss	21	688	-
Depreciation/amortisation expense	-	(30,289)	(65,960)
Depreciation on right-of-use assets	(3,646)	(10,428)	(3,760)
Other movements	6	-	1,173
Other movements of ROU assets	3,016	7,870	139
Disposals – other	(11)	(43)	(458)
Transfers to assets held for sale	(5)	-	-
Net book value 30 June 2023	55,489	408,196	311,921
Gross book value	69,667	548,294	807,619
Accumulated depreciation and impairment	(14,178)	(140,098)	(495,698)
	55,489	408,196	311,921
Carrying amount of right-of-use assets	30,229	91,089	5,066

1 Total property, plant and equipment includes right-of-use assets leased to third-parties as an operating lease is \$0.09m at 30 June 2023.

2 Total Assets under Construction is broken down as follows:

AUC component	FY2022-23	Major assets/projects
Buildings	\$190.0m	Melbourne, Brisbane and Perth ATSC extension and Canberra fire station upgrade
Plant and equipment	\$135.0m	Civil Military Air Traffic Management System (CMATS) solution and OneSKY CMATS
Intangibles	\$643.2m	CMATS solution and OneSKY CMATS
Total	\$968.2m	

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
1,373,350	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
-	-	-	-	-	-
814,903	63,246	1,401	64,647	787,324	1,666,874
-	-	-	-	214,648	214,648
-	583	-	583	(583)	-
33,156	-	76	76	(33,232)	-
14,712	-	-	-	-	14,712
14,522	-	-	-	-	14,522
709	-	-	-	-	709
(96,249)	(12,735)	(478)	(13,213)	-	(109,462)
(17,834)	-	-	-	-	(17,834)
1,179	-	-	-	-	1,179
11,025	-	-	-	-	11,025
(512)	-	-	-	-	(512)
(5)	-	-	-	-	(5)
775,606	51,094	999	52,093	968,157	1,795,856
1,425,580	346,302	79,238	425,540	968,157	2,819,277
(649,974)	(295,208)	(78,239)	(373,447)	-	(1,023,421)
775,606	51,094	999	52,093	968,157	1,795,856
126,384	-	-	-	-	126,384

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, buildings and plant and equipment. The effective date of the revaluation was 30 June 2024.

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

Capital commitments for property, plant, equipment and intangibles was \$903.5 (2023: \$747.9m) 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:

	2024 \$'000	2023 \$'000
Land		
At cost	1,823	1,823
	1,823	1,823
Buildings		
At cost	737,567	614,975
Accumulated depreciation	(365,978)	(340,594)
Net book amount	371,589	274,381
Plant and equipment		
At cost	1,403,319	1,390,391
Accumulated depreciation	(1,106,728)	(1,056,159)
Net book amount	296,591	334,232

e. Borrowing costs

The total borrowing costs capitalised at 30 June 2024 is \$42.3m (2023: \$31.5m) of which \$14.8m (2023: \$7.6m) were capitalised during the year and \$3.7m (2023: \$0.9m) were transferred to fixed assets. As Airservices borrows money generally to fund both operating and capital expenditure, the weighted average cost of borrowings of 4.15% (2023: 3.41%) was used as the capitalisation rate.

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 2024.

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 of 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.

Notes to and forming part of the financial statements

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.

Derecognition 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 derecognition, 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 2024.

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.

	2024	2023
Buildings (e.g. control towers, fire stations, commercial property)	10-45 years	10-45 years
Building equipment	2-40 years	2-40 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.

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 is 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 2024.

Gains or losses arising from derecognition 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 derecognition 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.

01

Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

02

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

03

Unobservable inputs for the asset or liability.

Fair value measurements

Fair value measurements at 30 June 2024 by hierarchy for assets and liabilities

	Fair value measurements at the end of the reporting period		Category (Level 1, 2, or 3)	Valuation technique	Inputs used
	2024 \$'000	2023 \$'000			
Financial assets					
Forward exchange contracts	2,337	2,390	2	ADCF	[1]
Interest rate swaps	9,100	12,555	2	ADCF	[2]
Total financial assets at fair value	11,437	14,945			
Non-financial assets					
Land	25,034	25,260	2	DC	[3]
Buildings	410,919	317,107	3	DRC	[4]
Plant and equipment	273,361	306,855	3	DRC	[5]
Assets held for sale	-	5	2	DC	[3]
Total non-financial assets at fair value	709,314	649,227			
Total fair value measurements of assets	720,751	664,172			
Financial liabilities					
Forward exchange contracts	736	438	2	ADCF	[1]
Interest rate swaps	19,223	20,493	2	ADCF	[2]
Total financial liabilities at fair value	19,959	20,931			
Total fair value measurements of liabilities	19,959	20,931			
Financial liabilities not measured at fair value in the statement of financial position					
Medium Term Notes	1,489,266	1,049,654	2	DC	[6]
Commercial Paper	82,816	34,338	2	DC	[6]
Standby Cash Advances	-	250,000	2	DC	[6]
Total financial liabilities not measured at fair value	1,572,082	1,333,992			

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 individually assessed and valued in 2024 and were not subject to indexation. Consideration was given to general and local market conditions, in conjunction with recent sales data, limitations, interests, encumbrances, and notifications to determine fair value movement.
4. Buildings asset class were individually assessed and valued in 2024 and were not subject to indexation. Building assets were trended via indexation in previous years.
5. Plant and equipment asset class were subject to the indexation approach of valuation. The index range used was 1% to 1.07%.
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. In 2024, all land and buildings were comprehensively valued with approximately 90% of assets being physically inspected. All plant and equipment assets were valued on a desktop assessment basis informed by physical inspections undertaken in 2023 and previous years.

Land

The majority of land assets have restrictive zoning constraints which were considered when assessing location. Furthermore, many parcels of land are in remote locations, are landlocked or have other features which negatively impact the marketability. Some land parcels have been assigned a nominal value given the impact of these factors.

For the remaining land assets, the fair value has been determined through assessment of general and local market conditions, in conjunction with recent sales data, and analysed to determine fair value movement. The assessment includes the confirmation of legal descriptions including limitations, interests, encumbrances, and notifications. Additional information utilised in the assessment includes resources management whereby land assets were analysed in line with their zoning and development control constraints.

Buildings

Building assets are typically unique in nature and situated on larger parcels of restricted use land (which can be owned by other parties). For those assets, it means there is no active or liquid market to base a valuation on and have been valued using the Cost Approach (depreciated replacement cost). Where possible, recent examples of construction costs for similar assets were obtained to benchmark other assets. However, where there was scant evidence available for consideration, costs for comparable assets in other locations (non-airside) have been used an inflation factor applied using the valuer's professional judgement to allow for the challenges of airside construction.

The valuation assessment of building assets included adjustment of remaining useful life periods to derive fair value. Buildings which had a current value of less than \$50,000 were not inspected or individually assessed, however have been included at their current net book value.

Plant and equipment (P&E)

These assets represent a specialised group of assets integrated to perform the control, monitoring and safety requirement 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.

P&E assets have been valued using the indexation method where all assets were previously comprehensively valued by the independent valuer, have had the costs increased by an appropriate market metric, and a single year of remaining life reduced to appropriately adjust for the depreciation.

2.4 Fair value disclosure (continued)

Recurring Level 3 fair value measurements – reconciliation for assets

	Non-financial assets		
	Buildings	Plant and equipment	Total
	2024 \$'000	2024 \$'000	2024 \$'000
Opening balance	317,108	306,855	623,963
Total (losses) recognised in Statement of Comprehensive Income ¹	(5,827)	-	(5,827)
Total gains recognised in Other Comprehensive Income ²	13,696	-	13,696
Commissioned	119,494	26,586	146,080
Disposals	(7)	(332)	(339)
Depreciation	(33,209)	(60,562)	(93,771)
Transfers	(335)	335	-
Other movements	(1)	479	478
Closing balance	410,919	273,361	684,280

1 These gains/(losses) are presented in the Statement of Comprehensive Income under Reversal of previous asset write-down.

2 These gains/(losses) are presented in the Statement of Comprehensive Income under Changes in asset revaluation reserve.

2.5 Other provisions and payables

	2024 \$'000	2023 \$'000
Current payables and other provisions		
Current trade and other payables		
Trade payables	29,930	29,927
Employees		
Salaries and wages	21,537	19,115
Superannuation	27	2,218
Tax payables		
Accrued payroll tax	4,449	3,046
Net goods and services tax payable	10,802	10,228
Group tax payable	6,998	-
Revenue received in advance	-	34
Interest payable	8,984	6,230
Other accrued expenses	65,106	110,155
Total current trade and other payables	147,833	180,953
Current other provisions		
ARFF decontamination ¹	60,566	75,133
Makegood on leasehold assets	5,748	3,871
Other ²	14,204	12,470
Total current other provisions	80,518	91,474
Total current provisions and payables	228,351	272,427
Non-current other provisions		
ARFF decontamination ¹	27,730	53,837
Makegood on leasehold assets	38,298	27,354
Other ²	1,663	1,740
Total non-current provisions	67,691	82,931

Description of provisions

1 Aviation rescue & fire fighting (ARFF) decontamination

The provision relates to the assessment, management, and containment of possible contaminated ARFF 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 2024 is \$14.4m (2023: \$13.1m). The remaining balance relates to asbestos remediation.

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

Other provisions

An estimate of expected future costs has been used to establish the provision for the assessment, management and containment of possible contaminated ARFF service training sites and the remediation and restoration of leased property sites. The calculation of provisions is subject to the volatility of economic assumptions, in particular, discount rates, inflation and payment pattern assumptions. Cost estimates, including their respective ranges and contingencies are based on experience and advice provided by qualified specialists allowing for current state of uncertainty and unknown factors.

Notes to and forming part of the financial statements

	2024 \$'000	2023 \$'000
Movements in provisions		
i. Revenue to be returned to customers (Current)		
Carrying amount at start of period	-	622
Provisions reversed during the year	-	(622)
Carrying amount at end of period	-	-
ii. ARFF decontamination (Current/Non-current)		
Carrying amount at start of period	128,970	77,753
Additional provisions made	1,485	70,080
Payments	(42,159)	(18,863)
Carrying amount at end of period	88,296	128,970
iii. Makegood on leasehold assets (Current/Non-current)		
Carrying amount at start of period	31,225	30,210
Additional provisions made	13,472	1,114
Payments	(651)	(99)
Carrying amount at end of period	44,046	31,225
iv. Other (Current/Non-current)		
Carrying amount at start of period	14,210	11,913
Additional provisions made	2,372	2,642
Payments	(715)	(345)
Carrying amount at end of period	15,867	14,210

2.6 Other financial assets and liabilities

	2024 \$'000	2023 \$'000
Other current financial assets		
Interest rate swaps	185	427
Forward exchange contracts	943	1,087
Total other current financial assets	1,128	1,514
Other non-current financial assets		
Interest rate swaps	8,915	12,128
Forward exchange contracts	1,394	1,303
Total other non-current financial assets	10,309	13,431
Other current financial liabilities		
Forward exchange contracts	540	192
Total other current financial liabilities	540	192
Other non-current financial liabilities		
Interest rate swaps	19,223	20,493
Forward exchange contracts	196	246
Total other non-current financial liabilities	19,419	20,739

Refer to Note 2.4 for basis of fair value measurement.

2.7 Other assets and other liabilities

	2024 \$'000	2023 \$'000
Other current liabilities		
Lease liability		
Land	1,211	3,174
Buildings	26,204	8,549
Plant and equipment	1,623	1,444
Total other current liabilities	29,038	13,167
Other non-current liabilities		
Lease liability		
Land	28,535	27,120
Buildings	60,491	85,996
Plant and equipment	2,747	3,631
Other ¹	30,216	-
Total other non-current liabilities	121,989	116,747
Maturity analysis – contractual undiscounted cash flows		
Within 1 year	17,529	16,416
Between 1 to 5 years	49,757	45,596
More than 5 years	147,899	138,506
Total leases	215,185	200,518

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.

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 the 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 of 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 2% (2023: 2%) of Airservices entire lease payments at 30 June 2024. 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.

3. Our funds management

This section identifies Airservices Australia's funding structure.

3.1 Cash and cash equivalents

	2024 \$'000	2023 \$'000
Cash and cash equivalents		
Cash at bank and in hand	164,723	120,610
Deposit at call	133,500	146,000
Term deposits	25,000	250,000
Total cash and cash equivalents	323,223	516,610

a. Cash at bank and in hand

Cash at bank has a floating interest rate of 4.55% for balances up to \$150m (2023: 4.30% for balances up to \$150m). For balances greater than \$150m, the interest rate is 4.35% (2023: 4.10% for balances greater than \$150m). 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 4.50% (2023: 4.25%). These 11am cash deposits are rolled over daily.

c. Term deposits

The term deposit of \$25m will mature on 30 August and has an interest rate of 4.75% (2023: 4.29%).

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 and term deposits which are readily convertible to cash on hand.

3.2 Reconciliation of cash and cash equivalents

	2024 \$'000	2023 \$'000
Reconciliation of net (loss) after income tax to net cash flows from operations		
Net (loss) after income tax	(162,039)	(205,765)
Adjustments for:		
Depreciation expense	120,628	127,296
Impairment recognised for property, plant and equipment	8,850	-
Reversal of previous asset write-downs	-	(709)
Net loss on sale/write-down of non-current assets	6,166	498
Aviation Super defined benefit contributions movement (after tax)	27,534	(49,173)
Change in assets		
Decrease/(increase) in gross receivables	40,817	(72,672)
(Increase)/decrease in inventories	(347)	95
Decrease/(increase) in prepayments	2,831	(11,088)
Decrease/(increase) in other assets	3,508	(3,615)
(Increase) in deferred tax	(54,375)	(100,749)
Change in liabilities		
(Decrease)/increase in employee benefits	(8,643)	170,914
Increase/(decrease) in allowance for impairment	1,417	(1,861)
Increase/(decrease) in other liabilities	40,730	(167,610)
(Decrease)/increase in other provisions	(26,196)	54,529
(Decrease)/increase in creditors and accruals	(39,294)	87,011
(Decrease) in revenue to be returned to customers provision	-	(622)
Net cash flow from operating activities	(38,413)	(173,521)

3.3 Borrowings

	2024 \$'000	2023 \$'000
Unsecured borrowings		
Current ¹	82,846	284,388
Non-current ²	1,496,912	1,072,005
Total borrowings	1,579,758	1,356,393

1 This represents amounts issued under a \$300m commercial paper program. It includes \$50m maturing 5 July 2024, \$5m maturing 17 July 2024, \$10m maturing 29 July 2024 and \$18m maturing 8 August 2024.

2 This represents amounts issued under a \$1,500m medium-term note program. It includes \$200m maturing on 15 May 2026, \$300m maturing 15 November 2028, \$275m maturing on 15 May 2030, \$175m maturing on 15 May 2031, \$200m maturing on 15 November 2032, \$250m maturing on 15 May 2034 and \$100m maturing on 15 November 2052.

3.4 Standby arrangements and unused credit facilities

	2024 \$'000	2023 \$'000
Unused credit facilities - bank overdraft	-	5,000
Borrowing facilities		
Commercial paper program	300,000	300,000
Medium term note program	1,500,000	1,500,000
Committed cash advance facilities	550,000	750,000
Total borrowing facilities	2,350,000	2,550,000
Amount utilised	(1,583,000)	(1,360,000)
Unused borrowing facilities	767,000	1,190,000

3.5 Financial instruments

Airservices has exposure to credit risk, liquidity risk, market risk (comprising of 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 cash advances

Airservices' cash advances are bank loans that are held to maturity and have cash flows that solely represent principal and interest. All committed 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 as all cash flows solely represent payment of principal. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Derivative financial instruments

Under AASB 9, all Airservices' derivative financial liabilities are measured and classified as financial assets or liabilities at fair value through profit and loss.

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.

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 2024, if netting was applied to the FEC portfolio then FEC financial assets of \$2,336,925 would have been reduced by FEC financial liabilities of \$735,989 to a net asset amount of \$1,600,936 (2023: FEC financial assets of \$2,389,126 would have been reduced by FEC financial liabilities of \$437,978 to the net asset amount of \$1,951,148).

If netting was applied to the IRS portfolio then IRS financial assets of \$9,099,762 would have been reduced by IRS financial liabilities of \$19,222,533 to the net liability amount of \$10,122,771 (2023: IRS financial assets of \$12,554,899 would have been reduced by IRS financial liabilities of \$20,493,103 to the net liability amount of \$7,938,204).

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 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 2024 \$'000	Fair value 2024 \$'000	Carrying amount 2023 \$'000	Fair value 2023 \$'000
Assets					
Forward exchange contracts	FVTPL	2,337	2,337	2,390	2,390
Cash and cash equivalents	AC	323,223	323,223	516,610	516,610
Receivables	AC	112,990	112,990	155,224	155,224
Interest rate swaps	FVTPL	9,100	9,100	12,555	12,555
Total assets		447,650	447,650	686,779	686,779
Liabilities					
Forward exchange contracts	FVTPL	736	736	438	438
Interest rate swaps	FVTPL	19,223	19,223	20,493	20,493
Medium Term Notes	AC	1,496,912	1,489,266	1,072,005	1,049,654
Trade and other payables	AC	147,833	147,833	180,953	180,953
Commercial Paper	AC	82,846	82,816	34,388	34,338
Committed cash advances	AC	-	-	250,000	250,000
Total liabilities		1,747,550	1,739,874	1,558,277	1,535,876

Notes:

AC Amortised cost

FVTPL Fair value through profit and loss

Notes to and forming part of the financial statements

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 4 approved counterparties. The maximum credit limit for each approved counterparty is currently \$300m (2023: \$300m). Counterparty credit exposure is assessed using the principles of the 'Current Exposure Method'. As at 30 June 2024, the maximum risk exposure to all authorised counterparties after applying the Current Exposure Method was \$460.2m (2023: \$593.7m).

Airservices is exposed to credit risk arising from potential default of debtors. This is equal to the total amount of trade and other receivables (2024: \$112.9m and 2023: \$155.2m). Airservices has assessed the risk of default on payment and has allocated \$10.4m in 2024 (2023: \$9.1m) 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 2024 \$'000	Not past due nor impaired 2023 \$'000	Past due or impaired 2024 \$'000	Past due or impaired 2023 \$'000
Receivables	101,695	89,503	16,639	47,252
Total	101,695	89,503	16,639	47,252

Airservices is exposed to concentration of risk with respect to trade receivables. 61% of revenues earned are from the following dominant operators: Qantas Group (including Jetstar) and Virgin Group.

Liquidity risk

Liquidity risk management is concerned with ensuring there are sufficient funds available to meet financial commitments in a timely manner while 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, while 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.

2024	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	-	-	-	-	-	147,833	147,833
Commercial paper	4.56	83,000	-	-	-	-	83,000
Medium term notes	4.61	-	62,475	746,500	1,269,825	-	2,078,800
Derivative							
Interest rate swaps ¹	-	-	(2,886)	(4,292)	117	-	(7,061)
Interest rate swaps ²	-	-	4,802	10,826	3,622	-	19,250
Net financial liabilities		83,000	64,391	753,034	1,273,564	147,833	2,321,822

1 Weighted average interest rates at 30 June were pay fixed at 2.92% and receive float at 4.62%.

2 Weighted average interest rates at 30 June were pay float at 4.60% and receive fixed at 3.33%.

2023	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	-	-	-	-	-	180,953	180,953
Standby cash advances	0.81	-	251,021	-	-	-	251,021
Commercial paper	4.32	35,000	-	-	-	-	35,000
Medium term notes	4.39	-	46,650	373,600	1,093,750	-	1,514,000
Derivative							
Interest rate swaps ³	-	-	(3,334)	(7,320)	(362)	-	(11,016)
Interest rate swaps ⁴	-	-	4,129	11,698	4,917	-	20,744
Net financial liabilities		35,000	298,466	377,978	1,098,305	180,953	1,990,702

3 Weighted average interest rates at 30 June were pay fixed at 2.22% and receive float at 4.04%.

4 Weighted average interest rates at 30 June were pay float at 4.04% and receive fixed at 3.04%.

Notes to and forming part of the financial statements

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 varies actual interest rates by +/- 1.36% (2023: +/- 1.04%).

Airservices has adopted a simplified approach to calculate market risk sensitivities for foreign exchange contracts. A standard sensitivity variable of +/- 8.28% (2023: +/- 8.48%) 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.

2024	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	1,638	8.28	-	(3,815)	-	3,336
Buy EUR forward contracts	(37)	8.28	-	(103)	-	107
Interest rate risk						
Cash and cash equivalents	323,223	1.36	4,343	-	(4,343)	-
Medium term notes	1,496,912	-	-	-	-	-
Interest rate swaps	(10,123)	1.36	(16,217)	-	18,373	-
Commercial paper	82,846	1.36	(1,129)	-	1,129	-

2023	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	2,208	8.48	-	(2,444)	-	2,897
Buy EUR forward contracts	(257)	8.48	-	(166)	-	197
Interest rate risk						
Cash and cash equivalents	516,610	1.04	5,347	-	(5,347)	-
Medium term notes	1,072,005	-	-	-	-	-
Standby cash advances	250,000	-	-	-	-	-
Interest rate swaps	(7,938)	1.04	(10,982)	-	11,989	-
Commercial paper	34,388	1.04	(364)	-	364	-

Forward exchange contracts

Airservices uses 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	
	2024 \$'000	2023 \$'000	2024 EUR/AUD	2023 EUR/AUD
Buy euros				
Maturity				
3 months or less	322	310	0.5788	0.5867
Greater than 3 months but less than 1 year	998	-	0.6082	-
Greater than 1 year	-	2,311	-	0.5279

	Sell Australian dollars		Average exchange rate	
	2024 \$'000	2023 \$'000	2024 USD/AUD	2023 USD/AUD
Buy US dollars				
Maturity				
3 months or less	11,678	5,133	0.6703	0.7082
Greater than 3 months but less than 1 year	13,309	11,897	0.6876	0.6989
Greater than 1 year	18,041	13,469	0.7201	0.7401

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 short- to medium-term shocks to traffic levels and accommodate costs associated with generational investment programs such as OneSKY and Western Sydney International Airport.

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 biennial basis with the next review to be undertaken in the first half of FY2025. During FY2024, there were no changes to Airservices' approach to capital management.

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

	2024 \$'000	2023 \$'000
Current employee provisions		
Employee benefits		
Recreation leave	67,273	57,624
Long service leave	145,445	132,198
Separations and redundancies	4,435	2,271
Pre-Comcare workers compensation	184	163
Total current employee provisions	217,337	192,256
Non-current employee provisions		
Employee benefits		
Long service leave	26,469	27,833
Separations and redundancies	2,730	3,334
Pre-Comcare workers compensation	1,554	1,534
Total non-current employee provisions	30,753	32,701

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 \$7.2m (2023: \$5.6m) in early retirement benefits which have been elected to be taken by employees as a lump sum on retirement, and \$2.5m (2023: \$0.7m) for redundancy provisions.

The provision for early retirement benefits includes \$4.7m (2023: \$4.9m) for ATC employees who were employed by Airservices on 1 July 1998 and continue to meet the eligibility requirements under the relevant enterprise agreement.

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.

4.2 Defined benefit fund asset

Superannuation plan

Previously, Airservices was the principal sponsor of the superannuation fund, AvSuper, however during 2023-24 AvSuper merged with the Australian Retirement Trust (ART). The Successor Fund Transfer of the AvSuper Fund took place on 1 May 2024 and is now referred to as Aviation Super.

Aviation Super is a corporate plan of ART and retains the defined benefit members of the AvSuper Fund who remain employees of Airservices.

The plan has a defined benefit section 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 is closed to new members. The valuation uses estimated 30 June 2024 membership and asset data.

Defined Benefit Surplus Assets repatriation

There was no repatriation of surplus assets to Airservices or the Civil Aviation Safety Authority (CASA) this financial year. In 2023, \$77,506,352 and \$1,500,000 respectively was repatriated.

	2024 \$'000	2023 \$'000
Benefit asset		
The amounts recognised in the statement of financial position are determined as follows:		
Present value of the defined benefit obligation	(452,095)	(466,809)
Fair value of defined benefit plan assets	598,884	581,591
Net benefit asset - non-current	146,789	114,782

Categories of plan assets

The major categories of plan assets are as follows:

Cash	41,922	47,706
Equity instruments	244,045	255,298
Debt instruments	202,123	85,235
Other assets	110,794	193,352
	598,884	581,591

Notes to and forming part of the financial statements

	2024 \$'000	2023 \$'000
Reconciliations		
Reconciliation of the present value of defined benefit obligation:		
Balance at the beginning of the year	466,809	462,122
Current service cost	14,053	15,994
Contribution by members	6,003	7,052
Interest cost	25,625	23,510
Remeasurements		
Effect of changes in financial assumptions	(9,242)	(5,391)
Effect of experience adjustments	(21,174)	68,689
Benefits paid	(29,979)	(105,167)
Balance at the end of the year	452,095	466,809
Reconciliation of the fair value of plan assets:		
Balance at the beginning of the year	581,591	725,015
Interest Income	32,350	37,620
Remeasurements		
Return on plan assets (excluding interest income)	8,918	(6,949)
Contribution by Airservices	27	(75,980)
Contribution by members	5,977	7,052
Benefits paid	(29,979)	(105,167)
Balance at the end of the year	598,884	581,591
Net amount recognised in the Statement of Comprehensive Income		
The amounts recognised in the Statement of Comprehensive Income are as follows:		
i. Defined benefit cost recognised in profit or loss		
Current service cost	14,053	15,994
Interest on the net defined benefit asset	(6,725)	(14,110)
Total included in employee benefits expense	7,328	1,884
ii. Remeasurements (recognised in Other Comprehensive Income)		
Effect of changes in financial assumptions	(9,242)	(5,391)
Effect of experience adjustments	(21,174)	68,689
Return on plan assets (excluding interest income)	(8,918)	6,949
Total remeasurements included in Other Comprehensive Income - (gain)/ loss	(39,334)	70,247
iii. Total defined benefit (gain)/ loss recognised in the Statement of Comprehensive Income	(32,006)	72,131
Actual return on plan assets	40,060	39,809

4.2 Defined benefit fund asset (continued)

Principal actuarial assumptions

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

	2024	2023
Discount rate	5.50%	5.70%
Future salary increases - short term	6.30%	5.70%
Future salary increases - long term	4.90%	5.00%

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

- a discount rate of 5.50% p.a. (2023: 5.70% p.a.) derived by applying the yield curve reported by Milliman to the expected cash flows of Aviation Super and equating this to a single equivalent rate.
- the salary increase rate assumption is equivalent to a liability weighted single rate assumption of 5.00% p.a. (2023: 5.10% 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.

2024	Increase \$'000	Decrease \$'000
Discount rate (0.5% movement)	(20,853)	18,850
Future salary increases (0.5% movement)	22,199	(17,922)

2023	Increase \$'000	Decrease \$'000
Discount rate (0.5% movement)	(21,231)	25,616
Future salary increases (0.5% movement)	24,333	(20,248)

Maturity profile

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

	2024 \$'000	2023 \$'000
Undiscounted benefit payments		
1 year or less	35,908	32,071
2 to 5 years	180,708	163,955
5 to 10 years	231,310	225,732
Greater than 10 years	565,690	712,251
Total expected payments	1,013,616	1,134,009

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (2023: 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 2023. This disclosed a surplus of \$118.6m (2022: \$214m). An actuarial investigation meeting requirements of the *Superannuation Industry (Supervision) Act 1993* is undertaken every 3 years.

For the year ended 30 June 2024 the employer contribution rate was:

- 3% of gross salary for those employees who remain members of the Commonwealth Superannuation Scheme (CSS category) (2023: 3%);
- From 1 July 2018, a contribution holiday was applied for other Airservices employees who are full members 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:

- the benefit entitlements of members and other beneficiaries are fully funded by the time they become payable; and;
- 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 2024 are \$0.027m due to the contribution holiday for full members, not including any additional contributions required (2023: \$0.025m).

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 (2023), when a surplus of \$118.6m was reported (2022: \$214.4m). Last year in these financial statements, Airservices recognised a defined benefit asset of \$114.8m at 30 June 2023. 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 2024 these financial statements disclose a defined benefit asset of \$146.8m (2023: \$114.8m). Aviation Super's net financial position for the Plan under AASB 1056 will not be available until after these financial statements have been signed.

Accounting Policy

Superannuation

Contributions are made predominantly to Aviation Super (sponsored by Airservices) and Commonwealth Superannuation Corporation (ComSuper) which administers the Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation (PSS) funds. Aviation Super has a defined benefit section and an accumulation section within its fund. Contributions to the Aviation Super 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 Aviation Super defined benefit fund are recognised as an expense as they become payable. With respect to the Aviation Super 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 Aviation Super 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

Aviation Super defined benefit plan

Various actuarial assumptions are required when determining Airservices' obligations under the Aviation Super defined benefit plan. The assumptions relied on for the period to 30 June 2024 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 2024 are based on enterprise agreements that were applicable during the financial year. These include a 6.3% annual salary increase for the first 2 years and 4.9% p.a. thereafter, staff turnover rates ranging from 7.0% to 19.0% (depending on period of service), and the rate at which long service leave is taken while an employee is assumed to be 0.246 months of leave 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	7 years	Discount rate derived by applying Milliman's yield curve to expected cash flows of Aviation Super and equating this to a single equivalent rate	5.5% p.a.
Long service leave	6.1 years	6 year and 7 year	5.4% p.a.
Early retirement benefit	2.1 years	2 year and 3 year	5.0% p.a.
Recreation leave	0.8 years	Discount rate is derived by considering the short term yield at 30 June 2024 as reported by Milliman	5.0% p.a.

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. Also included, are personnel acting in key management positions for periods of 30 consecutive days or more or acting arrangements required to be in place due to vacancy regardless of timeframe. Key management personnel remuneration is reported in the table below:

	2024 \$'000	2023 \$'000
Key executive remuneration expense for the reporting period		
Board		
Short-term employee benefits:		
Salary	819	748
Allowances and other benefits	58	29
Total short-term employee benefits	877	777
Post-employment benefits:		
Superannuation (post-employment benefits)	90	79
Total post-employment benefits	90	79
Total Board remuneration	967	856
The information about non-executive Board members included in the table above relates to 9 individuals (2023: 8 individuals)		
Key executive management		
Short-term employee benefits:		
Salary ¹	5,047	4,569
Allowances and other benefits	52	43
Total short-term employee benefits	5,099	4,612
Post-employment benefits:		
Superannuation (post-employment benefits)	408	379
Total post-employment benefits	408	379
Other long-term benefits:		
Long service leave	100	49
Total other long-term benefits	100	49
Termination benefits	998	-
Total key executive management remuneration	6,605	5,040
Total key management personnel remuneration²	7,572	5,896

1 Salary includes recreation leave paid and the net movement in recreation leave balance in the current reporting period.

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, 7 Executive General Managers (positions of which were covered by 10 officers during the year) the Director of Safety, Security and Environment Assurance and the General Counsel & Board Secretary. The information about executives above relates to 9.85 full-time equivalents (FTEs) (2023: 9.84 FTEs).

4.4 Related party transactions

a. Board members

The names of persons who were Board members of Airservices during the financial year are as follows:

	Status	Commenced	Finished
Chairman			
John Weber	On-going	6 April 2017	Current
Deputy Chair			
Greg Hood	On-going	8 September 2021	7 September 2024
Board members			
Lawrence Turner ¹	On-going	3 March 2021	Current
Dr Eileen Doyle	On-going	21 April 2021	Current
Dr Marlene Kanga AM	On-going	4 September 2017	3 September 2024
David Marchant AM	Ceased	21 July 2014	21 July 2023
Anne Brown	On-going	4 December 2019	Current
Melvin Hupfeld	On-going	1 August 2023	Current
Nicolle Connelly	On-going	1 August 2023	Current
Chief Executive Officer²			
Jason Harfield	Ceased	11 August 2015 ³	08 June 2024
Peter Curran	Acting	09 June 2024	28 July 2024

b. Executives⁴

The names of persons who were Executives of Airservices during the financial year (excluding the CEO, included above) are as follows:

Executives	Title	Commenced	Finished
Peter Curran	Chief Customer and External Relations Officer	6 May 2019	08 June 2024 ⁵
Michelle Bennetts	Chief Service Delivery Officer	16 April 2018	31 July 2024
Paul Logan	Chief Financial and Performance Officer	2 July 2015	Current
Mark Hind	Chief Technology Enablement Officer	27 April 2020	Current
Christian Patten	Chief Strategy Execution Officer	13 June 2022	Current
Danielle Mesa	Chief Culture and Diversity Officer	30 October 2023	Current
Vivienne King	Chief Operating Officer	21 August 2023	Current
Craig Charker	A/g Chief Service Delivery Officer	14 May 2024	Current
Sarah Davis	A/g Chief People and Culture Officer	11 February 2023 ⁶	30 August 2023
Paul Stoddart	A/g Chief Customer and External Relations Officer	11 June 2024 ⁶	Current
Mark Scanlan	Director of Safety, Security and Environment Assurance	30 January 2023	Current
Elizabeth Grinston	General Counsel & Board Secretary	17 January 2022	5 August 2024

1 Not a member of the Board for the period 2 March 2023 to 10 May 2024.

2 Rob Sharp was announced as interim CEO 18 July 2024 and commenced with the organisation on 29 July 2024.

3 Acting until appointment date of 9 March 2016.

4 Two new Executive positions were created effective 8 July 2024 being Chief Aerodromes Officer and Chief Airspace and Network Officer These positions will be included as part of the KMP in 2024-25 financial year.

5 Acting Chief Executive Officer from 9 June 2024 until 28 July 2024 and then commenced as Deputy CEO.

6 Commencement of acting arrangement.

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 which it is 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:

2024

- Airservices provided payments to Dimeo Cleaning Services amounting to \$1,980.44 for the period 1 July 2023 to 30 June 2024 during which time John Weber was Chair of the Airservices Board and was a Director at Dimeo Group.
- Airservices provided payments to Australian Maritime Systems Group amounting to \$108,103.08 for the period 1 July 2023 to 30 June 2024 during which time John Weber was Chair of the Airservices Board and was a Director at Australian Maritime Systems Group.
- Airservices provided payments to the Civil Aviation and Safety Authority amounting to \$138,054.65 and received an amount of \$7,472.35 for the period 1 July 2023 to 30 June 2024 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 provided payments to L3 Harris Communications Australia amounting to \$62,998,842.41 for the period 1 July 2023 to 30 June 2024 during which time Greg Hood was Deputy Chair of the Airservices Board and had a personal relationship with the Chief Executive Officer of L3 Harris Communications Australia.
- Airservices provided payments to Civil Aviation Historical Society Inc amounting to \$84,243.00 for the period 1 July 2023 to 30 June 2024 during which time Greg Hood was Deputy Chair of the Airservices Board and member of Civil Aviation Historical Society Inc.
- Airservices provided payments to NEXTDC Limited amounting to \$128,188.03 for the period 1 July 2023 to 30 June 2024 during which time Eileen Doyle was both a Board member of Airservices and Non-Executive Director at NEXTDC Limited.
- Airservices received amounts from Home Affairs amounting to \$4,567.97 for the period 1 July 2023 to 30 June 2024 during which time Melvin Hupfeld was a Board member of Airservices and member of Home Affairs to produce a recommended Australian National Cyber Security strategy.
- Airservices received amounts from the Royal Victorian Aero Club amounting to \$89,379.27 for the period 1 July 2023 to 30 June 2024 during which time Melvin Hupfeld was a Board member of Airservices and patron of Royal Victorian Aero Club.
- Airservices provided payments to Jigsaw Group AUS Limited amounting to \$35,579.41 for the period 1 July 2023 to 30 June 2024 during which time Lawrence Turner was a Board member of Airservices and his daughter attended Jigsaw as a workplace trainee funded by NDIS.
- Airservices received amounts from Virgin Australia amounting to \$171,372,701.67 for the period 1 July 2023 to 30 June 2024 during which time Lawrence Turner was a Board member of Airservices and his son-in-law was employed with Virgin Australia as 737 Captain.
- Airservices provided payments to Tractix Pty Ltd amounting to \$3,339,634.12 for the period 1 July 2023 to 30 June 2024 during which time Mark Hind was the Chief Technology Enablement Officer of Airservices and had a personal relationship with the business owner and his daughter was employed by Tractix Pty Ltd.

Notes to and forming part of the financial statements

2023

- Airservices provided payments to Dimeo Cleaning Services amounting to \$2,874.30 for the period 1 July 2022 to 30 June 2023 during which time John Weber was Chair of the Airservices Board and was a Director at Dimeo Group.
- Airservices provided payments to the Civil Aviation and Safety Authority amounting to \$1,614,856.01 for the period 1 July 2022 to 30 June 2023 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 provided payments to Harris Communications Australia amounting to \$50,739,895.81 for the period 1 July 2022 to 30 June 2023 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 the Civil Aviation Historical Society amounting to \$80,000.00 for the period 1 July 2022 to 30 June 2023 during which time Greg Hood was Deputy Chair of the Airservices Board and was a member of the Society.
- Airservices provided payments to Santos Limited amounting to \$605.00 for the period 1 July 2022 to 30 June 2023 during which time Eileen Doyle was both a Board member of Airservices and Non-Executive Director at Santos Limited.
- Airservices provided rent payments to Queensland Rail Limited amounting to \$81,585.08 for the period 1 July 2022 to 30 June 2023 during which time David Marchant was both a Board member of Airservices and Chair of Queensland Rail Limited.
- Airservices provided rent and electricity payments to Port Authority of New South Wales amounting to \$16,753.80 for the period 1 July 2022 to 30 June 2023 during which time David Marchant was both a Board member of Airservices and Chair of the Port Authority of New South Wales.
- Airservices provided payments to Jigsaw Group (AUS) Limited amounting to \$11,935.00 for the period 1 July 2022 to 30 June 2023 during which time Lawrence Turner was both a Board member of Airservices and has a family member participate in training programs run by Jigsaw.
- Airservices provided payments to Tractix Pty Ltd amounting to \$3,094,780.71 for the period 1 July 2022 to 30 June 2023 during which time Mark Hind was both Chief Technology Enablement Officer of Airservices and has a family member employed by Tractix Pty Ltd.

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

The Board adheres to a strict Conflict of Interest Protocol which 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.

5. Managing uncertainties

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

5.1 Contingent liabilities

Airservices had contingent liabilities at 30 June 2024 in respect of:

Aviation rescue fire fighting (ARFF) potential contaminated site management

Airservices and its predecessor organisations, including the Civil Aviation Authority and the Commonwealth Department of Transport used fire fighting foams containing per- and poly- fluorinated alkyl substances (PFAS) for operational and training purposes as part of aviation rescue and fire fighting services.

PFAS, which are non-biodegradable and persistent in the environment, can bio-accumulate and may potentially be harmful to animals and human health. PFAS-containing foams were widely used around the world because of their superior performance. Airservices ceased using PFAS-containing fire fighting foams at civilian airports in 2010.

Airservices is committed to identifying practicable solutions to manage PFAS for which Airservices is responsible. Airservices has developed and is implementing a National PFAS Management Plan, which provides an overarching strategy and governance structure for Airservices to manage the environmental and associated risk in relation to PFAS.

Airservices also continues to work with the Commonwealth and other stakeholders to manage PFAS contamination at airports where we operate, noting that there are likely to have been other historic users of PFAS at these locations.

Significant investment continues to be made to enable site investigations, site specific management actions including research and development, and stakeholder engagement activities.

During the 2023–24 financial year, Airservices has continued to progress site investigations to understand the extent of PFAS contamination across Airservices' leased sites due to past operations by Airservices and those of our predecessor organisations. To facilitate this work and continued PFAS-related activity, a sum of \$88.3m has been provided as at 30 June 2024 (2023: \$129.0m) which includes legal fees.

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 reliably 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. However, they are likely to be significant and we continue to keep the Commonwealth informed on this issue.

Notes to and forming part of the financial statements

Legal claims

Brisbane Airport Corporation (BAC) continues to pursue proceedings against Airservices in the Queensland Supreme Court seeking, amongst other things, compensation for alleged PFAS contamination by Airservices at Brisbane Airport. At this point in time, Airservices is not able to reliably quantify any potential liability.

Australia Pacific Airports (Launceston) Pty Ltd (APAL) continues to pursue proceedings against Airservices in the Federal Court in Tasmania seeking orders relating to the requirements of lease terms dealing with the preparation of a PFAS Management Plan for the leased site. The proceedings do not include a claim for damages or other financial relief. Airservices has potential liability in respect of APAL's legal costs if APAL is successful in the proceedings. At this point in time, Airservices is not able to reliably quantify any such potential liability.

Perth Airport Pty Ltd (PAPL) continues to pursue proceedings against Airservices in the Federal Court in Western Australia seeking, amongst other things, compensation for alleged PFAS contamination by Airservices at Perth Airport. At this point in time, Airservices is not able to reliably 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.

6. Other information

6.1 Remuneration of auditors

	2024 \$	2023 \$
<hr/>		
Remuneration of auditors		
Auditing services provided by the Australian National Audit Office	375,000	350,000

6.2 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 \$0.54m (2023: \$0.51m) for the Solomon Islands and \$0.05m (2023: \$0.07m) for Nauru.

6.3 Events after the reporting date

On 30 July 2024 Rex Airlines Pty Ltd announced that it had entered into voluntary administration. As at 30 June 2024, Rex Airlines owed Airservices \$2.6m of which \$0.08m had already been provided for as part of the ECL assessment. Airservices has assessed that this event constitutes an adjusting event under the AASB 110 *Events After the Reporting Period* as entering into voluntary administration provides evidence that Rex Airlines was credit impaired as at 30 June 2024. Airservices has therefore provided for the full debt owing of \$2.6m in these financial statements.



People and culture

Our equity and diversity approach

We are committed to creating a diverse workforce and an inclusive workplace where people feel safe, respected and valued.

Our priority continues to be improving the support we provide for our people and our leaders to ensure a psychologically safe workplace.

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*
- *Workplace Gender Equality Act 2012*
- *Age Discrimination Act 2004.*

The table below 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 1: Equity and diversity reporting

<i>EEO Act (1987)</i>	2023-24 activities
<p>Informing employees—s.6 (a)</p> <p>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>	<ul style="list-style-type: none"> – We implemented the People Plan, including priorities for increasing diversity and fostering inclusion across the organisation. – 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. – Our Cultural Reform Board meets regularly and provides inputs to improving culture and informing initiatives. – We also have Culture Champion representatives across our organisation that provide a voice for our people. They engage collaboratively to contribute towards our vision and a positive workplace culture.
<p>Conferring responsibility—s.6 (b)</p> <p>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>	<ul style="list-style-type: none"> – Our Chief People and Culture Officer is responsible for diversity and inclusion within the organisation. – Leaders throughout the organisation are responsible for creating a safe and inclusive environment for their teams. – They were supported in 2023-24 by ongoing training and development, and awareness events such as psychological safety training, ‘bystander’ training and quarterly senior leadership workshops focused on fostering psychological safety and inclusion, among other issues.
<p>Consultation with trade unions—s.6 (c)</p> <p>To consult with each trade union having members affected by the proposal for the development and implementation of the program in accordance with this Act.</p>	<ul style="list-style-type: none"> – 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. – Our National Consultative Council also provides a mechanism for ensuring ongoing dialogue about specific employee-related issues with our employee organisations.

EEO Act (1987)**2023-24 activities****Consultations with employees—s.6 (d)**

To consult with employees of the relevant authority, particularly employees who are women or persons in designated groups.

- We consult with employees, as appropriate, through the workplace social media platform, webinars, site visits, newsletters, and informative videos.
- Regular employee surveys helped us to identify matters that should be considered in our diversity and inclusion initiatives.
- In addition, our employee network groups Elevate (LGBTIQ+), Women@Airservices (women), and our Reconciliation Action Plan working group are each sponsored by a member of the Executive team who drives progress and desired outcomes.

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:

- employees of either sex; and
- persons in designated groups;

- Please refer to Tables 2-11 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 through our employee surveys on perceptions of diversity and inclusion practices.

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:

- any policies or practices that discriminate against women or persons in designated groups; and
- 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. These include our Bullying, Harassment and Discrimination Policy and publication of a refreshed Code of Conduct.

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

To set:

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

- Our People Plan outlines the objectives and indicators against which effectiveness will be assessed.
- We commenced development of a new Innovate Reconciliation Action Plan (RAP) for 2024-26.
- Our Cultural Reform Board - comprising members of diverse backgrounds, experiences, and perspectives from across our organisation - 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:

- to assess the achievement of those objectives;
- 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. These include demographic workforce data, progress on gender representation across different job families, evaluation data and information about our people's experience of inclusion and culture.

During 2023-24, there were no directions given by the Minister under section 12 of the EEO Act.

Diversity and inclusion achievements

In 2023-24, we achieved the following:

- The Reconciliation Action Plan (RAP) working group continued development of a new ‘Innovate’ RAP for 2024-2026. In September 2023 we commenced a partnership with Yarnnup to support the drafting, design and implementation plan for our RAP. Currently we are working with Reconciliation Australia through the endorsement process and look forward to launching our new RAP early in the 2024-2025 financial year.
- We have been announced as a finalist for the Supply Nation ‘Government Member of the Year’ award as part of its Supplier Diversity Awards 2024. This award recognises a government member that has demonstrated exceptional commitment, engagement and leadership in supplier diversity and driven significant growth in the Indigenous business sector.
- Our first Indigenous Career Pathway ATC (air traffic controller) traineeship concluded in December 2023 in Brisbane after a 9-month program. This opportunity provided insight into the life of an air traffic controller and the opportunity to undertake study in the various areas of the Brisbane Air Traffic Services Centre and surrounding towers. We have appointed a trainee to a permanent role as a Simulator Support Officer where they will continue to develop their skills in this specialist area. We are currently investigating options to expand this program in 2025.
- We signed a formal Program Collaboration Agreement with the not-for-profit organisation Girls on Fire, which works with schools, fire and emergency services, regional towns, and various youth organisations to introduce people aged 15 to 19 years to fire, emergency and disaster management skills. The collaboration will see Airservices, particularly our aviation rescue fire fighting (ARFF) services, working more closely with Girls on Fire for events, targeted educational and culture initiatives and community engagement activities. A large event was held in May 2024 at our ARFF training facility in Melbourne in collaboration with the Girls on Fire principal sponsor, National Australia Bank (NAB), and other emergency services including Fire Rescue Victoria, State Emergency Service, Country Fire Authority, Parks Victoria and Ambulance Victoria.
- We strengthened efforts towards gender equality through our continued membership with the Champions of Change Coalition, a globally recognised, innovative strategy for achieving gender equality, advancing more and diverse women in leadership, and building respectful and inclusive workplaces. We are members of one of the national groups and the Fire and Emergency group, requiring a high level of commitment and effort to undertake required activities and initiatives including yearly impact reporting.
- The Women@Airservices employee network is supporting AirNav Indonesia with establishing their new women’s network. A cross organisational mentoring program with Airservices and AirNav Indonesia also commenced in late 2023 with 9 mentoring pairs of Airservices mentors and female AirNav Indonesia mentees. This is an important partnership providing professional development opportunities to all mentoring pairs and relationship building between the 2 countries.
- The Women@Airservices network led a variety of events and activities to celebrate International Women’s Day on 8 March. We partnered with Women in Aviation/ Aerospace Australia for networking events in Brisbane, Canberra and Melbourne.
- On International Women’s Day we also supported a Virgin Australia flight from Melbourne to Brisbane that was dispatched, operated and managed by an all women team. More than 30 women united for this flight including female pilots, ground crew and Airservices air traffic controllers.
- Our Elevate network for LGBTIQ+ employees and allies continued to build awareness among our people to foster greater inclusion and belonging. We hosted activities including cultural awareness training; Pride Month, International Day Against Homophobia, Biphobia and Transphobia (IDAHOBIT) and Mardi Gras. Additionally, we continued our LGBTIQ+ education and awareness.
- We recognised significant dates including Men’s Health Week, Women’s Health Week, National Reconciliation Week, NAIDOC Week, RUOK Day, IDAHOBIT, Mardi Gras and Pride Month with online events and team gatherings.

More analysis on the achievements under the People and Culture key initiative can be found in the Annual Performance Statement section.

Diversity profile

Over the past year the number of women employed at Airservices has grown 12% compared with a growth of 5% in men. Further, there has been a 35% increase in women in senior leadership, compared to a 9% increase in men.

Table 2: Representation of designated groups in overall headcount 2020-2024

Designated groups ^{1,2}	2019-20	2020-21	2021-22	2022-23	2023-24
Indigenous Australians	1.7%	1.6%	1.9%	1.9%	1.8%
People with a disability	0.9%	1.0%	0.9%	0.9%	1.0%
People from a culturally or linguistically diverse background	6.1%	5.9%	23.0% ³	22.8%	23.9%
Female employees	17.8%	17.2%	20.2%	19.8%	21.0%
Gender: Non-binary, 'Uses a different term', 'Prefers not to answer' ⁴	-	-	-	0%	0%

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

2 All figures are reported on an actual head count basis (number of employees) excluding labour hire, contractors and consultants.

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

4 Reporting of non-binary and other gender terms is not yet captured effectively by current Human Resources Information System (HRIS).

Table 3: Employees in diversity groups by job role classification as at 30 June 2024¹

Job family	Aboriginal and Torres Strait Islander	Culturally and linguistically diverse	Disability
Air traffic management	3	254	7
Aviation rescue fire fighting services	46	102	7
Engineering	0	85	0
Technical and trade	3	58	5
Information and communications technology	2	62	3
Enabling professions	8	256	12
Senior leadership	0	52	1
Total by diversity groups	64	869	35
Percentage of workforce	1.8%	23.9%	1.0%

1 All figures are reported on an actual head count basis (number of employees) excluding labour hire, contractors and consultants.

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

Table 4: Gender by job role classification as at 30 June 2024

Job family ¹	Female by percentage	Female by number	Male by number	Non-binary, uses a different term, prefers not to answer ²
Air traffic management	17.4%	221	1,042	0
Aviation rescue fire fighting services	5.0%	44	831	0
Engineering	12.2%	20	144	0
Technical and trade	6.0%	16	252	0
Information and communications technology	25.8%	32	92	0
Enabling professions	48.4%	372	397	0
Senior leadership	32.4%	58	121	0
Total by gender	20.9%	763	2,879	0

1 All figures are reported on an actual head count basis (number of employees) excluding labour hire, contractors and consultants.

2 Reporting of non-binary and other gender terms is not yet captured effectively by current Human Resources Information System (HRIS).

Table 5: Employee age profile as at 30 June 2024

Age range ¹	Under 25	25-34	35-44	45-54	55-64	65+
Number of employees	78	638	1,203	1,116	543	64
Percentage of employees	2.1%	17.5%	33.0%	30.6%	14.9%	1.8%

1 All figures are reported on an actual head count basis (number of employees) excluding labour hire, contractors and consultants.

Table 6: Average retirement age

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Average retirement age	61.6	61.1	63.4	66.7	67.9	60.7

Table 7: Part-time employees by age bracket

Flexibility	Under 25	25-34	35-44	45-54	55-64	65+	Total
Permanent part-time	0	9	60	47	29	3	148
Temporary part-time	2	0	3	1	1	2	9
Casual	1	1	1	0	0	4	7

1 All figures are reported on an actual head count basis (number of employees) excluding labour hire, contractors and consultants.

Table 8: Ongoing employees by location (2023-24)

State ¹	Man/Male			Woman/Female			Non-binary, Uses a different term, prefers not to answer ²	Total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female		
NSW	325	5	330	59	2	61	0	391
QLD	935	29	964	220	27	247	0	1,211
SA	98	1	99	10	3	13	0	112
TAS	67	1	68	2	0	2	0	70
VIC	788	18	806	169	35	204	0	1,010
WA	234	1	235	17	2	19	0	254
ACT	180	4	184	95	20	115	0	299
NT	70	0	70	6	0	6	0	76
External Territories	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0
Total	2,697	59	2,756	578	89	667	0	3,423

- 1 All figures are reported on an actual head count basis (number of employees) excluding labour hire, contractors and consultants.
 2 Reporting of non-binary and other gender terms is not yet captured effectively by current Human Resources Information System (HRIS).

Table 9: Ongoing employees by location (prior period 2022-23)

State ¹	Man/Male			Woman/Female			Non-binary, Uses a different term, prefers not to answer ²	Total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female		
NSW	294	3	297	44	4	48	0	345
QLD	898	24	922	198	25	223	0	1,145
SA	87	1	88	7	3	10	0	98
TAS	61	0	61	2	0	2	0	63
VIC	747	16	763	143	34	177	0	940
WA	225	1	226	18	2	20	0	246
ACT	206	3	209	99	23	122	0	331
NT	69	0	69	5	0	5	0	74
External Territories	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0
Total	2,587	48	2,635	516	91	607	0	3,242

- 1 All figures are reported on an actual head count basis (number of employees) excluding labour hire, contractors and consultants.
 2 Reporting of non-binary and other gender terms is not yet captured effectively by current Human Resources Information System (HRIS).

Table 10: Non-ongoing employees by location (2023-24)

State ¹	Man/Male			Woman/Female			Non-binary, Uses a different term, prefers not to answer ²	Total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female		
NSW	23	2	25	17	0	17	0	42
QLD	41	1	42	30	2	32	0	74
SA	0	0	0	1	0	1	0	1
TAS	0	0	0	0	0	0	0	0
VIC	43	1	44	29	1	30	0	74
WA	1	0	1	2	0	2	0	3
ACT	10	1	11	13	1	14	0	25
NT	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0
Total	118	5	123	92	4	96	0	219

1 All figures are reported on an actual head count basis (number of employees) excluding labour hire, contractors and consultants.

2 Reporting of non-binary and other gender terms is not yet captured effectively by current Human Resources Information System (HRIS).

Table 11: Non-ongoing employees by location (prior period 2022-23)

State ¹	Man/Male			Woman/Female			Non-binary, Uses a different term, prefers not to answer ²	Total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female		
NSW	23	1	24	12	1	13	0	37
QLD	41	1	42	25	0	25	0	67
SA	0	0	0	0	0	0	0	0
TAS	0	0	0	0	0	0	0	0
VIC	36	0	36	20	0	20	0	56
WA	0	0	0	1	1	2	0	2
ACT	13	0	13	11	1	12	0	25
NT	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0
Total	113	2	115	69	3	72	0	187

1 All figures are reported on an actual head count basis (number of employees) excluding labour hire, contractors and consultants.

2 Reporting of non-binary and other gender terms is not yet captured effectively by current Human Resources Information System (HRIS).

Our work health and safety performance

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

Executive commitment to work health and safety

Our Board and Executive continued their commitment to work health and safety (WHS) throughout the year. The good health and wellbeing of our people remains essential to our success. Our focus has been on minimising risk exposure, guided by the Board's Risk Appetite Statement, through targeted risk reduction initiatives. In doing so, we continue to focus on protecting the physical health of our people while supporting mental health through a psychosocial risk-management approach.

Work health and safety initiatives

We have progressed our Safety Improvement Strategy, which is structured around 4 strategic pillars: Proactive Leadership, Enabled through Effective Systems, Confidence in Our Controls and Continuous Learning.

Key initiatives commenced include Critical Control Management, Leading for Safety, Contractor Management, and Occurrence Management. These programs demonstrate our ongoing dedication to ensuring the health and safety of our workforce and our commitment to maintaining a safe and supportive work environment.

The above initiatives, coupled with focused risk reduction programs such as electrical safety, driving safety and the health and wellbeing of our people, are designed to ensure and enhance the robustness of our risk controls, as well as reduce the frequency and severities of injuries.

Electrical safety

We have continued to address electrical safety risks through commencing a multi-year electrical safety switchboard replacement program, which will replace aging switchboards and mitigate arc-flash risks through safety-in-design improvements. Electrical safety has been chosen as the first risk to develop a critical control management bowtie to ensure the right controls are in place to manage this risk.

Driving and vehicle safety

Driving continued to be a key risk, especially in remote areas. To improve our controls, we conducted an independent review of our processes and controls to identify opportunities to further reduce driving-related risks.

Health and wellbeing of our people

The core focus throughout 2023-24 was the development and embedding of the Psychosocial Risk Improvement Program (PRIP) in response to recent changes in our legislative and regulatory environment (refer to regulations 55A to 55D, WHS Act). The program takes a data-driven and consultative approach to identifying current and emerging psychosocial hazards and risks, providing a mechanism for a system-level review of our workplace practices to identify improvement actions. The systems-based approach ensures better practice in managing psychosocial risk.

The PRIP differs from other organisational strategies for psychosocial risk management in its holistic and collaborative approach to complex problem-solving. Adopting a shared accountability framework facilitated by our 'One Airservices' philosophy, the program acknowledges the activities conducted across functions, and cohesively maps and evaluates them to assess their overall effectiveness in protecting the workforce from work-related psychological or physical harm. Since program commencement, 58 corrective actions have been generated: 18 targeted to improve the program and 40 systemic actions aimed at enhancing the effectiveness of our psychosocial risk controls.

Mental health first aid

Focus continued with our Mental Health First Aid program, with internal instructors now trained to upskill our workforce. The peer assistance network (PAN) has been further embedded, with efforts to proactively integrate these mental health initiatives into our Safety Management System, including integration of PAN into drug and alcohol management processes and occurrence management.

Targeted injury risk reduction

Our body stress risk injuries remain a focus for our aviation rescue fire fighters. We implemented specific programs to assist our physical training instructors in supporting front-line crews, focusing on aerobic conditioning, mobility, stability, and strength and conditioning.

We also finalised a Physical Safety Standard for implementation in 2024-25. This industry-leading standard aims to protect the safety of our fire fighting workforce, supported by health and wellbeing programs, to ensure the ongoing operational safety and resilience of our ARFF workforce.

Work health and safety reporting

Our total recordable injury frequency rate (TRIFR) was 10.4 for the year ended June 2024. We have continued to focus on reducing the number and severity of injuries to our people, prioritising their wellbeing through targeted hazard and risk reduction activities. Compared with the previous financial year, there was an increase in the number of injuries (occurrences) reported with people accessing early intervention schemes. Reporting to Comcare increased slightly from the previous year but remains low overall. There were no fatalities in the 2023-24 reporting period.

For 2024-25, we have amended our total recordable injury frequency rate (TRIFR) to align with Safework Australia guidance on safety reporting. This includes reporting of occupational disease outside of this metric.

To improve our reporting culture, we commenced a transition to new reporting software that will be simpler, more intuitive, and mobile-device enabled. This will create an opportunity to refresh our behavioural approach to observations, hazards, and occurrences, generating greater insights into our safety performance.

Consultation and health and safety committees

Local Health and Safety Committee meetings were held in Brisbane, Sydney, Canberra, Perth (on behalf of WA, a state-based committee), and Melbourne to proactively consult and resolve local work health and safety opportunities and issues at those sites.

The national Health and Safety Committee for ARFF is now in place to address health and safety matters affecting our fire fighters at a national level. It provides an additional avenue for our people to raise, review, and consult on national solutions for safety-related opportunities and issues.

Workers' compensation premium

Our Comcare premium for 2024-25 has increased from 0.91% of payroll to 1.35%, which is above the Commonwealth scheme average of 0.95% (up from 0.84%). This increase is due to our increased claim numbers in disease-based claims rather than injury. Awareness of presumptive legislation for employees (including former employees) exposed to hazardous materials and entitlement to lodge claims for cancers from fire fighters, has led to an increase in such claim numbers. Comcare enacted presumptive legislation for post-traumatic stress disorder (PTSD) late in 2023, resulting in additional mental health claims.

Improvement notices and Comcare investigations

During 2023-24, we received no improvement notices and were not the subject of any investigations.

Table 12: Work health and safety occurrences and hazards 2019-20 to 2023-24

Incident category	2019-20	2020-21	2021-22	2022-23	2023-24
Reported work-related WHS occurrences	167	142	160	195	242
Reported work-related WHS hazards	1,203	552	413	404	415
Workplace fatality	0	0	0	1 ⁴	0
Serious injury or illness requiring Comcare notification	1	3 ¹	3 ²	1	1
Dangerous incidents requiring Comcare notification	8	10	5 ³	0	2 ⁵

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

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

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

4 The death in 2022-23 was an external candidate (i.e. not an Airservices employee) who suffered a heart attack while undertaking a physical aptitude test during recruitment activity.

5 One dangerous incident was reported to Comcare and subsequently determined not to have met the criteria under the WHS Act.



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
- 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. The Board is the 'accountable authority' under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The PGPA Act imposes governance obligations on our Board as an accountable authority.

Following is information about the memberships of the Board and the Board committees, the Board and Board committee functions, meeting attendance for 2023–24, and other governance and accountability matters. Further information about our corporate governance is available on our website at www.airservicesaustralia.com/about-us/our-governance.



John Weber

LLB, MAICD

Non-executive Board member Board Chair

John Weber has been a member of Airservices Board since April 2017. Mr Weber was appointed as Board Chair on 3 June 2018. His current term expires on 2 June 2025.

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.

Mr Weber 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 currently the Chair of Paypa Plane and a director of the Australian Maritime Systems Group, the Horizons Foundation, the European Australian Business Council and the Dimeo group.

Mr Weber is a member of the Australian Institute of Company Directors. He has extensive board experience across a diverse range of organisations in the public, private and not-for-profit sectors. This includes previously being a director of the Western Sydney Airport Corporation, the Council of the Asia Society and the ABCN Foundation.



Greg Hood AO

Non-executive Board Member Deputy Chair, Chair of the Safety Committee

Greg Hood was appointed Deputy Chair of the Board on 8 September 2021. Mr Hood was Chair of the Board Safety Committee and a member of the Technology Committee and People, Culture and Remuneration Committee. His term expired on 7 September 2024.

Mr Hood has more than 41 years' experience in the transport industry. Greg Hood began 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. This extensive experience includes as Executive Manager Operations with the Civil Aviation Safety Authority (CASA), Executive General Manager Air Traffic Control with Airservices and more recently, Chief Commissioner and Chief Executive Officer at the Australian Transport Safety Bureau (ATSB).

During his tenure at the ATSB, Greg Hood was also appointed as the Chair of the International Transportation Safety Association (ITSA). The ITSA is a global association of safety investigation agencies. He is a former board member of Safeskies 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.

Greg is currently Acting Chair 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 also has been and is currently 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, and a crisis supporter for Lifeline.

In addition to holding qualifications as a glider and powered aircraft pilot, Greg 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.

Mr Hood is an Officer of the Order of Australia in recognition of his distinguished service to the national transportation and aviation industries and to the not-for-profit sector.



Anne Brown

BA CA GAICD

**Non-executive Board Member
Chair, Board Audit and Risk Committee**

Anne Brown was first 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 2 February 2027.

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, and a member of the Markets Disciplinary Panel at the Australian Securities and Investments Commission. Anne Brown was previously a member of the Finance and Risk Committee of Monte Sant' Angelo Mercy College Ltd, a 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.



Dr Eileen Doyle

BMath (Hons), MMath, PhD, FTSE, FAICD, FAAAAI

**Non-executive Board Member
Chair, Board Technology Committee**

Eileen Doyle was appointed to the Board on 21 April 2021. Dr Doyle is Chair of the Technology Committee, a member of the Audit and Risk Committee and a member of the Sustainability Committee. Eileen Doyle's current term expires on 20 April 2025.

Dr Doyle has had extensive experience at senior executive and CEO levels across a number of industries. Eileen Doyle is also an experienced non-executive director. Dr Doyle is currently on the Board of NextDC Ltd, DBI Infrastructure, Swoop Analytics, Hunter Angels Trust, O'Connell Street Associates and Kinetic Group Services Pty Ltd.

Dr Doyle is a former Chairman of PWCS, Deputy Chairman of the CSIRO and director of Santos Ltd. She was Australia's first Fulbright Scholar in Business and had the opportunity to study and work in New York.

She 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.



Dr Marlene Kanga AO

BTech, Msc, PhD, HonFIEAust, HonFIChemE, FTSE, FAICD

**Non-executive Board Member
Chair, Board Sustainability Committee**

Marlene Kanga was appointed to the Board on 4 September 2017. She was Chair of the Board Sustainability Committee and a member of the Board Safety Committee. Her term expired on 3 September 2024.

Dr Kanga has extensive experience in complex safety systems engineering in the oil and gas and energy industries. Marlene Kanga is also an experienced non-executive director.

Dr Kanga is currently a director of Standards Australia, Endeavour Energy, the Institute of Chemical Engineers Safety Centre, Rux Energy Holdings Pty Ltd and iOmniscient Pty Ltd. iOmniscient Pty Ltd has developed artificial intelligence-based video analytic technologies.

Dr Kanga is a past director of Business Events Sydney, the NSW Smart Sensing Network, Innovation Science Australia, the Sydney Water Corporation and Engineers Australia. Marlene Kanga was Chair and National President of Engineers Australia in 2013. Dr Kanga is also a past President of the World Federation of Engineering Organisations.

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

Dr Kanga was the Engineers Australia 2018 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 'for distinguished service to engineering, as a global leader and role model to women'.



Nicolle Connelly

FRAeS, MEng, GAICD

Non-executive Board Member

Nicolle Connelly was appointed to the board on 1 August 2023 and her current term expires on 31 July 2026. Ms Connelly is a member of the Board Safety Committee and the Board People, Culture and Remuneration Committee.

Ms Connelly's career spans over 35 years in the aviation sector. This career includes a variety of roles and responsibilities at Airservices, and in airlines and academia.

Currently Nicolle Connelly is Associate Professor of Aerospace Engineering and Aviation at Royal Melbourne Institute of Technology (RMIT). Ms Connelly's specialisation is Air Traffic Management and Transport Safety.

Ms Connelly was previously employed at Airservices for 27 years. During that time she held operational management and senior management roles, including service as a qualified operational air traffic controller.

Ms Connelly has been the recipient of numerous awards, including the Teaching Excellence award from the Australian Awards for University Teaching (AAUT) and was the Female Educator of the Year at RMIT in 2022. She was the recipient of the Women in Aviation/Aerospace Award for Outstanding Contribution to the Aviation or Aerospace Sectors in 2020.

Ms Connelly is a Fellow of the Royal Aeronautical Society (FRAeS) and a Fellow of the International Federation of National Teaching (IFNTF). She has a Master of Engineering Airworthiness from RMIT.



Melvin Hupfeld AO

DSC (BSc)

Non-executive Board Member

Mel Hupfeld was appointed to the Board in August 2023. Mr Hupfeld's current term expires in July 2027. He is a member of the Audit and Risk Committee, the Safety Committee and the Technology Committee.

Mel Hupfeld serves on the Air Force Association Board, the Spitfire Association Advisory Council, the Swinburne Research Institute Advisory Board and is a member of the Public Service Advisory Board to provide strategic advice to government and industry clients.

Mr Hupfeld joined the Royal Australian Air Force (RAAF) as an Academy Cadet in January 1980 and graduated as a pilot with a Bachelor of Science degree in 1983.

During his RAAF career, he flew Mirage, Classic Hornet and Super Hornet fighter aircraft in several of the Air Force's fighter squadrons and achieved over 3,500 flying hours. In 2001 Mel took command of No. 75-Squadron (75SQN) and led the Squadron in operations in the Middle East on Operations BASTILLE and FALCONER as part of Australia's contribution to Operation IRAQI FREEDOM in 2003. He completed several staff appointments including in the capability-development and force-design areas and completed the Royal Air Force Advanced Command and Staff Course, graduating with a Master of Arts in Defence Studies from King's College in London in 1998.

Mel commanded at every level within the RAAF and notably, on promotion to the rank of Air Marshal, was appointed as Chief of Joint Operations in May 2018 and subsequently Chief of Air Force in July 2019. He transitioned to the Air Force Reserve in July 2022. Since then, he has assisted the Minister for Home Affairs and Cyber Security as a member of the Expert Advisory Board to develop a National Cyber Security Strategy.



Lawrence (Lawrie) Turner

GAICD

Non-executive Board Member Chair, Board People, Culture and Remuneration Committee

Lawrence Turner was appointed to the Board in 2021. The term of Lawrence Turner as a Board member expired on 2 March 2024. Lawrence Turner was subsequently reappointed as a Board member on 10 May 2024. He is Chair of the People, Culture and Remuneration Committee, a member of the Technology Committee and a member of the Safety Committee. Mr Turner's current term expires in 2027.

Mr Turner has held the position of Chief Information Officer in airline, retail, telecom and rail industries. He has more than 20 years of experience in the aviation industry having worked at executive levels in Qantas Airways, Virgin Australia Airlines and internationally with Sabre Corporation of the USA. Lawrie 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 that implemented the first multi-host airline reservations system in the country. At Virgin Australia, Lawrie held the roles of Chief Information Officer, acting Chief Operating Officer and Group Executive Business Services.

He 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.



Peter Curran

MBA

Acting Chief Executive Officer (from 9 June 2024)

The Board appointed Peter Curran as Acting Chief Executive Officer on 9 June 2024 which meant that he became a member of the Board.

Peter Curran joined Airservices in May 2019 as the Executive General Manager Air Navigation Services. Prior to this, Peter Curran worked for 7 years at the International Air Transport Association (IATA) based in Geneva, Switzerland. He was responsible for progressing airline interests associated with the European Union (EU) Single Market initiative and Single European Sky (SES). Mr Curran's role addressed institutional, regulatory and operational performance with a focus on the safety, environment, capacity and cost efficiency of air navigation services across 42 European States.

Peter Curran has over 25 years of experience in the aviation industry since starting as an air traffic controller in Sydney and Brisbane. He has held a range of leadership roles across corporate and regulatory affairs, strategy and planning, operational service delivery, major capital programs, change management and finance.

Peter Curran has a Master of Business Administration from the University of Queensland. Mr Curran has also completed the Graduate General Manager Program at the Australian Graduate School of Management.



Rob Sharp

BBus(Mgt), CA, GAICD, CompIEAust, EngExec, FRAeS
Interim Chief Executive Officer (from 29 July 2024)

The Board appointed Rob Sharp Interim Chief Executive Officer in July 2024, bringing over 25 years of senior executive experience in the aviation and transport sectors.

Rob Sharp holds a Bachelor of Business and has had an extensive involvement with academia. He is a Fellow of the Royal Aeronautical Society, a Chartered Accountant, a Companion of Engineers Australia and a Graduate of the Australian Institute of Company Directors.

Rob Sharp most recently served for 2 years as Secretary for Transport for NSW leading 30,000 employees, delivering daily transport services and operations across the state including roads, rail and ferry operations.

Rob Sharp headed Virgin Australia Airlines for 2 years, leading 8,000 employees, and was responsible for all aspects of the airline business. He was CEO of Tigerair for 4 years, rebranding the airline, delivering a turnaround strategy and repositioning the business.

Rob Sharp started his transport career with Qantas Airways, working across strategy, commercial and operational roles including responsibility for airline strategy and innovation, major transformational programs, technology developments, and global airport infrastructure and operations logistics.

Rob Sharp also brings experience in Infrastructure including construction and mining, and high technology.

Former Board members

The term of the following Board members concluded during 2023-24

Jason Harfield

*EMBA DipAv(ATS) FAICD FRAeS MSP
(Adv Practitioner)*

Chief Executive Officer (until 8 June 2024)

Jason Harfield was appointed Chief Executive Officer (CEO) on 9 March 2016. Mr Harfield's term as CEO expired on 8 June 2024.

With more than 30 years of experience in the aviation and air traffic management industry, Jason began his career with the Civil Aviation Authority as a flight data officer then as an air traffic controller.

His executive leadership roles have included leading safety and future services functions, as well as leading and transforming air traffic management operations through the introduction of advanced airport capacity and air traffic flow management capabilities.

Jason has also held senior operational management positions such as Australia's Head Air Traffic Controller and the Australian Airspace Regulator.

Jason 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 the Royal Aeronautical Society.

Jason is also a private pilot.

David Marchant, AM

GAICD

**Non-executive Board member (until 20 July 2023)
Chair, Board Technology and Investment
Committee (until 22 August 2022)**

David Marchant was appointed to the Board on 21 July 2014. He was Chair of the Board Technology and Investment Committee (until 22 August 2022) and was a member of the Audit and Risk Committee. He was a non-executive Board member and his term expired 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. He is also a graduate member of the Australian Institute of Company Directors.

Board committees

The **Safety Committee** 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 Board Chair and CEO as ex-officio committee members.

The **Audit and Risk Committee** assists the Board in maintaining objective and reliable financial and performance reporting, and effective systems for risk management and internal controls. It helps our Board ensure that we comply with all relevant legislative and regulatory obligations. The committee has at least 3 members, all of whom must be independent non-executive Board members.

The **People, Culture and Remuneration Committee** 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 Board Chair and CEO as ex-officio committee members.

The **Technology Committee** 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. The Committee also has responsibility for overseeing the execution of the OneSKY Program. The Committee has at least 3 non-executive Board members, plus the Board Chair and CEO as ex-officio committee members.

The **Sustainability Committee** assists the Board in overseeing our strategy to address impacts on the environment and the community; our compliance with environmental obligations; community engagement; and implementation of the Aircraft Noise Ombudsman recommendations. The Committee has at least 3 non-executive Board members, plus the Board Chair and CEO as ex-officio committee members.

Each Board committee has been established with a charter, which is available on our website:

Board charter:
www.airservicesaustralia.com/wp-content/uploads/Board-Charter.pdf

Safety Committee charter:
www.airservicesaustralia.com/wp-content/uploads/Airservices-BSC-Charter.pdf

Audit and Risk Committee charter:
www.airservicesaustralia.com/wp-content/uploads/Airservices-BARC-Charter.pdf

People, Culture and Remuneration Committee charter:
www.airservicesaustralia.com/wp-content/uploads/Airservices-REM-Charter.pdf

Technology Committee charter:
www.airservicesaustralia.com/wp-content/uploads/Airservices-BTIC-Charter.pdf

Sustainability Committee charter:
www.airservicesaustralia.com/wp-content/uploads/Airservices-BECC-Charter.pdf

Board committee membership consists only of Board members.

In 2023-24, Board members were remunerated in accordance with the relevant Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination and did not receive additional remuneration for membership of any Board committee.



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Meeting attendance

The number of meetings of the Board and Board committees held during the period ended 30 June 2024, along with the corresponding attendance by each Board member, are shown in the tables below.

Table 13: The Board

Board members	No. of possible meetings	No. of meetings attended
Mr John Weber (Board Chair)	14	14
Mr Greg Hood AO (Deputy Chair)	14	14
Ms Anne Brown	14	13
Mr Lawrence Turner ¹	9	8
Mr Melvin Hupfeld AO ²	14	13
Ms Nicolle Connelly ³	14	13
Dr Eileen Doyle	14	14
Dr Marlene Kanga AO	14	14
Mr Jason Harfield ⁴	13	13
Mr Peter Curran ⁵	0	0
Mr David Marchant, AM ⁶	0	0

1 The term of Lawrence Turner as a Board member expired on 2 March 2024. Lawrence Turner was subsequently reappointed as a Board member on 10 May 2024.

2 Melvin Hupfeld was appointed as a Board member on 1 August 2023.

3 Nicolle Connelly was appointed as a Board member on 1 August 2023.

4 The term of Jason Harfield as Chief Executive Officer and Board member expired on 8 June 2024.

5 Peter Curran was appointed as Acting Chief Executive Officer and Board member on 9 June 2024.

6 David Marchant ceased as Board member on 20 July 2023.

Table 14: Safety Committee

Committee members	No. of possible meetings	No. of meetings attended
Mr Greg Hood AO (Committee Chair)	6	6
Dr Marlene Kanga AO	6	5
Mr Lawrence Turner ¹	5	4
Mr Melvin Hupfeld AO ²	5	5
Ms Nicolle Connelly ³	5	5
Mr John Weber	6	6
Mr Jason Harfield ⁴	6	6
Mr Peter Curran ⁵	0	0

1 The term of Lawrence Turner as a Board member expired on 2 March 2024. Lawrence Turner was subsequently reappointed as a Board member on 10 May 2024.

2 Melvin Hupfeld was appointed as a Board member on 1 August 2023.

3 Nicolle Connelly was appointed as a Board member on 1 August 2023.

4 The term of Jason Harfield as Chief Executive Officer and Board member expired on 8 June 2024.

5 Peter Curran was appointed as Acting Chief Executive Officer and Board member on 9 June 2024.

Table 15: Audit and Risk Committee

Committee members	No. of possible meetings	No. of meetings attended
Ms Anne Brown (Committee Chair)	4	4
Dr Eileen Doyle	4	3
Mr Melvin Hupfeld AO ¹	4	4
Mr David Marchant, AM ²	0	0

1 Melvin Hupfeld was appointed as a Board member on 1 August 2023.

2 David Marchant ceased as Board member on 20 July 2023.

Table 16: People, Culture and Remuneration Committee

Committee members	No. of possible meetings	No. of meetings attended
Mr Lawrence Turner ¹ (Committee Chair)	5	5
Mr Melvin Hupfeld AO ² (Committee Chair)	1	1
Ms Nicolle Connelly ³	5	5
Mr Greg Hood AO	6	6
Ms Anne Brown	6	6
Mr John Weber	6	6
Mr Jason Harfield ⁴	6	6
Mr Peter Curran ⁵	0	0

- 1 The term of Lawrence Turner as a Board member expired on 2 March 2024. Lawrence Turner was subsequently reappointed as a Board member on 10 May 2024. During his period as Board member he was also Committee Chair.
- 2 Melvin Hupfeld was a Committee member and Committee Chair from 4 March 2024 until 9 May 2024.
- 3 Nicolle Connelly was appointed as a Board member on 1 August 2023.
- 4 The term of Jason Harfield as Chief Executive Officer and Board member expired on 8 June 2024.
- 5 Peter Curran was appointed as Acting Chief Executive Officer and Board member on 9 June 2024.

Table 17: Technology Committee

Committee members	No. of possible meetings	No. of meetings attended
Dr Eileen Doyle (Committee Chair)	5	5
Mr Greg Hood AO	5	5
Mr Lawrence Turner ¹	4	3
Mr Melvin Hupfeld AO ²	5	5
Mr John Weber	5	5
Mr Jason Harfield ³	5	5
Mr Peter Curran ⁴	0	0

- 1 The term of Lawrence Turner as a Board member expired on 2 March 2024. Lawrence Turner was subsequently reappointed as a Board member on 10 May 2024.
- 2 Melvin Hupfeld was appointed as a Board member on 1 August 2023.
- 3 The term of Jason Harfield as Chief Executive Officer and Board member expired on 8 June 2024.
- 4 Peter Curran was appointed as Acting Chief Executive Officer and Board member on 9 June 2024.

Table 18: Sustainability Committee

Committee members	No. of possible meetings	No. of meetings attended
Dr Marlene Kanga AO (Committee Chair)	4	4
Dr Eileen Doyle	4	4
Mr John Weber	4	4
Mr Jason Harfield ¹	4	4
Mr Peter Curran ²	0	0

- 1 The term of Jason Harfield as Chief Executive Officer and Board member expired on 8 June 2024.
- 2 Peter Curran was appointed as Acting Chief Executive Officer and Board member on 9 June 2024.

Benefits and interests in contracts with Airservices Australia

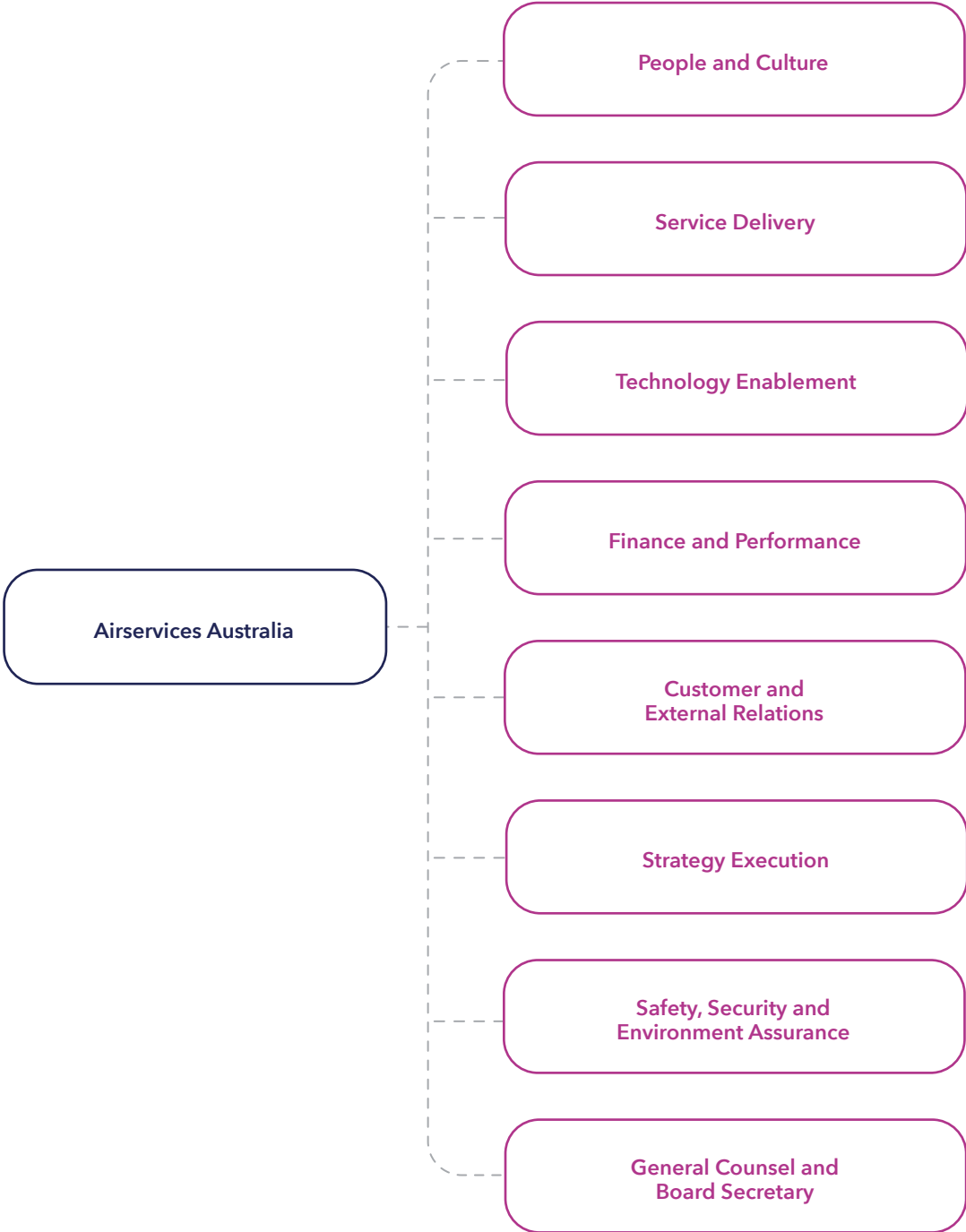
Details of directors' benefits and interests in contracts with Airservices are set out in notes 4.3 and 4.4 of the financial statements.

Directors' and Officers' indemnities and insurance

In 2023-24, 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 when the insurer consents in writing to such disclosure.

Our business structure

The diagram below outlines our organisational structure as at 30 June 2024. Airservices did not have any subsidiaries during the 2023-24 period.

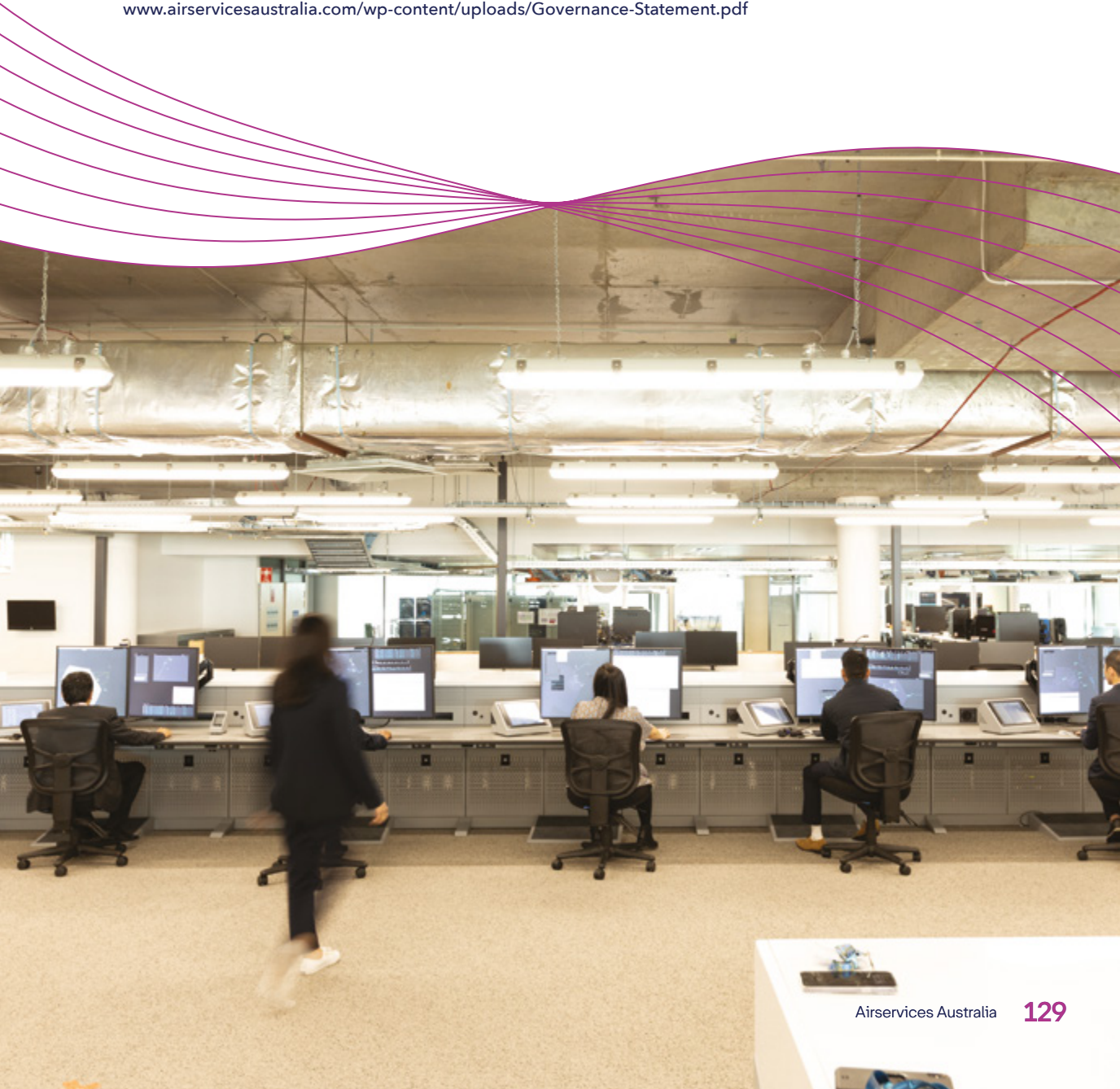


Governance statement

Airservices Australia is committed to meeting high standards of corporate governance, which we consider essential to our long-term performance and sustainability, and to be in the best interests of the Australian Government.

The Board annually approves a Governance Statement that outlines the most significant aspects of our governance arrangements and processes, which can be viewed at:

www.airservicesaustralia.com/wp-content/uploads/Governance-Statement.pdf



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 support the delivery of our corporate objectives. Reflecting a '3 lines' model of risk and compliance management and assurance, they comprise the documents, structures, systems and processes through which we ensure that our legal and regulatory obligations are met, our risks are managed and there is effective governance and assurance of these activities.

The overarching Governance, Risk and Compliance (GRC) Framework directs our GRC accountabilities and actions and promotes continuous improvement across all our governance frameworks.

The Board and Executive receive regular reporting on our GRC performance.

Risk management

We support a culture of proactive risk management by embedding sound risk-management practices across our 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 drives 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 reliable services for our customers and the aviation industry.

Compliance management

We have a fundamental responsibility to ensure ongoing compliance with our legal and regulatory obligations. Our compliance management approach is broadly aligned to ISO 37301:2021 Compliance Management Systems Guidelines.

We maintain compliance obligation registers that are supported by legislative monitoring processes, compliance management activities, and reporting.

Ethical standards and fraud control

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

The Board and Executive monitor the implementation of our Fraud and Corruption Control Plan through regular reporting. Performance against ethical standards and fraud control are reported to the Board through the People, Culture and Remuneration Committee and the Board Audit and Risk Committee.

Our Ethics and Fraud Control Policy and the Bullying, Harassment and Discrimination Policy, supported by the Code of Conduct Policy, inform employees, contractors and consultants about our ethical standards and our approach to fraud and corruption. 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 alleged 'disclosable conduct' under the *Public Interest Disclosure Act 2013* is reported). This includes investigations and any required reporting to external law enforcement agencies. We regularly review fraud risks and monitor fraud controls for effectiveness. All reasonable measures are undertaken to prevent, detect and investigate incidents of fraud and corruption.

Resilience

We demonstrate our commitment to organisational resilience through maturing our organisation's resilience capability in partnership with internal business areas, our customers, the wider aviation industry, and government agencies. We strengthen our capability by identifying lessons from real-life responses and with exercises incorporating these lessons into our program.

During 2023–24, our annual exercise program has incorporated an all-hazards approach to resilience. Scenarios requiring more centralised coordination have been used to test the integration of multiple plans and stakeholders, strengthening the awareness and capability of leaders and the key roles responsible for crisis management.

Security

We take personnel, physical, information, and cyber security very 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.

Significant investment in our physical, cyber and personnel security functions have continued, as we embed security requirements into our change programs.

As an aviation industry participant, 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).

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 '3 lines' assurance model that we use to monitor the operation of controls and risk-mitigation activities to assure the effective and efficient performance of our business processes. During 2023–24 our internal audit team performed 12 business audits, and 9 audits on compliance with the Civil Aviation Safety Regulations 1998.

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 2023–24 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 *Privacy Act 1988* (Privacy Act) and the Privacy (Australian Government Agencies–Governance) APP Code 2017, which includes the Australian Privacy Principles and the Notifiable Data Breach Scheme. We also undertake privacy impact assessments (PIA) and through these measures we identify, manage and mitigate any privacy concerns and impacts that may arise in our proposed and current projects and activities.

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

Airservices did not receive any complaints made under the Privacy Act during the year.

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).

Our FOI disclosure log lists information released in response to FOI access requests. The disclosure log and IPS are available at www.airservicesaustralia.com/about-us/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.

During 2023–24, we received 87 applications under the FOI Act, consisting of 85 primary requests and 2 requests for internal reviews.

Over this same timeframe we finalised 82 applications under the FOI Act consisting of 80 primary requests and 2 internal reviews. The Information Commissioner also notified us that they had finalised consideration of 5 applications for review of Airservices decisions.

Commonwealth Ombudsman activity

In May 2024, the Commonwealth Ombudsman issued a notice to Airservices pursuant to section 8 of the *Ombudsman Act 1976* indicating that the Ombudsman had accepted a complaint from the Brisbane Flightpath Community Alliance (BFPCA) and opened an investigation into Airservices' management of the impact of aircraft noise on Brisbane residents.

Airservices is working with the Ombudsman to respond to their enquiries and the investigation, which is ongoing.

Fair Work Commission (FWC)

On 18 April 2024 the FWC approved the Airservices Australia Enterprise Agreement 2024–2026 which commenced operation on 25 April 2024.

On 15 July 2024 the FWC approved the Airservices Australia (Aviation Rescue and Fire Fighting) Enterprise Agreement 2024–2027 which commenced operation on 22 July 2024.

On 17 July 2024 we submitted the Airservices Australia (Air Traffic Control and Supporting Air Traffic Services) Enterprise Agreement 2024–2027 to the FWC for approval. The agreement has not been approved as at the time of preparing this report.

No other 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 have had or may have had a significant effect on our operations.

Adverse effect of non-commercial commitments

No non-commercial commitments were recorded in 2023–24.

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 environmentally 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. We have extended the scope of our ISO 14001 certification and we now have 3 certified sites – Canberra, Cairns and Adelaide airport facilities. These sites are audited 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

We are continuing to plan and progress programs and projects related to achieving the targets within our Environmental Sustainability Strategy 2021–2026. We have also commenced a comprehensive review of our sustainability strategy with a particular focus on updating our existing carbon emissions targets. This review aims to align our carbon emission targets with the Commonwealth Net Zero targets. Additionally, we are incorporating climate change considerations more holistically into our strategy to ensure a resilient and forward-thinking approach.

Our approach to environmental sustainability covers 4 key areas, each with its own goal, activities and targets. This is driven by 2 distinct drivers:

As a broader aviation ecosystem we are focused on:

1. aircraft emissions – working with our airlines and airports to enable a reduction in their aircraft emissions
2. aircraft noise – engaging with our customers and communities to minimise the impact of aircraft noise.

As an organisation committed to environmental responsibility we are focused on:

3. ecological sustainability – protecting biodiversity and minimising pollution within our operations
4. resource management – enhancing efficiency and innovation in resource consumption and improving our climate resilience.

Our activities in this area include:

- expansion of user-preferred routes
- expansion of noise monitoring data
- implementation of noise abatement procedures (NAP)
- implementation of Noise Action Plan for Brisbane airport
- engagement for environmental impact statement (EIS) of Western Sydney International (WSI) airport
- continuous descent operations (predictable sequencing)
- completion of post-implementation reviews for various airspace changes
- community and stakeholder engagement to address aircraft noise and PFAS concerns
- biodiversity protection through environmental values mapping
- resource profiling to develop key programs to minimise our environmental footprint
- site investigations at various airports
- climate change assessment and development of adaptation measures
- capturing our Scope 3 emissions in line with our Scope 1 and 2 emissions
- launch of sustainable procurement standard
- comprehensive environment, social and governance (ESG) review of our supply chain with a particular focus on modern slavery and emissions
- procurement of hybrid fire trucks for the upcoming WSI airport
- installation of Solar Systems at Brisbane and Melbourne ATSCs.

Environmental performance

Our activities and services may have several impacts on the environment, including on ecosystems, communities, natural and physical resources, and heritage. The EMS prescribes the necessary requirements to manage and mitigate potential environmental impacts arising from our activities. It sets clear objectives and targets for environmental performance, ensuring continuous improvement through regular audits and reviews. Our conformance with the framework ensures compliance with our environmental obligations, demonstrates the effectiveness of controls implemented, and provides insights for future continuous improvement.

We manage our operational processes to:

- prevent regulatory and legal non-conformance
- prevent or minimise environmental harm
- minimise risks to a level considered 'as low as reasonably practicable' (ALARP)
- achieve positive environmental outcomes
- achieve corporate objectives and comply with the requirements of the EMS.

Effectiveness of managing environmental impacts

Table 19 presents key environmental impacts, specific control measures and methods to ensure impacts are minimised. Table 20 details aspects of our performance that are specifically measured to provide insight into the effectiveness of our management.

Table 19: 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 flightpath changes	<p>Aircraft noise</p> <ul style="list-style-type: none"> – All flightpath change projects delivered using a community-by-design approach to minimise impacts where safe and practicable – Application of the Environmental Management of Changes to Aircraft Operations standard, which requires: <ul style="list-style-type: none"> • environmental impact and risk assessment of proposed changes • seeking the Commonwealth Environment Minister’s advice under the EPBC Act for changes deemed to trigger potential ‘significant impact’ • community noticeability assessment and community engagement on all proposed changes. – Application of flightpath design principles, to support balanced decision-making – Application of our Community Engagement Standard, which ensures communities have the opportunity to contribute to our decision-making and that engagement is sufficient in terms of reaching all those with a potential noticeable change in operations – Provision of a Noise Complaints and Information Service (NCIS), which: <ul style="list-style-type: none"> • receives and responds to complaints through a dedicated call centre and online application • investigates and reports on complaints • reports complaints ‘hotspots’ and matters for potential improvement investigation to senior management. – Provision of Brisbane noise abatement procedure reporting, including use of over-water modes – Expansion of hours for simultaneous opposite direction parallel runway operations (SODPROPS) in Brisbane on weekend mornings and Saturday evening. <p>Aircraft emissions</p> <ul style="list-style-type: none"> – Route optimisation (user-preferred route and dynamic airborne reroute procedures): user-preferred routes have been implemented across oceanic and continental Australian airspace. Standardisation of short-term conflict alert and route-adherence-monitor parameters are under development – User-preferred routes saved an estimated 35,000 metric tonnes of CO₂ in FY2024 – Shared use airspace: a National Airspace Management Office is being established with the implementation of the airspace management tool. This capability will enable airspace efficiencies in support of ICAO’s flexible use airspace concept – Trajectory-based operations–continuous descent operations (CDO): the facilitation of continuous descent operations at Melbourne has expanded to include arrivals from Tasmania, New Zealand and Queensland. While most arrivals into Melbourne already perform a CDO at lower altitude, the implementation of this initiative enables a CDO to be flown all the way from top of descent and has saved over 200,000kg of CO₂ in FY2024. Work is under way to facilitate CDO from top of descent for arrivals from the east into Sydney, arrivals from the north and east into Perth, and arrivals from the south into Brisbane. 	<p>Assurance activities conducted this year including external reviews/ audits undertaken by:</p> <ul style="list-style-type: none"> – ISO 14001 auditors – an internal review of above-ground change screening to verify conformance with the Aircraft Operations Standard – external agencies as required (including the Aircraft Noise Ombudsman) – an internal review of our process for delivering on post-implementation-review recommendations – an internal review of Western Sydney International (WSI) airport community engagement to ensure all communities with potential noticeable changes had the opportunity to contribute to the EIS public exhibition period. <p>Technical endorsement of airport-developed Australian Noise Exposure Forecast (ANEF) to provide ongoing assurance in managing development around airports to reduce 4 aircraft-noise impacts.</p>

Theme	Activity impact	Measures taken to minimise environmental impacts	Ongoing assurance
Ecosystems, Biodiversity and Heritage	Impacts from on-ground changes—including construction projects	<ul style="list-style-type: none"> – Application of Environmental Management of Changes to On-Ground Activities 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. – Environmental-values mapping of our remote unmanned and key airport sites has been finalised. This has determined key environmental risks and potential impacts from the infrastructure upgrades and development projects. This also assists with identifying mitigation measures required to manage environmental risks – Our EMS provides a structured approach to identifying and mitigating potential risks before they occur. It ensures that all project activities are assessed for their environmental implications, and appropriate control measures are implemented. By establishing clear procedures, regular monitoring, and capability upgrade, the EMS helps to minimise disturbances to the environment such as soil erosion, water contamination and habitat disruption. This proactive management ensures that projects are carried out in a sustainable manner, adhering to environmental regulations and best practices. 	<p>A number of internal and third-party assurances were conducted to verify our environmental performance and compliance with regulatory requirements, which include:</p> <p>Internal assurance</p> <ul style="list-style-type: none"> – site-based control reviews conducted by ARFF, ATM and emergency vehicle technicians – regular review of environmental occurrences/hazards – compliance review against the Dark Smoke Agreement – site-based environmental risk assurances. <p>External audits</p> <ul style="list-style-type: none"> – ISO 14001 audit – airport tenancy audits completed at Sydney, Gold Coast, Alice Springs, Perth, Bankstown, Camden, Adelaide and Melbourne airports.
Ecosystems, Biodiversity and Heritage	Legacy contamination from the historic use of fire fighting foams containing PFAS	<ul style="list-style-type: none"> – Continued 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 environments to confirm the presence and determine the nature (depth, lateral extent) of PFAS contamination, and understand the behaviour (movement) of PFAS mass by developing conceptual site models • conduct of PFAS-related risk assessments • identifying and implementing management actions to contain PFAS mass in situ, reducing efflux from our lease areas • identifying and implementing remedial actions to remove PFAS mass from source or otherwise treat it in situ (e.g. chemical binding) • undertaking research and development, and trial activities to establish the effectiveness and efficacy of PFAS treatment technologies • engaging with Commonwealth, state and territory regulatory departments and agencies on our approach to and progress in PFAS management • engaging with our stakeholders to inform on our activities, hear their concerns and respond to these. – Progressive development of airport-specific PFAS management plans including 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 for key stakeholders across the business – Enterprise governance reporting. 	<ul style="list-style-type: none"> – Regular review of PFAS-related Enterprise (T2) Risk and Control Actions (CIRRIIS) – National pollution monitoring program was successfully delivered with trade waste and environmental sampling completed at all required sites.

Theme	Activity impact	Measures taken to minimise environmental impacts	Ongoing assurance
Ecosystems, Biodiversity and Heritage	Impacts from on-ground operational activities	<ul style="list-style-type: none"> – Mapping of site environmental compliance obligations (including Commonwealth and state legislative obligations) has been completed for ongoing tracking and monitoring of environmental compliance. The outcome of this work has enabled linkage of obligations to controls, risks and actions to provide greater assurance of compliance and risks for site-based obligations – The operational environment management plans (OEMP) at 36 airports across Australia are being updated to align with current operating practices and regulatory requirements – A plan has been developed to undertake a review and reassessment of environmental risk at the OEMP sites – Functional risks are being redefined to align more closely with environmental values. This shift involves prioritising sustainable practices that minimise environmental harm. This approach ensures that environmental considerations are central to our operational and strategic planning – Application of the Environmental Performance Requirements and Controls for Airservices Infrastructure standard, which prescribes objectives and key controls for managing each lifecycle stage of infrastructure development (including the operational phase) – The 2024-2026 Heritage Strategy has been finalised providing an overview of the specific requirements outlined in the EPBC Regulations and, where relevant, strategies for implementation during the 2024-26 period. 	<p>A number of internal and third-party assurances were conducted to verify our environmental performance and compliance with regulatory requirements, which include:</p> <p>Internal assurance</p> <ul style="list-style-type: none"> – site-based control reviews conducted by ARFF, ATM and EVT – regular review of environmental occurrences/hazards – compliance review against the Dark Smoke Agreement – site-based environmental risk assurances – National Pollution Monitoring Program was successfully delivered with trade waste and environmental sampling completed at all required sites <p>External audits</p> <ul style="list-style-type: none"> – ISO 14001 audit – airport tenancy audits completed at Sydney, Gold Coast, Alice Springs, Perth, Bankstown, Camden, Adelaide and Melbourne.
Natural Resources	Use of natural resources result in an increase in resource usage e.g. water or fuel, or waste generation (including energy, and wastewater)	<ul style="list-style-type: none"> – Application of the Environmental Performance Requirements and Controls for Airservices Infrastructure standard requires incorporation of resource efficient and sustainable technologies in the development and refurbishment of infrastructure – The Environmental Sustainability Strategy 2021-2026 outlines our key goals and outcomes, including sustainable resource management – A waste-reduction roadmap has been developed to address recycling opportunities, infrastructure improvements and waste minimisation – A comprehensive review of our sustainability strategy with a particular focus on updating our existing carbon emissions targets has commenced – Environmental-values mapping has been completed, which will help manage/minimise risks to local biodiversity. 	<ul style="list-style-type: none"> – Development and implementation of a data-management roadmap to support accurate and effective emissions reporting – Implementation of the IBM Envizi platform to measure, track and analyse resource data.

Table 20: Environmental performance indicators for 2023-24

Theme	Performance measure	Indicator	Result
Community and Social amenity	Complainants	Number of residents who have contacted the NCIS for the 10 major airports	3,302 (increase of 12% complainants against 2022-23 complainants)
	Emissions	Total reduction of aircraft emissions from flightpath changes (cubic tonnes)	No major flightpath changes were introduced in 2023-24 and therefore no change in emissions reported
Ecosystems, Biodiversity	Occurrences	Number of major environmental occurrences	No major environmental occurrences were reported in 2023-24
Heritage	Compliance with EPBC Heritage obligations	Development and implementation of the Heritage Strategy with continual review	The Airservices 2024-2026 Heritage Strategy has been finalised
Natural Resources	Energy ¹	Scope 1 and Scope 2	26,884.74 tCO ₂ e (there has been a decrease of 29% in our Scope 1 and 2 emissions from 2021-22)
	Waste ²	Amount of waste going to landfills (tonnes) Amount of waste going to recycling facilities (tonnes) (excl liquid and toxic waste)	Our total waste footprint was 4,066. Of this 63 tonnes were diverted. Our total waste footprint is down by 3% on previous reporting period.
	Water	Amount of wastewater (kL)	We are unable to obtain accurate data that would allow this reporting at this time. However, we have already begun the process of collecting this information to support our broader emissions reporting and sustainability efforts.

- 1 Energy data is reported for the 2022-2023 reporting period. Decrease is a result of retirement of redundant assets and data capture improvements, resulting in less estimated energy readings.
- 2 Total waste diverted reduced significantly compared to last year due to removal of trade waste in calculation.

Climate action in government operations

Australian Public Service Net Zero 2030 Emissions Reporting

The Australian Public Service (APS) Net Zero 2030 is the government's policy for the APS to reduce its greenhouse gas emissions to net zero by 2030, and report transparently on its emissions.

As a corporate Commonwealth entity, Airservices will report on our operational greenhouse gas emissions under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*. Taking into consideration the distinct aviation industry and APS commitments, we are currently reviewing our commitment to reach net zero by 2050.

The Greenhouse Gas Emissions Inventory in Table 21 presents greenhouse gas emissions over the 2022-23 period. Results are presented on the basis of carbon dioxide equivalent (CO₂e) emissions. Greenhouse gas emissions have been calculated in line with the Australian Public Service Emissions Reporting Framework, consistent with the Whole-of-Australian Government approach as part of the APS Net Zero 2030 policy. Not all data sources were available at the time of the report and amendments to data may be required in future reports.

Table 21: Greenhouse gas emissions inventory – location-based method¹

Emission source ²	Scope 1 tCO ₂ e	Scope 2 tCO ₂ e	Scope 3 tCO ₂ e	Total tCO ₂ e
Electricity (location-based approach)	n/a	23,030.41	3,120.78	26,151.19
Natural gas	153.46	n/a	37.42	190.88
Solid waste ³	n/a	n/a	548.00	548.00
Fleet and other vehicles	393.87	n/a	97.13	491.00
Domestic flights	n/a	n/a	5,145.26	5,145.26
Other–purchased goods and services and employee commute	n/a	n/a	115,857.00	115,857.00
Other energy	3,307.00	n/a	870.20	4,177.20
Total tCO₂e	3,854.33	23,030.41	125,675.79	152,560.53

- Electricity usage emissions are calculated using the location-based method. The quality and accuracy of data is expected to improve over time as emissions reporting matures.
- Reportable emissions for 2022-23. Scope 1 and 2 emissions for 2022-23 have decreased compared to 2021-22 as a result of the retirement of redundant assets and data capture improvements. This resulted in less estimated energy readings. There is a considerable increase in our Scope 3 emissions from 2021-22 due to a larger number of categories being considered in 2022-23, including the addition of employee commute and waste data.
- Emission sources collected for the first time in 2022-23. The quality and accuracy of data is expected to improve over time as emissions reporting matures.

Table 22: Electricity greenhouse gas emissions¹

	Scope 2 tCO ₂ e	Scope 3 tCO ₂ e	Total tCO ₂ e	Percentage of electricity use
Location-based electricity emissions	23,030.41	3,120.78	26,151.19	100%
Market-based electricity emissions	22,097.94	2,924.73	25,022.66	78.62%
Total renewable electricity	–	–	–	21.38%
– Mandatory renewables ²	–	–	–	18.72%
– Voluntary renewables ³	–	–	–	2.66%

- Reportable emissions for 2022-23. The location-based approach calculates the emissions from the local area in which the energy is consumed, while the market-based approach accounts for electricity purchased through contractual instruments and assigns the associated emissions to the purchasing entity. The quality and accuracy of data is expected to improve over time as emissions reporting matures.
- Mandatory renewables are the portion of electricity consumed from the grid that is generated by renewable sources. This includes the renewable power percentage.
- Voluntary renewables reflect the eligible carbon credit units surrendered by the entity. This may include purchased large-scale generation certificates, power purchasing agreements, GreenPower and the jurisdictional renewable power percentage (ACT only).

Environmentally sustainable development

We are aligned to the National Strategy for Environmentally Sustainable Development (ESD) through our environmental protection measures encompassed within our Environment Management System (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 2023-24, which accord with ESD principles under the EPBC Act, are described in Table 23.

Table 23: Key ESD aligned activities in 2023-24

Environmentally 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 careful balancing to ensure safety and operational efficiency, protect the environment and minimise the effects of aviation noise on the community, wherever practicable.</p> <p>Since the implementation of our flightpath design principles in 2020 and community engagement framework in 2021, we have continued to evolve our practice to ensure balanced flightpath and airspace change decision-making, supported by effective community engagement.</p> <p>In 2023 we published a new national Community Engagement Standard (CES), providing a clear process for engagement, with the aim of meeting community expectations and ensuring our decisions are informed by community input. The CES was subject to national community feedback to ensure it reflected current community needs and expectations. It has been applied to all new flightpath changes since its publication in September 2023.</p> <p>We are engaging communities early, when considering options for flightpath changes, and are genuinely seeking to identify opportunities to improve our designs and reduce the impact of Australia's aviation operations on communities.</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>All PFAS program-based risk assessments undertaken by Airservices are consistent with the principles of environmentally sustainable development (ESD). Decision-making processes effectively integrate both long-term and short-term economic, environmental, social and equity-supporting considerations.</p> <p>The precautionary principle guides health and environmental risk assessments and forms the basis of science-based risk assessments.</p>
<p>Biodiversity principle: the conservation of biological diversity and environmental integrity should be a fundamental consideration in decision making.</p>	<p>The protection of biodiversity values is a key requirement of the EMS, with associated controls built into the management of all our activities (from flightpath changes to on-ground operations).</p> <p>The mapping of environmental values surrounding remote, unmanned navigational and communications facilities along with key airport sites has been completed. The data has informed a risk assessment of the most environmentally sensitive sites which will enable the organisation's targeting of further risk controls where needed most. Four such sensitive remote sites have been inspected to further understand the site-specific environmental risks and any requirement for further environmental protection measures or controls. Risk controls may include additional containment of fuel storage tanks, enhanced incident-response and clean-up resources, and wildlife protection measures.</p> <p>Our revised requirements for flightpath change management include additional quantitative and qualitative measures for assessing biodiversity impacts. Our internal standards for infrastructure development include targeted controls to protect flora and fauna values throughout projects and operational activities.</p>

Environmentally sustainable development 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.

Activities in accordance with ESD Principles

Our Environmental Sustainability Strategy commits to balancing financial growth, environmental stewardship and social responsibility, ensuring long-term benefits for both current and future generations. The strategy encompasses comprehensive measures such as reducing carbon emissions, implementing energy-efficient practices, and promoting the use of renewable resources.

By integrating sustainable practices into our operations and supply chain, we not only minimise our environmental footprint but also foster climate change resilience. Adhering to intergenerational principles, we actively invest in community initiatives to minimise impacts of aircraft noise. This forward-thinking approach ensures that the benefits of our sustainable actions today extend well beyond the present, securing a healthier planet and communities.

Following are some of the key programs we have implemented:

- Our facilities at Western Sydney International Airport will be one of the first in the world to take delivery of the newly-developed hybrid Striker Volterra 6x6 ARFF services vehicles.
- We have installed solar systems at our ATSC facilities in Brisbane and Melbourne.
- We have developed a comprehensive climate change risk-assessment and adaptation plan aimed at minimising the impact of climate change on our operations and service delivery, and reducing carbon emissions. This plan identifies potential climate-related risks and adaptive measures to enhance climate resilience.
- Social and sustainable procurement practices. Our procurement practices are aligned with AS/ISO20400 environmentally sustainable procurement standards and various measures are being implemented. We conducted a comprehensive ESG risk analysis of our supply chain with a particular focus on modern slavery and emissions. These insights will inform future strategic initiatives to mature our sustainable procurement capabilities.
- We continue to meet the mandatory reporting criteria set out under *Modern Slavery Act 2018* (Cwth) which outlines actions taken to address the modern slavery risks in our operations and supply chain over the financial year.
- We introduced a Supplier Code of Conduct to support our commitment to ethical, sustainable and socially responsible procurement. The code communicates our expectations of our own business as well as our suppliers.
- We remain committed to increasing supplier diversity in our supply chain and have increased our spend significantly compared to last year.

We continue to evolve and enhance our EMS by:

- embedding environmental sustainability objectives and outcomes into key national operating standards and other Airservices frameworks and subordinate document suites
- assigning environmental and sustainability accountabilities for key executive roles
- publishing environmental legal compliance obligations procedures
- delivering and implementing 36 operational environment management plans (OEMP), and improving organisational incident-management processes and procedures.

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

We have been working with the Civil Aviation Historical Society and other stakeholders to preserve Australia's aviation history. We continue to support the 'Connecting the Nation' portal, sponsorship of the Airways Museum based at Essendon Fields Airport, and the 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).

The 2024-2026 Heritage Strategy has been finalised providing an overview of the specific requirements outlined in the EPBC Regulations and, where relevant, strategies for implementation during the 2024-26 period.

We continue to work towards improving the monitoring of greenhouse gas emissions, energy consumption and production. We reported in accordance with the *National Greenhouse and Energy Reporting Act 2007* requirements for 2022-23.

Environmentally sustainable development principles

Valuation principle: improved valuation, pricing and incentive mechanisms should be promoted.

Activities in accordance with ESD Principles

The impacts of aircraft emissions, aircraft noise and the industry's reliance on other natural resources are increasingly being raised at both a global, national and community level. Our Environmental Sustainability Strategy outlines how we contribute to the wider international aviation sustainability agenda over 2021-2026. It focuses on achieving better environmental outcomes for the following:

- aircraft emissions
- aircraft-noise space
- environmental sustainability
- sustainable resource management.

We drove progress through ambitious goals as demonstrated below through our environmental responsibility in action:

- User-preferred routes saved an estimated 35,000 metric tonnes of CO₂ in 2023-24.
- Continuous descent operations saved more than 200,000 kg of CO₂ in 2023-24.



Noise complaints and information service

The total number of residents contacting the Noise Complaints and Information Service (NCIS) in 2023–24 was 4,765. This was 31 more than the 4,734 recorded in 2022–23 (Australia wide).

The total number of contacts the NCIS received in 2023–2024 was 64,279. This was 18,559 more than the recorded 45,720 in 2022–23 (40% increase in contacts Australia wide).

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

During 2023–24, 5 major airports had an increase in the number of residents making complaints (Table 24), 12% higher than 2022–23, with significant increases at Brisbane, Sydney, and Perth airports.

The main contributors to the increase included the frequency of movements, weather diversions and runway maintenance affecting noise sharing.

Brisbane Airport had another significant increase in contacts in 2023–24. The total number increased from 1,462 in 2022–23 to 1,690 in 2023–24 (15% increase in complainants). Multiple factors attributed to the increase in contacts such as the ongoing Noise Action Plan for Brisbane project and traffic management caused by service variations, runway maintenance and weather diversions.

While there was an increase to several major airports, there were a number of airports that have had a significant decrease in contacts to the NCIS. These included Adelaide, Bankstown, Hobart, Melbourne and Sunshine Coast (28% combined decrease in complainants).

Table 24: Number of residents who contacted the NCIS for the 10 major airports

Airport	2020-21	2021-22	2022-23	2023-24
Adelaide	89	183	198	137
Brisbane	1,709	1,308	1,462	1,690
Cairns	12	19	27	28
Canberra	14	20	17	20
Darwin	8	4	7	2
Gold Coast	128	92	60	55
Hobart	15	21	52	31
Melbourne	88	162	285	172
Perth	178	156	258	329
Sydney	331	580	576	838
Total	2,572	2,545	2,942	3,302

There has been an increase of 12 per cent in the number of residents contacting NCIS from the previous financial year, which is less than the percentage between 2021–22 and 2022–23.



Appendices

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

During this reporting period, the Minister made no new formal directions to Airservices Australia under section 16 of the *Airservices Act 1995*.

There are 4 ministerial directions that 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 2023-2025

Overview

Statement of Expectations

This instrument is the *Statement of Expectations for Airservices Australia* for the period 1 July 2023 to 30 June 2025.

This Statement of Expectations (SOE) applies in respect of the period commencing 1 July 2023 and ending 30 June 2025 and replaces the previous SOE issued on 21 June 2021.

This SoE serves as a notice to Airservices Australia (Airservices) under section 17 of the *Air Services Act 1995* (the Act) and sets out my expectations for Airservices' appropriate strategic direction and the manner in which Airservices should perform its functions.

Statement of Intent

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 Australia **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. In accordance with the Act, the safety of air navigation is our most important consideration.

Governance

Statement of Expectations

I expect the Board and Chief Executive Officer (CEO) of Airservices to ensure Airservices has the necessary resources and capabilities in place:

- a) to effectively manage Airservices' strategic direction, risks, corporate planning in accordance with section 21 of the Act, and
- b) to provide Air Traffic Services and Aviation Rescue Fire Fighting Services to the service level articulated in this SoE.

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 Airservices to keep the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department) and myself informed of Airservices' actions in relation to the requirements of this SoE, and to promptly consult on any risks, events or issues that may materially impact upon Airservices.

I expect Airservices to provide myself and the Department with quarterly progress reports against the Corporate Plan, this SoE and reasonable additional reporting requested by me or the Department, including financial and performance metrics.

I expect Airservices to monitor its progress towards strengthening its organisational capability and culture, engage in continuous improvement, and report on progress on these issues and relevant initiatives in its quarterly progress reports to me.

I expect the Board of Airservices to invite me or my delegate, or a nominated department official, to an annual strategic meeting to discuss Airservices' performance.

Statement of Intent

The Board and CEO will ensure that its annual Corporate Plan positions the organisation to have the necessary resources and capabilities to provide safe, secure, efficient and environmentally responsible services that are valued by the aviation industry and community.

We will focus on the provision of services in line with the service levels articulated in the SoE, customers' needs and Australia's international obligations. We will monitor performance and report transparently on our achievement of those outcomes.

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

We will monitor and report on the effective delivery of our Corporate Plan ensuring the Department and Minister are informed of our actions in fulfilling this SoE, consulted on material risks, events, or issues, and provided quarterly progress reports against the corporate plan, an annual report, and reasonable additional reporting requested.

We actively participate in international forums including International Civil Aviation Organization (ICAO) and work closely with the Department and Civil Aviation Safety Authority (CASA) to ensure that Australia continues to influence the future of aviation in line with government policies.

We will monitor and report on our progress towards strengthening our organisational capability and culture, engage in continuous improvement and report on relevant initiatives in our quarterly reports to the minister.

We will invite the Minister, delegate, or a nominated department official, to an annual strategic meeting to discuss Airservices' performance.

Strategic direction and manner of performance

Statement of Expectations

I expect Airservices to:

- operate as a world-best-practice provider of Air Traffic Services and Aviation Rescue Fire Fighting Services delivered in a safe, efficient and effective manner
- perform its functions and manage its finances in an efficient, economic and ethical manner, in accordance with the Act, the *Public Governance, Performance and Accountability Act 2013*, best practice principles and guidelines, other applicable legislation and relevant accounting standards
- comply with this SoE and all Ministerial Directions issued under the Act, and for Airservices to demonstrate it is on track to return to profitability and pay a dividend to Government in the 2027-28 financial year, or sooner
- arrange and pay for independent biennial reviews to assess Airservices' capital structure
- function in conformity with Australia's international obligations, including the requirements of the International Civil Aviation Organization (ICAO).

Statement of Intent

Airservices will continue to ensure we deliver world-best practice Air Traffic Services and Aviation Rescue and Fire Fighting (ARFF) services in a safe, efficient, and effective manner. The implementation of our transformation agenda will enhance our services.

We will ensure that we provide a service that meets our customers' needs and is consistent with Australia's international obligations, including through active participation in international forums including ICAO.

When performing our functions, we adhere to all relevant legislation including the *Air Services Act 1995* and the PGPA Act. We will manage our finances in an efficient, economic and ethical manner.

Airservices will comply with the SoE and all Ministerial Directions issued under the *Air Services Act 1995* and will demonstrate through its quarterly reporting that is on track to profitability and pay a dividend to Government in the 2027-28 financial year, or sooner.

Airservices will arrange and pay for independent biennial reviews to assess Airservices' capital structure, which will be provided to the Department in the 2024-25 financial year.

Service level

Statement of Expectations

I expect Airservices to:

- resolve Safety Findings issued by the Civil Aviation Safety Authority (CASA), including self-reported deficiencies, within a time period acceptable to CASA
- provide Air Traffic Services commensurate with the airspace classification as determined by CASA, during the baseline hours of service determined by CASA unless there is an unforeseeable contingency
- ensure it has in place sufficient, competent staff resources available to provide Air Traffic Services without regular use of demand management practices due to staff availability or competency, unless specified by regulations or legislation
- provide Aviation Rescue Fire Fighting Services to the category listed on the CASA-issued ARFF Provider Certificate and in accordance with the provisions of Part 139H (Aerodrome rescue and firefighting services) of the Civil Aviation Safety Regulations (CASRs) and other relevant regulations and legislation, unless there is an unforeseeable contingency
- ensure it has in place sufficient, competent staff resources available to provide Aerodrome rescue and firefighting services without the reduction of category due to staff availability or competency, unless required in the delivery of services specified by regulations or legislation
- implement long-term strategies to maintain continuity of service, ensuring Air Traffic Services and Aviation Rescue Fire Fighting Services are delivered in accordance with the expectations outlined at 4 (b), (c) and (d), and communicate these strategies to stakeholders in a frank and timely manner.

Should Airservices be unable to meet the Expectations under sections 4a), 4b), 4c), 4d) and 4e), Airservices should communicate these clearly and transparently to CASA, including its plans for remediation, and include a report on these issues in its Quarterly Report to the Minister.

Statement of Intent

Airservices Australia will resolve Safety Findings issued by the Civil Aviation Safety Authority (CASA), including self-reported deficiencies, within a time period acceptable to CASA.

Airservices Australia will provide Air Traffic Services commensurate with the airspace classification as determined by CASA, during the baseline hours of service determined by CASA unless there is an unforeseeable contingency.

Airservices is committed to providing safe, secure and efficient Air Traffic Services through our skilled and experience workforce without the regular use of demand management practices, unless specified by regulations or legislation.

Airservices will provide ARFF Services to the category listed on the CASA-issued ARFF Provider Certificate and in accordance with the provisions of Part 139H (Aerodrome rescue and firefighting services) of the Civil Aviation Safety Regulations (CASRs) and other relevant regulations and legislation, unless there is an unforeseeable contingency.

Airservices is committed to providing safe, secure, efficient, and environmentally responsible ARFF services through our skilled and experienced workforce without the reduction of category due to staff availability or competency, unless required in the delivery of services specified by regulations or legislation.

Airservices is committed to implementing long-term strategies to maintain continuity of service. In doing so, Airservices' workforce management plan will ensure the deployment of sufficient and competent resources for the provision of services. Airservices will communicate these strategies through our regular industry roundtables.

Airservices will communicate clearly and transparently to CASA if we are unable to meet the Expectations under sections 4a), 4b), 4c), 4d) and 4e), including our plans for remediation, and include a report on these issues in its quarterly report to the minister.

Key initiatives

Statement of Expectations

I expect Airservices to:

- a) work with the Department of Defence (Defence) to progress the implementation of the OneSKY Australia Program and the Civil Military Air Traffic Management System, including by:
- advising my Department on the progress of the project, including early identification of risks to delivery and supporting reporting to Government;
 - achievement of program milestones; and
 - providing information as requested by me or my Department.

- b) continue to work closely with the Department and CASA on implementing and supporting the development of the Government's approach to address Aviation Rescue Fire Fighting Services issues, consistent with relevant regulations and policies articulated by the Government;

- c) work with the Department and CASA to:

- develop and implement services to support emerging aviation technologies (including Remotely Piloted Aircraft Systems and Advanced Air Mobility) consistent with relevant regulations and policies articulated by the Government;
- provide technical advice on emerging aviation technologies to support policy and regulatory development by the government; and
- to promote the integration of the above into Australian airspace.

- d) develop and implement a Flight Information Management System consistent with the policy objectives articulated by the Government, including those concerning Unmanned Aircraft System Traffic Management.

Statement of Intent

The OneSKY Program remains the cornerstone of our commitment to deliver world-class air traffic management services into the future. Airservices Australia 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.

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

Airservices Australia will continue to work with the Department and CASA to:

- support of emerging aviation technologies (including Remotely Piloted Aircraft Systems and Advanced Air Mobility) consistent with relevant regulations and policies articulated by the Government
- provide technical advice on emerging aviation technologies to support policy and regulatory development by the government, through the Drones Inter-Departmental Committee
- to promote and ensure the safe integration of emerging technologies into Australian airspace.

Airservices will continue the development and implementation of a Flight Information Management System (FIMS) to ensure the safe integration of RPAS in Australian airspace. The ongoing engagement with government agencies and key stakeholders through multiple forums will ensure the FIMS will deliver a capability for Australia that is consistent with the Government's policy objectives and decisions on Uncrewed Aircraft System Traffic Management (UTM).

Statement of Expectations

- e) work with the Department and CASA on Airspace Management Modernisation, consistent with the Australian Airspace Policy Statement, including by:
- regularly reviewing instrument flight procedures to ensure suitability and relevance;
 - enhancing the safety and efficiency of Australian controlled airspace, including at major regional airports; and
 - applying sufficient resources to support the opening of the Western Sydney International (Nancy-Bird Walton) Airport in 2026, including but not limited to: air traffic control; rescue and firefighting services; navigational aids; and airspace planning, design, and implementation.

- f) advance the Government's environmental objectives, including by:
- minimising the impact of aircraft operations on communities where practicable;
 - applying sufficient resources to the Airservices Noise Complaints and Information Service, so that noise-affected communities can access needed information;
 - applying sufficient resources to independent Aircraft Noise Ombudsman, and give due consideration to all findings and recommendations made by the Aircraft Noise Ombudsman; and
 - continuing the commitment to the Sydney Airport Long Term Operating Plan as required by the Ministerial Direction dated 30 July 1997 (Federal Register of Legislation reference: F2009B00158).

- g) work with the Department, other Government agencies and industry to identify, manage and, where appropriate, remediate per- and poly-fluoroalkyl substances (PFAS) contamination arising from Airservices' operations on Airservices-impacted sites, in line with Government expectations on this issue, including by:
- advising the Department on risks of liability and damages arising from PFAS contamination at impacted sites, for both the Australian Government and for Airservices;
 - providing the Department with regular updates on:
 - investigations by Airservices of PFAS contamination;
 - Airservices' current management of PFAS; and
 - future management options and remediation costs; and
 - working with the Department collaboratively on PFAS policy and implementation activities.

- h) work with the Department, and other Government agencies as appropriate, in providing assistance and advice in relation to the Government's Asia Pacific aviation capacity and capability building initiatives.

Statement of Intent

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.

Airservices Australia airspace modernisation, will 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.

Airservices Australia will deliver essential infrastructure and services to support the opening of Western Sydney International (WSI) airport in 2026.

In designing airspace and flight paths, Airservices Australia 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 Australia Noise Complaints and Information Service will continue to be resourced to provide quality information and manage noise complaints to a high standard.

Airservices Australia will continue to support the role and independence of the Aircraft Noise Ombudsman (ANO) and implement all agreed recommendations.

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

Airservices Australia will continue to implement a risk-based national PFAS management program, including site investigations, containment and monitoring as appropriate. Airservices will work closely with the Department, government agencies and industry on issues related to PFAS in line with Government expectations, including participating in the Commonwealth inter-departmental committee.

Airservices Australia will provide regular advise on PFAS risks and liability, provide updates on investigations and management actions, and remediation options and cost.

Airservices Australia will work with the Department collaboratively on PFAS policy and implementation activities.

Airservices Australia will work with the Department, and other Government agencies as appropriate, in providing assistance and advice in relation to the Government's Asia Pacific aviation capacity and capability building initiatives.

Airservices Australia is continuing to proactively strengthen relationships within the Asia Pacific region by enhancing our capacity and capability initiatives to support closer cooperation and economic growth.

Stakeholder engagement

Statement of Expectations

I expect Airservices to:

- a) undertake effective and productive engagement with the community and industry based on mutual understanding and respect;
- b) communicate clearly and regularly with the Department, CASA, industry and the community on the development and implementation of significant changes to air navigation and Aviation Rescue Fire Fighting Services;
- c) keep stakeholders informed about Air Traffic Services disruptions and actions being taken to address the causes of disruption, including through transparent and regular reporting and frank and timely communication;
- d) proactively provide information, assistance and advice to Government agencies for policy formulation, implementation activities and regulation purposes;
- e) contribute to the coordinated approach to airport planning, including appropriate participation in planning coordination forums, community aviation consultation groups and the National Airports Safeguarding Advisory Group; and
- f) work closely with the 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.

Statement of Intent

Airservices Australia will engage 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. Airservices will engage with the community when we make changes that will impact them.

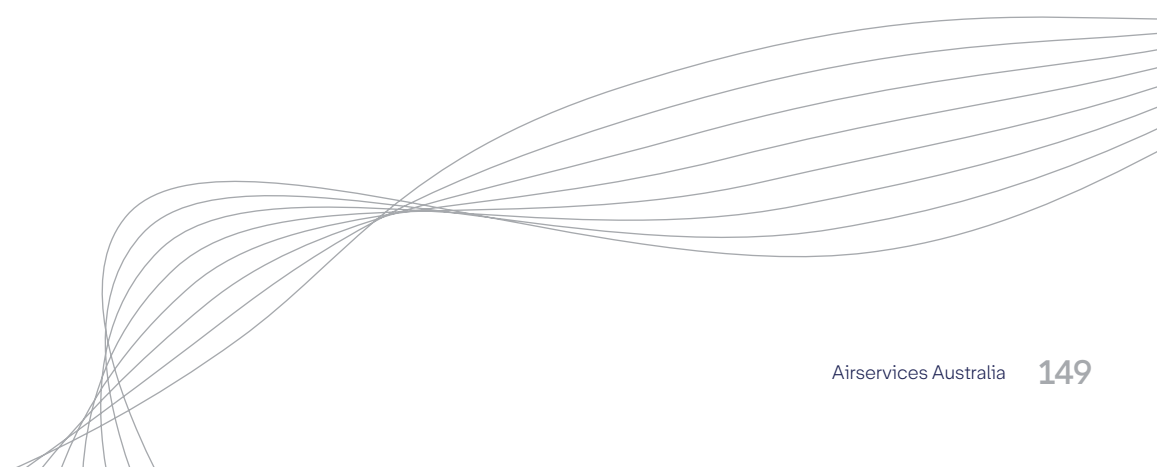
Airservices Australia has established mechanisms to share information with CASA in relation to the performance of its regulatory functions.

Airservices Australia is committed to keeping stakeholders informed about Air Traffic Service disruptions and actions being taken to address the causes of disruption, including through transparent and regular reporting and frank and timely communication. Airservices Australia is committed to providing key service performance results publicly through our website.

Airservices Australia will keep 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 Australia 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.

Airservices Australia will continue to 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, ARFF services and aviation infrastructure planning and implementation.



Appendix B: Airservices Remuneration Report 2023–24

2023–24 Remuneration report

The purpose of this section is to summarise the:

- remuneration for Board members
- performance outcomes and remuneration of the Executive
- remuneration for other leadership roles and other highly paid staff who were remunerated over \$250,000.

Board members and Executive

Board members

We are governed by a Board that consists of a Chair, Deputy Chair, 6 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 25: Board members¹

Name	Position	Term
John Weber	Chair	Full year
Greg Hood	Deputy Chair	Full year
Anne Brown	Board Member	Full year
Nicolle Connelly	Board Member	Part year – commenced 1 August 2023
Eileen Doyle	Board Member	Full year
Marlene Kanga	Board Member	Full year – expired 3 September 2024
Melvin Hupfeld	Board Member	Part year – commenced 1 August 2023
Lawrence Turner	Board Member	Part year – expired 2 March 2024 and reappointed on 10 May 2024
David Marchant	Board Member	Part year – finished 20 July 2023
Jason Harfield	Chief Executive Officer	Part year – finished 8 June 2024
Peter Curran	Acting Chief Executive Officer	Part year – commenced 9 June 2024 and finished 28 July 2024

¹ Rob Sharp was announced as interim CEO 8 July 2024 and commenced with the organisation on 29 July 2024.

Table 26: Executive

The Executive is accountable for leading, planning and managing Airservices’ operations, activities and performance in achieving Airservices’ purpose and objectives.

Name	Position ¹	Term
Michelle Bennetts ²	Chief Service Delivery Officer	Full year - finished 31 July 2024
Craig Charker	Acting Chief Service Delivery Officer	Part year - commenced 14 May 2024
Paul Logan	Chief Finance and Performance Officer	Current
Mark Hind	Chief Technology Enablement Officer	Current
Christian Patten	Chief Strategy Execution Officer	Current
Elizabeth Grinston	General Counsel and Board Secretary	Full year - finished 5 August 2024
Mark Scanlan	Director of Safety, Security and Environment Assurance	Current
Vivienne King	Chief Operating Officer	Part year - commenced 21 August 2023
Danielle Mesa	Chief Culture and Diversity Officer	Part year - commenced 30 October 2023
Sarah Davis	Acting Chief People & Culture Officer	Part year - finished 30 August 2023
Paul Stoddart	Acting Chief Customer and External Relations Officer	Part year - commenced 11 June 2024

1 Position reflects position title at the end of the financial year or at employment cessation date.

2 Michelle Bennetts transitioned out of her position as Chief Service Delivery Officer on 13 May 2024 and ceased employment with Airservices on 31 July 2024.

Remuneration strategy and settings

Executive and other leadership roles remuneration

Each 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 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.

In September 2021, all performance bonus or short-term incentive (STI) plans were removed in entirety for all eligible employees.

Executive and other leadership roles remuneration is made up of total fixed remuneration only.

Other highly paid staff remuneration

Other highly paid staff remuneration is determined in accordance with the relevant enterprise agreement or a combination of the 50th percentile of MNGM and individual position benchmarking.

Total fixed remuneration

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.

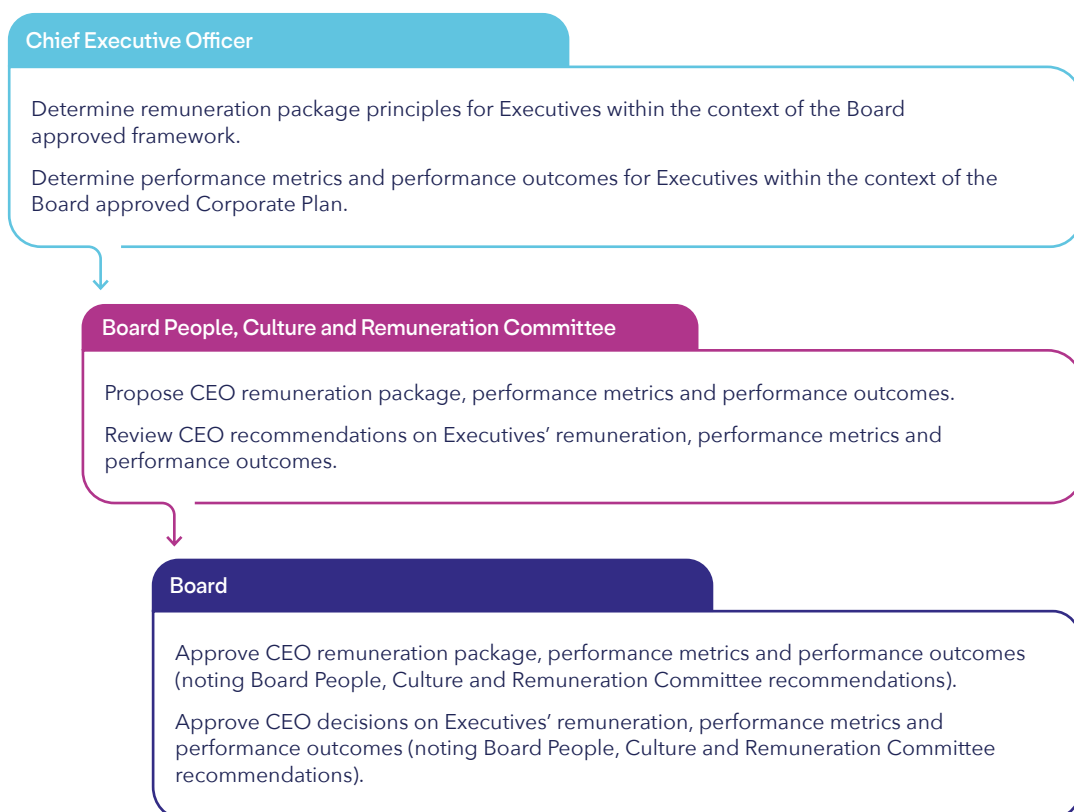
Remuneration governance

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 2023-24, the Committee Chair was Lawrence Turner, except for the period between 2 March to 9 May 2024 when Melvin Hupfeld was the Committee Chair. The non-executive Board members were Anne Brown and Greg Hood.

Remuneration Governance Framework



The CEO approves performance assessments and remuneration outcomes for other leadership and highly paid staff, as recommended by Airservices managers.

Annual fees and allowances for Board members

Annual fees and allowances for our 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.

Board member remuneration

The following table outlines the remuneration earned and accrued by Board members throughout 2023-24.

Table 27: 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	\$178,073	-	\$15,113	\$19,650	-	-	-	\$212,836
Greg Hood	Deputy Chair	\$133,562	-	\$3,804	\$14,738	-	-	-	\$152,104
Anne Brown	Board member	\$89,042	-	\$6,265	\$9,826	-	-	-	\$105,133
Nicolle Connelly	Board member	\$81,420	-	\$13,485	\$8,973	-	-	-	\$103,878
Eileen Doyle	Board member	\$89,042	-	\$3,050	\$9,826	-	-	-	\$101,918
Marlene Kanga	Board member	\$89,042	-	\$3,315	\$9,826	-	-	-	\$102,183
Melvin Hupfeld	Board member	\$81,420	-	\$8,026	\$8,973	-	-	-	\$98,419
Lawrence Turner	Board member	\$72,349	-	\$4,396	\$7,990	-	-	-	\$84,735
David Marchant	Board member	\$5,054	-	\$314	\$570	-	-	-	\$5,938
Total		\$819,004	-	\$57,768	\$90,372	-	-	-	\$967,144

1 Includes Board Committee membership and travel allowances.

Executive remuneration

The following table outlines the remuneration earned and accrued by Executive members throughout 2023–24.

Table 28: Executive remuneration

Name	Position title	Short-term benefits		Post-employment benefits		Other long-term benefits			Total remuneration
		Base salary ¹	Bonuses	Other benefits & allowances ²	Super-annuation contributions	Long service leave	Other long-term benefits	Termination benefits	
Jason Harfield ³	Chief Executive Officer	\$850,586	-	\$7,824	*\$130,172	\$24,597	-	\$997,987	\$2,011,166
Peter Curran ⁴	Chief Customer and External Relations Officer	\$555,913	-	\$8,110	\$28,203	\$22,137	-	-	\$614,363
Paul Logan	Chief Finance and Performance Officer	\$447,956	-	\$6,725	*\$50,042	\$12,333	-	-	\$517,056
Michelle Bennetts	Chief Service Delivery Officer	\$516,823	-	\$9,362	\$28,203	-\$6,198	-	-	\$548,190
Christian Patten	Chief Strategy Execution Officer	\$471,440	-	\$8,308	\$28,203	\$8,995	-	-	\$516,946
Mark Hind	Chief Technology Enablement Officer	\$426,996	-	\$8,308	\$28,203	\$10,380	-	-	\$473,887
Elizabeth Grinston	General Counsel and Board Secretary	\$493,391	-	-	\$28,203	\$8,851	-	-	\$530,445
Mark Scanlan	Director of Safety, Security and Environment Assurance	\$415,410	-	\$3,587	\$28,203	\$7,532	-	-	\$454,732
Vivienne King	Chief Operating Officer	\$440,868	-	-	\$26,314	\$3,438	-	-	\$470,620
Danielle Mesa	Chief Culture and Diversity Officer	\$326,739	-	-	\$21,174	\$5,393	-	-	\$353,306
Craig Charker	Acting Chief Service Delivery Officer	\$22,184	-	-	*\$3,609	\$1,273	-	-	\$27,066
Paul Stoddart	Acting Chief Customer and External Relations Officer	\$22,704	-	\$369	\$2,195	\$559	-	-	\$25,827
Sarah Davis	Acting Chief People and Culture Officer	\$55,346	-	-	\$4,922	\$1,118	-	-	\$61,386
Total		\$5,046,356	-	\$52,593	\$407,646	\$100,408	-	\$997,987	\$6,604,990

1 Base salary includes annual leave paid in accordance with RMG 138 Commonwealth entities' executive remuneration guide for annual reports.

2 Includes motor vehicle allowances.

3 Jason Harfield ceased employment with Airservices in the position of Chief Executive Officer with effect from 8 June 2024. An agreed taxable termination payment of \$997,987 is reflected as part of total remuneration.

4 Peter Curran was appointed Acting Chief Executive Officer with effect from 9 June 2024 to 28 July 2024.

* Defined benefit superannuation plan

Other leadership roles remuneration

The following table outlines the average remuneration earned and accrued by other leaders in 2023-24.

Table 29: Other leaders' remuneration¹

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary ²	Average bonuses	Average other benefits & allowances ³	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
\$0-\$220,000	70	\$130,551	-	\$1,246	\$16,393	-\$989	-	\$6,885	\$154,086
\$220,001-\$245,000	41	\$200,591	-	\$2,917	\$23,791	\$4,215	-	-	\$231,514
\$245,001-\$270,000	25	\$215,264	-	\$4,931	\$25,089	\$5,165	-	\$4,083	\$254,532
\$270,001-\$295,000	16	\$240,590	-	\$7,754	\$27,979	\$4,968	-	-	\$281,291
\$295,001-\$320,000	14	\$260,504	-	\$6,041	\$28,216	\$5,835	-	\$4,133	\$304,729
\$320,001-\$345,000	5	\$245,081	-	\$11,889	\$26,328	\$5,933	-	\$42,549	\$331,780
\$345,001-\$370,000	4	\$314,510	-	\$7,901	\$30,500	\$5,589	-	-	\$358,500
\$370,001-\$395,000	3	\$324,672	-	\$21,204	\$32,331	\$6,544	-	-	\$384,751
\$395,001-\$420,000	2	\$356,207	-	\$3,580	\$29,350	\$7,548	-	-	\$396,685
\$420,001-\$445,000	1	\$170,482	-	-	\$21,563	-\$907	-	\$233,076	\$424,214
	181	\$2,458,452	-	\$67,463	\$261,540	\$43,901	-	\$290,726	\$3,122,082

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. A market remuneration increase was applied in 2023-24 recognising increasing CPI, WPI figures and the recommendation from the Remuneration Tribunal.

3 Includes 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 2023-24.

Table 30: Other highly paid staff remuneration

Total remuneration bands	Number of other highly paid staff ¹	Short-term benefits			Post-employment benefits	Other long-term benefits	Termination benefits	Total remuneration	
		Average base salary ²	Average bonuses	Average other benefits & allowances ³	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
\$250,000-\$270,000	144	\$223,464	-	\$3,903	\$28,996	\$3,969	-	-	\$260,332
\$270,001-\$295,000	204	\$242,476	-	\$4,831	\$30,140	\$4,640	-	\$292	\$282,379
\$295,001-\$320,000	142	\$263,007	-	\$8,276	\$31,359	\$4,817	-	-	\$307,459
\$320,001-\$345,000	92	\$284,512	-	\$10,141	\$31,653	\$4,717	-	\$784	\$331,807
\$345,001-\$370,000	51	\$309,084	-	\$9,117	\$32,238	\$5,074	-	-	\$355,513
\$370,001-\$395,000	23	\$327,730	-	\$17,696	\$33,788	\$5,618	-	-	\$384,832
\$395,001-\$420,000	12	\$356,168	-	\$13,346	\$33,240	\$4,286	-	-	\$407,040
\$420,001-\$445,000	5	\$398,182	-	\$3,049	\$29,682	\$1,614	-	-	\$432,527
\$445,001-\$470,000	0	-	-	-	-	-	-	-	-
\$470,001-\$495,000	5	\$423,032	-	\$14,494	\$35,356	\$5,856	-	-	\$478,738
\$495,001-\$520,000	1	\$477,247	-	-	\$33,024	\$5,187	-	-	\$515,458
\$520,001-\$545,000	1	\$482,083	-	\$2,026	\$39,263	\$6,755	-	-	\$530,127
\$545,001-\$570,000	1	\$516,329	-	-	\$35,962	\$6,141	-	-	\$558,432
\$570,001-\$595,000	0	-	-	-	-	-	-	-	-
\$595,001-\$620,000	0	-	-	-	-	-	-	-	-
\$620,001-\$645,000	1	\$586,399	-	-	\$37,050	\$6,141	-	-	\$629,590
	682	\$4,889,713	-	\$86,879	\$431,751	\$64,815	-	\$1,076	\$5,474,234

1 Includes 652 staff employed under the Air Traffic Control and Supporting Air Traffic Services Enterprise Agreement, 3 staff employed under the Aviation Rescue and Fire Fighting Enterprise Agreement, 10 staff employed under the Airservices Enterprise Agreement and 17 employed on individual contracts.

2 Base salary includes annual leave paid and reflects adjustment for change in accrued annual leave and early retirement benefit payments. Increases to base salary ranged from 3.0% to 4.0%, dependent on the industrial instrument the staff member was employed under.

3 Includes fly-in fly-out, living away from home, and home purchase/sale allowances to eligible employees.

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 purpose	Details of the legislation establishing the body	Mandatory
17BE(b)(i)	Our purpose	A summary of the objects and functions of the entity as set out in legislation	Mandatory
17BE(b)(ii)	About us Our purpose	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)	Not applicable, no government policy orders in relation to Airservices Australia	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, no reported issues to the minister	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 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

PGPA Rule Reference	Part of report	Description	Requirement
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; and b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions.	If applicable, mandatory
17BE(p)	Our performance – factors influencing performance and key achievements	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, no judicial or administrative tribunal decisions of significant effect	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, no subsidiaries	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 2023-24	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	Environmentally sustainable development and environmental performance update
<i>Work Health and Safety Act 2011 (Schedule 2, Part 4)</i>	Our Work Health and Safety Performance	Health and safety outcomes achieved as a result of our initiatives
<i>Equal Employment Opportunity Act (Commonwealth Authorities) Act 1987 (section 9)</i>	Our Equity and Diversity Approach	A program report with detailed analysis of the action taken to promote equal employment opportunities
<i>Air Services Act 1995 (section 16)</i>	Appendix A: Ministerial expectations	Ministerial directions that remain current
<i>Air Services Act 1995 (section 17)</i>	Appendix A: Our statement of intent 2023-2025	Notices given to Airservices under subsection (1) for the period
<i>Air Services Act 1995 (section 18)</i>	Not applicable, no directions issued regarding supplying a specified nominee with information	Supply of information to Minister's nominee
<i>Air Services Act 1995 (section 51)</i>	Not applicable, no adverse effects of non-commercial commitments	Adverse effect of non-commercial commitments
<i>Modern Slavery Act 2018</i>	Not applicable, Airservices reports on the risks and actions in our modern slavery statement	Risks of modern slavery in our operations and supply chains and actions to address those risks
<i>Workplace Gender Equality Act 2012</i>	Our Equity and Diversity Approach and our report to the Workplace Gender Equity Agency	Report containing gender equality indicators
<i>Electoral Act 1918 (section 311A(1))</i>	Not applicable, Airservices is not a Commonwealth Department or an Agency under the Public Service Act	Details of the amounts paid to advertising, marketing, polling, direct mail and media organisations

Appendix D: Acronyms

Acronym	Meaning
AAA	Automated Airspace Authorisations
AASB	Australian Accounting Standards Board
ACCC	Australian Competition & Consumer Commission
A-CDM	Airport collaborative decision making
AFFF	Aqueous film forming foam
AIP	Aeronautical information products
ALARP	as low as reasonably practicable
ANEF	Australian Noise Exposure Forecast
ANO	Aircraft noise ombudsman
ANSP	Air navigation service providers
APAL	Australia Pacific Airports (Launceston) Pty Ltd
APS	Australian Public Service
ARFF	Aviation rescue fire fighting
ART	Australian Retirement Trust
ASIC	Aviation Security Identification Card
ASX	ASX Limited
ATC	Air traffic control
ATM	Air traffic management
ATS	Air traffic services
ATSC	Air traffic services centre
ATSB	Australian Transport Safety Bureau
AUC	Assets under construction
BAC	Brisbane Airport Corporation
BEST	Back-office enabling services transformation
BFPCA	Brisbane Flightpath Community Alliance
CASA	Civil Aviation Safety Authority
CEO	Chief executive officer
CES	Community engagement standard
CDO	Continuous descent operations
CMATS	Civil military air traffic management system
CRB	Cultural Reform Board
CSS	Commonwealth Superannuation Scheme
DARP	Dynamic airborne reroute procedures
DAS	Digital aerodrome services
eAIP	electronic Aeronautical Information Publication
EBIT	Earnings before interest and tax
ECL	Expected credit losses
EEO	Equal Employment Opportunity

Acronym	Meaning
EIS	Environmental impact statement
EMS	Environment management system
ENMP	Enterprise Network Modernisation Program
EPBC	Environment Protection and Biodiversity Conservation
ERP	Enterprise resource planning
ESD	Environmentally Sustainable Development
ESG	Environmental, social and governance
EU	European Union
FBT	Fringe Benefits Tax
FIMS	Flight information management system
FOI	Freedom of information
FRAeS	Fellow of Royal Aeronautical Society
FRR	Financial Reporting Rules
FTE	Full-time equivalents
FWC	Fair Work Commission
GA	General aviation
GST	Goods and Services Tax
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
IFNTF	International Federation of National Teaching
IFRS	International Financial Reporting Standards
IT	Information technology
IPS	Information Publication Scheme
ITSA	International Transportation Safety Association
KPI	Key performance indicator
LTI	Lost time injuries
LTIFR	Lost time injury frequency rate
MNF	Marine National Facility
MNGM	Mercer National General Market
NAS	National Airways System
NCIS	Noise Complaints & Information Services
NPAT	Net profit before tax
PAN	Peer assistance network
PAPL	Perth Airport Pty Ltd
PBN	Performance based navigation
PFAS	Per- and Poly- fluoroalkyl substances
PGPA	Public Governance, Performance and Accountability
PRIP	Psychosocial Risk Improvement Program

Acronym	Meaning
PSPF	Protective Security Policy Framework
POC	Project of Concern
PTSD	Post-traumatic stress disorder
RAAF	Royal Australian Air Force
RAP	Reconciliation Action Plan
RMIT	Royal Melbourne Institute of Technology
ROA	Return on assets
ROU	Right-of-use
RPAS	Remotely piloted aircraft systems
RPT	Regular passenger transport
SES	Single European Sky
SFE	SFE Corporation Limited
SOAR	Supportive Occupational Airservices Rehabilitation
SODPROPS	Simultaneous opposite direction parallel runway operations
SOE	Statement of expectations
SRDR	System requirements and design review
TRIFR	Total Recordable Injury Frequency Rate
TSP	Transport security program
UAS	Uncrewed aircraft system
ULFV	Ultra-large fire fighting vehicle
UPR	User-preferred route
USAN	Uncrewed Services Advisory Network
UTM	Uncrewed aircraft system traffic management
WHS	Work health and safety
WSA Co	Western Sydney Airport
WSI	Western Sydney International also known as Western Sydney International (Nancy-bird Walton) airport

