

**Rural & Regional Affairs and Transport Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**

**Question no. 1**

**Senator XENOPHON:** Was the draft the actual board papers? Can we get a copy of the final board papers that were published?

**Mr Harfield:** There will not be too much difference from the draft to the final, but we can provide the final.

**Answer:**

The unauthorised release of the draft Board papers is the subject of an active Australian Federal Police investigation.

Airservices can confirm the final Board papers are similar to the draft documents.

The Board papers relate to advanced work packages for the ongoing procurement of the joint civil-military air traffic management system and contains commercial-in-confidence information of both Airservices and the Commonwealth (Department of Defence). Further public disclosure could damage the negotiating positions as the contracts for the full scope of the OneSKY program have not yet been awarded.

Airservices would be pleased to provide a confidential briefing on the content.

**Rural & Regional Affairs and Transport Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**

**Question no. 2**

**Senator STERLE:** ...

... I want to quickly talk about the executive remuneration arrangements. I will ask: what are the processes for determining the job description and remuneration of executives? If that has to be taken on notice, I fully understand; that is fine.

**Sir Angus Houston:** We talked about this today in the—

**Senator STERLE:** We talked about it, but I just want to know the whole picture.

**Sir Angus Houston:** You are talking about executive remuneration in the broad?

**Senator STERLE:** Yes.

**Sir Angus Houston:** We think it is very important that we benchmark at an appropriate level with executive remuneration. We have had a look at the Mercer work, or the Mercer benchmarks, and we are actually down at the lower level of that—about the 25 percentile level. In the past it has been higher than that. We also had a look at what people in public utilities get paid—water, gas and those sorts of organisations. We have also had a look at what people are paid in the public service.

I went through the process we used for the chief executive officer, and I think we got that absolutely right. But one of the things I think we will do as we go forward is to do more work in the rem committee in terms of tightening up this area. I am not saying for a moment that we have a situation where people are being overpaid. I mentioned to you the restraints we have had on senior executive pay for the last three years. I think you would be hard pressed to find another management team over the last three years that has had remuneration of 2.25 per cent.

**Answer:**

Executive role establishment is the responsibility of the Airservices Chief Executive Officer (CEO) with oversight provided by the Board.

An external human resource firm (Mercer Human Resources Consulting) has previously been engaged to provide an independent evaluation of the relevant role description/s. Mercer has provided a 'job size' evaluation with comparative market remuneration data. When Airservices seeks to fill an executive role, the CEO recommends to the Board the remuneration amount for the role which is informed by the relevant market data. An executive's remuneration includes an at-risk component of total attainable remuneration (for example, a \$350,000 maximum attainable remuneration package may have a 20% component that is at risk) and if performance outcomes are not met, the executive will not receive the full 20% of their total attainable remuneration.

Airservices continues to implement an executive pay freeze for the 2015-16 financial year which follows on from the previous year's pay freeze.

**Rural & Regional Affairs and Transport Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**

**Question no. 3**

**Senator STERLE:** If you could provide for us, for the purposes of expediency, any copies of any policy, board or committee documents in relation to remuneration since the departure of Mr Russell—not prior and just for him. It might make it easier if you could supply us with that.

...

**Senator STERLE:** Is there a written policy on these bonuses?

**Sir Angus Houston:** First of all, it is at risk. It is the part of the total attainable remuneration package that is at risk.

**Senator STERLE:** Is there a written policy?

**Sir Angus Houston:** I think that there is something written down. I will see what we can do.

**Senator STERLE:** Whatever you have, if you could take it on notice and provide it for the committee, that would be helpful. What are processes to determine them—if you could let us know that? What is the role of the remuneration committee and the board in terms of the bonuses?

**Answer:**

In accordance with its Charter, the Board Remuneration and Human Resources Committee reviews the principles to be applied by the Chief Executive Officer (CEO) in determining executive remuneration outcomes.

The annual determination of executive ‘at-risk’ payments awarded is based on an assessment of corporate, business group and individual performance outcomes.

The Remuneration and Human Resources Committee has taken a conservative approach to curbing growth in executive (and management) pay over recent years, as well as the methodology for determining executive performance pay.

Executive Remuneration Principles for the past two years are attached together with an example of how the ‘at risk’ component of remuneration is determined for members of the executive.

Attachments

1. Executive Remuneration Principles – April 2015
2. Executive Remuneration Principles – June 2014
3. Overview and example of Key Initiatives and Indicators

## Executive Remuneration Principles – June 2014

According to its Charter, the Remuneration Committee will assist the Board in reviewing the principles applied by the Chief Executive Officer (CEO) in determining Executive remuneration.

The Executive pay freeze is consistent with remuneration principles approved by the Board in 2013 that included:

- Conservative repositioning of remuneration with reference to the Australian Public Service (APS); and
- General market positioning between the 25th and 50th percentiles of remuneration survey data.

The CEO also determined there will be no remuneration increases for Branch Managers and above other than by exception. Performance-based increases apply for Unit Managers and Air Traffic Control Line Managers.

### Principle 1 – Annual Performance Increases for Airservices Executives

- There will be no performance increase to Total Attainable Remuneration (TAR) for any member of the Airservices executive; and
- A small increase of approximately 0.26% will be applied to accommodate the legislated increase to the Superannuation Guarantee Charge.

### Principle 2 – At-Risk Performance Payments

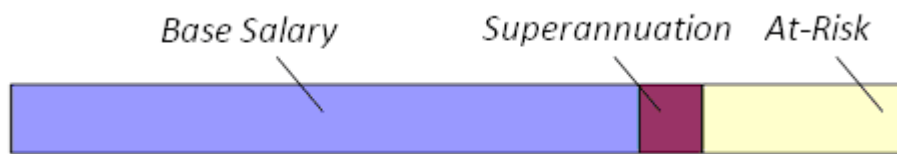
- Performance payments will be awarded as a percentage of an Executive's at-risk pay component based on *Corporate Performance*, *Business Group Performance* and *Individual Performance*;
- The CEO will have discretion to determine the actual percentage within a specified range.
- Principles will apply for 2013-14 and 2014-15 performance payments.

Prior to determining performance payments, the CEO will assign a performance rating ("*Objectives Rating*") for each Executive, taking into account:

- Performance against key indicators and initiatives for Airservices as a whole ("*Corporate Performance*");
- Performance against key indicators and key initiatives for which the Executive's business group has primary accountability ("*Business Group Performance*"), and
- Assessment of individual performance ("*Individual Performance*").

At-risk performance pay for Airservices executives will be determined as a percentage of the at-risk component of the Executive's TAR. The percentage of at-risk pay awarded will align to the ranges in **Table 1**.

### Total Attainable Remuneration (TAR)



**Table 1**

At-Risk Guidance	Objectives Rating				
	1	2	3	4	5
Award % Range	0%	0% -50%	50%-70%	70%-85%	85%-100%

## Executive Remuneration Principles - April 2015

In accordance with its Charter, the Board Remuneration and Human Resources Committee will assist the Board by reviewing the principles applied by the Chief Executive Officer (CEO) in determining Executive remuneration.

Performance evaluations for all staff occur between July and August each year, however annual performance and remuneration principles for senior management are considered by the CEO each year in line with the organisation's annual financial and performance reporting cycle.

The Executive Remuneration Principles will include:

### **Principle 1 – No annual pay increase**

There will be no Executive fixed pay increase for 2015-16, consistent with the following remuneration principles approved by the Board in 2013:

- Conservative repositioning of remuneration with reference to the Australian Public Service (APS); and
- General market positioning between the 25th and 50th percentiles of remuneration survey data.

### **Principle 2 – Determination of at-risk performance pay based on assessment of corporate, business group and individual performance**

Performance payments will be awarded as a percentage of an executive's at-risk pay component based on *Corporate Performance*, *Business Group Performance* and *Individual Performance*;

- The CEO will have discretion to determine the actual percentage within a specified range; and
- The principles will apply for the 2014-15 performance payments.

Prior to determining Executive performance payments, the CEO will assign a performance rating ("*Objectives Rating*") for each Executive by taking into account:

- Performance against key indicators and initiatives for Airservices as a whole ("*Corporate Performance*"), which will comprise 20% of the rating;
- Performance against key indicators and key initiatives for which the Executive's business group has primary accountability ("*Business Group Performance*"), which will comprise 60% of the rating; and
- Assessment of individual performance ("*Individual Performance*"), which will comprise the final 20% of the rating.

At-risk performance pay for each Executive will be determined as a percentage of the at-risk component of the Executive's Total Attainable Remuneration ("TAR"). The percentage of at-risk pay awarded will align to the ranges shown in **Table 1**.

## Total Attainable Remuneration (TAR)



**Table 1**

At-Risk Guidance	Objectives Rating				
	1	2	3	4	5
Award % Range	0%	0% -50%	50%-70%	70%-85%	85%-100%

For other Airservices managers:

- There will be no increases to fixed remuneration for Branch Managers and above;
- Performance-based increases will apply for Unit Managers, with a targeted average increase that is less than the average projected market increase of 2.7% for the Australian Capital Territory; and
- Air Traffic Control Line Managers will receive performance-based increases in keeping with their Enterprise Agreement.

It is appropriate that Airservices responds to current market conditions with conservative remuneration practices. Both the APS and Airservices customers have during the past year experienced labour market conditions that featured headcount reductions and/or pay freezes. Airservices should not be seen to be out of touch with these realities.

Airservices continues to refine metrics and associated targets that define organisational performance. Performance metrics as they relate to the assessment of Executive performance should be evaluated from time to time to ensure that they are appropriate for those assessments.

## **Key Initiatives and Key Indicators Overview and Example**

### *Corporate Performance*

The CEO will determine the Key Initiatives and Key Indicators for corporate performance. The initiatives and indicators may be derived from the Corporate Plan, budgets, or key priorities identified throughout the course of the business year. Corporate Performance will be evaluated for the whole of Airservices and apply to each Executive equally.

Corporate Performance will comprise 20% of the total performance assessment for each Executive.

### *Business Group Performance*

Each Business Group will be measured against two sets of Key Initiatives and Key Indicators. Together, these will account for 60% of the total performance assessment.

Business Group performance may be measured by Corporate Performance measures, such as budget performance, applied at Business Group Level. In addition, each Business Group will have its own unique set of Key Initiatives and Key Indicators derived from its accountabilities within the Corporate Plan or other business priorities.

Business Group Performance will comprise 60% of the total performance assessment for each Executive.

### *Individual Performance*

The CEO will also provide an assessment of individual Executive performance against key attributes, including:

- Leadership,
- Effectiveness, and
- Demonstrated alignment to Airservices values.

In assessing these attributes, the CEO may seek feedback from an Executive's peers, direct reports or stakeholders (both internal and external).

Individual Performance will comprise 20% of the total performance assessment for each Executive.

*See Example, next page*



### Example

<b>Performance assessment – EGM Air Traffic Control Corporate Measures</b> <i>(20% of Final Rating)</i> <ul style="list-style-type: none"> <li>• Deliver the Culture Program and lead culture change by example</li> <li>• People/Leadership Capability</li> <li>• Airservices Transformation Program</li> <li>• Safety Performance Key Indicators</li> <li>• Performance to Budget</li> <li>• Compliance</li> <li>• Employee Engagement</li> </ul>	<b><i>Rated</i></b> <b>3*</b>	<b><i>Weighting</i></b> <b>20%</b>	<b><i>Weighted Rating</i></b> <b>0.6</b>
<b>Business Group Measures</b> <i>(60% of Final Rating)</i> <ul style="list-style-type: none"> <li>• ATC performance against Corporate Measures (Culture Program, Capability, Budget, etc.)</li> <li>• ATC Corporate Plan Objectives (Air Traffic Service Attributable Delays, Loss of Separation, etc)</li> <li>• Other business objectives agreed with or determined by the CEO</li> </ul>	<b><i>Rated</i></b> <b>3</b>	<b><i>Weighting</i></b> <b>60%</b>	<b><i>Weighted Rating</i></b> <b>1.8</b>
<b>Individual Performance</b> <i>(20% of Final Performance)</i> <ul style="list-style-type: none"> <li>• Leadership</li> <li>• Effectiveness</li> <li>• Values</li> </ul>	<b><i>Rated</i></b> <b>4</b>	<b><i>Weighting</i></b> <b>20%</b>	<b><i>Weighted Rating</i></b> <b>0.8</b>
<b>Sum of Weighted Ratings</b>			<b>3.2</b>
<b>Final Performance Rating</b>			<b>3</b>

**Rural & Regional Affairs and Transport Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**

**Question no. 4**

**Senator STERLE:** What you were talking about, Mr Logan, with these other payments is that what you—would you call them executive remuneration arrangements?

**Mr Logan:** What part of that?

**Senator STERLE:** The different payouts and non-performance—

**Mr Logan:** In the case of the senior management team, my understanding is that it was the result of restructuring of the organisation.

**Senator STERLE:** Okay, so you are going to supply us with that information.

**Mr Logan:** We are happy to supply—

**Answer:**

As previously advised, there were three executive separations during this period. Total payments amounted to \$909,736 which comprised an agreed separation payment along with standard employee entitlements (accrued annual leave, long service leave and payment of notice period).

**Rural & Regional Affairs and Transport Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**

**Question no. 5**

**Senator STERLE:** You will take that on board and come back to us. If you could advise us of dates of such approvals for each executive appointed since Ms Staib was appointed—could you do that for us too please?

**Sir Houston:** Yes.

**Answer:**

Executive appointments during the period were:

- Andrew Boyd, Executive General Manager, People & Culture, 23 January 2013.
- Robert Weaver, Executive General Manager, Environment, 25 January 2013.
- Greg Hood, Executive General Manager, Air Traffic Control, 1 July 2013.
- Gordon Dunsford, Chief Information Officer, 29 July 2013.
- Mairi Barton, Executive General Manager, Corporate & Industry Affairs, 16 June 2014.

**Rural & Regional Affairs and Transport Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**

**Question no. 6**

**Senator STERLE:** Thank you. Has anyone ever raised concerns about the level of executive remuneration with the board, or any member of the board, either orally or in writing?

**Sir Houston:** I will take that on notice. I do not think so.

**Answer:**

As no specific timeframe was provided, for consistency with other responses, Airservices has reviewed records since Ms Staib was appointed as Chief Executive Officer in 2012.

Executive remuneration is regularly debated by the Board and the Remuneration and Human Resources Committee. Airservices is not aware of any concerns relating to executive remuneration that have been raised by an external party with the Board since 2012.

**Rural & Regional Affairs and Transport Legislation Committee**  
ANSWERS TO QUESTIONS ON NOTICE

**Question no. 7**

**Senator STERLE:** Can we have details of who has served on the remuneration committee since Ms Staib was appointed—you did tell us who chaired it, Sir Angus—when it has met and whether it has passed any circular resolution and, if so, when?—whatever a circular resolution is.

**Answer:**

Membership of the Remuneration and Human Resources Committee since 15 October 2012 (Ms Staib's commencement date):

Previous members

- Warren Mundy – until resignation 31 October 2013
- Jude Munro – retired from the Board 3 May 2013

Current members

- Angus Houston (ex-officio member) - Chair until 4 December 2012
- Samantha Betzien – Chair of Committee from 5 December 2012
- Fiona Balfour – from 3 June 2013
- Tim Rothwell – from 21 July 2014

The Remuneration and Human Resources Committee has met on 15 occasions since October 2012:

1. 5 December 2012
2. 6 March 2013
3. 15 May 2013
4. 19 August 2013
5. 22 October 2013
6. 11 February 2014
7. 8 April 2014
8. 11 June 2014
9. 27 August 2014
10. 8 October 2014
11. 9 December 2014
12. 18 February 2015
13. 8 April 2015
14. 1 July 2015
15. 9 September 2015

The Remuneration Committee did not pass any circular resolutions in this time period.

**Rural & Regional Affairs and Transport Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**

**Question no. 8**

**Senator STERLE:** We would also like a copy of the charters going back to the time of the departure of Mr Russell. Thank you. Can we please be provided with the percentage of the total at-risk remuneration received in the financial years 2012-13, 2013-14 and 2014-15 for each executive? Can you take that on notice?

**Sir Angus Houston:** We will take that on notice.

**Answer:**

Committee Charters that were effective from 2011 are attached and include:

- Audit and Risk Committee Charter
- Environment Committee Charter
- Remuneration and Human Resources Committee Charter
- Safety Committee Charter
- Technology Committee Charter

Full details of how senior management remuneration is established and performance assessed is included at Question 3. The percentage of the ‘at-risk’ component paid in 2012-13, 2013-14 and 2014-15 for individual executives is shown in the tables below.

**2012-13**

Executive 1	90%
Executive 2	85%
Executive 3	95%
Executive 4	95%
Executive 5	90%
Executive 6	70%
Executive 7	95%
Executive 8	90%
Executive 9	85%
Executive 10	90%

**2013-14**

Executive 1	100%
Executive 2	85%
Executive 3	100%
Executive 4	90%
Executive 5	85%
Executive 6	100%
Executive 7	85%
Executive 8	85%
Executive 9	90%
Executive 10	95%
Executive 11	n/a

**2014-15**

Executive 1	TBD*
Executive 2	95%
Executive 3	90%
Executive 4	90%
Executive 5	90%
Executive 6	85%
Executive 7	85%
Executive 8	85%
Executive 9	95%
Executive 10	n/a

\* To Be Determined

## Audit and Risk Committee Charter

### Functions

The functions of the Committee are to:

1. assist the Airservices Australia Board (**Board**) to discharge its duties in relation to:
  - Airservices financial reporting;
  - Airservices performance reporting;
  - Ensuring an appropriate system of risk oversight and management is maintained and is operating effectively;
  - Ensuring an appropriate system of internal control<sup>1</sup> is maintained and is operating effectively.
2. assist Airservices and individual Board Members to understand and comply with all relevant legislative obligations (including obligations under the *Air Services Act 1995*, the *Public Governance, Performance and Accountability Act 2013*) and other applicable policies of the Australian Government; and
3. provide a forum for communication between Board Members, senior managers and Airservices internal and external auditors.

### Membership

The Board will appoint an independent non-executive Board Member to be Committee Chair and three other independent non-executive Board Members to be members of the Committee.

Committee members will be appointed for a fixed term after which they will be eligible for extension or reappointment, after a formal review of their performance.

The Committee members taken collectively will have a broad range of skills and experience relevant to the operations of Airservices. An external advisor may be engaged to provide financial advice to the Committee if required.

Committee members are required to:

- Understand and observe legislative requirements under the *Air Services Act 1995*, the *Commonwealth Authorities and Companies Act 1997*<sup>2</sup>, the *Public Governance, Performance and Accountability Act 2013* and the *Public Governance, Performance and Accountability Rules 2013*;
- Act in Airservices' best interests;
- Possess appropriate qualifications, knowledge, skills and experience;
- Apply appropriate analytical skills, objectivity and judgement; and
- Express opinions constructively and openly, raising issues that relate to the committee's responsibilities and pursuing independent lines of enquiry.

Other Board Members are entitled to attend Committee meetings.

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<sup>1</sup> Section 17(2) PGPA Rules

<sup>2</sup> To the extent that Act relates to matters under consideration by the Committee occurring prior to 1 July 2014.

The Board Chair, Chief Executive Officer, the Chief Finance Officer, the Chief Auditor and other Executive General Managers will have standing invitations for their respective areas of accountability, however they:

1. are not permitted to be Committee members<sup>3</sup>; and
2. maybe asked to leave at any time.

The Board Secretary is the secretary of the Committee.

## Meetings

The Committee will meet at least four times each year. A special meeting of the Committee may be requested by a member of the Committee at any time convened within twenty-one calendar days. The quorum for any meeting of the Committee is two members or, if the majority of the Committee is greater than two persons, that number.

The agenda for Committee meetings will be determined by the Committee Chair. Minutes will be prepared for each Committee meeting and will be made available to the Board. The Committee will prepare an annual program of its activities.

The external auditors have standing invitations to the meetings of the Committee for audit related matters but may be asked to leave at any time.

The Committee will meet at least annually with the external and internal auditors without management in attendance.

## Responsibilities

To assist the Board, the Committee will:

<b>Risk management</b>
<ul style="list-style-type: none"><li>• Evaluate the effectiveness of all internal controls and the risk management framework, including financial and business risk;</li></ul>
<ul style="list-style-type: none"><li>• Review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings;</li></ul>
<ul style="list-style-type: none"><li>• Conduct a review of the corporate risk register on a six monthly basis to ensure all significant corporate risks are included, and on a regular basis, review management's progress on implementing risk mitigation plans;</li></ul>
<ul style="list-style-type: none"><li>• Review the impact of Airservices insurance arrangements;</li></ul>
<ul style="list-style-type: none"><li>• Review Airservices business continuity arrangements and consider the risks when reviewing whether management has in place a current and comprehensive enterprise risk management framework and associated procedures for effective identification and management of Airservices' business and financial risks;</li></ul>
<ul style="list-style-type: none"><li>• Review the process of developing and implementing Airservices' fraud control arrangements ensure that appropriate processes and systems are in place to detect, capture, report and effectively respond to fraud-related information;</li></ul>
<ul style="list-style-type: none"><li>• Review the extent to which the audit plan can be relied upon to detect weaknesses in internal controls relating to fraud and security;</li></ul>
<ul style="list-style-type: none"><li>• Review reports on the status of outstanding legal matters and matters under investigation including those related to corruption, fraud and serious misconduct;</li></ul>

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<sup>3</sup> From 1 July 2015, the Board Chair is not permitted to be a member of the Committee



<ul style="list-style-type: none"> <li>• Review whether appropriate policies and procedures are in place for the management and exercise of delegations; and</li> </ul>
<ul style="list-style-type: none"> <li>• Assess the impact of the Airservices' Risk Management Framework on the control environment.</li> </ul>
<b>External accountability</b>
<ul style="list-style-type: none"> <li>• Review the financial statements and provide advice to the Board (including whether appropriate action has been taken in response to audit recommendations and adjustments), and recommend their signing by the Chairman of the Board;</li> </ul>
<ul style="list-style-type: none"> <li>• Satisfy itself that recommendations for the payment of dividends to the Government will not impact on the operations of Airservices and that a reasonable level of reserves are maintained to support future infrastructure requirements;</li> </ul>
<ul style="list-style-type: none"> <li>• Satisfy itself that the financial statements are supported by appropriate management signoff on the statements and on the adequacy of the systems of internal controls;</li> </ul>
<ul style="list-style-type: none"> <li>• Review the processes in place designed to ensure that financial information included in Airservices' annual report is consistent with the signed financial statements;</li> </ul>
<ul style="list-style-type: none"> <li>• Review the adequacy of governance arrangements;</li> </ul>
<ul style="list-style-type: none"> <li>• Review the adequacy of controls that are designed to ensure legislative compliance.</li> </ul>
<ul style="list-style-type: none"> <li>• Satisfy itself that Airservices has appropriate mechanisms in place to review and implement, where appropriate, relevant Parliamentary Committee reports and external reviews of Airservices, and recommendations arising from these reports and reviews; and</li> </ul>
<ul style="list-style-type: none"> <li>• Satisfy itself that Airservices has an appropriate performance reporting framework that meets government policy objectives and requirements and is linked to Airservices' objectives and outcomes.</li> </ul>
<ul style="list-style-type: none"> <li>• Review the selection of key performance indicators, review the annual performance statement and the processes in place to ensure that necessary performance information is collected and presented in the required format.</li> </ul>
<b>Legislative compliance</b>
<ul style="list-style-type: none"> <li>• Determine whether management has appropriately considered legal and compliance risks as part of Airservices risk assessment and management arrangements; and</li> </ul>
<ul style="list-style-type: none"> <li>• Review the effectiveness of the system for monitoring Airservices compliance with relevant laws, international conventions, regulations and associated Government policies.</li> </ul>
<b>Internal control</b>
<ul style="list-style-type: none"> <li>• Review whether management has in place relevant policies and procedures, including Management Instructions, and that these are periodically reviewed and updated;</li> </ul>
<ul style="list-style-type: none"> <li>• Determine whether appropriate processes are in place to assess whether key policies and procedures are being complied with;</li> </ul>
<ul style="list-style-type: none"> <li>• Periodically review Airservices' governance arrangements as determined by the Board and suggesting improvements, where appropriate, to the Board;</li> </ul>

<ul style="list-style-type: none"> <li>• Consider how management identifies any required changes to the design or implementation of key internal controls; and</li> </ul>
<ul style="list-style-type: none"> <li>• Assess whether management has taken steps to embed a culture which is committed to ethical and lawful behaviour.</li> </ul>

<b>Internal audit</b>
<ul style="list-style-type: none"> <li>• Act as a forum for communication between the Board, senior management and internal audit;</li> </ul>
<ul style="list-style-type: none"> <li>• Review the internal audit coverage and annual work plan, ensure the plan is based on Airservices' risk management plan, and recommend approval of the plan by the Board;</li> </ul>
<ul style="list-style-type: none"> <li>• Advise the Board on the adequacy of internal audit resources to carry out its responsibilities, including completion of the approved internal audit plan;</li> </ul>
<ul style="list-style-type: none"> <li>• Review audit programs conducted by internal and external audit;</li> </ul>
<ul style="list-style-type: none"> <li>• Review all audit reports and provide advice to the Board on significant issues identified in audit reports and action taken on issues raised, including identification and dissemination of good practice;</li> </ul>
<ul style="list-style-type: none"> <li>• Review all internal plans and reports in respect of planned or completed audits and monitor management's implementation and timeliness of internal audit recommendations;</li> </ul>
<ul style="list-style-type: none"> <li>• Provide advice to the Chief Executive Officer on the appointment of Chief Auditor;</li> </ul>
<ul style="list-style-type: none"> <li>• Review the internal audit charter to ensure appropriate organisational structures, authority, access and reporting arrangements are in place; and</li> </ul>
<ul style="list-style-type: none"> <li>• Periodically review the performance of internal audit.</li> </ul>
<b>External audit</b>
<ul style="list-style-type: none"> <li>• Act as a forum for communication between the Board, senior management and external audit;</li> </ul>
<ul style="list-style-type: none"> <li>• Provide input and feedback on the financial statement and audit coverage proposed by external audit and provide feedback on the audit services provided;</li> </ul>
<ul style="list-style-type: none"> <li>• Review all external plans and reports in respect of planned or completed audits and monitor management's implementation of audit recommendations; and</li> </ul>
<ul style="list-style-type: none"> <li>• Provide advice to the Board on action taken on significant issues raised in relevant external audit reports.</li> </ul>

Safety, and security matters and environment matters are the within the responsibility of the Boards Safety and Environment Committees respectively, however the Board Audit and Risk Committee may refer any such matters, in undertaking its responsibilities to other Board Committees.

The Committee will perform such other activities related to this Charter as requested by the Board.

### **Powers and authority**

The Committee has no power to make decisions in respect to Airservices' business or affairs except as expressly delegated to the Committee by the Board.

As at the date of approval of this Charter the Board has not delegated any decision-making powers to the Committee.

The Board has authorised the Committee to do the following things for the purpose of enabling the Committee to discharge its responsibilities:

- obtain information from management;
- have access to management and employees;
- obtain external, independent advice as considered necessary, at the cost of Airservices; and
- discuss any matter with the external auditor.

Any request by the Committee for external advice will be noted in the minutes of the Committee meeting.

### **Reporting**

In addition to providing the Board with the minutes of Committee meetings, the Committee, through its Chair, will report at Board meetings about the Committee's activities and prepare draft resolutions for the Board's consideration. Where appropriate, these reports should include:

- A summary of the committee's work to discharge its responsibilities;
- A summary of Airservices' progress in addressing the findings and recommendations made in internal and external audit and parliamentary committee reports;
- An overall assessment of Airservices' risk, control and compliance framework, including details of any significant emerging risks or legislative changes impacting Airservices; and
- Details of meetings, including the number of meetings held during the period, and the number of meetings each member attended.

The Committee will provide its annual program of activities to the Board.

### **Evaluating performance**

The Committee will assess its performance against this Charter on an annual basis and seek appropriate input from the Board, the internal and external auditors and other relevant stakeholders as determined by the Board. The Committee will report to the Board on its assessment.

### **Review of Charter**

The Board will review this Charter on an annual basis, after receiving advice about the adequacy of the Charter from the Committee.

**Effective: 1 July 2015**

## Environment Committee Charter

### Objectives

The objective of the Committee is to assist the Airservices Australia Board (**Board**) to discharge its responsibilities by monitoring, advising and providing assurance on:

- environmental compliance and initiatives;
- implementation of recommendations made by the Aircraft Noise Ombudsman that have been accepted by the Board;
- environmental regulatory functions; and
- organisational strategy to address environmental issues.

### Membership

The Board will appoint three non-executive Board Members to the Committee, with one appointed as the Committee Chair. In addition, the Board Chair and the Chief Executive Officer will be ex-officio members of the Committee. Other Board Members are entitled to attend Committee meetings.

The Executive General Manager Safety, Environment and Assurance will have a standing invitation to meetings of the Committee but may be asked to leave at any time. Other Executive General Managers and the Aircraft Noise Ombudsman may be invited as required.

The Board Secretary is the secretary of the Committee.

### Meetings

The Committee will meet (except where the Board determines otherwise) not less than four times each year. A special meeting of the Committee may be called by a member of the Committee at any time by written request to the Secretary, stating the reason for calling the special meeting. Special meetings will be held within twenty-one days of receipt of such a request, with not less than seven days' notice being provided to all Committee members.

Ex-officio members of the Committee will have the same rights as the other members of the Committee, including the right to vote. Ex-officio members will also be counted in determining whether or not a quorum is present.

The quorum for any meeting of the Committee will be two non-executive Board Members.

The agenda for Committee meetings will be determined by the Committee Chair. Minutes will be prepared for each Committee meeting and will be made available to the Board.

### Responsibilities

To assist the Board, the Committee will:

- review and monitor the effectiveness of the systems management has put in place for ensuring and monitoring Airservices' compliance with the *Air Services Act 1995* and other laws, regulations and associated government policies relating to environmental matters;
- assess the environmental risks arising from Airservices' operations and review the adequacy of management's approach to the management of environmental risks;

- consider the completeness and appropriateness of environmental reporting to the Board and all external reporting on environmental matters;
- review environmental incidents and monitor the progress to completeness of any actions required as a result of such incidents;
- review whether environmental priorities are integrated into Airservices' strategy;
- monitor recommendations accepted by the Board arising from reviews undertaken by the Aircraft Noise Ombudsman and where appropriate, monitor the implementation by the organisation of agreed recommendations;
- review environmental incidents relating to the pollution of the environment by contaminants (such as, for example, fluorosurfactants and asbestos) and monitor the progress to completion of any actions required as a result of such incidents that are not workplace health and safety related. All workplace health and safety asbestos related matters will continue to be monitored by the Board Safety Committee; and
- consider such matters related to the above responsibilities as they are referred to the Committee by other Board Committees.

The Committee will perform such other activities related to this Charter as are requested by the Board.

### **Powers and authority**

The Committee has no power to make decisions in respect to Airservices' business or affairs except as expressly delegated to the Committee by the Board.

As at the date of approval of this Charter the Board has not delegated any decision-making powers to the Committee.

The Board has authorised the Committee to do the following things for the purpose of enabling the Committee to discharge its responsibilities:

- obtain information from Management;
- have access to Management and employees; and
- obtain external, independent advice as considered necessary, at the cost of Airservices.

Any request by the Committee for external advice will be noted in the minutes of the Committee meeting.

### **Reporting**

In addition to providing the Board with the minutes of Committee meetings, the Committee, through its Chair, will report at Board meetings about the Committee's activities and prepare draft resolutions for the Board's consideration.

### **Evaluating performance**

The Committee will assess its performance against this Charter on an annual basis and seek appropriate input from the Board and other relevant stakeholders as determined by the Board. The Committee will report to the Board on its assessment.

**Review of Charter**

The Board will review this Charter on an annual basis, after receiving advice about the adequacy of the Charter from the Committee.

**Approved by the Board: 12 June 2014**

**Effective: 1 July 2014**

## Remuneration and Human Resources Committee Charter

### Objectives

To assist the Airservices Australia Board (**Board**) to fulfil its responsibilities:

- to review the performance, remuneration and succession plans for the Chief Executive Officer (CEO) and the CEO's direct reports; and
- to consider other human resource issues as required.

### Membership

The Board Chair and the CEO are ex officio members of the Committee and the Board nominates at least three other non-executive Board Members to the Committee. One of the non-executive Board Members will be appointed as the Committee Chair. The Board Secretary is the secretary of the Committee.

### Meetings

The Committee meets at least twice each year. A special meeting of the Committee may be convened by a member of the Committee at any time. The quorum for any meeting of the Committee is two members, both of them whom must be non-executive Board Members and one of whom will act as the Committee Chair.

The agenda for Committee meetings is determined by the Committee Chair. Minutes are prepared for each Committee meeting and are provided to the Board.

The Executive General Manager, People and Culture has a standing invitation to meetings of the Committee but may be asked to leave at any time.

### Responsibilities

To assist the Board, the Committee will:

#### Chief Executive Conditions of Employment

- undertake an annual review of the CEO's remuneration package after consultation with the Remuneration Tribunal and make recommendations to the Board, where appropriate;
- undertake an annual review of the CEO's performance against the CEO's performance agreement and determine the proportion of the "at risk" component of the CEO's remuneration package payable to the CEO. The CEO does not participate in the decision making process associated with their annual review;
- recommend the terms of the CEO's performance agreement;

#### Senior Executive Recruitment and Conditions of Employment

In compliance with the agreed Board position regarding the remuneration and recruitment of direct reports to the CEO, including the protocols set out in **Attachment 1** to this Charter:

- review the recruitment approach for positions reporting directly to the CEO;

<ul style="list-style-type: none"> <li>review the principles applied by the CEO in determining the remuneration packages for the CEO's direct reports;</li> </ul>
<ul style="list-style-type: none"> <li>review the principles applied by the CEO in undertaking an annual review of the performance of the CEO's direct reports;</li> </ul>
<ul style="list-style-type: none"> <li>review the CEO's determination of the proportion of the "at risk" component of the remuneration package of each of the CEO's direct reports to be paid to that direct report;</li> </ul>
<ul style="list-style-type: none"> <li>review the principles applied by the CEO in settling the performance agreements for the CEO's direct reports;</li> </ul>
<ul style="list-style-type: none"> <li>review succession plans for the CEO and the CEO's direct reports;</li> </ul>
<b>General Human Resource Issues</b>
<ul style="list-style-type: none"> <li>review major staff issues raised by the CEO which may be required to be brought to the attention of the Board;</li> </ul>
<ul style="list-style-type: none"> <li>review workforce planning strategy including attraction retention and development of key staff;</li> </ul>
<ul style="list-style-type: none"> <li>review people strategy in terms of work performance management for senior employees to level three;</li> </ul>
<ul style="list-style-type: none"> <li>review culture and leadership development strategy and effectiveness;</li> </ul>
<ul style="list-style-type: none"> <li>review equity and diversity strategy, planning and progress; and</li> </ul>
<ul style="list-style-type: none"> <li>review enterprise agreement bargaining strategies prior to full Board consideration.</li> </ul>

### **Powers and authority**

The Committee has no power to make decisions in respect to Airservices' business or affairs except as expressly delegated to the Committee by the Board.

The Board has authorised the Committee to do the following things for the purpose of enabling the Committee to discharge its responsibilities:

- obtain information from management;
- have access to management and employees;
- obtain external, independent advice.

Any request by the Committee for external advice is noted in the minutes of the Committee meeting at which the request is made.

### **Reporting**

In addition to providing the Board with the minutes of Committee meetings, the Committee, through its Chair, reports at Board meetings about the Committee's activities and prepares draft resolutions for the Board's consideration.



**Evaluating performance**

The Committee assesses its performance against this Charter on an annual basis and provides that information to the Board. The Committee also obtains feedback from the Board about its performance on an annual basis.

**Review of Charter**

The Board reviews this Charter on an annual basis, after receiving advice about the adequacy of the Charter from the Committee.

**Approved: 12 June 2014**

**Effective: 1 July 2014**

## **Attachment 1**

### **EXECUTIVE RECRUITMENT AND REMUNERATION**

#### **Executive Recruitment**

1. Prior to commencement of a recruitment process for an Executive position, the Chief Executive Officer (CEO) will provide the Board Remuneration and Human Resources Committee (Committee) with the following information, to provide the Committee with an opportunity to provide feedback prior to commencement of the process:

- Position / role description;
- Recruitment strategy, including details of the external recruitment firm to be engaged and search methodology (domestic and /or international);
- Remuneration parameters, including information on how the remuneration parameters were determined, such as advice from Mercer Consulting and any relevant industry benchmarking data;
- Assessment / short-listing process, including details of the selection panel; and
- Timeline of the recruitment process.

This information should be provided by the CEO in advance of the commencement of any recruitment activity, to allow the Committee adequate time for proper consideration. The information may be provided to the Committee out-of-session if time is an issue.

2. Prior to an offer being made to the preferred candidate, the CEO will provide the Chair of the Board and the Chair of the Committee with:
  - Details of the preferred candidate, including their curriculum vitae; and
  - Details of the proposed remuneration package, including base salary, superannuation, attainable performance incentive payments (if any) and relocation and / or living allowances (if any).

#### **CEO and Executive Remuneration**

The responsibilities of the Committee in relation to CEO and Executive remuneration as articulated in its Charter under the heading “Senior Executive Conditions of Employment” are reaffirmed. The Committee’s annual program for discharging these responsibilities is:

##### ***Q4 (April – June)***

- CEO new performance agreement (for following financial year)
- Executive remuneration – annual review of principles applied by CEO to settle Executive performance agreements (for following financial year)

##### ***Q1 (July – Sept)***

- CEO annual performance review (for preceding financial year)
- CEO annual remuneration review (for current financial year)
- Executive performance and remuneration review – annual review of principles applied by CEO to determine Executive performance incentives (for preceding financial year) and remuneration packages (for current financial year).

## Safety Committee Charter

### Objectives

The objective of the Committee is to assist the Airservices Australia Board (**Board**) to discharge its responsibilities by monitoring, advising and providing assurance to the Board on:

- operational safety;
- workplace health and safety (WHS); and
- organisational preparedness to counter identified security threats.

### Membership

The Board will appoint four non-executive Board Members to the Committee, with one appointed as the Committee Chair. In addition, the Board Chair and the Chief Executive Officer will be ex-officio members of the Committee.

The Executive General Manager Safety, Environment and Assurance, Executive General Manager Air Traffic Control, Executive General Manager Aviation Rescue and Fire Fighting, Executive General Manager Projects and Engineering and the Chief Auditor will have standing invitations to meetings of the Committee but may be asked to leave at any time.

The Board Secretary is the secretary of the Committee.

### Meetings

The Committee will meet (except where the Board determines otherwise) not less than six times each year. A special meeting of the Committee may be convened by a member of the Committee at any time by written request to the Board Secretary, stating the reason for calling the special meeting. Special meetings will be held within twenty-one days of receipt of such a request, with not less than seven days' notice being provided to all Committee members.

The quorum for any meeting of the Committee will be two non-executive Board Members.

Ex-officio members of the Committee will have the same rights as the other members of the Committee, including the right to vote. Ex-officio members will also be counted in determining whether or not a quorum is present.

The agenda for Committee meetings will be determined by the Committee Chair. Minutes will be prepared for each Committee meeting and will be made available to the Board.

### Responsibilities

To assist the Board, the Committee will:

- review and monitor the effectiveness of the systems management has put in place for ensuring and monitoring Airservices' compliance with the *Air Services Act 1995* and other laws, regulations and associated government policies relating to safety, WHS and security matters;
- assess the safety and security risks arising from Airservices' operations and review the adequacy of management's approach to the management of operational safety, WHS and security risks;
- consider the completeness and appropriateness of safety, WHS and security reporting to the Board and all external reporting on safety, WHS and security matters;

- review serious safety, WHS and security incidents and monitor the progress to completion of any actions required as a result of such incidents;
- monitor the progress to completion of any actions required as a result of incidents that are WHS related;
- review whether safety, WHS and security priorities are integrated into Airservices' strategy; and
- consider such matters related to the above responsibilities as are referred to the Committee by other Board Committees.

The Committee will perform such other activities related to this Charter as are requested by the Board.

### **Powers and authority**

The Committee has no power to make decisions in respect to Airservices' business or affairs except as expressly delegated to the Committee by the Board.

As at the date of approval of this Charter the Board has not delegated any decision-making powers to the Committee.

The Board has authorised the Committee to do the following things for the purpose of enabling the Committee to discharge its responsibilities:

- obtain information from management;
- have access to management and employees; and
- obtain external, independent advice as considered necessary, at the cost of Airservices.

Any request by the Committee for external advice will be noted in the minutes of the Committee meeting.

### **Reporting**

In addition to providing the Board with the minutes of Committee meetings, the Committee, through its Chair, will report at Board meetings about the Committee's activities and prepare draft resolutions for the Board's consideration.

### **Evaluating performance**

The Committee will assess its performance against this Charter on an annual basis and seek appropriate input from the Board and other relevant stakeholders as determined by the Board. The Committee will report to the Board on its assessment.

### **Review of Charter**

The Board will review this Charter on an annual basis, after receiving advice about the adequacy of the Charter from the Committee.

**Approved by the Board: 12 June 2014**

**Effective: 1 July 2014**

## **Technology Committee Charter**

### **Objectives**

The objective of the Technology Committee ("Committee") is to assist the Airservices Australia Board ("Board") to discharge its responsibilities by:

- providing oversight in relation to, technology, systems engineering and information technology (IT) strategies and policies of Airservices;
- providing oversight in relation to the strategic direction and policies of business systems, operational technology, technology based services offerings and IT security;
- providing an avenue for focused discussion and consideration of matters relating to technology – including project and programme investment - and the impact to Airservices operations and effectiveness; and
- increasing awareness within Airservices of key technology changes and innovations in the marketplace including services models and commercial models.

### **Membership**

The Board will appoint up to three (3) independent non-executive Board Members to the Committee, with one appointed as the Committee Chair. In addition, the Board Chair and the Chief Executive Officer will be ex-officio members of the Committee. Other Board Members are entitled to attend meetings of Committee meetings.

The Executive General Manager Future Service Delivery, the Executive General Manager Engineering and Projects, the Chief Engineer and the Chief Technologist (or equivalent) will have standing invitations to meetings of the Committee but may be asked to leave at any time. Other attendees may be invited as required or at the discretion of the Board or Committee Chair.

The Board Secretary is the secretary of the Committee.

### **Meetings**

The Committee will meet (except where the Board determines otherwise) not less than three (3) times each year. A special meeting of the Committee may be convened by a member of the Committee at any time by written request to the Board Secretary, stating the reason for calling the special meeting. Special meetings will be held within twenty-one days of receipt of such a request, with not less than seven days' notice being provided to all Committee members (except where all Committee members consent to a shorter notice period).

The quorum for any meeting of the Committee will be two non-executive directors.

Ex-officio members of the Committee will have the same rights as the other members of the Committee, including the right to vote. Ex-officio members will also be counted in determining whether or not a quorum is present.

The agenda for Committee meetings will be determined by the Committee Chair. Minutes will be prepared for each Committee meeting and will be made available to the Board.

## **Responsibilities**

To assist the Board, the Committee will:

- consult and provide advice to the Board and management in relation to technology, systems engineering, telecommunications and IT;
- review and recommend to the Board strategies relating to technology and their alignment to Airservices' planning processes to support growth, overall strategy and objectives;
- provide advice and support to the Board and management on capability development, project definition, procurement and through-life support for major new technology proposals;
- increase awareness of key technology changes and innovations in the marketplace;
- review post-implementation reports, audits and health checks on major technology projects and programmes of work;
- review and monitor the effectiveness of the Group Risk Profile for Technology (including advising the Board Audit and Risk Committee on matters of technology risk and security); and
- consider such matters related to the above responsibilities as they are referred to the Committee by the Board and / or other Board Committees.

The Committee will perform such other activities related to this Charter as are requested by the Board.

## **Powers and authority**

The Committee has no power to make decisions in respect to Airservices' business or affairs except as expressly delegated to the Committee by the Board.

As at the date of approval of this Charter the Board has not delegated any decision-making powers to the Committee.

The Board has authorised the Committee to do the following things for the purpose of enabling the Committee to discharge its responsibilities:

- obtain information from management;
- have access to management and employees; and
- obtain external, independent advice as considered necessary, at the cost of Airservices.

Any request by the Committee for external advice will be noted in the minutes of the Committee meeting.

## **Reporting**

In addition to providing the Board with the minutes of Committee meetings, the Committee, through its Chair, will report at Board meetings about the Committee's activities and prepare draft resolutions for the Board's consideration.

## **Evaluating performance**

The Committee will assess its performance against this Charter on an annual basis and seek appropriate input from the Board and other relevant stakeholders as determined by the Board. The Committee will report to the Board on its assessment.

**Review of Charter**

The Board will review this Charter on an annual basis, after receiving advice about the adequacy of the Charter from the Committee.

**Approved by the Board: 28 August 2014**

**Effective: Immediately**

**Rural & Regional Affairs and Transport Legislation Committee**  
ANSWERS TO QUESTIONS ON NOTICE

**Question no. 9**

**Senator Bullock:** Could we just have a look at the key performance indicators for this year in order to achieve that 30 per cent at-risk component? I will not call it bonus.

**Sir Angus Houston:** Yes, we can do that

**Answer:**

The Chief Executive Officer's (CEOs) most recent performance agreement is attached.

Attachment

- CEO performance agreement 2014-15.





Chair

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Ms Margaret Staib AM  
Chief Executive Officer  
Airservices Australia  
25 Constitution Avenue  
CANBERRA ACT 2601

Dear Margaret

I now attach your Performance Agreement for 2014-2015 (Agreement), which outlines your key tasks and targets for the 2014-2015 financial year.

Unfortunately, it has taken some time for the Board to approve the Agreement and for it to be finalised with you. However, I note that the Agreement is based on your performance agreement for the 2013-2014 financial year and that you have been working to these objectives for some time.

The Agreement will form the basis for your performance assessment for the 2014-2015 financial year.

Please let me know if you have any questions or concerns.

Yours sincerely

A handwritten signature in black ink, appearing to read "A. Houston", followed by a horizontal line.

Air Chief Marshal Angus Houston AC, AFC (Ret'd)  
17 December 2014

## CHIEF EXECUTIVE OFFICER - PERFORMANCE AGREEMENT 2014-15

	Key Accountabilities	Measure	12 month review
<b>BUSINESS-AS-USUAL</b>			
1.	Improve Airservices safety performance: <ul style="list-style-type: none"> <li>operational safety</li> <li>work health and safety</li> </ul>	<b>Operational Safety</b> <ul style="list-style-type: none"> <li>Achieve the safety core outcomes outlined in the Airservices Corporate Plan 2014-19. Achievement will be measured by reference to the key indicators detailed in the Plan, noting that the zero targets set by management are aspirational. Weight will also be given to qualitative initiatives to improve safety.</li> </ul> <b>Work Health and Safety</b> <ul style="list-style-type: none"> <li>Improved Lost Time Injury Rate, noting a target of zero harm.</li> </ul>	
2.	Deliver key financial performance for 2014-15	<ul style="list-style-type: none"> <li>Achieve, at the Board's discretion, targets for 2014-15 including net profit after tax of \$33.7m.</li> <li>Satisfactory general financial performance against Corporate Plan planning targets including staff and supplier costs of \$893m.</li> </ul>	
3.	Deliver the Projects and Capital Works Program's 2014-15 targets and objectives	<ul style="list-style-type: none"> <li>Deliver all 80% (by number and / or expenditure, at the Board's discretion) of all Priority 1 projects detailed in the Capital Works Program 2014/15 – 2018/19 and scheduled for completion in 2014-15 on schedule and on or under budget.</li> </ul> The Board notes that the OneSKY Program is not included for the purposes of this accountability.	
4.	Develop and deliver improved service delivery outcomes for customers	<ul style="list-style-type: none"> <li>With reference to the stakeholder survey, achieve a customer satisfaction rating of 90% or greater.</li> <li>Improve capacity management through the delivery of the Airport Capacity Enhancement (ACE) program.</li> </ul>	

	Key Accountabilities	Measure	12 month review
5.	Ensure Airservices is as efficient as possible and deliver productivity improvements across agreed productivity levers	<ul style="list-style-type: none"> <li>Improve Capital Works Program Performance by achieving a 5% reduction in internal labour costs by building efficiencies.</li> <li>Implement an Efficiency Review of Airservices.</li> <li>Deliver realisation of productivity improvements for 2014-15 under ATC, ARFF and Corporate enterprise agreements to the maximum extent practicable and at the Board's discretion.</li> <li>Conduct one survey of Board Members in 2014-15 to measure improvements in CEO and Executive engagement with, and reporting to, Board over time.</li> <li>Produce a succession plan for each member of the Executive team.</li> </ul>	
6.	Improve engagement with the Airservices Board, in particular the quality of material presented to the Board		
7.	Develop the Executive, including establishing a strong and stable Executive team and developing and delivering a succession plan.		
<b>• DELIVERING STEP CHANGE</b>			
8.	Achieve 2014-15 deliverables under Airservices Transformation Roadmap: Flight Plan 2035	<ul style="list-style-type: none"> <li>Achieve 2014-15 deliverables under Airservices Transformation Roadmap: Flight Plan 2035.</li> </ul>	
9.	Deliver the OneSKY Australia Program's 2014-15 targets and objectives	<ul style="list-style-type: none"> <li>Deliver the OneSKY Australia Program's 2014-15 targets and objectives.</li> </ul>	



	<b>Key Accountabilities</b>	<b>Measure</b>	<b>12 month review</b>
11.	Technology	<ul style="list-style-type: none"> <li>Complete the five year Integrated Technology and Materiel Strategy and Roadmap (ITMSR) by December 2014.</li> <li>Achieve 2014-15 deliverables under ITMSR.</li> <li>Develop a plan with the Australian Signals Directorate to enhance Airservices networks.</li> </ul>	
12.	Aviation Safety Regulation Review	<ul style="list-style-type: none"> <li>If adopted by Australian Government, implement Airservices recommendations by 30 June 2015.</li> </ul>	

**Rural & Regional Affairs and Transport Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**

**Question no. 10**

**Senator XENOPHON:** Generally not. But are there any circumstances in which a note or memo has been given to CASA, to the Commonwealth or to the ATSB expressing concerns about a particular safety issue where you have, in effect, been overruled?

**Sir Angus Houston:** No I cannot recall a single instance where we have been overruled. We did have some concerns during Operation Skysafe about some of the airspace. Every proposal that we put forward in terms of airspace change for safety reasons was accepted by CASA. Of course, there is a process. They obviously need to review it for safety and so on.

**Senator XENOPHON:** So there has never been a circumstance where Airservices have said, 'We are concerned about the safety aspects of this', but you have been overruled by government policy?

**Sir Angus Houston:** Not to my knowledge.

**Senator XENOPHON:** Could that be taken on notice. I might be surprised if there was.

**Mr Harfield:** We can take that on notice to find out. But not to my knowledge.

**Answer:**

In 2007, airspace regulatory function transferred to the Civil Aviation Safety Authority (CASA) reinforcing Airservices role as a service provider.

CASA makes the ultimate decision on issues of aviation safety as the responsible regulator. In addition, Airservices works very closely and effectively with CASA and the Aviation Policy Group, consisting of key aviation related agencies, to ensure effective inter-agency coordination on strategic policy issues.

**Rural & Regional Affairs and Transport Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**

**Question no. 11**

**Senator XENOPHON:** Do you concede that the physical presence of the TCU in Adelaide is relevant, Mr Harfield or Mr Hood?

**Mr Harfield:** Could you ask the question again, Senator?

**Senator XENOPHON:** In the case of the Adelaide TCU it has been put to me that the physical presence of the TCU in Adelaide is relevant. Unlike in Canberra and the Gold Coast, Adelaide Tower has no permanent air space, thus the TCU controls aircraft from the surface level up to 24½ thousand feet, and local knowledge is a big factor. Because of time constraints, could you take that assertion on notice and respond to it accordingly?

**Mr Harfield:** Yes, I can.

**Answer:**

The physical location of a Terminal Control Unit (TCU) is not relevant to the services provided.

Air traffic control towers predominantly provide visual control services as opposed to TCUs which provide surveillance-based services. The services provided by TCUs are delivered entirely by electronic means (predominantly radar) and are not dependent on controllers visually seeing the aircraft.

A core part of the training and assessment process for air traffic controllers is familiarity with the airspace that they control, including knowledge of relevant geography and local traffic patterns.

**Rural & Regional Affairs and Transport Legislation Committee**  
ANSWERS TO QUESTIONS ON NOTICE

**Question no. 12**

**Senator XENOPHON:** In relation to the issue of conflicts of interest, could you provide us with how conflicts are dealt with? I do not want or need you to go into detail now, but is there a manual? How do you determine whether there are related parties or not? What was the system in place when the OneSKY negotiations or contracts were entered into? Has there been a change in that? If you could give us an idea of how that has evolved over the last few years so that we can have comfort as a committee in how that has evolved, as well as the written material that you have provided too?

**Mr Harfield:** We can provide procedures in writing.

**Answer:**

In general, the issue of conflicts of interest is expressly dealt with in Airservices Australia's Code of Conduct (Code) and the Code of Conduct Procedure (Procedure). The Code and Procedure note that employees should not engage in activities or hold significant assets that involve, or could appear to involve, a conflict between their personal interests and the interests of Airservices Australia.

All employees have an obligation to declare financial or pecuniary interests in writing if they become aware of any potential or actual conflict and in certain circumstances, seek approval from their Executive General Manager or General Manager to make the decision on the merits of the case. The purpose of the Declaration is to provide a structure and process which supports good governance and the principles set out in the Code and Procedure. Ultimately, the completion of a Declaration provides employees with the opportunity to consider whether any of their financial or personal interests might give rise to a real or perceived conflict with their duties and take action to remove or minimise the potential for that to occur. The Guidelines for the Declaration of Personal Interests is attached.

All employees are required to identify and manage conflicts of interest, irrespective of whether they are required to make a Declaration. However, because of their leadership and decision-making roles, all senior managers (including the executive) are required to make an annual declaration.

Conflicts for each procurement are specifically addressed for the individual project by way of necessary declarations by all employees who are involved, especially those that undertake evaluation and negotiation activities.

In the case of the OneSKY Australia Program, strict probity protocols and procedures are in place to mitigate against conflicts of interest, both actual and perceived and are defined in the OneSKY Probity Plan. The OneSKY Probity Plan was tabled at the August 2015 hearing.

Attachments

- Airservices Code of Conduct and Code of Conduct Management Instruction
- Declaration Guidelines



# **Code of Conduct**

## **Management Instruction**

**MI-0431**

**Version 6**

**Effective 20 January 2015**

Contact: Greg Spain  
Senior Employment and Industrial Relations  
Lawyer

Authorised: Andrew Boyd  
Executive General Manager, People and Culture

## Change summary

Version	Date	Change Description
6	20 January 2015	Amended definition of fraud, insertion of transitional provisions to accommodate for Public Interest Disclosures and associated impacts for reports via the Ethics Hotline.
5	9 May 2014	Clause 6.6(h)(iii) removed on page 7
4	2 May 2014	Corrected numbering in table for 'Fraud Definition' on page 12
3	3 March 2014	Updated 6.5 heading only
2	30 January 2014	Aligned instruction with revised Code of Conduct Policy
1	12 December 2012	Initial issue replaces Code of Conduct Procedure (HR-PROC-0008).

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# 1 Purpose

The Airservices [Code of Conduct \(HR-POL-0016\)](#) sets out the standard of conduct expected of all Airservices employees, contractors and consultants and provides a framework for decisions, actions and behaviours. This [Management Instruction](#) further explains the obligations under the [Code of Conduct](#) by specifying how the [Code of Conduct](#) operates in practice.

The [Code of Conduct Investigation Procedure \(HR-PROC-0027\)](#) sets out a framework to be followed when handling alleged misconduct and provides guidance on possible disciplinary action.

The [Public Interest Disclosure Procedure \(C-PROC0261\)](#) sets out procedures for facilitating and dealing with Public Interest Disclosures.

# 2 Scope of the Code of Conduct

## 2.1 Who the Code of Conduct applies to

The [Code of Conduct](#) applies to all Airservices employees, contractors and consultants.

## 2.2 When the Code of Conduct applies

Most obligations under the [Code of Conduct](#) apply *'in connection with your employment or engagement with Airservices'*. These obligations apply whenever there is a sufficient connection between your conduct and your work. They will apply whenever you are at work, and may also apply outside work, including if the conduct:

- occurs while you are on work-related travel;
- affects the way you or other people at Airservices perform their duties;
- affects working relationships between Airservices employees; or
- has a real effect on Airservices reputation.

Other obligations under the [Code of Conduct](#) apply *'at all times'* and apply whether the conduct occurs at work or outside work.

# 3 Background

Airservices is committed to providing safe, efficient and effective aviation services to the satisfaction of our customers. To achieve this, Airservices relies upon its employees, contractors and consultants operating in a safe, professional and ethical manner at all times and upholding appropriate standards of conduct.

# 4 Responsibility/accountability

Adherence with the [Code of Conduct](#) is a condition of employment or engagement, including people engaged on a fee-for-service or contract-for-service basis with Airservices.

A breach of these adherence requirements may result in disciplinary action up to and including termination of your employment or engagement with Airservices.

A [Code of Conduct](#) breach through behaviour or conduct outside the workplace may also result in disciplinary action being taken against you, particularly where:

- a) the conduct is a criminal offence
- b) the conduct occurs in connection with your employment; or
- c) although the conduct is unrelated to the performance of your duties, it is demonstrated to have a real connection with, and effect, on Airservices' reputation.

If you do not understand your obligations under the [Code of Conduct](#), seek advice from your HR Business Partner and/or the Manager Employee Relations.

## 5 Code of Conduct

*You must, in connection with your employment or engagement with Airservices:*

- 1) treat everyone with dignity, respect and courtesy;
- 2) act with honesty and integrity;
- 3) act ethically and with care and diligence;
- 4) comply with all Airservices' policies and procedures;
- 5) comply with all applicable Australian laws and ensure that conduct which is unlawful is not condoned;
- 6) disclose, and take reasonable steps to avoid, any actual, potential or perceived conflict of interest;
- 7) use Airservices' resources in a proper manner;
- 8) not provide false or misleading information in response to a request for information that is made for official purposes;
- 9) comply with any lawful and reasonable direction given by an Airservices employee who has the authority to give the direction;
- 10) take all reasonable steps to ensure you are fit to safely perform your job;
- 11) report all suspected fraud, corruption, bullying or harassment, disclosable conduct or other breaches of this Code of Conduct through appropriate channels.

*You must at all times:*

- 12) behave in a way which upholds Airservices Vision, Mission and Values and promotes the good reputation of Airservices;
- 13) maintain appropriate confidentiality and security of Airservices information;
- 14) not make improper use of:
  - a) inside information; or
  - b) your duties, status, power or authority,in order to gain, or seek to gain, a benefit or advantage or in order to cause a loss for you or for any other person or organisation.

## 6 Requirements

To comply with the [Code of Conduct](#), you must adhere with the following requirements.

## 6.1 Treat everyone with dignity, respect and courtesy

Airservices embraces the diversity of its employees and promotes the recognition, acceptance and rights of all people to be treated fairly, equitably and with appropriate dignity, respect and courteously including but not limited to:

- a) treating others fairly and with due process in applying an Airservices system, policy or procedure;
- b) not making malicious or vexatious allegations, or participate in the spreading of rumours or allegations;
- c) committing to resolving work-related or personal disputes or differences in a constructive and cooperative manner, utilising the appropriate Airservices dispute resolution processes where applicable.

Refer to [Process Review \(HR-PROC-0029\)](#) and [Employee Grievance Board Hearing Procedures \(C-REF0020\)](#) for further details.

Discrimination, bullying and harassment of employees, contractors, consultants or visitors is unacceptable. Any form of behaviour that may constitute discrimination, bullying or harassment will not be tolerated. Condoning, ignoring or passively accepting these inappropriate behaviours of others is also unacceptable.

You must not engage in, condone, ignore or passively accept any actions which constitute discrimination, bullying or harassment. Examples may include, but are not limited to the following:

- a) physical or verbal abuse
- b) excluding or isolating particular people or groups
- c) intimidation
- d) undermining work performance by deliberately withholding information vital for effective work performance.

Workplace harassment and bullying should not be confused with advice or counselling on work performance or work-related behaviour of an individual or group, which might include critical comments about work performance. Feedback or counselling on work performance or work-related behaviour differs from harassment in that feedback or counselling is intended to assist employees to improve work performance or change behaviour. Feedback or counselling should be constructive, not humiliating or threatening.

Legitimate management actions or decisions, such as allocating work and setting reasonable goals, standards and deadlines or asserting authority, undertaken in a reasonable and respectful way, are not harassment and bullying.

Refer to [Airservices Workplace Anti-bullying Policy \(HR-POL-0018\)](#), and [Airservices Workplace Bullying Control Procedures \(HR-PROC-0032\)](#) for further details.

## 6.2 Act with honesty and integrity

Airservices expects a high standard of its employees, contractors and consultants. You must not commit fraud (refer [Fraud Control Policy \(C-POL:AA 000 17\)](#)) and must be truthful, honest and act with integrity in connection with your employment or engagement with Airservices.

### **6.3 Act ethically, and with care and diligence**

Airservices expects all its employees, contractors and consultants to perform their duties professionally, and to the best of their ability. You must:

- a) carry out your duties in accordance with best practice for the work;
- b) keep appropriate and accurate records of your work, in accordance with Airservices' record-keeping procedures;
- c) inform Airservices if you have made a mistake or error which relates to your work; and
- d) inform Airservices if you do not have the qualifications to perform particular work (for example, due to a loss of licence, rating, or medical certificate).

### **6.4 Comply with all Airservices policies and procedures**

All Airservices employees, contractors and consultants must comply with Airservices policies and procedures in connection with your employment or engagement with Airservices. You must:

- a) make all reasonable efforts to understand the policies and procedures that are relevant to your work; and
- b) comply with Airservices policies and procedures relevant to your work.

Airservices policies and procedures are subject to change from time to time as required. Updated policies and procedures will be published and accessible via AvNet.

### **6.5 Comply with all applicable Australian laws and ensure that conduct which is unlawful is not condoned**

In addition to the laws which govern Australians generally, Airservices is also subject to a number of specific work health and safety and civil aviation safety laws. You must comply with all applicable Australian laws (whether a law of a Commonwealth, State or Territory) and ensure that Airservices complies.

The laws that govern your activities may be complex, but ignorance of the law does not excuse you or Airservices from your obligation to comply. You must:

- a) understand the laws and regulations relevant to your work;
- b) comply with all applicable legal requirements of the state or country in which you are working;
- c) notify your manager if you are convicted of an offence that may affect your ability to fully carry out the inherent requirements of your employment or engagement with Airservices; and
- d) seek advice from your manager, HR Business Partner, Manager Employee Relations or the Office of Legal Counsel (engagement with Airservices only) if you are unclear about the policies, procedures or laws relating to your employment or engagement.

## 6.6 **Disclose, and take reasonable steps to avoid, any actual, potential or perceived conflict of interest**

The ethical business conduct of Airservices employees, contractors and consultants is paramount. You must protect Airservices reputation for ethical business conduct.

You must:

- a) immediately disclose to your manager in writing (and preferably avoid) any real or apparent conflict of interest as soon as it arises and be open and honest in all activities where personal interests may influence the way you do your job;
- b) not engage in employment outside Airservices without Airservices written approval (which may be given at Airservices sole discretion, having regard to the impact such employment may have on your capacity to manage fatigue levels, availability, attendance, and the accountabilities of your role within Airservices);
- c) always act in the best interests of Airservices;
- d) obtain specific approval from your Executive General Manager or General Manager prior to serving as a director of another corporation or corporate entity;
- e) ensure you do not offer, give, ask for or accept (for yourself or others) gifts, benefits, services, discounts, gratuities or favours which might compromise or influence you in carrying out any part of your duties for Airservices, irrespective of whether the services or goods are offered with or without wrongful intent, except where (in the case of accepting):
  - i) they are offered openly and received free of any expectations or undertakings; and
  - ii) you declare receipt of the gift or benefit to your manager and either:
    - 1) the gift or benefit is of modest value and not exceeding AUD\$100 or
    - 2) the gift or benefit relates to sponsored air travel and/or accommodation (for example, when being asked to speak at an international conference) and the gift or benefit has been approved in advance by the Chief Executive Officer.
- f) notify your manager or the [Ethics Hotline](#) immediately if you believe you have been offered a bribe;
- g) discuss the matter with your manager, HR Business Partner, Manager Employee Relations if you are uncertain about whether you may accept a gift or benefit;
- h) ensure you do not give or receive any gifts or benefits in any form (regardless of any other provision in this Code of Conduct Management Instruction) if the person or company is:
  - i) involved in a tender process with Airservices; or
  - ii) the subject of a decision within the discretionary power or substantial influence of the Airservices employee, contractor or consultant concerned.

In some cultures, refusal of a gift could cause offence and discretion needs to be exercised. You must inform your manager as soon as practicable if you accept a gift or benefit in these circumstances.

Executive General Managers and General Managers are also required to maintain the following registers to record all matters disclosed to them or to managers within their Business Group or Division:

- Conflicts of Interest Register;
- Gifts and Benefits Register.

## **6.7 Use Airservices resources in a proper manner**

You must:

- a) use Airservices resources in a way that is economical, efficient and effective, and does not lead to significant resources or money being lost or wasted
- b) not use Airservices information, funds, property, equipment, ICT or other resources for private purposes, unless:
  - i) a Management Instruction expressly permits such use; or
  - ii) for use of information systems – the use is moderate, in accordance with any relevant policies and does not interfere with Airservices business or the performance of your work responsibilities; or
  - iii) prior permission is granted by your manager who holds the delegation to do so.
- c) ensure that any approved use of Airservices resources is safe, at minimal or no cost to Airservices, and does not provide financial benefit to you or another person;
- d) not use Airservices resources in a manner which is illegal, unethical, anti-social or significantly interferes with your ability to carry out your duties;
- e) ensure you do not sell, loan or donate Airservices resources without management approval;
- f) take precautions to prevent theft, damage, or misuse of Airservices resources;
- g) account for expenditure accurately and promptly with an auditable record retained for all financial transactions in accordance with Airservices policies and procedures; and
- h) ensure that Airservices ICT are not used inappropriately. Refer to [ICT Resources - Conditions of Use \(MI-0829\)](#) for further details.

## **6.8 Not provide false or misleading information in response to a request for information that is made for official purposes**

You may, in the course of your employment or engagement with Airservices, be required to respond to requests for information from customers, the general public, or as part of a request under the *Freedom of Information Act 1982*.



Airservices may also request information from you for a number of purposes related to your work, including:

- a) applications for entitlements such as leave and allowances; and
- b) investigations into work-related incidents.

It is vital that the information you provide in all circumstances be truthful and accurate.

## **6.9 Comply with any lawful and reasonable direction given by an Airservices employee who has the authority to give the direction**

If you are an Airservices employee, you must comply with any lawful and reasonable direction given to you by another Airservices employee with the authority to give you the direction. For contractors and consultants, you will have agreed before commencing how Airservices may direct your work, and you must comply with these arrangements.

What is a lawful and reasonable direction will depend upon the circumstances and should be addressed on a case by case basis. In giving such a direction a person may take into account factors such as the employees (to whom the direction is directed) experience, qualifications and training, what a reasonable person would consider the employee to be capable of having regard for these attributes, as well as what extent a direction is necessary to protect Airservices legitimate interests or to discharge Airservices obligations.

## **6.10 Take all reasonable steps to ensure you are fit to safely perform your job**

You must diligently perform the duties and responsibilities that Airservices assigns you.

You must carry out your tasks and achieve a standard of skill and competence that can reasonably be expected of someone with your experience and training. This includes an obligation to take reasonable care not to cause injury or damage and to ensure you are fit to safely perform your job.

You must comply with Airservices' [Drug and Alcohol Management Procedure \(AA-PROC-SAF-0013\)](#) in relation to your work. To the extent of any inconsistency between the Drug and Alcohol Management Procedure and this Management Instruction, this Management Instruction will prevail.

If you are, or are likely to be, on an extended absence because of an illness or injury, Airservices expects that you will work cooperatively with Airservices and your treating practitioners and be proactive in managing your illness by complying with any recommended rehabilitation and return to work programmes.

## **6.11 Report all disclosable conduct, suspected or detected fraud, bullying or harassment or any other breaches of the Code of Conduct**

You must report suspected or detected fraud to an Airservices Senior Leadership Team (SLT) member, the Manager Security and Resilience or the Ethics Manager.

You must report unethical, dishonest or other behaviour that you reasonably believe may breach the [Code of Conduct](#) or otherwise present a risk to Airservices, including (but not limited to) illegal behaviour, gross mismanagement or activities that may be a danger to work health or safety to your relevant Airservices Unit Manager or SLT member.

Reports involving workplace bullying and harassment can also be reported to your HR Business Partner, a Fair Treatment Contact Officer or a Senior HR Advisor if you are uncomfortable in reporting to your management. Reports made to the Unit Manager or SLT member which constitutes Disclosable Conduct must be referred to an Airservices Authorised Officer.

A report via Airservices [Ethics Hotline](#) should only occur where an alleged breach of Airservices [Code of Conduct](#) has not or cannot be addressed through the above or through an appropriate complaint system such as [A Confidential Word \(AA-PROC-SAF-0005\)](#), [Process Review](#) or the [Employee Grievance Board](#) or where an anonymous report is desired.

Further, the Airservices [Ethics Hotline](#) can also be utilised by external parties such as members of the public to report (anonymously or non-anonymously) any conduct which constitutes an alleged breach of Airservices [Code of Conduct](#).

A report to the [Ethics Hotline](#) will constitute a Public Interest Disclosure where the Public Interest Disclosure threshold test is met (refer [Public Interest Disclosure Procedure](#)).

If the report of the alleged misconduct constitutes Disclosable Conduct, it must be referred to an Authorised Officer at this point in time.

If it is established at a later step or sub-step that the alleged misconduct constitutes Disclosable Conduct, it must be referred to an Authorised Officer at that point in time.

Upon referral, the Authorised Officer will review the alleged misconduct pursuant to the [Public Interest Disclosure Procedure](#).

You are protected against victimisation or discrimination for such reporting, providing your claim is reasonable and you have reported the matter to an appropriate person specified above.

## **6.12 Behave in a way which upholds Airservices Vision, Mission and Values and promotes the good reputation of Airservices**

You must conduct yourself in a manner which assists and supports Airservices in achieving its stated Vision and Mission while demonstrating Airservices Values. Airservices Vision, Mission and Values can be found on [AvNet](#) or details sought through contacting your manager or People and Culture.

### 6.13 Maintain appropriate confidentiality and security of Airservices information

Information associated with Airservices business, operations and suppliers and private information relating to employees, contractors and consultants must be treated with the appropriate level of confidentiality and security. You must:

- a) act in accordance with [Airservices Privacy Guidelines \(C-GUIDE0053\)](#) and the [Guidelines for Freedom of Information, Summonses and General Inquiries \(C-GUIDE0047\)](#);
- b) take reasonable care to maintain the integrity and security of all Airservices information and records that you have access to in the course of your work;
- c) use Airservices records management systems to store official information;
- d) only destroy records in compliance with the *Archives Act 1983* and when proper authority has been given;
- e) only use or disclose Airservices information or records where your duties require you to do so, when proper authority has been given, or when required or authorised to do so by law;
- f) protect confidential Airservices information in any format including, but not limited to, files, information about employees, business strategies, written records and documents, computer records, passwords, and databases;
- g) only collect personal information for lawful and authorised purposes and where it is required as part of undertaking your duties. Any use of personal information must be for the purpose for which it was originally collected or held. Disclosure, alteration or access to personal information is prohibited without proper authorisation.

You must not:

- h) make any comment on behalf of Airservices or claim to represent the views of Airservices on any issue without proper authority to do so
- i) make any comment which may adversely affect Airservices reputation. Any political or social comments made in the media must not imply that your comments represent the views of Airservices, or identify you as an employee of Airservices. This includes the use of all types of media including internet based social networking systems. Refer to [Contact with the media and public release of information \(including significant events\) \(MI-0608\)](#) and [Use of online and social media channels for official and professional comment \(MI-0618\)](#) for further details.

### 6.14 Improper use of information or position

Working for Airservices, you may have access to certain information, or be able to make decisions, which could affect others. It is important that you do not misuse these privileges.

You must not make improper use of information obtained in your official capacity in order to gain, or seek to gain, a benefit or advantage or cause a loss for yourself or for any other person or organisation. This includes (but is not limited to):

- a) information about a company or business that may enable you to speculate on the stock market; and
- b) information about a tender process which could unfairly advantage a person, such as a friend or relative, who is tendering for a contract.

Similarly, you must not make improper use of your duties, status, power or authority in your official capacity in order to gain, or seek to gain, a benefit or advantage for yourself or others. This includes:

- c) decisions as part of tender processes which could unfairly advantage a person, such as a friend or relative, who is tendering for a contract;
- d) decisions about arranging the way work is performed, including rostering and recruitment processes.

## 7 Dealing with breaches of the Code

All Airservices employees, contractors and consultants are accountable for their own actions and must be aware of, and abide by, the [Code of Conduct](#), this Management Instruction and supporting policies, procedures and instructions.

Breaches may result in disciplinary action being taken against you in accordance with the [Code of Conduct Investigation Procedure](#), relevant industrial instrument, legislation, policies and procedures or contract, up to and including termination of your employment or engagement with Airservices.

Airservices will treat all breaches seriously and may resolve these in accordance with the [Code of Conduct Investigation Procedure](#).

This Management Instruction is updated from time to time, with changes taking effect from the dates specified in the change summary. Where a breach of the [Code of Conduct](#) is alleged to have occurred, the version of the Management Instruction which was in force at the time of the alleged conduct will apply to that conduct.

## 8 Definitions

Within this document, the following definitions apply:

Term	Definition
Airservices resources	<p>Airservices resources including but not limited to information, funds, property and equipment including ICT resources provided by Airservices to facilitate the safe and effective delivery of services to our customers.</p> <p>Airservices owns intellectual property developed, invented or created by you, alone or in working with others, in the course of your employment during work hours or utilising Airservices resources.</p>
Alleged misconduct	An alleged breach of the Code of Conduct.

Term	Definition
Authorised Officer	Means the Airservices Australia officers appointed as Authorised Officers with delegated authority from the CEO to exercise all powers and obligations of an Authorised Officer under the PID Act. Presently officers holding, occupying or performing the duties of: Chief Financial Officer, General Counsel, Executive General Manager People and Culture, Manager Employee Relations, Executive General Manager Safety and Assurance, Chief Auditor, Manager Security and Resilience, FMS Manager - West and Manager Regional Services Perth.
Bullying	Bullying is a form of harassment. Bullying is generally (but not always) repeated workplace behaviour that could reasonably be considered to be humiliating, intimidating, threatening or demeaning to an individual or a group. It can be overt or covert, inflicted by one person or groups.
Conflict of Interest	<p>A conflict of interest exists when it is likely that an employee, contractor or consultant could be influenced, or may appear to be influenced, by a personal interest (financial or otherwise) in carrying out their Airservices duties. Examples of potential conflicts of interest include but are not limited to:</p> <ul style="list-style-type: none"> <li>a) secondary employment that conflicts with your duties or the work of Airservices;</li> <li>b) party political activities or beliefs that affect your capacity to undertake your duties effectively and in an impartial way</li> <li>c) personal relationships;</li> <li>d) financial interests including real estate, shareholdings, positions in companies (either your own or those of a family member or friend) in a matter that you or Airservices deals with;</li> <li>e) any gift or benefit (not limited to property) including offers of cash or shares, manufacturer's samples or personal items, promotional material, sponsored travel, meals or other hospitality, entertainment, or discounts on commercial items.</li> </ul>

Term	Definition
Disclosable conduct	<p>Means conduct (defined in Sections 29 – 33 of the <i>Public Interest Disclosure Act 2013</i>) of Airservices Australia, a Public Official or a contracted services provider to Airservices Australia that broadly includes conduct that:</p> <ul style="list-style-type: none"> <li>a) contravenes an Australian law;</li> <li>b) if occurring in a foreign country, contravenes a foreign law that applies to Airservices Australia, Public Official or contracted services provider;</li> <li>c) perverts the course of justice;</li> <li>d) is corrupt;</li> <li>e) constitutes maladministration, including conduct that is based on improper motives or is unreasonable, unjust, oppressive or negligent;</li> <li>f) is an abuse of public trust;</li> <li>g) involves fabrication, falsification, plagiarism or deception relating to scientific research, or other misconducts in relation to scientific research, analysis or advice;</li> <li>h) unreasonably endangers health and safety;</li> <li>i) endangers the environment;</li> <li>j) is prescribed by the <i>Public Interest Disclosure Act 2013</i> Rules (s29(1)); or</li> <li>k) conduct by a Public Official that involves or is engaged in for the purpose of abusing their position as a Public Official and conduct that could give reasonable grounds for disciplinary action against the Public Official.</li> </ul>
Employee	<p>For the purposes of this Management Instruction, an employee is a person who performs work or provides services to Airservices Australia in line with <a href="#">Management Instruction Personnel – Engagement of Workers (MI-0427)</a>.</p>
Fraud	<p>Fraud is dishonestly obtaining a benefit (tangible or intangible), or causing a loss, by deception or other means which includes, but is not limited to:</p> <ul style="list-style-type: none"> <li>a) theft;</li> <li>b) accounting fraud (for example: false invoices, misappropriation);</li> <li>c) misuse of an Airservices credit card;</li> <li>d) unlawful use of, or unlawful obtaining of, property, equipment, material or services;</li> <li>e) causing a loss, or avoiding and/or creating a liability;</li> <li>f) providing false or misleading information to Airservices, or failing to provide information when there is an obligation to do so;</li> <li>g) misuse of Airservices assets, equipment or facilities</li> <li>h) cartel conduct;</li> <li>i) making, or using false, forged or falsified documents;</li> <li>j) wrongfully using Airservices information or intellectual property.</li> </ul>

Term	Definition
Harassment	<p>Harassment entails offensive, belittling or threatening behaviour directed at an individual or group of individuals. The behaviour is unwelcome, unsolicited, usually unreciprocated and usually (but not always) repeated.</p> <p>Workplace harassment makes the workplace or association with work unpleasant, humiliating or intimidating for the individual or group targeted. It can make it difficult for effective work to be done. Even if the behaviour is not meant deliberately, it can still be harassment where a reasonable person would conclude that it would humiliate, offend, intimidate or cause a person unnecessary hurt or distress. It can also be unlawful under anti-discrimination legislation.</p>
ICT	Includes but is not limited to; Internet Access, Smart Devices, Fixed Line Telephony, Messages and mobile SIMs in line with the <a href="#">ICT Resources - Conditions of Use</a> .
Maladministration	This is a failure to follow proper procedures or the law. It includes making decisions without the appropriate delegation or authority, serious delays in making decisions or taking action, failing to act on complaints about illegal activities, or approving payments to an employee, contractor or consultant that the employee, contractor or consultant is not entitled to.
Public Interest Disclosure (PID)	A disclosure of information (including an allegation) about disclosable conduct that meets the PID threshold test.
Public Official	Includes a person who is a current or former employee of a Commonwealth Department, Executive Agency, Authority or Company, the Department of Defence, the Australian Federal Police, Parliamentary Service, a contracted service provider to any of the aforementioned and an officer or employee of a contracted service provider involved in the provision of services under contract.
Senior Leadership Team (SLT)	An Airservices Branch Manager, General Manager, Executive General Manager (including the Chief Financial Officer) or the Chief Executive Officer.
Unlawful discrimination	Unlawful discrimination occurs when someone, or a group of people, is treated less favourably than another person or group because of their race, colour, national or ethnic origin; sex, pregnancy or marital status; age; disability; religion; sexual preference; trade union activity; or some other characteristic specified under anti-discrimination and/or human rights legislation.

## 9 References

Title	Number
Code of Conduct	<a href="#">HR-POL-0016</a>
Code of Conduct Investigation Procedure	<a href="#">HR-PROC-0027</a>
Public Interest Disclosure Procedure	<a href="#">C-PROC0261</a>
Process Review	<a href="#">HR-PROC-0029</a>
Employee Grievance Board Hearing Procedures	<a href="#">C-REF0020</a>
Workplace Anti-Bullying Policy	<a href="#">HR-POL-0018</a>
Workplace Bullying Control Procedure	<a href="#">HR-POL-0032</a>
Fraud Control Policy	<a href="#">C-POL:AA 000 17</a>
Ethics Hotline Procedure	<a href="#">HR-PROC-0001</a>
ICT Resources – Conditions of Use	<a href="#">MI-0829</a>
Drug and Alcohol Management Procedure	<a href="#">AA-PROC-SAF-0013</a>
A Confidential Word	<a href="#">AA-PROC-SAF-0005</a>
Airservices Privacy Guidelines	<a href="#">C-GUIDE0053</a>
Guidelines for Freedom of Information, Summonses and General Inquiries	<a href="#">C-GUIDE0047</a>
Contact with the media and public release of information (including significant events)	<a href="#">MI-0608</a>
Use of online and social media channels for official and professional comment	<a href="#">MI-0618</a>
Personnel - Engagement of Workers Management Instruction	<a href="#">MI-0427</a>



# Attachment 2 – Declaration of Personal Interests Guidelines

## Declaration of Personal Interests Guidelines

### ***Introduction***

A process whereby certain employees are required to make declarations as to any financial and/or pecuniary interest is a long established one. While Airservices Australia's employees are under a similar obligation to declare such interests, there previously existed no formal or structured process to support it. Airservices Australia has now put in place a Declaration of Personal Interests Register for each Business Group (**Register**). This Register is held and maintained by the General Counsel.

The purpose of the Register is to provide a structure and process which supports good governance. The Register will ensure that Airservices Australia is aware of any Financial Interest or Personal Interest held by Airservices Australia's employees and any interest of any Immediate Family Member which could, or could be seen, to influence the decisions those employees are making.

The completion of a Declaration of Personal Interests (**Declaration**) also provides employees with the opportunity to consider whether any of their financial or personal interests might give rise to a real or perceived conflict with their duties and take action to remove or minimise the potential for that to occur.

The Declaration is to be made by all Level 3 Managers and above, on an annual basis, and submitted to your Executive General Manager or General Manager. The Chief Executive Officer will collect Declarations made by the Executive General Managers and the General Manager, Learning Academy. All completed Declarations will be sent to the General Counsel for registration.

A separate **Conflict of Interest Declaration** will form part of any procurement which requires a formal evaluation to be undertaken. A Conflict of Interest Declaration needs to be completed for each and every procurement and by each and every employee who participates in the procurement. This includes the Delegate who signs off on the recommendation or award of contract. Those Declarations need to be submitted to Procurement.

### ***Who is required to make a Declaration of Personal Interests?***

Because of their leadership and decision-making roles, all Executive General Managers, General Managers and Level 3 Managers, including those acting in those positions for longer than one month, are included in the Declaration of Personal Interests process.

The requirement to complete and submit an annual Declaration extends to those employees who share similar decision making roles / powers as Senior Managers because of particular responsibilities or nature of work.

### ***How often does a Declaration of Personal Interests need to be made?***

Declarations are required to be made annually and submitted to your Executive General Manager or General Manager. Any significant change in personal circumstances within a twelve month period triggers a requirement to resubmit an updated Declaration.

### ***What types of interests need to be declared?***

The interests that may need to be disclosed are any that could or could be seen to impact upon the employee's responsibilities, and include but are not limited to:

- shareholdings with a value of more than \$10,000
- trusts or nominee companies
- company directorships or partnerships
- private business relationships
- interests of Immediate Family Members
- other employment (paid, voluntary or otherwise)

### ***Personal relationships***

Employees may have family or other personal relationships with people engaged in activities that could have an interest in issues the employee is dealing with. Examples could include people who have business dealings with Airservices Australia. Airservices Australia's employees are, of course, perfectly entitled to have such relationships, but staff covered by the Declarations policy should be open about them. Employees should disclose such relationships that could or could be seen to impact upon that employee's responsibilities or decision making.

### ***Interests of Immediate Family Members***

The term "Immediate Family Member" applies to spouses/partner and dependent children. Employees are only required to declare any private interests or relationships of an Immediate Family Member that they are aware of, where circumstances arise in which they consider that these interests could or could be seen to influence the decisions they are making or the advice they are giving.

#### ***1.1.1 Financial Interests***

Financial Interests may cover such things as directorships, shareholdings, real estate holdings or trusts, which have the potential to conflict with an employee's employment.

#### ***1.1.2 Personal Interests***

Personal Interests may include personal relationships as well as family or other relationships.

Situations may also arise where a decision has to be made and that decision would directly affect a person who has a relationship with the decision maker. In these cases the employee should declare the interest.

### ***The process to be followed for the submission of Declarations of Personal Interests***

Declarations are to be submitted to the CEO, Executive General Manager or General Manager for review and assessment.

The CEO, Executive General Manager's and General Manager's role is to identify and monitor areas of sensitivity covered in the Declarations, and to the extent necessary, make a determination of:

- (a) the existence (perceived or actual) of a conflict; and
- (b) the resolution or proposed treatment of the conflict.

The proposed resolution could include but is not limited to:

- (a) to ask the person to divest the interest;
- (b) to change the person's duties or to transfer the person to another position where there is no conflict; or
- (c) to allow the person to continue their duties.

If required, guidance and assistance may be sought from the General Counsel.

Ultimately, it is the Chief Executive Officer's responsibility to determine what action should be taken where such a conflict, either actual or perceived, exists.

These Guidelines do not limit the application of the Airservices Australia Code of Conduct.

**Privacy Statement:** Airservices Australia is bound by the Australian Privacy Principles of the *Privacy Act 1988* (Cth). All personal information collected from you (including information relating to family members) will be handled and protected in accordance with the Privacy Act and relevant guidelines issued by the Privacy Commissioner from time to time.



**Rural & Regional Affairs and Transport Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**

**Question no. 13**

**Senator XENOPHON:** No, and I do not expect you to. I would not dare suggest that you answer for the ATSB. I think we can ask them in a few weeks time. Also, in terms of the matters raised by Dick Smith about the ATSB, Mr Smith was quite concerned that the Air Force has a dispensation in respect of the ATSB and he thought that was a double standard and unfair. Sir Angus, are you in a position to comment in relation to that?

**Sir Angus Houston:** CASA does not regulate the Air Force. The Chief of Air Force, the ADF Airworthiness Authority, regulates all military aircraft.

**Senator XENOPHON:** You can see why private operators would be thinking, 'I've got to spend a fortune on ATSB but the Air Force doesn't.'

**Sir Angus Houston:** I think that most of the aircraft that fly in the air routes will be equipped. If we can take that on notice? That is really a question for the Chief of Air Force, but if you like I will take it on notice and come back to you.

**Answer:**

Defence has advised that no dispensation has been provided to Defence as its aircraft are not subject to the Civil Aviation Safety Authority (CASA) regulations. However, Defence's aviation regulations align with CASA regulations whenever practicable.

Defence has advised that ADS-B fitment for Defence aircraft is tied to several major acquisition projects, wherein individual aircraft are typically scheduled for ADS-B fitment as part of larger fleet upgrade programs.

Further detail on Defence's ADS-B capability should be directed to the Department of Defence.