

# Senate Rural and Regional Affairs and Transport Legislation Committee

## Questions on Notice – Friday, 28 November 2014 Canberra, ACT

### Performance of Airservices Australia

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**SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT  
LEGISLATION COMMITTEE**

**Performance of Airservices Australia**

**Public Hearing: Friday, 28 November 2014**

**Questions Taken on Notice – Airservices Australia**

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**1. Hansard, Page 4**

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**CHAIR:** How much did that tick up at Ottoman in that time?

**Mr Clark:** I think that is on the public record; around \$21,000 was spent. But there was \$21,000 spent at that particular establishment over a seven-year period.

**CHAIR:** But, in the period of your overseeing and saying 'tick' to lunch at Ottoman, how much was spent?

**Mr Clark:** I could not tell you, but it would have only been a very small portion.

**CHAIR:** What is a small proportion?

**Mr Clark:** I would have to take that on notice.

**CHAIR:** Take it on notice.

**Senator STERLE:** But you were only doing it for three months, Mr Clark?

**Mr Clark:** I believe that to be the case. It was in that order.

**Senator STERLE:** If you could provide the actual time.

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**2. Hansard, Page 6**

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**Senator GALLACHER:** Can we get a list of the expenditure in that space?

**Mr Clark:** In what space?

**Senator GALLACHER:** When you have an invitation to go and support an event and you have chosen, as part of your corporate philosophy, to support that event by buying a table of 10. Can we get a list of that?

**Mr Clark:** Of course.

**Senator GALLACHER:** And who it was attributed to?

**Mr Clark:** Yes.

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**3. Hansard, Page 6**

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**Senator GALLACHER:** By the bye, what is Ms Staib's credit card limit?

**Mr Clark:** That is a very good question. I have a feeling, and if I am wrong I will certainly clarify—

**Senator GALLACHER:** I usually know what my credit card limit is.

**Mr Clark:** I will clarify the record, but I think Ms Staib's credit card limit might be \$20,000 a month. That is the maximum she can spend on the card in any one period.

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**4. Hansard, Page 6**

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**Senator GALLACHER:** Just to close the circle a bit on the credit cards, we know how many you have and we have an idea of what they are used for. What is Airservices Australia's protocol pertaining to their use? Is it a written protocol? When you get a credit card, do you get an explicit document instructing you what you can do with a credit card?

**Mr Clark:** Yes, you do.

**Senator GALLACHER:** Is that a published document?

**Mr Clark:** Yes, it is.

**Senator GALLACHER:** Will we get a copy of that?

**Mr Clark:** Yes, you can.

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**5. Hansard, Page 7-8**

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**Senator GALLACHER:** Were these instances of credit card fraud reported to the board?

**Mr Clark:** I would have to take that on notice, but certainly I am aware of a range of those being reported to the board. I would need to clarify that for you.

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**6. Hansard, Page 8**

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**Senator XENOPHON:** Given the controversy in relation to the former CEO's use of credit cards, I presume there has been a substantial rethink and change of protocols with regard to the use of credit cards—is that a fair summary?

**Mr Clark:** Certainly over the last two years we have made modifications to the credit card policy and procedure for a whole range of reasons. As it relates to who signs the chief executive's credit card, who authorises annual leave et cetera for the chief executive, there have been a range of changes that have been made since that time.

**Senator XENOPHON:** And it has been reduced to a document?

**Mr Clark:** It has been reduced to a document.

**Senator XENOPHON:** Have we got a copy of that? Has the committee got a copy of that new document? It might be useful. I do not know whether Senator Gallacher will find it useful—

**Senator GALLACHER:** We have asked for that on notice, but that will be 10 December.

**Senator XENOPHON:** So it has already been asked for, as I understand it, so it is on its way?

**Mr Clark:** 'Yes' would be the answer, if you have asked for it.

**Senator XENOPHON:** And you can show us, by contrast, what the previous protocols were in respect of credit card use?

**Mr Clark:** Yes, I can do that as well. So if you would like to see how the credit card policy has been changed and/or amended over the last X years, I am more than happy to do that.

**Senator XENOPHON:** Yes, that might be useful.

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## **7. Hansard, Page 9-10**

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**Senator STERLE:** Who would know? You have said 'the team'. You have named them. Mr Clark would be on that team. You knew. Mr Hood?

**Mr Hood:** No, I am not.

**Senator STERLE:** He is saying no, so, Ms Staib, you got that wrong. Mr Hood was not on that team?

**Ms Staib:** No; I—

**Senator STERLE:** I suggest you get some notes and tell us who would know.

**Ms Staib:** This is Dr Weaver, who is the—

**CHAIR:** Who is the executive general manager, safety, environment and assurance—new to the role, approximately two years.

**Dr Weaver:** I chair the fraud and ethics committee, which is made up of representatives of the Airservices executive. Other representatives include the chief financial officer and the executive general manager, people and culture.

**Senator STERLE:** Who is that?

**Dr Weaver:** That is Mr Andrew Boyd.

**Senator STERLE:** Is Mr Boyd here? Yes. Great.

**Dr Weaver:** I have chaired that committee since March this year.

**Senator STERLE:** So there are three of you on that who know about that.

**Dr Weaver:** There are also representatives from the rest of the organisation—so the chief auditor; the manager, security and resilience is often in attendance; and other representatives from people and culture.

**Senator STERLE:** You can provide names. That is fine. How many are there all up?

**Dr Weaver:** The key members of the committee are the executive—

**Senator STERLE:** Who would have known—Mr Weaver, very clear, very precise—when I asked the question of Ms Staib at Senate estimates two weeks ago, that there was credit card fraud?

**Dr Weaver:** The people that know of credit card fraud are the members of that committee and the representatives of that committee.

**Senator STERLE:** You have said all that. Tell me how many people—five, 10, half the organisation, 2,000, what?

**Dr Weaver:** To be clear, there will be other people that would know about individual cases of credit card fraud.

**Senator STERLE:** So a lot of people would know?

**Dr Weaver:** About individual cases, it would be quite a small number that would know about each individual case.

**Senator STERLE:** Mr Weaver, do you know how many people?

**Dr Weaver:** I do not know the exact number, no.

**Senator STERLE:** Can you find out for me, please?

**Dr Weaver:** Yes.

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**8. Hansard, Page 13**

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**Senator GALLACHER:** Just to conclude the previous bit, can you provide the committee with a list of every function that each board member has attended over the last two years at Airservices's expense, and the costs associated with their attendance. Can you also please provide details of which members of the executive attended each of those functions and the cost. That concludes my questions on that.

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**9. Hansard, Page 14**

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**Senator GALLACHER:** Can you advise this committee of the capital cost of each fire station that has been built over the last five years? More particularly, how many of them have you done on budget? We probably deal with about \$2 billion worth of expenditure in the Public Works Committee, and we get used to looking very quickly at passing the ones who have a proven track record of getting their budgets right, having the contingency right and, most importantly, giving us a postimplementation report which ticks it off and says, 'job well done'. You might need to take that on notice.

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**10. Hansard, Page 16**

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**CHAIR:** Just pausing there—because this note I have has your name attached—can you tell us how much it costs to do those changes? Is it a fairly generous deal, in terms of money, that Thales get out of whatever they do? Could you please give us the financial details of Thales's arrangement.

**Mr Rodwell:** I would need to have a look at that.

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**11. Hansard, Page 16**

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**Ms Bennetts:** Yes, I am the executive general manager for the Aviation Rescue and Fire Fighting group. This is my first appearance.

**CHAIR:** Close to Greg Russell, it says here. You have been to Harvard, they tell me.

**Ms Bennetts:** Last year, in 2013, I attended for one week.

**CHAIR:** How much did that cost?

**Ms Bennetts:** I cannot recall off the top of my head.

**CHAIR:** Do you want to take that on notice?

**Ms Staib:** Yes.

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**12. Hansard, Page 16-17**

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**CHAIR:** Yes, he is up here. How was the French business school, Mr Clark?

**Mr Clark:** When you say, 'How was it?' what do you mean precisely?

**CHAIR:** What did you get out of it?

**Mr Clark:** It was a rich learning opportunity over a four-week period.

**CHAIR:** How much did that cost?

**Mr Clark:** I would have to take that on notice.

**CHAIR:** Just rough it.

**Mr Clark:** Roughly—and I will clarify it along with Ms Bennetts's costs—something in the order of 30,000 to 40,000 euros.

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**13. Hansard, Page 17**

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**CHAIR:** I am advised that there is a culture of getting the most out of things, such as the 2012 Texas ICAO—what does that stand for?

**Ms Staib:** That is the International Civil Aviation Organization. It is a part of the UN.

**CHAIR:** A visit, where a current manager only attended allegedly two days of an approved five-day working group, and he left to places unknown for the rest of the time for unknown activities.

**Ms Staib:** I am not aware of that situation.

**CHAIR:** Could you find out who went to that conference Texas in 2012 and get back to us?

**Senator XENOPHON:** Perhaps the fairer way—I am not saying you are being unfair in the question, but perhaps it would be appropriate to find out: firstly, whether someone attended; secondly, what they were supposed to go for; thirdly, whether there was a diary.

**CHAIR:** All of that.

**Senator XENOPHON:** It could be that, if the conference was on a Friday and a Monday and there was nothing happening on the Saturday or Sunday, that might explain part of that.

**CHAIR:** It says, 'Only attended two days of an approved five-day working group'.

**Senator XENOPHON:** Well then, presumably the person had—

**CHAIR:** Anyway, there you go.

**Ms Staib:** I take on board what Senator Xenophon is saying, so we will go back and have a look at that. We have a process of approval for overseas visits. I sign off on those, and the people who travel have to submit a report after the fact. This particular conference was, as you say, in 2012. I will have to go back and check, because I was not here.

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#### **14. Hansard, Page 17-18**

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**Senator GALLACHER:** I just have one capping question on what we have just discussed. We are here as the representatives of the 90 million passengers. Have the Commission of Audit, the competition review or airline representatives raised any concerns about the cost of Airservices' capital works and the matters that have just been raised? I would like to get that on notice. I want to know if the Commission of Audit, the competition review or the airlines, who ultimately you bill, have raised concerns about the matters we have just raised?

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#### **15. Hansard, Page 18**

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**Ms Staib:** There were pay rises agreed in those enterprise agreements.

**Senator XENOPHON:** Above the 1½ per cent that the government has been talking about?

**Ms Staib:** Yes.

**Senator XENOPHON:** Above 1½ per cent to what degree?

**Ms Staib:** It was about, from my recollection—and I can get the detail—3.9 per cent.

**Senator XENOPHON:** Was it 3.9 per cent? You are aware of the blue Senator Lambie is having with the government over Defence pay: Defence is limited at 1.5 per cent, and your employees are at 3.9 per cent. I am not begrudging them that; I am just trying to understand how that got through and whether there was any input from Treasury and Finance in respect of that?

**Ms Staib:** There was not, to my recollection—noting that the employees of Airservices are not employed under the Public Service Act; they are employed under the Air Services Act.

**Senator XENOPHON:** Right. So you do not feel any con—

**Senator GALLACHER:** My understanding, from reading your financial reports, is that you get a billion and a bit and you spend in excess of \$550 million on employee expenses. Is that correct, Mr Clark?

**Mr Clark:** Rough orders of magnitude, yes. Staff costs make up about 75 per cent of our total cost base.

**Senator GALLACHER:** Thank you.

**Senator XENOPHON:** Okay. I will not take that any further, but could you provide some details on notice in respect of that, because it is an interesting issue.

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#### **16. Hansard, Page 18**

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**Senator XENOPHON:** ... Going to issues of LAHSO, I think I wrote to you, Ms Staib, on 4 November after raising these issues in estimates with you. To recap to the many thousands of people listening to this right now, LAHSO relates to land and hold short operations, and that relates to circumstances where there are cross-runways—is that correct? I think you explained it well in your letter to me of 13 November in response to my letter, and I will seek to tender those if I may, Chair. You do not have an issue with that? I think Senator Heffernan, Senator Sterle, Senator Gallacher and Senator Fawcett all had copies of the letter I sent to you, so perhaps we can put the letter on notice.

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#### **17. Hansard, Page 21**

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**Mr Hood:** In the interests of aviation safety I looked at your concerns and I have taken immediate action to ensure that the procedure is amended and that the passive runway does not operate in excess of 20 knots, and the other action I have taken is to ask Dr Weaver to have a look at that change process two years ago. I have a terms of reference for that and I am happy to table that as well.

**Senator XENOPHON:** That would be useful...

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#### **18. Hansard, Page 21**

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**Senator GALLACHER:** Can I ask a simple question—do you have a list of how many passenger planes I could have been on or the chair could have been on that have landed in excess of those requirements?

**Mr Hood:** Certainly I am hoping that the review will be able to provide me with that data.

**Senator XENOPHON:** You have not answered the question—will you be able to provide us with how many passenger movements—

**Mr Hood:** Probably not passenger numbers—

**Senator XENOPHON:** But aircraft and what sort, so we would get a rough idea of how many thousands of passengers would have been subject to this.

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#### **19. Hansard, Page 22**

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**Senator XENOPHON:** Right. Can I say—just so that you know and so that there is no issue of retribution, which I want to get to in a minute—that no air traffic controllers have actually contacted me. I have to try to get my information through other means. Did any air traffic controllers make a complaint about this?

**Mr Hood:** Not to my knowledge.

**Senator XENOPHON:** Can you find out for me?

**Mr Hood:** Certainly.

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#### **20. Hansard, Page 22**

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**CHAIR:** Can you just pause there, Senator Xenophon? Can I just ask a question that is very pertinent to this? If in the event that this has been going on for two years—and no doubt you will come back and tell us how it all happened—and there were an accident, who would be legally liable? You can take that on notice if you like, but I think I know the answer.

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#### **21. Hansard, Page 23**

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**Senator XENOPHON:** I asked some questions about this in May, and there were some answers on notice back after budget estimates saying there are currently no severity 1 or severity 2 system issues. Perhaps we should go back a step: in terms of the answers provided to me, INTAS was commissioned in Broome in 2012—a place where Senator Sterle does a lot of constituent work. There were 904 defects reported since commissioning, 54 defects remained unresolved at least and two key issues were being managed.

Rockhampton was commissioned in October 2012: 315 defects were reported since commissioning, 33 defects remained unresolved at least—and these are based on the questions on notice—and two key issues are being managed. Adelaide was commissioned in May 2013: 578 defects reports since commissioning, 53 defects remain unresolved at least; and eight key issues being managed. Melbourne was commissioned in 2013: 670 defects reported since commissioning; 178 defects unresolved at least; and eight key issues being managed. That is a fair summary? Okay. What is defined as a key issue?

**Mr Rodwell:** That fall we did in the classification of the acids that we have spoken about previously—the system of recording any issues with the system, whether it is a defect or an enhancement that has been requested, would fall into those. The eight I cannot talk specifically about. I would need to go back and look at the times.

**Senator XENOPHON:** Can you provide the details on notice.

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#### **22. Hansard, Page 23**

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**Senator XENOPHON:** Can you on notice provide details of how many, at any point in time since the introduction of INTAS, have there been any severity 1 or severity 2 systems issues identified?

**Mr Rodwell:** I can on notice.

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#### **23. Hansard, Page 23**

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**Senator XENOPHON:** How much has INTAS cost?

**Mr Rodwell:** I would need to have a look totally.

**Senator XENOPHON:** Roughly, a ball park figure. I am not going to hold you to it.

**Mr Rodwell:** \$14 million per tower.

**Senator XENOPHON:** How many towers?

**Mr Rodwell:** We have four towers: Broome, Rockhampton, Adelaide and Melbourne. Mr Clark might be able to look it up if he has it to confirm that.

**Senator XENOPHON:** You can take it on notice.

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#### **24. Hansard, Page 24**

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**Ms Staib:** As we discussed before, there were some issues when we introduced the new technology. We have gone from a paper based system—strips on a scrabble board—to using an electronic system. A lot of those issues—we can get the breakdown; I have not got it with me—were enhancements requested by the air traffic controllers. As they used the system more, they could see where it could be improved. So there are a number of issues in those figures relating to the improvements.

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**25. Hansard, Page 24**

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**Senator XENOPHON:** Do you have an idea of how many complaints have been made? They would be recorded, wouldn't they? You would obviously take—

**Ms Staib:** Formal complaints into the safety management system—yes.

**Senator XENOPHON:** Can I get an idea of how many there are on notice.

**Ms Staib:** Yes.

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**26. Hansard, Page 25**

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**Senator XENOPHON:** I think it is important to find out whether there were any complaints. Again, I do not know but I am presuming that, if air traffic controllers did not raise it as an issue, that concerns me even further. I am trying to establish what operational aerodrome control experience using LAHSO or not each manager in Melbourne tower possessed at the time they implemented the procedure.

**Mr Hood:** I will take that on notice too, thank you.

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**27. Hansard, Page 25**

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**Senator XENOPHON:** You are saying that the safety management system is robust, notwithstanding the number of INTAS related air safety incidents to June 2014—the 49 that were recorded by the ATSB?

**Ms Staib:** In terms of the defects around the introduction of INTAS, if you introduce any software anywhere, you will have defects to start with—

**Senator XENOPHON:** No, these are not defects. These are issues that the ATSB recorded—49 INTAS related air safety incidents to 27 June 2014. You may want to take that on notice. Perhaps my information is wrong.

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**28. Hansard, Page 25**

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**Senator XENOPHON:** But, in terms of recommendation 13, the LAHSO comparison shows the procedure was implemented outside the AIP limits. I am trying to understand, so I would like your response. Maybe it is part of that inquiry that is being undertaken, which I am grateful is being undertaken. How is it that, within the context of a safety management system, this procedure which goes outside the safety limits was implemented with respect to LAHSO? Could you take that on notice?

**Ms Staib:** Certainly.

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**29. Hansard, Page 26**

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**Senator XENOPHON:** If you could refer back to recommendation 14. Recommendation 20 is: 'Airservices should review its ATS incident investigation process in order to better identify systemic issues.' Can you advise me, in the context of recommendation 20, whether there were any SMS based internal investigations to identify those INTAS systemic issues that have been raised? It is not a trick question. Could you take that on notice? And, in the context of LAHSO, what sign was there of an SMS based internal investigation to identify systemic issues? In other words, how could this have occurred in the first place? I am trying to tie it back to that.

Recommendation 21 is: 'Airservices should review its ATS risk management processes so that operational staff have better visibility of hazards and current risk levels and are more involved in risk ownership and mitigation.' Was there an operational risk assessment in terms of INTAS? I am happy for it to be taken on notice.

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**30. Hansard, Page 26**

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**Senator XENOPHON:** That worries me. If there were clearly a problem which has been identified, why did no-one report it. I go to recommendation 26 that Airservices should provide more comprehensive safety management training for ATS staff on an ongoing basis. Is there an issue? Are you looking at whether training was effective or otherwise in respect of the INTAS problems? In other words, if there were more effective training, would there have been fewer INTAS problems reported? It is just a question of whether that has been considered.

I think we all want the same things at this table. We do not want anything bad to happen in the air. Also, in respect of LAHSO, was the training effective? The argument is that it was not, otherwise the LAHSO problem would not have occurred. Finally, I go to recommendation 35 that Airservices should review and improve ATS project design and implementation. I note that Adelaide—that is an airport that Senator Gallacher and I fly into all too regularly—was commissioned in May 2013 and has had 578 defects since commissioning. What is that—almost one a day? Melbourne was commissioned in November 2013 and has had 670 defects since commissioning—that is more than one a day. How many software upgrades were



implemented and how many of those have failed? Could you provide that on notice? Has there has been any improvement since the completion of the CASA report of 21 December 2012? I just want to understand that in the context of recommendation 35.

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**31. Hansard, Page 27**

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**Senator XENOPHON:** I just want to understand. Because the AFP is—I am not sure whether you are an authorised agency for the purpose of metadata surveillance. Has there has been any metadata surveillance of any employees of Airservices Australia since the question was asked in Senate estimates?

**Ms Staib:** Could I take that on notice so that I can go and check with the AFP?

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**32. Hansard, Page 28-29**

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**Senator GALLACHER:** It speaks for itself. The chief executive lined up the executives; she was concerned about leaks and said she would refer it to the AFP.

**Senator XENOPHON:** What date was that, can you tell us?

**Ms Staib:** I cannot recall.

**Senator XENOPHON:** You would have a note of that. It is a pretty significant thing to talk about calling in the AFP.

**Ms Staib:** I will have to get that on notice; I cannot recall the date.

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**33. Hansard, Page 30-31**

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**CHAIR:** ... Do you have trouble with contractors in liquidation?

**Ms Staib:** Not as a general practice. We do have one current contractor who is in liquidation, yes.

**CHAIR:** What is the likely impact of that going to be?

**Ms Staib:** The works, in terms of what is delivered, are just about delivered. I think there is one outstanding—we are dealing with a liquidator.

**Mr Clark:** With the matter that is in liquidation at the moment, there is an outstanding payment that will go to the liquidator that is in the order of \$300,000.

**CHAIR:** How often does that happen?

**Mr Clark:** My recollection of the last two or three years is that we have had two to three. I would say two contractors—and, if I have got it wrong, I will certainly clarify—have ended up going into liquidation.

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**34. Hansard, Page 31**

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**CHAIR:** The Alan Woods Building fit-out—tell me about that.

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**Senator GALLACHER:** Just on the building, was it completed on budget?

**Mr Clark:** I will find the detail. From recollection it was actually completed slightly under budget.

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**35. Hansard, Page 32**

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**CHAIR:** I think I will take this to public works from here. We have not had a bad day, have we? Tell me about the runway at Archerfield. Is it true that it does not comply—whatever one they are arguing about that has been shortened?

**Mr Hood:** I will have to take that on notice. I am not aware of any complaints in relation to any—

**CHAIR:** As you would know, and as Mr Murdoch is very conscious of, there is a contest of interests at airfields like Bankstown, where the developers—and they have ways and means of convincing people. It appears to me that there is a bit of pressure in various airfields, including Archerfield and, of course, Bankstown. It appears to me that all of a sudden they have woken up to the fact that whichever runway it is is no longer compliant, even though they are using it. I am wondering, if something goes wrong, who is going to be liable for that.

**Mr Hood:** It is the first time it has been raised with me, but I am certainly happy to take it on notice. It could cut across CASA as well. I am happy to take that.

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**36. Hansard, Page 32**

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**Senator XENOPHON:** Can I ask a supplementary question in relation to that. I apologise that I was not clear when I asked whether you could provide details of the date and the circumstances of that matter when the Australian Federal Police was raised. Could you take that on notice. If the matters in the context to which it related are something that you consider ought to be dealt with in camera, then you could put that request to the committee. I am primarily interested in the whole issue of safety issues in respect of that.

**Senator XENOPHON:** This is very important. I do not have the same intimate knowledge that Senator Gallacher does. But there were issues raised as to whether there was noncompliance with the Public Works Committee Act—is that correct?

**Ms Staib:** Yes, that is correct.

**Senator XENOPHON:** I do not know anything much about it other than, basically, what I have heard from Senator Gallacher. As a result of that, you had a meeting of your senior executives and said, 'There might be a leak; this might have to go off to the AFP.' Is that what happened?

**Ms Staib:** There was not a direct correlation. I was saying to the executive team that there are lot of issues being raised outside the organisation and I am worried about where that is going because it could impact our business operations, or words to that effect.

**Senator XENOPHON:** I think it would be good if we could see any minutes in respect of that. Isn't it in the context of Senator Gallacher raising concerns about compliance or noncompliance—I am not saying there was any noncompliance—in respect of certain public works? And then, as a result of a line of questioning from Senator Gallacher, you raise the issue of the AFP being brought in in respect of leaks. It is not an unreasonable proposition, as Senator Gallacher put forward, that there appears to be a correlation between some legitimate concerns being raised in the context of this parliamentary process and calling in the AFP. Indeed, I wonder—and I will seek advice from the Clerk of the Senate—whether it raises issues of privilege.

Was there not a correlation between the two, or have I misunderstood? Was it about something completely different? I do not want to verbal anyone; I just want to understand whether it relates to Senator Gallacher's line of questioning about public works—whether that triggered the issue of raising the matter with the Federal Police. I am just trying to understand whether there was a link between the two or whether it was something completely different, so we can just move on.

**Ms Staib:** I have to go back and look at my notes, but my recollection is that it was something different. In the Public Works Committee, as I said, the senator asked me a question about whether I had ignored advice from staff, from a senior person. I had not. So there was no issue around that.

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

**Question no. 1**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 4

**CHAIR:** How much did that tick up at Ottoman in that time?

**Mr Clark:** I think that is on the public record; around \$21,000 was spent. But there was \$21,000 spent at that particular establishment over a seven-year period.

**CHAIR:** But, in the period of your overseeing and saying 'tick' to lunch at Ottoman, how much was spent?

**Mr Clark:** I could not tell you, but it would have only been a very small portion.

**CHAIR:** What is a small proportion?

**Mr Clark:** I would have to take that on notice.

**CHAIR:** Take it on notice.

**Senator STERLE:** But you were only doing it for three months, Mr Clark?

**Mr Clark:** I believe that to be the case. It was in that order.

**Senator STERLE:** If you could provide the actual time.

**Senator STERLE:** .....But I think, Chair, what we need to do is find out what was going on in that period of time. Why was it shifting? Who decided to shift it? When was it decided to shift it? Whatever the reasons, we need to know why.

**Answer:**

The Chief Financial Officer reviewed and validated the former Chief Executive Officer's credit card expenditure between August 2011 and May 2012. During this period, there were two transactions at the Ottoman Restaurant of \$550 and \$640 (inclusive of GST) which related to dinners for international visitors.

The position of Executive General Manager, People and Change (EGM P&C) had accountability for the validation of the CEO's credit card expenditure up until August 2011.

As a result of internal reorganisation of responsibilities, the accountability transferred to the Chief Financial Officer until May 2012. After this time the Chair reviewed the CEO's credit card expenditure. The procedures for approval of items relating to the CEO are provided in the attachment to Question 4.

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

**Question no. 2**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 6

**Senator GALLACHER:** Can we get a list of the expenditure in that space?

**Mr Clark:** In what space?

**Senator GALLACHER:** When you have an invitation to go and support an event and you have chosen, as part of your corporate philosophy, to support that event by buying a table of 10. Can we get a list of that?

**Mr Clark:** Of course.

**Senator GALLACHER:** And who it was attributed to?

**Mr Clark:** Yes.

**Answer:**

During the past year, the following events have been supported by the CEO.

**Snowy Hydro Southcare Women in Business lunch**

Date: Friday 30 May 2014

Cost: \$1500

Approved by: Margaret Staib

**Chief Executive Women Annual Dinner**

Date: Wednesday 10 September 2014

Cost: \$3500

Approved by: Margaret Staib

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

**Question no. 3**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 6

**Senator GALLACHER:** By the bye, what is Ms Staib's credit card limit?

**Mr Clark:** That is a very good question. I have a feeling, and if I am wrong I will certainly clarify—

**Senator GALLACHER:** I usually know what my credit card limit is.

**Mr Clark:** I will clarify the record, but I think Ms Staib's credit card limit might be \$20,000 a month. That is the maximum she can spend on the card in any one period.

**Answer:**

The monthly transaction limit for the Chief Executive Officer's credit card is \$15,000.

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

**Question no. 4**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 6

**Senator GALLACHER:** Just to close the circle a bit on the credit cards, we know how many you have and we have an idea of what they are used for. What is Airservices Australia's protocol pertaining to their use? Is it a written protocol? When you get a credit card, do you get an explicit document instructing you what you can do with a credit card?

**Mr Clark:** Yes, you do.

**Senator GALLACHER:** Is that a published document?

**Mr Clark:** Yes, it is.

**Senator GALLACHER:** Will we get a copy of that?

**Mr Clark:** Yes, you can.

**Answer:**

See attachments:

Attachment 1: Code of Conduct Policy

Attachment 2: Code of Conduct Management Instruction

Attachment 3: Credit Card Operating Procedure

Attachment 4: Credit Card Management Instruction



## Code of Conduct Policy

Airservices Australia relies on its employees; contractors and consultants behaving in a safe, professional and ethical manner at all times, and upholding appropriate standards of conduct.

The Airservices Code of Conduct sets out the standard of conduct expected of all Airservices employees, contractors and consultants and provides a framework for decisions, actions and behaviours. It is a condition of your employment or engagement with Airservices that you comply with the Code of Conduct. Airservices will take appropriate action where it suspects an employee, contractor or consultant has failed to comply with the 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; and
11. Report all suspected fraud, corruption, bullying or harassment 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.

Margaret Staib  
Chief Executive Officer  
Airservices Australia  
30 January 2014

<b>Policy Title</b>	<b>Code of Conduct Policy</b>		
<b>Policy Number</b>	<b>HR-POL-0016 Version 5</b>	<b>Effective Date</b>	<b>30 January 2014</b>
<b>Background</b>	Airservices Australia relies on its employees; contractors and consultants behaving in a safe, professional and ethical manner at all times, and upholding appropriate standards of conduct.		
<b>Legal Framework &amp; Authority</b>			
<b>Responsibility</b>	Executive General Manage People and Culture		
<b>Definitions &amp; Explanation</b>			
<b>Further Guidance and Key Links</b>	<a href="#">Code of Conduct Management Instruction</a> – MI-0431 <a href="#">Code of Conduct Investigation Procedure</a> – HR-PROC-0027		
<b>Contacts</b>	Linda Glover, Manager Employee Relations		
<b>Functional Authority</b>	Executive General Manage People and Culture		
<b>Approval</b>	Chief Executive Officer on behalf of the Board		
<b>Amendment Record</b>	Version 5	Amendments	Date
	No. 1		01 December 2006
	No. 2		06 October 2010
	No.3		12 September 2011
	No.4	Organisational Change	01 November 2013
	No. 5	Re ordering and clarification of policy	30 January 2014



# **Code of Conduct**

## **Management Instruction**

**MI-0431**

**Version 5**

**Effective 9 May 2014**

Contact: Linda Glover  
Manager Employee Relations

Authorised: Andrew Boyd  
Executive General Manager  
People and Culture

## Change summary

Version	Date	Change Description
1	12 December 2012	Initial issue replaces Code of Conduct Procedure (HR-PROC-0008).
2	30 January 2014	Aligned instruction with revised Code of Conduct Policy
3	3 March 2014	Updated 6.5 heading only
4	2 May 2014	Corrected numbering in table for 'Fraud Definition' on page 12
5	9 May 2014	Clause 6.6(h)(iii) removed on page 7

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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](#) (MI-0431) further explains the obligations under the [Code of Conduct](#) (HR-POL-0016), and provides practical guidance as to 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 suspected misconduct and provides guidance on possible disciplinary action.

## 2 Scope of the Code of Conduct

### 2.1 Who the Code of Conduct applies to

The [Code of Conduct](#) (HR-POL-0016) applies to all Airservices employees, contractors and consultants.

### 2.2 When the Code of Conduct applies

Most obligations under the [Code of Conduct](#) (HR-POL-0016) 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](#) (HR-POL-0016) apply '*at all times*', and apply regardless 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](#) (HR-POL-0016) and this Management Instruction (MI-0431) 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](#) (HR-POL-0016) 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](#) (HR-POL-0016) or this [Management Instruction](#) (MI-0431), 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 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](#) (HR-POL-0016) and this [Code of Conduct Management Instruction](#) (MI-0431) 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 [Airservices Workplace Anti-bullying Policy](#) (HR-POL-0018), and Airservices [Workplace Bullying Control Procedures](#) (HR-PROC-0032) 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.

### 6.2 Act with honesty and integrity

Airservices expects a high standard of its employees, contractors and consultants. As in any working relationship, Airservices must have confidence that you will not commit fraud (Refer [Fraud Control Policy](#) (C-POL:AA 000 17) and are truthful, honest and act with integrity in all your work-related dealings.

### **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
- 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](#) (HR-PROC-0001) 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. Submission of a fraudulent expense report is regarded as serious misconduct. You must maintain an accurate and auditable record of all financial transactions in accordance with Airservices policies and procedures
- h) ensure that Airservices ICT are not used inappropriately. Refer to [Management Instruction 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.

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 in and be proactive in managing your illness by complying with any recommended rehabilitation and return to work programmes.

#### **6.11 Report all suspected or detected fraud, bullying or harassment or any other breaches of the Code of Conduct or this Management Instruction**

You must report suspected or detected fraud to senior management, Manager Security and Resilience, Ethics Manager or anonymously via the [Ethics Hotline](#). Refer to the (HR-PROC-0001) for further details. Reports received by senior management must be subsequently reported to the Manager Security and Resilience or Ethics Manager.

You must report unethical, dishonest or other behaviour that you reasonably believe may breach the [Code of Conduct](#) (HR-POL-0016) and/or this Management Instruction 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 manager, General Manager, Executive General Manager or the Chief Executive Officer. You may also report such matters to Airservices Corporate Security or anonymously via the [Ethics Hotline](#).

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 [Management Instruction Contact with the media and public release of information \(including significant events\)](#) (MI-0608) and [Management Instruction 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 Policy](#) (HR-POL-0016), per Section 4 above, 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](#) (HR-PROC-0027), 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](#) (HR-PROC-0027).

## 8 Definitions

Within this document, the following definitions apply:

Term	Definition
Airservices resources	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.  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.
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	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: <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> </ul>

Term	Definition
	<p>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 and</p> <p>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.</p>
Employee	For the purposes of this Management Instruction, an employee is a person who performs work or provides services to Airservices Australia in line with Management Instruction Personnel – Engagement of Workers (MI-0427).
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> <p>a) theft</p> <p>b) accounting fraud (e.g. false invoices, misappropriation)</p> <p>c) unlawful use of, or obtaining property, equipment, material or services</p> <p>d) causing a loss, or avoiding and/or creating a liability</p> <p>e) providing false or misleading information to Airservices or failing to do so where there is an obligation to do so</p> <p>f) misuse of Airservices assets, equipment or facilities</p> <p>g) making, or using false, forged or falsified documents and</p> <p>h) wrongfully using Airservices information or intellectual property</p> <p>i) plagiarism includes the preparation, or production and submission, or presentation of assignments, or other work in conjunction with another person, or other people, when the work should be your own independent effort.</p> <p>j) corruption, bribery, extortion and grooming for favours or promises.</p>
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 Management Instruction <a href="#">ICT Resources – Conditions of Use</a> (MI-0829)
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

Term	Definition
	approving payments to an employee, contractor or consultant that the employee, contractor or consultant is not entitled to.
Suspected misconduct	Any suspected or detected fraud or any alleged breach of the <a href="#">Code of Conduct</a> (HR-POL-0016) and/or this <a href="#">Code of Conduct Management Instruction</a> (MI-0431).
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 or human rights legislation.

## 9

## References

Title	Number
Code of Conduct	<a href="#">HR-POL-0016</a>
Fraud Control Policy	<a href="#">C-POL:AA 000 17</a>
Workplace Anti-Bullying Policy	<a href="#">HR-POL-0018</a>
Code of Conduct Investigation Procedure	<a href="#">HR-PROC-0027</a>
Workplace Bullying Control Procedure	<a href="#">HR-POL-0032</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>
ICT Resources – Conditions of Use	<a href="#">MI-0829</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>

# **Credit Card Operating Procedures**

**C-PROC0037**

**Version 5**

**Effective 4 August 2014**

Prepared: David Kille  
Manager Shared Services

Authorised: Andrew Clark  
Chief Financial Officer

## Change summary

Version	Date	Change Description
5	4 August 2014	Changes are marked by change bars
4	9 October 2012	Update to content and references. Reformatted to new template.

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## 1 Purpose

The use of credit cards for low value, high volume transactions is the most efficient way of ensuring payment to Airservices Australia vendors whilst providing appropriate levels of reporting.

Airservices has a split purpose card system for all corporate credit cards by issuing cards to employees for either travel purposes or general purchasing. This card system is designed to facilitate the ease of use of credit cards within the organisation.

These procedures are in support of and should be read in conjunction with the [Credit Card Management Instruction \(MI-0202\)](#).

Credit cards must not be used to settle purchases resulting from purchase orders raised through SAP. Credit cards must also not be used to pay invoices that have been processed through the Accounts Payable unit.

## 2 Scope

Employees who require a credit card to appropriately carry out their role must nominate the type of credit card they require by completing a [Credit Card Application Form \(C-FORMS0369\)](#).

Cards are issued with standard spending limits, dependent on the type of card requested:

- travel cards - \$5,000 monthly spend limit, \$2,000 per transaction limit
- corporate cards - \$15,000 monthly spend limit, \$5,000 per transaction limit.

The applicant must obtain the endorsement of the Finance Manager, Group Finance who is responsible for their Business Group.

Following Group Finance Manager endorsement, the applicant must have their application approved by their appropriate Cost Centre Manager (or Financial Delegate where the 1 over 1 principle applies). Refer to the [Instrument of Delegation-Financial \(AA02/2012\)](#) for guidance.

The application form also incorporates a Credit Card Registration Form which includes a Cardholder Acknowledgement section that must be signed and dated by the nominated card holder. Processing delays will occur when forms are not fully completed.

On submission, applicants for a corporate (purchasing) card will also have their application reviewed for approval by the Manager Shared Services.

The completed application form is to be returned to Credit Card Support (CSS), via email to [creditcard.support@airservicesaustralia.com](mailto:creditcard.support@airservicesaustralia.com) who will arrange for the issue of the card. ***An urgent credit card application can take up to 7 working days to process.***

The CCS is accountable for:

- reviewing applications for completeness
- reviewing applications to ensure appropriate approvals have been received
- issuing the credit card if the relevant application form is fully approved.

Approved applicants will have their card forwarded to them through the "safe hands" internal mail. The CCS will also send an e-mail to the new cardholder notifying them



that a card has been issued as well as providing links to documentation relevant to the new card holder.

When the cardholder receives the credit card, it must be signed immediately.

**Credit Cards will only be issued to staff directly employed by Airservices.**

### 3 Responsibility

Refer to the [Credit Card Management Instruction \(MI-0202\)](#) for all accountabilities and responsibilities.

### 4 Assistance to cardholders

#### 4.1.1.1 Credit Card Support (CCS)

The CCS provides assistance to all credit card holders and system support for ProMaster.

Email: [creditcard.support@airservicesaustralia.com](mailto:creditcard.support@airservicesaustralia.com)

Ph: 02 6268 4913

#### 4.1.1.2 ANZ Bank

ANZ provides 24 hour assistance for lost or stolen cards or general enquiries.

Ph 1800 636 359 (General Enquiries: Domestic)

Ph 1800 033 844 (Lost/stolen cards: Domestic)

Ph +61 3 8646 8288 (General Enquiries: International)

Ph +61 3 9683 7043 (Lost/stolen cards: International)

#### 4.1.1.3 Airservices Australia Service Desk (Business)

24 hour assistance for general Airservices enquiries

Email: [servicedesk.business@airservicesaustralia.com](mailto:servicedesk.business@airservicesaustralia.com)

Ph: 02 6268 5555

Fax: 02 6268 4555

#### **ProMaster System Support**

Email: [promaster.support@airservicesaustralia.com](mailto:promaster.support@airservicesaustralia.com)

### 5 Using a Travel card

Travel cardholders must use their credit card for all travel and associated costs, such as accommodation, meals and incidentals relating to a trip. All flights, charters and Hire Cars must be booked through the Travel Cell. No other purchases are allowable on this card.

Approval from the appropriate financial delegate must be obtained prior to expenditure. This is facilitated through Airservices travel planning and approval tool.

Refer to the cardholder responsibility/accountability section of the [Credit Card Management Instruction](#) regarding acquittal of travel expenses.

Employees with travel cards are not entitled to a travel allowance (TA) for trips unless travelling to a location where credit card facilities are not available for travel expenses.

## 6 Using a Corporate (purchasing) card

General purchasing cardholders may use their credit card for any approved business expenditure which is in accordance with the [Credit Card Management Instruction \(MI-0202\)](#). Approval must be obtained from the appropriate Financial Delegate (i.e. relevant cost centre manager) for all purchases prior to making the purchase.

When making travel purchases, all requirements of the above section [Using a Travel card](#) must be satisfied by the card holder.

Assets (as defined in the Asset Management Instructions) purchased with a general purchasing card must be acquitted to General Ledger account 15600 through ProMaster. Immediately following the asset purchase, the [Asset Addition/Creation Form \(C-FORMS0014\)](#) must be completed and submitted to the Senior Fixed Asset Accountant. Refer to the [Initial Asset Capitalisation Management Instruction \(MI-1602\)](#) for further information.

Any hospitality or entertainment expenditure must receive "prior" approval from the delegated Manager before the expense is incurred and be processed as per the [Hospitality and Entertainment Expenses Guide \(C-GUIDE0008\)](#). The prior approval should be retained to support transactions.

## 7 Exception requests

The following exceptions to general credit card rules may be requested by cardholders:

- changes to monthly and/or transaction limits
- cash withdrawal access.

All amendments must be requested on the [Credit Card Exception Request form \(C-FORMS0237\)](#). These must be endorsed by the relevant Group Finance Manager and approved by the appropriate Cost Centre Manager (or Financial Delegate where the 1 over 1 principle applies) .

The approved form must then be forwarded to the Manager Shared Services through CCS for final approval (and CFO approval where cash withdrawal facilities have been requested) and processing. Final approval by the Manager Shared Services will only be granted where an appropriate approved justification has been submitted.

In the case of limit increase &/or cash withdrawal access for overseas travel, either the approved OVP (Overseas Visit Proposal) or the approved travel plan in Promaster must be sighted before the application is progressed. The approving manager must also nominate an appropriate date for the requested facilities to be withdrawn or reduced. Travel cash withdrawal facilities will be granted only if any of the following countries are part of the itinerary:

- Indonesia
- Papua New Guinea
- Solomon Islands
- Nauru

For all other destinations there is a reasonable expectation that credit cards are accepted for purchases.

Petty Cash Officers in remote locations, or selected staff within the Corporate & International Affairs group who frequently travel to or prepare travel arrangements for the above destinations may hold an undefined expiry date for cash withdrawal facility, provided they act within the stated guidelines contained in the [Credit Card Management Instruction \(MI-0202\)](#).

## 8 Cancellation of credit cards

A credit card must be cancelled when:

- the cardholder is leaving Airservices
- the use of the card is no longer required
- the cardholder is going on extended leave of more than 3 months

When cancelling a credit card, the cardholder must ensure:

- they request cancellation of their card by contacting the CCS
- all outstanding transactions are acquitted in ProMaster
- all outstanding tax invoices are submitted for approval to their Manager.

The card holder's manager is responsible for ensuring the credit card has been cancelled and appropriately destroyed and that the cardholder has followed the above instructions. The manager must also advise of an alternate accountholder to add to the cardholder's profile to facilitate any unforeseen expenses that may require processing.

## 9 Personal expenses

Credit cards must only be used for official business purposes of Airservices. Personal expenses must not be charged to the credit card. This includes tips & gratuities; as these are at the personal discretion of the cardholder, they should not be included as part of the business expense.

If a personal expense is accidentally charged to an Airservices credit card, the cardholder must:

- notify the CCS
- repay the amount to the Cashier immediately, using the [Personal Use Credit Card Reimbursement \(C-FORMS0329\)](#) form. The Cashier will issue the cardholder with a receipt for the amount received
- notify their Manager who is accountable for ensuring the repayment to Airservices occurs
- follow the instructions on the [Personal Use Credit Card Reimbursement](#) form and process the transaction in ProMaster
- attach the receipt received from the Cashier to the Transaction by User report when submitting their expenses to their approver.

***It is recommended that Airservices credit cards be stored separately to any personal cards to avoid confusion.***

## 10 Cash withdrawals

Cardholders must not use credit cards to withdraw cash unless the cardholder:

- has had a credit card exception requesting ATM withdrawal approved.
- is a petty cash officer in a remote location. (Note that in accordance with the [Petty Cash Management Instruction \(MI-0209\)](#), a petty cash officer who requires cash withdrawal also requires the endorsement of the Financial Accounting & Reporting Manager, Corporate Accounting and Policy Branch).

Cash withdrawal access will only be considered in exceptional circumstances for international travel. All cash related expenses for domestic travel will be managed through the Aircservices reimbursement process.

All Travel related cash withdrawals must be assigned to the approved trip number and reconciled using the [Credit Card Cash Withdrawal Reconciliation Statement \(C-FORMS0328\)](#). The Card Holders immediate manager is responsible for ensuring that any remaining monies be returned to the Cashier within 5 business days of trip completion.

#### **10.1.1.1.1 Cash withdrawals for petty cash officers in remote locations**

Cash withdrawal access for petty cash reimbursements in remote locations must be requested in accordance with the [Petty Cash Management Instruction](#).

## **11 Executive vehicle fleet expenses**

Credit card purchases relating to a vehicle under the Executive Vehicle Fleet scheme are not allowed under any normal circumstances. In emergency situations, credit cards may be used and these transactions must be subsequently approved by the cardholder's General Manager.

All Executive Fleet expenses must be coded to Cost Centre 60071. Access approval to this cost centre code can be obtained by contacting the Advisor, Remuneration & Benefits.

## **12 Supporting documentation**

Cardholders must obtain supporting documentation for all credit card transactions. Tax invoices must be obtained for transactions greater than \$75 (GST exclusive). Tax invoices must comply with the [Goods and Services Tax \(GST\) Guide \(C-GUIDE0429\)](#).

If a tax invoice is misplaced, the cardholder is accountable for obtaining a copy of the tax invoice from the original supplier. The original supplier is obliged to provide the tax invoice within 28 days of the request.

If the cardholder cannot obtain a copy of a tax invoice or receipt they must complete a [Statutory Declaration](#). This document must be included with the credit card 'Transaction by User Report' for the period, for approval by their manager.

If a Statutory Declaration is completed for a purchase over \$75 (gst exclusive) the cardholder must code the expense in ProMaster to tax code 'P2' (no GST) for general expenditure or 'C2' for capital expenditure.

Cardholders must ensure they receive written approval for any credit card purchases they make on behalf of other Cost Centres. For example, this may be an email from the relevant Cost Centre Manager approving the purchase, cost centre and coding.

## 13 Reconciling & acquitting credit card expenditure

ProMaster is the system used by Airservices for processing credit card transactions. Refer to the [ProMaster - Quick Reference Guide: Account Holder \(C-GUIDE0292\)](#) or the [ProMaster Quick Reference Guide: Supervisor \(C-GUIDE0227\)](#) for further operating information. For travel expense reconciliation, refer to [Promaster Travel Planner User Guide \(C-GUIDE0363\)](#) section on 'Acquitting your travel transactions against your travel plan'.

The cardholder must process their credit card transactions within a 4 week period after the credit card statement date in ProMaster. Cardholders with outstanding transactions after this time may have their credit cards withdrawn and/or face alternative disciplinary actions.

The cardholder must ensure:

- all transactions on a travel card are acquitted against an approved travel plan
- all transactions are allocated to the appropriate General Ledger code, Cost Centre code and tax code Taxable components are to be assigned to P1 (GST) and non-taxable components are assigned as P2 (non-GST). For guidance or assistance, please contact Corporate Tax services in the Finance & Corporate branch.
- all expenses include a description of the transaction detail and purpose
- the 'Transactions by User Report' is printed and all supporting documentation is attached.
- The 'Transactions by User Report' must be signed by the cardholder and signed as reviewed by the cardholder's manager.

## 14 Disputed transactions

Cardholders are responsible for monitoring all transactions appearing in their Promaster account to ensure validity and accuracy.

For all disputed credit card transactions, the cardholder is accountable for resolving the matter directly with the merchant or supplier.

Where the cardholder is unable to resolve the dispute with the merchant or supplier, the cardholder is accountable to complete the [ANZ Transaction Dispute Form](#) and fax to ANZ on (03) 9643 8477. Disputes must be lodged no later than 70 days after the statement date of the transaction in question. The Financial Delegate must also be made aware of this situation.

The cardholder's Manager (or appropriate Financial Delegate) must ensure that the above requirements of the cardholder are met before approving any credit card expenditure.

## 15 Credit card security

Cardholders are responsible for the safekeeping of their card and must not lend their credit cards to other staff for use.

Credit cards may be used for online purchasing however it is incumbent on the cardholder to exercise good judgment. This includes ensuring the card details are kept confidential and not transmitted via insecure electronic means such as email or

unsecure vendor websites. Should the cardholder feel the situation could compromise the security of their card, they should reconsider the activity.

When purchasing online, ensure that the URL reads https\|: or a padlock icon appears onscreen prior to entering any information.

Cardholders are responsible for protecting the Personal Identification Number (PIN) assigned to their card and must not reveal it to anyone.

Cardholders are also accountable for the physical security of their card. Refer to item 16 of this operating procedure 'Lost or Stolen Credit Cards'.

## **16 Lost or stolen credit cards**

Cardholders must immediately notify ANZ if their credit card is lost or stolen:

Domestic (within Australia): 1 800 033 844

International: +61 3 9683 7043

Cardholders must also notify the CCS at [creditcard.support@airservicesaustralia.com](mailto:creditcard.support@airservicesaustralia.com) with details of the lost or stolen card and any arrangements that may have been made with ANZ for the card replacement.

## **17 Change in the role of cardholders**

Where a cardholder changes role/position or business group, the Finance Manager and Financial Delegate relevant to their new position must approve that a credit card is still required.

Where it is assessed that the credit card is still required, the new default cost centre and approver need to be updated in the cardholder's profile. These details can be provided to Promaster Support for entry.

Where a credit card is no longer required, the credit card must be cancelled in accordance with Section 8 '[Cancellation of credit cards](#)'.

## **18 Certification**

On a quarterly basis, CCS provides a listing of active credit cardholders to appropriate business group Finance Managers. The Finance Managers are then responsible for ensuring a review of this list for relevancy and currency and notifying CCS of any changes, including card cancellations.

## **19 Documentation**

All credit card documentation must be retained for a total period of seven (7) years. Credit card documentation must be retained within the Business Group for a period of twelve (12) months after the end of the financial year. After this time, the documentation may be archived in accordance with the Records Management Unit (RMU). Refer to the [Archive Lodgement Request Form \(C-FORMS0335\)](#) or contact the RMU for further information.

The following table sets out the accountability for retaining documentation:

Accountability	Documentation to be Retained
CCS	Approved Corporate/Travel Credit Card Applications and Corporate/Travel Credit Card Exception Request forms.
Cardholder's Manager	Approved 'Transaction by User Reports' and all supporting documentation submitted by cardholders.

## 20 Definitions

Within this document, the following definitions apply:

Term	Definition
Travel card	Travel cards may be issued to employees who travel frequently (defined as more than 6 times per year) or who travel internationally, or who travel for a continuous period of 2 weeks or more. Travel cards are to be used for travel expenditure only.
Corporate card	Corporate (purchasing) cards may be issued to employees who are approved purchasing officers within their Business Group. Employees holding a Corporate card may also use their credit card for travel related business expenditure.
Approved purchasing officers	Approved purchasing officers are those staff members within a business group who have been identified as purchasing officers or who have regular credit card purchasing requirements other than travel, ie operating supplies or assets. These people may be issued with a general purchasing credit card if their application is endorsed by their relevant Finance Manager and approved by their Cost Centre Manager and the Manager, Shared Services.
Approved travel plan	All Airservices business travel must be entered into ProMaster as a travel plan which then workflows to the traveller's approver.
Credit card support (CCS)	The internal resource responsible for the administration of credit cards; referred to as CCS in this document.
Exception request	Credit cards are issued with preset spending limits and no cash withdrawal facilities. An exception request must be lodged to change the spend limits or activate cash withdrawal facilities.
Personal expenses	Any purchase made using an Airservices credit card that is not business related.
ProMaster Support	The internal resource responsible for the administration of the expense management tool.
ProMaster	Airservices expense management tool used to reconcile credit card transactions and create travel plans.
Transaction by user report	A report generated from Promaster which lists cardholder transactions for a selected period of time. This report, in conjunction with the supporting documentation, is submitted to their approver for sign off.
Trip number	The unique identifier created by ProMaster for each individual travel plan.

## 21 References

This document contains the following references.

<b>Title</b>	<b>Number</b>
<a href="#">Instrument of Delegation</a>	AA03/2013
<a href="#">Credit Card Management Instruction</a>	MI-0202
<a href="#">Petty Cash Management Instruction</a>	MI-0209
<a href="#">Initial Asset Capitalisation Management Instruction</a>	MI-1602
<a href="#">Goods and Services Tax (GST) Guide</a>	C-GUIDE0429
<a href="#">Hospitality &amp; Entertainment Expenses</a>	C-GUIDE0008
<a href="#">Promaster Quick Reference Guide: Accountholder</a>	C-GUIDE0292
<a href="#">Promaster Quick Reference Guide: Supervisor</a>	C-GUIDE0227
<a href="#">Credit Card Application</a>	C-FORMS0369
<a href="#">Credit Card Exception Request</a>	C-FORMS0237
<a href="#">ANZ Transaction Dispute Form</a>	
<a href="#">Credit Card Cash Withdrawal Reconciliation Statement</a>	C-FORMS0328
<a href="#">Personal Use Credit Card Reimbursement</a>	C-FORMS0329
<a href="#">Archive Lodgement Request Form</a>	C-FORMS0335
<a href="#">Statutory Declaration Form</a>	C-FORMS0245



# **Credit Cards**

## **Management Instruction**

**MI-0202**

**Version 7**

**Effective 4 August 2014**

Contact: Peter Burgess  
Business Services Operations Manager

Sponsor: David Kille  
Manager Shared Services

Authorised: Andrew Clark  
Chief Financial Officer

## Change summary

Version	Date	Change Description
7	4 August 2014	General procurement guidance section added. Amendments to scope, responsibilities, accountabilities and credit card application information. No change bars.
6	9 October 2012	Amendment to requirement of cardholders to acquit transactions in a timely manner.

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## 1 Purpose

The purpose of this instruction is to provide guidance in the approval, issue and use of Airservices issued credit cards in conjunction with the [Procurement within Airservices Management Instruction](#) (MI-0223).

## 2 Scope

This management instruction applies to all Cost Centre Managers/Financial Delegates, Group Finance Managers, The Manager Shared Services, The Chief Financial Officer, Credit Cardholders and their immediate Managers, The Manager Financial Accounting and Reporting, The Manager Organisational Procurement, The Manager Commercial Agreements and Strategic Relationships and Credit Card Support.

This document will provide instruction for obtaining and utilising both Travel and Corporate credit cards issued to Airservices staff. This instruction is in support of and should be read in conjunction with the [Credit Card Operating Procedures \(C-PROC0037\)](#).

## 3 Background

The use of credit cards for low value, high volume transactions is the most efficient way of ensuring payment to Airservices Australia vendors whilst providing appropriate levels of reporting.

Airservices has a split purpose card system for all corporate credit cards, issuing cards to employees for either travel purposes or general purchasing. This card system is designed to facilitate the ease of use of credit cards within the organisation.

## 4 Responsibility/accountability

### 4.1 Group Finance Managers

- Responsible for endorsing all credit card applications and exception requests within their appropriate Business Group.
- Provide an escalation point when Cardholder Managers are not actioning their accountabilities.

### 4.2 Cost Centre Managers/Financial Delegates where 1 over 1 principle applies).

- Accountable for approving all credit card applications and exception requests within their appropriate Business Group.
- Must ensure that all credit cards and spending limits held in their business group are relevant and appropriate to the cardholder.
- Accountable for authorising system acquittal and/or approval of all outstanding transactions aged in excess of 70 days from statement date.

### 4.3 Manager Shared Services

- Accountable for approving all applications for new Corporate (Purchasing) cards and exception requests submitted for existing cardholders.

#### **4.4 Chief Financial Officer (CFO)**

- Specifically accountable for approving any exception requests submitted for cash withdrawal facility for new or existing credit cards.

#### **4.5 Cardholder Managers (Financial Delegate)**

- Responsible for ensuring their subordinate cardholder transactions are acquitted within a maximum of 30 days from statement date to ensure eligibility for dispute if necessary. Refer to the [Credit Card Operating Procedures](#) for further details regarding transaction dispute timeframes and procedures.
- Accountable for assisting Group Finance Managers to investigate and advise on issues identified in reporting provided by credit card support (i.e. inappropriate/incorrect card usage, purchase orders raised under \$5,000 v payment by credit card, SAP payments issued under \$5,000 v payment by credit card).
- Must ensure subordinates credit card expenses are business related and are approved within 30 days of cardholder acquittal. This will assist Finance with the production of timely and accurate expenditure reports.
- Must ensure that all credit card supporting documentation presented for review are original copies and are complete.
- Accountable for monitoring of repeated personal expenses incurred on a credit card, in accordance with the [Fraud Control Plan 2012-2014](#).
- Accountable for ensuring that any personal expenses incurred on a credit card are repaid by the cardholder in accordance with the [Credit Card Operating Procedure](#).
- Accountable for retaining all credit cards supporting documentation for a period of 7 years.
- Responsible for ensuring subordinate cardholders follow up on any outstanding transaction disputes.
- Responsible for ensuring that, where applicable, credit cards are correctly cancelled and destroyed. Refer to the [Credit Card Operating Procedure](#) for further assistance.
- Responsible for ensuring departing cardholders have received appropriate clearance from CCS to enable final payment of wages.
- Responsible for ensuring Card Holders return any remaining monies to the Cashier within 5 business days of trip completion.

#### **4.6 Cardholders**

- Accountable for ensuring all expenses and cash withdrawals (if applicable) incurred are business related.
- Accountable for, where applicable, understanding and adhering to the limits and obligations set out in the [ANZ Commercial Card Terms and Conditions](#).
- Accountable for declaring and repaying any personal expenses incurred in error on an Airservices' credit card, in accordance with the [Credit Card Operating Procedure](#).

- Responsible for returning to the cashier any unused cash taken as an advance on the credit card. Refer to the [Credit Card Operating Procedure](#) for further assistance.
- Accountable for resolving all disputed credit card transactions with the merchant or supplier. Where the cardholder is unable to resolve the dispute with the merchant or supplier, the cardholder is accountable to complete the [ANZ Dispute Form](#) and fax to ANZ. The cardholder is responsible for informing their financial delegate of any transactions for which they have lodged a dispute, as well as following up with the ANZ when a response to the dispute is not received in a timely fashion.
- Must ensure expenses are acquitted within 30 days from the statement date recorded in ProMaster. Failure to acquit transactions in accordance with this MI may result in credit card facilities being withdrawn. Where credit card facilities are withdrawn the employee may be eligible for access to a Travel Allowance with any additional expenses incurred being managed through the Airservices reimbursement process.
- Accountable for ensuring that all expenses incurred for travel purposes are acquitted against the relevant trip number in ProMaster.
- Accountable for obtaining and submitting their credit card supporting documentation, e.g. tax invoices, to their Manager.
- Responsible for ensuring the Senior Fixed Asset Accountant is notified of all assets purchased via credit card. Refer to the [Credit Card Operating Procedure](#) for further instruction.
- Responsible for the safekeeping of their credit card and the PIN (Personal Identification Number) issued in conjunction with the card.
- Acknowledge that the credit card number assigned to them is for their use only and is not to be provided to others for purchasing or payment on their behalf.
- Accountable for immediate notification of lost or stolen cards; refer to the [Credit Card Operating Procedure](#) for further assistance.
- Responsible for notifying Promaster Support of any change to cardholder's business group, default cost assignments (e.g. cost centre) or approver, to enable update of the cardholder's ProMaster profile.
- Responsible for returning any remaining monies to the Cashier within 5 business days of trip completion.

#### **4.7 Credit Card Support (CCS)**

- Responsible for providing assistance to cardholders in accordance with this Management Instruction and corresponding Operating Procedure
- Responsible for the accurate and timely processing of all credit card applications received and follow up with the card provider in the event of delays.
- Responsible for ensuring that all credit card applications received are fully completed and contain the relevant and appropriate approvals.
- Accountable for the safekeeping of all credit card applications, exception requests and credit cards awaiting issue.
- Accountable for informing cardholders and approvers of monthly processing deadlines.

- Responsible for providing monthly outstanding transaction reporting to Group Finance Managers.
- Responsible for providing quarterly active credit cardholder listings to Group Finance Managers to assist with completion of their Quarterly Financial Certification questionnaire.
- Responsible for providing accurate information for [Staff Clearance Notices \(C-FORMS0047\)](#) and ensuring credit card accounts are cancelled for departing staff.

#### 4.8 **Manager Financial Accounting and Reporting**

- Accountable for assessing and responsible for endorsing cash withdrawal exception requests received from Petty Cash Officers in remote locations.

#### 4.9 **Manager, Organisational Procurement**

- Accountable for determining the appropriate merchants to be blocked from the use of credit cards.

#### 4.10 **Manager, Commercial Agreements and Strategic Relationships**

- Accountable for ensuring that the appropriate corporate contract is in place for Airservices credit cards, and that the contract is appropriately managed.

### 5 **Instruction**

#### 5.1 **Eligibility requirements for Airservices card issue**

The following criterion is a guide for determining the type of credit card an employee may be eligible for:

- **Travel cards** may be issued to employees who travel frequently (defined as more than 6 times per year) or who travel internationally, or who travel for a continuous period of 2 weeks or more
- **Corporate (purchasing) cards** may be issued to employees who are *approved purchasing officers* within their Business Group. Employees holding a Corporate card may also use their credit card for travel related business expenditure.

**Credit cards can only be issued to staff who are employed under an Airservices Collective Agreement..**

#### 5.2 **Card application flow**

##### 5.2.1.1.1 **New credit cards**

- The applicant must fully complete the [Credit Card Application Form](#), selecting the appropriate card type and providing a detailed justification for card issue.
- The application must then be endorsed by the Finance Manager for the business group and forwarded to Credit Card Support for processing.
  -
- The application must then be approved by the applicant's appropriate financial delegate; refer to [Instrument of Delegation Airservices Australia - Financial \(including Project Delegations\)](#)

- In the case of Corporate card applications, CCS will seek further approval from the Manager Shared Services as delegated by the CFO.

#### **5.2.1.1.2 Existing card exception requests**

- The applicant must fully complete the appropriate card type exception request form, including a detailed justification for the request.
- If cash withdrawal facilities have been requested, an expiry date for the facility must also be included.
- Certain countries that C & IA staff travel to regularly have been identified as cash economies. As such, these selected C&IA cardholders may hold an open expiry date for cash withdrawal facilities. Refer to Operating Procedures for further details.
- The application must then be approved by the appropriate Cost Centre Manager.
- The application must then be forwarded to the Manager Shared Services, who will seek final approval from the CFO where cash withdrawal facilities are requested.

### **5.3 When to use a credit card**

Credit cards must be used to purchase goods and services if:

- the purchase price is lower than the relevant purchasing officer's credit card transaction limit
- there is no specific risk associated with the purchase
- the purchase is not for a consultancy, construction, demolition or software.

Credit cards must not be used to settle purchases where purchase orders have been previously raised through SAP or where invoices have already been submitted to Accounts Payable for payment.

Credit cards should not be used in situations where a specific risk is considered to exist. Specific risk includes situations where Airservices may be exposed commercially, technically, environmentally or legally. In these situations it is more appropriate to use a contract with a supporting purchase order to settle purchases. Refer to the [Purchase Orders & Payment of Vendor Invoices Management Instruction \(MI-0219\)](#) for further information on using purchase orders.

Cardholders must not use credit cards to withdraw cash unless the cardholder has had a credit card exception request approved and is:

- travelling internationally to a remote location for business purposes where credit card facilities are not available and significant cash payments will be required
- a petty cash officer in a remote location (e.g. more than 15 kms from the nearest Commonwealth Bank branch, as approved by the manager, Financial Accounting & Reporting)

Refer to the [Credit Card Operating Procedures](#) for further information.

### **5.4 General Guidance**

#### **5.4.1.1.1 Procurement guidance**

- Purchases greater than the card and transaction limit are not to be split to allow payment to occur

- Where there is a recurring amount a purchase order must be used

#### 5.4.1.1.2 Travel expenditure guidance

- The ATO guidelines on the reasonable amounts for breakfast, lunch and dinner claims, noted in [MI-0222 \(Business Travel and Associated Travel Expenditure\)](#), are to be considered the upper limits on expenditure and any expenditure in excess of these amounts will require an express prior approval by an Executive General Manager or will be considered reimbursable by the traveller
- Tipping or gratuities are not to be charged to the credit card for domestic travel. For international travel, local custom and practice should apply
- In-room mini bar (not including bottled water), in-room entertainment and toiletries are considered personal expenses and are not to be charged to the credit card
- Payments for meals and beverages for staff who are travelling on an allowance or who are at their normal work location are considered to be hospitality payments and are not to be included as travel expenses
- Short term assignments involving a temporary relocation (less than 4 weeks) should apply existing travel policy with regards to credit card expenditure. Greater than 4 weeks, including those that have been placed in short term rental accommodation, should have their terms and conditions endorsed by an Executive General Manager. Further guidance is available from your respective HR Group Relationship Manager

Further information regarding travel can be found in [MI-0222](#).

#### 5.4.1.1.3 Hospitality/Rewards and Recognition guidance

- Only official Christmas events corporately sponsored by the Executive may be charged to the card
- ATO guidelines on reasonable amounts for breakfast, lunch and dinner claims must also be considered as limits for hospitality. These can be found in [MI-0222](#)
- Gifts for Life Events eg. Births/Weddings/Birthdays/Retirements are not to be charged to the credit card

Substantiation for all credit card expenditure is required and in particular the details of each attendee (name and organisation) must be provided with receipts for travel and hospitality.

## 6 Definitions

Within this document, the following definitions apply:

Term	Definition
<b>Corporate credit cards</b>	Corporate credit cards are purchasing cards which can be used for payment when the purchase is within the assigned credit limits of the card and will not result in a contract. Corporate credit cards may also be used for travel expenses when following the guidelines for Travel credit cards.
<b>Travel credit cards</b>	Travel credit cards are for travel related expenses ONLY. All charges must reconcile back to an existing travel plan in Promaster.
<b>Approved purchasing</b>	Approved purchasing officers are those staff members within a



<b>officers</b>	business group whose role identifies them as strategic purchasing officers, or have regular credit card purchasing requirements other than travel, eg operating supplies or assets. These people may be issued with a general purchasing credit card if their application is approved by their relevant Finance Manager, Financial Delegate and the Manager Supply Chain & Contract Management.
<b>Credit card support (CCS)</b>	An internal resource based in the Accounts Payable team to assist with credit card administration.
<b>Exception request</b>	Credit cards are issued with preset spending limits and no cash withdrawal facilities. An exception request must be lodged to change the spend limits or activate cash withdrawal facilities.
<b>Personal expenses</b>	Any purchase made using an Airservices credit card that is not business related.
<b>ProMaster</b>	Airservices expense management tool used to reconcile credit card transactions and create & manage travel plans.
<b>Trip number</b>	The unique identifier created by ProMaster for each individual trip plan.
<b>CFO</b>	Chief Financial Officer

## 7

## References

<b>Title</b>	<b>Number</b>
<a href="#">ANZ Commercial Card Terms and Conditions</a>	
<a href="#">ANZ Dispute Form</a>	
<a href="#">Credit Card Operating Procedure</a>	C-PROC0037
<a href="#">Credit Card Application Form</a>	C-FORMS0369
<a href="#">Credit Card Exception Request</a>	C-FORMS0237
<a href="#">Ethics and Fraud Control Plan</a>	C-MAN0030
<a href="#">Instrument of Delegation Airservices Australia - Financial (including Project Delegations)</a>	AA02/2012
<a href="#">Procurement within Airservices Australia Management Instruction</a>	MI-0223
<a href="#">Purchase Orders &amp; Payment of Vendor Invoices Management Instruction</a>	MI-0219
<a href="#">Business Travel and Associated Travel Expenditure</a>	MI-0222
<a href="#">Staff Clearance Notice</a>	C-FORMS0047

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

**Question no. 5**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Pages:** 7-8

**Senator GALLACHER:** Were these instances of credit card fraud reported to the board?

**Mr Clark:** I would have to take that on notice, but certainly I am aware of a range of those being reported to the board. I would need to clarify that for you.

**Answer:**

Yes, they were reported to the Board Audit and Risk Committee as part of the routine management reporting processes.

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

**Question no. 6**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 8

**Senator XENOPHON:** Given the controversy in relation to the former CEO's use of credit cards, I presume there has been a substantial rethink and change of protocols with regard to the use of credit cards—is that a fair summary?

**Mr Clark:** Certainly over the last two years we have made modifications to the credit card policy and procedure for a whole range of reasons. As it relates to who signs the chief executive's credit card, who authorises annual leave et cetera for the chief executive, there have been a range of changes that have been made since that time.

**Senator XENOPHON:** And it has been reduced to a document?

**Mr Clark:** It has been reduced to a document.

**Senator XENOPHON:** Have we got a copy of that? Has the committee got a copy of that new document? It might be useful. I do not know whether Senator Gallacher will find it useful—

**Senator GALLACHER:** We have asked for that on notice, but that will be 10 December.

**Senator XENOPHON:** So it has already been asked for, as I understand it, so it is on its way?

**Mr Clark:** 'Yes' would be the answer, if you have asked for it.

**Senator XENOPHON:** And you can show us, by contrast, what the previous protocols were in respect of credit card use?

**Mr Clark:** Yes, I can do that as well. So if you would like to see how the credit card policy has been changed and/or amended over the last X years, I am more than happy to do that.

**Senator XENOPHON:** Yes, that might be useful.

**Answer:**

See Attachments:

Attachment 1 – Summary of Changes

Attachment 2 – Credit Card Management Instructions V4 to V7

Attachment 3 – Credit Card Operating Procedures v3 to v5

Attachment 4 – Extract of the Board Governance Manual (Appendix J – Board and Chief Executive Officer Travel and Other Approvals)

**Changes in Credit Card Requirements between 2012 and 2014 (current version)**

- Credit Cards Management Instruction MI-0202

<b>Version &amp; Date Issued</b>	<b>Summary of Changes</b>
Version 5 21-Sept-2012	<ul style="list-style-type: none"> <li>- Cardholders must acknowledge responsibility for their credit card number and details must not be shared.</li> <li>- Increased rigor for cash withdrawals while travelling overseas.</li> <li>- Delegate and CFO approval required for increasing credit card limits and ability to withdraw cash.</li> </ul>
Version 6 9-Oct-2012	<ul style="list-style-type: none"> <li>- Added the ability to remove credit cards from cardholders with transactions waiting to be acquitted.</li> </ul>
Version 7 4-Aug-2014	<ul style="list-style-type: none"> <li>- Cardholders must return any remaining cash withdrawn to within five days of trip completion.</li> <li>- Updates to approval required for new card applications, changes to limits, ability to withdraw cash, and for approving system processing of older transactions.</li> <li>- Change in responsibility for ensuring all credit cards and spending limits are relevant and appropriate.</li> </ul>

- Credit Card Operating Procedures C-PROC0037

<b>Version &amp; Date Issued</b>	<b>Summary of Changes</b>
Version 4 9-Oct-2012	<ul style="list-style-type: none"> <li>- Official entertainment expenses must be pre-approved for all cardholders.</li> <li>- Cash cannot be withdrawn for domestic travel.</li> </ul>
Version 5 4-Aug-2014	<ul style="list-style-type: none"> <li>- Information added on one-over-one principle (delegates cannot approve expenses they benefit from).</li> <li>- Clarifying of approval processes.</li> <li>- A list of overseas locations where cash withdrawal is acceptable.</li> <li>- Rules for tips and gratuities.</li> </ul>

## Management Instruction

Instruction Topic	CREDIT CARDS		
Instruction Number	MI -0202	Effective Date	20 June 2011
Functional Area	Purchasing & Travel		
Background	<p>The use of credit cards for low value, high volume transactions is the most efficient way of ensuring payment to Airservices Australia vendors whilst providing appropriate levels of reporting.</p> <p>Airservices has a split purpose card system for all corporate credit cards, issuing cards to employees for either travel purposes or general purchasing. This card system is designed to facilitate the ease of use of credit cards within the organisation.</p> <p>This document will provide instruction for obtaining and utilising both Travel and Corporate credit cards issued to Airservices staff. This instruction is in support of and should be read in conjunction with the <a href="#">Credit Card Operating Procedures (C-PROC0037)</a>.</p>		
Contacts	Corporate Contracts & Supplier Management		
Document Sponsor	Manager, Supply Chain & Contract Management		
Functional Authority/Approval	Chief Financial Officer		

Change Summary - Version:
<ul style="list-style-type: none"><li>Remove and transfer all procedural instructions to document C-PROC0037 (Credit Card Operating Procedures).</li><li>Address the formatting of the Management Instruction to the new Airservices format.</li><li>Includes information regarding acquittal of travel expenses using the ProMaster travel module.</li><li>Change Contacts from Financial Reporting &amp; Policy Manager to Corporate Contracts &amp; Supplier Manager.</li><li>Change Document Sponsor from Manager Corporate Accounting &amp; Policy to Manager, Supply Chain &amp; Contract Management.</li><li>Removal of accountability for Manager, Shared Services.</li><li>Expansion of accountabilities for all other roles.</li></ul>

## Purpose

The purpose of this instruction is to provide guidance in the approval, issue and use of Airservices issued credit cards in conjunction with the [Airservices Procurement Policy](#) and the [Procurement Management Instruction](#).

Specific accountabilities are included for the following roles:

- General Managers
- Group Finance managers
- Cardholder managers
- Cardholders
- Credit Card Support
- Manager, Supply Chain & Contract Management

## Scope

This MI is applicable to ALL Airservices credit card holders, credit card approvers, finance managers and financial delegates.

## Definitions

### CREDIT CARD TYPES

**Corporate Credit Cards** are purchasing cards which can be used for payment when the purchase is within the assigned credit limits of the card and will not result in a contract. Corporate credit cards may also be used for travel expenses when following the guidelines for Travel credit cards.

**Travel Credit Cards** are for travel related expenses ONLY when all charges can reconcile back to an existing travel plan in Promaster.

### APPROVED PURCHASING OFFICERS

Approved purchasing officers are those staff members within a business group whose role identifies them as strategic purchasing officers, or have regular credit card purchasing requirements other than travel, eg operating supplies or assets. These people may be issued with a general purchasing credit card if their application is approved by their relevant Finance Manager, Financial Delegate and the Manager Supply Chain & Contract Management.

### CREDIT CARD SUPPORT (CCS)

An internal resource based in the Contract Management team to assist with credit card issues and expense management system maintenance.

### EXCEPTION REQUEST

Credit cards are issued with preset spending limits and no cash withdrawal facilities. An exception request must be lodged to change the spend limits or activate cash withdrawal facilities.

### PERSONAL EXPENSES

Any purchase made using an Airservices credit card that is not business related.

### PROMASTER

Airservices expense management tool used to reconcile credit card transactions and create & manage travel plans.

## TRIP NUMBER

The unique identifier created by ProMaster for each individual trip plan.

## References

- [Instrument of Delegation Airservices Australia - Financial \(including Project Delegations\) \(AA20/2009\)](#)
- [Airservices Australia Collective Agreement \(2009-2013\) \(HR-CA-0003\)](#)
- [Airservices Australia \(Aviation Rescue Fire Fighting\) Collective Agreement \(2009-2013\) \(HR-CA-0004\)](#)
- [Airservices Australia Collective Agreement 2009-2012- Air Traffic Control and Supporting Air Traffic Services \(HR-CA-0005\)](#)
- [Airservices Australia \(Air Traffic Control Line Manager\) Enterprise Agreement 2010-2012 \(HR-CA-0006\)](#)
- [Code of Conduct Policy \(HR-POL-0016\)](#)
- [Fraud Control Plan 2010 – 2012 \(C-MAN0030\)](#)
- [Petty Cash Management Instruction \(MI-0209\)](#)
- [Purchase Orders & Payment of Vendor Invoices Management Instruction \(MI-0219\)](#)
- [Business Travel and Associated Travel Expenditure Management Instruction \(MI-0222\)](#)
- [Credit Card Operating Procedure \(C-PROC0037\)](#)
- [Hospitality and Entertainment Expenses \(C-GUIDE0008\)](#)
- [Travel Credit Card Application Form \(C-FORMS0314\);](#)
- [Corporate Credit Card Application Form \(C-FORMS0235\)](#)

## Responsibility/Accountability

### GENERAL MANAGERS

- Accountable for approving all exception requests in their Business Group for cardholders who are seeking cash withdrawal facilities for their credit card (with the exception of petty cash float reimbursements) in accordance with this Management Instruction.
- Must ensure that all credit cards held in their business group are relevant and appropriate to the cardholder.
- Accountable for authorising system acquittal and/or approval of all outstanding transactions aged in excess of 70 days from statement date.

### GROUP FINANCE MANAGERS

- Endorsement of all credit card applications.
- Provide an escalation point when cardholder managers are not actioning their accountabilities.

### CARDHOLDER MANAGERS

- Responsible for ensuring their subordinate cardholder transactions are acquitted within a maximum of 30 days from statement date to ensure eligibility for dispute, if necessary. Refer to the [Credit Card Operating Procedures](#) for further details regarding transaction dispute timeframes and procedures.
- Accountable for assisting group finance managers to investigate and advise on issues identified in reporting provided by credit card support (ie inappropriate/incorrect card

usage, purchase orders raised under \$5,000 v payment by credit card, SAP payments issued under \$5,000 v payment by credit card).

- Must ensure credit card expenses are business related and are approved within 30 days of cardholder acquittal. This will assist Finance with the production of timely and accurate expenditure reports.
- Must ensure that all credit card supporting documentation presented for review are original copies and are complete.
- Accountable for monitoring of repeated personal expenses incurred on a credit card, in accordance with the [Fraud Control Plan 2010-2012](#).
- Accountable for ensuring that any personal expenses incurred on a credit card are repaid by the cardholder in accordance with the [Credit Card Operating Procedure](#).
- Accountable for retaining all credit cards supporting documentation for a period of 7 years.
- Responsible for ensuring subordinate cardholders follow up on any outstanding transaction disputes.
- Responsible for ensuring that, where applicable, credit cards are correctly cancelled and destroyed. Refer to the [Credit Card Operating Procedure](#) for further assistance.
- Responsible for ensuring departing cardholders have received appropriate clearance from CCS to enable final payment of wages.

## CARDHOLDERS

- Accountable for ensuring all expenses and cash withdrawals (if applicable) incurred are business related.
- Accountable for, where applicable, understanding and adhering to the limits and obligations set out in the [ANZ Commercial Card Terms and Conditions](#).
- Accountable for declaring and repaying any personal expenses incurred in error on an Airservices' credit card, in accordance with the [Credit Card Operating Procedure](#).
- Responsible for returning to the cashier any unused cash taken as an advance on the credit card. Refer to the [Credit Card Operating Procedure](#) for further assistance.
- Accountable for resolving all disputed credit card transactions with the merchant or supplier. Where the cardholder is unable to resolve the dispute with the merchant or supplier, the cardholder is accountable to complete the [ANZ Dispute Form](#) and fax to ANZ. The cardholder is responsible for informing their financial delegate of any transactions for which they have lodged a dispute, as well as following up with the ANZ when a response to the dispute is not received in a timely fashion.
- Must ensure expenses are acquitted and approved within 30 days from the statement date recorded in ProMaster.
- Accountable for ensuring that all expenses incurred for travel purposes are acquitted against the relevant trip number in ProMaster.
- Accountable for obtaining and submitting their credit card supporting documentation, e.g. tax invoices, to their Manager.
- Responsible for ensuring the Senior Fixed Asset Accountant is notified of all assets purchased via credit card. Refer to the [Credit Card Operating Procedure](#) for further instruction.
- Responsible for the safekeeping of their credit card and the PIN (Personal Identification Number) issued in conjunction with the card.
- Accountable for immediate notification of lost or stolen cards; refer to the [Credit Card Operating Procedure](#) for further assistance.



- Responsible for notifying CCS of any change to cardholder's business group, default cost assignments (eg cost centre) or approver, to enable update of the cardholder's Promaster profile.

### CREDIT CARD SUPPORT (CCS)

- Responsible for providing assistance to cardholders in accordance with this Management Instruction and corresponding Operating Procedure.
- Responsible for timely and accurate ProMaster system updating.
- Responsible for providing monthly outstanding transaction reporting to the Group Finance Manager.
- Responsible for providing cardholder listings to General Managers to assist with completion of their Quarterly Financial Certification questionnaire.
- Responsible for ensuring that all credit card applications received are fully completed and contain the relevant and appropriate approvals.
- Responsible for the accurate and timely processing of all credit card applications received and follow up with the card provider in the event of delays.
- Accountable for the safekeeping of all credit card applications, exception requests and credit cards awaiting issue.
- Accountable for informing cardholders and approvers of monthly processing deadlines.
- Responsible for providing accurate information for [Staff Clearance Notices](#) and ensuring credit card accounts are cancelled for departing staff.

### MANAGER SUPPLY CHAIN & CONTRACT MANAGEMENT

- Accountable for approving all applications for a Corporate (Purchasing) Card and applications for an exception/amendment to the limits/facilities set for use of both travel and corporate cards.
- Accountable for determining the appropriate merchants to be blocked from the use of credit cards.
- Responsible for ensuring that the appropriate corporate contract is in place for Airservices credit cards, and that the contract is appropriately managed.

## Instruction

### ELIGIBILITY REQUIREMENTS FOR AIRSERVICES CARD ISSUE

The following criterion is a guide for determining the type of credit card an employee may be eligible for:

- **Travel cards** may be issued to employees who travel frequently (defined as more than 6 times per year) or who travel internationally, or who travel for a continuous period of 2 weeks or more; or
- **Corporate (purchasing) cards** may be issued to employees who are *approved purchasing officers* within their Business Group. Employees holding a Corporate card may also use their credit card for travel related business expenditure.

Credit cards can only be issued to permanent Airservices employees.

### WHEN TO USE A CREDIT CARD

Credit cards must be used to purchase goods and services if:

- the purchase price is lower than the relevant purchasing officer's credit card transaction limit;
- there is no specific risk associated with the purchase; and

- the purchase is not for a consultancy, construction, demolition or software.

Credit cards must not be used to settle purchases where purchase orders have been previously raised through SAP or where invoices have already been submitted to Accounts Payable for payment.

Credit cards should not be used in situations where a specific risk is considered to exist. Specific risk includes situations where Airservices may be exposed commercially, technically, environmentally or legally. In these situations it is more appropriate to use a contract with a supporting purchase order to settle purchases. Refer to the [Purchase Orders & Payment of Vendor Invoices Management Instruction](#) for further information on using purchase orders.

Cardholders must not use credit cards to withdraw cash unless the cardholder has had a credit card exception request approved and is:

- travelling internationally for business purposes where credit card facilities are not available or small and limited cash amounts under \$500 are required for minor business incidentals such as public transport or;
- a petty cash officer in a remote location.

Refer to the [Credit Card Operating Procedures](#) for further information.

# **Credit Cards**

## **Management Instruction**

**MI-0202**

**Version 5**

**Effective 21 September 2012**

Contact: Angeler Notaras (acting)  
Manager, Corporate Contracts and Supplier  
Manager

Sponsor: Chris Haydon (acting)  
Manager, Supply Chain and Contract  
Management

Authorised: Paul Logan (acting)  
Chief Financial Officer

## Change summary

Version	Date	Change Description
5	21 September 2012	<p>Transfer to new template</p> <p>Include cardholder accountability regarding sharing of assigned credit card number</p> <p>Update to cash withdrawal availability for cardholders travelling internationally</p> <p>CFO accountability for approval of exception requests for increased card limits or cash withdrawal facility (previously delegated to manager, SCCM)</p> <p>Accountability for the manager, Financial Accounting &amp; Reporting to endorse requests for cash withdrawal facilities for petty cash holders.</p>

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## 1 Purpose

The purpose of this instruction is to provide guidance in the approval, issue and use of Airservices issued credit cards in conjunction with the [Procurement within Airservices Management Instruction](#) (MI-0223).

## 2 Scope

This management instruction applies to all executive general managers, general managers, credit cardholders and their immediate managers, finance managers, credit card support and the manager Supply Chain and Contract Management.

This document will provide instruction for obtaining and utilising both Travel and Corporate credit cards issued to Airservices staff. This instruction is in support of and should be read in conjunction with the [Credit Card Operating Procedures \(C-PROC0037\)](#).

## 3 Background

The use of credit cards for low value, high volume transactions is the most efficient way of ensuring payment to Airservices Australia vendors whilst providing appropriate levels of reporting.

Airservices has a split purpose card system for all corporate credit cards, issuing cards to employees for either travel purposes or general purchasing. This card system is designed to facilitate the ease of use of credit cards within the organisation.

## 4 Responsibility/accountability

### 4.1 Executive General Managers & GM, Learning Academy

- Accountable for approving all exception requests in their Business Group for cardholders who are seeking cash withdrawal facilities (including petty cash float reimbursements) or increases to credit limits in accordance with this Management Instruction.
- Must ensure that all credit cards and spending limits held in their business group are relevant and appropriate to the cardholder.
- Accountable for authorising system acquittal and/or approval of all outstanding transactions aged in excess of 70 days from statement date.

### 4.2 Chief Financial Officer (CFO)

- Specifically accountable for approving any exception requests submitted for increased credit limits or cash withdrawal facility for new or existing credit cards.

### 4.3 Group Finance Managers

- Endorsement of all credit card applications within their appropriate business group.
- Provide an escalation point when cardholder managers are not actioning their accountabilities.

## 4.4 Cardholder managers

- Responsible for ensuring their subordinate cardholder transactions are acquitted within a maximum of 30 days from statement date to ensure eligibility for dispute if necessary. Refer to the [Credit Card Operating Procedures](#) for further details regarding transaction dispute timeframes and procedures.
- Accountable for assisting group finance managers to investigate and advise on issues identified in reporting provided by credit card support (ie inappropriate/incorrect card usage, purchase orders raised under \$5,000 v payment by credit card, SAP payments issued under \$5,000 v payment by credit card).
- Must ensure subordinates credit card expenses are business related and are approved within 30 days of cardholder acquittal. This will assist Finance with the production of timely and accurate expenditure reports.
- Must ensure that all credit card supporting documentation presented for review are original copies and are complete.
- Accountable for monitoring of repeated personal expenses incurred on a credit card, in accordance with the [Fraud Control Plan 2010-2012](#).
- Accountable for ensuring that any personal expenses incurred on a credit card are repaid by the cardholder in accordance with the [Credit Card Operating Procedure](#).
- Accountable for retaining all credit cards supporting documentation for a period of 7 years.
- Responsible for ensuring subordinate cardholders follow up on any outstanding transaction disputes.
- Responsible for ensuring that, where applicable, credit cards are correctly cancelled and destroyed. Refer to the [Credit Card Operating Procedure](#) for further assistance.
- Responsible for ensuring departing cardholders have received appropriate clearance from CCS to enable final payment of wages.

## 4.5 Cardholders

- Accountable for ensuring all expenses and cash withdrawals (if applicable) incurred are business related.
- Accountable for, where applicable, understanding and adhering to the limits and obligations set out in the [ANZ Commercial Card Terms and Conditions](#).
- Accountable for declaring and repaying any personal expenses incurred in error on an Airservices' credit card, in accordance with the [Credit Card Operating Procedure](#).
- Responsible for returning to the cashier any unused cash taken as an advance on the credit card. Refer to the [Credit Card Operating Procedure](#) for further assistance.
- Accountable for resolving all disputed credit card transactions with the merchant or supplier. Where the cardholder is unable to resolve the dispute with the merchant or supplier, the cardholder is accountable to complete the [ANZ Dispute Form](#) and fax to ANZ. The cardholder is responsible for informing their financial delegate of any transactions for which they have lodged a dispute, as well as following up with the ANZ when a response to the dispute is not received in a timely fashion.
- Must ensure expenses are acquitted within 30 days from the statement date recorded in ProMaster.
- Accountable for ensuring that all expenses incurred for travel purposes are acquitted against the relevant trip number in ProMaster.

- Accountable for obtaining and submitting their credit card supporting documentation, e.g. tax invoices, to their Manager.
- Responsible for ensuring the Senior Fixed Asset Accountant is notified of all assets purchased via credit card. Refer to the [Credit Card Operating Procedure](#) for further instruction.
- Responsible for the safekeeping of their credit card and the PIN (Personal Identification Number) issued in conjunction with the card.
- Acknowledge that the credit card number assigned to them is for their use only and is not to be provided to others for purchasing or payment on their behalf.
- Accountable for immediate notification of lost or stolen cards; refer to the [Credit Card Operating Procedure](#) for further assistance.
- Responsible for notifying CCS of any change to cardholder's business group, default cost assignments (eg cost centre) or approver, to enable update of the cardholder's ProMaster profile.

#### **4.6 Credit Card Support (CCS)**

- Responsible for providing assistance to cardholders in accordance with this Management Instruction and corresponding Operating Procedure.
- Responsible for timely and accurate ProMaster system updating.
- Responsible for providing monthly outstanding transaction reporting to the Group Finance Manager.
- Responsible for providing cardholder listings to General Managers to assist with completion of their Quarterly Financial Certification questionnaire.
- Responsible for ensuring that all credit card applications received are fully completed and contain the relevant and appropriate approvals.
- Responsible for the accurate and timely processing of all credit card applications received and follow up with the card provider in the event of delays.
- Accountable for the safekeeping of all credit card applications, exception requests and credit cards awaiting issue.
- Accountable for informing cardholders and approvers of monthly processing deadlines.
- Responsible for providing accurate information for [Staff Clearance Notices](#) and ensuring credit card accounts are cancelled for departing staff.

#### **4.7 Manager Supply Chain & Contract Management**

- Accountable for approving all applications for new Corporate (Purchasing) cards
- Accountable for determining the appropriate merchants to be blocked from the use of credit cards.
- Responsible for ensuring that the appropriate corporate contract is in place for Airservices credit cards, and that the contract is appropriately managed.

#### **4.8 Manager Financial Accounting and Reporting**

- Accountable for assessing and approving cash withdrawal exception requests received from petty cash officers.

## 5 Instruction

### 5.1 Eligibility requirements for Airservices card issue

The following criterion is a guide for determining the type of credit card an employee may be eligible for:

- **Travel cards** may be issued to employees who travel frequently (defined as more than 6 times per year) or who travel internationally, or who travel for a continuous period of 2 weeks or more
- **Corporate (purchasing) cards** may be issued to employees who are *approved purchasing officers* within their Business Group. Employees holding a Corporate card may also use their credit card for travel related business expenditure.

Credit cards can only be issued to permanent Airservices employees.

### 5.2 Card application flow

#### New credit cards

- The applicant must fully complete the [Credit Card Application Form](#), selecting the appropriate card type and providing a detailed justification for card issue.
- The application must then be approved by the applicant's appropriate financial delegate; refer to [Instrument of Delegation Airservices Australia - Financial \(including Project Delegations\)](#)
- The application must then be endorsed by the Finance Manager for the business group and forwarded to Credit Card Support for processing.
- In the case of Corporate card applications, CCS will seek further approval from the manager Supply Chain & Contract Management as delegated by the CFO.

#### Existing card exception requests

- The applicant must fully complete the appropriate card type exception request form, including a detailed justification for the request.
- If cash withdrawal facilities have been requested, an expiry date for the facility must also be included.
- The application must then be approved by the appropriate Executive General Manager.
- The application must then be forwarded to CCS; they will seek final approval from the CFO.

### 5.3 When to use a credit card

Credit cards must be used to purchase goods and services if:

- the purchase price is lower than the relevant purchasing officer's credit card transaction limit
- there is no specific risk associated with the purchase
- the purchase is not for a consultancy, construction, demolition or software.

Credit cards must not be used to settle purchases where purchase orders have been previously raised through SAP or where invoices have already been submitted to Accounts Payable for payment.



Credit cards should not be used in situations where a specific risk is considered to exist. Specific risk includes situations where Airservices may be exposed commercially, technically, environmentally or legally. In these situations it is more appropriate to use a contract with a supporting purchase order to settle purchases. Refer to the [Purchase Orders & Payment of Vendor Invoices Management Instruction](#) for further information on using purchase orders.

Cardholders must not use credit cards to withdraw cash unless the cardholder has had a credit card exception request approved and is:

- travelling internationally to a remote location for business purposes where credit card facilities are not available and significant cash payments will be required
- a petty cash officer in a remote location (eg more than 15 kms from the nearest Commonwealth Bank branch, as approved by the manager, Financial Accounting & Reporting)

Refer to the [Credit Card Operating Procedures](#) for further information.

## 6 Definitions

Within this document, the following definitions apply:

Term	Definition
<b>Corporate credit cards</b>	Corporate credit cards are purchasing cards which can be used for payment when the purchase is within the assigned credit limits of the card and will not result in a contract. Corporate credit cards may also be used for travel expenses when following the guidelines for Travel credit cards.
<b>Travel credit cards</b>	Travel credit cards are for travel related expenses ONLY. All charges must reconcile back to an existing travel plan in ProMaster.
<b>Approved purchasing officers</b>	Approved purchasing officers are those staff members within a business group whose role identifies them as strategic purchasing officers, or have regular credit card purchasing requirements other than travel, eg operating supplies or assets. These people may be issued with a general purchasing credit card if their application is approved by their relevant Finance Manager, Financial Delegate and the Manager Supply Chain & Contract Management.
<b>Credit card support (CCS)</b>	An internal resource based in the Contract Management team to assist with credit card issues and expense management system maintenance.
<b>Exception request</b>	Credit cards are issued with preset spending limits and no cash withdrawal facilities. An exception request must be lodged to change the spend limits or activate cash withdrawal facilities.
<b>Personal expenses</b>	Any purchase made using an Airservices credit card that is not business related.
<b>ProMaster</b>	Airservices expense management tool used to reconcile credit card transactions and create & manage travel plans.
<b>Trip number</b>	The unique identifier created by ProMaster for each individual trip plan.

Term	Definition
CFO	Chief Financial Officer

## 7 References

Title	Number
<a href="#">Instrument of Delegation Airservices Australia - Financial (including Project Delegations)</a>	AA02/2012
<a href="#">Airservices Australia Collective Agreement (2009-2013)</a>	HR-CA-0003
<a href="#">Airservices Australia (Aviation Rescue Fire Fighting) Collective Agreement (2009-2013)</a>	HR-CA-0004
<a href="#">Airservices Australia Collective Agreement 2009-2012- Air Traffic Control and Supporting Air Traffic Services</a>	HR-CA-0005
<a href="#">Airservices Australia (Air Traffic Control Line Manager) Enterprise Agreement 2010-2012</a>	HR-CA-0006
<a href="#">Code of Conduct Policy</a>	HR-POL-0016
<a href="#">Fraud Control Plan 2010 – 2012</a>	C-MAN0030
<a href="#">Fraud Control Policy</a>	C-POL-AA000-17
<a href="#">Petty Cash Management Instruction</a>	MI-0209
<a href="#">Procurement within Airservices Australia Management Instruction</a>	MI-0223
<a href="#">Purchase Orders &amp; Payment of Vendor Invoices Management Instruction</a>	MI-0219
<a href="#">Business Travel and Associated Travel Expenditure Management Instruction</a>	MI-0222
<a href="#">Credit Card Operating Procedure</a>	C-PROC0037
<a href="#">Hospitality and Entertainment Expenses</a>	C-GUIDE0008
<a href="#">Credit Card Application Form</a>	C-FORMS0369
<a href="#">Credit Card Exception Request Form</a>	C-FORMS0237

# **Credit Cards**

## **Management Instruction**

**MI-0202**

**Version 6**

**Effective 9 October 2012**

Contact: Angeler Notaras (acting)  
Manager, Corporate Contracts and Supplier  
Manager

Sponsor: Ian Cassidy (acting)  
Manager, Supply Chain and Contract  
Management

Authorised: Paul Logan (acting)  
Chief Financial Officer

## Change summary

Version	Date	Change Description
6	9 October 2012	Amendment to requirement of cardholders to acquit transactions in a timely manner.

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## 1 Purpose

The purpose of this instruction is to provide guidance in the approval, issue and use of Airservices issued credit cards in conjunction with the [Procurement within Airservices Management Instruction](#) (MI-0223).

## 2 Scope

This management instruction applies to all Executive General Managers, General Managers, Credit Cardholders and their immediate Managers, Finance Managers, credit card support and the manager Supply Chain and Contract Management.

This document will provide instruction for obtaining and utilising both Travel and Corporate credit cards issued to Airservices staff. This instruction is in support of and should be read in conjunction with the [Credit Card Operating Procedures \(C-PROC0037\)](#).

## 3 Background

The use of credit cards for low value, high volume transactions is the most efficient way of ensuring payment to Airservices Australia vendors whilst providing appropriate levels of reporting.

Airservices has a split purpose card system for all corporate credit cards, issuing cards to employees for either travel purposes or general purchasing. This card system is designed to facilitate the ease of use of credit cards within the organisation.

## 4 Responsibility/accountability

### 4.1 Executive General Managers & GM, Learning Academy

- Accountable for approving all exception requests in their Business Group for cardholders who are seeking cash withdrawal facilities (including petty cash float reimbursements) or increases to credit limits in accordance with this Management Instruction.
- Must ensure that all credit cards and spending limits held in their business group are relevant and appropriate to the cardholder.
- Accountable for authorising system acquittal and/or approval of all outstanding transactions aged in excess of 70 days from statement date.

### 4.2 Chief Financial Officer (CFO)

- Specifically accountable for approving any exception requests submitted for increased credit limits or cash withdrawal facility for new or existing credit cards.

### 4.3 Group Finance Managers

- Endorsement of all credit card applications within their appropriate business group.
- Provide an escalation point when Cardholder Managers are not actioning their accountabilities.

#### 4.4 Cardholder Managers

- Responsible for ensuring their subordinate cardholder transactions are acquitted within a maximum of 30 days from statement date to ensure eligibility for dispute if necessary. Refer to the [Credit Card Operating Procedures](#) for further details regarding transaction dispute timeframes and procedures.
- Accountable for assisting Group Finance Managers to investigate and advise on issues identified in reporting provided by credit card support (i.e. inappropriate/incorrect card usage, purchase orders raised under \$5,000 v payment by credit card, SAP payments issued under \$5,000 v payment by credit card).
- Must ensure subordinates credit card expenses are business related and are approved within 30 days of cardholder acquittal. This will assist Finance with the production of timely and accurate expenditure reports.
- Must ensure that all credit card supporting documentation presented for review are original copies and are complete.
- Accountable for monitoring of repeated personal expenses incurred on a credit card, in accordance with the [Fraud Control Plan 2012-2014](#).
- Accountable for ensuring that any personal expenses incurred on a credit card are repaid by the cardholder in accordance with the [Credit Card Operating Procedure](#).
- Accountable for retaining all credit cards supporting documentation for a period of 7 years.
- Responsible for ensuring subordinate cardholders follow up on any outstanding transaction disputes.
- Responsible for ensuring that, where applicable, credit cards are correctly cancelled and destroyed. Refer to the [Credit Card Operating Procedure](#) for further assistance.
- Responsible for ensuring departing cardholders have received appropriate clearance from CCS to enable final payment of wages.

#### 4.5 Cardholders

- Accountable for ensuring all expenses and cash withdrawals (if applicable) incurred are business related.
- Accountable for, where applicable, understanding and adhering to the limits and obligations set out in the [ANZ Commercial Card Terms and Conditions](#).
- Accountable for declaring and repaying any personal expenses incurred in error on an Airservices' credit card, in accordance with the [Credit Card Operating Procedure](#).
- Responsible for returning to the cashier any unused cash taken as an advance on the credit card. Refer to the [Credit Card Operating Procedure](#) for further assistance.
- Accountable for resolving all disputed credit card transactions with the merchant or supplier. Where the cardholder is unable to resolve the dispute with the merchant or supplier, the cardholder is accountable to complete the [ANZ Dispute Form](#) and fax to ANZ. The cardholder is responsible for informing their financial delegate of any transactions for which they have lodged a dispute, as well as following up with the ANZ when a response to the dispute is not received in a timely fashion.
- Must ensure expenses are acquitted within 30 days from the statement date recorded in ProMaster. Failure to acquit transactions in accordance with this MI may result in credit card facilities being withdrawn. Where credit card facilities are withdrawn the employee may be eligible for access to a Travel Allowance with any

additional expenses incurred being managed through the Airservices reimbursement process.

- Accountable for ensuring that all expenses incurred for travel purposes are acquitted against the relevant trip number in ProMaster.
- Accountable for obtaining and submitting their credit card supporting documentation, e.g. tax invoices, to their Manager.
- Responsible for ensuring the Senior Fixed Asset Accountant is notified of all assets purchased via credit card. Refer to the [Credit Card Operating Procedure](#) for further instruction.
- Responsible for the safekeeping of their credit card and the PIN (Personal Identification Number) issued in conjunction with the card.
- Acknowledge that the credit card number assigned to them is for their use only and is not to be provided to others for purchasing or payment on their behalf.
- Accountable for immediate notification of lost or stolen cards; refer to the [Credit Card Operating Procedure](#) for further assistance.
- Responsible for notifying CCS of any change to cardholder's business group, default cost assignments (e.g. cost centre) or approver, to enable update of the cardholder's ProMaster profile.

#### **4.6 Credit Card Support (CCS)**

- Responsible for providing assistance to cardholders in accordance with this Management Instruction and corresponding Operating Procedure.
- Responsible for timely and accurate ProMaster system updating.
- Responsible for providing monthly outstanding transaction reporting to the Group Finance Manager.
- Responsible for providing cardholder listings to General Managers to assist with completion of their Quarterly Financial Certification questionnaire.
- Responsible for ensuring that all credit card applications received are fully completed and contain the relevant and appropriate approvals.
- Responsible for the accurate and timely processing of all credit card applications received and follow up with the card provider in the event of delays.
- Accountable for the safekeeping of all credit card applications, exception requests and credit cards awaiting issue.
- Accountable for informing cardholders and approvers of monthly processing deadlines.
- Responsible for providing accurate information for [Staff Clearance Notices \(C-FORMS0047\)](#) and ensuring credit card accounts are cancelled for departing staff.

#### **4.7 Manager Supply Chain & Contract Management**

- Accountable for approving all applications for new Corporate (Purchasing) cards
- Accountable for determining the appropriate merchants to be blocked from the use of credit cards.
- Responsible for ensuring that the appropriate corporate contract is in place for Airservices credit cards, and that the contract is appropriately managed.

## 4.8 Manager Financial Accounting and Reporting

- Accountable for assessing and approving cash withdrawal exception requests received from petty cash officers.

## 5 Instruction

### 5.1 Eligibility requirements for Airservices card issue

The following criterion is a guide for determining the type of credit card an employee may be eligible for:

- **Travel cards** may be issued to employees who travel frequently (defined as more than 6 times per year) or who travel internationally, or who travel for a continuous period of 2 weeks or more
- **Corporate (purchasing) cards** may be issued to employees who are *approved purchasing officers* within their Business Group. Employees holding a Corporate card may also use their credit card for travel related business expenditure.

Credit cards can only be issued to permanent Airservices employees.

### 5.2 Card application flow

#### New credit cards

- The applicant must fully complete the [Credit Card Application Form](#), selecting the appropriate card type and providing a detailed justification for card issue.
- The application must then be approved by the applicant's appropriate financial delegate; refer to [Instrument of Delegation Airservices Australia - Financial \(including Project Delegations\)](#)
- The application must then be endorsed by the Finance Manager for the business group and forwarded to Credit Card Support for processing.
- In the case of Corporate card applications, CCS will seek further approval from the manager Supply Chain & Contract Management as delegated by the CFO.

#### Existing card exception requests

- The applicant must fully complete the appropriate card type exception request form, including a detailed justification for the request.
- If cash withdrawal facilities have been requested, an expiry date for the facility must also be included.
- The application must then be approved by the appropriate Executive General Manager.
- The application must then be forwarded to CCS; they will seek final approval from the CFO.

### 5.3 When to use a credit card

Credit cards must be used to purchase goods and services if:

- the purchase price is lower than the relevant purchasing officer's credit card transaction limit
- there is no specific risk associated with the purchase
- the purchase is not for a consultancy, construction, demolition or software.



Credit cards must not be used to settle purchases where purchase orders have been previously raised through SAP or where invoices have already been submitted to Accounts Payable for payment.

Credit cards should not be used in situations where a specific risk is considered to exist. Specific risk includes situations where Airservices may be exposed commercially, technically, environmentally or legally. In these situations it is more appropriate to use a contract with a supporting purchase order to settle purchases. Refer to the [Purchase Orders & Payment of Vendor Invoices Management Instruction \(MI-0219\)](#) for further information on using purchase orders.

Cardholders must not use credit cards to withdraw cash unless the cardholder has had a credit card exception request approved and is:

- travelling internationally to a remote location for business purposes where credit card facilities are not available and significant cash payments will be required
- a petty cash officer in a remote location (e.g. more than 15 kms from the nearest Commonwealth Bank branch, as approved by the manager, Financial Accounting & Reporting)

Refer to the [Credit Card Operating Procedures](#) for further information.

## 6 Definitions

Within this document, the following definitions apply:

Term	Definition
<b>Corporate credit cards</b>	Corporate credit cards are purchasing cards which can be used for payment when the purchase is within the assigned credit limits of the card and will not result in a contract. Corporate credit cards may also be used for travel expenses when following the guidelines for Travel credit cards.
<b>Travel credit cards</b>	Travel credit cards are for travel related expenses ONLY. All charges must reconcile back to an existing travel plan in Promaster.
<b>Approved purchasing officers</b>	Approved purchasing officers are those staff members within a business group whose role identifies them as strategic purchasing officers, or have regular credit card purchasing requirements other than travel, eg operating supplies or assets. These people may be issued with a general purchasing credit card if their application is approved by their relevant Finance Manager, Financial Delegate and the Manager Supply Chain & Contract Management.
<b>Credit card support (CCS)</b>	An internal resource based in the Contract Management team to assist with credit card issues and expense management system maintenance.
<b>Exception request</b>	Credit cards are issued with preset spending limits and no cash withdrawal facilities. An exception request must be lodged to change the spend limits or activate cash withdrawal facilities.
<b>Personal expenses</b>	Any purchase made using an Airservices credit card that is not business related.

Term	Definition
<b>ProMaster</b>	Airservices expense management tool used to reconcile credit card transactions and create & manage travel plans.
<b>Trip number</b>	The unique identifier created by ProMaster for each individual trip plan.
<b>CFO</b>	Chief Financial Officer

## 7

## References

Title	Number
<a href="#">Airservices Australia Collective Agreement (2009-2013)</a>	HR-CA-0003
<a href="#">Airservices Australia (Aviation Rescue Fire Fighting) Collective Agreement (2009-2013)</a>	HR-CA-0004
<a href="#">Airservices Australia Collective Agreement 2009-2012- Air Traffic Control and Supporting Air Traffic Services</a>	HR-CA-0005
<a href="#">Airservices Australia (Air Traffic Control Line Manager) Enterprise Agreement 2010-2012</a>	HR-CA-0006
<a href="#">ANZ Commercial Card Terms and Conditions</a>	
<a href="#">ANZ Dispute Form</a>	
<a href="#">Credit Card Operating Procedure</a>	C-PROC0037
<a href="#">Credit Card Application Form</a>	C-FORMS0369
<a href="#">Fraud Control Plan 2012 – 2014</a>	C-MAN0030
<a href="#">Instrument of Delegation Airservices Australia - Financial (including Project Delegations)</a>	AA02/2012
<a href="#">Procurement within Airservices Australia Management Instruction</a>	MI-0223
<a href="#">Purchase Orders &amp; Payment of Vendor Invoices Management Instruction</a>	MI-0219
<a href="#">Staff Clearance Notice</a>	C-FORMS0047

# **Credit Cards**

## **Management Instruction**

**MI-0202**

**Version 7**

**Effective 4 August 2014**

Contact: Peter Burgess  
Business Services Operations Manager

Sponsor: David Kille  
Manager Shared Services

Authorised: Andrew Clark  
Chief Financial Officer

## Change summary

Version	Date	Change Description
7	4 August 2014	General procurement guidance section added. Amendments to scope, responsibilities, accountabilities and credit card application information. No change bars.
6	9 October 2012	Amendment to requirement of cardholders to acquit transactions in a timely manner.

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## 1 Purpose

The purpose of this instruction is to provide guidance in the approval, issue and use of Airservices issued credit cards in conjunction with the [Procurement within Airservices Management Instruction](#) (MI-0223).

## 2 Scope

This management instruction applies to all Cost Centre Managers/Financial Delegates, Group Finance Managers, The Manager Shared Services, The Chief Financial Officer, Credit Cardholders and their immediate Managers, The Manager Financial Accounting and Reporting, The Manager Organisational Procurement, The Manager Commercial Agreements and Strategic Relationships and Credit Card Support.

This document will provide instruction for obtaining and utilising both Travel and Corporate credit cards issued to Airservices staff. This instruction is in support of and should be read in conjunction with the [Credit Card Operating Procedures \(C-PROC0037\)](#).

## 3 Background

The use of credit cards for low value, high volume transactions is the most efficient way of ensuring payment to Airservices Australia vendors whilst providing appropriate levels of reporting.

Airservices has a split purpose card system for all corporate credit cards, issuing cards to employees for either travel purposes or general purchasing. This card system is designed to facilitate the ease of use of credit cards within the organisation.

## 4 Responsibility/accountability

### 4.1 Group Finance Managers

- Responsible for endorsing all credit card applications and exception requests within their appropriate Business Group.
- Provide an escalation point when Cardholder Managers are not actioning their accountabilities.

### 4.2 Cost Centre Managers/Financial Delegates where 1 over 1 principle applies).

- Accountable for approving all credit card applications and exception requests within their appropriate Business Group.
- Must ensure that all credit cards and spending limits held in their business group are relevant and appropriate to the cardholder.
- Accountable for authorising system acquittal and/or approval of all outstanding transactions aged in excess of 70 days from statement date.

### 4.3 Manager Shared Services

- Accountable for approving all applications for new Corporate (Purchasing) cards and exception requests submitted for existing cardholders.

#### **4.4 Chief Financial Officer (CFO)**

- Specifically accountable for approving any exception requests submitted for cash withdrawal facility for new or existing credit cards.

#### **4.5 Cardholder Managers (Financial Delegate)**

- Responsible for ensuring their subordinate cardholder transactions are acquitted within a maximum of 30 days from statement date to ensure eligibility for dispute if necessary. Refer to the [Credit Card Operating Procedures](#) for further details regarding transaction dispute timeframes and procedures.
- Accountable for assisting Group Finance Managers to investigate and advise on issues identified in reporting provided by credit card support (i.e. inappropriate/incorrect card usage, purchase orders raised under \$5,000 v payment by credit card, SAP payments issued under \$5,000 v payment by credit card).
- Must ensure subordinates credit card expenses are business related and are approved within 30 days of cardholder acquittal. This will assist Finance with the production of timely and accurate expenditure reports.
- Must ensure that all credit card supporting documentation presented for review are original copies and are complete.
- Accountable for monitoring of repeated personal expenses incurred on a credit card, in accordance with the [Fraud Control Plan 2012-2014](#).
- Accountable for ensuring that any personal expenses incurred on a credit card are repaid by the cardholder in accordance with the [Credit Card Operating Procedure](#).
- Accountable for retaining all credit cards supporting documentation for a period of 7 years.
- Responsible for ensuring subordinate cardholders follow up on any outstanding transaction disputes.
- Responsible for ensuring that, where applicable, credit cards are correctly cancelled and destroyed. Refer to the [Credit Card Operating Procedure](#) for further assistance.
- Responsible for ensuring departing cardholders have received appropriate clearance from CCS to enable final payment of wages.
- Responsible for ensuring Card Holders return any remaining monies to the Cashier within 5 business days of trip completion.

#### **4.6 Cardholders**

- Accountable for ensuring all expenses and cash withdrawals (if applicable) incurred are business related.
- Accountable for, where applicable, understanding and adhering to the limits and obligations set out in the [ANZ Commercial Card Terms and Conditions](#).
- Accountable for declaring and repaying any personal expenses incurred in error on an Airservices' credit card, in accordance with the [Credit Card Operating Procedure](#).

- Responsible for returning to the cashier any unused cash taken as an advance on the credit card. Refer to the [Credit Card Operating Procedure](#) for further assistance.
- Accountable for resolving all disputed credit card transactions with the merchant or supplier. Where the cardholder is unable to resolve the dispute with the merchant or supplier, the cardholder is accountable to complete the [ANZ Dispute Form](#) and fax to ANZ. The cardholder is responsible for informing their financial delegate of any transactions for which they have lodged a dispute, as well as following up with the ANZ when a response to the dispute is not received in a timely fashion.
- Must ensure expenses are acquitted within 30 days from the statement date recorded in ProMaster. Failure to acquit transactions in accordance with this MI may result in credit card facilities being withdrawn. Where credit card facilities are withdrawn the employee may be eligible for access to a Travel Allowance with any additional expenses incurred being managed through the Airservices reimbursement process.
- Accountable for ensuring that all expenses incurred for travel purposes are acquitted against the relevant trip number in ProMaster.
- Accountable for obtaining and submitting their credit card supporting documentation, e.g. tax invoices, to their Manager.
- Responsible for ensuring the Senior Fixed Asset Accountant is notified of all assets purchased via credit card. Refer to the [Credit Card Operating Procedure](#) for further instruction.
- Responsible for the safekeeping of their credit card and the PIN (Personal Identification Number) issued in conjunction with the card.
- Acknowledge that the credit card number assigned to them is for their use only and is not to be provided to others for purchasing or payment on their behalf.
- Accountable for immediate notification of lost or stolen cards; refer to the [Credit Card Operating Procedure](#) for further assistance.
- Responsible for notifying Promaster Support of any change to cardholder's business group, default cost assignments (e.g. cost centre) or approver, to enable update of the cardholder's ProMaster profile.
- Responsible for returning any remaining monies to the Cashier within 5 business days of trip completion.

#### **4.7 Credit Card Support (CCS)**

- Responsible for providing assistance to cardholders in accordance with this Management Instruction and corresponding Operating Procedure
- Responsible for the accurate and timely processing of all credit card applications received and follow up with the card provider in the event of delays.
- Responsible for ensuring that all credit card applications received are fully completed and contain the relevant and appropriate approvals.
- Accountable for the safekeeping of all credit card applications, exception requests and credit cards awaiting issue.
- Accountable for informing cardholders and approvers of monthly processing deadlines.

- Responsible for providing monthly outstanding transaction reporting to Group Finance Managers.
- Responsible for providing quarterly active credit cardholder listings to Group Finance Managers to assist with completion of their Quarterly Financial Certification questionnaire.
- Responsible for providing accurate information for [Staff Clearance Notices \(C-FORMS0047\)](#) and ensuring credit card accounts are cancelled for departing staff.

#### 4.8 **Manager Financial Accounting and Reporting**

- Accountable for assessing and responsible for endorsing cash withdrawal exception requests received from Petty Cash Officers in remote locations.

#### 4.9 **Manager, Organisational Procurement**

- Accountable for determining the appropriate merchants to be blocked from the use of credit cards.

#### 4.10 **Manager, Commercial Agreements and Strategic Relationships**

- Accountable for ensuring that the appropriate corporate contract is in place for Airservices credit cards, and that the contract is appropriately managed.

### 5 **Instruction**

#### 5.1 **Eligibility requirements for Airservices card issue**

The following criterion is a guide for determining the type of credit card an employee may be eligible for:

- **Travel cards** may be issued to employees who travel frequently (defined as more than 6 times per year) or who travel internationally, or who travel for a continuous period of 2 weeks or more
- **Corporate (purchasing) cards** may be issued to employees who are *approved purchasing officers* within their Business Group. Employees holding a Corporate card may also use their credit card for travel related business expenditure.

**Credit cards can only be issued to staff who are employed under an Airservices Collective Agreement..**

#### 5.2 **Card application flow**

##### 5.2.1.1.1 **New credit cards**

- The applicant must fully complete the [Credit Card Application Form](#), selecting the appropriate card type and providing a detailed justification for card issue.
- The application must then be endorsed by the Finance Manager for the business group and forwarded to Credit Card Support for processing.
  -
- The application must then be approved by the applicant's appropriate financial delegate; refer to [Instrument of Delegation Airservices Australia - Financial \(including Project Delegations\)](#)



- In the case of Corporate card applications, CCS will seek further approval from the Manager Shared Services as delegated by the CFO.

#### **5.2.1.1.2 Existing card exception requests**

- The applicant must fully complete the appropriate card type exception request form, including a detailed justification for the request.
- If cash withdrawal facilities have been requested, an expiry date for the facility must also be included.
- Certain countries that C & IA staff travel to regularly have been identified as cash economies. As such, these selected C&IA cardholders may hold an open expiry date for cash withdrawal facilities. Refer to Operating Procedures for further details.
- The application must then be approved by the appropriate Cost Centre Manager.
- The application must then be forwarded to the Manager Shared Services, who will seek final approval from the CFO where cash withdrawal facilities are requested.

### **5.3 When to use a credit card**

Credit cards must be used to purchase goods and services if:

- the purchase price is lower than the relevant purchasing officer's credit card transaction limit
- there is no specific risk associated with the purchase
- the purchase is not for a consultancy, construction, demolition or software.

Credit cards must not be used to settle purchases where purchase orders have been previously raised through SAP or where invoices have already been submitted to Accounts Payable for payment.

Credit cards should not be used in situations where a specific risk is considered to exist. Specific risk includes situations where Aircservices may be exposed commercially, technically, environmentally or legally. In these situations it is more appropriate to use a contract with a supporting purchase order to settle purchases. Refer to the [Purchase Orders & Payment of Vendor Invoices Management Instruction \(MI-0219\)](#) for further information on using purchase orders.

Cardholders must not use credit cards to withdraw cash unless the cardholder has had a credit card exception request approved and is:

- travelling internationally to a remote location for business purposes where credit card facilities are not available and significant cash payments will be required
- a petty cash officer in a remote location (e.g. more than 15 kms from the nearest Commonwealth Bank branch, as approved by the manager, Financial Accounting & Reporting)

Refer to the [Credit Card Operating Procedures](#) for further information.

### **5.4 General Guidance**

#### **5.4.1.1.1 Procurement guidance**

- Purchases greater than the card and transaction limit are not to be split to allow payment to occur

- Where there is a recurring amount a purchase order must be used

#### 5.4.1.1.2 Travel expenditure guidance

- The ATO guidelines on the reasonable amounts for breakfast, lunch and dinner claims, noted in [MI-0222 \(Business Travel and Associated Travel Expenditure\)](#), are to be considered the upper limits on expenditure and any expenditure in excess of these amounts will require an express prior approval by an Executive General Manager or will be considered reimbursable by the traveller
- Tipping or gratuities are not to be charged to the credit card for domestic travel. For international travel, local custom and practice should apply
- In-room mini bar (not including bottled water), in-room entertainment and toiletries are considered personal expenses and are not to be charged to the credit card
- Payments for meals and beverages for staff who are travelling on an allowance or who are at their normal work location are considered to be hospitality payments and are not to be included as travel expenses
- Short term assignments involving a temporary relocation (less than 4 weeks) should apply existing travel policy with regards to credit card expenditure. Greater than 4 weeks, including those that have been placed in short term rental accommodation, should have their terms and conditions endorsed by an Executive General Manager. Further guidance is available from your respective HR Group Relationship Manager

Further information regarding travel can be found in [MI-0222](#).

#### 5.4.1.1.3 Hospitality/Rewards and Recognition guidance

- Only official Christmas events corporately sponsored by the Executive may be charged to the card
- ATO guidelines on reasonable amounts for breakfast, lunch and dinner claims must also be considered as limits for hospitality. These can be found in [MI-0222](#)
- Gifts for Life Events eg. Births/Weddings/Birthdays/Retirements are not to be charged to the credit card

Substantiation for all credit card expenditure is required and in particular the details of each attendee (name and organisation) must be provided with receipts for travel and hospitality.

## 6 Definitions

Within this document, the following definitions apply:

Term	Definition
<b>Corporate credit cards</b>	Corporate credit cards are purchasing cards which can be used for payment when the purchase is within the assigned credit limits of the card and will not result in a contract. Corporate credit cards may also be used for travel expenses when following the guidelines for Travel credit cards.
<b>Travel credit cards</b>	Travel credit cards are for travel related expenses ONLY. All charges must reconcile back to an existing travel plan in Promaster.
<b>Approved purchasing</b>	Approved purchasing officers are those staff members within a

<b>officers</b>	business group whose role identifies them as strategic purchasing officers, or have regular credit card purchasing requirements other than travel, eg operating supplies or assets. These people may be issued with a general purchasing credit card if their application is approved by their relevant Finance Manager, Financial Delegate and the Manager Supply Chain & Contract Management.
<b>Credit card support (CCS)</b>	An internal resource based in the Accounts Payable team to assist with credit card administration.
<b>Exception request</b>	Credit cards are issued with preset spending limits and no cash withdrawal facilities. An exception request must be lodged to change the spend limits or activate cash withdrawal facilities.
<b>Personal expenses</b>	Any purchase made using an Airservices credit card that is not business related.
<b>ProMaster</b>	Airservices expense management tool used to reconcile credit card transactions and create & manage travel plans.
<b>Trip number</b>	The unique identifier created by ProMaster for each individual trip plan.
<b>CFO</b>	Chief Financial Officer

## 7

## References

Title	Number
<a href="#">ANZ Commercial Card Terms and Conditions</a>	
<a href="#">ANZ Dispute Form</a>	
<a href="#">Credit Card Operating Procedure</a>	C-PROC0037
<a href="#">Credit Card Application Form</a>	C-FORMS0369
<a href="#">Credit Card Exception Request</a>	C-FORMS0237
<a href="#">Ethics and Fraud Control Plan</a>	C-MAN0030
<a href="#">Instrument of Delegation Airservices Australia - Financial (including Project Delegations)</a>	AA02/2012
<a href="#">Procurement within Airservices Australia Management Instruction</a>	MI-0223
<a href="#">Purchase Orders &amp; Payment of Vendor Invoices Management Instruction</a>	MI-0219
<a href="#">Business Travel and Associated Travel Expenditure</a>	MI-0222
<a href="#">Staff Clearance Notice</a>	C-FORMS0047



AIRSERVICES AUSTRALIA

<b>Topic</b>	Credit Card Operating Procedures		
<b>Number</b>	C-PROC0037	<b>Effective Date</b>	20 June 2011
<b>Functional Area</b>	Purchasing & Travel		
<b>Background</b>	The following procedures specify the processes for obtaining and utilising Airservices credit cards. It supports and should be read in conjunction with the <a href="#">Credit Card Management Instruction MI-0202</a> .		
<b>Corporate Policy Reference and Links</b>	None		
<b>Responsibility/ Accountability</b>	Please refer to the <a href="#">Credit Cards Management Instruction MI-0202</a> .		
<b>Definitions and Explanations</b>	Please refer to Section 1 of this procedures document		
<b>Further Guidance and Key Links</b>	<a href="#">Instrument of Delegation (AA20/2009);</a> <a href="#">Business Travel and Associated Travel Expenditure Management Instruction (MI-0222)</a> <a href="#">Credit Card Management Instruction (MI-0202)</a> <a href="#">Petty Cash Management Instruction (MI-0209)</a> <a href="#">Purchase Orders &amp; Payment of Vendor Invoices Management Instruction (MI-0219)</a> <a href="#">Fraud Control Plan 2010 – 2012 (C-MAN0030)</a> <a href="#">Purchase Orders &amp; Payment of Vendor Invoices (C-PROC0180)</a> <a href="#">Tax Invoice Requirements (C-GUIDE0218)</a> <a href="#">Hospitality &amp; Entertainment Expenses (C-GUIDE0008)</a> <a href="#">Promaster Quick Reference Guide: Accountholder (C-GUIDE0292)</a> <a href="#">Promaster Quick Reference Guide: Supervisor (C-GUIDE0227)</a> <a href="#">Corporate Credit Card Application (C-FORMS0235)</a>		

	<a href="#">Travel Credit Card Application (C-FORMS0314)</a> <a href="#">Corporate Credit Card Exception Request (C-FORMS0237)</a> <a href="#">Travel Credit Card Exception Request (C-FORMS0315)</a> <a href="#">ANZ Transaction Dispute Form</a> <a href="#">Credit Card Cash Withdrawal Reconciliation Statement (C-FORMS0328)</a> <a href="#">Personal Use Credit Card Reimbursement (C-FORMS0329)</a> <a href="#">Archive Lodgement Request Form (C-FORMS0335)</a>
<b>Contacts</b>	Manager, Supply Chain & Contract Management
<b>Document Controller</b>	Supply Chain & Contract Management
<b>Functional Authority/Approval</b>	Chief Financial Officer

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## Purpose

The use of credit cards for low value, high volume transactions is the most efficient way of ensuring payment to Airservices Australia vendors whilst providing appropriate levels of reporting.

Airservices has a split purpose card system for all corporate credit cards by issuing cards to employees for either travel purposes or general purchasing. This card system is designed to facilitate the ease of use of credit cards within the organisation.

These procedures are in support of and should be read in conjunction with the [Credit Card Management Instruction – MI-0202](#).

Credit cards must not be used to settle purchases resulting from purchase orders raised through SAP. Credit cards must also not be used to pay invoices that have been processed through the Accounts Payable unit.

---

## 1 Definitions

### CREDIT CARD TYPES

#### TRAVEL CARD

Travel cards may be issued to employees who travel frequently (defined as more than 6 times per year) or who travel internationally, or who travel for a continuous period of 2 weeks or more. Travel cards are to be used for travel expenditure only.

#### CORPORATE CARD

Corporate (purchasing) cards may be issued to employees who are approved purchasing officers within their Business Group. Employees holding a Corporate card may also use their credit card for travel related business expenditure.

### APPROVED PURCHASING OFFICERS

Approved purchasing officers are those staff members within a business group who have been identified as purchasing officers or who have regular credit card purchasing requirements other than travel, ie operating supplies or assets. These people may be issued with a general purchasing credit card if their application is approved by their relevant Finance Manager, Financial Delegate and the Manager, Supply Chain & Contract Management.

### APPROVED TRAVEL PLAN

All Airservices business travel must be entered into ProMaster as a travel plan which then workflows to the traveller's approver.

### CREDIT CARD SUPPORT (CCS)

The internal resource responsible for the administration of the expense management tool; referred to as CCS in this document.

**EXCEPTION REQUEST**

Credit cards are issued with preset spending limits and no cash withdrawal facilities. An exception request must be lodged to change the spend limits or activate cash withdrawal facilities.

**PERSONAL EXPENSES**

Any purchase made using an Airservices credit card that is not business related.

**PROMASTER**

Airservices expense management tool used to reconcile credit card transactions and create travel plans.

**TRANSACTION BY USER REPORT**

A report generated from Promaster which lists cardholder transactions for a selected period of time. This report, in conjunction with the supporting documentation, is submitted to their approver for sign off.

**TRIP NUMBER**

The unique identifier created by ProMaster for each individual travel plan.

---

**2 Assistance to Cardholders****CCS**

The CCS provides assistance to all credit card holders and system support for ProMaster.

Email: [creditcard.support@airservicesaustralia.com](mailto:creditcard.support@airservicesaustralia.com)

**ANZ Bank**

ANZ provides 24 hour assistance for lost or stolen cards or general enquiries.

Ph 1800 636 359 (General Enquiries: Domestic)

Ph 1800 033 844 (Lost/stolen cards: Domestic)

Ph +61 3 8646 8288 (General Enquiries: International)

Ph +61 3 9683 7043 (Lost/stolen cards: International)

**Airservices Australia Service Desk (Business)**

24 hour assistance for general Airservices enquiries

Email: [servicedesk.business@airservicesaustralia.com](mailto:servicedesk.business@airservicesaustralia.com)

Ph: 02 6268 5555

Fax: 02 6268 4555

---

### 3 Application and Issue of Cards

Employees who require a credit card to appropriately carry out their role must nominate the type of credit card they require by completing either a:

- [Travel Credit Card Application Form](#) for **travel cards**; or
- [Corporate Credit Card Application Form](#) for **general purchasing cards**.

Cards are issued with standard spending limits, dependent on the type of card requested:

Travel cards: \$5,000 monthly spend limit, \$2,000 per transaction limit

Corporate cards: \$15,000 monthly spend limit, \$5,000 per transaction limit

The applicant must obtain the endorsement of the Finance Manager, Group Finance who is responsible for their Business Group.

Following Finance Manager endorsement, the applicant must have their application approved by their appropriate Financial Delegate. Refer to the [Instrument of Delegation-Financial \(AA20/2009\)](#) for guidance.

The application form also incorporates a Credit Card Registration Form which includes a Cardholder Acknowledgement section that must be signed and dated by the nominated card holder. Processing delays will occur when forms are not fully completed.

On submission, applicants for a Corporate (purchasing) card will also have their application reviewed for approval by the Manager, Supply Chain & Contract Management.

The completed application form is to be returned to Credit Card Support, via email to [creditcard.support@airservicesaustralia.com](mailto:creditcard.support@airservicesaustralia.com) who will arrange for the issue of the card. ***An urgent credit card application can take up to 7 working days to process.***

The CCS is accountable for:

- reviewing applications for completeness;
- reviewing applications to ensure appropriate approvals have been received; and
- issuing the credit card if the relevant application form is fully approved.

Approved applicants will have their card forwarded to them through the "safe hands" internal mail. The CCS will also send an e-mail to the new cardholder notifying them that a card has been issued as well as providing links to documentation relevant to the new card holder.

When the cardholder receives the credit card, it must be signed immediately.



---

## 4 Accountabilities & Responsibilities

Refer to the [Credit Card Management Instruction \(MI-0202\)](#) for all accountabilities and responsibilities.

---

## 5 Using a Travel Card

Travel cardholders must use their credit card for all travel and associated costs, such as accommodation, meals and incidentals relating to a trip. No other purchases are allowable on this card.

Approval from the appropriate financial delegate must be obtained prior to expenditure. This is facilitated through Airservices travel planning and approval tool.

Refer to the cardholder responsibility/accountability section of the [Credit Card Management Instruction](#) regarding acquittal of travel expenses.

Employees with travel cards are not entitled to a travel allowance (TA) for trips unless travelling to a location where credit card facilities are not available for travel expenses.

---

## 6 Using a Corporate (Purchasing) Card

General purchasing cardholders may use their credit card for any approved business expenditure which is in accordance with the [Credit Card Management Instruction](#). Approval must be obtained from the appropriate Financial Delegate (i.e. relevant cost centre manager) for all purchases prior to making the purchase.

When making travel purchases, all requirements of the above section [Using a Travel Card](#) must be satisfied by the card holder.

Assets (as defined in the Asset Management Instructions) purchased with a general purchasing card must be acquitted to General Ledger account 15600 through ProMaster. Immediately following the asset purchase, the [Asset Addition/Creation Form](#) must be completed and submitted to the Senior Fixed Asset Accountant. Refer to the [Initial Asset Capitalisation Management Instruction](#) for further information.

---

## 7 Exception Requests

The following exceptions to general credit card rules may be requested by General Managers:

- changes to monthly and/or transaction limits; and
- cash withdrawal access.

All amendments must be requested on the [Corporate Credit Card Exception Request form](#) or [Travel Credit Card Exception Request form](#) and approved by the appropriate General Manager.

The approved form must then be forwarded to CCS for final approval and processing. Final approval will only be granted where an appropriate approved justification has been submitted. In the case of limit increase &/or cash withdrawal access for overseas travel, either the approved OVP

(Overseas Visit Proposal) or the approved travel plan in Promaster must be sighted before the application is progressed. The approving manager must also nominate an appropriate date for the requested facilities to be withdrawn or reduced.

---

## 8 Cancellation of Credit Cards

A credit card must be cancelled when:

- the cardholder is leaving Airservices; or
- the use of the card is no longer required; or
- the cardholder is going on extended leave.

When cancelling a credit card, the cardholder must ensure:

- they request cancellation of their card by contacting the CCS;
- all outstanding transactions are acquitted in ProMaster; and
- all outstanding tax invoices are submitted for approval to their Manager.

The card holder's manager is responsible for ensuring the credit card has been cancelled and appropriately destroyed and that the cardholder has followed the above instructions. The manager must also advise of an alternate accountholder to add to the cardholder's profile to facilitate any unforeseen expenses that may require processing.

---

## 9 Personal Expenses

Credit cards must only be used for official business purposes of Airservices. Personal expenses must not be charged to the credit card.

If a personal expense is accidentally charged to an Airservices credit card, the cardholder must:

- notify the CCS;
- repay the amount to the Cashier immediately, using the [Personal Use Credit Card Reimbursement](#) form. The Cashier will issue the cardholder with a receipt for the amount received;
- notify their Manager who is accountable for ensuring the repayment to Airservices occurs;
- following the instructions on the [Personal Use Credit Card Reimbursement](#) form, process the transaction in Promaster; and
- attach the receipt received from the Cashier to the Transaction by User report when submitting their expenses to their approver.

**It is recommended that Airservices credit cards be stored separate to any personal cards to avoid confusion.**

---

## 10 Cash Withdrawals

Cardholders must not use credit cards to withdraw cash unless the cardholder has had a credit card exception approved and is:

- travelling internationally for business purposes; or
- a petty cash officer in a remote location. (Note that in accordance with the [Petty Cash Management Instruction](#), a petty cash officer

who requires cash withdrawal also requires the endorsement of the Financial Accounting & Reporting Manager, Corporate Accounting and Policy Branch).

### **Cash withdrawals for international travel**

Cash withdrawal access for international travel may only be requested when cardholders are travelling to locations where:

- credit card facilities are not available; or
- small and limited cash amounts under \$500 are required for minor business incidentals such as public transport.

Refer to item 7 'Exception Requests' for guidance on obtaining cash withdrawal access.

All Travel related cash withdrawals must be assigned to the approved trip number and reconciled using the [Credit Card Cash Withdrawal Reconciliation Statement](#). Any remaining monies must be returned to the Cashier within 5 business days of trip completion.

### **Cash withdrawals for petty cash officers in remote locations**

Cash withdrawal access for petty cash reimbursements in remote locations must be requested in accordance with the [Petty Cash Management Instruction](#).

---

## **11 Executive Vehicle Fleet Expenses**

Credit card purchases relating to a vehicle under the Executive Vehicle Fleet scheme are not allowed under any normal circumstances. In emergency situations, credit cards may be used and these transactions must be subsequently approved by the cardholder's General Manager.

All Executive Fleet expenses must be coded to Cost Centre 60071. Access approval to this cost centre code can be obtained by contacting the Advisor, Remuneration & Benefits.

---

## **12 Supporting Documentation**

Cardholders must obtain supporting documentation for all credit card transactions. Tax invoices must be obtained for transactions greater than \$75 (GST exclusive). Tax invoices must comply with the [Tax Invoice Requirements](#).

If a tax invoice is misplaced, the cardholder is accountable for obtaining a copy of the tax invoice from the original supplier. The original supplier is obliged to provide the tax invoice within 28 days of the request.

If the tax invoice cannot be obtained, the cardholder must code the expense in ProMaster to tax code 'P2' (no GST) for general expenditure or 'C2' for capital expenditure.

Cardholders must ensure they receive written approval for any credit card purchases they make on behalf of other Cost Centres. For example, this

may be an email from the relevant Cost Centre Manager approving the purchase, cost centre and coding.

---

## 13 Reconciling & Acquitting Credit Card Expenditure

ProMaster is the system used by Airservices for processing credit card transactions. Refer to the [ProMaster - Quick Reference Guide: Account Holder](#) or the [ProMaster Quick Reference Guide: Supervisor](#) for further operating information. For travel expense reconciliation, refer to [Promaster Travel Planner User Guide](#) section on 'Acquitting your travel transactions against your travel plan'.

The CCS is accountable for assisting cardholders in obtaining access to ProMaster and with ProMaster enquiries. The CCS will also advise when monthly credit card processing deadlines will occur.

The cardholder must process their credit card transactions within a 4 week period after the credit card statement date in ProMaster. Cardholders with outstanding transactions after this time may have their credit cards withdrawn and/or face alternative disciplinary actions.

The cardholder must ensure:

- All transactions on a travel card are acquitted against an approved travel plan;
- all transactions are allocated to the appropriate General Ledger code, Cost Centre code and tax code;
- all expenses include a description of the transaction detail and purpose; and
- the 'Transactions by User Report' is printed and all supporting documentation is attached.

The 'Transactions by User Report' must be signed by the cardholder and signed as reviewed by the cardholder's manager.

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## 14 Disputed Transactions

Cardholders are responsible for monitoring all transactions appearing in their Promaster account to ensure validity and accuracy.

For all disputed credit card transactions, the cardholder is accountable for resolving the matter directly with the merchant or supplier.

Where the cardholder is unable to resolve the dispute with the merchant or supplier, the cardholder is accountable to complete the [ANZ Transaction Dispute Form](#) and fax to ANZ on (03) 9643 8477. Disputes must be lodged no later than 70 days after the statement date of the transaction in question. The Financial Delegate must also be made aware of this situation.

The cardholder's Manager (or appropriate Financial Delegate) must ensure that the above requirements of the cardholder are met before approving any credit card expenditure.

---

## 15 Credit Card Security

Cardholders are responsible for the safekeeping of their card and must not lend their credit cards to other staff for use.

Credit cards may be used for online purchasing however it is incumbent on the cardholder to exercise good judgment. This includes ensuring the card details are kept confidential and not transmitted via insecure electronic means such as email or unsecure vendor websites. **Should the cardholder feel the situation could compromise the security of their card, they should reconsider the activity.**

When purchasing online, ensure that the URL reads https\\: or a padlock icon appears onscreen prior to entering any information.

Cardholders are responsible for protecting the Personal Identification Number (PIN) assigned to their card and must not reveal it to anyone.

Cardholders are also accountable for the physical security of their card. Refer to item 16 of this operating procedure 'Lost or Stolen Credit Cards'.

---

## 16 Lost or Stolen Credit Cards

Cardholders must ***immediately*** notify ANZ if their credit card is lost or stolen:

Domestic (within Australia): 1 800 033 844

International: +61 3 9683 7043

Cardholders must also notify the CCS at [creditcard.support@airservicesaustralia.com](mailto:creditcard.support@airservicesaustralia.com) with details of the lost or stolen card and any arrangements that may have been made with ANZ for the card replacement.

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## 17 Change in the Role of Cardholders

Where a cardholder changes role/position or business group, the Finance Manager and Financial Delegate relevant to their new position must approve that a credit card is still required.

Where it is assessed that the credit card is still required, the new default cost centre and approver need to be updated in the cardholder's profile. These details can be provided to CCS for entry.

Where a credit card is no longer required, the credit card must be cancelled in accordance with Section 8 'Cancellation of Credit Cards'.

---

## 18 Certification

On a quarterly basis, CCS provides a listing of active credit cardholders in their business group to all General Managers. The GM's are then

responsible for ensuring a review of this list for relevancy and currency and notifying CCS of any changes, including card cancellations.

---

## 19 Documentation

All credit card documentation must be retained for a total period of **seven (7) years**. Credit card documentation must be retained within the Business Group for a period of twelve (12) months after the end of the financial year. After this time, the documentation may be archived in accordance with the Records Management Unit (RMU). Refer to the [Archive Lodgement Request Form](#) or contact the RMU for further information.

The following table sets out the accountability for retaining documentation:

Accountability	Documentation to be Retained
CCS	<ul style="list-style-type: none"><li>Approved <i>Corporate/Travel Credit Card Applications</i> and <i>Corporate/Travel Credit Card Exception Request</i> forms.</li></ul>
Cardholder's Manager	<ul style="list-style-type: none"><li>Approved 'Transaction by User Reports' and all supporting documentation submitted by cardholders.</li></ul>

# **Credit Card Operating Procedures**

**C-PROC0037**

**Version 4**

**Effective 9 October 2012**

Prepared: Ian Cassidy  
A/g Manager, Supply Chain & Contract  
Management

Authorised: Paul Logan  
A/g CFO

## Change summary

Version	Date	Change Description
4	9 October 2012	Update to content and references. Reformatted to new template.

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## 1 Purpose

The use of credit cards for low value, high volume transactions is the most efficient way of ensuring payment to Airservices Australia vendors whilst providing appropriate levels of reporting.

Airservices has a split purpose card system for all corporate credit cards by issuing cards to employees for either travel purposes or general purchasing. This card system is designed to facilitate the ease of use of credit cards within the organisation.

These procedures are in support of and should be read in conjunction with the [Credit Card Management Instruction \(MI-0202\)](#).

Credit cards must not be used to settle purchases resulting from purchase orders raised through SAP. Credit cards must also not be used to pay invoices that have been processed through the Accounts Payable unit.

## 2 Scope

Employees who require a credit card to appropriately carry out their role must nominate the type of credit card they require by completing a [Credit Card Application Form \(C-FORMS0369\)](#).

Cards are issued with standard spending limits, dependent on the type of card requested:

- travel cards - \$5,000 monthly spend limit, \$2,000 per transaction limit
- corporate cards - \$15,000 monthly spend limit, \$5,000 per transaction limit.

The applicant must obtain the endorsement of the Finance Manager, Group Finance who is responsible for their Business Group.

Following Finance Manager endorsement, the applicant must have their application approved by their appropriate Financial Delegate. Refer to the [Instrument of Delegation-Financial \(AA02/2012\)](#) for guidance.

The application form also incorporates a Credit Card Registration Form which includes a Cardholder Acknowledgement section that must be signed and dated by the nominated card holder. Processing delays will occur when forms are not fully completed.

On submission, applicants for a corporate (purchasing) card will also have their application reviewed for approval by the Manager, Supply Chain & Contract Management.

The completed application form is to be returned to Credit Card Support, via email to [creditcard.support@airservicesaustralia.com](mailto:creditcard.support@airservicesaustralia.com) who will arrange for the issue of the card.

***An urgent credit card application can take up to 7 working days to process.***

The CCS is accountable for:

- reviewing applications for completeness
- reviewing applications to ensure appropriate approvals have been received
- issuing the credit card if the relevant application form is fully approved.

Approved applicants will have their card forwarded to them through the "safe hands" internal mail. The CCS will also send an e-mail to the new cardholder notifying them

that a card has been issued as well as providing links to documentation relevant to the new card holder.

When the cardholder receives the credit card, it must be signed immediately.

### **3 Responsibility**

Refer to the [Credit Card Management Instruction \(MI-0202\)](#) for all accountabilities and responsibilities.

### **4 Assistance to cardholders**

#### **CCS**

The CCS provides assistance to all credit card holders and system support for ProMaster.

Email: [creditcard.support@airservicesaustralia.com](mailto:creditcard.support@airservicesaustralia.com)

#### **ANZ Bank**

ANZ provides 24 hour assistance for lost or stolen cards or general enquiries.

Ph 1800 636 359 (General Enquiries: Domestic)

Ph 1800 033 844 (Lost/stolen cards: Domestic)

Ph +61 3 8646 8288 (General Enquiries: International)

Ph +61 3 9683 7043 (Lost/stolen cards: International)

#### **Airservices Australia Service Desk (Business)**

24 hour assistance for general Airservices enquiries

Email: [servicedesk.business@airservicesaustralia.com](mailto:servicedesk.business@airservicesaustralia.com)

Ph: 02 6268 5555

Fax: 02 6268 4555

### **5 Using a travel card**

Travel cardholders must use their credit card for all travel and associated costs, such as accommodation, meals and incidentals relating to a trip. No other purchases are allowable on this card.

Any hospitality or entertainment expenditure must receive "prior" approval from the delegated Manager before the expense is incurred and be processed as per the [Hospitality and Entertainment Expenses Guide \(C-GUIDE0008\)](#). The prior approval should be retained to support transactions.

Approval from the appropriate financial delegate must be obtained prior to expenditure. This is facilitated through Airservices travel planning and approval tool.

Refer to the cardholder responsibility/accountability section of the [Credit Card Management Instruction](#) regarding acquittal of travel expenses.

Employees with travel cards are not entitled to a travel allowance (TA) for trips unless travelling to a location where credit card facilities are not available for travel expenses.

## 6 Using a corporate (purchasing) card

General purchasing cardholders may use their credit card for any approved business expenditure which is in accordance with the [Credit Card Management Instruction \(MI-0202\)](#). Approval must be obtained from the appropriate Financial Delegate (i.e. relevant cost centre manager) for all purchases prior to making the purchase.

When making travel purchases, all requirements of the above section [Using a travel card](#) must be satisfied by the card holder.

Assets (as defined in the Asset Management Instructions) purchased with a general purchasing card must be acquitted to General Ledger account 15600 through ProMaster. Immediately following the asset purchase, the [Asset Addition/Creation Form \(C-FORMS0014\)](#) must be completed and submitted to the Senior Fixed Asset Accountant. Refer to the [Initial Asset Capitalisation Management Instruction \(MI-1602\)](#) for further information.

## 7 Exception requests

The following exceptions to general credit card rules may be requested by Executive General Managers:

- changes to monthly and/or transaction limits
- cash withdrawal access.

All amendments must be requested on the [Credit Card Exception Request form \(C-FORMS0237\)](#) and approved by the appropriate Executive General Manager.

The approved form must then be forwarded to CCS for final approval and processing. Final approval will only be granted where an appropriate approved justification has been submitted. In the case of limit increase &/or cash withdrawal access for overseas travel, either the approved OVP (Overseas Visit Proposal) or the approved travel plan in Promaster must be sighted before the application is progressed. The approving manager must also nominate an appropriate date for the requested facilities to be withdrawn or reduced.

## 8 Cancellation of credit cards

A credit card must be cancelled when:

- the cardholder is leaving Airservices
- the use of the card is no longer required
- the cardholder is going on extended leave.

When cancelling a credit card, the cardholder must ensure:

- they request cancellation of their card by contacting the CCS
- all outstanding transactions are acquitted in ProMaster
- all outstanding tax invoices are submitted for approval to their Manager.

The card holder's manager is responsible for ensuring the credit card has been cancelled and appropriately destroyed and that the cardholder has followed the above instructions. The manager must also advise of an alternate accountholder to add to the cardholder's profile to facilitate any unforeseen expenses that may require processing.

## 9 Personal expenses

Credit cards must only be used for official business purposes of Airservices. Personal expenses must not be charged to the credit card.

If a personal expense is accidentally charged to an Airservices credit card, the cardholder must:

- notify the CCS
- repay the amount to the Cashier immediately, using the [Personal Use Credit Card Reimbursement \(C-FORMS0329\)](#) form. The Cashier will issue the cardholder with a receipt for the amount received
- notify their Manager who is accountable for ensuring the repayment to Airservices occurs
- following the instructions on the [Personal Use Credit Card Reimbursement](#) form, process the transaction in Promaster
- attach the receipt received from the Cashier to the Transaction by User report when submitting their expenses to their approver.

***It is recommended that Airservices credit cards be stored separate to any personal cards to avoid confusion.***

## 10 Cash withdrawals

Cardholders must not use credit cards to withdraw cash unless the cardholder:

- has had a credit card exception approved
- is a petty cash officer in a remote location. (Note that in accordance with the [Petty Cash Management Instruction \(MI-0209\)](#), a petty cash officer who requires cash withdrawal also requires the endorsement of the Financial Accounting & Reporting Manager, Corporate Accounting and Policy Branch).

Cash withdrawal access will only be considered in exceptional circumstances for international travel. All cash related expenses for domestic travel will be managed through the Airservices reimbursement process.

All Travel related cash withdrawals must be assigned to the approved trip number and reconciled using the [Credit Card Cash Withdrawal Reconciliation Statement \(C-FORMS0328\)](#). Any remaining monies must be returned to the Cashier within 5 business days of trip completion.

### **Cash withdrawals for petty cash officers in remote locations**

Cash withdrawal access for petty cash reimbursements in remote locations must be requested in accordance with the [Petty Cash Management Instruction](#).

## 11 Executive vehicle fleet expenses

Credit card purchases relating to a vehicle under the Executive Vehicle Fleet scheme are not allowed under any normal circumstances. In emergency situations, credit cards may be used and these transactions must be subsequently approved by the cardholder's General Manager.

All Executive Fleet expenses must be coded to Cost Centre 60071. Access approval to this cost centre code can be obtained by contacting the Advisor, Remuneration & Benefits.

## 12 Supporting documentation

Cardholders must obtain supporting documentation for all credit card transactions. Tax invoices must be obtained for transactions greater than \$75 (GST exclusive). Tax invoices must comply with the [Goods and Services Tax \(GST\) Guide \(C-GUIDE0429\)](#).

If a tax invoice is misplaced, the cardholder is accountable for obtaining a copy of the tax invoice from the original supplier. The original supplier is obliged to provide the tax invoice within 28 days of the request.

If the tax invoice cannot be obtained, the cardholder must code the expense in ProMaster to tax code 'P2' (no GST) for general expenditure or 'C2' for capital expenditure.

Cardholders must ensure they receive written approval for any credit card purchases they make on behalf of other Cost Centres. For example, this may be an email from the relevant Cost Centre Manager approving the purchase, cost centre and coding.

## 13 Reconciling & acquitting credit card expenditure

ProMaster is the system used by Airservices for processing credit card transactions. Refer to the [ProMaster - Quick Reference Guide: Account Holder \(C-GUIDE0292\)](#) or the [ProMaster Quick Reference Guide: Supervisor \(C-GUIDE0227\)](#) for further operating information. For travel expense reconciliation, refer to [Promaster Travel Planner User Guide \(C-GUIDE0363\)](#) section on 'Acquitting your travel transactions against your travel plan'.

The CCS is accountable for assisting cardholders in obtaining access to ProMaster and with ProMaster enquiries. The CCS will also advise when monthly credit card processing deadlines will occur.

The cardholder must process their credit card transactions within a 4 week period after the credit card statement date in ProMaster. Cardholders with outstanding transactions after this time may have their credit cards withdrawn and/or face alternative disciplinary actions.

The cardholder must ensure:

- all transactions on a travel card are acquitted against an approved travel plan
- all transactions are allocated to the appropriate General Ledger code, Cost Centre code and tax code
- all expenses include a description of the transaction detail and purpose
- the 'Transactions by User Report' is printed and all supporting documentation is attached.

The 'Transactions by User Report' must be signed by the cardholder and signed as reviewed by the cardholder's manager.

## **14 Disputed transactions**

Cardholders are responsible for monitoring all transactions appearing in their Promaster account to ensure validity and accuracy.

For all disputed credit card transactions, the cardholder is accountable for resolving the matter directly with the merchant or supplier.

Where the cardholder is unable to resolve the dispute with the merchant or supplier, the cardholder is accountable to complete the [ANZ Transaction Dispute Form](#) and fax to ANZ on (03) 9643 8477. Disputes must be lodged no later than 70 days after the statement date of the transaction in question. The Financial Delegate must also be made aware of this situation.

The cardholder's Manager (or appropriate Financial Delegate) must ensure that the above requirements of the cardholder are met before approving any credit card expenditure.

## **15 Credit card security**

Cardholders are responsible for the safekeeping of their card and must not lend their credit cards to other staff for use.

Credit cards may be used for online purchasing however it is incumbent on the cardholder to exercise good judgment. This includes ensuring the card details are kept confidential and not transmitted via insecure electronic means such as email or unsecure vendor websites. Should the cardholder feel the situation could compromise the security of their card, they should reconsider the activity.

When purchasing online, ensure that the URL reads https\\: or a padlock icon appears onscreen prior to entering any information.

Cardholders are responsible for protecting the Personal Identification Number (PIN) assigned to their card and must not reveal it to anyone.

Cardholders are also accountable for the physical security of their card. Refer to item 16 of this operating procedure 'Lost or Stolen Credit Cards'.

## **16 Lost or stolen credit cards**

Cardholders must immediately notify ANZ if their credit card is lost or stolen:

Domestic (within Australia): 1 800 033 844

International: +61 3 9683 7043

Cardholders must also notify the CCS at [creditcard.support@airservicesaustralia.com](mailto:creditcard.support@airservicesaustralia.com) with details of the lost or stolen card and any arrangements that may have been made with ANZ for the card replacement.

## **17 Change in the role of cardholders**

Where a cardholder changes role/position or business group, the Finance Manager and Financial Delegate relevant to their new position must approve that a credit card is still required.

Where it is assessed that the credit card is still required, the new default cost centre and approver need to be updated in the cardholder's profile. These details can be provided to CCS for entry.

Where a credit card is no longer required, the credit card must be cancelled in accordance with Section 8 '[Cancellation of credit cards](#)'.

## 18 Certification

On a quarterly basis, CCS provides a listing of active credit cardholders in their business group to all Executive General Managers. The EGMs are then responsible for ensuring a review of this list for relevancy and currency and notifying CCS of any changes, including card cancellations.

## 19 Documentation

All credit card documentation must be retained for a total period of seven (7) years. Credit card documentation must be retained within the Business Group for a period of twelve (12) months after the end of the financial year. After this time, the documentation may be archived in accordance with the Records Management Unit (RMU). Refer to the [Archive Lodgement Request Form \(C-FORMS0335\)](#) or contact the RMU for further information.

The following table sets out the accountability for retaining documentation:

Accountability	Documentation to be Retained
CCS	Approved Corporate/Travel Credit Card Applications and Corporate/Travel Credit Card Exception Request forms.
Cardholder's Manager	Approved 'Transaction by User Reports' and all supporting documentation submitted by cardholders.

## 20 Definitions

Within this document, the following definitions apply:

Term	Definition
Travel card	Travel cards may be issued to employees who travel frequently (defined as more than 6 times per year) or who travel internationally, or who travel for a continuous period of 2 weeks or more. Travel cards are to be used for travel expenditure only.
Corporate card	Corporate (purchasing) cards may be issued to employees who are approved purchasing officers within their Business Group. Employees holding a Corporate card may also use their credit card for travel related business expenditure.
Approved purchasing officers	Approved purchasing officers are those staff members within a business group who have been identified as purchasing officers or who have regular credit card purchasing requirements other than travel, ie operating supplies or assets. These people may be issued with a general purchasing credit card if their application is approved by their relevant Finance Manager, Financial Delegate and the Manager, Supply Chain & Contract Management.



Term	Definition
Approved travel plan	All Airservices business travel must be entered into ProMaster as a travel plan which then workflows to the traveller's approver.
Credit card support (CCS)	The internal resource responsible for the administration of the expense management tool; referred to as CCS in this document.
Exception request	Credit cards are issued with preset spending limits and no cash withdrawal facilities. An exception request must be lodged to change the spend limits or activate cash withdrawal facilities.
Personal expenses	Any purchase made using an Airservices credit card that is not business related.
Promaster	Airservices expense management tool used to reconcile credit card transactions and create travel plans.
Transaction by user report	A report generated from Promaster which lists cardholder transactions for a selected period of time. This report, in conjunction with the supporting documentation, is submitted to their approver for sign off.
Trip number	The unique identifier created by ProMaster for each individual travel plan.

## 21 References

This document contains the following references.

Title	Number
<a href="#">Instrument of Delegation</a>	AA02/2012
<a href="#">Credit Card Management Instruction</a>	MI-0202
<a href="#">Petty Cash Management Instruction</a>	MI-0209
<a href="#">Initial Asset Capitalisation Management Instruction</a>	MI-1602
<a href="#">Goods and Services Tax (GST) Guide</a>	C-GUIDE0429
<a href="#">Hospitality &amp; Entertainment Expenses</a>	C-GUIDE0008
<a href="#">Promaster Quick Reference Guide: Accountholder</a>	C-GUIDE0292
<a href="#">Promaster Quick Reference Guide: Supervisor</a>	C-GUIDE0227
<a href="#">Credit Card Application</a>	C-FORMS0369
<a href="#">Credit Card Exception Request</a>	C-FORMS0237
<a href="#">ANZ Transaction Dispute Form</a>	
<a href="#">Credit Card Cash Withdrawal Reconciliation Statement</a>	C-FORMS0328
<a href="#">Personal Use Credit Card Reimbursement</a>	C-FORMS0329
<a href="#">Archive Lodgement Request Form</a>	C-FORMS0335



# **Credit Card Operating Procedures**

**C-PROC0037**

**Version 5**

**Effective 4 August 2014**

Prepared: David Kille  
Manager Shared Services

Authorised: Andrew Clark  
Chief Financial Officer

## Change summary

Version	Date	Change Description
5	4 August 2014	Changes are marked by change bars
4	9 October 2012	Update to content and references. Reformatted to new template.

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## 1 Purpose

The use of credit cards for low value, high volume transactions is the most efficient way of ensuring payment to Airservices Australia vendors whilst providing appropriate levels of reporting.

Airservices has a split purpose card system for all corporate credit cards by issuing cards to employees for either travel purposes or general purchasing. This card system is designed to facilitate the ease of use of credit cards within the organisation.

These procedures are in support of and should be read in conjunction with the [Credit Card Management Instruction \(MI-0202\)](#).

Credit cards must not be used to settle purchases resulting from purchase orders raised through SAP. Credit cards must also not be used to pay invoices that have been processed through the Accounts Payable unit.

## 2 Scope

Employees who require a credit card to appropriately carry out their role must nominate the type of credit card they require by completing a [Credit Card Application Form \(C-FORMS0369\)](#).

Cards are issued with standard spending limits, dependent on the type of card requested:

- travel cards - \$5,000 monthly spend limit, \$2,000 per transaction limit
- corporate cards - \$15,000 monthly spend limit, \$5,000 per transaction limit.

The applicant must obtain the endorsement of the Finance Manager, Group Finance who is responsible for their Business Group.

Following Group Finance Manager endorsement, the applicant must have their application approved by their appropriate Cost Centre Manager (or Financial Delegate where the 1 over 1 principle applies). Refer to the [Instrument of Delegation-Financial \(AA02/2012\)](#) for guidance.

The application form also incorporates a Credit Card Registration Form which includes a Cardholder Acknowledgement section that must be signed and dated by the nominated card holder. Processing delays will occur when forms are not fully completed.

On submission, applicants for a corporate (purchasing) card will also have their application reviewed for approval by the Manager Shared Services.

The completed application form is to be returned to Credit Card Support (CSS), via email to [creditcard.support@airservicesaustralia.com](mailto:creditcard.support@airservicesaustralia.com) who will arrange for the issue of the card. ***An urgent credit card application can take up to 7 working days to process.***

The CCS is accountable for:

- reviewing applications for completeness
- reviewing applications to ensure appropriate approvals have been received
- issuing the credit card if the relevant application form is fully approved.

Approved applicants will have their card forwarded to them through the "safe hands" internal mail. The CCS will also send an e-mail to the new cardholder notifying them

that a card has been issued as well as providing links to documentation relevant to the new card holder.

When the cardholder receives the credit card, it must be signed immediately.

**Credit Cards will only be issued to staff directly employed by Airservices.**

### 3 Responsibility

Refer to the [Credit Card Management Instruction \(MI-0202\)](#) for all accountabilities and responsibilities.

### 4 Assistance to cardholders

#### 4.1.1.1 Credit Card Support (CCS)

The CCS provides assistance to all credit card holders and system support for ProMaster.

Email: [creditcard.support@airservicesaustralia.com](mailto:creditcard.support@airservicesaustralia.com)

Ph: 02 6268 4913

#### 4.1.1.2 ANZ Bank

ANZ provides 24 hour assistance for lost or stolen cards or general enquiries.

Ph 1800 636 359 (General Enquiries: Domestic)

Ph 1800 033 844 (Lost/stolen cards: Domestic)

Ph +61 3 8646 8288 (General Enquiries: International)

Ph +61 3 9683 7043 (Lost/stolen cards: International)

#### 4.1.1.3 Airservices Australia Service Desk (Business)

24 hour assistance for general Airservices enquiries

Email: [servicedesk.business@airservicesaustralia.com](mailto:servicedesk.business@airservicesaustralia.com)

Ph: 02 6268 5555

Fax: 02 6268 4555

#### **ProMaster System Support**

Email: [promaster.support@airservicesaustralia.com](mailto:promaster.support@airservicesaustralia.com)

### 5 Using a Travel card

Travel cardholders must use their credit card for all travel and associated costs, such as accommodation, meals and incidentals relating to a trip. All flights, charters and Hire Cars must be booked through the Travel Cell. No other purchases are allowable on this card.

Approval from the appropriate financial delegate must be obtained prior to expenditure. This is facilitated through Airservices travel planning and approval tool.

Refer to the cardholder responsibility/accountability section of the [Credit Card Management Instruction](#) regarding acquittal of travel expenses.

Employees with travel cards are not entitled to a travel allowance (TA) for trips unless travelling to a location where credit card facilities are not available for travel expenses.

## 6 Using a Corporate (purchasing) card

General purchasing cardholders may use their credit card for any approved business expenditure which is in accordance with the [Credit Card Management Instruction \(MI-0202\)](#). Approval must be obtained from the appropriate Financial Delegate (i.e. relevant cost centre manager) for all purchases prior to making the purchase.

When making travel purchases, all requirements of the above section [Using a Travel card](#) must be satisfied by the card holder.

Assets (as defined in the Asset Management Instructions) purchased with a general purchasing card must be acquitted to General Ledger account 15600 through ProMaster. Immediately following the asset purchase, the [Asset Addition/Creation Form \(C-FORMS0014\)](#) must be completed and submitted to the Senior Fixed Asset Accountant. Refer to the [Initial Asset Capitalisation Management Instruction \(MI-1602\)](#) for further information.

Any hospitality or entertainment expenditure must receive "prior" approval from the delegated Manager before the expense is incurred and be processed as per the [Hospitality and Entertainment Expenses Guide \(C-GUIDE0008\)](#). The prior approval should be retained to support transactions.

## 7 Exception requests

The following exceptions to general credit card rules may be requested by cardholders:

- changes to monthly and/or transaction limits
- cash withdrawal access.

All amendments must be requested on the [Credit Card Exception Request form \(C-FORMS0237\)](#). These must be endorsed by the relevant Group Finance Manager and approved by the appropriate Cost Centre Manager (or Financial Delegate where the 1 over 1 principle applies) .

The approved form must then be forwarded to the Manager Shared Services through CCS for final approval (and CFO approval where cash withdrawal facilities have been requested) and processing. Final approval by the Manager Shared Services will only be granted where an appropriate approved justification has been submitted.

In the case of limit increase &/or cash withdrawal access for overseas travel, either the approved OVP (Overseas Visit Proposal) or the approved travel plan in Promaster must be sighted before the application is progressed. The approving manager must also nominate an appropriate date for the requested facilities to be withdrawn or reduced. Travel cash withdrawal facilities will be granted only if any of the following countries are part of the itinerary:

- Indonesia
- Papua New Guinea
- Solomon Islands
- Nauru

For all other destinations there is a reasonable expectation that credit cards are accepted for purchases.

Petty Cash Officers in remote locations, or selected staff within the Corporate & International Affairs group who frequently travel to or prepare travel arrangements for the above destinations may hold an undefined expiry date for cash withdrawal facility, provided they act within the stated guidelines contained in the [Credit Card Management Instruction \(MI-0202\)](#).

## 8 Cancellation of credit cards

A credit card must be cancelled when:

- the cardholder is leaving Airservices
- the use of the card is no longer required
- the cardholder is going on extended leave of more than 3 months

When cancelling a credit card, the cardholder must ensure:

- they request cancellation of their card by contacting the CCS
- all outstanding transactions are acquitted in ProMaster
- all outstanding tax invoices are submitted for approval to their Manager.

The card holder's manager is responsible for ensuring the credit card has been cancelled and appropriately destroyed and that the cardholder has followed the above instructions. The manager must also advise of an alternate accountholder to add to the cardholder's profile to facilitate any unforeseen expenses that may require processing.

## 9 Personal expenses

Credit cards must only be used for official business purposes of Airservices. Personal expenses must not be charged to the credit card. This includes tips & gratuities; as these are at the personal discretion of the cardholder, they should not be included as part of the business expense.

If a personal expense is accidentally charged to an Airservices credit card, the cardholder must:

- notify the CCS
- repay the amount to the Cashier immediately, using the [Personal Use Credit Card Reimbursement \(C-FORMS0329\)](#) form. The Cashier will issue the cardholder with a receipt for the amount received
- notify their Manager who is accountable for ensuring the repayment to Airservices occurs
- follow the instructions on the [Personal Use Credit Card Reimbursement](#) form and process the transaction in ProMaster
- attach the receipt received from the Cashier to the Transaction by User report when submitting their expenses to their approver.

***It is recommended that Airservices credit cards be stored separately to any personal cards to avoid confusion.***

## 10 Cash withdrawals

Cardholders must not use credit cards to withdraw cash unless the cardholder:

- has had a credit card exception requesting ATM withdrawal approved.
- is a petty cash officer in a remote location. (Note that in accordance with the [Petty Cash Management Instruction \(MI-0209\)](#), a petty cash officer who requires cash withdrawal also requires the endorsement of the Financial Accounting & Reporting Manager, Corporate Accounting and Policy Branch).

Cash withdrawal access will only be considered in exceptional circumstances for international travel. All cash related expenses for domestic travel will be managed through the Aircservices reimbursement process.

All Travel related cash withdrawals must be assigned to the approved trip number and reconciled using the [Credit Card Cash Withdrawal Reconciliation Statement \(C-FORMS0328\)](#). The Card Holders immediate manager is responsible for ensuring that any remaining monies be returned to the Cashier within 5 business days of trip completion.

#### **10.1.1.1.1 Cash withdrawals for petty cash officers in remote locations**

Cash withdrawal access for petty cash reimbursements in remote locations must be requested in accordance with the [Petty Cash Management Instruction](#).

## **11 Executive vehicle fleet expenses**

Credit card purchases relating to a vehicle under the Executive Vehicle Fleet scheme are not allowed under any normal circumstances. In emergency situations, credit cards may be used and these transactions must be subsequently approved by the cardholder's General Manager.

All Executive Fleet expenses must be coded to Cost Centre 60071. Access approval to this cost centre code can be obtained by contacting the Advisor, Remuneration & Benefits.

## **12 Supporting documentation**

Cardholders must obtain supporting documentation for all credit card transactions. Tax invoices must be obtained for transactions greater than \$75 (GST exclusive). Tax invoices must comply with the [Goods and Services Tax \(GST\) Guide \(C-GUIDE0429\)](#).

If a tax invoice is misplaced, the cardholder is accountable for obtaining a copy of the tax invoice from the original supplier. The original supplier is obliged to provide the tax invoice within 28 days of the request.

If the cardholder cannot obtain a copy of a tax invoice or receipt they must complete a [Statutory Declaration](#). This document must be included with the credit card 'Transaction by User Report' for the period, for approval by their manager.

If a Statutory Declaration is completed for a purchase over \$75 (gst exclusive) the cardholder must code the expense in ProMaster to tax code 'P2' (no GST) for general expenditure or 'C2' for capital expenditure.

Cardholders must ensure they receive written approval for any credit card purchases they make on behalf of other Cost Centres. For example, this may be an email from the relevant Cost Centre Manager approving the purchase, cost centre and coding.

## 13 Reconciling & acquitting credit card expenditure

ProMaster is the system used by Airservices for processing credit card transactions. Refer to the [ProMaster - Quick Reference Guide: Account Holder \(C-GUIDE0292\)](#) or the [ProMaster Quick Reference Guide: Supervisor \(C-GUIDE0227\)](#) for further operating information. For travel expense reconciliation, refer to [Promaster Travel Planner User Guide \(C-GUIDE0363\)](#) section on 'Acquitting your travel transactions against your travel plan'.

The cardholder must process their credit card transactions within a 4 week period after the credit card statement date in ProMaster. Cardholders with outstanding transactions after this time may have their credit cards withdrawn and/or face alternative disciplinary actions.

The cardholder must ensure:

- all transactions on a travel card are acquitted against an approved travel plan
- all transactions are allocated to the appropriate General Ledger code, Cost Centre code and tax code Taxable components are to be assigned to P1 (GST) and non-taxable components are assigned as P2 (non-GST). For guidance or assistance, please contact Corporate Tax services in the Finance & Corporate branch.
- all expenses include a description of the transaction detail and purpose
- the 'Transactions by User Report' is printed and all supporting documentation is attached.
- The 'Transactions by User Report' must be signed by the cardholder and signed as reviewed by the cardholder's manager.

## 14 Disputed transactions

Cardholders are responsible for monitoring all transactions appearing in their Promaster account to ensure validity and accuracy.

For all disputed credit card transactions, the cardholder is accountable for resolving the matter directly with the merchant or supplier.

Where the cardholder is unable to resolve the dispute with the merchant or supplier, the cardholder is accountable to complete the [ANZ Transaction Dispute Form](#) and fax to ANZ on (03) 9643 8477. Disputes must be lodged no later than 70 days after the statement date of the transaction in question. The Financial Delegate must also be made aware of this situation.

The cardholder's Manager (or appropriate Financial Delegate) must ensure that the above requirements of the cardholder are met before approving any credit card expenditure.

## 15 Credit card security

Cardholders are responsible for the safekeeping of their card and must not lend their credit cards to other staff for use.

Credit cards may be used for online purchasing however it is incumbent on the cardholder to exercise good judgment. This includes ensuring the card details are kept confidential and not transmitted via insecure electronic means such as email or



unsecure vendor websites. Should the cardholder feel the situation could compromise the security of their card, they should reconsider the activity.

When purchasing online, ensure that the URL reads https\|: or a padlock icon appears onscreen prior to entering any information.

Cardholders are responsible for protecting the Personal Identification Number (PIN) assigned to their card and must not reveal it to anyone.

Cardholders are also accountable for the physical security of their card. Refer to item 16 of this operating procedure 'Lost or Stolen Credit Cards'.

## **16 Lost or stolen credit cards**

Cardholders must immediately notify ANZ if their credit card is lost or stolen:

Domestic (within Australia): 1 800 033 844

International: +61 3 9683 7043

Cardholders must also notify the CCS at [creditcard.support@airservicesaustralia.com](mailto:creditcard.support@airservicesaustralia.com) with details of the lost or stolen card and any arrangements that may have been made with ANZ for the card replacement.

## **17 Change in the role of cardholders**

Where a cardholder changes role/position or business group, the Finance Manager and Financial Delegate relevant to their new position must approve that a credit card is still required.

Where it is assessed that the credit card is still required, the new default cost centre and approver need to be updated in the cardholder's profile. These details can be provided to Promaster Support for entry.

Where a credit card is no longer required, the credit card must be cancelled in accordance with Section 8 '[Cancellation of credit cards](#)'.

## **18 Certification**

On a quarterly basis, CCS provides a listing of active credit cardholders to appropriate business group Finance Managers. The Finance Managers are then responsible for ensuring a review of this list for relevancy and currency and notifying CCS of any changes, including card cancellations.

## **19 Documentation**

All credit card documentation must be retained for a total period of seven (7) years. Credit card documentation must be retained within the Business Group for a period of twelve (12) months after the end of the financial year. After this time, the documentation may be archived in accordance with the Records Management Unit (RMU). Refer to the [Archive Lodgement Request Form \(C-FORMS0335\)](#) or contact the RMU for further information.

The following table sets out the accountability for retaining documentation:

Accountability	Documentation to be Retained
CCS	Approved Corporate/Travel Credit Card Applications and Corporate/Travel Credit Card Exception Request forms.
Cardholder's Manager	Approved 'Transaction by User Reports' and all supporting documentation submitted by cardholders.

## 20 Definitions

Within this document, the following definitions apply:

Term	Definition
Travel card	Travel cards may be issued to employees who travel frequently (defined as more than 6 times per year) or who travel internationally, or who travel for a continuous period of 2 weeks or more. Travel cards are to be used for travel expenditure only.
Corporate card	Corporate (purchasing) cards may be issued to employees who are approved purchasing officers within their Business Group. Employees holding a Corporate card may also use their credit card for travel related business expenditure.
Approved purchasing officers	Approved purchasing officers are those staff members within a business group who have been identified as purchasing officers or who have regular credit card purchasing requirements other than travel, ie operating supplies or assets. These people may be issued with a general purchasing credit card if their application is endorsed by their relevant Finance Manager and approved by their Cost Centre Manager and the Manager, Shared Services.
Approved travel plan	All Airservices business travel must be entered into ProMaster as a travel plan which then workflows to the traveller's approver.
Credit card support (CCS)	The internal resource responsible for the administration of credit cards; referred to as CCS in this document.
Exception request	Credit cards are issued with preset spending limits and no cash withdrawal facilities. An exception request must be lodged to change the spend limits or activate cash withdrawal facilities.
Personal expenses	Any purchase made using an Airservices credit card that is not business related.
ProMaster Support	The internal resource responsible for the administration of the expense management tool.
ProMaster	Airservices expense management tool used to reconcile credit card transactions and create travel plans.
Transaction by user report	A report generated from Promaster which lists cardholder transactions for a selected period of time. This report, in conjunction with the supporting documentation, is submitted to their approver for sign off.
Trip number	The unique identifier created by ProMaster for each individual travel plan.

## 21 References

This document contains the following references.

<b>Title</b>	<b>Number</b>
<a href="#">Instrument of Delegation</a>	AA03/2013
<a href="#">Credit Card Management Instruction</a>	MI-0202
<a href="#">Petty Cash Management Instruction</a>	MI-0209
<a href="#">Initial Asset Capitalisation Management Instruction</a>	MI-1602
<a href="#">Goods and Services Tax (GST) Guide</a>	C-GUIDE0429
<a href="#">Hospitality &amp; Entertainment Expenses</a>	C-GUIDE0008
<a href="#">Promaster Quick Reference Guide: Accountholder</a>	C-GUIDE0292
<a href="#">Promaster Quick Reference Guide: Supervisor</a>	C-GUIDE0227
<a href="#">Credit Card Application</a>	C-FORMS0369
<a href="#">Credit Card Exception Request</a>	C-FORMS0237
<a href="#">ANZ Transaction Dispute Form</a>	
<a href="#">Credit Card Cash Withdrawal Reconciliation Statement</a>	C-FORMS0328
<a href="#">Personal Use Credit Card Reimbursement</a>	C-FORMS0329
<a href="#">Archive Lodgement Request Form</a>	C-FORMS0335
<a href="#">Statutory Declaration Form</a>	C-FORMS0245



# **Airservices Australia Board Governance Manual**

**Effective: 1 July 2014**

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## Appendix J Board and Chief Executive Officer Travel and Other Approvals

### J.1 Approvals for Items Relating to the Chief Executive Officer

Item	Approved by
<b>Leave</b>	
Recreation leave	<p>All annual leave must be approved by the Chair prior to leave being taken and work flowed in the system by the Board Secretary.</p> <p>Annual leave may be taken in conjunction with international business travel, but this must be explicitly approved by the Chair.</p> <p>Sick and other leave should be approved post leave being taken by the Chair and work flowed in the system by the Board Secretary.</p>
Sick leave	
Other leave	
<b>Expenditure</b>	
Credit card expenditure	Credit card expenditure should be authorised by the Chair every month and authorised in the Promaster system by the Board Secretary.
Entertainment	<p>Entertainment expenses are largely incurred for the purposes of stakeholder management (including industry forums).</p> <p>All entertainment expenses must be in connection with Airservices business, must be reasonable having regard to the nature of that business, and be in accordance with current Management Instructions.</p> <p>Pre-approval from the Chair is required for expenditure greater than \$10,000 for any one event. Any such request for approval must be in writing and also include a detailed breakdown of the costs for the event, identify the proposed attendees, and clearly articulate how the proposed event is for the benefit of Airservices.</p>
Gifts	The giving and receiving of gifts must be in accordance with current management instructions and in line with the existing management instruction, any gift received worth more than \$100 is to be declared to the Chair.
<b>Travel</b>	
Flights	<p>International travel:</p> <p>To the extent practicable, all international travel by the CEO is to be approved by the Chair using the current "Overseas Visit Proposal" form prior to travel being undertaken and reported regularly to the Board.</p> <p>Travel is limited to business class, unless the Chair considers the travel is urgent and the rest period between arrival and undertaking duty will be inadequate. Wherever possible, travel itineraries are to be planned to ensure that adequate rest periods between arrival and undertaking duty are provided to facilitate business class travel.</p> <p>Domestic travel:</p> <p>Domestic travel does not require approval. However, domestic travel undertaken by the CEO must be reported to the Board at each Board meeting. The report should include details of travel undertaken in the intervening period, including date, purpose, destination and cost. The class of domestic travel for the CEO is to be limited to economy (when travelling between the eastern capitals of Canberra, Melbourne and Sydney) and business class for other routes or on flights of more than 3 hours' duration.</p>
Accompanied travel	Any spouse accompanied travel, be it international or domestic, must be approved by the Chair and be integral to the purpose of CEO travel and, having regard to the purpose of the travel, demonstrably in the interests of the Commonwealth. A limit of one international trip per year is to apply (subject to minor variation in timing by the Chair). All spousal travel is to

Item	Approved by
	<p>be reported to the Board with costs outlined.</p> <p>When the CEO travels accompanied, their spouse or partner is entitled to travel in the same class of travel as the CEO.</p>
Accommodation, car hire etc	<p>Travel expenses will be approved through the credit card expense process post the event.</p> <p>The level of accommodation is based on convenience, such as staying with other delegates presenting at the same conference or proximity to location for a meeting. The cost should not exceed that generally provided for by the Remuneration Tribunal for Board Members.</p>

Note: The Deputy Chair may undertake approvals required by the Chair if the Chair is overseas or otherwise unavailable.

Note: All approvals will be kept by the Board Secretary and may be done by letter, email or fax.

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

**Question no. 7**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Pages:** 9 -10

**Senator STERLE:** Who would know? You have said 'the team'. You have named them. Mr Clark would be on that team. You knew. Mr Hood?

**Mr Hood:** No, I am not.

**Senator STERLE:** He is saying no, so, Ms Staib, you got that wrong. Mr Hood was not on that team?

**Ms Staib:** No; I—

**Senator STERLE:** I suggest you get some notes and tell us who would know.

**Ms Staib:** This is Dr Weaver, who is the—

**CHAIR:** Who is the executive general manager, safety, environment and assurance—new to the role, approximately two years.

**Dr Weaver:** I chair the fraud and ethics committee, which is made up of representatives of the Airservices executive. Other representatives include the chief financial officer and the executive general manager, people and culture.

**Senator STERLE:** Who is that?

**Dr Weaver:** That is Mr Andrew Boyd.

**Senator STERLE:** Is Mr Boyd here? Yes. Great.

**Dr Weaver:** I have chaired that committee since March this year.

**Senator STERLE:** So there are three of you on that who know about that.

**Dr Weaver:** There are also representatives from the rest of the organisation—so the chief auditor; the manager, security and resilience is often in attendance; and other representatives from people and culture.

**Senator STERLE:** You can provide names. That is fine. How many are there all up?

**Dr Weaver:** The key members of the committee are the executive—

**Senator STERLE:** Who would have known—Mr Weaver, very clear, very precise—when I asked the question of Ms Staib at Senate estimates two weeks ago, that there was credit card fraud?

**Dr Weaver:** The people that know of credit card fraud are the members of that committee and the representatives of that committee.

**Senator STERLE:** You have said all that. Tell me how many people—five, 10, half the organisation, 2,000, what?

**Dr Weaver:** To be clear, there will be other people that would know about individual cases of credit card fraud.

**Senator STERLE:** So a lot of people would know?

**Dr Weaver:** About individual cases, it would be quite a small number that would know about each individual case.

**Senator STERLE:** Mr Weaver, do you know how many people?

**Dr Weaver:** I do not know the exact number, no.

**Senator STERLE:** Can you find out for me, please?

**Dr Weaver:** Yes.

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

**Answer:**

Instances of serious credit card misuse are reported to the Fraud and Ethics Committee which has five permanent members:

- Executive General Manager, Safety, Environment and Assurance
- Chief Finance Officer
- Executive General Manager, People and Culture
- Executive General Manager, Projects and Engineering
- Chief Auditor.

The number of people who may know of an individual case will vary depending on the circumstances and may involve staff from security and resilience, human resources, employee relations, legal counsel, in-line managers or senior executive outside of the committee. Matters are always dealt with cognisant of the privacy of the individual and balanced against organisational responsibilities to effectively manage the issue.

The details of the specific case that was raised at the 20 October 2014 Estimates hearing involving a staff member that was dismissed were explained during the in-camera hearing.



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

**Question no. 8**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 13

**Senator GALLACHER:** Just to conclude the previous bit, can you provide the committee with a list of every function that each board member has attended over the last two years at Airservices expense, and the costs associated with their attendance. Can you also please provide details of which members of the executive attended each of those functions and the cost. That concludes my questions on that.

**Answer:**

The costs below include airfares, taxis, meals, function tickets, accommodation and incidentals.

**a) Board Attendance**

<b>Name</b>	<b>Dates</b>	<b>Events</b>	<b>Destination/s</b>
<b>2013</b>			
Tony Mathews	March	Avalon Air Show	Melbourne
Paul Lucas	March	Avalon Air Show	Melbourne
Jude Munro	March	Avalon Air Show	Melbourne
Samantha Betzien	March	Avalon Air Show	Melbourne
Angus Houston	March	Avalon Air Show	Melbourne
Warren Mundy	March	Avalon Air Show	Melbourne
<b>Total Cost</b>		<b>\$8,280.00</b>	

Angus Houston	September	CEW Dinner	Sydney
<b>Total Cost</b>		<b>\$970.00</b>	

David Burden	November	Waypoint	Canberra
Fiona Balfour	November	Waypoint	Canberra
<b>Total Cost</b>		<b>\$2,381.00</b>	

<b>2014</b>			
Tony Mathews	September	Waypoint	Canberra
Paul Lucas	September	Waypoint	Canberra
David Marchant	September	Waypoint	Canberra
Tim Rothwell	September	Waypoint	Canberra
Sam Betzien	September	Waypoint	Canberra
<b>Total Cost</b>		<b>\$8,950.00</b>	

Sam Betzien	September	CEW Dinner	Sydney
<b>Total Cost</b>		<b>\$1,579.00</b>	

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

**b) Executive Attendance**

<b>Name</b>	<b>Dates</b>	<b>Events</b>	<b>Destination/s</b>
<b>2013</b>			
CEO	March	Avalon Air Show	Melbourne
EGM C&IA	March	Avalon Air Show	Melbourne
EGM FSD	March	Avalon Air Show	Melbourne
EGM SAFETY	March	Avalon Air Show	Melbourne
EGM ARFF	March	Avalon Air Show	Melbourne
EGM P&E	March	Avalon Air Show	Melbourne
EGM ENVIRONMENT	March	Avalon Air Show	Melbourne
<b>Total Cost</b>		<b>\$5,643.53</b>	

EGM ARFF	September	CEW Dinner	Sydney
EGM ATC	September	CEW Dinner	Sydney
EGM P&E	September	CEW Dinner	Sydney
GM LA	September	CEW Dinner	Sydney
CEO	September	CEW Dinner	Sydney
<b>Total Cost</b>		<b>\$3,680.25</b>	

EGM C&IA	November	Waypoint	Canberra
<b>Total Cost</b>		<b>\$43.46</b>	

<b>2014</b>			
EGM ATC	September	Waypoint	Canberra
<b>Total Cost</b>		<b>\$344.00</b>	
EGM C&IA	September	CEW Dinner	Sydney
EGM P&C	September	CEW Dinner	Sydney
CFO	September	CEW Dinner	Sydney
EGM FSD	September	CEW Dinner	Sydney
EGM P&E	September	CEW Dinner	Sydney
GM LA	September	CEW Dinner	Sydney
CEO	September	CEW Dinner	Sydney
EGM SE&A	September	CEW Dinner	Sydney
<b>Total Cost</b>		<b>\$5,101.13</b>	

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

**Acronyms**

CEO	Chief Executive Officer
CFO	Chief Financial Officer
EGM C&IA	Executive General Manager, Corporate and Industry Affairs
EGM FSD	Executive General Manager, Future Service Delivery
EGM SAFETY	Executive General Manager, Safety
EGM ARFF	Executive General Manager, ARFF
EGM P&E	Executive General Manager, Projects and Engineering
EGM ENVIRONMENT	Executive General Manager, Environment
EGM ATC	Executive General Manager, Air Traffic Control
GM LA	General Manager, Learning Academy
EGM P&C	Executive General Manager, People and Culture
EGM SE&A	Executive General Manager, Safety, Environment and Assurance

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

**Question no. 9**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 14

**Senator GALLACHER:** Can you advise this committee of the capital cost of each fire station that has been built over the last five years? More particularly, how many of them have you done on budget? We probably deal with about \$2 billion worth of expenditure in the Public Works Committee, and we get used to looking very quickly at passing the ones who have a proven track record of getting their budgets right, having the contingency right and, most importantly, giving us a post implementation report which ticks it off and says, 'job well done'. You might need to take that on notice.

**Answer:**

There have been a total of eight new fire stations under construction in the past five years. This includes both the interim and permanent facilities at Port Hedland.

Perth was completed in 2011, and exceeded budget by \$0.67m (7.8%).

Broome (combined ATC and ARFF facility) was completed in 2012 and exceeded budget by \$0.08m (0.39%).

Newman was completed in 2014. The project is now in closure with an expectation that the budget will be underspent by \$1.86m (14.0%).

Gladstone was completed in 2014. The project is now in closure with an expectation that the budget will be underspent by \$1.06m (10.3%).

Coffs Harbour and Ballina are nearing completion with a forecast project cost at completion under the approved budget.

Port Hedland permanent facility is nearing completion however the builder recently entered liquidation. The expectation is that total project cost for Port Hedland (including the interim facility) will be within the approved budget.

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

**Question no. 10**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 16

**CHAIR:** Just pausing there—because this note I have has your name attached—can you tell us how much it costs to do those changes? Is it a fairly generous deal, in terms of money, that Thales get out of whatever they do? Could you please give us the financial details of Thales's arrangement.

**Mr Rodwell:** I would need to have a look at that.

**Answer:**

The Australian Advanced Air Traffic System (TAAATS) contract with Thales Australia Limited was executed on 7 February 1994 and expires on 31 December 2018 with an option to extend as Airservices directs. The contract includes strict provision relating to the disclosure of commercial- in-confidence information, including financial information.

The contract is for the design, development, supply, installation and support of a fully operational integrated Air Traffic Control System and the Interim Radar Display Systems. Airservices pays an annual Sustainment Fee for the Hardware and Software Sustainment Services on a fixed fee basis, reviewed annually, last reviewed 30 June 2014.

Any changes to the contract are administrated via a Contract Variation Process (CVP). A change to the Air Traffic Control System follows the System CVP process and any variations that are not a change to Air Traffic Control System, follows the Non System CVP process under the contract.

The System CVP process such as the recent Eurocat Hardware Life Extension (EHLE) follows a 3 phase approach:

- a) The Pre-CVP phase for initiating the CVP to establish the requirements
- b) The Design Phase to establish the design solution on a time and materials basis
- c) The Implementation Phase to implement the design established through the Design Phase CVP, executed on a fixed price basis.

To ensure value for money is achieved, the CVP for the implementation of the EHLE project contains an “open book” arrangement where Airservices has the ability to establish the basis and breakdown of the Thales quoted costs and payments that are fixed to completion of contract milestones.

The Non System CVP process, such as the recent contract review, follows the process below:

- a) Either party may propose a variation by way of a Change Request under the contract
- b) A contract variation proposal is supplied to Airservices by Thales
- c) The contract variation proposal is executed.

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

**Question no. 11**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 16

**Ms Bennetts:** Yes, I am the executive general manager for the Aviation Rescue and Fire Fighting group. This is my first appearance.

**CHAIR:** Close to Greg Russell, it says here. You have been to Harvard, they tell me.

**Ms Bennetts:** Last year, in 2013, I attended for one week.

**CHAIR:** How much did that cost?

**Ms Bennetts:** I cannot recall off the top of my head.

**CHAIR:** Do you want to take that on notice?

**Ms Staib:** Yes.

**Answer:**

The course cost to attend the Harvard Business School was \$14,759.

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

**Question no. 12**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Pages:** 16-17

**CHAIR:** Yes, he is up here. How was the French business school, Mr Clark?

**Mr Clark:** When you say, 'How was it?' what do you mean precisely?

**CHAIR:** What did you get out of it?

**Mr Clark:** It was a rich learning opportunity over a four-week period.

**CHAIR:** How much did that cost?

**Mr Clark:** I would have to take that on notice.

**CHAIR:** Just rough it.

**Mr Clark:** Roughly—and I will clarify it along with Ms Bennetts's costs—something in the order of 30,000 to 40,000 euros.

**Answer:**

The course cost for the Instead Program in France was €32,000.

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

**Question no. 13**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 17

**CHAIR:** I am advised that there is a culture of getting the most out of things, such as the 2012 Texas ICAO—what does that stand for?

**Ms Staib:** That is the International Civil Aviation Organization. It is a part of the UN.

**CHAIR:** A visit, where a current manager only attended allegedly two days of an approved five-day working group, and he left to places unknown for the rest of the time for unknown activities.

**Ms Staib:** I am not aware of that situation.

**CHAIR:** Could you find out who went to that conference Texas in 2012 and get back to us?

**Senator XENOPHON:** Perhaps the fairer way—I am not saying you are being unfair in the question, but perhaps it would be appropriate to find out: firstly, whether someone attended; secondly, what they were supposed to go for; thirdly, whether there was a diary.

**CHAIR:** All of that.

**Senator XENOPHON:** It could be that, if the conference was on a Friday and a Monday and there was nothing happening on the Saturday or Sunday, that might explain part of that.

**CHAIR:** It says, 'Only attended two days of an approved five-day working group'.

**Senator XENOPHON:** Well then, presumably the person had—

**CHAIR:** Anyway, there you go.

**Ms Staib:** I take on board what Senator Xenophon is saying, so we will go back and have a look at that. We have a process of approval for overseas visits. I sign off on those, and the people who travel have to submit a report after the fact. This particular conference was, as you say, in 2012. I will have to go back and check, because I was not here.

**Answer:**

Our records do not show attendance at an ICAO conference in Texas in 2012 by any Airservices staff.

In mid 2011, the former Executive General Manager, Aviation Rescue Fire Fighting (ARFF) and the ARFF Manager, Quality Assurance and Capability were observers to a meeting of the ICAO Aerodromes Rescue and Fire Fighting Working Group (RFFWG) in Dallas, Texas.

The pre-planned visit schedule included attendance at two days of the conference as well as a series of engagements in the US and UK with overseas counterpart ARFF providers.

Approval and post visit reporting processes were complied with.



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

**Question no. 14**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Pages:** 17-18

**Senator GALLACHER:** I just have one capping question on what we have just discussed. We are here as the representatives of the 90 million passengers. Have the Commission of Audit, the competition review or airline representatives raised any concerns about the cost of Airservices' capital works and the matters that have just been raised? I would like to get that on notice. I want to know if the Commission of Audit, the competition review or the airlines, who ultimately you bill, have raised concerns about the matters we have just raised?

**Answer:**

Airservices capital program has expanded in response to a significant increase in volumes of activity over the last five years. We ensure that the capital program is aligned to industry expectations and targets improvements/enhancements in consultation with industry.

Airservices meets regularly with airline representatives through a number of Airservices-led operational and commercial forums. The status of the Airservices capital works program is reviewed quarterly with airline representatives at the Airservices Pricing Consultation Committee (PCC). During the PCC meetings Airservices provides information on the delivery of the capital works program and business cases on upcoming projects of significance. Typical questions raised by the airline representatives at PCC meetings include performance of project budget and schedule, and the specifics of benefits to be delivered by proposed projects. Airservices answers these questions during the PCC meetings or on notice in the form of action items for subsequent meetings. Recent questions raised by airline representatives at the PCC meetings include:

- seeking more information about the new Air Traffic Management system being jointly purchased with the Department of Defence and dependent activities
- the need for additional fire stations at regional airports.

The capital works program continues to remain within the funding envelope as agreed with airlines through the five year Long Term Pricing Agreement (LTPA) process, which is overseen by the Australian Competition and Consumer Commission (ACCC).

The Commission of Audit report in 2014 recommended that an independent review be undertaken of Airservices Australia with a particular focus on the scope of its activities as well as its planned capital expenditure program.

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

**Question no. 15**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 18

**Ms Staib:** There were pay rises agreed in those enterprise agreements.

**Senator XENOPHON:** Above the 1½ per cent that the government has been talking about?

**Ms Staib:** Yes.

**Senator XENOPHON:** Above 1½ per cent to what degree?

**Ms Staib:** It was about, from my recollection—and I can get the detail—3.9 per cent.

**Senator XENOPHON:** Was it 3.9 per cent? You are aware of the blue Senator Lambie is having with the government over Defence pay: Defence is limited at 1.5 per cent, and your employees are at 3.9 per cent. I am not begrudging them that; I am just trying to understand how that got through and whether there was any input from Treasury and Finance in respect of that?

**Ms Staib:** There was not, to my recollection—noting that the employees of Airservices are not employed under the Public Service Act; they are employed under the Air Services Act.

**Senator XENOPHON:** Right. So you do not feel any con—

**Senator GALLACHER:** My understanding, from reading your financial reports, is that you get a billion and a bit and you spend in excess of \$550 million on employee expenses. Is that correct, Mr Clark?

**Mr Clark:** Rough orders of magnitude, yes. Staff costs make up about 75 per cent of our total cost base.

**Senator GALLACHER:** Thank you.

**Senator XENOPHON:** Okay. I will not take that any further, but could you provide some details on notice in respect of that, because it is an interesting issue.

**Answer:**

The context in which the information was provided is that all four of Airservices enterprise agreements were negotiated under the previous Government. At the time of negotiation Airservices complied with the objectives of the previous Government's workplace bargaining policy. All enterprise agreement remuneration packages were consistent with market salary and were fully costed by Airservices at the time.

Airservices intention is to comply with the current Governments workplace bargaining policy framework.

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

**Question no. 16**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 18

**Senator XENOPHON:** Going to issues of LAHSO, I think I wrote to you, Ms Staib, on 4 November after raising these issues in estimates with you. To recap to the many thousands of people listening to this right now, LAHSO relates to land and hold short operations, and that relates to circumstances where there are cross-runways—is that correct? I think you explained it well in your letter to me of 13 November in response to my letter, and I will seek to tender those if I may, Chair. You do not have an issue with that? I think Senator Heffernan, Senator Sterle, Senator Gallacher and Senator Fawcett all had copies of the letter I sent to you, so perhaps we can put the letter on notice.

**Answer:**

See attachment.



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Senator Nick Xenophon  
Senator for South Australia  
Parliament House  
Canberra ACT 2600

Dear Senator Xenophon

### **Land and Hold Short Operations**

Thank you for your letter of 4 November 2014 in relation to Land and Hold Short Operations (LAHSO) at Melbourne Airport.

LAHSO is an internationally recognised procedure that is subject to stringent safety standards and training requirements. It has been in use in Australia for more than 20 years and continues to be used for safe and efficient air traffic management in countries such as the United States and Canada to reduce congestion and delay during periods of high traffic demand.

LAHSO involves the simultaneous use of two crossing runways in situations where the runway intersection is a very long distance from the landing threshold such that pilots are able to ensure they can "hold short" of the crossing runway when landing. The procedure is only available to operators who have provided specific training to pilots and received authorisation from the Civil Aviation Safety Authority (CASA) to participate.

We have looked closely at the issue you have raised in relation to crosswind and downwind limitations for LAHSO at Melbourne. At the request of industry, in 2010 Airservices developed a safety case to support an increase to the Aeronautical Information Publication (AIP) crosswind limitations at Melbourne for the runway not subject to the hold short instruction. The proposal was supported by industry at the time, because most aircraft operating scheduled services in Australia are certified for higher crosswind capability than 20 knots. CASA sought additional evidence of control effectiveness in its consideration of the proposal and industry subsequently decided not to pursue the change. The related exemption from the AIP requirement was therefore not sought by Airservices. A copy of that safety case (incorporating relevant risk assessments) is included at **Attachment A**.

Airservices is currently undertaking a review of LAHSO operations including the concerns that you have raised about a pilot reporting recent changes to operations at Melbourne. The initial review of operational documentation has established that as the AIP requirements permit a pilot to request any runway irrespective of wind conditions, there may be potential for confusion. An operational directive has been issued to air traffic controllers reinforcing the crosswind and downwind limitations for LAHSO to clarify any potential ambiguity. A copy of this instruction is included for your information at **Attachment B**.

Safety is Airservices highest priority and I thank you for raising your concerns with me. I would welcome an opportunity to meet with you and the pilot you mentioned in your letter should you wish to discuss this further.

Yours sincerely

Margaret Staib  
Chief Executive Officer  
13 November 2014

Attachment A: Safety Case for Melbourne Crosswind Exemption  
Attachment B: Operational Instruction to Air Traffic Controllers



AIRSERVICES AUSTRALIA

**Airport Capacity Enhancement Project  
Melbourne Runway Nomination Crosswind Increase  
Exemption from MOS Part 172  
All Phases Safety Case**

NAME AND POSITION	SIGNATURE	DATE
<b>Prepared by:</b> [REDACTED] <b>Position: Project Safety Specialist</b>	Original Signed	21/12/2010
<b>Proposed by:</b> [REDACTED] <b>Position; Programme Manager</b>	Original Signed	21/12/2010
<b>Accepted by:</b> [REDACTED] <b>Senior ATC Specialist</b>	Original Signed	21/12/2010
<b>Accepted by:</b> [REDACTED] <b>Manager CSI</b>	Original Signed	21/12/2010
<b>Accepted by:</b> [REDACTED] <b>SDL Manager ECSS</b>	Original Signed	22/12/2010
<b>Approved by:</b> [REDACTED] <b>General Manager, ATC</b>	Original Signed	23/12/2010
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**iii List of Acronyms**

Acronym	Meaning
ATC	Air Traffic Control
ATM	Air Traffic Management
ATS	Air Traffic Service
ICAO	International Civil Aviation Organisation
LAHSO	Land and Hold Short Operations
MOS	Manual of Standards
ORA	Operational Risk Assessment
SDL	Service Delivery Line
TAS	Technology and Asset Services
TNA	Training Needs Analysis

## 1. Background

ICAO Document 4444 (PANS-ATM) recommends in Para 3.1.4, that to enhance ATC capacity the appropriate ATS authority should:

- Periodically review ATS capacities in relation to traffic demand; and,
- Implement steps aimed at maximising the use of the existing system capacity; and,
- Develop plans to increase capacity to meet the actual or forecast demand.

Runway capacity at a number of Australian capital city airports is at a premium during peak periods and is the scarcest ATM resource. There are no capital city runway infrastructure programmes scheduled, other than Brisbane Airport for 2020, that will provide additional capacity in the next 10 years.

Lack of airport capacity at a number of airports, particularly during peak traffic periods, is a serious challenge to the growth of Australian air transport.

Improved runway efficiency and maximised runway capacity is fundamental to supporting ATC ability to optimise the National Airspace System.

Airservices Australia has initiated an Airport Capacity Enhancement (ACE) project to study airport operations at five major airports and report back to the airlines, airports and Airservices Australia management on possible efficiency enhancements.

Melbourne ATC had previously recognised the limitations imposed on the nomination of RWY 27/09 and RWY 34 for LAHSO<sup>1</sup> and other operations by the 20 knot crosswind limit in MOS 172. Because work has already been done to achieve airline stakeholder agreement for an increase in the crosswind limit to 25 knots, this proposal is now being facilitated through the ACE project.

While ICAO PANS/ATM Doc.4444 is silent on a crosswind limit for runway nomination for reasons other than noise abatement; the Manual of Standards Part 172 - Air Traffic Services specifies criteria for ATC nomination of runways at controlled airports. Paragraph 10.3.1 specifies that controllers must not nominate a runway for use, if an alternative runway is available, when the cross-wind component, including gusts, exceeds 20 knots.

Most aircraft operating scheduled services in Australia have a certified cross-wind capability in excess of 20 knots.

During peak traffic periods at Melbourne airport, ATC nominates a runway mode to deliver optimum movement rates for the prevailing conditions.<sup>2</sup> The specified cross-wind restriction often results in the nomination of a less efficient runway mode leading to airborne delay for inbound aircraft and on ground delay for departing aircraft.

The resultant delay causes airline schedule disruption, additional fuel burn, operational inefficiencies and additional greenhouse gas emissions.

<sup>1</sup> LAHSO requires an aircraft landing on a crossing runway to hold short of the other crossing runway (the active participant) in order for operations to continue on the other runway (the passive participant) without the need for ATC sequencing. The procedure effectively shortens the landing run available to the active aircraft "holding short". Therefore it is confined to operators who have trained their pilots and sought approval from CASA.

<sup>2</sup> AIP DAP Melbourne NAP. Note 4 states: Higher capacity modes may be used during peak periods when significant airborne delay would occur.

## 1.1 Safety Activities

A [ML XW Part 172 SCARD](#) (Appendix 1) was prepared that determined that a safety statement was sufficient. However, because an exemption from the Manual of Standards Part 172 is being sought, safety case documentation is being prepared.

Pursuant to this determination an [ACE ML XW Increase Safety Plan PDF Copy](#) (Appendix 2) was created detailing the actions that will be taken to ensure that safety is not compromised by the trial exemption from MOS Part 172.

## 2. Purpose

This safety case will provide an argument and evidence that seeking a trial exemption to the Manual of Standards Part 172, so that Air Traffic Control at Melbourne airport may nominate runway modes which deliver optimum movement rates with a crosswind component including gusts, up to 25 knots on a dry or damp runway, will not adversely affect the safety of operations at Melbourne Airport.

This argument will contain evidence of consultation and hazard determination with ATC, airline, and, where necessary, airport staff. As all of the risk associated with crosswind landings is borne by the pilot in command, the successful argument will hinge around airline support for an increased crosswind for runway nomination.

## 3. Scope of the change

### 3.1 The Current Requirements

#### 3.1.1 Crosswind Rules for RWY Nomination

Currently CASR Part 172 MOS Version 1.5 August 2010 requires that ATC not nominate a runway for use if the crosswind exceeds 20 knots, including gusts.

#### Part 172 MOS

##### 10.3.1 Selection of Runway in Use

10.3.1.1 Use of other than nominated runways. Controllers must not nominate a particular runway for use if an alternative runway is available, when:

- (a) for runway conditions that are completely dry:
  - (i) the cross-wind component, including gusts, exceeds 20 kt;
  - (ii) the downwind component, including gusts, exceeds 5 kt.
- (b) for runway conditions that are not completely dry;
  - (i) the cross-wind component, including gusts, exceeds 20 kt;
  - (ii) there is a downwind component.

The Manual of Air Traffic Services (MATS) provides the rules that relate to the provision of Air Traffic Services to Air Traffic Controllers (ATC). MATS Para 12-15-

230 details the rules for ATC selection of the runway in use, when another runway is available, reflecting the criteria contained in the MOS.

### ***Selection of Runway in Use***

#### ***MATS 12:15:230 Crosswind/downwind limitations***

*Do not nominate a runway for use when:*

<b><i>Runway Conditions</i></b>	<b><i>Wind</i></b>
<i>Completely dry</i>	<i>Crosswind exceeds 20 KT including gusts</i>
	<i>Downwind exceeds 5 KT including gusts</i>
<i>NOT completely dry</i>	<i>Crosswind exceeds 20 KT including gusts</i>
	<i>There is a downwind component</i>

### **3.1.2 Melbourne Runway Modes**

A number of runway modes at Melbourne airport provide higher capacity during peak periods. The following runway modes provide greater capacity than traditional single runway, into wind operations:

- **27/34 LAHSO:** Provides for maximum arrival rate by allowing, for specified aircraft, simultaneous landing on runways 27 & 34. Departures are processed from RWY 27.
- **09/34 LAHSO:** Provides a comparable arrival rate to 27/34 LAHSO, allowing simultaneous landing on runways 09 & 34. Departures are processed from RWY 34. Departing traffic may experience delay in this mode due to conflicting traffic landing on RWY 09.
- **16 ARR/27 DEP:** Landing aircraft use RWY 16 and departing aircraft use RWY 27. Apart from the occasional long haul departure, landing aircraft are unencumbered by departing aircraft, resulting in an improved arrival and departure rate.
- **27/34 DEP/27 ARR:** Provides 2 runways for departures and allows optimum departure tracking for the majority of aircraft (RWY34 for aircraft to the north & east, RWY27 to the south & west). This mode does not accommodate peak arrival periods.

During peak traffic periods at Melbourne airport, ATC endeavors to nominate the runway mode to deliver optimum movement rates for the prevailing weather conditions. The specified cross-wind restriction often results in the nomination of a less efficient runway mode leading to airborne delay for inbound aircraft and on ground delay for departing aircraft.

The proposed change will allow the extended availability of runway modes at Melbourne airport which support higher traffic throughput during peak periods.

### 3.1.3 Land and Hold Short Operations (LAHSO)

LAHSO for authorised aircraft & pilots, permit operations by an aircraft landing on one runway and another aircraft either taking off or landing simultaneously on a crossing runway, subject to the provisions of LAHSO.

In Melbourne, LAHSO is available on runways 27 & 34 or runways 09 & 34 and delivers the maximum arrival capacity. The participating aircraft are classified as either

- Active - required to hold short of the crossing runway, or
- Passive - unrestricted use of the crossing runway

Active participation is specifically limited to runways where the crosswind component, including gusts, does not exceed 20 KT. Downwind must not exceed 5 knots on a dry runway or zero knots on a damp or wet runway.

For passive participation, there is no specified LAHSO crosswind or downwind restrictions; however the rules of runway nomination still apply.

For example, a pilot can offer to land in a passive LAHSO role with a 30 knot crosswind even though the runway is not nominated. However a pilot cannot be authorised to land in the active LAHSO mode if the crosswind exceeds 20 knots.

## 3.2 Proposed Change

The proposal is to seek from the Civil Aviation Safety Authority (CASA) a dispensation against the Manual of Standards, giving approval for a trial as detailed below and agreed to by the participating airlines (See Section 8):

1. ATC may nominate higher capacity runway modes at Melbourne airport with crosswind, including gusts, up to and including 25 knots under the following conditions:
  1. for a trial period of 12 months
  2. during peak traffic periods
  3. only when the runway is DRY or DAMP

Note: AIP 60.2.1 describes a runway as DAMP<sup>3</sup> when the surface shows a change of colour due to moisture.

2. Active participation in LAHSO will continue to be restricted to runways where the crosswind component, including gusts, does not exceed 20 KT.
3. ATC procedures related to runway nomination & allocation for arriving & departing aircraft, apart from the amended crosswind criteria, will remain unchanged.
4. Responsibility for safety of the aircraft, including crosswind operations & limitations, remains with the pilot in command. Within safe crosswind

<sup>3</sup> The project has been advised by OI&C ( ) that DAMP, as a runway condition, may one day not be included. If that change occurs and the new definitions of WET, DRY and CONTAMINATED become available a review will be required.

limitations (to be assessed and determined by the pilot in command), flight crew are expected to comply with the runway nominated by ATC.

5. Aircraft with operational requirements, as advised by the pilot in command, for a runway other than that nominated by ATC will be afforded the same priority when sufficient notice is provided. Notification requirements are:
  - a. Arriving aircraft: prior to 120 NM
  - b. Departing aircraft: prior to push back
6. Aircservices will promulgate a Notice to Airmen (NOTAM) about the increased crosswind component trial.

MELBOURNE (YMML)  
 C0/00  
 RWY NOMINATION TRIAL BY ATC  
 CROSSWIND COMPONENT INCREASED TO 25 KTS FOR DRY AND DAMP RWY  
 IF NOT OPR SUITABLE PILOT TO ADVISE ATC "REQUIRE RUNWAY....."  
 REF AIP ENR 1.1-10 PARA 4.5 AND 4.6, ENR 1.1 - 28 PARA 14.2  
 FROM ..... TO ..... EST

7. An AIP SUP will also be published to provide an explanation of the change and detail ATC & pilot procedures.
8. Subject to CASA approval, the trial is scheduled to commence in March 2011. Approximately one month's notice will be provided prior to the trial's official commencement date.

### 3.3 Operational Benefits

The increased opportunity to nominate a higher capacity runway mode will lead to less delay. This in itself can be considered a safety enhancement as it reduces pilot frustration and holding pattern flying. Environmentally it reduces fuel burn which in turn reduces pollution.

For example, a wind of 340/20-25 kts would currently require the nomination of RWY34 for arrivals & departures. The typical outcome during a peak morning arrival period would be an average of 6 minutes airborne delay and a peak delay of 18 minutes. Departing aircraft would also experience on-ground delay.

Under the proposed change, ATC would nominate 27/34 LAHSO which would typically generate an average of 2 minutes delay and a maximum of about 7 minutes. Opportunities for departing aircraft are also increased with this mode resulting in less on-ground delay.

A similar but non-LAHSO example is a wind of 190/25 which would currently require nomination of 16 for both arrivals and departures resulting in a reduced movement rate. The proposal would allow the nomination of 16 for arrivals and 27 for departures, so increasing the movement rate.

Based on historical wind data, the combined availability of higher capacity arrival modes is conservatively estimated to reduce airborne delay for arriving aircraft by 85 hrs per year.

This equates to a reduced fuel burn of 227,217 kg and an associated reduction in CO2 production of 718,006 kg.

The availability of higher capacity modes significantly reduces schedule disruption due to air traffic management delay to both arriving & departing traffic. Single runway operations can lead to airborne & on ground delay in the vicinity of 10 to 20 minutes for a number of aircraft in each peak period.

### **3.4 Service Provision**

The change does not affect the Airservices Australia provider certificates or schedules however the Part 172 MOS and MATS contain the runway nomination criteria and will need to be waived during the trial and eventually changed.

### **3.5 Business Groups, Service Delivery Lines, Business Branches and Units**

The change will affect ATC Group SDL East Coast Services South, specifically the controllers from Melbourne Approach, Melbourne Tower and the adjacent en route sectors servicing Melbourne airport.

### **3.6 Systems, Facilities and Equipment**

There is unlikely to be any affect on systems, facilities and equipment.

### **3.7 People and Associated Procedures**

There is unlikely to be any affect on people though it is likely that workload may be redistributed because less holding can be expected. This increases terminal area activity although current traffic metering will continue.

Other than to allow a waiver to MOS and MATS, procedures will not change.

## **4. Assumptions, Constraints and Dependencies**

### **4.1 Assumptions**

- Responsibility for the safety of the aircraft, including crosswind operations & limitations, remains with the pilot in command. Operational requirements, as advised by the pilot in command, for a runway other than that initially allocated will be accommodated by ATC.
- ATC procedures for aircraft arriving & departing from Melbourne will remain unchanged. These procedures include:
  - Runway mode selection (excluding crosswind criteria)
  - Airspace structures
  - Clearance delivery, SID and departure runway allocation
  - STAR & arrival runway allocation
  - MAESTRO operations
  - Land and Hold Short Operations (LAHSO) and runway allocation
  - Management of non-duty runway operations
  - Auto-release for departing aircraft

## 4.2 Constraints

- If a significant number of operators refuse the allocated runway because of the increased crosswind component, the operational efficiencies of this change will be significantly reduced and the complexity of ATC operations increased.
- Ongoing monitoring & assessment of this aspect of the change will be an important component of the trial.
- Civil Aviation Safety Authority approval of the change.



## 4.3 Dependencies

- Agreement from the airlines using Melbourne airport

## 5. Responsibilities


Title	Responsibility
Project Sponsor: [REDACTED]	Go/No-Go decision on Project Safety Document Approvals
Manager Strategic Operational Initiatives [REDACTED]	Project Oversight
Project Director/Manager [REDACTED]	Overview and monitoring of process to ensure completion of the project within the constraints of safety, time, cost and scope with ongoing reporting.  Sponsorship and processing of project plans through the approvals process  Development, monitoring and approval of Project Plan  Monitoring and review of Risk Register
Project ATC Operational Specialist: [REDACTED]	Development of requirements and plans for implementation of the agreed technical proposal, including Delivery and Transition Plan  Identification of technical hazards and development of controls and safety requirements  Assist with development of communication, risk and training plans  Liaison with ATC, TAS and other branches as necessary



<b>Subject Matter Experts:</b> 	Development of operational documentation and procedures  TNA Development and delivery of Training  Participation in Hazard Identification Workshops  Endorsement of Staff
<b>Safety Specialist:</b> 	Facilitate the preparation of Safety Plans, Safety Assessment Reports or Safety Case in accordance with the SMS  Facilitate Hazard identification workshops  Interact and liaise with Safety Management group sections  Liaison with CASA, through Regulatory Services, regarding regulatory issues




## 6. Consultation and Communication

### 6.1 General

 initiated discussions about extension of the use of LAHSO by increasing the cross wind limit; however consultation and communication was aimed at ensuring that all stakeholders including Melbourne ATC, airlines and the airport were aware of the issues. The issues of safety versus efficiency; in particular that the airlines accepted the increased crosswind requirements were canvassed, to ensure that the overall level of safe operations at Melbourne airport would not deteriorate.

External consultation was limited to email and telephone exchanges due to the limited nature of the change and that there would be minimal changes for ATC and participating airlines. (For responses see Appendix 3 ML XW Increase Communications Log and Section 8.3.3)

### 6.2 Consultation and Communication Process

- Feb 2010:  ATM Performance Group raised a concern that, when weather conditions at Melbourne lead to single runway operations, the reduction in capacity is problematic to airline scheduling & on-time performance.
- June 2010: Melbourne Airport Capacity Enhancement Report seeks to explore changes to wind parameters which will potentially deliver extended periods of higher capacity runway modes.
- Sept 2010: discussions with  about a trial to increase the allowable crosswind component at Melbourne
- Sept 2010: discussion with , CASA ATS Specialist, about a Melbourne trial with increased crosswind component. Airservices to develop a proposal for CASA consideration.

- Sept 2010: meeting and workshop with Melbourne TWR ([REDACTED]) & TCU ([REDACTED]) and ACE Project Team to develop options for Melbourne trial. Agreement reached about the proposal.
- Oct 2010: detailed proposal, in the form of a discussion paper, developed for consideration by Melbourne ATC.
- Oct 2010: ATC HAZID ([REDACTED]) (ML TCU), ([REDACTED]) (ML TWR) and ECS South En Route was represented by [REDACTED].
- Oct -Nov 2010: Consultation with Melbourne airline operators – [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED] and International airlines. Discussion Paper provides details of the proposal and offers options to assist with reaching agreement on the proposal to be presented to CASA.
- Oct 2010: Consultation with Melbourne Airport represented by [REDACTED], GM Strategy, Asset & Planning, & [REDACTED], Airfield Mgr.
- Nov 2010: Consultation with [REDACTED], National Manager AIS, regarding industry promulgation requirements. Agreement that AIP SUP & a NOTAM will meet communication objectives.
- Nov 2010: Consultation with ATC Continuous Service Improvement (CSI) Mgr, [REDACTED], to ensure proposal does not conflict with national standardisation objectives. CSI Unit supports the proposal.
- Nov 2010: Preliminary briefings to [REDACTED], GM Safety & Assurance, [REDACTED], Mgr OI&C, [REDACTED], ATS Integrity Mgr, and [REDACTED], Regulatory Services Mgr.
- Dec 2010: Email from [REDACTED], Airfield Mgr, Melbourne Airport, supporting increase crosswind proposal.
- Dec 2010: Preliminary discussion with CASA Mgr Airways & Aerodromes, [REDACTED], detailing proposal and gaining an understanding of the activities required to gain approval. Offered to be available to provide briefing to CASA representatives.
- Dec 2010: Communication with RAPAC & [REDACTED] detailing the proposal.
- Dec 2010: Airservices' Safety Management review of proposal & documentation.
- Dec 2010: Present Safety Case to CASA

## 7. Design Process

There were a number of design elements involved in decisions regarding crosswind operations:

- This enhancement was designed to maximise the availability of runway modes at Melbourne airport which in turn will deliver optimum capacity during peak periods
- Airline representatives were asked to consider the options available (see Section 8.3.3.1)
- The trial will be implemented so that, apart from the change in the crosswind component, all other ATC operating procedures for aircraft operating in and out of Melbourne remain unchanged.
- Under law, the Pilot in Command is responsible for the safety of the aircraft, including the determination of crosswind operating limitations. Existing ATC

procedures safely and efficiently accommodate aircraft operational requirements for changes of runway. This will not change.

- Aircraft manufacturers design aircraft to land in accordance with regulations agreed internationally. CASA certifies aircraft for operation in Australia in accordance with manufacturers' specifications and requirements laid down by CASA and the certifying agency in the aircraft's country of manufacture.
- The crosswind landing capabilities of each aircraft type is published in the aircraft manuals and each pilot knows their own personal allowed crosswind limit.
- ICAO does not publish a general crosswind limit for runway nomination although limits pertaining to specific operations (not applicable to this operation) are published. CASA regulates Australian ATC operations through the Part 172 MOS.
- There are many airports in Australia where alternative into wind runways do not exist so landing with crosswinds in excess of 20 knots is not an unusual practise.
- The agreed design was then detailed in an "Agreed Procedures" document that was circulated for signature and signed by the Airservices Manager in Melbourne, [REDACTED]. (see Section 8.3.3.2)

- 7.1 Design Safety Management Activities**
- 7.2 Design Hazards, Controls and Safety Requirements**
- 7.3 Design procedures and Standards**
- 7.4 Design Limitations and Shortcomings**
- 7.5 Design Authorities**
- 7.6 Design Safety Management Activities**
- 7.7 Design Hazards, Controls and Safety Requirements**
- 7.8 Design Risk Management**

See section 8 for implementation issues, no hazards were discovered for the design process.

## **8. Implementation Process**

### **8.1 Transition to Operations**

Following CASA's approval of the proposal, Airservices will notify airline operators regarding the commencement date of the trial procedures and will promulgate an AIP SUPP. Draft AIP SUPP (Appendix 4). The AIP Supplement will provide an explanation of the change and detail ATC & pilot procedures. At least 28 days notification will be provided.

### **8.2 Implementation Procedures and Standards**

This trial will not commence without formal notification from CASA that Airservices' has a dispensation to CASR Part 172 MOS paragraph 10.3.1 in regard to ATC runway nomination. The MATS and AIP entries reflect the MOS requirement.

From the commencement date of the trial, ATC runway nomination at Melbourne will be based on the increased crosswind criteria for dry and damp runways during peak traffic periods. Other ATC procedures related to runway nomination and allocation for arriving and departing aircraft will remain unchanged.

The operating procedures are contained in the Agreed Operating Procedures document.

### 8.3 Implementation Safety Management Activities

To manage safety and identify hazards and controls the project methodically went about communication and consultation.

#### 8.3.1 Initial Briefings

A document, [Melbourne Airport Capacity Enhancement](#) (Appendix 5), was prepared by Airservices Australia to explain to industry the current air traffic management performance at Melbourne Airport and presented a number of potential activities that could deliver improved capacity. The report was delivered to the ATM Performance Group in June 2010 and work commenced on the proposal to increase the availability of higher capacity runway modes.

Fundamental to increasing the availability these modes was the need to review crosswind criteria for ATC runway selection. A [Discussion Paper – Increased Crosswind Trial at Melbourne](#) (Appendix 6) was distributed to the principle airline operators at Melbourne. The discussion paper sought to develop, in consultation with the operators at Melbourne, a proposal for the Civil Aviation Safety Authority (CASA) to allow ATC to nominate runway modes with a cross-wind component, including gust, up to 25 knots.

It was explained that:

Airservices will:

- Develop the proposed operational concept for consideration & assessment by industry
- Consult with Melbourne airport
- Consult with airline operators – [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], International operators
- Identify ATC operational hazards and develop & implement the necessary safety requirements & risk controls
- Liaise with airline operators to develop the final proposal for presentation to CASA
- Complete CASA approval process
- Promulgate & implement the change

Principle airline operators will:

- Contribute to the detailed development of the proposal for submission to CASA
- Identify operational hazards and develop safety requirements & risk controls.
- Liaise with Airservices to ensure safety requirements & risk controls are addressed and included in the proposal
- Support the proposal and, within safe crosswind limitations, comply with the runway nomination determined by ATC

- Sign a document committing to the trial as detailed in the proposal developed for presentation to CASA

### 8.3.2 ATC Risk Assessment

Advice was received from ATC Group ECSS TCU and Tower personnel that there was very little change involving Airservices. This was predicated on the basis that ATC at Melbourne Airport:

- Nominate Runways in accordance with the MOS/MATS/AIP instructions;
- Nominate LAHSO procedures whenever environmental and air traffic conditions permit;
- Flow and vector aircraft to facilitate the runway modes;
- Accommodate pilot operational requirements for runways other than those nominated, for both take off and landing;
- Change traffic flows as required due to changing environmental conditions.

It is not expected that a 5 knot change to the maximum allowable crosswind for runway nomination will have any effect other than to prolong the use of higher capacity runway modes, including LAHSO. This in itself is considered a benefit as it will allow maximum landing and take off rates to continue for longer, relieving inner sectors of holding requirements.

A Hazard Identification meeting was held on 26/10/10 to discuss the issues formally. Brainstorming through the use of flight threads considered in differing weather and wind conditions were the primary tool used, though contributors experience also played a role. This method was proven to be efficient in the ATC environment and it was enhanced by using a checklist of possible areas affected that could be used as a reference. The notes from the meeting 26Oct10 ACE HAZID Notes ML RWY Nomination Crosswind Increase (Appendix 7) demonstrate that although a number of different exceptions to LAHSO already exist, no hazards were recorded. The checklist referred to in the previous sentence is included in the meeting notes.

Those involved in the HAZID were:

Name	Position
[REDACTED]	Project Safety Specialist
[REDACTED]	ACE Project ATC Specialist
[REDACTED]	ML TCU ALM
[REDACTED]	ECS ALM
[REDACTED]	ML TWR ALM

Other operational controllers were requested but could not be made available. Hazards that might arise outside of the HAZID process would be sent to the Project Safety Specialist for incorporation into HAZLOG for later review and classification.

A ML XW Part 172 SCARD (Appendix 1) was prepared by the same SMEs that attended the HAZID and an existing hazard concerning the increased workload caused by pilots requesting an in to wind runway was included in the PHA.

### 8.3.3 Continued Development of the Proposal

As recorded in Section 6 - Consultation and Communication, Melbourne airport airline operators [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED] and International airlines were consulted. A second version of the discussion paper provided details of the proposal and offered options to assist with reaching agreement on the proposal to be presented to CASA. The discussion paper was sent to the following airline representatives:

[REDACTED] - [REDACTED]	< [REDACTED] >
[REDACTED] - [REDACTED]	< [REDACTED] >
[REDACTED] - [REDACTED]	< [REDACTED] >
[REDACTED] - [REDACTED]	< [REDACTED] >
[REDACTED] - [REDACTED]	< [REDACTED] >
[REDACTED] - [REDACTED]	< [REDACTED] >
[REDACTED] - [REDACTED]	< [REDACTED] >
[REDACTED] - [REDACTED]	< [REDACTED] >

*General Aviation* – Due to the proximity of Essendon Airport it is unusual for General Aviation aircraft to operate into Tullamarine however a letter explaining the trial has been sent to the Victorian RAPAC. Letter to Vic RAPAC (Appendix 8)

[REDACTED] – Except for [REDACTED], International Airlines do not take part in LAHSO procedures, which is when the increased crosswind limit would apply. [REDACTED] of [REDACTED] was contacted and the initiative was explained. He advised that if [REDACTED] and [REDACTED] had accepted the change [REDACTED] did not require any further information.

#### 8.3.3.1 Options

The following table, extracted from the briefing paper, lists the different options that were available and which the airlines were asked to evaluate:

	General ATC RWY Nomination		LAHSO			
			Active		Passive	
	WET	DRY/DAMP	WET	DRY/DAMP	Wet	DRY/DAMP

<b>Current</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>Option 1</b>	25	25	25	25	25	25
<b>Option 2</b>	20	25	20	25	20	25
<b>Option 3</b>	20	25	20	20	20	25
<b>Option 4</b>	25	25	20	20	25	25
<b>Option 5</b>	25	25	20	25	25	25

The feedback indicated support for Option 3 so an [Agreed Operating Procedures](#) (Appendix 9) document was then prepared for signatures.

### 8.3.3.2 Airline Agreements

The agreements signed by the airlines and countersigned by [REDACTED], Airservices Australia, Manager East Coast Services South, have been collated together in the form of one PDF document. [ML RWY Nomination XW Increase Signed Airline Documents](#) (Appendix 10). The agreement covers a number of issues including confirmation from the airline representative that the necessary risk and safety assessments have been completed by the participating organisation.

The signatories are summarised below:

Name	Airline/Position
[REDACTED]	[REDACTED] Head of Compliance QA and Risk / Chair [REDACTED]
[REDACTED]	[REDACTED] General Manager Flight Operations
[REDACTED]	[REDACTED] Chief Pilot
[REDACTED]	[REDACTED] General Manager Flight Operations
[REDACTED]	[REDACTED] (Australia) Chief Pilot
[REDACTED]	[REDACTED] General Manager Flight operations & Chief Pilot

[REDACTED], [REDACTED], declined to sign an agreement but agreed to the proposal in an [REDACTED] (Appendix 11) sent to Project Director, [REDACTED], which, inter alia, contains the following:

*Secondly I don't see a need for a formal agreement. Somewhat bureaucratic and not to be encouraged. In addition I cannot sign such documents without having the agreement vetted by legal.*

*As I see it, you have consulted with your customers and on the basis of feedback intend to amend your operating criteria for runway selection. On the basis of that you can initiate the "trial".*

██████ has agreed to participate in allowing runway selection using 25kts including gusts on a dry runway. I am happy to initiate changes to our Flight Crew Route Guide (Mar revision) to highlight the change in criteria for runway selection...but don't accept the need to sign your document

It should be noted that the reason for declining to sign was not safety related; for the full text and replies please see the email.

#### **8.3.3.3 Melbourne Airport Agreement**

Consultation with Melbourne Airport management was conducted by ██████, the Project ATM Specialist and culminated in an email from Airfield Manager ██████ (Appendix 12) which stated:

"This is to confirm Melbourne Airport's support for the increased crosswind trial at Melbourne Airport. We acknowledge that this trial is aimed at increasing capacity but not at the cost of safety."

#### **8.4 Implementation Hazards, Controls and Safety Requirements**

The outcome of the implementation hazard identification activities was that no hazards were discovered.

The Operational Risk Assessments for ML TCU and Tower were scrutinised for hazards associated with runway nomination, crosswind condition and LAHSO and none were found.

#### **8.5 Implementation Risk Management**

None was required

#### **8.6 Pre-Implementation Risk Assessment**

A meeting will be held approximately one month before the initiation of the trial to ensure that no new hazards have been produced by the trial proposal.

### **9. Procedures and Engineering Support**

Implementation of the change requires promulgation of an AIP Supplement and a Notice to Air Men (NOTAM) to inform ATC and pilots.

A Temporary Local Instruction will be promulgated to advise relevant ATC of the change to existing runway selection criteria.

This proposal will have no impact on any engineering support activities.

### **10. Safety Performance Monitoring**

Airservices Australia and the participating airlines have formal methods of the notification of safety issues. (E.g. ESIR) These will be used as normal and have not been excluded as part of the trial.



The project also intends, through the Post Implementation Review process (See Section 14) to have, as a minimum, a twelve-weekly cycle of meetings to determine not only whether any safety issues have arisen, but also whether the trial is meeting the intended targets.

The trial can be terminated at any time if the procedure is found by operators to be unsafe.

## **11. Training and Education**

Apart from the change to the amended runway selection criteria, ATC procedures remain unchanged.

The ALMs decided that a TNA was not required and that ATC staff responsible for runway nomination will be briefed on the application of the change. Other ATCs affected by the change will be notified and tracked through the Airservices' change notification process.

Pilots will be advised of the change to runway selection criteria by internal company communication, the AIP Supplement and the NOTAM. All of these information sources will remind pilots of the availability of alternative runways should the crosswind component for the allocated runway not be operationally acceptable.

## **12. Business Continuity**

If circumstances arise which establish that the trial procedures are unsafe or unworkable then the trial will be terminated. Cancellation of the relevant NOTAM, AIP Supplement and ATC Temporary Local Instruction (TLI) will result in a reversion to existing procedures published in the Part 172 MOS, MATS and AIP.

## **13. Conclusion**

It has been demonstrated in section 8.3.1, and through the discussion papers, that the specified cross-wind limit of 20 knots often results in the nomination of a less efficient, single runway mode at Melbourne Airport, causing delays & congestion.

The Australian AIP requires another runway to be nominated when the crosswind, including gusts exceeds 20 knots if there is another runway available. Flight crews operating through Australian airports are normally certified to safely operate with a crosswind up to the design limit of their aircraft where alternative runways do not exist.

Following circulation of a Discussion Paper, responsible managers from all principle domestic airlines operating into Melbourne [REDACTED] signed an Agreed Operating Procedure document supporting an increased crosswind trial. [REDACTED] agreed in writing to the trial but declined to sign the offered agreement. The names and positions of those agreeing is supplied in Section 8.3.3.2

The trial is seeking to allow Air Traffic Control to nominate higher capacity modes at Melbourne airport with a crosswind, including gusts, up to and including 25 knots on a

dry or damp runway. The agreement, excepting [REDACTED], contains confirmation that the airlines have made their own risk and safety assessments.

Responsibility for the safety of the aircraft, including crosswind operations and limitations, remains with the Pilot in Command. The procedures, paragraph 5, make it clear that ATC will accommodate pilot initiated operational requirements for a change of runway.

ATC procedures related to runway nomination and allocation for arriving & departing aircraft, apart from the amended crosswind criteria, will remain unchanged. Hazard identification has taken place and ORAs inspected for hazards; none have been found.

Procedures have been put in place to consult regularly with the airlines to ensure safety is being maintained and to discuss efficiency gains.

It can therefore be concluded that, with the agreement of the airlines, the airport and ATC units involved at Melbourne Airport, it is safe to initiate the trial.

#### **14. Post Implementation Review**

Three months after the trial is implemented, a teleconference involving Airservices Australia, Melbourne Airport and the participating airlines will be undertaken to review the safety performance of ATC and pilot procedures following the introduction of the trial.

The review will include an assessment of any ATC or pilot incident & event reports and any safety lessons will be shared. Identified risks & hazards will be assessed & mitigated in a manner consistent with the Airservices' Safety Management System.

Subsequent three monthly teleconferences will be undertaken throughout the trial.

The trial can be terminated at any time if the procedure is found by operators to be unsafe.

#### **15. Document Review**

##### **15.1 Service Delivery Line/Business Branch or Unit/Safety Services**

Peer review of this document was sought in accordance with the Airservices Australia SMS. This consisted of an operational ATC from Melbourne Airport and a project safety Specialist, both not involved in the project. Their reviews have been evaluated and recommendations included as appropriate; both reviews are attachments and are stored electronically.

The reviews were by:

1. [REDACTED] – Project Safety Services 15/12/10
2. [REDACTED] – ML ATC 15/12/10

## 15.2 Service Integrity

Operational Service Integrity was asked to review the document due to it providing argument and evidence to CASA to enable an exemption from MOS Part 172. The review has been evaluated and recommendations included as appropriate. The review is an attachment and is stored electronically.

The review was by:

██████ – OI&C 21/12/10

## 16. Appendices

1. [Part 172 SCARD](#)
2. [ACE ML XW Increase Safety Plan PDF Copy](#)
3. [ML XW Increase Communications Log](#)
4. [Draft AIP SUPP](#)
5. [Melbourne Airport Capacity Enhancement](#)
6. [Discussion Paper – Increased Crosswind Trial at Melbourne](#)
7. [26Oct10 ACE HAZID Notes ML RWY Nomination Crosswind Increase](#)
8. [Letter to Vic RAPAC](#)
9. [Agreed Operating Procedures](#)
10. [ML RWY Nomination XW Increase Signed Airline Documents](#)
11. [██████ Email](#)
12. [an email from the Airfield Manager ██████r](#)

## 17. Related documents

ICAO Doc. 4444 PANS/ATM  
MOS Part 172  
Manual of Air Traffic Services  
Aeronautical Information Publication



# Temporary Local Instruction

## TLI\_14\_0291

### Off-Mode Runway Use for Landing Aircraft

<b>Effective from:</b>	1411070630	<b>Effective to:</b>	1506070600
<b>Authorised:</b>	██████████ Check, Training and Standards Manager	<b>Replaces:</b>	Nil
<b>NRFC:</b>	27166	<b>ASID:</b>	<b>CIRRIIS:</b>

<b>Audience:</b>	Adelaide TCU	Adelaide Tower	Melbourne TCU	Melbourne Tower
	ML ORM			

<b>Reference documents</b>	<a href="#">AIP ENR 1.1-29 para 4.5 and para 14.2</a> <a href="#">Manual of Air Traffic Services (MATS) (NOS-SAF-2000) 10.9.5.9</a>
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### Background

Guidance on the nomination of runways is provided in [AIP ENR 1.1-10 para 4.5](#) and stipulates that ATC will not nominate a particular runway for use if an alternative runway is available, and the following conditions are exceeded:

- the crosswind component including gusts exceeds 20 knots
- the downwind component including gusts exceeds 5 kt for a dry runway, or any downwind component exists on a runway not completely dry.

Notwithstanding, the provisions of [AIP ENR 1.1-29 para 14.2](#) does allow the pilot in command to elect to land on a runway other than nominated.

For active participants in LAHSO operations, [Manual of Air Traffic Services \(MATS\) \(NOS-SAF-2000\) 10.9.5.9](#) specifies additional restrictions on runway nomination and runway use. This includes a restriction where the crosswind component including gusts does not exceed 20 knots regardless of pilot intentions.

For passive participation in LAHSO operations where the pilot in command elects to land on an off-mode runway where the crosswind exceeds 20 knots, or the applicable downwind component for runway nomination is exceeded, there is no specific reference in [MATS](#) and [AIP](#).

The purpose of this instruction is to provide clarity on the crosswind and downwind restrictions for landing aircraft as passive participants in LAHSO operations.

**Instruction**

Do not allow landing aircraft to passively participate in LAHSO operations on a runway subject to wind conditions exceeding the following values:

Runway conditions	Wind
Completely dry	Crosswind exceeds 20 kt including gusts
	Downwind exceeds 5 kt including gusts
Not completely dry	Crosswind exceeds 20 kt including gusts
	There is a downwind component

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**Program:** n/a

**Division/Agency:** Airservices Australia

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**Mr Hood:** In the interests of aviation safety I looked at your concerns and I have taken immediate action to ensure that the procedure is amended and that the passive runway does not operate in excess of 20 knots, and the other action I have taken is to ask Dr Weaver to have a look at that change process two years ago. I have a terms of reference for that and I am happy to table that as well.

**Senator XENOPHON:** That would be useful...

**Answer:**

See attachment.



## Terms of Reference

### Targeted Review of Melbourne LAHSO Safety Assurance

Name and Title		Signature	Date
Prepared	Max Bice Manager Safety Services		25/11/2014
Approved	Rob Weaver Executive General Manager, Safety, Environment & Assurance		25/11/14
	Greg Hood Executive General Manager, Air Traffic Control		25/11/14

## Context

Airservices recently received a pilot complaint relating to the crosswind and downwind limitations for Land and Hold Short Operations (LAHSO) at Melbourne. The initial assessment of the issue has identified potential issues with local practices in relation to:

- The risk assessment and modelling parameters that underpin the safety work for LAHSO; and
- Interpretation of the national rule set and national procedures;

The issue has prompted a formal review to understand how the Safety Management System (SMS) was applied to changes in local LAHSO procedures.

## Purpose

The purpose of this review is to:

- 1 Examine the safety processes and activities that were applied to assure the ongoing safety of LAHSO type operations following the development of the approved 2011 Safety Assessment Report.
- 2 Determine what safety processes and activities should have been applied to assure the ongoing safety of LAHSO type operations.
- 3 Determine any differences between what happened and what should have happened.
- 4 Recommend improvements that can be made to the safety change process or supporting activities that would prevent divergence from the appropriate process.

## Quantity and Quantity

The review will examine:

- 1 Changes in ATC standards, procedures or practices since the initial safety assurance work relating to LAHSO operations in Melbourne.
- 2 The application of Airservices Safety Management System (SMS) in the development of the changes identified in 1. above.
- 3 Occurrence data for the period from the initial safety assurance report to 31 October 2014, detailing any ATC or pilot reports relating to the safety of LAHSO operations.
- 4 Assessment of changes to the risk in operations and review of the effectiveness of risk controls.
- 5 Communications, awareness and educational programs within Airservices and across the aviation industry regarding those changes.
- 6 Current assurance documentation regarding the safety of LAHSO type operations in their current form including Operational Risk Assessments (ORAs)



## **Resources**

The following human resources are required for the duration of this review and will form the team responsible for its completion:

1. Safety Environment & Assurance
  - 1.1. Safety Services ATC Investigator 40% FTE
  - 1.2. Safety Systems and Analysis Data Specialist 20% FTE
2. Air Traffic Control
  - 2.1. Continuous Service Improvement Officer (CSIO) 30% FTE
  - 2.2. ATC Procedures Specialist 40% FTE

Access to subject matter experts for interview will also be required and negotiated with the relevant management team subject to service delivery needs.

Use of telephone and videoconference will be maximised. Travel and accommodation will be kept to a minimum, however may be required for the review team to facilitate interview activities, analysis, and review meetings.

## **Timing**

1. Interim report submitted to SE&A and CATC with findings by 10 Dec 2014.
2. Final Report to Executive General Managers SE&A and ATC by 18 December 2014.



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**Question no. 18**

**Program:** n/a

**Division/Agency:** Airservices Australia

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**Senator GALLACHER:** Can I ask a simple question—do you have a list of how many passenger planes I could have been on or the chair could have been on that have landed in excess of those requirements?

**Mr Hood:** Certainly I am hoping that the review will be able to provide me with that data.

**Senator XENOPHON:** You have not answered the question—will you be able to provide us with how many passenger movements—

**Mr Hood:** Probably not passenger numbers—

**Senator XENOPHON:** But aircraft and what sort, so we would get a rough idea of how many thousands of passengers would have been subject to this.

**Answer:**

We are undertaking a review of LAHSO operations which will inform the full circumstances. An update to the Committee will be provided when it is finalised.

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**Question no. 19**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 22

**Senator XENOPHON:** Right. Can I say—just so that you know and so that there is no issue of retribution, which I want to get to in a minute—that no air traffic controllers have actually contacted me. I have to try to get my information through other means. Did any air traffic controllers make a complaint about this?

**Mr Hood:** Not to my knowledge.

**Senator XENOPHON:** Can you find out for me?

**Mr Hood:** Certainly.

**Answer:**

We are undertaking a review of LAHSO operation which will inform the full circumstances. An update to the Committee will be provided when it is finalised.

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**Question no. 20**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 22

**CHAIR:** Can you just pause there, Senator Xenophon? Can I just ask a question that is very pertinent to this? If in the event that this has been going on for two years—and no doubt you will come back and tell us how it all happened—and there were an accident, who would be legally liable? You can take that on notice if you like, but I think I know the answer.

**Answer:**

We are undertaking a review of LAHSO operations which will inform the full circumstances. An update to the Committee will be provided when it is finalised.

Legal liability would be expected to be determined based on the specific circumstances of any incident.

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**Question no. 21**

**Program:** n/a

**Division/Agency:** Airservices Australia

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**Senator XENOPHON:** I asked some questions about this in May, and there were some answers on notice back after budget estimates saying there are currently no severity 1 or severity 2 system issues. Perhaps we should go back a step: in terms of the answers provided to me, INTAS was commissioned in Broome in 2012—a place where Senator Sterle does a lot of constituent work. There were 904 defects reported since commissioning, 54 defects remained unresolved at least and two key issues were being managed.

Rockhampton was commissioned in October 2012: 315 defects were reported since commissioning, 33 defects remained unresolved at least—and these are based on the questions on notice—and two key issues are being managed. Adelaide was commissioned in May 2013: 578 defects reports since commissioning, 53 defects remain unresolved at least; and eight key issues being managed. Melbourne was commissioned in 2013: 670 defects reported since commissioning; 178 defects unresolved at least; and eight key issues being managed. That is a fair summary? Okay. What is defined as a key issue?

**Mr Rodwell:** That fall we did in the classification of the acids that we have spoken about previously—the system of recording any issues with the system, whether it is a defect or an enhancement that has been requested, would fall into those. The eight I cannot talk specifically about. I would need to go back and look at the times.

**Senator XENOPHON:** Can you provide the details on notice.

**Answer:**

It is important to clarify that the number of “defects” quoted above are system issues recorded in Airservices System Issue Database (ASID) and include both problems experienced with the system, enhancements requested by controllers and documentation.

The data presented below provides additional clarification to the responses given by Airservices for the Senate Estimates Committee session held on 26 May 2014. The data has been extracted from the Airservices System Issues Database (ASID) on 10 December 2014.

The term “*key issues*” was used in the previous Airservices response. This term is used to describe the system issues, identified by the INTAS Operating Authority (OA) as those creating the most frustration for air traffic controllers.

All issues raised with INTAS (including those listed in this response) are assessed for impact to safety and services delivery by delegated system authorities (technical and operational). Where necessary an operational workaround or recovery is put in place to manage the issue pending final resolution. This ensures safety and service delivery are maintained.

**Regional Towers (Broome and Rockhampton)**

It was indicated there were two (2) key issues amongst the total number of open issues against Broome and Rockhampton towers. A summary of these key issues is as outlined below. In both cases the controller has the ability to move to the next available console (spare consoles are installed at each location to cater for any system issues that may arise from time

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to time) and notify maintenance personnel to restore availability of the affected position within an agreed timeframe with minimal impact to service delivery.

1. *Screen not responding* – relates to the inability to use the operator console monitor due to failure of the touchscreen device. A forced monitor or workstation log-off and log-on is performed as an interim workaround. A permanent fix for this issue is currently under test with the supplier.
2. *Tower Data Manager (TDM) slow down* – relates to an apparent slow down of the TDM application, which provides the electronic flight strip information to the controller. The TDM software application is restarted by performing a workstation restart as an interim workaround. A permanent fix for this issue was deployed to site on 26 November 2014.

### **Adelaide**

It was indicated there were eight (8) key issues amongst the total number of open issues against Adelaide tower. A summary of these key issues is as follows:

1. *Operational Data Management (ODM) slow down* – relates to the slow down of the ODM application, which provides operational information to the controller such as weather, wind/direction, Airfield lighting, NAVAID data, etc. A permanent fix was deployed to site on 30 July 2014.
2. *Metron web page not loading* – relates to the inability to load the Controlled Departure Management (CDM) webpage at times. A forced workstation log-off and log-on was performed as an interim workaround. A permanent fix was deployed to site on 30 July 2014.
3. *Field 18/Global Ops data Field (GOF) issues* – relates to removing of data that is no longer required in the electronic strips that the ATC Centre TMA controller utilises, contributing to potential increased workload. A fix was deployed on 10 December 2014.
4. *Pre-Departure Clearance (PDC) message incorrect SID* – relates to the premature transmission of PDC message manually by the controller with incorrect System Instrument Departure (SID) point. A fix was deployed to site on 10 December 2014. A Temporary Local Instruction (TLI) has been in place providing direction to controllers on the management of this issue should it arise.
5. *Runway field not highlighted when crossing strip in use* – relates to the use of Crossing electronic strips, where highlighting of the Runway in use was delayed being performed by the system. This issue is planned for correction by the supplier in December 2014 and deployment to site in early March 2015.
6. *Frequency assignment issues* – relates to the system issued frequency and not allowing manual entry of frequency from the controller. A permanent fix was deployed to site on 30 July 2014.

Key issues (7) and (8) are the same as the two key issues identified for Broome and Rockhampton and are subject to the same workarounds and fixes that have been applied to those sites.

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**Melbourne**

It was indicated there were eight (8) key issues amongst the total number of open issues against Melbourne tower. A summary of these key issues are as follows:

1. *NAS (Radar) Filter* – relates to the premature binning of electronic flight strips on the Ground display when flights are departed by Aerodrome Controller (ADC). The binned strips were available in the bin list and displayed in the Air display. A partial correction was deployed on 30 July 2014 and full fix was deployed on 10 December 2014.
2. *Track coupling* – relates to the incorrect display of surveillance track tag, which was displayed using an incorrect colour. A fix was deployed to site 18 September 2014.
3. *SID issues* - related to changes between the INTAS issued SID and the Eurocat system SID caused by system messaging delays. A fix was deployed on 10 December 2014.

The remaining five (5) key issues are the same as the issues listed under Adelaide tower (1 through 3) and Broome and Rockhampton towers (1 and 2) and are subject to the same workarounds and fixes that have been applied to those sites.



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**Question no. 22**

**Program:** n/a

**Division/Agency:** Airservices Australia

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**Senator XENOPHON:** Can you on notice provide details of how many, at any point in time since the introduction of INTAS, have there been any severity 1 or severity 2 systems issues identified?

**Mr Rodwell:** I can on notice.

**Answer:**

There were no Severity 1 issues with INTAS at the point of commissioning at each site.

Since the introduction of INTAS, there has been three occasions of an issue being assessed as Severity 1 by the technical and operating authorities for the system. In each of those instances, there was an immediate review and escalation to senior management. Immediate action was taken to assure the continued safety of operations.

Since commissioning, the following number of Severity 2 issues have been assessed:

- 28 at Broome
- 15 at Rockhampton
- 2 at Adelaide
- 8 at Melbourne
- 24 for Voice Switch.

In each of these instances an assessment process is followed and any necessary actions are put in place to assure the continued safety of operations.

When a system issue is first raised by an air traffic controller or supervisor, it is assigned an initial classification in consultation with the duty Technical Operations Supervisor. This ensures appropriate review and assessment of the potential impact by the delegated technical and operating authorities for the system. Upon assessment, the severity classification can be adjusted up or down and appropriate mitigations will be developed and approved for implementation while a permanent system fix is developed and deployed.

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**Question no. 23**

**Program:** n/a

**Division/Agency:** Airservices Australia

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**Senator XENOPHON:** How much has INTAS cost?

**Mr Rodwell:** I would need to have a look totally.

**Senator XENOPHON:** Roughly, a ball park figure. I am not going to hold you to it.

**Mr Rodwell:** \$14 million per tower.

**Senator XENOPHON:** How many towers?

**Mr Rodwell:** We have four towers: Broome, Rockhampton, Adelaide and Melbourne. Mr Clark might be able to look it up if he has it to confirm that.

**Senator XENOPHON:** You can take it on notice.

**Answer:**

The average cost per tower for the four locations where INTAS has been installed to date was \$13.3 million.

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**Question no. 24**

**Program:** n/a

**Division/Agency:** Airservices Australia

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**Ms Staib:** As we discussed before, there were some issues when we introduced the new technology. We have gone from a paper based system—strips on a scrabble board—to using an electronic system. A lot of those issues—we can get the breakdown; I have not got it with me—were enhancements requested by the air traffic controllers. As they used the system more, they could see where it could be improved. So there are a number of issues in those figures relating to the improvements.

**Answer:**

All issues raised by an air traffic controller are treated seriously regardless of whether they are reporting a fault or making a request to improve the system. All issues are recorded in the Airservices System Issue Database (ASID) (whether defect or an improvement/enhancement).

The issues are then assessed by the delegated technical and operational authorities.

It is not unusual for an ASID to be raised on the system where the assessment process determines that the system is operating correctly and is therefore best described as an enhancement. Due to the nature of the way that these issues are recorded, it was not possible to provide the requested detail without undertaking further detailed analysis.

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**Question no. 25**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 24

**Senator XENOPHON:** Do you have an idea of how many complaints have been made? They would be recorded, wouldn't they? You would obviously take—

**Ms Staib:** Formal complaints into the safety management system—yes.

**Senator XENOPHON:** Can I get an idea of how many there are on notice.

**Ms Staib:** Yes.

**Answer:**

No reports in relation to INTAS have been made via Airservices confidential reporting system, A Confidential Word.

Two reports were made to the ATSB confidential reporting system (REPCON). The reports were both made in late 2013 and primarily concerned transition issues in Melbourne including training and controller workload. Airservices responded to both reports. The ATSB subsequently forwarded Airservices responses to CASA for consideration, who was satisfied with Airservices response. These reports are available on the ATSB website.

As outlined in questions 21, 22 and 24, the Airservices System Issue Database is also available for air traffic controllers to report system enhancement requests or faults.

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**Question no. 26**

**Program:** n/a

**Division/Agency:** Airservices Australia

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**Senator XENOPHON:** I think it is important to find out whether there were any complaints. Again, I do not know but I am presuming that, if air traffic controllers did not raise it as an issue, that concerns me even further. I am trying to establish what operational aerodrome control experience using LAHSO or not each manager in Melbourne tower possessed at the time they implemented the procedure.

**Mr Hood:** I will take that on notice too, thank you.

**Answer:**

We are undertaking a review of LAHSO operations which will inform the full circumstances. An update to the Committee will be provided when it is finalised.

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**ANSWERS TO QUESTIONS ON NOTICE**

**Question no. 27**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 25

**Senator XENOPHON:** You are saying that the safety management system is robust, notwithstanding the number of INTAS related air safety incidents to June 2014—the 49 that were recorded by the ATSB?

**Ms Staib:** In terms of the defects around the introduction of INTAS, if you introduce any software anywhere, you will have defects to start with—

**Senator XENOPHON:** No, these are not defects. These are issues that the ATSB recorded—49 INTAS related air safety incidents to 27 June 2014. You may want to take that on notice. Perhaps my information is wrong.

**Answer:**

Airservices can confirm that its Safety Management System is robust. As stated in previous answers, internationally the maturity of our SMS is rated number two in the world.

As a matter of routine, facility issues (including INTAS) with a potential safety impact are reported to the ATSB by Airservices.

The INTAS related occurrences reported by Airservices to the ATSB are primarily transitional issues associated with the introduction of the new software, which are to be expected with the introduction of complex new software to Airservices operating environment.

The ATSB has not raised any concerns with Airservices relating to these routine reports.

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**Question no. 28**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 25

**Senator XENOPHON:** But, in terms of recommendation 13, the LAHSO comparison shows the procedure was implemented outside the AIP limits. I am trying to understand, so I would like your response. Maybe it is part of that inquiry that is being undertaken, which I am grateful is being undertaken. How is it that, within the context of a safety management system, this procedure which goes outside the safety limits was implemented with respect to LAHSO? Could you take that on notice?

**Ms Staib:** Certainly.

**Answer:**

We are undertaking a review of LAHSO operations which will inform the full circumstances. An update to the Committee will be provided when it is finalised.

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

**Question no. 29**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 26

**Senator XENOPHON:** If you could refer back to recommendation 14. Recommendation 20 is: 'Airservices should review its ATS incident investigation process in order to better identify systemic issues.' Can you advise me, in the context of recommendation 20, whether there were any SMS based internal investigations to identify those INTAS systemic issues that have been raised? It is not a trick question. Could you take that on notice? And, in the context of LAHSO, what sign was there of an SMS based internal investigation to identify systemic issues? In other words, how could this have occurred in the first place? I am trying to tie it back to that.

Recommendation 21 is: 'Airservices should review its ATS risk management processes so that operational staff have better visibility of hazards and current risk levels and are more involved in risk ownership and mitigation.' Was there an operational risk assessment in terms of INTAS? I am happy for it to be taken on notice.

**Answer:**

Recommendation 20 relates to the safety investigation function in the Safety, Environment and Assurance Group. There have been no formal investigations into INTAS systemic issues by this Unit.

Issues associated with INTAS including any collective impact or perceived systemic issues have been managed through Airservices documented resolution processes and are tracked in the Airservices System Issue Database (ASID).

We are undertaking a review of LAHSO operations which will inform the full circumstances. An update to the Committee will be provided when it is finalised.

INTAS related risks are reflected in local operational risk assessments (ORAs). For each site where INTAS has been commissioned, as the project approached commissioning the log of operational hazards was analysed and ongoing hazards were transferred to the ORA. The ORA is a living record of the operational risk baseline and is subject to iterative updates as well as annual review.



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

**Question no. 30**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 26

**Senator XENOPHON:** That worries me. If there were clearly a problem which has been identified, why did no-one report it. I go to recommendation 26 that Airservices should provide more comprehensive safety management training for ATS staff on an ongoing basis. Is there an issue? Are you looking at whether training was effective or otherwise in respect of the INTAS problems? In other words, if there were more effective training, would there have been fewer INTAS problems reported? It is just a question of whether that has been considered.

I think we all want the same things at this table. We do not want anything bad to happen in the air. Also, in respect of LAHSO, was the training effective? The argument is that it was not, otherwise the LAHSO problem would not have occurred. Finally, I go to recommendation 35 that Airservices should review and improve ATS project design and implementation. I note that Adelaide—that is an airport that Senator Gallacher and I fly into all too regularly—was commissioned in May 2013 and has had 578 defects since commissioning. What is that—almost one a day? Melbourne was commissioned in November 2013 and has had 670 defects since commissioning—that is more than one a day. How many software upgrades were implemented and how many of those have failed? Could you provide that on notice? Has there been any improvement since the completion of the CASA report of 21 December 2012? I just want to understand that in the context of recommendation 35.

**Answer:**

Safety management training focuses on ensuring that all staff understand their safety accountabilities and know how to apply the safety management system in relation to their role. Following recommendation 26, Airservices safety training procedure and courseware has been refreshed and updated, and appropriate training mandated for all staff.

In relation to Adelaide, ideally controller training in INTAS would have occurred closer to the commissioning date. This was recognised as an opportunity for future deployments of INTAS and was applied for the introduction of INTAS at Melbourne tower.

A Post Implementation Review (PIR) is completed following the commissioning of a new system. This applies to INTAS. Lessons learnt have been incorporated into the implementation of INTAS at subsequent sites.

As part of the new system support process (which includes issue correction and deployment of configuration changes and enhancements sought by controllers) there have been the following number of software deployments:

- Broome - 24
- Rockhampton - 23
- Adelaide - 15
- Melbourne - 19.

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

**Question no. 31**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 27

**Senator XENOPHON:** I just want to understand. Because the AFP is—I am not sure whether you are an authorised agency for the purpose of metadata surveillance. Has there has been any metadata surveillance of any employees of Airservices Australia since the question was asked in Senate estimates?

**Ms Staib:** Could I take that on notice so that I can go and check with the AFP?

**Answer:**

No.

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

**Question no. 32**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Pages:** 28-29

**Senator GALLACHER:** It speaks for itself. The chief executive lined up the executives; she was concerned about leaks and said she would refer it to the AFP.

**Senator XENOPHON:** What date was that, can you tell us?

**Ms Staib:** I cannot recall.

**Senator XENOPHON:** You would have a note of that. It is a pretty significant thing to talk about calling in the AFP.

**Ms Staib:** I will have to get that on notice; I cannot recall the date.

**Answer:**

Refer to question 37.

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

**Question no. 33**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Pages:** 30-31

**CHAIR:** ... Do you have trouble with contractors in liquidation?

**Ms Staib:** Not as a general practice. We do have one current contractor who is in liquidation, yes.

**CHAIR:** What is the likely impact of that going to be?

**Ms Staib:** The works, in terms of what is delivered, are just about delivered. I think there is one outstanding—we are dealing with a liquidator.

**Mr Clark:** With the matter that is in liquidation at the moment, there is an outstanding payment that will go to the liquidator that is in the order of \$300,000.

**CHAIR:** How often does that happen?

**Mr Clark:** My recollection of the last two or three years is that we have had two to three. I would say two contractors—and, if I have got it wrong, I will certainly clarify—have ended up going into liquidation.

**Answer:**

Over the last three years there have been five contractors who have gone into liquidation.

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

**Question no. 34**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 31

**CHAIR:** The Alan Woods Building fit-out—tell me about that.

**Senator GALLACHER:** Just on the building, was it completed on budget?

**Mr Clark:** I will find the detail. From recollection it was actually completed slightly under budget.

**Answer:**

The budget for the Alan Woods Building fit out was \$16,878,973. The project has recently been completed with an actual cost incurred of \$16,735,849 (\$143,124 under budget). A Post Implementation Report is now being compiled for submission to the Public Works Committee.

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

**Question no. 35**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 32

**CHAIR:** I think I will take this to public works from here. We have not had a bad day, have we? Tell me about the runway at Archerfield. Is it true that it does not comply—whatever one they are arguing about that has been shortened?

**Mr Hood:** I will have to take that on notice. I am not aware of any complaints in relation to any—

**CHAIR:** As you would know, and as Mr Murdoch is very conscious of, there is a contest of interests at airfields like Bankstown, where the developers—and they have ways and means of convincing people. It appears to me that there is a bit of pressure on in various airfields, including Archerfield and, of course, Bankstown. It appears to me that all of a sudden they have woken up to the fact that whichever runway it is is no longer compliant, even though they are using it. I am wondering, if something goes wrong, who is going to be liable for that.

**Mr Hood:** It is the first time it has been raised with me, but I am certainly happy to take it on notice. It could cut across CASA as well. I am happy to take that.

**Answer:**

In 2008, it was identified that a building infringed one of the restrictive surfaces (the PANS-OPS surface) for the Standard Instrument Departure (SID) for one of the runways at Archerfield (28 Right).

At the time, Airservices initial action was to issue a Notice to Airmen (NOTAM) which moved the PANS-OPS surface to a position whereby the building was no longer penetrating it.

Subsequently, specific cloud and visibility requirements were put in place for use of the procedure to ensure that it could only be used in circumstances when the building could be sighted by pilots. The NOTAM was then rescinded, making the full length of the runway available again.

An ATSB report (AI-2008-038) published in April 2010 assessed the actions of Airservices and the Civil Aviation Safety Authority (CASA) to be adequate to address the safety issues raised.

Airservices procedures are fully compliant.

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

**Question no. 36**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 32

**Senator XENOPHON:** Can I ask a supplementary question in relation to that. I apologise that I was not clear when I asked whether you could provide details of the date and the circumstances of that matter when the Australian Federal Police was raised. Could you take that on notice. If the matters in the context to which it related are something that you consider ought to be dealt with in camera, then you could put that request to the committee. I am primarily interested in the whole issue of safety issues in respect of that.

**Answer:**

Refer to Question 37.

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

**Question no. 37**

**Program:** n/a

**Division/Agency:** Airservices Australia

**Proof Hansard Page:** 33

**Senator XENOPHON:** This is very important. I do not have the same intimate knowledge that Senator Gallacher does. But there were issues raised as to whether there was noncompliance with the Public Works Committee Act—is that correct?

**Ms Staib:** Yes, that is correct.

**Senator XENOPHON:** I do not know anything much about it other than, basically, what I have heard from Senator Gallacher. As a result of that, you had a meeting of your senior executives and said, 'There might be a leak; this might have to go off to the AFP.' Is that what happened?

**Ms Staib:** There was not a direct correlation. I was saying to the executive team that there are lot of issues being raised outside the organisation and I am worried about where that is going because it could impact our business operations, or words to that effect.

**Senator XENOPHON:** I think it would be good if we could see any minutes in respect of that. Isn't it in the context of Senator Gallacher raising concerns about compliance or noncompliance—I am not saying there was any noncompliance—in respect of certain public works? And then, as a result of a line of questioning from Senator Gallacher, you raise the issue of the AFP being brought in in respect of leaks. It is not an unreasonable proposition, as Senator Gallacher put forward, that there appears to be a correlation between some legitimate concerns being raised in the context of this parliamentary process and calling in the AFP. Indeed, I wonder—and I will seek advice from the Clerk of the Senate—whether it raises issues of privilege.

Was there not a correlation between the two, or have I misunderstood? Was it about something completely different? I do not want to verbal anyone; I just want to understand whether it relates to Senator Gallacher's line of questioning about public works—whether that triggered the issue of raising the matter with the Federal Police. I am just trying to understand whether there was a link between the two or whether it was something completely different, so we can just move on.

**Ms Staib:** I have to go back and look at my notes, but my recollection is that it was something different. In the Public Works Committee, as I said, the senator asked me a question about whether I had ignored advice from staff, from a senior person. I had not. So there was no issue around that.

**Answer:**

The meeting was held on 4 November 2014. It was not a regular executive meeting and as such, no record of meeting was taken. The meeting was attended by some members of the executive and other senior managers.