

Select Committee on Commonwealth Bilateral Air Service Agreements

QUESTION ON NOTICE

Airservices Australia

Airservices Australia Question Number: 1

Hansard Reference: Spoken, Page No. 3 (19 September 2023)

Topic: Concerns raised by previous minister

Senator Tony Sheldon asked:

Senator SHELDON: That's a significant number. I go back to the important question about the impacts on the travelling public and the capacity for getting more planes into our airports. Obviously, there is a lack of traffic controllers, and you've highlighted the importance of safety as a primary function. It seems to me that a wrong decision was made in 2021 to allow Airservices to be in a position where they couldn't afford to keep people on during the COVID period, if I understand correctly. There wasn't enough funding, it appears, to keep the proper functioning for when we got back into the air, back to our pre-COVID capacity. Obviously that's holding us back. That decision was made by the minister for transport at the time, Michael McCormack. Did the previous minister raise any concerns that could limit the ability of the organisation to recover? Are there any particular reasons why Airservices was not more selective about how many and which staff were allowed to leave the organisation through the scheme? Was it purely because of the fact that money wasn't made available to you that you had to reduce those numbers? It appears that the minister at the time made pretty fundamental mistake that's impacting us all right now.

Mr Curran: I'd have to take on notice your question regarding the specific advice of the minister. At the time, as I said previously, the context with COVID was that we were looking to ensure that we had the right balance of staff coming back through. The staff who went through the retirement incentivisation scheme were all staff who we anticipated would no longer be with us and would retire prior to the forecast traffic recovery.

What has happened, and where we did get caught out, is that traffic has come back far more quickly than was anticipated. In the last 12 months—from July last year to July this year—we've seen a 22 per cent increase in traffic. Our forecast at the time wasn't for such an aggressive recovery. That's largely where we've been caught out. Combined with some of the complexity with the throughput of our trainees, which came about in part because of the difficulties we had in getting people into our Melbourne training facility, that has meant that the air traffic controller pass rate was lower during this period than it's historically been.

Answer:

Airservices is funded through charges it levies on the aviation industry for the services it provides, primarily aviation rescue fire fighting and air traffic management. Prior to the pandemic, Airservices typically received just over \$1 billion in revenue per year through both domestic and international traffic.

The impacts of the pandemic resulted in revenue decline of around 80%. Airservices was fortunate to receive government funding assistance, which covered minimal critical cash operating costs, but did not cover the full recovery of Airservices total operating costs.

The decision to implement a Retirement Incentive Scheme (RIS) in 2021 was made at the time when air traffic was at record lows and predicted to return to pre-pandemic levels in around 2024/25.

During 2021, with the rolling lockdowns and the significant uncertainty on the length and depth of the impact of the pandemic on the aviation industry, Airservices needed to make critical cost-based decisions, as this outlook led to forecast revenues not returning to pre-pandemic levels for a number of years.

Within this same timeframe, a portion of our operational employees (around 10%) were due to retire. It is within this context that we took the decision to incentivise the retirement of those employees already eligible to retire and were aged 56 years or above, as at 1 July 2021.

The RIS decision enabled Airservices to maintain the recruitment pipeline and bring forward the recruitment and training of new operational employees to be available for when they were most needed, whilst offsetting these retirements while air traffic was at record lows.

Airservices worked with the Australian Taxation Office (ATO) to provide concessional taxation treatment that resulted in generous incentive payments on the basis that all employees that elected to voluntarily participate in the scheme had to retire by 30 June 2022. Airservices also consulted with the relevant unions, which at the time supported the scheme.

As a result of RIS, Airservices was able to keep all other employees in paid employment and was able to honour pay rises as per the various enterprise agreements. In addition, unlike other air traffic control jurisdictions throughout the world, Airservices did not close any of our facilities and was able to maintain services through the pandemic and throughout the recovery.

COVID-19 did cause several challenges in delivering our training and endorsement program due to the movement restrictions imposed across the country. While remote learning was able to be initiated in some circumstances, our ability to train, endorse and deploy air traffic controllers as per our workforce plan was constrained.

Airservices has acknowledged that with the return of air traffic, the RIS had some contribution to some service variations at some locations. This is being addressed through Airservices Resource Resilience Plan.

Airservices advised the office of the Minister at the time of its decision to implement the RIS and is not aware of specific concerns raised.

Select Committee on Commonwealth Bilateral Air Service Agreements

QUESTION ON NOTICE

Airservices Australia

Airservices Australia Question Number: 2

Hansard Reference: Spoken, Page No. 3 (19 September 2023)

Topic: Sydney Airport flights per hour

Senator Bridget McKenzie asked:

CHAIR: Thank you. I think you made your point. How often does Sydney airport actually achieve its 80 flights per hour?

Mr Curran: There are two aspects. I'd have to take the specifics on notice.

CHAIR: My understanding is that it's less than one per cent.

Mr Curran: I would say that the time where Sydney airport has a demand in excess of 80 flights an hour is a very small percentage. Then there is a lesser percentage—

CHAIR: Maybe you can clarify that for the committee on notice...

Answer:

Two conditions are required for Sydney Airport to achieve 80 movements per hour:

- scheduled demand must be at or near 80 movements per hour, and
- situational factors must enable the maximum movement rate to be delivered. Situational factors include weather and availability of airport infrastructure and air traffic services.

Over the period June to August 2023:

- scheduled demand reached the cap in 35 hours (2% of the time outside curfew hours), and
- situational factors could have enabled the maximum movement rate to be delivered approximately 12% of the time.

The intersection of these conditions resulted in operations reaching 80 movements in just one hour over this period (excluding cap-exempt movements).

Select Committee on Commonwealth Bilateral Air Service Agreements

QUESTION ON NOTICE

Airservices Australia

Airservices Australia Question Number: 3

Hansard Reference: Spoken, Page No. 4 (19 September 2023)

Topic: Monitoring movements at Sydney Airport

Senator Bridget McKenzie asked:

CHAIR: I appreciate that. Is it true that you have one of your staff members there with a clicker in the tower counting the planes? I am dealing with the room as I hear.

Mr Curran: We have a position known as a movement monitor.

CHAIR: How is the movement monitored?

Mr Curran: They are counting the aircraft that are operating.

CHAIR: How are do they count them?

Mr Curran: They have a clipboard and a pencil and they use a range of tools. We have a radar system.

CHAIR: Is one of the tools a clicker?

Mr Curran: I would have to take that on notice. I actually don't know. I worked in Sydney for a number of years—

CHAIR: Come on, it's not estimates. You don't need to—

Mr Curran: I don't know if they use a clicker.

CHAIR: It would be fantastic if you could get that one on notice.

Answer:

The Sydney Tower Movement Monitor does not use a clicker to count aircraft, nor does any other tower staff member.

The Sydney Tower Movement Monitor uses air traffic control surveillance data (radar) and air-ground radio to track aircraft movements. Movement data is recorded manually and tracked to ensure compliance with the Sydney Airport movement cap.

Select Committee on Commonwealth Bilateral Air Service Agreements

QUESTION ON NOTICE

Airservices Australia

Airservices Australia Question Number: 4

Hansard Reference: Spoken, Page No. 4 (19 September 2023)

Topic: FAA slot management in New York region

Senator Bridget McKenzie asked:

CHAIR: ... Recently the FAA announced changes to the New York region's slot management system to provide greater flexibility to account for disruptions. Are you aware of those changes?

Mr Curran: Only through media reports. I am aware broadly of the issues the FAA has been having with regards to its east coast operations and staffing issues, not the same causes but similar outcomes as we have experienced in this country with regards to recovering from COVID. They have also had some long-term staffing issues for decades in places like New York.

CHAIR: It sounds like we're experiencing the same staffing shortages here over time as well. Do you believe that system that they've set up there recently would be beneficial in this situation?

Mr Curran: I'm not familiar enough with—

CHAIR: That's okay. On notice, could you dig around?.

Answer:

The Federal Aviation Administration (FAA) recently extended its limited, conditional waiver of the minimum slot usage requirement at three airports due to ongoing air traffic controller staffing shortages at the New York Terminal Radar Approach Control facility. The waiver enables carriers to reduce operations in order to better align scheduled and actual operations, and thus help prevent delays.

Airservices Australia has acknowledged that staffing availability has contributed to service variations and has implemented a resource resilience plan which includes recruitment of both experienced and new air traffic controllers.

Questions regarding slot waivers, slot management legislation, regulation and policy are matters for the Department of Infrastructure, Transport, Regional Development, Communications and the Arts.